

ASX ANNOUNCEMENT

Quarterly Report

For the period ending 30 September 2019

30 October 2019



STRANDLINE
resources limited

HIGHLIGHTS

Coburn Project, Western Australia

- Product offtake and project funding negotiations both advanced significantly during the quarter
- The Commonwealth Government's Northern Australia Infrastructure Facility (NAIF) completed its strategic funding assessment of Coburn and has advanced into detailed due diligence phase
- Debt finance from NAIF would significantly boost Coburn's ability to attract the remaining project funding on competitive terms
- With key development approvals already in place and DFS completed, showing pre-tax NPV⁸ of A\$551m and IRR of 32%, Coburn is construction-ready pending finalisation of project finance

Fungoni Project, Tanzania

- Documentation of Nedbank's Credit-approved US\$26m Project Finance Facility is almost completed
- Fungoni has a low capital cost of US\$35 million (excluding financing costs), meaning the Facility will meet the majority of the project's capital requirement
- In parallel with finance documentation, Strandline progressed execution readiness activities, including construction permits, secondary-level government approvals and land access agreements

Tajiri Project, Tanzania

- JORC-compliant Mineral Resource Estimate of 268Mt @ 3.3% Total Heavy Minerals (THM) declared for Tajiri
- Maiden auger drilling program completed at nearby Sakura prospect reveals extensive new zones of mineralisation from surface

Corporate

- Cash on hand of A\$4.32 million and no debt as at 30 September 2019

EXPLORATION AND DEVELOPMENT UPDATE

Strandline Resources (ASX: STA) (**Strandline**, or the **Company**) is pleased to report on its activities for the September 2019 Quarter.

The key focus was advancing the Company's two zircon-titanium rich, 'development-ready' projects: the Fungoni Project in Tanzania and the large Coburn Project in Western Australia.

In parallel, Strandline progressed exploration and evaluation activities across a series of high-grade targets spread along the highly prospective Tanzanian coastline, including the large-scale Tanga South Tajiri Project in northern Tanzania.



Coburn Mineral Sands Project – Western Australia

During the Quarter, the Australian Federal Government’s Northern Australia Infrastructure Facility (NAIF) completed its strategic assessment of Strandline’s 100%-owned Coburn Project in WA and confirmed that Coburn has proceeded to the detailed due diligence phase of the NAIF assessment process.

NAIF provides access to government debt finance, which may be lent on concessional terms to support infrastructure development that generates public benefit for northern Australia. It also seeks to encourage and complement private sector investment to further that objective.

Strandline will now progress the financing process and commercial discussions in order to firm-up investment proposals. Refer ASX announcement dated 09 October 2019.

The Company announced the Coburn Project Definitive Feasibility Study (DFS)¹ earlier this year, on 16 April 2019. Coburn is a Tier 1 scale project, situated in the well-established mining jurisdiction of Western Australia, close to key infrastructure and the dominant mineral sands market of Asia.

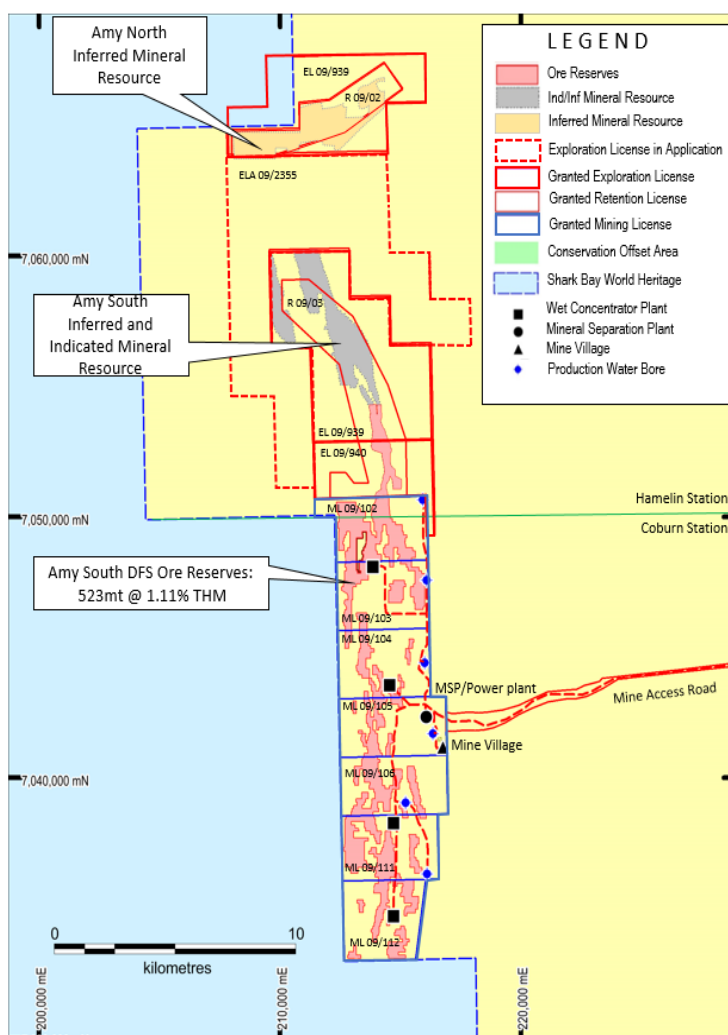


Figure 1 Coburn Tenement and Ore Reserve Outline

The DFS shows Coburn will generate strong financial returns with a **pre-tax NPV⁸ of A\$551 million** (USD:AUD 0.72, real, no debt) and an **IRR% of 32.3%**. Forecast project revenue for the initial 22.5 year mine life is A\$3.91 billion based on TZMI’s February-2019 commodity price forecast, with a LOM operating cost (C1) of A\$1.78b and All-in-Sustaining-Cost (AISC) of A\$1.97b.

The project has an attractive revenue-to-cost (C1) ratio of 2.2.

The DFS design shows Coburn can deliver both a high-value Heavy Mineral Concentrate product (**HMC Case**) or can be refined further to final products (**Final Products Case**).

Total pre-production capital expenditure is estimated to be \$207m for the HMC Case, with an additional A\$50m required for the Final Products Case which includes MSP infrastructure.

The project execution plan identifies a nominal 18-month design and construct duration to achieve first ore delivered to process facilities.

The Coburn project is one of largest and most advanced undeveloped mineral sands projects in the world with an attractive high-value product suite, low-cost operation and ability to generate strong financial returns.

Significant opportunities exist to grow project Reserves and mine life through evaluation of resources extending north and along strike of the current Reserves (titled Mine Life “Extension Case” Scoping Study¹). Scoping Study

¹ Refer to ASX Announcement dated 16 April 2019 for details of the material assumptions underpinning the production target and financial results for the Coburn Project DFS, Ore Reserve and Mine Life Extension Case Scoping Study. The Company confirms that all the material assumptions underpinning the production target and financial results continue to apply and have not materially changed.

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results confirmed the potential to significantly increase the mine life and project returns in the order of an additional 15 years to total 37.5 years with an overall project EBITDA of A\$3.7b.

	DFS – Final Products Case	Extension Case only	Extension Case Integrated
Mine Life	22.5yrs	15yrs	37.5yrs
Mine plan	1-22.5yrs	22.5-37.5yrs	1-37.5yrs
Tonnes Mined	523Mt	354Mt	877Mt
Throughput	23.4Mtpa	23.4Mtpa	23.4Mtpa
Capex	A\$257M	Nil	A\$257M
Revenue	A\$3.91B	A\$3.1B	A\$6.98B
Total Opex (C1)	A\$1.78B	A\$1.20B	A\$2.98B
Total AISC	A\$1.97B	A\$1.36B	A\$3.33B
Avg. annual C1 Cost	A\$346/t	A\$291/t	A\$321/t
Avg. annual AISC (“A”)	A\$397/t	A\$330/t	A\$369/t
Avg. annual Basket Price (“B”)	A\$760/t	A\$751/t	A\$754/t
Avg. Cash Margin (B-A)	A\$363/t	A\$421/t	A\$385/t
EBITDA	A\$1.93B	A\$1.74B	A\$3.67B
Avg. annual EBITDA	A\$86M	A\$109M	A\$98M



Table 1 Summary of Key Financial Metrics from Apr-2019 Coburn DFS and Scoping Study “Mine Life Extension Case”

Figure 2 Strandline’s Exploration Manager, Mr Brendan Cummins, showing visitors Coburn’s mineralisation taken from a surface sample

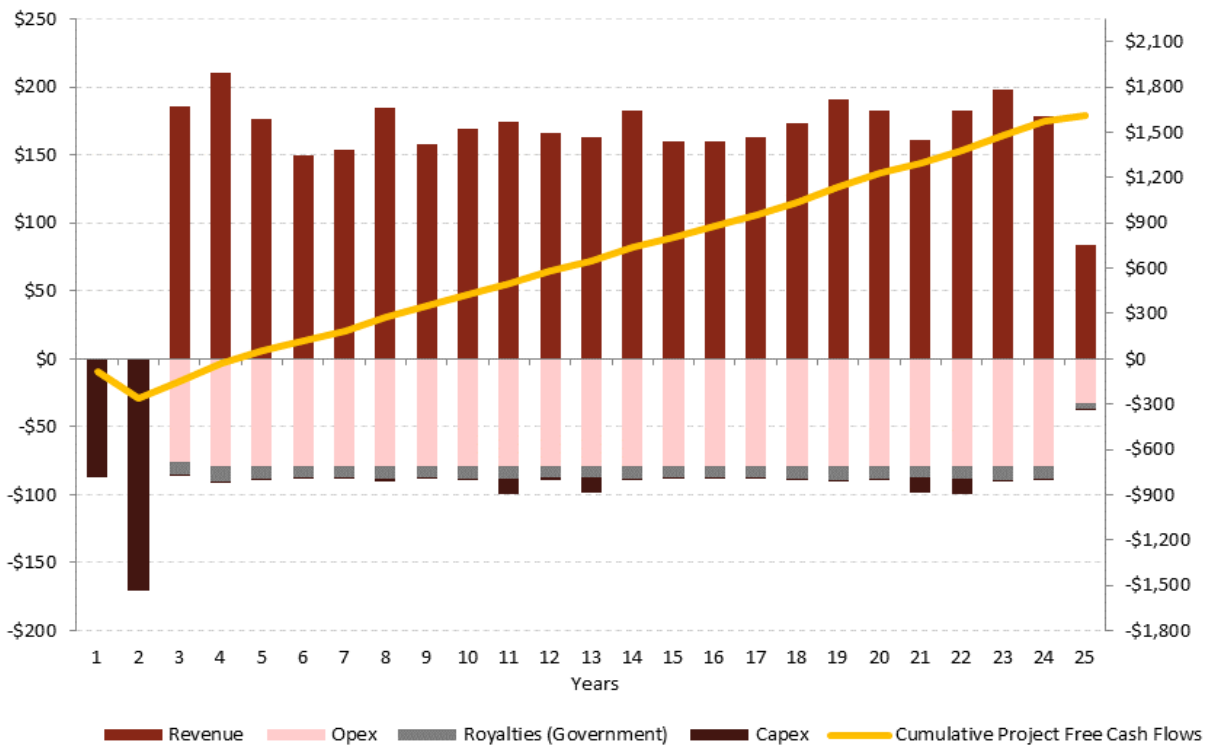


Figure 3 DFS Project Free Cash Flows A\$M, pre-tax, Real, pre-finance. Capex includes upfront and sustaining Capital

Fungoni Mineral Sands Project - Tanzania

Following the receipt of credit approval from Nedbank CIB for a five-year, US\$26 million Project Finance Facility for the project, work is nearing completion on the Facility documentation. The Facility accounts for the majority of Fungoni's total estimated capital cost of US\$35 million including taxes, levies and excluding financing costs (refer ASX release dated 01 November 2018 and 03 January 2019).

In parallel with closing out Facility documentation, the Company is progressing pre-execution readiness activities and conditions precedent to achieve Financial Close and commencement of construction. The main outstanding areas comprise finalisation of land access compensation and resettlement agreements, secondary-level government approvals (including, construction permits and conforming documentation relating to the Tanzanian government's 16% free carried interest in the Project) and satisfying the equity shortfall. As part of this process, Strandline is engaging with international finance institutions interested in strategic equity investment (at Project and/or Company level), and the preferred equity structure for the project is still yet to be determined.

Fungoni is favourably located 25km from the port of Dar es Salaam in Tanzania, and will pave the way for a succession of larger projects in Tanzania. The project is based on a capital efficient and proven execution strategy, with a fixed price EPC contract signed with GR Engineering Services that underpins a 12-month build phase to first production following Financial Close.

The DFS defines strong financial metrics including project pre-tax **NPV¹⁰ of US\$48.7m** (real, no debt), an **IRR of 61%** and **LOM EBITDA of US\$115m** (avg annual US\$18.5m), based on TZMI price forecast. The mining licence and environmental certificate have been granted by the Tanzanian authorities and there are a host of socio-economic benefits, including capital inflows to Tanzania, high local content, jobs, knowledge transfer and community engagement programs.

With key development approvals in place, 100 per cent of the product pre-sold via offtake, strong government support, major implementation contracts signed and project financing nearing completion, Strandline is well positioned to commercialise its first project in Tanzania and capitalise on the growing mineral sands market.



Figure 4 Fungoni Preliminary 3-D Engineering Design, based on modular relocatable design concept

For more information on the Fungoni mineral sands project, refer to the ASX Announcement dated 06 October 2017 (Original DFS) and subsequent update on 01 November 2018 (Updated DFS) for details of the material assumptions underpinning the production target and financial results. The Company confirms that all the material assumptions continue to apply and have not materially changed.

Strandline making a difference in the local community:

As part of Strandline's ongoing commitment to sustainable communities and focus on improving healthcare and education in the regions where we operate, the Company has been involved in a range of exciting initiatives in Tanzania and the Kigamboni district communities (near Fungoni). During the period, Strandline teamed up



with the Australia Tanzania Society and Rafiki Surgical Missions to deliver medical supplies, equipment and an ambulance to the local Vijibweni Hospital. The equipment was well received and will enhance the medical treatment capability of the regional hospital.



Figure 5 Strandline’s Chair Mr Didier Murcia and Manager Stakeholder and Sustainability Ms Anna Rabin attending the ‘handing over’ ceremony in Tanzania, with Deputy Minister for Health, District Commissioner and other stakeholders.

Tajiri Mineral Sands Project - Tanzania

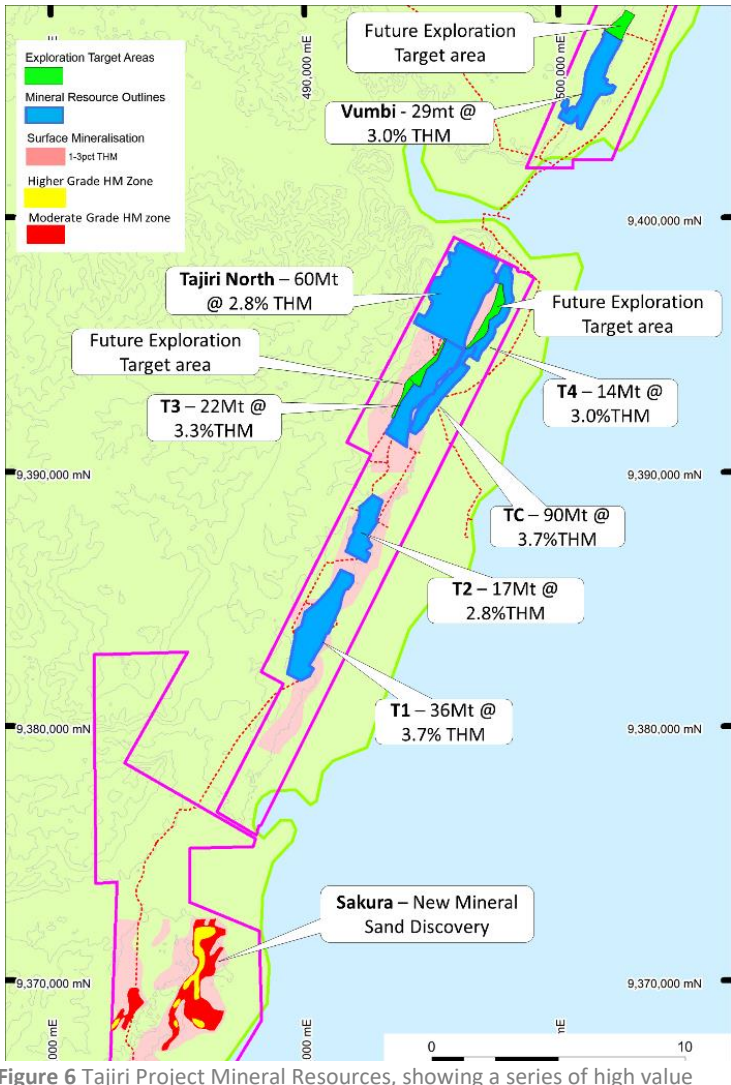


Figure 6 Tajiri Project Mineral Resources, showing a series of high value deposits from surface (plan view)

The Tajiri project located in northern Tanzania comprises a series of higher-grade mineral sands deposits stretching along 30kms of Tanzanian coastline.

In the previous Quarter, the Company announced an 80% increase in the JORC-compliant Mineral Resource to **268Mt at 3.3% THM** (from 147Mt @ 3.1%THM), with **contained Heavy Mineral of 8.8Mt** (up from 4.6Mt, see ASX announcement dated 09 July 2019). It confirms Tajiri as a world-scale deposit which will underpin Strandline’s strong production outlook in Tanzania for many years.

During the Quarter a new mineral sands discovery was made at the Sakura tenement, which is situated some 10km along strike of Strandline’s 100%-owned Tajiri Project. The Sakura deposit shows the potential to expand resources at Tajiri.

The maiden drilling campaign commenced in August 2019 with a final drill density of 200m centres on 400m spaced lines over 5km of strike. Drill samples were logged in the field based on visual estimates, showing widespread titanium dominated mineralisation from surface to depths of 6 to 7m, similar to that seen at other zones within Tajiri. Strandline is now in the process of exporting samples for laboratory testing,

which will be followed by mineral assemblage review and potential Mineral Resource Estimation.

Tajiri has the geological critical mass, robustness and market appeal to advance project feasibility, development approvals/permitting and partnering activities. Strandline has initiated strategic project reviews and partnering discussions in order to advance feasibility evaluation and project permitting activities.

Bagamoyo Project - Tanzania

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Outstanding assays received from the maiden drilling program during the September-2018 Quarter confirm Bagamoyo as a major mineral sands discovery.

The Company has estimated a maiden **Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM** (see ASX release dated 17 September 2018). Minor field activity was performed during the quarter and a further drill program is required to test the veracity of the Exploration Target.

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.

Sudi Project – southern Tanzania - in Joint Venture with Rio Tinto

The Sudi Project forms part of the Earn-in and Joint Venture Agreement with Rio Tinto Mining & Exploration Limited (Rio Tinto) across the Company’s suite of HMS tenements located in the southern region of Tanzania. The Joint Venture has enabled Strandline to accelerate exploration activities on the Project Area, with Rio Tinto contributing expertise and funding.

The Agreement with Rio Tinto is worth up to US\$10.75 million (~A\$14.5 million) consisting of a two-stage earn-in plus cash payments. The Stage 1 earn-in commenced in June 2017 with Rio Tinto having the option to sole fund US\$5 million of exploration within 3.5 years to earn a 51% interest in the joint venture, including a minimum JV commitment of US\$2 million by the 21 August 2019.

Stage 2 involves an option to incur a further US\$4 million expenditure within 2 years to earn an aggregated 75% interest (see ASX announcement 26 June 2017 and 26 April 2017). At the end of the Quarter, US\$2.17 million development expenditure had been incurred and a Joint Venture review of exploration results to date is in progress.

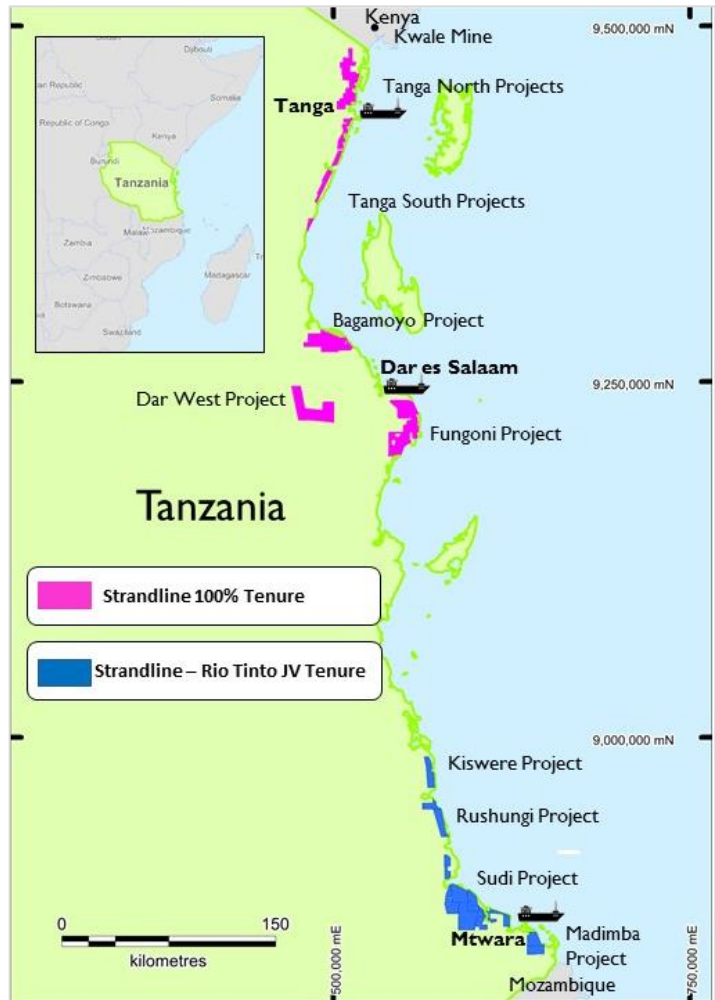


Figure 7 - Strandline holds a strategic tenement package located along 350 km of the Tanzanian coastline

Fowlers Bay Nickel-Gold Project

Exploration activities are being funded by Western Areas Limited (ASX: WSA) (Western Areas), which covers Strandline's 700km² Fowlers Bay Project in the Western Gawler region of South Australia. During the previous quarter, Western Areas earned a 90% interest in the Farm-in and Joint Venture Project after meeting the Stage 2 earn-in and expenditure requirement of \$1,200,000. No material work was completed during the quarter.

CORPORATE

Cash

Consolidated cash on hand was A\$4.32 million as at 30 September 2019.

Equity

During the Quarter the Company issued 5,457,651 fully paid ordinary shares through the vesting of 3,652,205 Performance Rights and 1,805,446 shares issued in accordance with the Short Term Incentive Plan. Performance Rights of 2,073,200 expiring on 15 August 2021 were granted to Key Management Personnel under the Company's Long Term Incentive Plan.

Class of securities	Number
Fully paid ordinary shares	372,153,372
Unlisted performance rights expiring 15/12/19	323,025
Unlisted performance rights expiring 15/08/20	9,535,105
Unlisted performance rights expiring 15/08/21	5,462,567

Table 2 Strandline Capital structure

2019 Annual Report and Annual General Meeting

The 2019 Annual Report was released on 30 September 2019 and the Company's Annual General Meeting will be held at the offices of BDO Australia at 38 Station Street, Subiaco, Western Australia, 6008 on Thursday 28 November 2019 at 12:30pm.

KEY ACTIVITIES PLANNED FOR DECEMBER 2019 QUARTER

During the December 2019 Quarter, the Company plans to advance exploration and development activities across its portfolio of mineral sands projects in Australia and Tanzania. Key planned activities include:

- Coburn project: advance project financing and pre-execution activities, including evaluation of project funding, offtake and strategic partner arrangements;
- Fungoni project: finalise Project Finance Facility documentation with Nedbank CIB and work to satisfy conditions precedent to Financial Close;
- Tajiri project: progress strategic project reviews and partnering discussions in order to advance feasibility evaluation and project permitting activities; and
- Southern Tanzania projects in JV with Rio Tinto: progress exploration and geological evaluation activities.

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ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands developer with a growing portfolio of 100%-owned development assets located in both Western Australia and in South East Africa within the world's major zircon and titanium producing corridor. 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-titanium 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 Tajiri Project and Bagamoyo Project.

The Company's focus is to continue its aggressive exploration and development strategy and execute its multi-tiered and staged growth plans to maximise shareholder value.

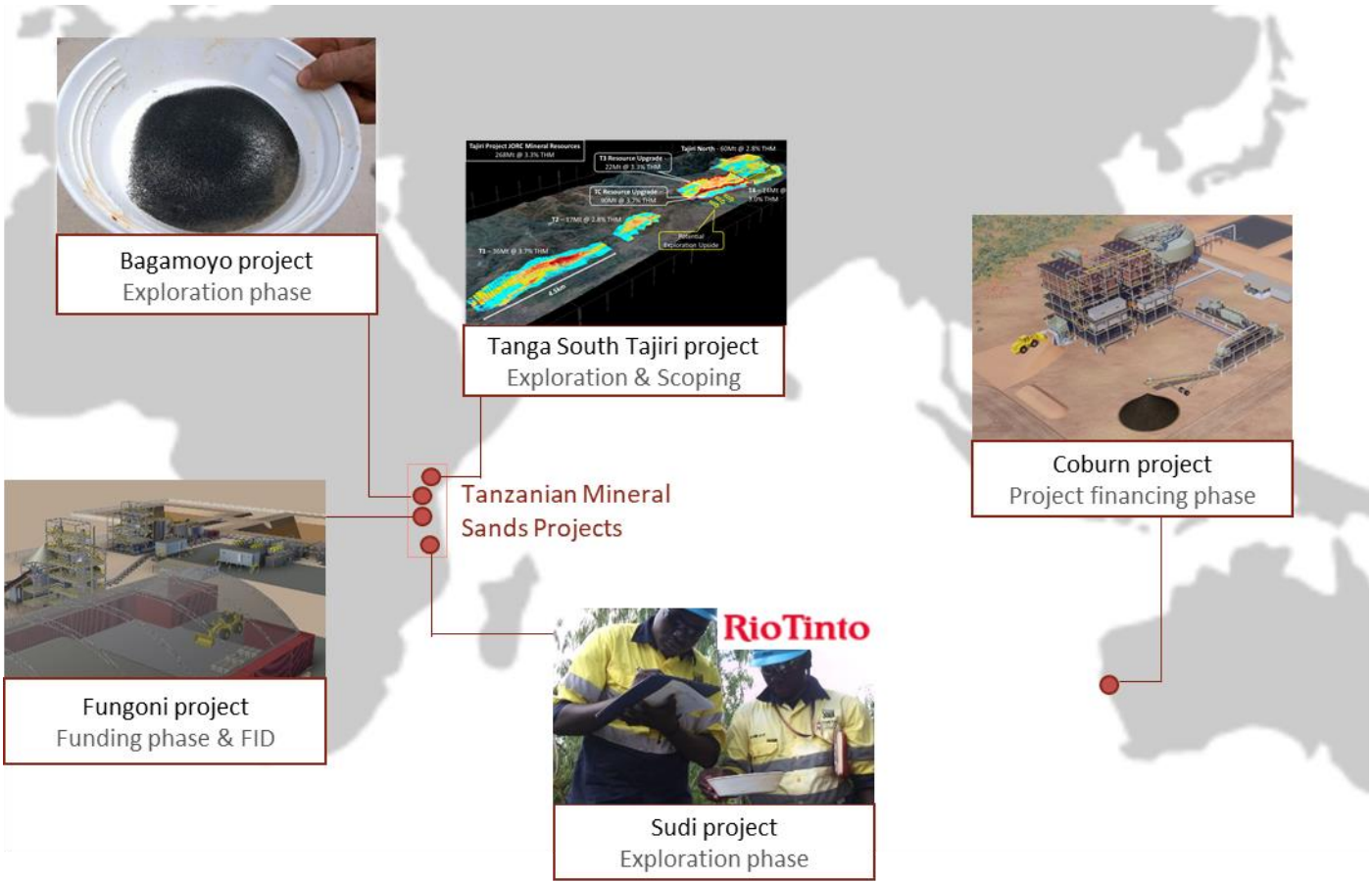


Figure 8 Strandline's world-wide mineral sands exploration & development projects

ANNEXURE A – MINERAL RESOURCE DATA
MINERAL RESOURCES – The Company’s mineral resource estimates and ore reserves are summarised in the tables below.

Table A Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources⁽¹⁾					VHM assemblage⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ HM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.4	4.3	43.3	4.3	18.3	1.0	19	7.0
FUNGONI	Indicated	12.97	0.2	1.8	36.7	4.3	14.6	1.4	24	7.0
	Total⁽³⁾	21.74	0.6	2.8	40.7	4.3	16.9	1.2	22	7.0

Notes:

- (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

Refer ASX announcement 2 May 2017 for full details of the Fungoni Mineral Resource Estimate. Mineral Resources were converted to Ore Reserves in accordance with the JORC Code 2012 Edition based on the pit designs, recognising the level of confidence in the Mineral Resource Estimation, and reflecting modifying factors. Refer ASX announcement 6 October 2017 for full details of the Fungoni Ore Reserve statement.

Table B Ore Reserve Statement for Fungoni Project at October 2017

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	Reserve Category	Ore	Slimes		Heavy Mineral	
		(Mt)	(Mt)	(%)	In Situ HM (kt)	THM (%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	Total*	12.3	2.3	19	480	3.9

*Note totals may deviate from the arithmetic sum due to rounding.

Table C Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage	In situ HM	THM	SLIMES	OS	Ilmenite	Zircon	Rutile	Leucoxene	Garnet
			(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
T3	1.70%	Measured	19	0.6	3.4	37	6	64	4	7	0	5
TC	1.70%	Measured	55	1.9	3.5	23	10	42	2	5	0	38
		Total	74	2.5	3.4	27	9	48	3	5	0	30
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		Total	165	5.4	3.3	36	6	64	4	7	0	13
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	29	0.9	3.0	30	12	64	4	7	1	2
		Grand Total	268	8.8	3.3	33	7	59	4	7	0	17

Notes:

- ¹ Mineral Resources reported at various THM cut-offs
- ² Mineral Assemblage is reported as a percentage of insitu THM content
- ³ Appropriate rounding applied

Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project.

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Table D Coburn Project JORC 2012 Global Mineral Resources – Amy South and Amy North

Resource Category	Ore ⁽¹⁾			Valuable HM Grade (In-Situ) ⁽²⁾					
	Material (Mt)	In situ THM (Mt)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Slimes (%)	Oversize (%)
Measured	119	1.5	1.3	45	5	24	6	3	6
Indicated	607	7.7	1.3	48	7	22	5	3	3
Inferred	880	10.4	1.2	49	7	21	4	3	1
Total	1606	19.6	1.2	48	7	22	5	3	2

Notes:

1. Mineral Resources reported at a cut-off grade of 0.8% THM
2. Valuable Mineral assemblage is reported as a percentage of in situ THM content
3. Appropriate rounding applied

Table E Coburn Project JORC 2012 Ore Reserve Statement April 2019

ORE RESERVES SUMMARY FOR COBURN PROJECT				
Deposit	Reserve Category	Ore	Heavy Mineral	
		(Mt)	In Situ HM (Mt)	THM (%)
Coburn - Amy South	Proved	106	1.16	1.10
Coburn - Amy South	Probable	417	4.66	1.12
	Total¹	523	5.83	1.11

Notes:

1. Total may deviate from the arithmetic sum due to rounding

Refer to the ASX announcement dated 16 April 2019 for full details of the Ore Reserve and Mineral Resource estimates for the Coburn Project.

MINERAL SANDS 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 Mr Brendan Cummins, Chief Geologist and 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 a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents 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.

Tanga South Mineral Resources

The information in this report that relates to Mineral Resources for Tanga South is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australasian 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 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.

Fungoni Mineral Resources

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

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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.

Fungoni Ore Reserves

The information in this report that relates to the Fungoni Ore Reserves are based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX 6/10/2017) together with their area of contribution.

Coburn Mineral Resources

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, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australasian 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 provision of the drill database, and completed the site inspection. Mr Jones is the Competent Person for the data integration and 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.

Coburn Ore Reserves

The information in this report that relates to the Coburn Ore Reserves is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX announcement 16/04/2019) together with their area of contribution.

Scoping Study Production Targets (No ore reserves declared)

The information in this report that relates to the Mine Extension Case Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Coburn Ore Reserve announcement dated 16 April 2019.

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 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Strandline Resources Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,347)	(1,347)
(b) development	-	-
(c) production	-	-
(d) staff costs (net of exploration and evaluation allocations)	(387)	(387)
(e) administration and corporate costs	(106)	(106)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Rio Tinto receipts/JV contributions)	67	67
1.9 Net cash from / (used in) operating activities	(1,759)	(1,759)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(3)	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(7)	(7)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(7)	(7)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	6,065	6,065
4.2 Net cash from / (used in) operating activities (item 1.10 above)	(1,759)	(1,759)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(7)	(7)
4.5 Effect of movement in exchange rates on cash held	20	20
4.6 Cash and cash equivalents at end of period	4,316	4,316

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	264	718
5.3 Call deposits	4,000	5,200
5.4 Bank overdrafts	-	-
5.5 Other ¹ (provide details)	52	147
5.6 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,316	6,065

¹ Cash bank balance from Earn-in and Joint Venture Agreement with Rio Tinto.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	202
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	29
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Fees paid to MPH Lawyers and Artemis Management Tanzania, being director related entities	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	
9.1	Exploration and evaluation	663
9.2	Development	-
9.3	Production	-
9.4	Staff costs (net of exploration and evaluation allocations)	296
9.5	Administration and corporate costs	231
9.6	Other (Rio Tinto receipts/JV contributions)	-
9.7	Total estimated cash outflows	1,190

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	PL 13263/2018 PL 13336/2018 PL14621/2019 PL14683/2019 PL14554/2019 PL14553/2019	New Application	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30 October 2019

Print name: Flavio Garofalo

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Additional Information Required by LR 5.3.3

Tenement Schedule

Tenement Number	Name/Location	Interest
Tanzania		
Mineral Sands Projects		
PL 9427/2013	Kitambula	100%
PL 9976/2014	Tanga	100%
PL 9980/2014	Kiswera South JV*	100%
PL 9969/2014	Sudi JV*	100%*
PL 9970/2014	Madimba JV*	100%*
PL 10425/2014	Tanga North	100%*
PL 10424/2014	Ziwani JV*	100%*
PL 10429/2014	Mkwaja	100%
PL 7321/2011	Tajiri	100%
PL 10265/2014	Bagamoyo	100%
ML 580/2018	Fungoni	100%
PL 7754/2012	Fungoni	100%
PL 9951/2014	Fungoni South	100%
PL 7666/2012	Pangani	100%
PL 7960/2012	Tongoni	100%
PL 8123/2012	Tongoni North	100%
PL 11025/2017 (formerly PL 11277/2016)	Naumbu JV*	100%
PL 11029/2017 (formerly PL 11400/2016)	Buyuni	100%
PL 11030/2017 (formerly PL 11401/2016)	Fungoni West	100%
PL 10978/2016	Fungoni South	100%
PL 11076/2017 (formerly PL 11282/2016 & PL7752/2012)	Bagamoyo	100%
PL 11131/2017 (formerly PL 11402/2016)	Sudi Central JV*	100%
PL 11265/2019 (Formerly PL/12070/2017)	Nachunyu RIO JV*	100%
PL 11269/2019 (Formerly PL/12770/2018)	Lindi North RIO JV*	100%
PL 11270/2019 (Formerly PL/13031/2018)	Kitunda RIO JV*	100%
PL 11267/2019 (Formerly PL/12280/2017)	Rushungi South	100%*
PL 11268/2019 (Formerly PL/12769/2018)	Sudi West RIO JV*	100%*
PL 11266/2019 (Formerly PL/12080/2017)	Sudi East RIO JV*	100%*
PL/12018/2017	Mfunza	100%
PL/12025/2017	Kimbije	100%*
PL/13032/2018	Rushungi Rio JV*	100%*
PL 13172/2018	Mzengea	100%
PL 13336/2018	Sakaura (South of Tajiri)	100%
PL14621/2019	Tanga West	100%
PL14683/2019	Ridgeline North	100%
PL14554/2019	Ridgeline Central	100%
PL14553/2019	Ridgeline South	100%
* Subject to Earn-in and Joint Venture Agreement with Rio Tinto		
Australia		
Coburn Mineral Sands Project		
E09/939	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
M09/103	Shark Bay District, Western Australia	100%
M09/104	Shark Bay District, Western Australia	100%
M09/105	Shark Bay District, Western Australia	100%
M09/106	Shark Bay District, Western Australia	100%
M09/111	Shark Bay District, Western Australia	100%
M09/112	Shark Bay District, Western Australia	100%
E09/939	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
Fowlers Bay Gold-Base Metal Project**		
EL 5880	Ceduna District, South Australia	100%**
** Western Areas earning 90%		