

ASX ANNOUNCEMENT

Coburn Mineral Sands Project
Executed Electricity Supply Agreement



STRANDLINE
resources limited

09 March 2021

Strandline finalises electricity supply agreement for Coburn mineral sands project in WA

Strandline on track to be Australia's next world-scale mineral sands producer

HIGHLIGHTS

- **Strandline executes 15-year electricity supply agreement with Contract Power Australia**
- **Contract Power to build, own, operate and maintain a 32MW hybrid gas and renewable energy solution for Coburn**
- **The agreement means Coburn will pay less for power than forecast in the Definitive Feasibility Study (DFS) published in June 2020**
- **Innovative low-cost, low-emission solution integrating gas-fuelled power generation with solar renewable energy and battery storage technology**

Strandline Resources (**ASX: STA**) is pleased to announce another important step in its preparations to develop the Coburn mineral sands project in Western Australia by executing a 15-year Electricity Supply Agreement (ESA) with Contract Power Australia (**Contract Power**), a wholly owned subsidiary of Pacific Energy Limited.

Under the agreement, Contract Power will build, own, operate and maintain (BOOM) the power generation and LNG storage and regasification facilities for the project.

Coburn's purpose-designed power infrastructure is based on a low-cost, low-emission solution integrating natural gas-fuelled generation with state-of-the-art solar and battery storage technology.

The executed ESA enables Strandline to capture energy supply cost savings relative to the DFS published in June 2020.

Contract Power specialises in turn-key design, installation and operation of energy assets and has a strong track record of delivery in the mining sector of Western Australia.

Coburn's power station will be located near the mineral separation plant (MSP). The power station is designed to be suitable for a maximum demand capacity of 15 MW and average consumed power of ~10 MW. Natural gas will be supplied by others under an industry standard long-term LNG supply agreement and trucked to an on-site storage and re-vaporisation facility supplied by Contract Power. The LNG then feeds a set of efficient engine generators on an N+1 basis and has ~30% solar (renewable) penetration for the major stable loads.

Generation is at 11kV with step up to 22kV for power transmission to the project loads across the mine site.

The contract is based on a 15-year BOOM commercial model with fixed and variable payment regime for power consumed over the term. The contract provides for incorporation of wind turbine and other new generation technology solutions under agreed commercial structures as and when they become commercially attractive to the project.

The contract is subject to conditions precedent regarding the development of the project.



Coburn Project – Executed Electricity Supply Agreement

Strandline Managing Director Luke Graham said the execution of this major development and operational contract marked another key step in our strategy to bring Coburn into production as well as establishing an important relationship with Contract Power, a leader in sustainable clean energy generation in Western Australia.

For more information on the Coburn mineral sands project refer to the ASX Announcement dated 4 June 2020 and 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.



Image: Typical Gas fuelled Engine Shed Layout



Image: Contract Power's Meekatharra Hybrid Facility



Image Above: Contract Power's Typical Gas fuelled Power Station Build Layout

ABOUT CONTRACT POWER GROUP

Contract Power is a leading specialist power station constructor and operator with over 30 years' experience in remote power generation to mines and townships. The Company's remote power generation solutions combine renewable energy and battery storage systems with traditional fuel technologies to create hybrid facilities that reduce carbon emissions and fuel consumption without compromising integrity or reliability. Refer website www.contractpower.com.au.

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 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.

Authorised for release by the Board of Directors:

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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.