STRANDLINE
resources limited

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# Strandline starts countdown to production with construction ramping up; WA Government ratifies A$150m NAIF loan facility

## HIGHLIGHTS

- **Widespread construction is underway at the Coburn mineral sands project in Western Australia**
- **Manufacturing of key long lead processing equipment and dozer mining units are advancing; Construction activity on the workers camp, bulk earthworks and roads, water and general site infrastructure progressing as planned**
- **Coburn is fully funded through to production, with first production of Heavy Mineral Concentrate (HMC) scheduled for Q4-CY2022**
- **Coburn is set to benefit from strengthening mineral sands commodity prices and is forecast to generate robust operating margins over a multi-decade mine life**

Strandline Resources Limited (**ASX: STA**) is pleased to announce that construction activity on its 100%-owned Coburn mineral sands project in WA is gaining momentum.

Early works packages are ramping up on site, including the construction of the first stage workers camp, main access road and bulk earthworks clearing activities, as well as commissioning of the first production bore, amongst other activities.

Detailed design and equipment procurement is also progressing as planned, including the early manufacturing of long lead items such as processing plant spirals required for the Wet Concentration Plant and in-pit dozer mining units.

The strong early progress on site comes as Deputy Premier of Western Australia Roger Cook ratifies the A$150 million loan facility provided by the Northern Australian Infrastructure Facility (**NAIF**). Coburn is fully funded through to production by a combination of debt provided by NAIF and a US$60 million Bond Issue, together with the strong cash position of the Company. Reaching contractual close of the NAIF facility, with WA State sign-off, means Strandline is on schedule for first drawdown of the debt facilities later this year.

**Strandline Managing Director Luke Graham** said the support shown by the WA Government is hugely appreciated and provides another important endorsement of the Coburn mineral sands project.

"The project will create ~300 direct jobs during the construction peak and provide significant public benefits to the Gascoyne-Mid West regions of WA over its long +22 year mine life," Mr Graham said

"Coburn is an exciting project, applying proven mining and rehabilitation methods combined with state-of-the-art processing and renewable energy technology to efficiently recover high-quality critical minerals,"

"With construction of Coburn ramping up, the project is very well positioned to deliver volume into a strengthening critical minerals market, providing strong financial returns for stakeholders."

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**Figure 1** Coburn Project Manufacturing of Long-lead Spirals Equipment for the Processing Facilities (ahead of schedule)

**Figure 2** Coburn Project Expansion of Pioneer Camp to support Early Works Construction Activities

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**Figure 3** Coburn Project Clearing and Earthworks of the Permanent Accommodation Village Area

**Figure 4** Coburn Project Clearing and Earthworks of the Main Site Access Road from the North West Coastal Highway

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**Figure 5** Coburn Project Clearing and Construction of the Main Site Access Road from the North West Coastal Highway

**Figure 6** Coburn Project First Production Bore installed, commissioned and ready for use

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**Figure 7** Coburn Project Clearing and Earthworks for the Site Office Administration Area

**Figure 8** Coburn Project Fabrication of Dozer Mining Units progressing in WA

Coburn is 100%-owned by Strandline. The updated Definitive Feasibility Study (**DFS**), released in mid-2020, confirmed robust economics over an initial 22.5-year life, with a pre-tax NPV of A$705m (AUD: USD 0.70, 8% discount rate) and high margin revenue-to-operating cost (C1) ratio of 2.4. Coburn's projected revenue for the initial 22.5 years of Ore Reserves is A$4.4b, with an average annual EBITDA of A$104m.

*For more information on the Coburn project refer to the ASX Announcement dated 10 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.

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## ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging developer of heavy mineral sands 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 in the sector.

Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include the world-scale Coburn Project in WA, currently under construction, and the exciting Tanzanian growth projects Fungoni and Tajiri.

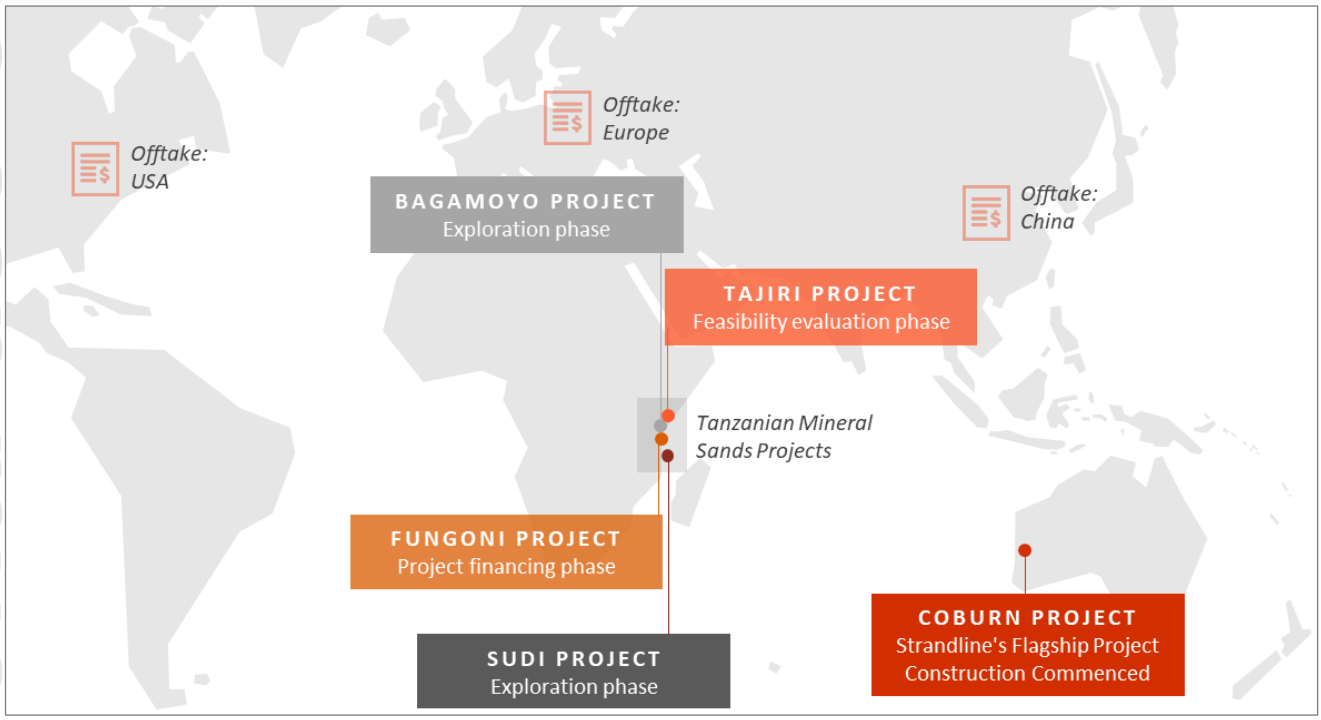


**Figure 9** Strandline's global mineral sands exploration and development projects

## FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.