ASX ANNOUNCEMENT

16 January 2017

STRANDLINE
resources limited

Significant increase in Fungoni high grade Mineral Resource

Mineral sands developer, Strandline Resources (**Strandline** or **the Company**) is pleased to provide an update on its 100% owned Fungoni Mineral Sands Project, located near Dar es Salaam in Tanzania.

The zircon-rich Fungoni Project is predicated on a low capital cost and low risk operating model to produce saleable titanium and zircon mineral sand products to generate near-term cashflow for the Company.

Results from the recent aircore (**AC**) drilling campaign have significantly increased the contained Heavy Mineral (**HM**) of the Mineral Resource Estimate, improved JORC classification and confirmed the sizable extent of the high grade portion of the deposit favourably positioned at surface.

This announcement summarises the key findings, including the potential strong upside of the immediate North West extension zone (**Fungoni NW**).

HIGHLIGHTS:

- **Significant increase to Fungoni Mineral Resource Estimate –** The infill and extension drilling has been successful in growing the Fungoni resource and confirmed the **high grade** mineralised zone **at surface**:
    - **45% increase** in Mineral Resource to **16Mt** @ 3.1% Total Heavy Mineral (**THM**) – compared to previous estimate of 11Mt @ 3.1% THM.
    - **Upgraded JORC 2012 classification** of Mineral Resource to **60% Measured and 40% Indicated,** up from 100% Indicated previously.
    - **42% increase** in contained Heavy Mineral (**HM**) to **480,000t** without decreasing THM grade - previous equivalent 340,000t HM.
    - Confirmed the very high grade assemblage characteristics including **Zircon 22%**, **Ilmenite 40%**, **Rutile 4%** and **Leucoxene 1%.**
- **Fungoni NW Extension Potential –** Initial 200m x 100m spaced AC drilling of the immediate North West extension zone was completed in December 2016 – assay results pending.

  A single surface sample taken from the centre of the Fungoni NW radiometric anomaly shows high grade of **11.24% THM** containing **26% Zircon** and similar valuable assemblage of the main ore body.
- **Fungoni Feasibility Study Progressing as Planned –** The definitive level feasibility work is progressing in earnest with the Company's Fungoni focus now firmly on defining the optimal mining and processing solutions for the Project, whilst concurrently progressing the project approvals process. The Company will provide a detailed update on the feasibility study over the coming weeks.

Strandline's Managing Director and CEO, Luke Graham commented, *"The Fungoni Mineral Resource upgrade has demonstrated an enhanced ore body in terms of scale, value in the ground and level of JORC classification. The mineral resource provides a strong geological foundation for the feasibility study, with the potential further economical upside from the 2km long Fungoni NW extension anomaly running along strike, as well as other nearby exploration targets in the region.*

"The Company is excited by the near term project potential of Fungoni as well as progress made through 2016 on the Company's other strategic exploration and development pursuits in Tanzania and Australia."

INTRODUCTION

Strandline continues to advance development of its zircon-rich Fungoni Mineral Sands Project located 25km south of Dar es Salaam port infrastructure (Figure 1).

Results from Strandline's infill and extension drill programme at Fungoni were released on 17 November 2016 and this release provides the JORC-2012 mineral resource update and classification upgrade relating to the main Fungoni ore-body area (not including Fungoni NW).

A positive Scoping Study for Fungoni was announced on 23 February 2016 which was based on a smaller, high grade portion of the previous Indicated Mineral Resource of 11 million tonnes @ 3.1% THM. This Mineral Resource update has significantly increased the contained heavy mineral of the Project from an initial 340,000t to **480,000t** (increase of 42%) of heavy mineral. The infill and extension drilling has been successful in growing the Mineral Resource base (from 11Mt to 16Mt) laterally to the north, east and south discovering additional shallow heavy mineral sand mineralisation.

The results have confirmed a very high grade zircon-rich core within the Mineral Resource (continuous domains), as shown in cross section (Figure 3) and long section (Figure 4). The mineralisation shows strong geological and grade continuity along and across strike, which bodes well for mine planning and scheduling.

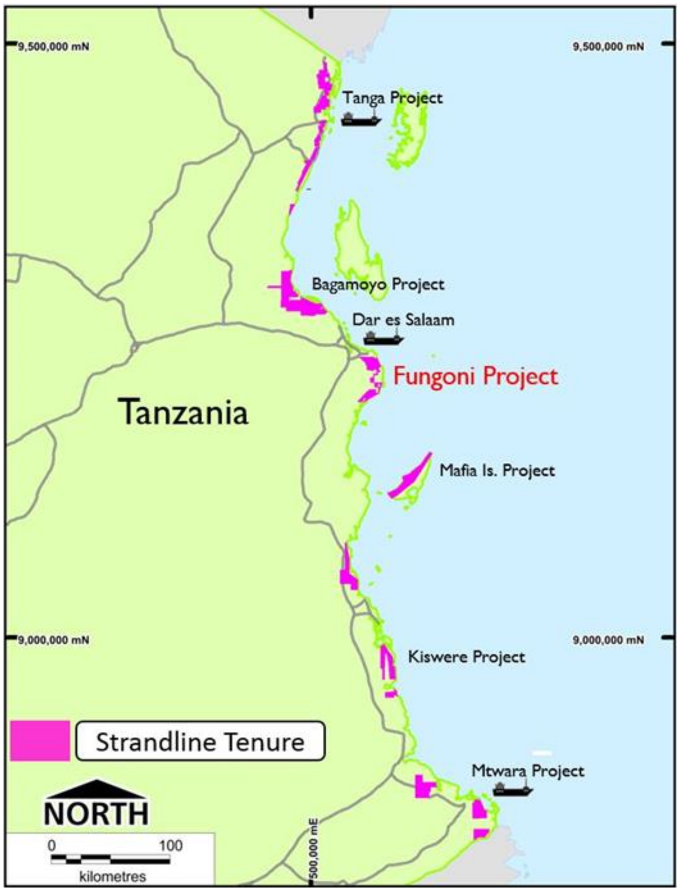


Figure 1 - Strandline holds a large tenement package strategically located along the Tanzanian Coastline

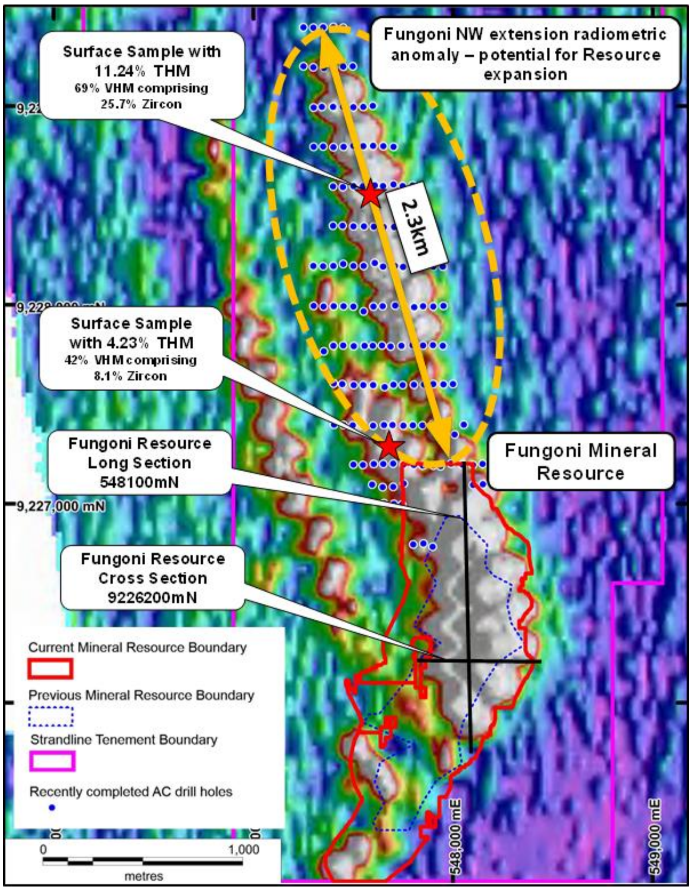


Figure 2 - Location Map of the Fungoni Mineral Resource and contiguous NW Radiometric Anomaly (titled **Fungoni NW**)

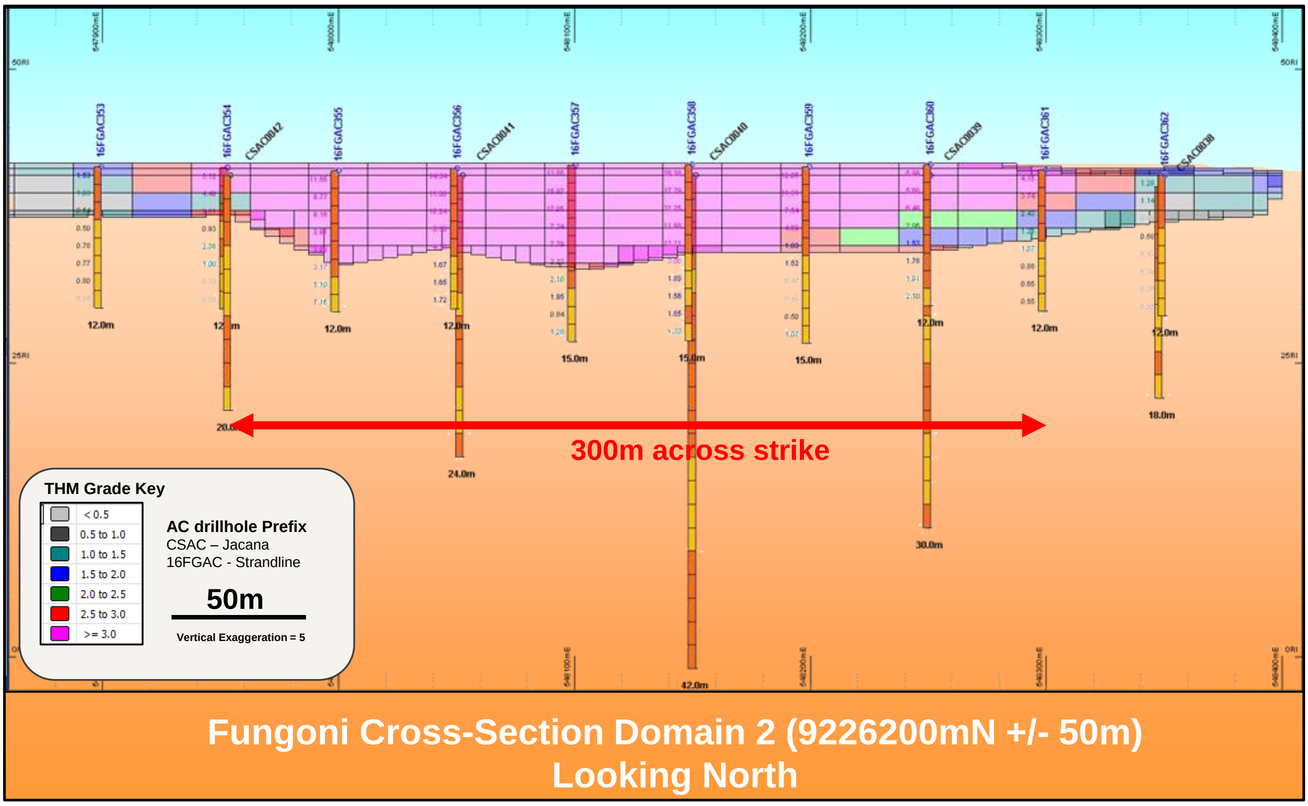


Figure 3 - Fungoni Cross-section (refer Figure 2 for location)

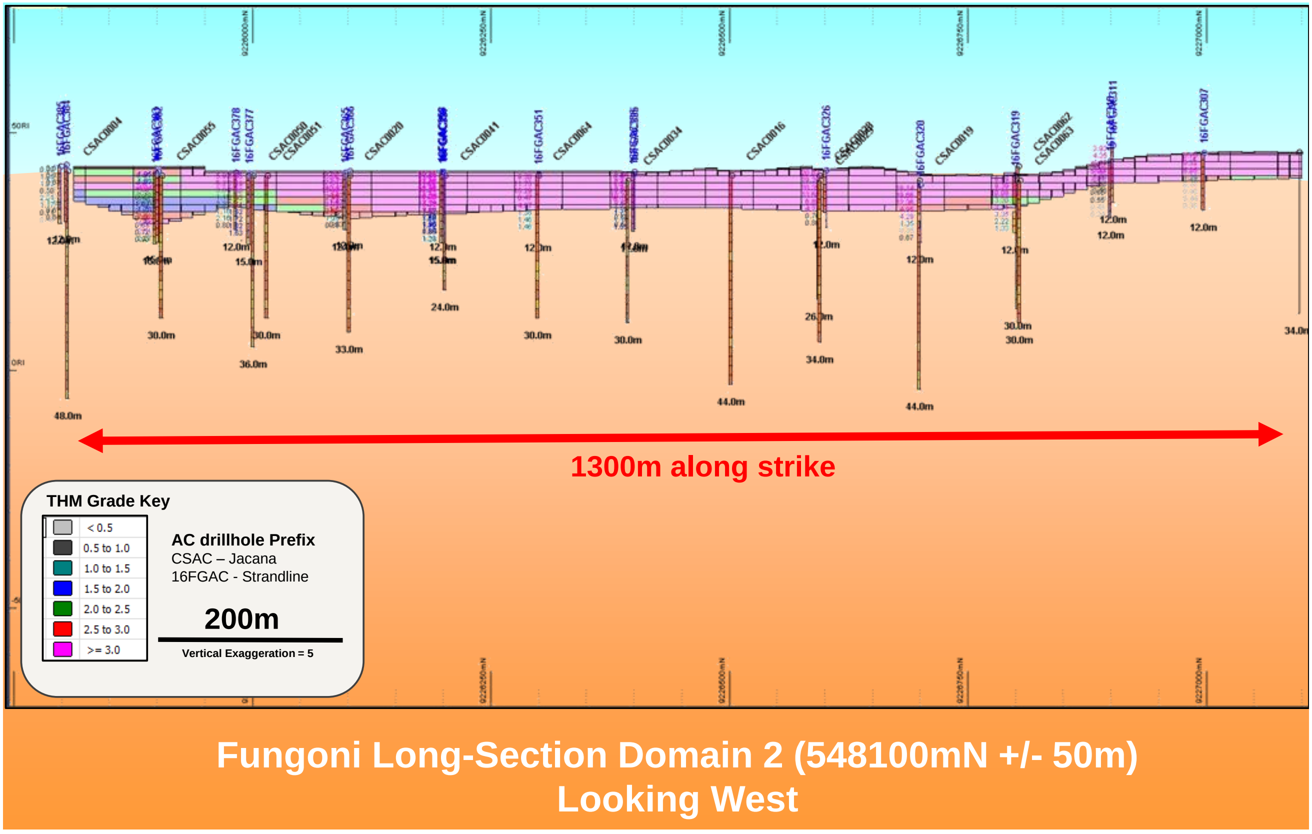


Figure 4 - Fungoni Long-section (refer Figure 2 for location)

FUNGONI PROJECT JORC-2012 MINERAL RESOURCE

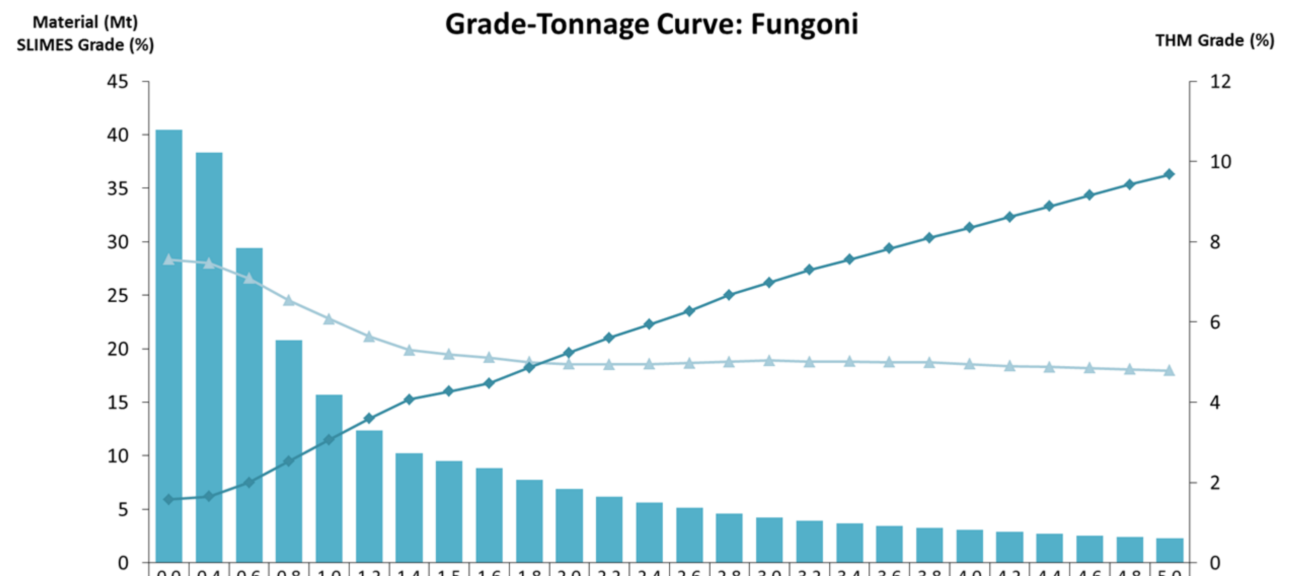
The Mineral Resource estimation was conducted by Greg Jones who is a full time employee of IHC-Robbins, a specialist consultant in mineral sands resources, metallurgy and processing (refer to Competent Person statement).

Table 1 below displays the Mineral Resources estimated for the Fungoni Project main ore body area (not including Fungoni NW area). Importantly, the mineral resources are classified as **Measured** and **Indicated** and all start at surface with no, to extremely low, strip ratios.

Table 1 - Mineral Resource Statement for Fungoni at January 2017 (not including Fungoni NW)

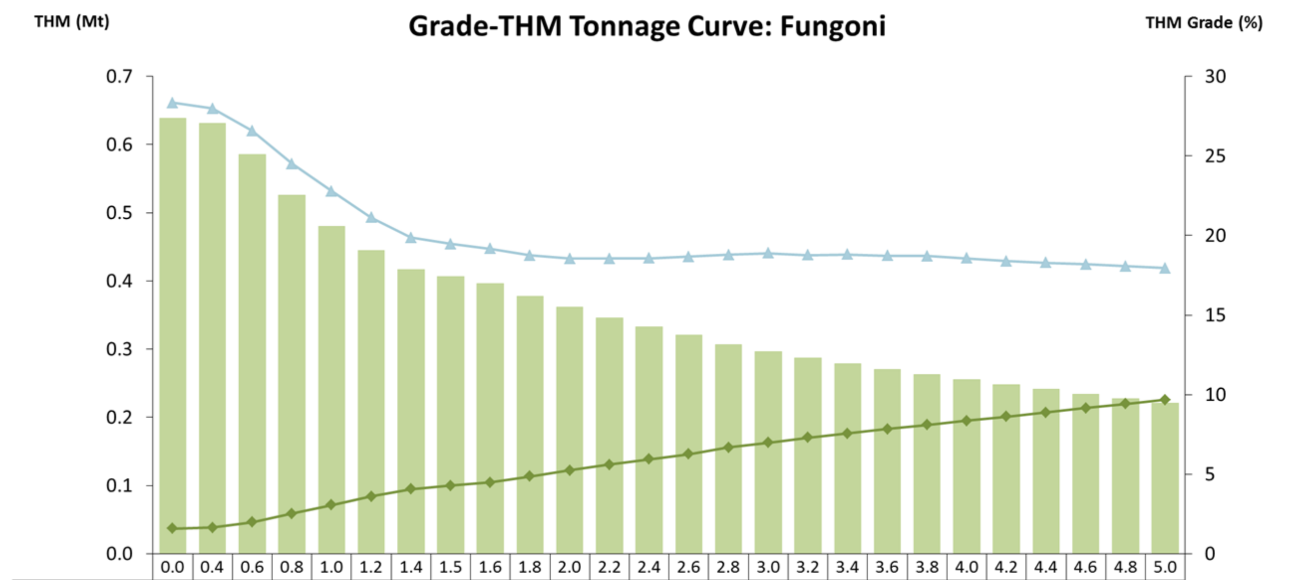
	MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources[1]					VHM assemblage[2]						
Deposit	Mineral Resource Category	Tonnage	In situ THM	THM	Altered Ilmenite	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	%	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	9	0.36	4.2	25	15	4	24	1	19	7
FUNGONI	Indicated	7	0.12	1.7	23	12	4	16	1	28	9
	Total[3]	16	0.48	3.1	25	15	4	22	1	23	8
(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											
(4) The Total Mineral Resource contains approximately 19% combined kyanite and sillimanite within the trash component of the THM											

Grade tonnage curves are presented in Figures 5 and 6. Varying cut-off grades shown immediately beneath the chart and tonnage and slimes content can be read from the left hand axis (or from the numbers at the bottom). Grade in THM% can be read from the right hand axis (or from the numbers at the bottom).



HM cut-off-grades	0.0	0.4	0.6	0.8	1.0	1.2	1.4	1.5	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.6	3.8	4.0	4.2	4.4	4.6	4.8	5.0
Tonnes	40	38	29	21	16	12	10	10	9	8	7	6	6	5	5	4	4	4	3	3	3	3	3	3	2	2
SLIMES Grade	28	28	27	25	23	21	20	19	19	19	19	19	19	19	19	19	19	19	19	19	19	18	18	18	18	18
THM Grade	1.6	1.6	2.0	2.5	3.1	3.6	4.1	4.3	4.5	4.9	5.2	5.6	5.9	6.3	6.7	7.0	7.3	7.6	7.8	8.1	8.4	8.6	8.9	9.2	9.4	9.7

Figure 5 - Grade-tonnage curve for the Fungoni deposit (not including Fungoni NW)



HM cut-off-grades	0.0	0.4	0.6	0.8	1.0	1.2	1.4	1.5	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.6	3.8	4.0	4.2	4.4	4.6	4.8	5.0
THM Tonnes	0.64	0.63	0.59	0.53	0.48	0.44	0.42	0.41	0.40	0.38	0.36	0.35	0.33	0.32	0.31	0.30	0.29	0.28	0.27	0.26	0.26	0.25	0.24	0.23	0.23	0.22
THM Grade	1.6	1.6	2.0	2.5	3.1	3.6	4.1	4.3	4.5	4.9	5.2	5.6	5.9	6.3	6.7	7.0	7.3	7.6	7.8	8.1	8.4	8.6	8.9	9.2	9.4	9.7
SLIMES Grade	28	28	27	25	23	21	20	19	19	19	19	19	19	19	19	19	19	19	19	19	19	18	18	18	18	18

HM cut-off-grades

Figure 6 - Grade-THM curve for the Fungoni deposit (not including Fungoni NW)

The Fungoni Project has a Measured and Indicated Mineral Resource of 16 million tonnes @ 3.1% Total Heavy Minerals, contained HM of 480,000t, and an overall valuable assemblage of 4% rutile, 1% leucoxene, **22%** zircon and 40% ilmenite at a cut-off grade of 1.0% THM. Slime (defined as silt <45µm) content at this cut-off is 23%.

There has been a 45% increase in the Mineral Resource to **16Mt** @ 3.1% Total Heavy Mineral (**THM**) to the previous equivalent Indicated Resource of 11Mt @ 3.1%. The previously reported Inferred resource of 3Mt @ 1.7% has not been included or referred to in this current updated Mineral Resource because it does not overlap with the recent drilling and is located at depths beyond this mineral resource block model.

Using a higher cut-off grade of **1.5% THM**, the Mineral Resource represents a higher-grade contiguous portion of the orebody with **10Mt** @ 4.3% THM for **410,000** contained tonnes of HM.

The Fungoni Mineral Resource is exposed at surface (see Figures 7 and 8), with the mineralised body showing strong geological continuity along strike and down dip. Very low strip ratios are anticipated with a large portion of the high grade mineral resource favourably positioned at surface.

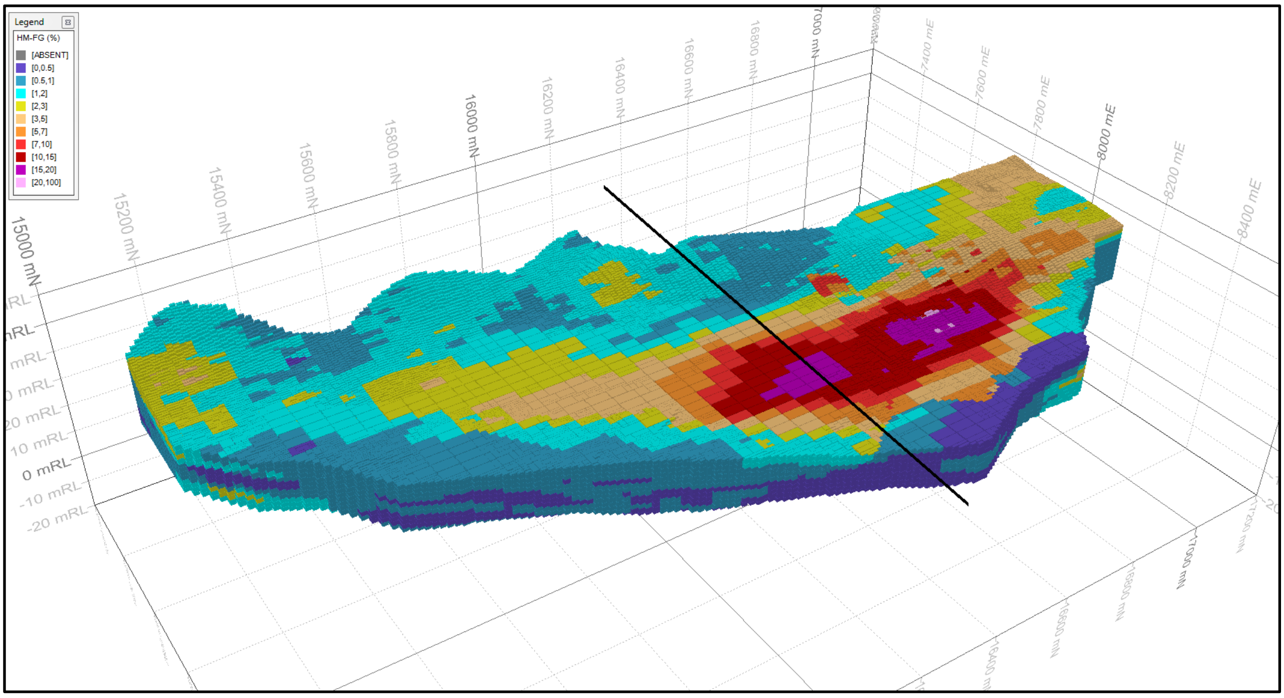


Figure 7 - Fungoni Prospect block model – view looking west north west

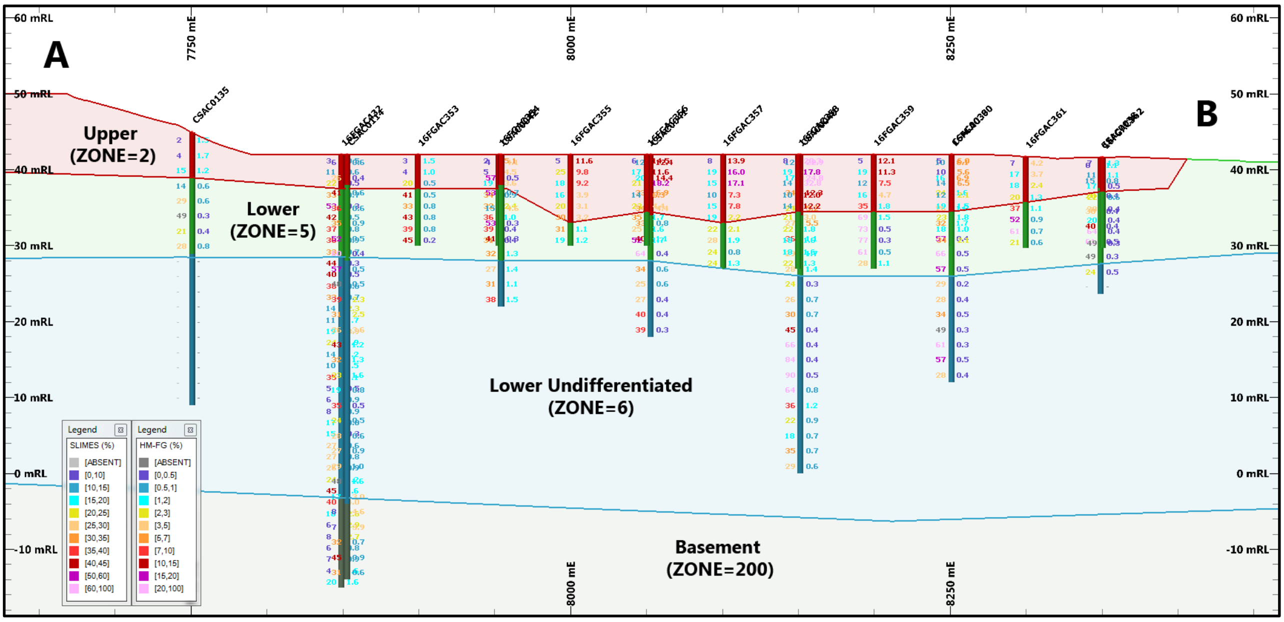


Figure 8 - Cross section through the centre of the Fungoni Project.

SUMMARY OF RESOURCE ESTIMATE AND REPORTING CRITERIA

As per ASX Listing Rule 5.8 and the 2012 JORC Code reporting guidelines, a summary of the material information used to estimate the Mineral Resource is detailed below (for more detail please refer to JORC Table 1, Sections 1 to 3 included in Appendix 1).

Geology and geological interpretation

In Tanzania two main types of heavy mineral placer style deposits have potential for resources delineation:

1. Thin but high grade strandlines which may be related to marine or fluvial influences; and
2. Large but lower grade deposits related to windblown sands.

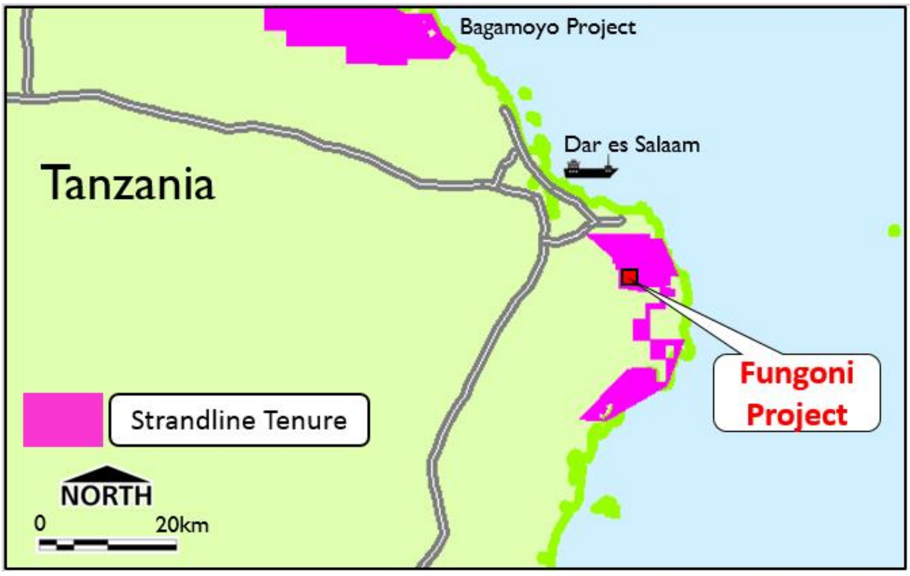


Figure 9 - Fungoni Project Location, Central Coast Tanzania

The surface geology of the tenement comprises grey to white sandy soils within and overlying a thicker mixed sedimentary sequence. The majority of the Fungoni resource is situated within an arcuate shaped depression at the base of a 10 metre rise to the west. The mineralisation is shown to extend up and over this topographic rise towards the north west where more heavy mineral sand has been identified and drilled (Fungoni NW).

The higher grade domain of the resource is defined by more dominant valuable minerals such as zircon, ilmenite and rutile in addition to kyanite/sillimanite. The higher grade domains 2 and 4 are also characterised by typically more sandy soils with lower slimes content. The boundary to the underlying lower grade domain 5 is marked by a noticeable increase in the slimes content and decrease in valuable mineral content with the introduction of garnet to the trash component of the THM. Within both domains, there are a series of interbedded course sandy units which maybe fining upwards to silt and clay potentially within an alluvial influenced setting. Additional sedimentological studies will be required to further develop the geological model.

Drilling techniques and hole spacing

The aircore drilling technique was used to drill the Fungoni Project. Aircore is considered a standard industry technique for evaluating HMS mineralisation and is a form of reverse circulation drilling where the sample is collected at the drill bit face and returned inside the inner tube. The drill bit is 76mm in diameter (NQ) and the rods are 3m long. All of the holes were drilled vertically.

The previous resource drilling density completed at Fungoni was on a 100m x 100m grid. This has been reduced to a 100m x 50m grid with twinning of 31 previous drill holes to assist in the verification of the older data. A high degree of confidence in the geological model and grade continuity between drill holes has been established at Fungoni which supports the mineral resource classification.

For the purpose of the geological interpretation and resource modelling a local grid was set up along the long axis of the deposits so that the majority of drill lines were east-west and model cells were aligned north-south along that long axis. This allows for a simplification of the geological interpretation and subsequent model preparation, interpolation and analysis. The orientation of the grid was such that only a translation of X and Y co-ordinates was required and no rotation was used.

Sampling and sub-sampling techniques

Aircore drilling was used to obtain samples at 1.5m intervals, which generated about 8kg of drill spoil that was progressively split down to 1000g using a three tier riffle splitter. The smaller split samples were labelled and bagged for export to the primary laboratory for processing. Any wet or damp samples were allowed to dry prior to the splitting stage. The sampling method and sample size dispatched for processing is considered appropriate and reliable based on accepted industry practices and experience.

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 to cross-reference with logging.

There were two phases of drilling undertaken on the Fungoni Project, by Jacana/Syrah in 2012 and by Strandline in 2016. A breakdown of the drilling metres, samples taken and assays submitted and then subsequently used in the Mineral Resource estimate is shown in Table 2 with >1% THM intersects tabulated in Appendix 2.

Table 2 - List of drill holes, samples and assays by drill programme

Deposit	Drilling Co.	Drill Series	Method	Date	Holes	Metres	Samples	Assays	Assayed
Fungoni	Wallis	CSA	Air Core	2012	117	3,968	1,986	1,219	61%
Fungoni	Wallis	CSA	Air Core	2016				340	17%
Fungoni	Wallis	16FGA	Air Core	2016	137	1,719	1,146	1,146	100%
Total					**254**	**5,687**	**3,132**	**2,705**	**86%**

Some select samples from the 2012 drilling programme were located and re-submitted for assay by Strandline.

Sample analysis method - THM

The 1000g samples representing 1.5m drill intervals were analysed by Western Geolabs in Perth, Western Australia, which is considered the primary laboratory for this resource estimate. The 1000g samples were initially sieved to remove the +3mm fraction and the weight recorded and then split to 250g which was soaked overnight and screened for removal and determination of Slimes (-45µm) and Oversize (+1mm). The residual 45µm to 1mm fraction was then micro-riffle split down to approximately 100g which was analysed for THM using tetrabromoethane (TBE) as the liquid heavy media. The density range of TBE is 2.92 and 2.96 g/ml. This is an industry standard process used to determine heavy mineral contents.

Sample analysis method - mineral assemblage

Mineral assemblage composites are used to prepare weighted average assays of mineralogy and mineral species chemistry for designated zones or domains within an ore body. For the Fungoni Project the following methodology was used to determine which samples from the drill hole programme would be used to contribute to each composite analysis.

- Detailed sachet scanning of heavy mineral sinks from the drill assay process was carried out to determine regions of gross mineralogy as well as an overall consideration of valuable heavy mineral (VHM) content. Other considerations undertaken during this sachet logging were the presence of iron oxide coatings on THM, and any gross composition of trash HM.
- Sachet logging then formed the input to the geological/mineralogical/THM grade interpretation which was then used to drive domain control for modelling, as well as providing the guidance for the allocation of mineral assemblage composites.

- Three individual domains were identified for the purpose of guiding the allocation of composites; the upper zone (ZONE=2), the oxide zone (ZONE=4) and the lower zone (ZONE=5) (refer to Figure 8). These domains were further subdivided into north-south sample regions, with each mineral assemblage composite collected from two drill lines approximately 100m apart (refer Figure 10) - with the exception of the southernmost three lines that were composited together.
- A total of 22 mineral assemblage composites were used to characterise the mineralogy and chemistry for the Fungoni project.
- Individual drill hole samples were selected based on whether they fell within a particular domain, and were then proportioned against contained THM grade in order to specify the weight of THM that each sample would contribute to the entire composite.
- Once all of the ratio calculations were completed, the spreadsheet with sample identification and mineral assemblage composite number was submitted to Geoff Lane at Process Mineralogical Consulting Ltd (PMC) in Canada for sample collation and processing.
- Preparing the mineral assemblage composites in this manner allows for composite results to be applied to the resource block model and for those results to then be reported and weighted on THM in the final Mineral Resource estimate.
- Details of mineral assemblage composite IDs with associated results are presented in Appendix 3.

The selected mineral assemblage composites were prepared and collated by PMC and then assayed by a proprietary method using an SEM (Scanning Electron Microscope) and then an EDX (Energy Dispersive X-Ray analyser). For the purpose of this report we will refer to the methodology as SEM-EDX. The methodology is similar in some ways to Mineral Liberation Analyser (MLA) and QEMSCAN (Quantitative Evaluation of Minerals by Scanning Electron Microscopy), however the key differential is interpretation by the mineralogist to assign mineral species based on a typical scan of between 1000 and 3000 individual grains. This semi quantitative analysis, with mineralogical identification and assignment allows for a significant improvement in identifying key valuable and trash heavy mineral species along with their respective key oxide chemical constituents.

All of the VHM and trash mineral species were identified using the SEM-EDX method, with zircon calculated from whole rock XRF, which represents a more comprehensive analysis for that mineral species.

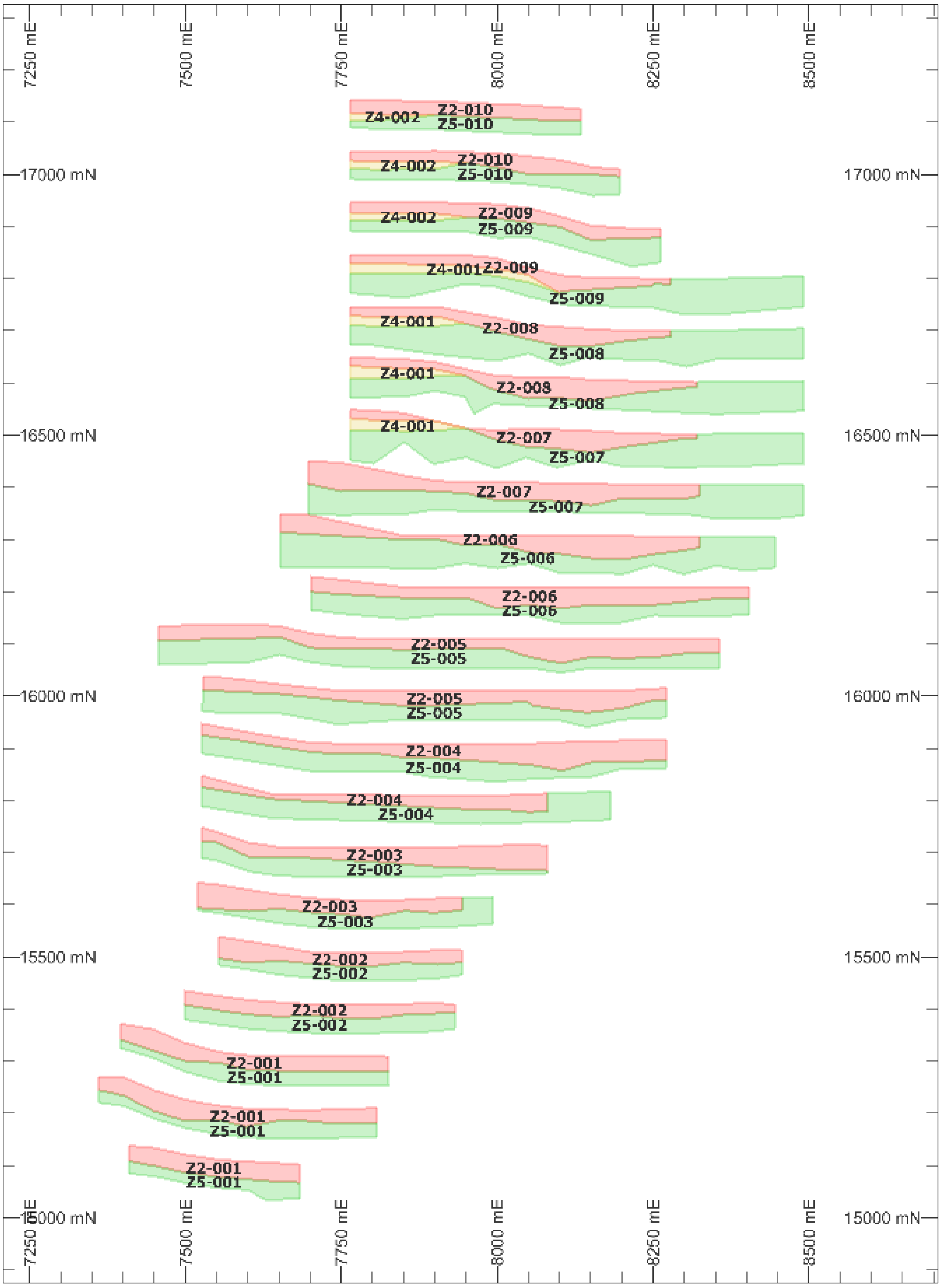


Figure 10 - Oblique View Showing Spatial Distribution of Fungoni's Mineral Assemblage Composites

Estimation Methodology

Geological interpretation, wireframing, 3D block modelling and grade interpolation was carried out using CAE Mining / Datamine Studio mining software. Construction of the geological grade model was based on a combination of coding model cells and drill holes below open wireframe surfaces, including topography and basement and inside closed wireframes defined by mineralised domains. Modelling convention has the largest parent cell size possible used which is generally based on half the distance between holes of the dominant drill hole spacing in the X and Y dimensions. Cell dimensions are generally used so as to avoid overly small cells that imply a level of refinement in the model that is not justified by the drill hole spacing. The dominant drill grid spacing for the Fungoni deposit was 100m along strike × 50m across strike × 1.5m down hole for Strandline drilling. The selection of parent cell dimensions in XYZ of 25 x 50 x 1.5m in order to have a floating cell between drill holes and drill lines.

A model was generated for the deposit and interpolated using inverse distance weighting (with a power of 3) and the preliminary estimates were compared with drill hole grades. Variography was carried out prior to interpolation as part of developing search ellipse directions and sizes. Resulting variograms were used to test the drill spacing (and continuity of HM grade) and these supported the final selected JORC Mineral Resource category.

This cell size and parameters chosen resulted in an acceptable interpolation process and this was confirmed by a comparison of the drill hole and block model grades. The search ellipse used for the grade interpolation was guided by the dynamic ellipsoid routine employed by Datamine. This allows for variations in mineralisation strike, dip and plunge to be accounted for during the grade interpolation. The mineral assemblage composite identifiers were interpolated into the block model utilising a nearest neighbour method.

A bulk density (BD) of 1.8 was applied to the model using a fixed BD value based on previous work carried out on the deposit. This is considered to be a conservative approach and the value is well within the average range of bulk densities previously observed by the Competent Person in previous mineral sands resource estimation studies and based on operational experience.

Cut-off grades

A cut-off-grade of 1% THM was selected for the Fungoni deposit based on grade tonnage curves and the high percentage of valuable heavy mineral (VHM) most notably the high zircon content.

Classification criteria

The Fungoni Mineral Resource estimate has been assigned a JORC classification of Measured and Indicated Mineral Resource which is supported by the following criteria:

- drill hole spacing;
- continuity of grade and geology;
- support of variography for key primary assay grades; and
- distribution and weighting of mineral assemblage composites.

The density/number of samples and distribution of mineral assemblage composites is to an adequate level of density for the JORC classification.

The distribution of the mineral assemblage composites throughout the deposit has enabled a clear picture to be gained of the VHM grade and distribution for Fungoni and provides a solid basis for further mine optimisation and mine planning studies.

Mining and metallurgical methods and parameters

The Company has undertaken heavy mineral composite analyses of the Fungoni mineral resources which has provided detailed data for the VHM assemblage from the total heavy mineral. This information compares favourably with the closest operational mineral sands mine – Kwale, located in Kenya – owned by ASX listed company Base Resources.

A large (3t) metallurgical sample at a Life of Mine grade profile has been collected and submitted for mineral processing to enable process flowsheet design for input into the feasibility study. Results of the metallurgical testwork will be released as they come to hand.

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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 Dr Mark Alvin, Exploration Manager and a full time employee of Strandline and Mr Brendan Cummins, Chief Geologist and a part time employee of Strandline. Dr Alvin is a Member of The Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and they both have 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 Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Alvin and Mr Cummins consent to the inclusion in this release of the matters based on the information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, and employee of IHC-Robbins and Consultant to Strandline and Mr Brendan Cummins (Chief Geologist and part-time employee of Strandline). Mr Jones is a member of the Australian 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.

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.*	Aircore drilling was used to obtain samples at 1.5m intervals for the 2016 Strandline Drilling and 2m intervals for 2012 Jacana/Syrah drilling. The following information covers the Strandline sampling process: • Each 1.5m sample was homogenized within the bag by manually rotating the sample bag • A sample of sand, approx. 20gm, is scooped from the sample bag for visual THM% estimation and logging. The same sample mass is used for every pan sample for visual THM% estimation • The standard sized sample is to ensure calibration is maintained for consistency in visual estimation • A sample ledger is kept at the drill rig for recording sample intervals and sample mass, and photographs are taken of samples bags for each hole to cross-reference with logging • The large 1.5m Aircore drill samples have an average of about 8kg and were split down to approximately 1000gm by riffle splitter for export to the primary processing laboratory • The laboratory sample was dried, screened to +3mm, de-slimed (removal of -45µm fraction) and then had oversize (+1mm fraction) removed. Approximately 100gm of sample was then split to use for heavy liquid separation using TBE to determine total heavy mineral content The following information covers the Jacana/Syrah sampling process: • 2m samples were collected • samples collected were taken to the external laboratory in South Africa (Stewart Group) • a 600 g sample was obtained from a roughly 2 to 2.5 kg sample using a riffle splitter and tested for total heavy mineral content • a single composite sample were tested for VHM using grain counting and XRF at 2 laboratories

Criteria	JORC Code explanation	Commentary
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 is considered a standard industry technique for HMS mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube Aircore drill rods used were 3m long NQ diameter (76mm) drill bits and rods were used All 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 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.*	Drill sample recovery is monitored by measuring and recording the total mass of each 1.5m sample at the drill rig with a standard spring balance. . For Jacana drilling, sample recovery was visually checked While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 1.5m sample interval owing to sample and air loss into the surrounding loose soil The initial 0.0m to 1.5m sample interval is drilled very slowly in order to achieve optimum sample recovery The entire 1.5m sample is collected at the drill rig in large numbered plastic bags for dispatch to the initial split preparation facility At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any 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 Wet and damp samples are placed into large plastic basins and exposed to the sun to dry prior to riffle splitting
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 samples were each qualitatively logged onto paper field sheets prior to digital entry into an Microsoft 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 Every drillhole was logged in full 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*	The entire 1.5m drill sample collected at the source was dispatched to a sample preparation facility to split with a riffle splitter to reduce sample size The water table depth was noted in all geological logs if intersected Samples with clay aggregates are gently hit with a rubber mallet to break them

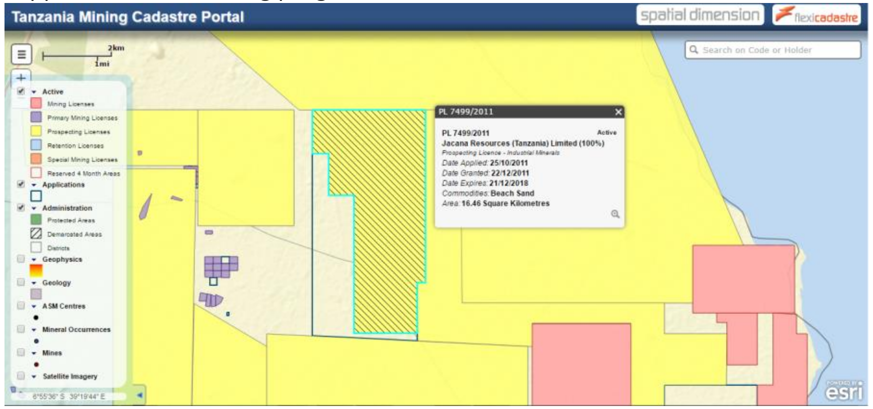
Criteria	JORC Code explanation	Commentary
	preparation technique. *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	down so the sample with flow easily through the riffle splitter chutes A total of 1000 to 1300gm of each sample was inserted into calico sample bags and exported to Western Geolabs Laboratory for THM analysis Employees undertaking the splitting are closely monitored by a geologist to ensure sampling quality is maintained Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, 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 50 primary samples Standard Reference Material samples are inserted into the sample stream in the field at a frequency of 1 per 50 samples. Overall this represents a QA/QC sample inserted at a rate of 1 per 25 samples. For Jacana drilling, the rate of submission for field duplicates was 1 in 36 and for the submission of blank samples (a replacement for standards) was also 1 in 36.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered 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.*	The wet panning at the drill site provides an estimate of the THM% which is sufficient for the purpose of determining approximate concentrations of THM in the first instance Aircore sample: The individual 1.5m aircore sub-samples (approx. 1000gm) were assayed by Western Geolabs in Perth, Western Australia, which is considered the Primary laboratory The aircore samples were initially screened to +3mm to remove the very coarse sand, pebbles or grits. The remaining sample was split to 250g and it was screened for removal and determination of Slimes (-45µm) and Oversize (+1mm), then the sample was analysed for total heavy mineral (-1mm to +45µm) content by heavy liquid separation. The remaining sample – about 750g was retained for additional testwork The laboratory used TBE as the heavy liquid medium – with density range between 2.92 and 2.96 g/ml This is an industry standard technique Field duplicates of the samples were collected at a frequency of 1 per 50 primary samples

Criteria	JORC Code explanation	Commentary
		Western Geolabs completed its own internal QA/QC checks that included laboratory duplicates every 10th sample prior to the results being released Analysis of QA/QC samples show the laboratory data to be of acceptable accuracy and precision The density of the heavy liquid is checked daily or every time new or cleaned TBE was added for specific gravity using a hydrometer and volumetric flask. The adopted QA/QC protocols are acceptable for this stage of test work 1/40 samples from the Primary Laboratory have been sent to a Secondary Laboratory for check analysis and have been found to have very good repeatability for THM and Slimes.
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 companies Chief Geologist and Exploration Manager The company Chief Geologist and independent Resource geologist (Greg Jones) have made periodic visits to Western Geolabs to observe sample processing and procedure A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data Field and laboratory duplicate data pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues Standard Reference Material sample results are checked from each sample batch to ensure they are within tolerance (<2SD) and that there is no bias The field and laboratory data has been updated into a master spreadsheet which is appropriate for this stage in the programme. Data validation criteria are included to check for overlapping sample intervals, end of hole match between 'Lithology', 'Sample', 'Survey' files and other common errors A total of 36 twin holes were drilled in the programme. Of these twinned holes, one pair were both from the Jacana drilling, of the remaining 35, 4 were paired with Jacana holes that were not assayed and so were discarded for evaluation purposes. A total of 31 assayed twinned holes were used for comparative analysis. No adjustments were required to be made to the primary assay data No adjustments are made to the primary assay data
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.*	Down hole surveys for shallow aircore holes are not required A handheld GPS was used to identify the positions of the drill holes in the field. The handheld GPS has an accuracy of +/- 10m in the horizontal The datum used is WGS84 and coordinates are projected as UTM zone 37S

Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	The drillhole collar elevation was collected from a detailed Digital Terrain Model collected in 2016. One metre contours were generated and the x-y coordinates were cut to the RL using the contour information. 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.*	A more regular square 100m x 50m grid spacing was achieved at Fungoni by infill drilling the previous offset drill grid of 100 x 100m The tighter spaced aircore holes and regular grid are sufficient to provide a good degree of confidence in geological models and grade continuity within the holes Each aircore drill sample is a single 1.5m sample of sand intersected down the hole No compositing has been applied to models for values of THM, slime and oversize Compositing of samples was undertaken on HM concentrates for mineral assemblage determination. Composite samples were classified on geological domains
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 previous drill data information The strike of the mineralization is sub-parallel to a slight topographic rise that appears to control the western contact of the mineralization. Drill holes were vertical and the orientation of the mineralisation is relatively horizontal 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 reviews	*The results of any audits or reviews of sampling techniques and data.*	Internal reviews were undertaken

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 Strandline in Tanzania The drill samples for this Mineral Resource estimate were taken from tenement PL7499/2011 which owned 100% by Strandline Resources through its in country entity Jacana Resources The tenement is 4 years old and was recently reduced by 50% and is valid to 21 Dec. 2018 Traditional landowners and village Chiefs of the affected villages were supportive of the drilling programme 
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. OmegaCorp undertook reconnaissance exploration in 2005 and 2007 The Company has obtained the hardcopy reports and maps in relation to this information The historic data comprises surface sampling, limited auger 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 placer style deposits are possible in Tanzania Thin but high grade strandlines which may be related to marine or fluvial influences Large but lower grade deposits related to windblown sands

Criteria	JORC Code explanation	Commentary
		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 fossil shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the 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:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *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 are reported are reported as composited intervals at greater than 1 per cent THM and presented in **Appendix 2**
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.*	No data aggregation methods were utilised, no top cuts were employed and all cut-off grades have been reported
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 width not known').*	The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation Downhole widths are reported
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts*	Figures and plans are displayed in the main text of the Release

Criteria	JORC Code explanation	Commentary
	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.	
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.*	All results > 1.0% THM have been reported **– refer to Appendix 2**
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.*	Detailed mineral assemblage work was undertaken on composite samples for Fungoni by Process Mineralogical Consulting Ltd. **(refer to Appendix 3)** The method of analysis was a Scanning Electron Microscope (Tescan Vega 3) fitted with an Energy Dispersive Spectrometer (SEM-EDS) and equipped with Tescan Integrated Mineral Analyser (TIMA) and Oxford INCA Feature software capable of searching and quantifying the elemental composition of a statistically representative number of Ti-species including rutile, ilmenite, Ti-magnetite, pseudo-rutile and leucoxene Mineral assemblage and Characterisation comprise: • Composite Samples were reduced with a micro riffle splitter to approximately 2-5gm for preparation of a polished section • Total oxide geochemistry on a grain-by-grain basis • Mineral species determination by chemical analysis • Mineral species mass % calculated from the grain spherical volume (derived from exposed grain surface area) multiplied by the mineral density • Approximately 2000-3000 grain counts, sizing and probing for mineral chemistry analysis for each sample • Titanium deportment for each titanium species • Zircon – total oxide mineral geochemistry for zircon analysis A separate sub-sample of each was analysed by standard XRF techniques to ensure quality control of the SEM analysis by comparing actual XRF whole rock analysis with the SEM calculated whole rock analysis for each sample The SEM-EDX method provides detailed grain chemistry in conjunction with a modal mineral mass balance to 100%. The method is constrained when the heavy mineral is coarse grained and the XRF determination is required to assist in allocating modal mineral abundances. • Detailed sachet scanning of heavy mineral sinks from the drill assay process was carried out to determine regions of gross mineralogy as well as an overall consideration of valuable heavy mineral (VHM) content. Other considerations undertaken during this sachet logging were the

Criteria	JORC Code explanation	Commentary
		presence of iron oxide coatings on THM, and any gross composition of trash HM. • Sachet logging then formed the input to the geological/mineralogical/THM grade interpretation which was then used to drive domain control for modelling, as well as providing the guidance for the allocation of mineral assemblage composites. • Three individual domains were identified for the purpose of guiding the allocation of composites; the upper zone (ZONE=2), the oxide zone (ZONE=4) and the lower zone (ZONE=5) (refer to Figure 6). These domains were further subdivided into north-south sample regions, with each mineral assemblage composite collected from two drill lines approximately 100 m apart (refer Figure 8) - with the exception of the southernmost three lines that were composited together. • A total of 22 mineral assemblage composites were used to characterise the mineralogy and chemistry for the Fungoni project. • Individual drill hole samples were selected based on whether they fell within a particular domain, and were then proportioned against contained THM grade in order to specify the weight of THM that each sample would contribute to the entire composite. • Once all of the ratio calculations were completed, the spreadsheet with sample identification and mineral assemblage composite number was submitted to Geoff Lane at Process Mineralogical Consulting Ltd (PMC) in Canada for sample collation and processing. • Preparing the mineral assemblage composites in this manner allows for composite results to be applied to the resource block model and for those results to then be reported and weighted on THM in the final Mineral Resource estimate. • Details of mineral assemblage composite IDs with associated results are presented in Appendix 3 Detailed aerial geophysics was flown over the lease in 2016
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 Aircore drilling is planned to further grow the resource to the north west testing a radiometric anomaly. Additional work is required to provide further detailed information on the mineral assemblage of the THM Additional work is required for the determination of bulk density As the project advances TiO_2 and contaminant test work will be undertaken on ilmenite concentrates

Criteria	JORC Code explanation	Commentary
		Bench-scale testing of a large sand sample for determination of process recovery is currently being undertaken

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	Original laboratory files used to populate exploration database assay tables via an automatic software assay importer where available. Checks of data by visually inspecting on screen (to identify translation of samples), duplicate and twin drilling was visually examined to check the reproducibility of assays. Database assay values have been subjected to random reconciliation with laboratory certified value is to ensure agreement. Visual and statistical comparison was undertaken to check the validity of results
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Regular site trips before and during the resource drilling phase were undertaken by Brendan Cummins. Mr Cummins was onsite between the 27th July until 6th August 2016 to observe the drilling and data collection activities
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation was undertaken by Brendan Cummins and data was used by Greg Jones and then validated using all logging and sampling data and observations. Current data spacing and quality is sufficient to indicate grade continuity. The possibility of narrow washouts between drill lines exists but they are not considered likely given the depositional environment. Interpretation of modelling domains was restricted to the main mineralised envelopes utilising THM sinks, slimes, trash mineralogy and geology logging. No other interpretations were considered as the Competent Person was satisfied that the sachet logging which was used to define the mineral assemblage composites was effective in outlining the major mineralogical domains. This is the primary objective for any mineral sands resource estimation. The Mineral Resource estimate was controlled to an extent by the geological envelope and basement surfaces. The mineralisation for Fungoni has either been truncated at surface by erosion of the original deposit, or there has been a combination of erosion and

Criteria	JORC Code explanation	Commentary
		concentration of heavy mineral and particular VHM close to surface.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Mineral Resource for Fungoni is approximately 2 km long and 850 m wide on average. The deposit ranges in thickness from approximately 2 to 13 m.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	The mineral resource estimate was conducted using CAE mining software (also known as Datamine Studio). Inverse distance weighting techniques were used to interpolate assay grades from drill hole samples into the block model and nearest neighbour techniques were used to interpolate index values and nonnumeric sample identification into the block model. The mostly regular dimensions of the drill grid and the anisotropy of the drilling and sampling grid allowed for the use of inverse distance methodologies as no de-clustering of samples was required. Appropriate and industry standard search ellipses were used to search for data for the interpolation and suitable limitations on the number of samples and the impact of those samples was maintained. An inverse distance weighting power of 3 was used so as not to over smooth the grade interpolations. Hard domain boundaries were used and these were defined by the geological wireframes that were interpreted. This Mineral Resource estimate compares well with the previous resource prepared by AMC and reported by Jacana in 2013. There are differences in domain control, reporting of predominantly upper zone material and final JORC Classification that makes it difficult to reconcile directly between the 2 resource estimates. However the material being reported in the Measured and Indicated categories for this 2017 resource estimate would equate to that material being reported as part of the Indicated resource estimate previously. No assumptions were made during the resource estimation as to the recovery of byproducts. Slimes and oversize contents are estimated at the same time as estimating the THM grade. Further detailed geochemistry is required to ascertain deleterious elements that may affect the marketability of the heavy mineral products The average parent cell size used for the interpolation was approximately half the standard drill hole width and a half the standard drill hole section line spacing. Given that the average drill hole spacing for Fungoni was 50 m east-west and 100 m north south and with 1.5 m samples the parent cell size was 25 x 50 x 1.5 m (where the Z or vertical direction of the cell was nominated as the same distance as the sample length). No assumptions were made regarding the modelling of selective mining units

Criteria	JORC Code explanation	Commentary
		however it is assumed that a form of dry mining will be undertaken and the cell size and the sub cell splitting will allow for an appropriate dry mining preliminary reserve to be prepared. Any other mining methodology will be more than adequately catered for with the parent cell size that was selected for the modelling exercise. No assumptions were made about correlation between variables. The Mineral Resource estimates were controlled to an extent by the geological / mineralisation and basement surfaces. Grade cutting or capping was not used during the interpolation because of the regular nature of sample spacing and the fact that samples were not clustered nor wide spaced to an extent where elevated samples could have a deleterious impact on the resource estimation. Sample distributions were reviewed and no extreme outliers were identified either high or low that necessitated any grade cutting or capping. The sample length of 1.5 m does result in a degree of grade smoothing also negating the requirement for grade cutting or capping. Validation of grade interpolations were done visually In CAE Studio (Datamine) software by loading model and drill hole files and annotating and colouring and using filtering to check for the appropriateness of interpolations. Statistical distributions were prepared for model zones from drill hole and model files to compare the effectiveness of the interpolation. Along strike distributions of section line averages (swath plots) for drill holes and models were also prepared for comparison purposes.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages were estimated an assumed dry basis. A bulk density conversion factor was used as per the previous Mineral Resource estimate prepared by AMC. This factor is 1.80 g/cm³ and based on the experience of the Competent Person. We believe the bulk density conversion factor to be appropriate at this level of confidence for the Mineral Resource estimates based on our experience and we would also recommend that bulk density testwork be undertaken going forward.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	Cut-off grades for HM and SLIMES as well as hardness were used to prepare the reported resource estimates. These cut-off grades were defined by the Competent Person as being based soundly on experience, the percentage of VHM and the grade tonnage curves taken in consideration with the grade distribution along the length of the deposits.
Mining factors or	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always*	No specific mining method is assumed other than potentially the use of dry mining scrapers and excavators into trucks. This allows for quite a selective

Criteria	JORC Code explanation	Commentary
assumptions	*necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	mining process while still maintaining bulk economies of scale as the dark HM at the base of the orebody allows for excellent visual acuity and therefore grade control. To this end no minimum thickness was assumed for the reporting of the mineral resource.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Metallurgical assumptions were used based on mineral assemblage composites which at this stage only allow for preliminary commentary with no final products being defined from the reported mineral species. Some chemistry in the form of oxides from XRF analysis was available for commentary however may not bear exact reconciliation with eventual final products.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No assumptions have been made regarding possible waste and process residue however disposal of byproducts such as SLIMES, sand and oversize are normally part of capture and disposal back into the mining void for eventual rehabilitation. This also applies to mineral products recovered and waste products recovered from metallurgical processing of heavy mineral.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	A bulk density conversion factor was used as per the previous Mineral Resource estimate prepared by AMC. This factor is 1.80 g/cm^3 and based on the experience of the Competent Person. We believe the bulk density conversion factor to be appropriate at this level of confidence for the Mineral Resource estimates based on our experience and we would also recommend that bulk density testwork be undertaken going forward.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the*	The resource classification for the Fungoni deposit was based on the following criteria: drill hole spacing, geological and grade continuity, variography of primary assay grades and the distribution of bulk samples. The classification of the Measured and Indicated Resources was supported by all of the supporting criteria as noted above. As a Competent Person, IHC Robbins Resource & Business Development Manager Greg Jones considers that the result appropriately reflects a

Criteria	JORC Code explanation	Commentary
	deposit.	reasonable view of the deposit categorisation..
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits or reviews of the mineral resource estimate have been undertaken but Mining Consultants advising the Company will be undertaking their own review as part of the Feasibility study
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	There was an evaluative geostatistical process undertaken (variography supporting ordinary Kriging) during the resource estimation of the Fungoni deposit. The overall grade interpolation was a fair comparison with inverse distance weighting methodology, however had a tendency to over smooth high grade and low grade areas. For this reason it was decided to use the inverse distance weighting interpolation methodology as it also had the best correlation/comparison with the drill hole grades. Validation of the model vs drill hole grades by observation, swathe plot and population distribution analysis was favourable The statement refers to global estimates for the entire known extent of the Fungoni deposit. No production data is available for comparison with the Fungoni deposit.

Appendix 2: Downhole Drill Intersects

Fungoni > 1% THM drill intersects from

HOLE ID	EASTING	NORTHING	RL	AZI	DIP	EOH	FROM	TO	LENGTH	THM	SLIMES	OS +1mm	OS +3mm
	WGS84 ZONE 37S	WGS84 ZONE 37S	(m)			(m)	(m)	(m)	(m)	%	%	%	%
CSAC0005	547973	9225785	36.0	0	90	40	0	12	12	2.4	21.4	5.3	0
CSAC0007	548153	9226294	37.0	0	90	66	0	10	10	12.7	24.9	11.4	0
CSAC0007	548153	9226294	1.0	0	90	66	36	46	10	1.7	27.1	4.1	0
CSAC0008	548203	9226302	35.6	0	90	75	0	12	12	6.5	33.5	7.9	0
CSAC0009	548299	9226299	37.4	0	90	52	0	8	8	4.1	25.8	4.7	0
CSAC0010	548000	9226301	25.0	0	90	68	12	22	10	1.4	32.5	12.3	0
CSAC0010	548000	9226301	-13.5	0	90	68	48	63	15	2.0	22.1	13.0	0
CSAC0016	548095	9226503	34.9	0	90	44	0	15	15	8.4	28.8	10.4	0
CSAC0016	548095	9226503	2.4	0	90	44	36	44	8	1.5	25.9	19.7	0
CSAC0017	547897	9226498	42.0	0	90	33	0	8	8	4.7	29.7	3.7	0
CSAC0017	547897	9226498	27.0	0	90	33	12	26	14	1.9	33.7	10.8	0
CSAC0019	548102	9226700	37.6	0	90	44	0	8	8	7.9	30.8	8.3	0
CSAC0020	548103	9226102	37.0	0	90	33	0	10	10	6.1	25.2	11.1	0
CSAC0021	548202	9226102	37.0	0	90	28	0	10	10	3.9	22.3	8.0	0
CSAC0029	548146	9226596	37.4	0	90	34	0	8	8	16.3	25.3	9.1	0
CSAC0029	548146	9226596	23.4	0	90	34	14	22	8	1.2	28.9	8.2	0
CSAC0033	548050	9226395	37.0	0	90	38	0	10	10	6.7	25.9	8.1	0
CSAC0033	548050	9226395	25.0	0	90	38	12	22	10	1.6	33.6	12.3	0
CSAC0034	548146	9226394	35.5	0	90	30	0	12	12	7.4	25.9	7.3	0
CSAC0039	548251	9226204	37.0	0	90	30	0	10	10	3.6	21.7	7.6	0
CSAC0040	548151	9226202	34.5	0	90	42	0	15	15	9.9	25.8	10.9	0
CSAC0041	548053	9226202	38.0	0	90	24	0	8	8	9.5	24.8	9.9	0
CSAC0042	547954	9226199	26.0	0	90	20	12	20	8	1.3	31.9	9.6	0
CSAC0050	548143	9226002	35.0	0	90	36	0	14	14	3.4	20.5	5.7	0
CSAC0052	547843	9226005	21.0	0	90	32	16	26	10	2.2	33.5	16.2	0
CSAC0054	547998	9225903	36.0	0	90	30	0	12	12	2.9	21.7	5.4	0
CSAC0055	548104	9225906	35.6	0	90	30	0	14	14	3.1	20.2	4.8	0
CSAC0062	548061	9226803	37.7	0	90	30	0	12	12	6.0	30.6	9.1	0
CSAC0064	548100	9226300	35.0	0	90	30	0	14	14	6.6	26.7	6.2	0
CSAC0065	547700	9226102	40.4	0	90	24	0	8	8	2.9	13.0	6.3	0.12
CSAC0069	547799	9225905	19.0	0	90	48	16	30	14	2.0	31.6	15.4	0
CSAC0070	548003	9225698	38.0	0	90	28	0	10	10	1.8	11.7	5.0	0.44
CSAC0071	547905	9225699	38.1	0	90	40	0	8	8	2.4	17.0	4.7	0
CSAC0072	547808	9225693	38.0	0	90	30	0	8	8	2.1	29.8	6.4	0
CSAC0080	548252	9226805	28.0	0	90	28	8	16	8	1.4	18.8	11.1	0.1
CSAC0085	547603	9225701	4.1	0	90	46	34	46	12	1.6	36.2	16.1	0
CSAC0097	547701	9225503	28.1	0	90	30	8	22	14	1.7	39.1	15.8	0

HOLE ID	EASTING	NORTHING	RL	AZI	DIP	EOH	FROM	TO	LENGTH	THM	SLIMES	OS +1mm	OS +3mm
	WGS84 ZONE 37S	WGS84 ZONE 37S	(m)			(m)	(m)	(m)	(m)	%	%	%	%
CSAC0114	547853	9226200	18.0	0	90	56	18	30	12	2.1	32.6	14.4	0
CSAC0114	547853	9226200	-4.0	0	90	56	42	50	8	3.3	20.0	4.8	0
CSAC0126	547651	9225404	19.9	0	90	44	18	28	10	1.7	28.0	13.8	0
CSAC0170	547450	9225203	45.5	0	90	30	0	8	8	3.3	21.4	4.9	0
CSAC0172	547495	9225307	44.0	0	90	30	0	8	8	1.8	15.6	6.7	0
CSAC0192	547598	9225902	22.9	0	90	28	20	28	8	1.7	47.6	8.2	0
CSAC0204	548000	9226902	14.2	0	90	40	30	40	10	1.6	26.3	7.2	0
CSAC0210	547856	9227006	45.5	0	90	40	0	8	8	4.4	22.6	7.6	0.36
16FGAC299	547850	9227102	45.3	0	90	12	0	7.5	7.5	4.2	26.4	5.5	0.15
16FGAC300	547797	9227092	45.5	0	90	12	0	7.5	7.5	4.1	26.1	6.4	0.52
16FGAC301	547801	9226982	45.9	0	90	12	0	7.5	7.5	2.3	31.9	6.0	0.16
16FGAC302	547852	9226998	45.9	0	90	12	0	7.5	7.5	3.9	24.5	5.3	0.24
16FGAC306	548050	9227000	43.9	0	90	12	0	7.5	7.5	4.7	22.3	7.4	0.35
16FGAC311	548051	9226903	43.8	0	90	12	0	7.5	7.5	3.4	24.9	13.2	0.96
16FGAC313	547898	9226899	45.5	0	90	12	0	9	9	2.5	25.4	7.9	0.18
16FGAC314	547850	9226898	46.3	0	90	12	0	7.5	7.5	2.2	24.6	7.0	0.07
16FGAC315	547800	9226901	46.3	0	90	12	0	7.5	7.5	1.6	28.5	6.7	0.03
16FGAC318	548050	9226798	38.5	0	90	12	0	12	12	3.9	24.9	9.8	0.34
16FGAC319	548099	9226800	36.5	0	90	12	0	10.5	10.5	5.5	20.3	6.4	0.08
16FGAC320	548143	9226700	36.3	0	90	12	0	9	9	10.1	21.8	10.1	0.99
16FGAC321	548049	9226698	38.0	0	90	12	0	9	9	7.2	18.3	8.0	0.31
16FGAC325	548050	9226597	37.9	0	90	12	0	9	9	4.1	25.2	5.5	0.18
16FGAC326	548103	9226602	38.0	0	90	12	0	9	9	14.2	23.1	7.3	0.18
16FGAC327	548151	9226601	35.4	0	90	12	0	12	12	7.7	27.5	9.5	0.4
16FGAC328	548150	9226500	35.8	0	90	12	0	12	12	8.6	18.5	10.3	0.67
16FGAC329	548046	9226503	38.2	0	90	12	0	9	9	4.2	23.7	3.5	0
16FGAC334	548000	9226401	38.3	0	90	12	0	7.5	7.5	2.6	20.5	5.4	0.13
16FGAC335	548051	9226401	37.5	0	90	12	0	9	9	6.8	20.0	8.5	0.57
16FGAC336	548099	9226400	35.8	0	90	12	0	12	12	5.5	24.0	9.3	0.51
16FGAC337	548151	9226400	35.5	0	90	12	0	12	12	4.4	21.8	7.9	0.57
16FGAC338	548198	9226402	37.5	0	90	12	0	7.5	7.5	9.5	17.4	8.0	1.01
16FGAC340	548300	9226402	37.3	0	90	12	0	7.5	7.5	2.7	26.7	6.5	0.22
16FGAC342	548352	9226801	29.5	0	90	15	6	15	9	2.3	18.5	12.0	0.9
16FGAC345	548201	9226701	35.5	0	90	12	0	9	9	3.0	25.0	5.7	0.32
16FGAC350	548250	9226300	36.8	0	90	12	0	9	9	6.7	26.4	7.5	0.23
16FGAC351	548051	9226300	36.0	0	90	12	0	12	12	6.5	20.4	8.4	0.41
16FGAC355	548000	9226199	36.0	0	90	12	0	12	12	5.4	20.5	7.8	0.16
16FGAC356	548050	9226200	36.0	0	90	12	0	12	12	7.5	24.1	6.7	0.26
16FGAC357	548100	9226200	36.0	0	90	15	0	12	12	8.5	16.9	9.0	0.36
16FGAC358	548150	9226199	34.5	0	90	15	0	15	15	10.4	16.6	8.4	0.29
16FGAC359	548200	9226200	37.5	0	90	15	0	9	9	6.5	26.0	8.1	0.47

HOLE ID	EASTING	NORTHING	RL	AZI	DIP	EOH	FROM	TO	LENGTH	THM	SLIMES	OS +1mm	OS +3mm
	WGS84 ZONE 37S	WGS84 ZONE 37S	(m)			(m)	(m)	(m)	(m)	%	%	%	%
16FGAC360	548251	9226199	36.0	0	90	12	0	12	12	3.3	16.9	7.6	0.08
16FGAC361	548300	9226199	38.0	0	90	12	0	7.5	7.5	2.5	19.9	5.7	0.16
16FGAC364	548252	9226099	38.3	0	90	12	0	7.5	7.5	1.9	15.0	2.5	0.1
16FGAC365	548149	9226098	36.8	0	90	12	0	10.5	10.5	9.3	32.1	6.0	0.38
16FGAC366	548052	9226102	36.8	0	90	12	0	10.5	10.5	5.0	15.2	6.5	0.3
16FGAC369	547701	9226100	40.6	0	90	12	0	7.5	7.5	2.9	13.1	5.6	0.2
16FGAC376	548200	9226000	37.0	0	90	12	1.5	9	7.5	2.0	17.3	2.1	0.05
16FGAC377	548145	9225997	34.5	0	90	15	0	15	15	3.4	19.2	4.5	0.08
16FGAC378	548097	9225983	36.8	0	90	12	0	10.5	10.5	3.3	18.8	6.8	0.23
16FGAC381	548151	9225899	39.3	0	90	15	0	7.5	7.5	1.2	8.3	2.5	0.05
16FGAC382	548105	9225902	35.2	0	90	15	0	15	15	2.6	16.4	6.7	0.24
16FGAC386	548049	9225800	36.7	0	90	12	0	12	12	1.7	14.3	6.3	0.15
16FGAC387	548011	9225796	37.6	0	90	12	0	9	9	3.0	15.5	5.1	0.23
16FGAC389	547955	9225701	37.4	0	90	12	0	10.5	10.5	3.4	16.3	5.3	0.18
16FGAC392	547852	9225601	36.0	0	90	12	0	12	12	2.0	15.7	5.8	0.13
16FGAC397	547602	9225599	41.1	0	90	12	1.5	9	7.5	1.6	17.6	8.7	0.17
16FGAC419	547498	9225303	43.2	0	90	12	0	9	9	1.7	17.2	7.2	0.1
16FGAC422	547449	9225210	46.0	0	90	12	0	7.5	7.5	2.5	24.5	6.3	0.26
16FGAC423	547499	9225198	41.4	0	90	12	0	9	9	4.3	14.4	5.8	0.07
16FGAC425	547597	9225179	38.1	0	90	12	0	7.5	7.5	2.5	12.8	7.4	0.39
16FGAC428	547599	9225099	37.2	0	90	12	0	9	9	1.7	14.4	6.7	0.23
16FGAC430	547502	9225100	40.8	0	90	12	0	7.5	7.5	1.9	11.7	8.4	0.35
16FGAC431	547450	9225100	43.7	0	90	12	0	7.5	7.5	2.3	8.8	6.3	0
16FGAC432	547849	9226204	17.3	0	90	57	19.5	30	10.5	1.9	18.2	16.5	0.25
16FGAC432	547849	9226204	-4.5	0	90	57	42	51	9	2.5	23.4	3.6	0

Appendix 3. Modal composite analysis data

Composite Number	Ilmenite	Altered Ilmenite	Zircon	Rutile	Leucoxene	Kyanite / Sillimanite	Garnet	Nonmag others	Others including Monazite	Total VHM	THM Domain
Z2-001	16.6	22.5	16.2	3.2	1.0	30.3	0.5	7.6	2.0	59.6	High Grade Domain 2
Z2-002	5.3	17.9	12.1	2.7	1.2	28.2	1.7	29.7	1.2	39.3	High Grade Domain 2
Z2-003	9.8	25.0	16.7	2.9	1.2	23.4	1.4	17.8	1.8	55.6	High Grade Domain 2
Z2-004	5.3	30.0	15.6	4.4	1.8	25.8	4.3	11.8	0.9	57.1	High Grade Domain 2
Z2-005	8.8	33.0	24.3	4.0	1.6	18.9	0.3	7.3	1.8	71.7	High Grade Domain 2
Z2-006	15.5	26.5	29.5	3.9	0.8	14.3	0.9	6.5	2.1	76.2	High Grade Domain 2
Z2-007	16.8	23.0	27.9	4.5	0.7	12.8	0.8	10.1	3.3	73.0	High Grade Domain 2
Z2-008	18.6	22.8	30.5	3.8	1.1	13.8	0.5	6.9	1.9	76.8	High Grade Domain 2
Z2-009	18.2	27.1	18.7	5.0	0.7	24.7	0.5	4.2	1.1	69.6	High Grade Domain 2
Z2-010	21.5	23.2	17.6	3.9	0.4	27.8	0.2	3.7	1.7	66.5	High Grade Domain 2
Z4-001	23.3	14.6	11.6	3.9	0.7	21.6	0.7	20.9	2.7	54.1	Mod Grade Domain 4
Z4-002	22.7	11.7	9.0	2.8	0.6	22.9	1.1	26.9	2.2	46.9	Mod Grade Domain 4
Z5-001	14.0	21.2	8.0	4.1	0.7	24.6	6.1	19.7	1.7	47.9	Low Grade Domain 5
Z5-002	7.0	22.1	6.1	2.8	1.0	33.2	10.9	15.7	1.2	39.0	Low Grade Domain 5
Z5-003	11.3	26.8	10.5	3.7	0.7	21.3	9.8	13.7	2.2	53.0	Low Grade Domain 5
Z5-004	9.6	26.3	7.9	3.9	0.9	23.1	12.9	13.6	1.8	48.6	Low Grade Domain 5
Z5-005	10.0	17.6	9.4	2.6	0.7	21.2	13.7	23.2	1.5	40.4	Low Grade Domain 5
Z5-006	11.2	19.6	14.0	2.9	0.8	14.8	13.1	21.9	1.7	48.5	Low Grade Domain 5
Z5-007	13.3	21.4	10.0	4.5	0.7	15.5	14.0	18.7	1.8	50.0	Low Grade Domain 5
Z5-008	10.7	13.8	7.8	1.7	0.9	11.0	26.8	25.9	1.5	34.8	Low Grade Domain 5
Z5-009	13.0	16.5	5.8	2.4	0.6	15.4	29.4	15.9	1.0	38.3	Low Grade Domain 5
Z5-010	18.5	13.7	4.9	1.9	1.0	17.6	5.5	34.9	2.1	39.9	Low Grade Domain 5