



STRANDLINE SIGNS GROUND-BREAKING FRAMEWORK AGREEMENT WITH TANZANIAN GOVERNMENT

Agreement is designed to unlock the immense value of Strandline's Tanzanian mineral sands high-growth portfolio; Projects forecasted to generate over US\$1 billion of EBITDA

HIGHLIGHTS

- Strandline and the Government of Tanzania (GNT) have signed a binding Framework Agreement under which they will establish a joint venture entity named Nyati Mineral Sands Ltd (Nyati)
- Strandline will operate and own 84% of Nyati with the GNT acquiring a 16% non-dilutable free-carried interest in accordance with Tanzanian law
- The Framework Agreement covers all Strandline's Tanzanian mineral sands projects
- Nyati's first project set for development is the high-margin Fungoni mineral sands project near Dar es Salaam, followed by the large-scale Tajiri mineral sands project near the port of Tanga
- Nyati's JORC-compliant Resources and Production Targets already underpin ~30 years of mine life with significant exploration upside along the highly prospective Tanzanian coastline
- Nyati is adopting a modular relocatable plant design and delivery strategy which optimises capital and operating cost efficiencies, mineral recoveries and economic returns
- Nyati will produce critical minerals of zircon, titanium and monazite containing rare earths
- With falling supply of mineral sands and increasing demand and commodity prices, Nyati's growth pipeline leaves it extremely well placed to capitalise on this opportunity
- Strandline, in collaboration with the GNT, will now progress it's project development strategy and expedite finalising the administrative establishment of Nyati
- "This pivotal agreement paves the way for a world-class, multi project mineral sands operation in Tanzania with forecast EBITDA of more than US\$1b." – Strandline MD Luke Graham

Strandline Resources Limited (ASX: STA) is pleased to announce that it has executed a pivotal Framework Agreement with the Government of the Republic of Tanzania (GNT) which paves the way for establishment of a world-class mineral sands business along the coastline of Tanzania.

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

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 C.



Strandline will own 84% of the newly formed joint venture company, Nyati Mineral Sands Limited (**Nyati**), with the Government acquiring a 16% non-dilutable free carried interest.

Nyati will produce critical minerals of zircon, titanium, and monazite containing rare earths, as well as garnet. With falling supply of mineral sands and increasing commodity prices, Strandline-Nyati's growth pipeline leaves it well placed to capitalise on this opportunity.

The fiscal regime associated with the joint venture is in accordance with Tanzanian law and remains unchanged from the assumptions contained in the Fungoni and Tajiri studies previously released. This includes a royalty rate of 3% of project revenues, corporate income tax rate of 30% on taxable profits, capital depreciation on a five-year straight-line basis (20% each year) and withholding tax on interest and dividends of 10%.

Strandline, in collaboration with the GNT, will now advance its project development strategy and expedite finalising the administrative establishment of Nyati, which includes reassigning Strandline's project assets, licences and permits into Nyati from Strandline's other Tanzanian subsidiaries.

Strandline Managing Director Luke Graham said the Framework Agreement and JV partnership was a major milestone in the Company's growth.

"This agreement puts us on the path to establishing a world-class mineral sands business in Tanzania, adding to our tier-one Coburn mineral sands project now under construction in Western Australia," Mr Graham said.

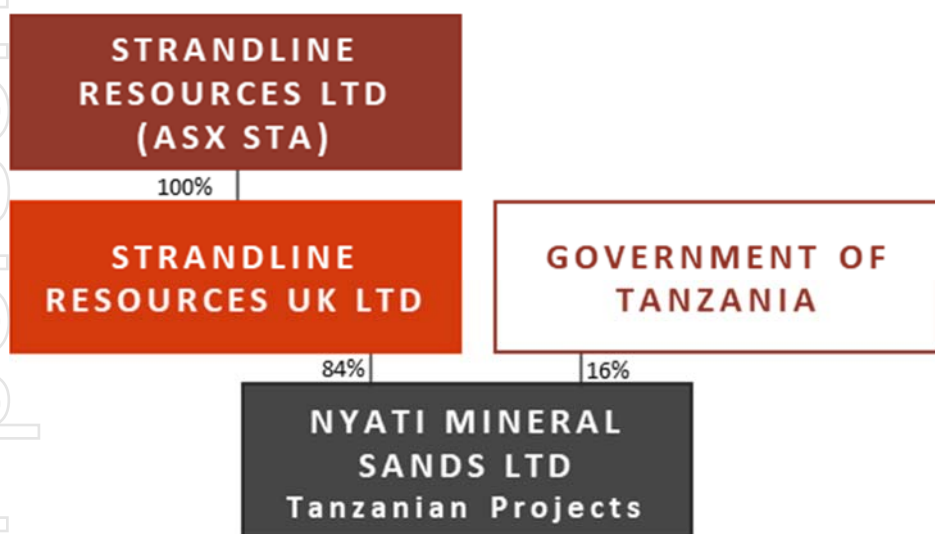


Figure 1 New Corporate Structure for Strandline's Tanzania Project Portfolio



Figure 2
Image of Fungoni's High Grade Mineralisation at Surface



**Tanzania Growth Projects
Provide Optionality,
Scalability & Diversity**



**Tanzania has a Rapidly
Growing Economy & is a
Well-Established Mining
Jurisdiction**



**Fungoni + Tajiri underpins
~US\$1 billion of EBITDA
based on ~30 year
Production Targets**



**Critical Minerals of Zircon,
Titanium & Monazite
Containing Rare Earths;
Used in Everyday Life**



**Framework Agreement
with Government De-risks
Development in Tanzania**



**Environmentally Friendly
and Responsible Mining
with Full Rehabilitation**

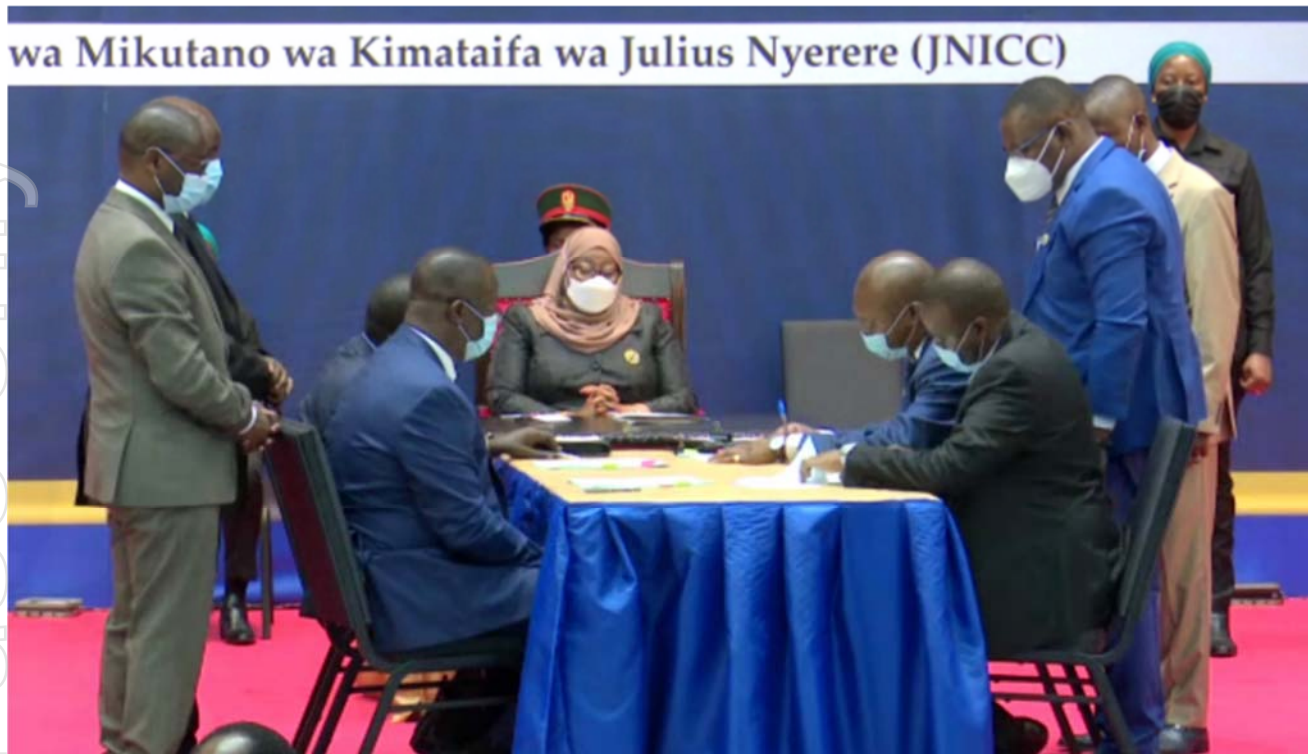


Figure 3 James Chialo (Strandline Director) signing the Framework Agreement at the Ceremony with the Government of Tanzania including Her Excellency Samia Suluhu Hassan, the President of the United Republic of Tanzania.

SUMMARY OF TANZANIAN MINERAL SANDS GROWTH PROJECTS

Strandline owns multiple mineral sands growth assets along the highly prospective coastline of Tanzania. Nyati, the newly formed joint venture company with the GNT, plans to adopt a modular relocatable plant design and development model that maximises capital and operating efficiencies, product recoveries and economic returns whilst reducing execution risk and complexity.

The Fungoni and Tajiri deposits both benefit from their proximity to existing port and services infrastructure of Dar es Salaam and Tanga respectively.

Fungoni is earmarked as Strandline's high-margin "starter" project in Tanzania, situated 25km from the port of Dar es Salaam. The Fungoni project is based on conventional open pit dry mining and process beneficiation to produce premium quality zircon sand, chloride ilmenite, rutile and monazite containing rare earths.

Fungoni's mineral assemblage is exceptionally rich and the orebody starts from surface with mining predicated on progressive backfill of the mining void and full rehabilitation.

FUNGONI DFS SHOWS HIGH-MARGIN REVENUE-COST RATIO OF x2.8, PRE-TAX IRR of 61% & NPV¹⁰ OF US\$48.7M

Development of Fungoni in the near-term is expected to pave the way for a succession of major mineral sands projects along the coastline of Tanzania, including the large-scale Tajiri project in northern Tanzania. The Fungoni Definitive Feasibility Study (DFS), released in Nov-2018, demonstrates strong financial metrics including project pre-tax NPV¹⁰ of US\$48.7m (real, no debt), an IRR

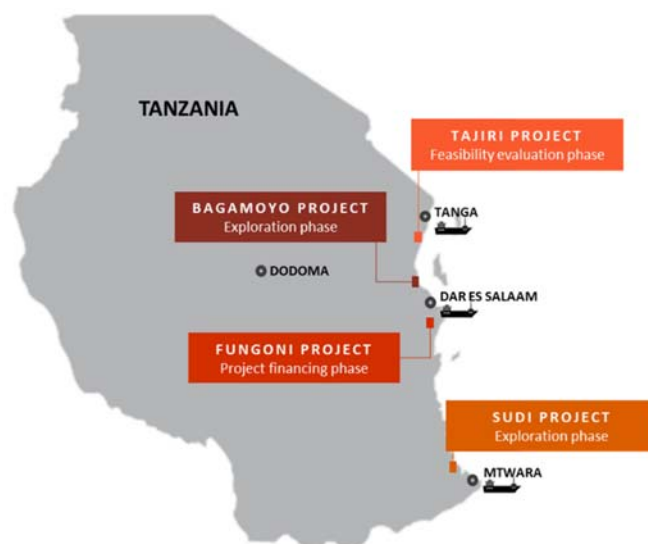


Figure 4 Strandline's portfolio of mineral sands exploration and development projects along the coastline of Tanzania

of 61% and LOM EBITDA of US\$115m (avg annual US\$18.5m), based on TZMI price forecast at the time (pricing as strengthened since). The mining licence and environmental certificate have been previously granted by the Tanzanian authorities and there are a host of socio-economic benefits recognised with the project.

Strandline previously announced that it signed a US\$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni, accounting for a significant portion of the projects US\$35m capital requirement (excluding financing and corporate costs). The Nedbank facility remains subject to finalisation of conditions precedent, including the Framework Agreement and completion of remaining finance due diligence and documentation.

In late 2020, Strandline announced the results of the Engineering Scoping Study on its large-scale Tajiri mineral sands project in northern Tanzania. The study highlighted that Tajiri will deliver strong financial returns over a 23-year life, underpinning Strandline's multi-decade production outlook in Tanzania.

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. Key highlights of the study include:

- 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;
- Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucoxene), zircon, monazite and garnet concentrates;
- 18-month design and construct duration to achieve first ore to process plant;
- Capital expenditure of US\$125m (excluding financing costs) to establish an open-pit mining and processing operation; and
- Opportunities to grow and optimise Production Targets, further increasing financial returns.

**TAJIRI SCOPING STUDY
CONFIRMS PRE-TAX NPV¹⁰ OF
US\$205M & IRR OF 36%,
UNDERPINNED BY +23 YEAR
PRODUCTION TARGETS**

Fungoni and Tajiri projects are predicated on providing significant long-term employment and career development opportunities, as well as a range of local enterprise opportunities. For the regional communities, Nyati's projects provide 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).

The dashboard 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%

The Company is progressing the next phase of the Tajiri project evaluation and permitting, including finalising its environmental and social impact assessment application with regulators and review of external funding options.

The Bagamoyo exploration tenements, which will also form part of Nyati, are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. After receiving assay and mineral assemblage results from several phases of auger and air core drilling the Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM (ref ASX release 17 September 2018). This target together with the Sudi project in southern Tanzania provides significant exploration upside for Nyati overtime.

A further drill program will be required to test the veracity of the Bagamoyo Exploration Target. *Refer to the Cautionary Statement in Annexure C.*

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.

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 C.

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 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 5 Strandline's Global Mineral Sands Exploration and Development Projects

ANNEXURE A - TANZANIAN PROJECTS MINERAL RESOURCE DATA

The Company's mineral resource estimates and ore reserves for the Tanzanian project portfolio are summarised in the tables below.

Fungoni Mineral Sands Project - Tanzania

Table 2 Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources ⁽¹⁾					VHM assemblage ⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ HM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.4	4.3	43.3	4.3	18.3	1.0	19	7.0
FUNGONI	Indicated	12.97	0.2	1.8	36.7	4.3	14.6	1.4	24	7.0
	Total ⁽³⁾	21.74	0.6	2.8	40.7	4.3	16.9	1.2	22	7.0

Notes:

1. Mineral Resources reported at a cut-off grade of 1.0% THM
2. Valuable Mineral assemblage is reported as a percentage of in situ THM content
3. Appropriate rounding applied

Refer ASX announcement 2 May 2017 for full details of the Fungoni Mineral Resource Estimate. Mineral Resources were converted to Ore Reserves in accordance with the JORC Code 2012 Edition based on the pit designs, recognising the level of confidence in the Mineral Resource Estimation, and reflecting modifying factors.

Refer ASX announcement 6 October 2017 for full details of the Fungoni Ore Reserve statement.

Table 3 Ore Reserve Statement for Fungoni Project at October 2017

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	Reserve Category	Ore	Slimes		Heavy Mineral	
		(Mt)	(Mt)	(%)	In Situ HM (kt)	THM (%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	Total*	12.3	2.3	19	480	3.9

*Note totals may deviate from the arithmetic sum due to rounding.

Tajiri Mineral Sands Project - Tanzania

Table 4 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	In situ 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
		Total	74	2.5	3.4	27	9	48	3	5	0	30
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
		Total	165	5.4	3.3	36	6	64	4	7	0	13
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	29	0.9	3.0	30	12	64	4	7	1	2
		Grand Total	268	8.8	3.3	33	7	59	4	7	0	17

Notes:

1. Mineral Resources reported at various THM cut-offs
2. Mineral Assemblage is reported as a percentage of in situ 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.

Fungoni Mineral Resources

The information in this report that relates to Mineral Resources for Fungoni 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 mineral 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.

Fungoni Ore Reserves

The information in this report that relates to the Fungoni Ore Reserves are 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. 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 Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX 6/10/2017) together with their area of contribution.

ANNEXURE C - 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.

Bagamoyo Exploration Target Cautionary Statement

Strandline would caution the reader that the potential quantity and grade of the combined Exploration Target is conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource. It is also uncertain if further exploration and resource development work will result in the determination of a Mineral Resource.

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.