



STRANDLINE RECEIVES FIRM COMMITMENTS FOR \$50M IN PLACEMENT TO ACCELERATE ITS MINERAL SANDS GROWTH PROJECTS

Demand for offtake among leading mineral sands customers and high prices prompt Strandline to advance preparations for its next project development

Strandline Resources Limited (ASX: STA) (“Strandline”, or “the Company”) is pleased to announce that it has received firm commitments for A\$50 million (before costs) through a share placement (“Placement”) to institutional, professional and sophisticated investors at \$0.43 per share. The Company received significant demand during the Placement bookbuild providing a strong endorsement of Strandline’s mineral sands growth portfolio.

The proceeds will be used primarily to fund the near-term development of Strandline’s Fungoni mineral sands project in Tanzania, while in parallel advancing key feasibility studies and approvals for the large-scale Tajiri mineral sands project in Tanzania and the potential future expansion at Strandline’s Coburn mineral sands project in WA, which is currently under construction (see ASX release dated 4 April 2022).

The offer price for the Placement of \$0.43 per share represents a 3.6% discount to the 10-day VWAP of \$0.446. The Placement will result in the issue of up to approximately 116.3 million new ordinary shares (“New Shares”), representing approximately 10.3% of Strandline’s existing securities on issue.

The New Shares issued under the Placement will rank equally with existing fully paid ordinary shares of the Company and will be issued within the Company’s placement capacity under ASX Listing Rule 7.1. Settlement of the Placement is expected to occur on 12 April 2022, with New Shares to be allotted on 13 April 2022.

Shaw and Partners Limited and Morgans Corporate Limited acted as Joint Lead Managers and Bookrunners to the Placement with Euroz Hartleys acting as Co-Lead Manager.

Strandline Managing Director Luke Graham said “The strong demand for the placement, led by institutional investors, reflected the quality of Strandline’s mineral sands growth portfolio and enables the Company to capitalise further on the growing global demand for critical minerals products.”

GROWTH PROJECTS – TANZANIA AND AUSTRALIA

In light of the significant increase in global mineral sands prices and strong offtake demand, the Company is accelerating preparations for its next project development in Tanzania and Australia.

The decision to ramp up activities follows the formation of the joint venture company with the Tanzanian Government, Nyati Mineral Sands Limited, which will hold all Strandline’s Tanzanian mineral sands assets, including the advanced Fungoni and Tajiri projects. Fungoni is set to be Nyati’s first mine development, followed by Tajiri, for which the Environmental Certificate was secured last month.

As announced on the 28 March 2022, Strandline has started updating the Fungoni project financial evaluation (previously released to the ASX on 1 November 2018 as part of the Fungoni DFS). This review will incorporate the latest financial information on the project, including updated mineral sands price forecasts, which have increased substantially in recent years.

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Strandline previously announced that it signed a US\$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni (refer ASX announcement dated 6 April 2020), accounting for a significant portion of Fungoni's US\$35m capital requirement (excluding financing and escalation costs). The Nedbank facility is also under review to incorporate the requirements of the Nyati JV and complete the remaining due diligence and credit approvals. Proceeds from the capital raise will enable Strandline to advance front-end engineering design, finalise financing and progress long-lead procurement, contracts, offtakes and early construction work.

In late 2020, Strandline announced the results of the Engineering Scoping Study on the titanium-dominated Tajiri project. The study highlighted that Tajiri will deliver strong financial returns over a 23-year life, underpinning Strandline's multi-decade production outlook in Tanzania (refer ASX announcement dated 7 October 2020).

On 22 March 2022, Strandline received the Environmental Certificate for Tajiri. The Environmental Certificate is a key pre-requisite for the granting of a special mining licence (SML) and will remain valid for the project life.

Proceeds from the capital raise will enable Strandline to progress the next phase of Tajiri project evaluation, implementation planning and permitting, with the priority shifting to approval of the SML application.

Earlier this week, Strandline announced that it has initiated a scoping study to evaluate the potential to increase the planned production rate by up to 50 per cent at its 100%-owned Coburn minerals sands project in WA.

The potential production increase would be aimed at enabling Coburn to capitalise further on its world-class resource, long mine life, high mineral sands prices and strong demand for offtake among leading customers in the US, Europe and China.

Any future expansion of Coburn would be undertaken once commissioning and steady state production was successfully achieved and the expansion works is expected to be funded from project cashflow. The expansion would leverage significantly off Coburn's infrastructure (currently being constructed), especially the inherent design capacity within the processing plant circuitry

Preliminary investigations highlight the potential compelling capital and operating cost efficiencies of scaling-up the project, further enhancing Coburn's already strong competitive position.

Construction at Coburn is over 65% complete and the project is on-budget and on-schedule to achieve first production of heavy mineral concentrate (HMC) in the December quarter, 2022 (see ASX release dated 1 April 2022).

Coburn has an initial mine life of 22.5 years based on the current JORC-compliant Ore Reserves, with the potential to extend this beyond 2060 (~40 years) by converting Mineral Resources which exist adjacent and immediately north and along strike of the existing Ore Reserves.

The potential expansion of Coburn will be considered in conjunction with Strandline's other strategic growth projects in Tanzania.

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.

For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 10 June 2020 for details of the material assumptions underpinning the production target and financial results for the Coburn Project DFS, Ore Reserve and Mine Life Extension Case Scoping Study. 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 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.

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.



Figure 1 Strandline's Global Mineral Sands Exploration and Development Projects