

# ASX ANNOUNCEMENT

## Coburn Project – Woodside-EDL Power Solution



**STRANDLINE**  
resources limited

3 December 2019

## Strandline selects Woodside and EDL to jointly deliver integrated energy solution for the Coburn project

Strandline advancing major execution contracts as part of project financing

### HIGHLIGHTS

- **Non-binding proposal executed with Woodside and EDL for the development of a 27MW hybrid gas and renewable power solution for the Coburn mineral sands project in WA's Mid-West**
- **The proposed power solution will enable Strandline to capture energy supply cost savings relative to the Definitive Feasibility Study (DFS) published in April 2019**
- **Innovative low-cost, low-emission solution integrating trucked LNG and gas-fired power generation with renewable energy and storage technology**
- **With the DFS completed and key project approvals already in place (environmental, native title and mining), Coburn is construction-ready pending finalisation of project financing**

Strandline Resources (**ASX: STA**) is pleased to announce that it has taken a key step towards development of its Coburn mineral sands project (**Coburn** or **the Project**) in Western Australia by selecting Woodside and EDL to provide a fully integrated energy solution for the Project.

The parties have signed a non-binding proposal for the development of a 27MW integrated trucked LNG, storage and power station facility, comprising gas and diesel back-up generators combined with state-of-the-art solar and battery technology.

The Woodside and EDL Joint Venture (**WEJV**) was formed to provide clean, reliable and affordable LNG to market. This world-first trucked LNG to hybrid renewable microgrid project will see EDL bring its turnkey expertise to the Project's power station and LNG storage and re-gasification facilities, with LNG supplied from Woodside's Pluto LNG truck loading facility near Karratha, WA.

It is expected that contract documentation, in the form of a 15-year power purchase agreement, will be finalised over the coming months in readiness for the commencement of construction. The WEJV solution provides Strandline with a long-term safe, reliable and highly efficient energy solution for Coburn.

Coburn is a world-class long-life mineral sands deposit hosting exceptional zircon and titanium mineral sands products. The Project benefits from being situated in the well-established mining jurisdiction of Western Australia, close to key road, port and services infrastructure.

The Company recently completed a DFS on Coburn, showing the Project will generate strong financial returns with a pre-tax NPV of A\$551m (USD:AUD 0.72, 8% discount rate), an IRR of 32%, Life of Mine (LOM) EBITDA of A\$1.9b (average annual EBITDA of A\$86 million) and an attractive revenue-to-operating cost ratio of 2.2, based on TZMI's commodity price forecast.

In parallel with securing major construction and operations contracts for Coburn, the Company is advancing product offtake and project financing activities, including the potential debt financing from Northern Australian Infrastructure Facility (**NAIF**) as announced 09 October 2019.

## Coburn Project – Strandline Strikes Power Deal with Woodside-EDL JV

Strandline Managing Director Luke Graham said: “We are pleased to establish this relationship with Woodside and EDL to provide a turn-key, low-cost fuel supply and generation solution for the Coburn Project. The Company looks forward to finalising this agreement as well as other major construction and operations contracts over the coming months”.

For more information on the Coburn Mineral Sand Project and the DFS, refer to the ASX Announcement dated 16 April 2019 for details of the material assumptions underpinning the production target and financial results. The Company confirms that all the material assumptions continue to apply and have not materially changed.

### ABOUT WOODSIDE

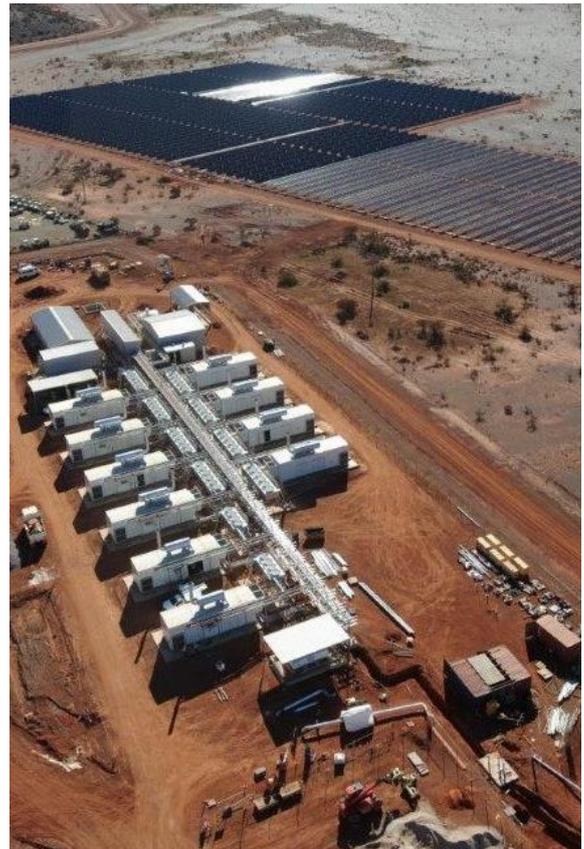
Woodside is the pioneer of the LNG industry in Australia and a leading Australian natural gas producer. The company has a global portfolio and is recognised for its world-class capabilities as an integrated upstream supplier of energy. The Pluto LNG Truck Loading Facility at Woodside’s Pluto LNG Project can provide clean and reliable supplies of low-emissions LNG for use as fuel in remote power generation and transport in Western Australia.

### ABOUT EDL

EDL is a leading global producer of sustainable energy. It owns and operates a diversified portfolio of 100 power stations and/or projects, with a total installed capacity in excess of 1,000MW across Australia, North America and Europe. Since 2007 EDL has been the Western Australian market leader in trucked LNG, safely delivering more than one billion litres from Karratha to the remote Kimberley region over 7,000 journeys.



**Figure 1** Woodside’s Pluto LNG Park and truck loading facility near Karratha in WA



**Figure 2** EDL’s hybrid renewable energy project at the Agnew Gold Mine in WA, delivered under build, own and operate model

## ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands (**HMS**) developer with a growing portfolio of 100%-owned development assets located in Western Australia and within the world's major zircon and titanium producing corridor in South 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 Fungoni Project in Tanzania and the large Coburn Project in Western Australia, as well as a series of titanium dominated exploration targets spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.

Authorised for release by:

**Luke Graham**

CEO and Managing Director  
Strandline Resources Limited  
ABN 32 090 603 642

T: +61 8 9226 3130

E: [enquiries@strandline.com.au](mailto:enquiries@strandline.com.au)

For media and broker enquiries:

**Paul Armstrong**

Read Corporate  
T: +61 8 9388 1474

E: [paul@readcorporate.com.au](mailto:paul@readcorporate.com.au)

## COBURN MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Chief Geologist and employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

The information in this report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the provision of the drill database, and completed the site inspection. Mr Jones is the Competent Person for the data integration and resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

## 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.