



Strandline funded for completion of Fungoni DFS and extensive exploration after completing capital raising

HIGHLIGHTS

- **Strandline shareholders approve Tranche Two of share placement, securing a further \$1.68m in funding**
- **Strandline will have total cash on hand of \$5.2m, ensuring it is fully-funded to completion of Definitive Feasibility Study on Fungoni heavy mineral sands project in Tanzania**
- **Resource drilling underway at Tanga South (Tajiri) project in northern Tanzania, followed by maiden drilling of Tanga North prospects and targets located close to Fungoni**
- **Exploration also underway across Strandline's southern Tanzanian tenement portfolio; Rio Tinto required to spend at least US\$2 million on exploration over next 18 months under earn-in JV**

Strandline Resources (ASX: STA) is pleased to announce that Shareholders have approved Tranche Two of its recent share placement, providing the Company with a further \$1.68 million before costs.

Under Tranche Two of the placement, Strandline will issue 209.9 million shares at 0.8c to Tembo Capital. As a result, Tembo will maintain its 32.2 per cent stake in Strandline. Strandline also raised \$3.53 million under Tranche One of the placement, which was completed in May (see ASX release dated May 17, 2017).

Completion of the capital raising means Strandline will have total cash on hand of \$5.2 million once the proceeds of Tranche Two have been received.

As a result, Strandline is fully-funded through to the completion of the Definitive Feasibility Study (DFS) on its zircon-rich Fungoni heavy mineral sands project in Tanzania.

Part of the capital raising proceeds will be used to progress exploration and Mineral Resource building at Strandline's heavy mineral sands projects in northern Tanzania.

Strandline believes the prospective Tanga Region, which is located just ~100km south of the major Kwale mineral sands project owned by Base Resources (ASX: BSE), has the potential to host a major titanium-dominant resource.

Infill air core drilling of the Tanga South Tajiri tenement is underway and will be followed by a maiden drilling programme at several Tanga North higher-grade targets. This forms part of the Company's strategy to establish a series of high-grade deposits which can be mined and processed over multiple decades using an innovative and cost-effective development approach.

Later in the year, the Company plans to drill-test several recently-identified soil anomalies close to the existing Fungoni Mineral Resource. These targets have the potential to add mine life and increase financial returns from Fungoni.

Strandline also holds a substantial package of prospective mineral sands tenements in the south of Tanzania. Rio Tinto is now farming into these tenements under a recently-completed Earn-in and Joint Venture Agreement worth up to US\$10.75 million.

Exploration activities under the joint venture are underway in preparation for a reconnaissance level air core drilling programme at the priority target areas of Sudi, Kiswere, Madimba and Miteja.

Strandline Managing Director Luke Graham said the completion of the capital raising marked another key point in the Company's growth strategy.

"We are now in the process of finalising the Fungoni DFS, which will pave the way for Strandline to develop a near-term operation with low capital costs," Mr Graham said.

"There is growing evidence that we will be bringing Fungoni into production at a time of rising prices for mineral sands products, further strengthening the project's free cashflow.

"At the same time, we are implementing our strategy to build a substantial resource inventory in the Tanga Region, where we are on the doorstep of both the Kwale mineral sands project and the Tanga port.

"The earn-in agreement with Rio Tinto over our third parcel of tenements means we can drive Fungoni and Tanga while Rio funds the highly prospective exploration campaign in the south of Tanzania."

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ABOUT STRANDLINE RESOURCES

Strandline Resources Limited (**ASX: STA**) is a Tanzanian-focused mineral sands developer positioned within the world's major zircon and titanium producing corridor in South East Africa. Strandline has a dominant mineral sands position with a series of 100% owned projects spread along 350km of the Tanzanian coastline.

Strandline's strategy is to develop and operate quality, low cost, expandable mining assets with market differentiation. Leveraging off the exploration success of 2016, the Company's focus is to continue its aggressive exploration and development strategy to progress economically attractive projects based on high unit value titanium and zircon products.