ASX ANNOUNCEMENT

17 December 2015

STRANDLINE
resources limited
ABN 32 090 603 642

TANZANIAN EXPLORATION UPDATE

Highlights

- **Tanga South Project -** Aircore drilling programmes at the *Tajiri* and *Tajiri North* Prospects now completed.
- **Tajiri - high grade mineralisation observed from surface based on panning of drill samples across the 2km area drilled**. Mineralised zone remains open along strike to the north and south, with supporting geochemistry and magnetics.
- **Tajiri North -** drilling reveals a broad 3km long zone of mineralisation.
- Importantly, Tanga South mineralisation expected to comprise **attractive mineral assemblages,** with testwork commencing in the New Year.
- Resource Estimation planned for the Tanga South prospects.
- **Madimba Project -** has been prepared in readiness for the maiden aircore drill program planned for January 2016.

Tanzanian focussed mineral sands explorer, Strandline Resources Limited ("Strandline" or "Company") is pleased to announce an exploration update for the Company's mineral sands projects in Tanzania.

Following the acquisition of Jacana Resources (Tanzania), Strandline has completed the first of its aircore drilling programs at its high potential 100% owned Tanzanian projects.

The drilling programs have been designed with the intention of undertaking Mineral Resource estimation and discovering new mineralisation.

Commenting on the initial drill results, Strandline's Managing Director, Richard Hill, said, "*The drilling program at Tanga South has shown exciting potential with assay results expected to start flowing early in the new year. We are pleased that both the potential strike extent and depth potential from the visual panned estimates exceeded our expectations. We look forward to a productive 2016 with Madimba drilling, Resource estimations and potentially Scoping Studies all on the agenda.*"

Company Facts

Strandline Resources (ASX: STA) - Control of emerging country-wide mineral sands play in Tanzania, within one of the world's major producing corridors

Key projects:

- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Coburn Heavy Mineral Sands Project, WA (100%)
- Fowlers Bay Base Metal-Gold Project, SA (100%) – Western Areas Earning In

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Tanga South Project

Drilling has now been completed at the 100% owned Tanga South project that includes the Tajiri and Tajiri North prospects. The Tanga South project is located approximately 120km south of the operating Kwale Mine and 50km south of the Tanga Port (see Figure 1.). A total of 160 holes for 1,786m of aircore drilling were completed across the prospects.

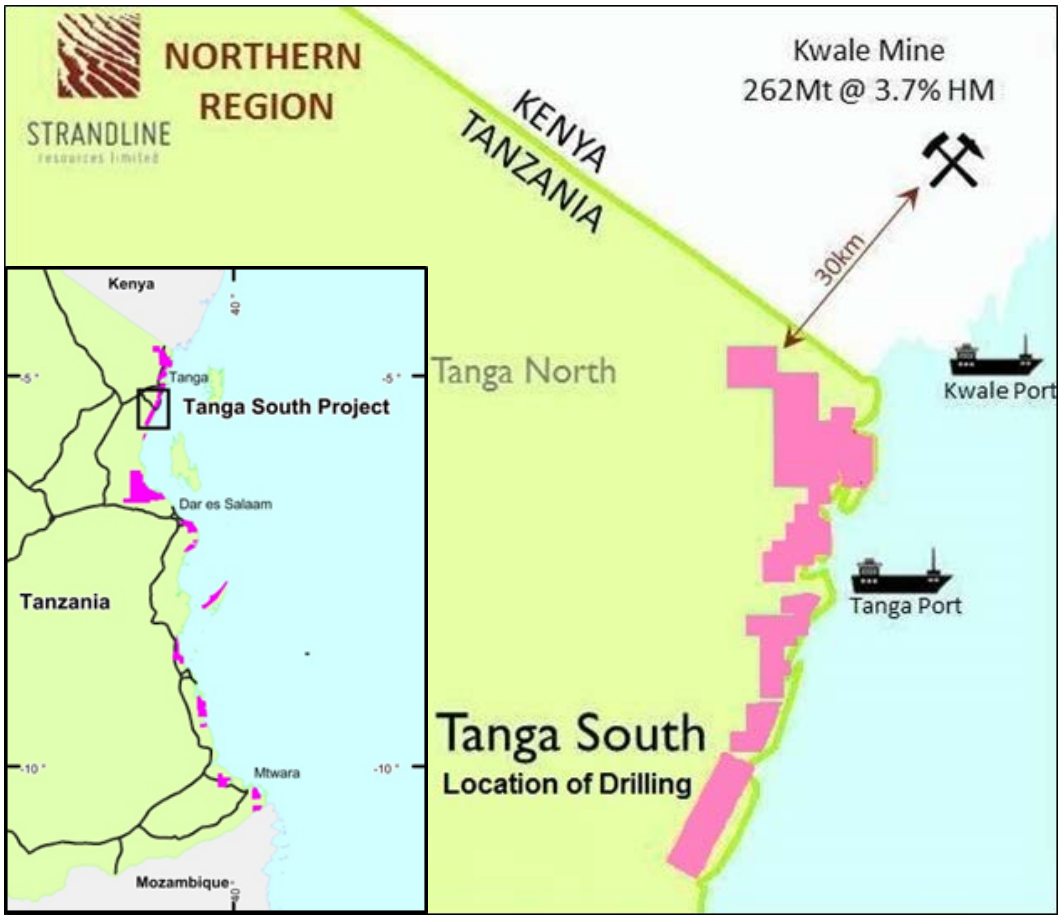

Figure 1. Location of Tanga South project in Northern Tanzania

Tajiri Prospect

Visual logs of the samples panned at Tajiri have defined a consistent zone of mineralisation forming an extensive halo of heavy sands with a coherent high grade core. The high grade zone is currently 400m to 600m wide and over 2,000m long, but remains undrilled and open to the north and south. Mineralisation in most cases starts at surface and forms a slight topographic high, which will be conducive to low strip ratios. See cross sections in Figure 2 as examples.

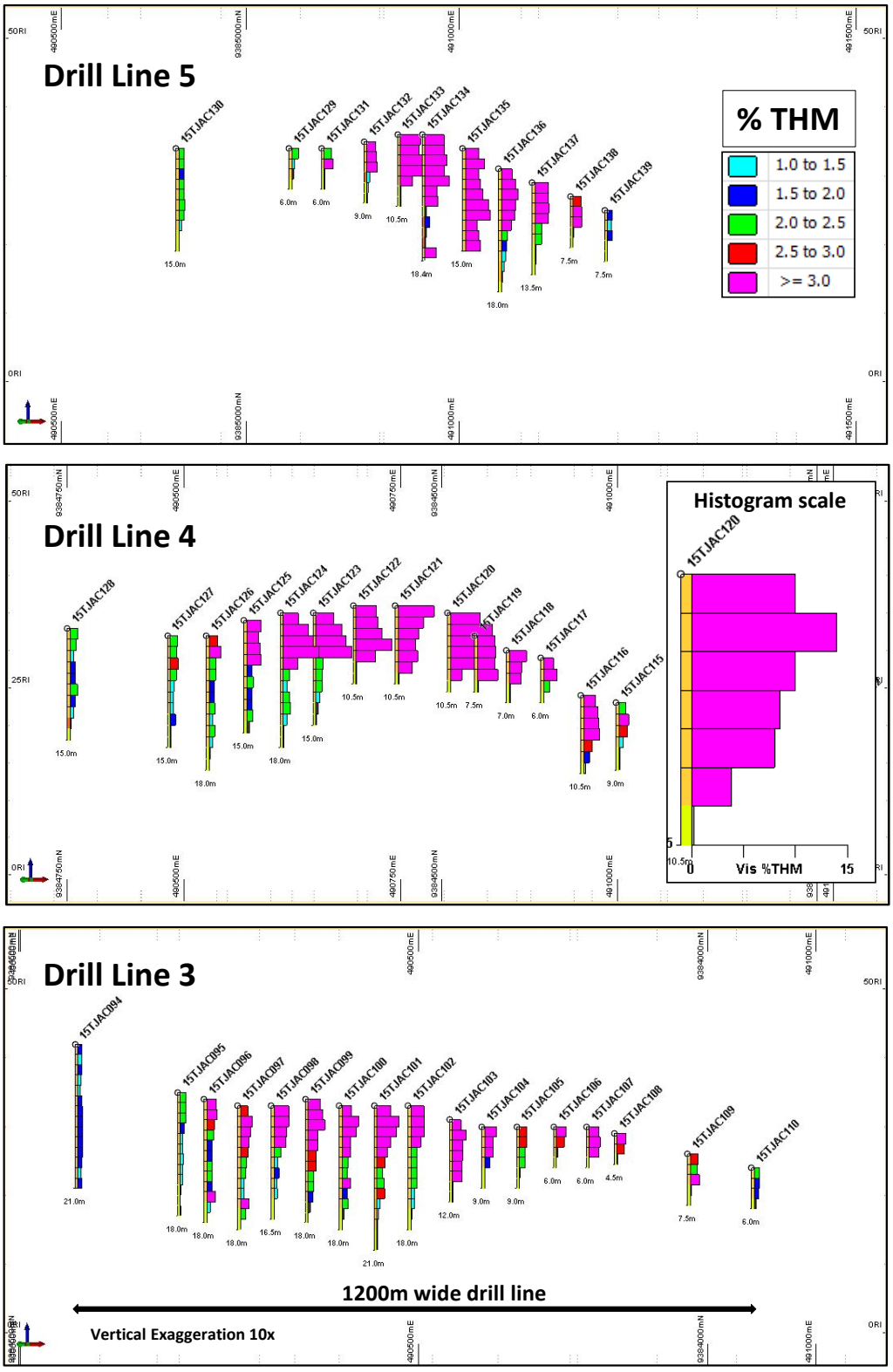

Figure 2. Three cross-sections from Tajiri with visual estimates as histograms on the RHS side. Purple grades range from a minimum of 3 up to 15% panned visual THM. The section is looking to grid north (refer to Figure 4 for section lines).

At Tajiri, a total of 85 holes for 1,110m have been completed and were drilled using 400m line spacing and 100m hole spacing. Closer spaced 50m drill hole intervals have been adopted when visual mineralisation observed from panning exceeded 5% total heavy mineral (THM).

Figure 3 is an example of the high grade mineralisation from a panned sample at Tajiri with visual estimates anticipated to be well in excess of 5% THM. At Tajiri, a strike length of 2.8km and average 750m width corridor of mineralisation has now been tested (see Figure 4).

The area 2,500m to the north and 4,000m to the south of the Tajiri prospect remains undrilled with aircore and therefore mineralisation remains open making it potentially a +10km long zone. Previous exploration within the Tajiri prospect area suggested shallow cover to basement however the aircore program has demonstrated that the depth to basement is actually deeper than expected. This outcome is highly encouraging for delineating an even larger tonnage resource in the area with further exploration drilling.

Figure 3. Field photo of a high grade panned sample from Tajiri with visual estimate expected to be in excess of 5% total heavy mineral (black portion).

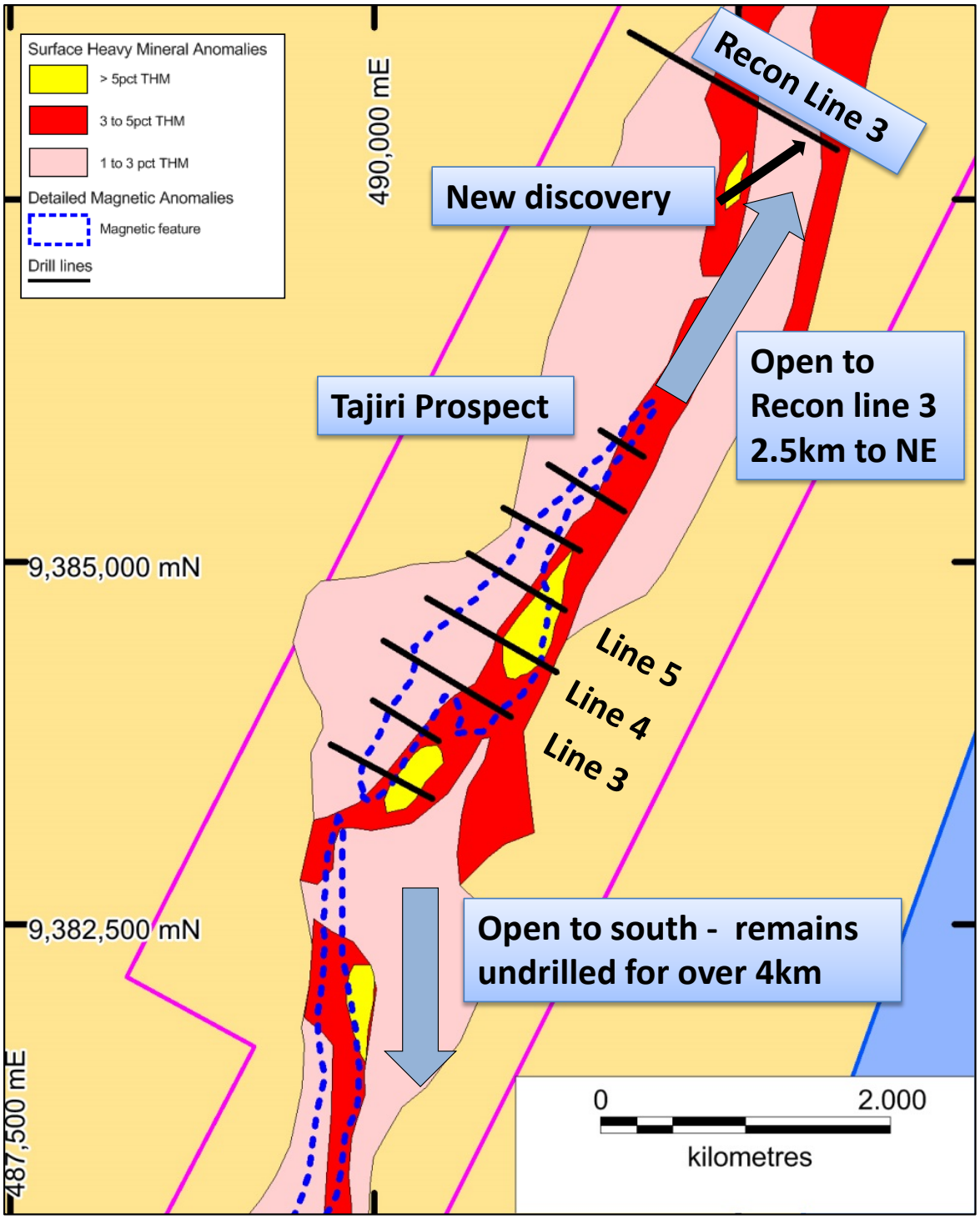

Figure 4. Plan of Tajiri Prospect showing location of drilling and cross-sections

Reconnaissance Line 3

A new zone of mineralisation was discovered on Reconnaissance Line 3 approximately 2,500m north east of Tajiri. The holes achieved depths over 20m with intervals of mineralisation observed in panned samples up to 12m thick with visual grades between 3 and 5.5% THM. Garnet has also been observed in these drill holes in association with ilmenite and other valuable heavy minerals. Mineral assemblage characterisation testwork will be completed to understand the value of this discovery. A total of 23 holes for 216m of drilling was completed on 3 reconnaissance drill lines between Tajiri North and Tajiri.

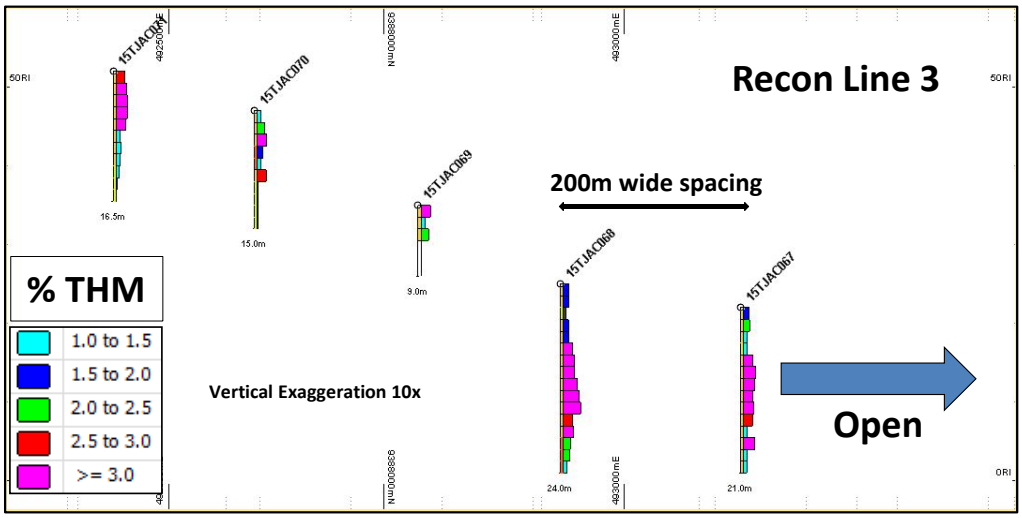

Figure 5. Cross –section through drill holes on Reconnaissance Line 3. Mineralisation discovered at shallow depths with visual estimates of 3 to 5.5% THM from panned samples. Vertical exaggeration 10x and holes are 200m apart with the cross section looking to the north east.

Tajiri North Prospect

At Tajiri North, a total of 52 holes for 460m of aircore drilling was completed and was drilled on 400m spaced lines and 200m centres. The drill pattern covered an area 2.5km long and approximately 1.8km wide. Higher visual grades of about 5% THM were observed on the western flank of the broader zone of anomalism, which typically comprises visual estimates of 2% - 3% THM.

Several batches of samples from the Tanga South (Tajiri and Tajiri North) aircore drill program have been approved for export to Australia for immediate mineral assemblage testwork analysis in Perth at the Diamantina Laboratory. It is anticipated the results will be available in the first quarter of next year.

Resource estimates where there are positive results from drilling will also commence in the first quarter of next year.

Madimba Project

Line clearing for the Madimba aircore drill program was also recently completed. The access lines are now in place for drilling to commence in the New Year. The Madimba East prospect will be drilled using a 200m to 400m line spacing with holes 100m to 200m apart on each drill line. The Madimba prospect will be tested with a single drill traverse.

The recent heavy rain at Madimba has highlighted zones of high grade heavy mineral sand mineralisation with an example shown in Figures 6 and 7. The extensive washes of mineral are located 400m to the east-northeast of three consecutive auger holes that returned 6m @ 3.42% THM, 7m @ 4.10% THM and 7m @ 7.06% THM from holes MTPA065, 066 and 068 respectively (refer to ASX release 3/03/2015 and 10/03/2015). This has confirmed an easterly strike direction for the mineralisation with the anomaly now over 1000m long. A number of drill holes are planned for this area that will test grade, width and depth potential of this discovery.

Figure 6. Field photo of high grade heavy mineral at Madimba East.

Figure 7. Close up field photo of the surficial high grade heavy mineralisation at Madimba East.

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COMPETENT PERSON'S STATEMENT

The details contained in this report that pertains to exploration results, ore and mineralisation is based upon information compiled by Dr Mark Alvin, a consultant to Strandline. Dr Alvin is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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". Dr Alvin consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

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.

Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Each 1.5m composite sample is homogenized within the bag by rotating the sample bag • A sample of sand, approximately 20gm, is scooped from the sample bag • The same sample mass is used for every pan sample for THM estimation • The standard sized sample is to ensure calibration is maintained for consistency in visual estimation • Aircore drilling was used to obtain 1.5m composite samples • The large 1.5m composite Aircore drill samples were split down in the field to approximately 1kg by riffle splitter for dispatch to the processing laboratory • A sample ledger is kept at the drill rig for recording sample intervals and sample mass, and photographs are taken of samples for each hole for a cross-reference with logging
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore drilling with inner tubes for sample return was used • Aircore drill rods are 3m long • NQ diameter drill bits and rods were used • Drill holes were vertical
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	• Drill sample recovery is monitored by measuring and recording the total mass of each 1.5m composite sample at the drill rig with a standard spring balance

Criteria	JORC Code explanation	Commentary
	representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 1.5m sample interval • The initial 0.0m to 1.5m sample interval is drilled very slowly in order to achieve optimum sample recovery • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove and clay and silt potentially built up in the sample pipes • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 1.5m aircore composite samples were each logged onto paper field sheets prior to digital entry into an MS Excel spreadsheet. • The aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated THM%, estimated Slimes% and any relevant comments - such as slope, vegetation, or cultural activity • Logging is undertaken with reference to a Drilling Guideline with codes prescribed and guidance on description to ensure consistent and systematic data collection
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The 1.5m composites drill samples were split in a field camp with a three tier riffle splitter to reduce sample size • A total of 1000 to 1300gm of each sample was inserted into calico sample bags and sent to the laboratory for analysis • The sample sizes were deemed suitable based on industry experience of the geologists involved and consultation with laboratory staff • Field duplicates of the samples were completed at a frequency of 1 per 25 primary samples • Standard Reference Material samples are inserted into the sample stream at a frequency of 1 per 50 samples
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered*	• The wet panning provides an estimate of the THM percentage which is sufficient for the purpose of determining approximate

Criteria	JORC Code explanation	Commentary
laboratory tests	*partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	concentrations of THM in the first instance Aircore sample: • The individual 1.5m composite aircore samples were assayed by DIAMANTINA LABORATORIES in Perth, Western Australia, and is considered the Primary laboratory • The aircore samples were analysed for Total Heavy Mineral (-1mm to +45µm), Slimes (-45µm), Oversize (+1mm), Float (-1mm to +45µm) and a mass balance check • The laboratory used TBE – density range between 2.92 and 2.96 g/ml as the density medium • This is an industry standard technique • Field duplicates of the samples were completed at a frequency of 1 per 25 primary samples • DIAMANTINA completed its own internal QA/QC checks that included bulk standards and laboratory duplicates every 20 twentieth sample prior to the results being released • The density medium was checked every morning and then after every 20 samples by volumetric flask • The adopted QA/QC protocols are acceptable for this stage exploratory testwork • No testwork has been undertaken at a Secondary laboratory
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All results are checked by the Chief Geologist and the Principal consulting geologist • A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data • Field duplicate data (THM/oversize/slime) are plotted against primary sample data to identify potential quality control issues • The data has been manually updated into a master spreadsheet which is appropriate for this stage in the exploration programme
Location of	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations*	• Down hole surveys for shallow aircore holes are not required.

Criteria	JORC Code explanation	Commentary
data points	*used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A handheld GPS was used to identify the positions of the drill holes in the field • The handheld GPS has an accuracy of +/- 5m • The datum used is WGS84 zone 37S • The accuracy of the locations is sufficient for this stage of exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Various grid spacing was used in the drill program, including 400m x 200m, 400m x 100m, and 400m x 50m • The 200m spaced aircore holes are sufficient to provide a moderate degree of confidence in geological models and grade continuity within the holes • Closer spaced drilling (100m and 50m spaced holes) provide a high degree of confidence in geological models and grade continuity between the holes • Each aircore drill sample is a single 1.5m sample of sand intersected in down hole. No compositing has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The aircore drilling was oriented perpendicular to the strike of mineralization defined by reconnaissance data interpretation • The interpreted strike of the mineralization is sub-parallel to the contemporary coastline • Drill holes were vertical • The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias
Sample security	• *The measures taken to ensure sample security.*	• Aircore samples remained in the custody of Company representatives while they were transported from the field to Dar es Salaam for final packaging and securing • The samples were then sent using Deugro to Perth and delivered directly to the laboratory after quarantine inspection • The laboratory inspected the packages and did not report tampering of the samples.
Audits or	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been undertaken

Criteria	JORC Code explanation	Commentary
reviews		

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The exploration work was completed on tenements that are 100% owned by the Company in Tanzania or are able to be acquired for 100% ownership • The drill samples were taken from tenement PL7321/2011. • The tenement is 4 years old and was recently reduced by 50% and is live for another 2 years • Traditional landowners and village Chiefs of the affected villages were supportive of the drilling program.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Tanganyika Gold in 1998 and 1999 • The Company has obtained the hardcopy reports and maps in relation to this information • The historic data comprises surface sampling, limited AC drilling and mapping • The historic results are not reportable under JORC 2012
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand style are possible in Tanzania 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique, however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to ancient shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the

Criteria	JORC Code explanation	Commentary
		Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole data will be released upon announcement of actual analysis results.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Details of data aggregation will be released on announcement of actual analysis results
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true*	• Vertical aircore holes are thought to represent close to true thicknesses of the mineralisation • Downhole widths are reported

Criteria	JORC Code explanation	Commentary
	width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figures and plans are displayed in the main text
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	•
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other material exploration information has been gathered by Strandline resources. • Historic information for the area around Madimba has shown the Ti content of the ilmenite to average 55.7% TiO2 • Historic information has shown the VHM of some samples from this area contain between 8% and 11% combined rutile and zircon • Detailed aerial geophysics have been flown over the lease
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional AC drilling is planned to further enhance confidence levels of mineralisation • Mineral and assemblage analysis will also be undertaken on suitable composite HM samples to determine valuable heavy mineral content • As the project advances TiO2 and contaminant test work will also be undertaken • Satellite image acquisition and LIDAR radar imaging is also being considered