



STRANDLINE PREPARES FOR FIRST ORE TO WET CONCENTRATOR AT COBURN MINERAL SANDS PROJECT IN WA

Open pit mine development substantially complete with dozer mining units moved into pit; Commissioning advancing rapidly ahead of ore delivery; Buoyant mineral sands pricing

HIGHLIGHTS

- **Pre-production mining works nearly complete, with first open pit ready for mining**
- **Commissioning of Wet Concentration Plant systems progressing rapidly**
- **Strandline preparing to make first shipment of concentrate in the coming quarter; Each shipment indicatively valued at ~A\$10m at current spot prices, for ~10,000t FOB shipment size**
- **Strandline's operations and maintenance teams mobilizing to site**
- **Overall construction now +90% complete with priority shifting to finalise construction of Mineral Separation Plant (MSP) and remaining support infrastructure**
- **Mineral sands market continues to be strong and global supply remains very tight; Spot prices running ~35% above feasibility study assumptions**

Strandline Resources Limited (ASX: STA) is pleased to advise that it is preparing to deliver first ore to the Wet Concentration Plant (WCP) at its 100%-owned Coburn mineral sands project in Western Australia.

This follows substantial completion of pre-production mining of the open pits (pre-stripping), with dozer mining units being moved into position, and rapid progress in commissioning of the WCP systems.

Overall project construction is now more than 90% complete.

Final construction verification and staged commissioning of the WCP and associated services (including power, water, communications) is advancing well and currently running several weeks ahead of schedule.

Strandline Managing Director Luke Graham said: "We are now in the home straight to achieve first production, with key aspects of construction and commissioning of the wet concentrator running several weeks ahead of schedule.

"At this stage, we are on track to make our first shipment of HMC in the coming quarter.

"The mineral sands market outlook remains very strong, with global supplies tight and demand buoyant.

"At current prices, we expect each shipment of concentrate to be valued at around A\$10 million, assuming 10,000 tonne FOB shipments.

"These sales will bring forward cashflow and further de-risk the operational ramp up".

The enhanced detailed mine schedule, incorporating the latest infill 'grade control' drilling and mine optimisation work, has mining starting from surface in the initial open pits.



As previously reported, mining more ore closer to surface over the first two years of the mine plan reduces the average strip ratio from 0.7 to 0.5 (less waste), which potentially improves mining efficiencies compared to assumptions contained within the DFS (June 2020). Further, the pre-production mining activities completed over the last few months has confirmed the favourable unconsolidated, free flowing nature of the Coburn deposit, and extremely low slimes content.

While commissioning of the WCP continues to gain momentum, construction teams are shifting focus to finalising the downstream processing plant (the MSP) and remaining support infrastructure. Once the MSP is ready, HMC will then be transported to the MSP for further processing to produce Coburn's premium-quality final products, including chloride ilmenite, rutile, premium zircon and zircon concentrate.

With Coburn construction reaching peak activity and personnel numbers on site, the Company continues to focus on managing the various risk factors associated with development of the project. This includes HSE risks, potential impacts of COVID-19, inclement weather, contractor performance, commissioning and contractual claims and disputes. The capital expenditure (Capex) forecast to complete the project, including an assessment of contractual claims received to date, is regularly evaluated by the Company's technical, financial and legal experts. The project forecast remains in line with the overall Capex budget.



Figure 1 Construction verification and pre-commissioning of Coburn's Wet Concentration Plant progressing rapidly

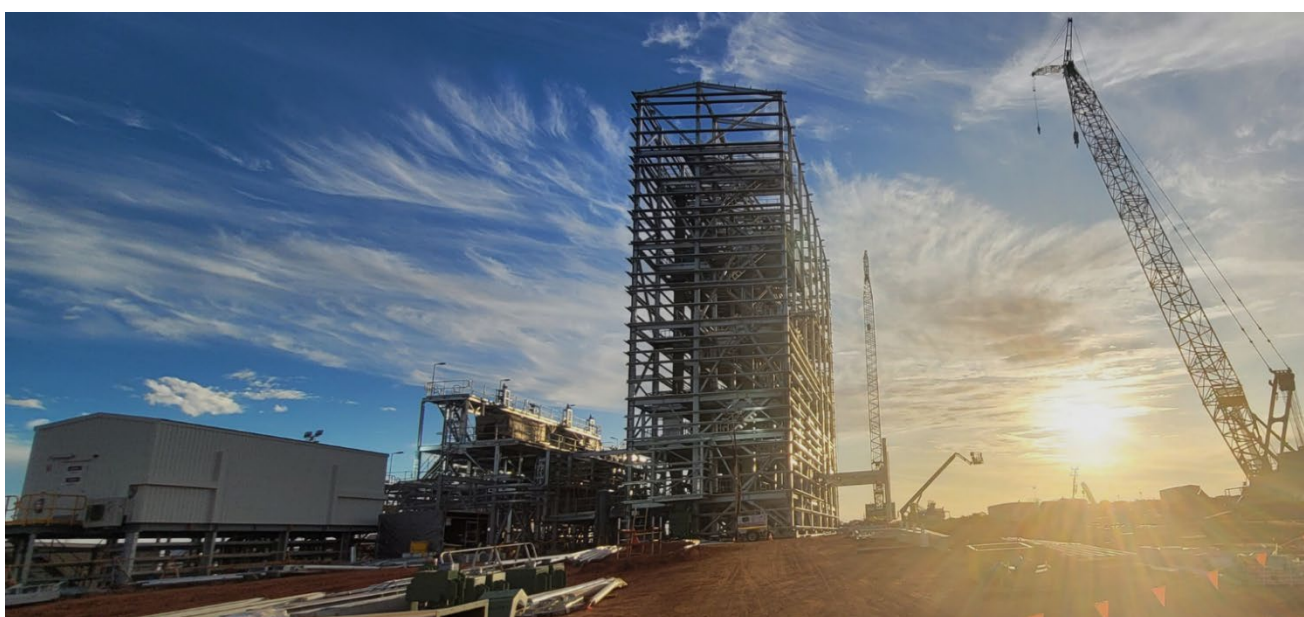


Figure 2 Construction of MSP and supporting infrastructure advancing strongly in parallel with WCP commissioning



Figure 3 Development of Coburn’s open pit mine has commenced. Dozer Mining Units ready to be moved into position

ABOUT COBURN MINERAL SANDS PROJECT

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 of HMC planned for the December quarter of 2022.

The Coburn project is set to capitalise on its robust margins, the buoyant 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 2012 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 cash reserves
- Binding offtakes secured for 100% of Coburn’s initial production with a diverse group of top-tier customers

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

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>)

Category	Updated DFS – Final Product Case (Jun-20)	Scoping Study Extension Case integrated with updated DFS (Jun-20)
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 provides significant public benefit including job creation, high Australian industry participation in the supply chain, new local business and indigenous engagement opportunities, as well as capital inflows for Australia.

Refer to the ASX Announcement dated 10 June 2020 for more information on the Coburn mineral sands project and 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.

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

FORWARD LOOKING STATEMENTS

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Figure 3 Dozers at the Coburn Mineral Sands Project



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.

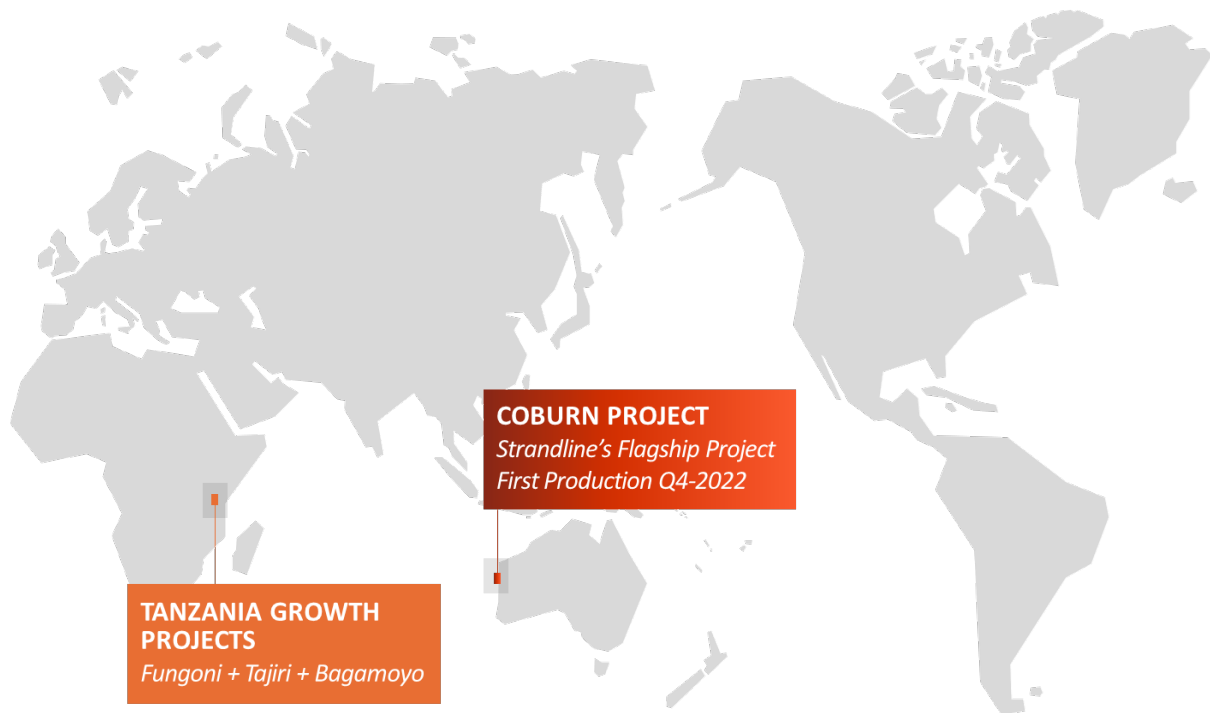


Figure 4 Strandline's Global Mineral Sands Exploration and Development Projects