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ASX ANNOUNCEMENT

ASX: STA

STRANDLINE REACHES FINANCIAL CLOSE FOR COBURN'S SENIOR FINANCE FACILITIES

Milestone allows Strandline to proceed to drawdown of the NAIF and Bond facilities in accordance with the development plan

Strandline Resources Limited (**ASX: STA**) is pleased to announce that it has reached Financial Close and is now able to proceed with first drawdown on the debt facilities for development of its Coburn mineral sands project in Western Australia.

Coburn's development capital of A\$338m is fully funded through to production and cashflow. The finance structure comprises a combination of long-tenor debt provided by the Northern Australian Infrastructure Facility (**NAIF**) (up to A\$150m), a US\$60m Bond tranche and cash provided by the Company.

All Conditions Precedent for Financial Close have now been satisfied including updated independent due-diligence reports and certifications relating to the technical, financial, legal, marketing, project performance and environmental and social aspects of the project.

Strandline Managing Director Luke Graham said reaching Financial Close is confirmation of the technical and financial strength of the Coburn project and strong construction progress achieved to date.

"The Company has achieved over 100 Conditions Precedent items to the satisfaction of the lenders and their independent experts and is now able to proceed to debt drawdown on schedule," Mr Graham said.

"Coburn remains on track for first production of heavy mineral concentrate (HMC) in December quarter, 2022 and is perfectly placed to deliver into a rising mineral sands commodity market."



Figure 1 Site Accommodation Village (Phase 1 complete with first occupancy achieved this week on schedule)



COBURN MINERAL SANDS PROJECT - SNAPSHOT

In May-2021 Strandline made a Final Investment Decision (**FID**) to proceed with the full development of its world-scale Coburn mineral sands project, located in the Gascoyne region of Western Australia. The construction schedule has first production planned for the December quarter of 2022.

The Coburn project is set to capitalise on its robust margins, the strengthening minerals sands commodity pricing outlook, its tier-1 location, and the growing demand for critical minerals.

The Coburn mine life currently sees mining continue until 2045 (based on mining the initial 22.5-year JORC compliant Ore Reserves), with the potential to extend to 2060 (total 37.5 years mine life) by converting Mineral Resources which exist immediately north and along strike of existing Ore Reserves.

The FID was supported by the updated Definitive Feasibility Study (**DFS**), released in mid-2020, which confirmed robust economics for the project over an initial 22.5-year life, including:

- Pre-tax NPV of A\$705m (AUD:USD 0.70, 8% DCF discount rate)
- High margin revenue-to-operating cost (C1) ratio of 2.4
- Projected revenue for the initial 22.5 years of Ore Reserves of A\$4.4b
- Average annual EBITDA of A\$104m and +50% EBITDA margin
- Fully-funded to production and cash flow by a combination of 15-year A\$150m NAIF¹ loan alongside a 5-year US\$60m Bond Issue, and equity proceeds
- Binding offtakes secured for 100% of Coburn's initial production with top-tier customers
- Detailed planning and proven delivery strategies underpins a robust development plan

Table 1 Coburn updated DFS and Scoping Study Extension Case Financial Evaluation

Category	Updated DFS – Final Product Case (Jun-20)	Scoping Study Extension Case integrated with updated DFS (Jun-20)
Mine Life	22.5yrs	37.5yrs
Tonnes Mined	523Mt	876.8Mt
Throughput	23.4Mtpa	23.4Mtpa
Capital Expenditure (Pre-production)	A\$260M	A\$260M
Revenue	A\$4.37B	A\$7.94B
Total Opex (C1)	A\$1.80B	A\$3.00B
Total All-in Sustaining Costs (AISC)	A\$2.08B	A\$3.50B
Revenue-to-operating cost (C1) ratio (RC)	2.4	2.6
NPV (pre-tax, real, no debt, 8% DCF discount Rate)	A\$705M	A\$825M
EBITDA	A\$2.35B	A\$4.54B
Avg. annual EBITDA	A\$104M	A\$121M

Strandline is committed to building a highly efficient and sustainable mining operation. The project is set to generate significant public benefit including job creation, high Australian industry participation, new local business and indigenous engagement opportunities, as well as capital inflows for Australia.

For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 10 June 2020 for details of the material assumptions underpinning the production target and financial results for the Coburn Project DFS, Ore Reserve and Mine Life Extension Case Scoping Study. 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.

¹ The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government lending facility to finance projects to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment. (<http://www.naif.gov.au>)

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

For further information contact:

Luke Graham
CEO and Managing Director
Strandline Resources Limited
+61 8 9226 3130
enquiries@strandline.com.au

Media and broker enquiries:

Paul Armstrong
Read Corporate
+61 8 9388 1474
paul@readcorporate.com.au

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging producer 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 2 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.