

ASX ANNOUNCEMENT

Exploration Update – Tanga South Tajiri



23 October 2018

STRANDLINE
resources limited

Extensive drilling campaign underway to grow the already-large Resource at Tajiri mineral sands project

New program aimed at establishing Tajiri as a Tier-One deposit

HIGHLIGHTS

- **Air-core rigs now drilling at the Tajiri mineral sands project in Tanzania**
- **The program is designed to expand the large JORC Indicated Resource (147Mt at 3.1% Total Heavy Mineral) by targeting mineralisation within the updated Exploration Target area**
- **Tajiri is Strandline's second major mineral sands project in Tanzania behind the 'development-ready' Fungoni project, where a DFS has been completed and offtake agreements are in place**

Strandline Resources (ASX: STA) is pleased to announce the start of a large air-core drilling program at its Tajiri mineral sands project in Tanzania.

The program is aimed at significantly increasing existing Mineral Resources by targeting adjacent high grade zones. Drilling will prioritise areas within the Tajiri Exploration Target, which is 73-133Mt at 2.8% to 4.4% Total Heavy Mineral (THM). This is in addition to the currently defined Mineral Resource (refer ASX announcement 26 June 2018).

Strandline would caution the reader that the potential quantity and grade of the combined Exploration Target is conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource. It is also uncertain if further exploration and resource development work will result in the determination of Mineral Resources.

Outstanding reconnaissance drilling results announced earlier this year highlighted the strong potential to extend the thick Tajiri T4C Channel Mineral Resource to the north and south along the 7.5km strike length. The channel zone deposit has mineralised intersections from surface up to 60 metres thick.

Tajiri's JORC Indicated Mineral Resources currently stands at 147Mt at 3.1 % THM, containing in-situ valuable minerals of 339,000t rutile, 201,000t zircon, 3,132,000t ilmenite and 322,000t almandine garnet.

Tajiri continues to emerge as a game-changer for Strandline in Tanzania, offering significant scale and growth potential as the second-most advanced project in the Company's portfolio behind Fungoni.

Strandline Managing Director Luke Graham said: "Tajiri already hosts a large resource with a strong grade and valuable mineral assemblage and further increases will only strengthen the economic outlook for the project."

SUMMARY OF THE TANGA SOUTH TAJIRI PROJECT

Strandline has a globally significant portfolio of mineral sands projects in Tanzania and Australia at different stages of exploration and development. The Company's growth strategy offers a combination of near-term development assets with varying production profiles and substantial exploration upside.

The large-scale Tajiri deposits are in northern Tanzania near the Port City of Tanga, some 45km to the north. The Company has performed multiple stages of exploration to define the higher-grade mineralised zones along Tajiri's 20km mineralised corridor.

The current Mineral Resource hosts a rutile enriched, ilmenite dominant mineral assemblage with zones of elevated zircon-rich and garnet mineralisation within some of the mineralogical domains. The mineralisation also shows strong geological and grade continuity along and across strike, which bodes well for future mine planning activities.

The Tajiri deposits are outcropping and will have low strip ratios with high grades occurring close to surface in most of the resource areas. At least three (3) of the defined Mineral Resources remain open, including Tajiri T1, T3 and the channel-style target (refer Figure 1 below).

Latest air-core reconnaissance drilling completed along the channel target zone identified thick, well mineralised zones of heavy mineral sands along strike from the T4C Mineral Resources (currently 10Mt at 3.5% THM). The T4C resource estimate was based on detailed drilling to depths of 40m along 0.8km of strike. Significantly the latest reconnaissance drilling confirmed thick intersections (up to 60m thick) of mineralisation along the 7.5km long target area with the potential to add significant tonnage to the project.

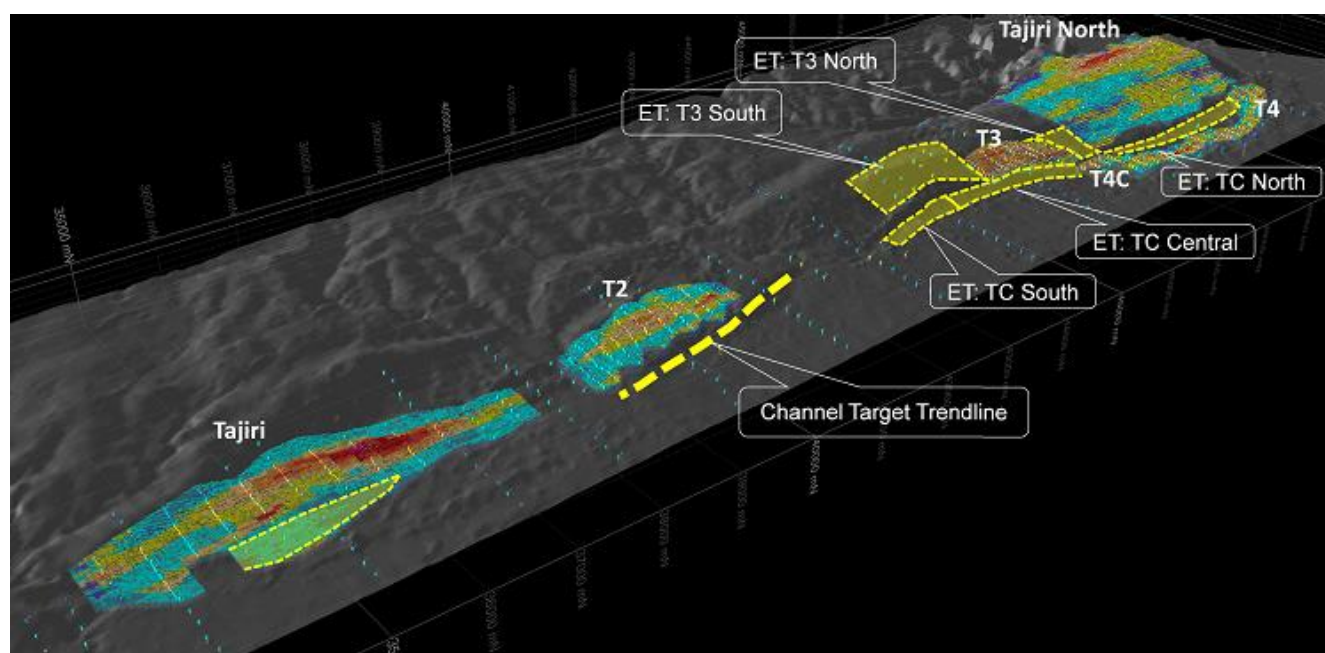


Figure 1 Tajiri Mineral Resources - 3D Image (showing Exploration Target (ET) areas for future exploration and potential to convert mineral resources)

TANGA SOUTH TAJIRI EXPLORATION TARGET

As announced on 26 June 2018, following the completion of the latest AC drilling program along the Tajiri channel zone, the Company updated an Exploration Target estimate for the remainder of the undrilled portion of the 7.5km long mineralised channel and other areas within the tenement areas. The Exploration Target is an estimate of potential HM tonnage where there has been insufficient exploration for Mineral Resource Estimation. The Company defined an **Exploration Target of 73 to 133Mt at 2.8% to 4.4% THM**, which is in addition to the current Indicated Resources of 147Mt @ 3.1% HM.

Strandline would caution the reader that the potential quantity and grade of the combined Exploration Target is conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource. It is also uncertain if further exploration and resource development work will result in the determination of a Mineral Resource. The results are presented in Table 1 and the locations and data distribution is presented in Figure 2.

Table 1. Updated Exploration Target for the Tajiri Mineralised Corridor (refer ASX announcement 26 June 2018)

Zone	Lower Thickness (m)	Upper Thickness (m)	Lower Tonnage (Mt)	Upper Tonnage (Mt)	Lower Grade	Upper Grade
Tajiri Extension	2.5	7.5	0.8	2.4	2.8% THM	4.4% THM
T3 North	2.5	7.5	2	5.9		
T3 South	2.5	7.5	5.4	16.4		
TC North	30	50	26.7	44.4		
TC Central	30	50	24.0	40.1		
TC South	30	50	14.2	23.7		
Totals			73	133		

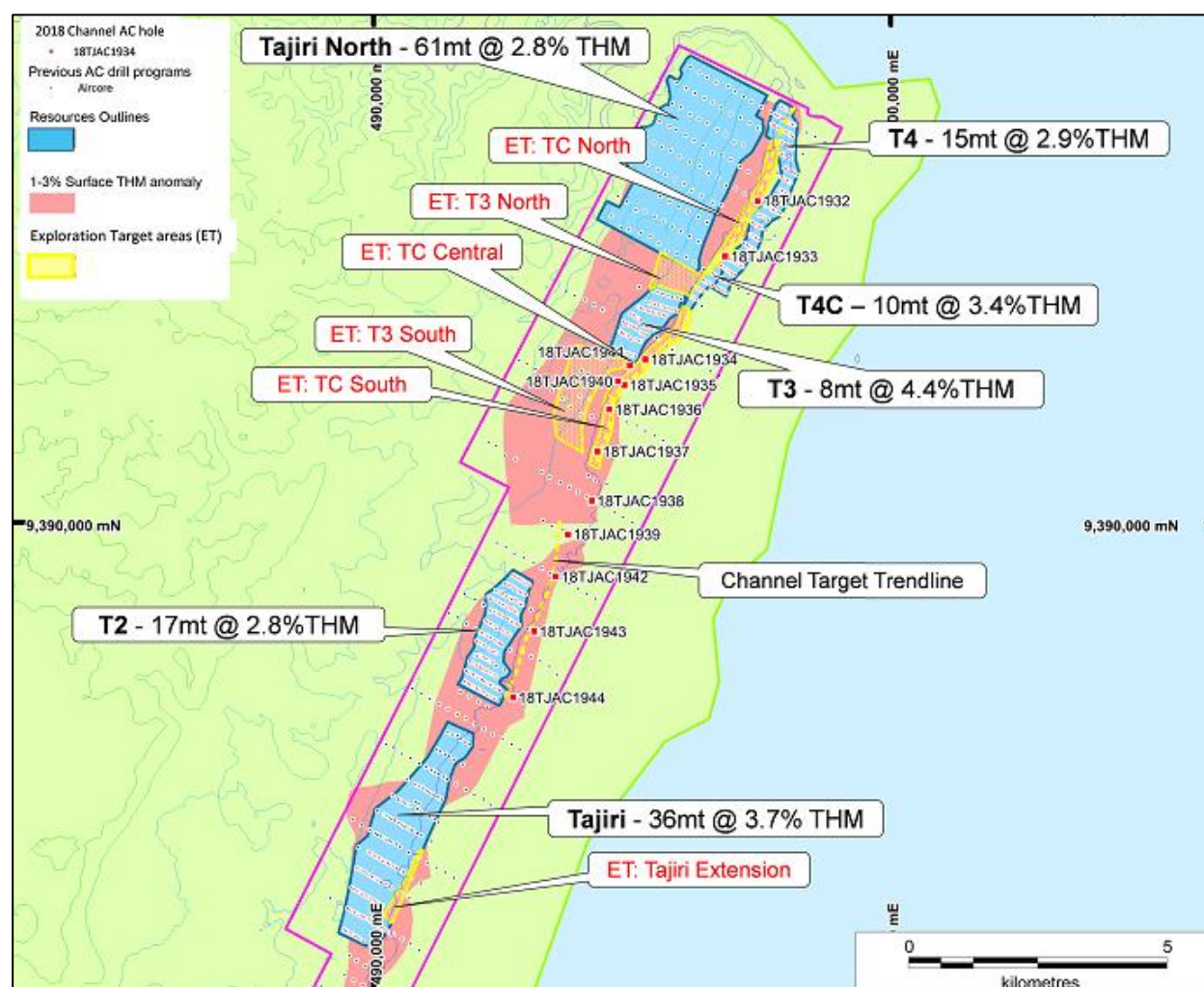


Figure 2 Tanga South Tajiri tenement with currently defined Mineral Resources and Exploration Target areas identified

TANGA SOUTH TAJIRI MINERAL RESOURCE DATA

The 100%-owned Tajiri tenement comprises a series of higher-grade mineral sands deposits stretching along 20kms of Tanzanian coastline. The resources titled Tajiri, T2, T3, T4, T4C Channel and Tajiri North combine to form part of a potential major mine development in the Tanga South mineralised province.

Table 2 JORC 2012 Mineral Resource Estimate for the Tanga South Tajiri Project, at February 2018

MINERAL RESOURCE SUMMARY FOR THE TAJIRI PROJECT												
Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage	In situ HM	THM	SLIMES	OS	Ilmenite	Rutile	Zircon	Leucoxene	Garnet
			(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Tajiri	1.5%	Indicated	36	1.3	3.7	34	4	71	10	6	0	3
Tajiri North	1.7%	Indicated	61	1.7	2.8	48	4	75	6	4	1	1
T2	1.7%	Indicated	17	0.5	2.8	32	11	57	7	4	0	19
T3	1.7%	Indicated	8	0.4	4.4	33	7	68	6	5	1	5
T4	1.7%	Indicated	15	0.4	2.9	22	6	61	8	4	0	12
T4C	1.7%	Indicated	10	0.3	3.4	20	11	44	5	2	0	31
Total			147	4.6	3.1	37	6	68	7	4	0	7
(1) Mineral Resources reported at various THM cut-offs												
(2) Mineral Assemblage is reported as a percentage of in situ THM content												
Appropriate rounding applied												

Refer to the ASX announcement dated 16 February 2018 for full details of the Tajiri Mineral Resource estimate.

TANZANIA MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results and the Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, a permanent employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has 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". 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. Mr Cummins is a shareholder of Strandline Resources.

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.

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands (**HMS**) developer with a growing portfolio of 100%-owned development assets located in Western Australia and within the world's major zircon and titanium producing corridor in South East Africa. Strandline's strategy is to develop and operate quality, high margin, expandable mining assets with market differentiation and global relevance.

Strandline's project portfolio comprises development optionality, geographic diversity and scalability. This includes two zircon-rich, 'development ready' projects, the Fungoni Project in Tanzania and the large Coburn Project in Western Australia, as well as a series of titanium dominated exploration targets spread along 350km of highly prospective Tanzanian coastline, including the advanced Tanga South Project and Bagamoyo Project.

The Company's focus is to continue its aggressive exploration and development strategy to maximise shareholder value.



Figure 3 Strandline's world-wide mineral sands exploration & development projects

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