

# ASX ANNOUNCEMENT

## Coburn Mineral Sands Project

### Binding Rutile Offtake Contract

03 March 2021



**STRANDLINE**  
resources limited

## **Strandline signs final binding offtake deal for Coburn, meaning +90% of production covered by contracts**

**Strandline well on track to be Australia's next world-scale mineral sands producer, with NAIF funding and binding product sales contracts in place**

### HIGHLIGHTS

- **Strandline secures binding long term rutile offtake contract**
- **Strandline now has over 90% of Coburn's forecast revenue secured under binding sales contracts, estimated at ~US\$600m (A\$850m at AUD: USD 0.70) over five years**
- **The rutile agreement is with Venator Materials, a leading producer of titanium dioxide (TiO<sub>2</sub>) and covers 100% of the rutile to be produced at Coburn**
- **Rutile sales are expected to generate between 17-20% of Coburn's forecast annual revenue**
- **Coburn's remaining revenue stream comprises the balance of premium finished zircon (ceramic grade) which the Company is holding back for sale under shorter-term spot market contracts**
- **Coburn is moving rapidly towards development with all key development approvals and product offtake agreements in place, as well as preferred major construction contractors appointed**

Strandline Resources (**ASX: STA**) is pleased to announce that it is firmly on track to be Australia's next world-scale mineral sands producer after signing the final binding offtake agreement for its Coburn project in WA.

The agreement covers 100% of the rutile to be produced at Coburn and is expected to generate approximately 17-20 per cent of Coburn's forecast revenue over five years.

The agreement is with Venator Materials (Venator), a leading global chemical company dedicated to the development and manufacture of titanium dioxide (TiO<sub>2</sub>) pigments.

The Agreement is subject to conditions precedent regarding the development of the Project and conditions subsequent regarding the supply of rutile to the quality requirements.

With the previously announced offtake contracts (see ASX releases dated 20 April 2020 and 02 July 2020), Strandline now has +90 per cent of Coburn's forecast revenue secured via long-term binding offtake contracts.

Together, the offtake contracts have a forecast combined value of ~US\$600m (A\$850m at AUD: USD 0.70) over five years, based on the pricing structures contained in the agreements and commodity price forecast assumptions contained in the Coburn updated DFS (see ASX release dated 4 June 2020).

Coburn's rutile specification has been confirmed as suitable for production of TiO<sub>2</sub> pigment (the largest market for high grade titanium feedstocks), commonly used in the formulation of paints, coatings, inks, ceramics, paper and plastic production and other industrial applications.



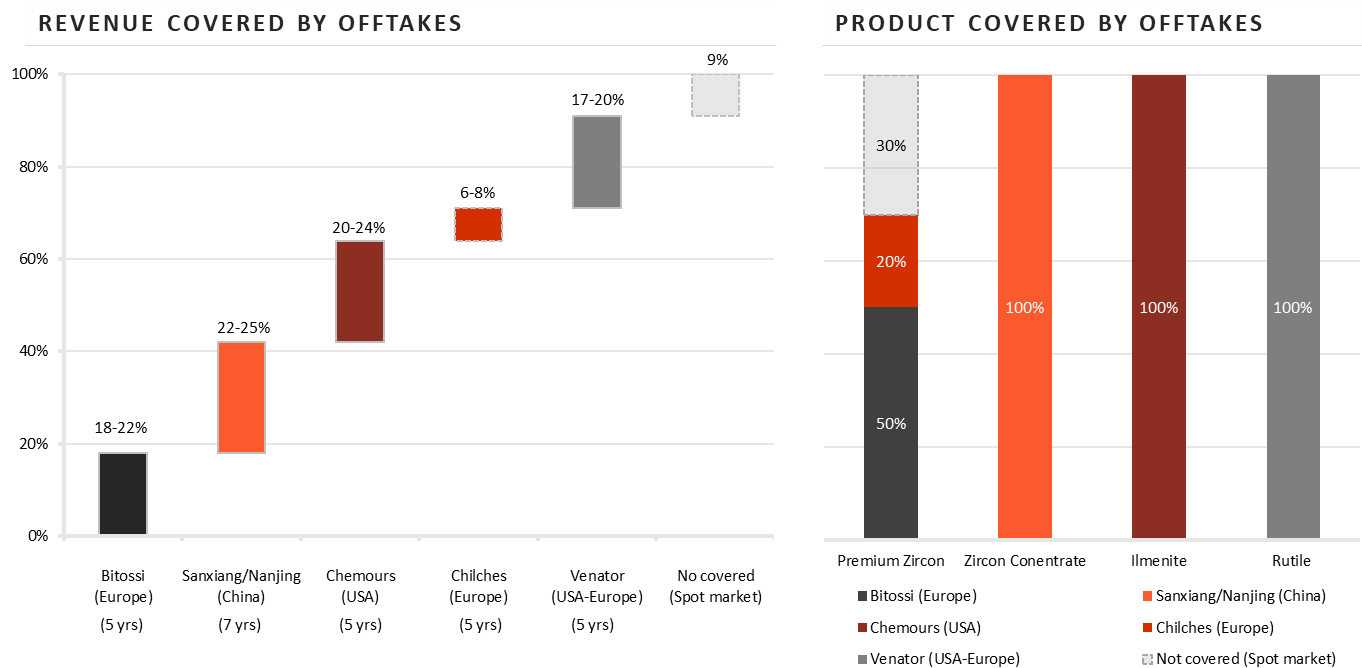
## Coburn Mineral Sands Project – Binding Offtake Signed for Rutile Product

The rutile agreement follows the investment decision by the Northern Australia Infrastructure Facility (**NAIF**) to provide a A\$150 million loan facility, as well as the appointment of a series of major execution contracts for development of the Coburn project.

The NAIF facility accounts for a major share of Coburn’s capital requirement of A\$260 million (excluding financing costs). The Company is now moving to finalise the balance of Coburn’s funding requirement.

**Strandline Managing Director Luke Graham said** the signing of another long-term offtake agreement with an industry leader provides further endorsement of Coburn and the high quality of its mineral sands products.

“With over 90 per cent of the project’s revenue now underwritten by binding sales contracts with major customers and a significant portion of the development funding secured via the NAIF loan, Strandline is on track to become Australia’s next world-scale mineral sands producer,” Mr Graham said.



**Figure 1** Five pivotal sales contracts signed, covering +90% of Coburn’s forecast revenue for the first five years of production. Agreements cover 100% of ilmenite, 100% of rutile, 100% of zircon concentrate and the substantial portion of the premium finished zircon

For more information on the Coburn mineral sands project refer to the ASX Announcement dated 4 June 2020 (updated DFS), which includes details of the material assumptions underpinning the production target and financial results. The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies continue to apply and have not materially changed.

This announcement is authorised for release by the Strandline Resources Board of Directors.

### ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands developer with a portfolio of 100%-owned development assets located in Western Australia and within the world’s major zircon and titanium producing corridor in East Africa.

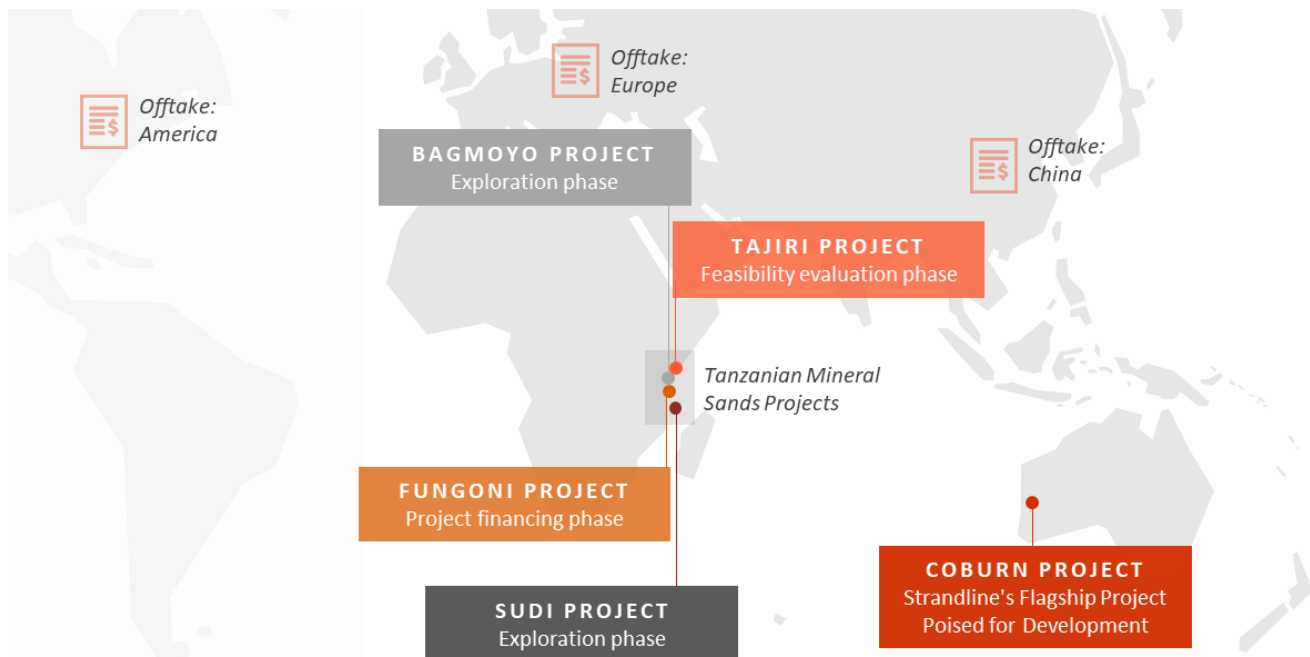
Strandline’s strategy is to develop and operate high margin, expandable mining assets with market differentiation and global relevance.

Strandline’s project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, ‘development ready’ projects, being the large Coburn Project in Western Australia and the Fungoni Project in central Tanzania, as



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well as a series of titanium dominated exploration projects spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.



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## FORWARD LOOKING STATEMENTS

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