

Strandline lines up Fungoni

Despite legislative changes governing Tanzania's mining sector, Strandline Resources Ltd will stick to script and release a DFS on the Fungoni heavy mineral sands (HMS) project in Q3.

The high-value, zircon-rich project is touted to be of modest scale, requiring a small capex to get off the ground.

"The DFS relating to the Fungoni heavy mineral sands project remains on track for issue during the September quarter. The Fungoni project is based on a low capital cost, fit-for-market operating model to produce high-quality zircon, rutile and ilmenite mineral sands products to generate near-term cash flow," Strandline chief executive Luke Graham said.

In mid-July, the bulk of the technical development work in the DFS was largely complete, with refinement of the commercial aspects of the project taking place.

"In the meantime, important project approvals and stakeholder engagement activities will continue in parallel with the



Luke Graham

finalisation of the DFS," Graham said.

"There is growing evidence that we will be bringing Fungoni into production at a time of elevated prices for mineral sands

products, further strengthening free cash flow from the project. Recent price increases in zircon and Iluka's [Resources Ltd] plans to reopen their South Australian mine later this year bodes well for the sector."

Funding for the Fungoni DFS was finalised in July when tranche two of a share placement was approved by shareholders, giving Strandline \$5.2 million cash to spend on exploration.

Fungoni – 21.7mt @ 2.82% HMS at 40.7% ilmenite, 4.3% rutile, 16.9% zircon, 1.2% leucogene (measured and indicated) – is viewed as the project which will enable Strandline to become a multi-decade HMS producer in Tanzania.

Fungoni, near Dar es Salaam, is the most advanced project in the company's portfolio and the simplicity in which it can be taken into production in the near term allows Strandline to cast an eye further afield at potentially higher-value propositions in Tanzania.

Rio Tinto Ltd is taking care of exploration across the portfolio in southern

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Tanzania under an earn-in/JV agreement, worth up to \$US10.75 million, with the mining giant committed to spending at least \$US2 million over the next 18 months.

Meanwhile, in the north, resource drilling at Tajiri at Tanga South, was under way at the time of print. Upon completion of that programme, Strandline planned to hit prospects in Tanga North for the first time.

The Tanga region, 100km south of Base Resources Ltd's Kwale project, is believed to host a major titanium-dominant resource, which Strandline is keen to test.

In addition to the current drilling programmes, recently identified soil anomalies close to Fungoni are also planned to be drilled which could add mine life to the current resource.

Strandline has added to its package near Fungoni in recent times, while also dropping non-prospective land.

With a development asset in Fungoni at the starting gate, the company also



A recent capital raising will ensure exploration and DFS work at Fungoni is fully funded. Strandline received an environment certificate for Fungoni in July

promises to be one of the world's most active mineral sands explorers in the next 12 months.

During that period, Strandline will determine the tiers in which its projects belong, while the dust is expected to settle

positioning ourselves to be a multi-decade producer along the Tanzanian coast."

– Mark Andrews

between the Government and miners in-country.

Speaking to **Paydirt** before leaving for Tanzania, Graham said he was looking forward to "proactive engagement with the Government of Tanzania and the Ministry of Energy and Minerals".

"It will be important to re-emphasise our commitment to development of our heavy mineral sands projects in a manner, which delivers sustainable benefits to Tanzania and Strandline shareholders," he said.

"The dust will settle and we want to be at the forefront of the new era of mining in Tanzania. We want Strandline to be considered an opportunity for the Tanzania Government, we want to be the good story coming out of this. We have a good reputation here and we have been positioning ourselves to be a multi-decade producer along the Tanzanian coast."



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