



# **STRANDLINE SECURES KEY ENVIRONMENTAL APPROVAL FOR ITS WORLD-SCALE TAJIRI MINERAL SANDS PROJECT**

*Approval highlights the strong environmental social governance (ESG) and economic credentials of Tajiri and paves the way to advance the next stage of development*

## **HIGHLIGHTS**

- Strandline has received the Environmental Certificate for its world-scale Tajiri mineral sands mining project in northern Tanzania
- This is a key milestone in the approvals process and reflects strong support for the project amongst key stakeholders, including the Tanzanian Government
- Tajiri's large JORC-Compliant Resource and forecast low-cost mining operation underpins Strandline's multi-decade production outlook in Tanzania
- Tajiri is expected to produce ilmenite, HiTi (rutile-leucoxene), zircon, monazite (rare earth) and garnet concentrates over a +23-year mine life at a mining rate of 8Mtpa
- Receipt of the Environmental Certificate follows the recent signing of a pivotal Framework Agreement between Strandline and the Government of Tanzania, which is designed to unlock the immense value of Strandline's portfolio of Tanzanian growth projects
- Environmental Certificate is expected to pave the way for securing the Tajiri special mining license (SML) and progression to the next phase of evaluation and development
- "Securing the Environmental Certificate for Tajiri is a key milestone in Strandline's growth strategy to develop a world-class mineral sands business in Tanzania, adding to our tier-one Coburn mineral sands project in WA, where production is scheduled to start later this year." – Strandline MD Luke Graham

Strandline Resources Limited (ASX: STA) is pleased to advise that it has secured the Environmental Certificate for its Tajiri mineral sands project in Tanzania.

The grant of the Environmental Certificate by the Minister of State of the Vice President's Office represents a major milestone in the project's approval process.

The Environmental Certificate is a key pre-requisite for the granting of a special mining licence (SML) and will remain valid for the life of the project. A SML is required for Tajiri due to its national significance, supported by its large-scale and ability to generate significant socio-economic benefits over a multi-decade mine life.

In late 2020, Strandline announced the results of the Engineering Scoping Study which highlighted the technical and ESG strength of Tajiri and its ability to deliver high-margin financial returns over a +23-year life. Since the completion of that study mineral sands market prices and forecasts have strengthened substantially.

**Strandline Managing Director Luke Graham** said securing the Environmental Certificate for Tajiri is a key milestone in Strandline's growth strategy to develop a world-class mineral sands business in Tanzania, adding



to our tier-one Coburn mineral sands project in WA, where production is scheduled to start later this year.

“Tajiri is underpinned by a large titanium-dominated Resource and has the potential to competitively produce highly marketable mineral sands products over a long mine life.” Mr Graham said.

“We would like to thank the Tanzanian authorities for their support at Tajiri and we look forward to advancing to the next stage of evaluation and preparations for development.”

The Certificate marks the successful completion of the Environmental and Social Impact Assessment (EIA) Report. Tanzania’s environmental regulator, the National Environment Management Council (NEMC), set the guidelines and requirements of the study which was led by ERM. ERM, one of the largest global sustainability consultancy firms, completed the work in collaboration with MTL Consulting, a leading Tanzanian environmental consulting specialist. The study included multi-disciplined seasonal environmental and social baseline studies and extensive stakeholder consultation.

Strong support for the development of the Tajiri Project was received at a local village, District, Regional and National level during the stakeholder meetings.

Tajiri has the potential to generate significant long-term employment and career development opportunities, as well as a range of local enterprise opportunities. Peak workforce during construction is estimated to be ~300 people (skilled and semi-skilled), with an average operational workforce during production of ~150 direct skilled workers.

For the regional communities, Tajiri provides an opportunity to diversify and grow their economy. Where possible, labour and supplies will be sourced locally. For every direct job created by the project, more indirect jobs are created in the local economy as employees consume goods and services (typically up to 3 times the number of direct jobs).



**Figure 1** Tajiri Site Layout and Scoping Study Production Targets

### ABOUT TAJIRI MINERAL SANDS PROJECT

Strandline owns a portfolio of exciting mineral sands growth assets along the highly prospective coastline of Tanzania. In December 2021, the Company announced a pivotal Framework Agreement (FWA) with the Government of the Republic of Tanzania which paves the way for establishment of a world-class mineral sands business along the coastline of Tanzania.





The FWA outlines the key joint venture ownership and operating terms for the development of the advanced Fungoni project near the port of Dar es Salaam, the large-scale Tajiri project and the Company's other emerging Tanzanian mineral sands assets.

The Fungoni and Tajiri projects are forecast to generate a total of more than US\$1 billion of EBITDA over ~30 years based on published Production Targets (or A\$1.43 billion at AUD: USD 0.70). Refer previously announced engineering studies and cautionary statements in Annexure D.

The Tajiri project comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga.

The Engineering Scoping Study, released on 7 October 2020, highlights that Tajiri will generate strong financial returns over a long life:

- Project pre-tax NPV of US\$205m (pre-debt, real, 10% discount rate)
- Project pre-tax IRR of 36%, with a high-margin revenue-to-operating cost (C1) ratio of 2.4
- JORC-compliant Mineral Resources of 268Mt @ 3.3% Total Heavy Mineral forms the basis of the Study
- Mine pit optimisation identifies Production Targets of +23 years at a mining rate of 8Mtpa
- Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucosene), zircon, monazite (rare earth) and garnet concentrates
- Tajiri benefits from its proximity to existing infrastructure and supports a range of key regional development initiatives in north-east Tanzania
- 18-month design and construct duration to achieve first ore to process plant
- Development capital of US\$125m to establish an open-pit mining and processing operation (excluding financing costs)
- Opportunities to grow and optimise Production Targets, further increasing financial returns

**FUNGONI + TAJIRI PROJECTS  
UNDERPIN ~US\$1 BILLION  
OF EBITDA BASED ON ~30  
YEAR PRODUCTION TARGETS**

The Company is progressing the next phase of Tajiri project evaluation and permitting, with the priority now shifting to approval of the SML application by the Ministry of Mineral Mining Commission.

The table below summarises the key financial metrics of the Fungoni and Tajiri projects.

*Table 1 Financial Evaluation Summary of Fungoni DFS and Tajiri Engineering Scoping Study*

Category	Fungoni DFS (Nov-2018)	Tajiri Engineering Scoping Study (Oct-2020)
Mine Life / Production Targets	6.2yrs	23.4yrs
Tonnes Mined	12.3Mt	185Mt
Throughput (Steady State)	2.0Mtpa	8Mtpa
Capital Expenditure (Pre-production excluding financing costs)	US\$35M	US\$125M
Revenue (LOM)	US\$184.2M	US\$1.61B
Total Opex (C1)	US\$66.1M	US\$0.66B
Total All-in Sustaining Costs (AISC)	US\$74.9M	US\$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.8	2.4
NPV (pre-tax, real, no debt, 10% DCF discount Rate)	US\$48.7M	US\$205M
EBITDA	US\$114.8M	US\$0.9B
Avg. annual EBITDA	US\$18.5M	US\$36.8M
IRR (pre-tax, real, no debt)	61%	36%

For more information on the material assumptions underpinning Tajiri’s production target and financial results, refer to the ASX Announcement dated 7 October 2020. Strandline confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Engineering Scoping Studies continue to apply and have not materially changed. Refer to the Cautionary Statement in Annexure D.

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 APPROACH TO SUSTAINABILITY



Figure 2 Strandline is committed to a sustainable future and to aligning its strategy with the United Nations Sustainable Development Goals

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

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## ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging producer of heavy mineral sands with a portfolio of 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 3 Strandline's Global Mineral Sands Exploration and Development Projects*

## ANNEXURE A – MINERAL RESOURCE DATA

The Company's mineral resource estimates for the Tajiri project are summarised in the tables below.

### Tajiri Mineral Sands Project - Tanzania

Table 2 Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage	Insitu HM	THM	SLIMES	OS	Ilmenite	Zircon	Rutile	Leucoxene	Garnet
			(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
T3	1.70%	Measured	19	0.6	3.4	37	6	64	4	7	0	5
TC	1.70%	Measured	55	1.9	3.5	23	10	42	2	5	0	38
		<b>Total</b>	<b>74</b>	<b>2.5</b>	<b>3.4</b>	<b>27</b>	<b>9</b>	<b>48</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>30</b>
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		<b>Total</b>	<b>165</b>	<b>5.4</b>	<b>3.3</b>	<b>36</b>	<b>6</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>13</b>
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		<b>Total</b>	<b>29</b>	<b>0.9</b>	<b>3.0</b>	<b>30</b>	<b>12</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>2</b>
		<b>Grand Total</b>	<b>268</b>	<b>8.8</b>	<b>3.3</b>	<b>33</b>	<b>7</b>	<b>59</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>17</b>

Notes:

- 1 Mineral Resources reported at various THM cut-offs
- 2 Mineral Assemblage is reported as a percentage of insitu THM content
- 3 Appropriate rounding applied

Refer to ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project and ASX Announcement dated 07 October 2020.

## ANNEXURE B – 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 a Competent Person 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.

### Tanga South (Tajiri) Mineral Resources

The information in this report that relates to Mineral Resources for Tanga South (Tajiri) 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 Australasian 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 drill database, geological model interpretation and completed the site inspection. Mr Jones is the Competent Person for the 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.

### Tanga South (Tajiri) Scoping Study Production Targets (No ore reserves declared)

The information in this report that relates to the production targets considered within the Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd.

Mr Jones has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Tanga South (Tajiri) Resource announcement dated 09 July 2019.

## ANNEXURE C – 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.

## ANNEXURE D – CAUTIONARY STATEMENTS

### *Tajiri Scoping Study Cautionary Statement*

The Tajiri project Scoping Study is a preliminary technical and economic study of the potential viability of developing the project's mine and associated infrastructure. The Scoping Study is based on lower level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

Approximately 90% of the total Mineral Resources for the Tajiri Project and approximately 91% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Measured and Indicated Resources. Approximately 10% of the total Resources for the Tajiri Project and approximately 9% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Inferred Resources in the remaining 2 years. There is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, initial funding in the order of US\$125m will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.