

ASX ANNOUNCEMENT

Tanzania Project Update



STRANDLINE
resources limited

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Tanzania Project Update

Strandline makes excellent progress towards finalising the Framework Agreement with the Tanzanian Government for its share interest in Fungoni

HIGHLIGHTS

- **Strandline continues to advance its portfolio of high-quality mineral sands assets in Tanzania, including the development-ready Fungoni project and the emerging Tajiri project**
- **As part of finalising project financing for Fungoni, Strandline and the Government of Tanzania (GNT) have been working to implement the GNT's equity interest in the proposed mine operation**
- **A comprehensive Framework Agreement has been developed by the Parties and has now reached a mature, final draft form, pending a final approvals process by the Parties**
- **Framework Agreement will provide a stable platform for the GNT to be issued its interest in Fungoni and partner with Strandline for the mine development cycle**
- **Framework Agreement also accounts for Strandline's future mineral sands mining operations in Tanzania, including the large-scale Tajiri project, which is advancing through feasibility review**
- **Finalising the Framework Agreement with the GNT is one of Strandline's key conditions under the previously announced Nedbank US\$26m Project Finance Facility Agreement for Fungoni**

Strandline Resources (**ASX: STA**) is pleased to announce the positive progress towards establishing a Framework Agreement with the Government of the Republic of Tanzania (**GNT**) for the GNT's share interest in Strandline's Tanzanian project subsidiary Jacana Resources (T) Ltd (**Jacana**).

Jacana is the owner and operator of the high-margin, development-ready Fungoni project and a portfolio of other emerging mineral sands projects along the Tanzanian coastline.

As part of finalising project financing for Fungoni and in accordance with the Tanzanian mining legislation, Strandline and the GNT are aiming to establish the GNT's equity interest partnership in the proposed mining operations.

A comprehensive Framework Agreement has been developed by the parties and has now reached a mature, final draft form, pending a final approvals process by the Parties. The approval process is expected to be completed this quarter.

The Framework Agreement provides for the GNT to be issued a 16 per cent interest in Jacana, as a non-dilutable free-carried interest, with Strandline holding a 84 per cent interest in Jacana.

Amongst other things, the Framework Agreement will provide a stable arrangement between the GNT and Strandline (and Jacana) through the Fungoni development cycle, as well as allowing for Strandline's future mineral sands projects in Tanzania, including the large-scale Tajiri project in northern Tanzania.

Earlier this year, Strandline announced that it signed a US\$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni.

The Nedbank facility accounts for most of Fungoni’s US\$35m capital requirement (excluding financing costs) and remains subject to finalisation of the remaining finance documents and conditions precedent to first drawdown.

For more information on the Fungoni mineral sands project, refer to the ASX Announcement dated 06 October 2017 (Original DFS) and subsequent update on 01 November 2018 (Updated DFS) for 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.

Strandline’s Chair, Mr Didier Murcia, said the Tanzanian Government and Strandline have a shared vision to achieve long-term prosperity for Tanzania and investors by supporting development of the Tanzanian mining industry to achieve significant and sustained growth and, in particular, to support the development of Tanzanian talent, infrastructure and institutions.

“Establishing the Framework Agreement and development partnership with the Government will be a key step towards construction of Fungoni and will also assist in paving the way for a succession of major mineral sands projects in Tanzania.

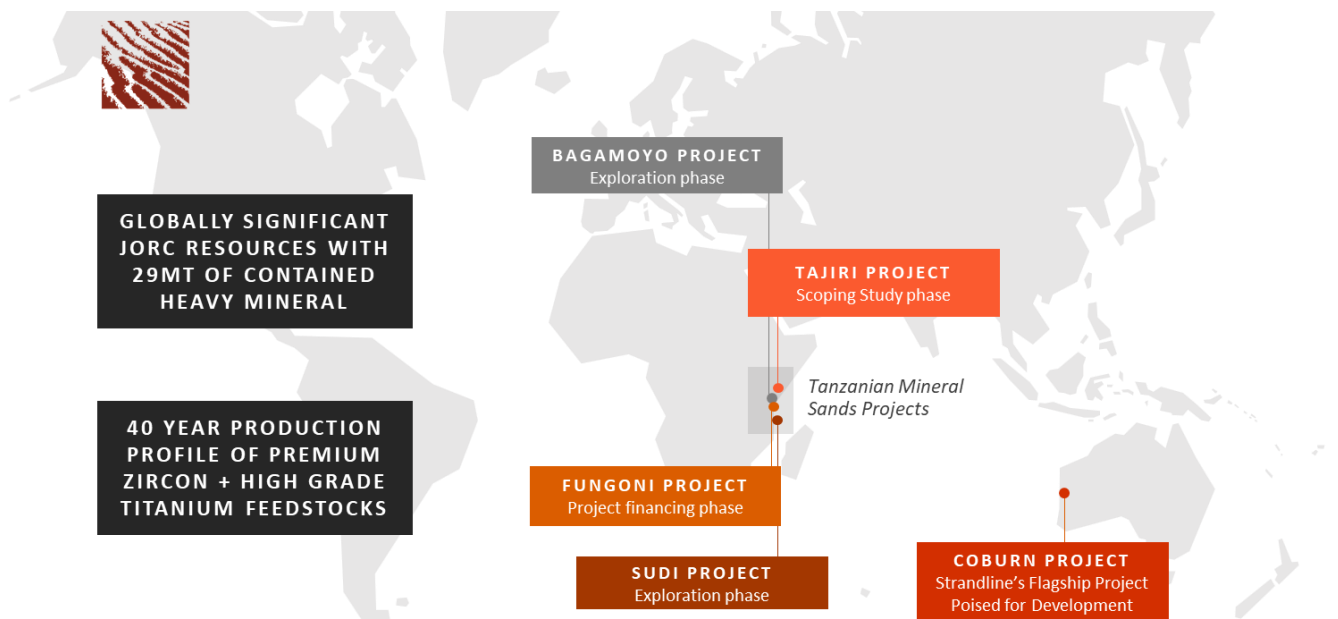
“The Tajiri project, which is currently undergoing engineering evaluation, is continuing to emerge as a game-changer for Strandline in Tanzania. Tajiri represents a substantial increase in scale from Fungoni and offers a potentially multi-decade mineral sands production outlook.”

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands 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.





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