Fungoni Project Maiden Ore Resource

6 October 2017

STRANDLINE
resources limited

Strong Maiden Ore Reserve for Fungoni Heavy Mineral Sands Project

Ore Reserve of 12.3Mt grading 3.9% total heavy mineral from surface

HIGHLIGHTS

- **Fungoni feasibility study pit design contains an Ore Reserve of 12.3Mt grading 3.9% total heavy mineral (THM) for approximately 480,000 tonnes of contained heavy mineral**
- **Ore Reserve underpins an initial 6.2 years of operations at a planned 2Mtpa mining rate**
- **Orebody at surface, free-dig unconsolidated sands well suited to conventional open pit dry mining using excavator and truck; resulting in low operating costs**
- **Measured and Indicated Mineral Resources used in defining the Ore Reserves**

Strandline Resources (ASX: STA) is pleased to announce the maiden Ore Reserve for its high grade Fungoni Mineral Sands Project located close to Dar es Salaam in Tanzania[1].

The Ore Reserve was developed during the Fungoni Definitive Feasibility Study (**DFS**), and has been classified in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").

The Mining study confirms the mine plan is technically and economically robust under a range of reasonable product pricing scenarios. The Ore Reserve estimate is underpinned by detailed mine design, pit optimisation and strategic scheduling studies.

The Fungoni Mineral Resource estimate of 22Mt at an average 2.8% THM, classified 41% Measured and 59% Indicated was reported under the guidelines of the JORC Code and, announced on 02 May 2017. The Ore Reserve estimate focussed on the higher-grade upper domains of the resource and has resulted in a high conversion rate of 79% from mineral resource to ore reserve for the contained heavy mineral (**HM**).

The orebody contains a high-unit value heavy mineral assemblage and with multiple stages of advanced beneficiation and separation, the Project produces a highly marketable suite of mineral sand products.

There is potential to increase the Fungoni reserves and extend the years of operation through continued optimisation of the mine plan as product pricing improves.

The Ore Reserve estimate was prepared by AMC Consultants Pty Limited (**AMC**) and a range of independent specialist consultants appointed by Strandline.

Strandline Managing Director Luke Graham said: "This maiden Ore Reserve provides further evidence of the strength of Fungoni, demonstrating that the Project is underpinned by an economically compelling initial mine life with scope for growth.

"The mining study also confirms Fungoni boasts an exceptional, high-unit value mineral sands reserve, conventional open pit dry mining and a cost-efficient and practical operating plan."

[1] This announcement supersedes the ASX announcement dated 5 October 2017 incorporating changes to Ore Reserve classification.

Summary of Ore Reserves Statement and Reporting Criteria

Material Assumptions and Outcome of Feasibility Study

The Project is based on mining ore at 2Mtpa, processing onsite using multiple stages of beneficiation and mineral separation equipment to produce saleable, low impurity, premium quality industrial mineral products. A Mineral Resource Estimate of 22Mt @ 2.8% total heavy mineral (**THM**), classified 41% Measured and 59% Indicated, provides the geological foundation for the Project.

Mineral Resources were converted to Ore Reserves based on the pit designs, recognising the level of confidence in the Mineral Resource estimation, and reflecting modifying factors.

The product prices assumptions used to determine the Ore Reserve estimate were:

- Ilmenite price – US$238.79/t in product.
- Leucoxene price – US$323.11/t* in product.
- Rutile price – US$1082.01/t in product.
- Zircon price – US$1078.46/t contained zircon in zircon-monazite rich product.
- Monazite price – US$1127.80/t contained monazite in zircon-monazite rich product.

*Leucoxene is planned to be distributed 90% into the ilmenite stream and 10% into the rutile stream. Price is reflective of this split.

Product prices, grades, recoveries, and costs provided in the Mining Study were used to identify economically mineable blocks to be included in the Ore Reserve estimate. The basis of the estimate and related assumptions has been performed to a ±10-15% level accuracy as appropriate for a DFS level:

- Pricing assumptions for ilmenite, rutile and zircon were obtained from TZ Mineral International Pty Ltd's (**TZMI**) independent assessment (May 2017) of the Fungoni suite of products and forward price assumptions for the Life of Mine (**LOM**). Zircon pricing was then adjusted to take into account downstream handling costs. Monazite pricing has been assumed from Strandline's own market intelligence including an adjustment for downstream handling costs.
- Process flowsheet, product grades and recoveries assumptions were obtained from metallurgical testwork and engineering evaluation performed on a bulk LOM sample and a low grade and high grade bulk sample to stress test the preferred process flow sheet.
- Mining, tailings and slimes management cost assumptions were determined from first principles for the mining plan based on contract mining using a conventional open pit dry mining method appropriate to commercialise the reserves.
- Processing cost assumptions were determined by taking into account the physical flows and unit consumptions determined from the mining study, metallurgical testwork and engineering design.
- Support services costs were developed from first principles and quotations from suppliers as applied to the engineering design.
- Transport and logistics cost assumptions were obtained from contractor quotations as applied to the transporting of the products and material in the planned form.
- General and administration cost assumptions were developed from first principles for manning schedules, labour work rosters, materials, equipment and other administration related costs such as communications, IT, consultants and recruitment.
- Environmental management, social program costs and land access costs were developed from first principles and/or the Preliminary Land Valuation Assessment Report.

Financial modelling was prepared and tested by varying revenue, cost and macro-economic factors. These factors include commodity price, operating and capital cost, production volume, along with economic discount factors. An AUD/USD exchange rate of 0.75 was assumed for the LOM, based on consensus forecasts.

Key financial outcomes include:

- Low capital cost estimate of US$30 million, including mine infrastructure, port facilities, working capital, land access, pre-production mining, owner's costs and project contingencies of 10%
- 2.7 year payback period
- Internal Rate of Return (IRR) of 56% and revenue-to- operating cost ratio of 2.7 (first quartile)
- Project Pre-Tax NPV of US$42.9 million (A$57.1 million at USD:AUD 0.75, 10% discount rate)
- LOM Revenue of US$168.1 million (A$224 million) and LOM EBITDA of US$98 million

Key CAPEX and OPEX breakdowns are presented in Tables 1 and 2.

Table 1– DFS Project Development Capital

Capital Cost Item	Amount (US$)
Site establishment, bulk earthworks & roads	$0.71M
Process Infrastructure	$14.84M
Non-Process Infrastructure – Mine	$4.57M
Non-Process Infrastructure - Port	$0.47M
Pre-production Mine Development	$0.42M
Owners Costs inc land access, insurance, project team/expenses	$4.03M
Working Capital, Spares & First Fills	$2.19M
Contingency (10%)	$2.72M
Project Development Capital Total	**$29.95M**

Table 2– DFS Operating Expenditure

Operating Cost Item	LOM (US$/Saleable t)
Mining inc Tailings and MFU	$80.10/t
Processing inc WCP, MSP, Laboratory, Power, etc	$65.53/t
Administration	$28.03/t
Transportation (to ship)	$34.99/t
C1 Cost	**$208.65/t**
Royalty	$23.92/t
Sustaining Capital	$3.14/t
All in Sustaining Cost	**$235.71/t**
Product Basket Price (saleable)	**$556.28/t**
Operating C1 Cost Margin	**$347.63/t**
All-in Sustaining Cost Margin	**$320.58/t**

Other capitalised operating expenditure includes sustaining capital of US$0.92M and deferred capital relating to Mobile Feed Unit (**MFU**) moves and mine closure rehabilitation of US$0.44M.

A residual value of US$5M for the relocatable infrastructure (mainly the MFU, Wet Concentrator Plant (**WCP**) and Mineral Separation Plant (**MSP**) modules) has been allowed for at the end of the mine life in the financial model.

The estimated Ore Reserves underpinning the production target have been prepared by a competent person in accordance with the requirements in Appendix 5A (JORC Code).

Criteria used for the Classification of the Ore Reserves

All the Mineral Resources intersected by the open pit mine designs, classified as Measured were classed as Proved Ore Reserves after consideration of all mining, metallurgical, social, environmental, statutory and financial aspects of the Project. Similarly all Mineral Resources classified as Indicated were classed as Probable Ore Reserves after considerations of all mining, metallurgical, social, environmental, statutory and financial aspects of the Project. The Ore Reserve is part of the Mineral Resource which can be economically mined by open pit mining methods. All of the mineralized horizon was included within the ore zones, therefore no additional dilution of the Mineral Resource model was included.

The Fungoni Project Ore Reserve is summarised in Table 3 below.

Table 3: Fungoni Project Ore Reserve

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	**Reserve Category**	**Ore**	**Slimes**		**Heavy Mineral**	
		(Mt)	(Mt)	(%)	(kt)	(%)
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.

Mining method selected and other mining assumptions, including mining recovery factors and mining dilution factors:

A conventional open pit dry mining operation where free-dig unconsolidated sand is mined using an excavator and hauled by truck up to 750 metres to a MFU. The MFU prepares the ore for processing and the ore is pumped in a slurry form to the processing plant facilities. The MFU is moved twice during the LOM as the mine plan advances from the south to north through the deposit.

The mining and related earthmoving activities will be delivered under a contract mining arrangement, where the mining contractor will be responsible for delivering and feeding ore to the Mobile Feed Unit (MFU) as per the mine plan and also performing the necessary management of tailing returns and in-pit slimes dams, relocation of slimes from the surface dams, top soil replacement, haul road maintenance, bench and drainage maintenance, in pit dewatering and re-contouring of the completed pit area.

Knight Piésold Pty Limited performed the geotechnical investigations and interpretations relating to the mining study to a DFS level. Ground condition typically comprises very loose and loose sand, with variable silt content to 5 metres depth. Pit slopes at a vertical to horizontal ratio of 1:3 (1V:3H), with a 2 metre wide bench every 4 metre of vertical height were used in pit optimization and pit design.

Grade control of the ore has been defined through the mine optimisation and planning process to achieve the target feed head grade to the plant. Grade control activities proposed for the operation include:

- Pre-mining grade control drilling;
- Geological team working ahead of the mining face with laboratory analysis onsite; and
- Front end loader material selection at feed point to the MFU.

Strandline will be responsible for statutory duties, technical services, geology and mine planning, potable water, power and communication systems.

Processing method selected and other processing assumptions, including the recovery factors applied and the allowances made for deleterious elements:

Multiple stages of advanced process beneficiation and mineral separation are performed on site using modern technology to produce three saleable high-quality industrial mineral products including a combined Zircon and Monazite product, Rutile product (+95% TiO_2) and Ilmenite product (+58% TiO_2). The process and non-process infrastructure related to the Project is based on a modular relocatable design concept which facilitates simple construction and de-commissioning ready for relocation and use in the next project, and also serves to de-risk in-country implementation and construction. The process facilities include a WCP and MSP.

The recoveries applied for determining the ore reserve were obtained from metallurgical testwork on a LOM bulk sample. The same methodology was applied to a low grade and high grade bulk sample to stress test the circuit adopted confirming the robustness of the circuit design applied. The recovery results obtained from the testwork on the LOM sample were directly applied in determining the ore reserve and are presented in table 4 below.

Table 4: Fungoni Life of Mine Product Recoveries Used in Determining the Reserves

Product	WCP Recovery (%)	MSP Recovery (%)
Ilmenite	94.98	94.52
Leucoxene	87.46	78.06
Rutile	79.80	88.59
Zircon *	95.52	99.21
Monazite *	97.82	99.46
Light Heavies	45.97	97.60

The Titanium and Zircon products were independently evaluated by TZMI, an industry leading consultancy specialising in product market and economic conditions relating to the mineral sands industry. They concluded that the product qualities were of a nature that make the Fungoni products highly marketable and would fetch an optimum market price without penalty for any deleterious elements. The prices used for determining the ore reserve with respect to these major products are TZMI's LOM forecast prices specific for the Fungoni products as produced from the LOM testwork.

The monazite produced from the testwork was evaluated by potential end use customers with the price assumptions derived from the market intelligence obtained from the discussion with those potential end use customers following their evaluation of the monazite product produced from the LOM testwork. As the price relates to the product evaluated no adjustments for deleterious elements were necessary or made.

The non-process infrastructure comprises product storage facilities, water treatment plant, ablution facilities, power plant, tailings storage facilities, water services, security facilities, site roads, laboratory, weighbridge, workshop, buildings, and offices. Water for operations will be supplied by a combination of sources including in-pit water, tailings and slimes dams supernatant storage and raw water top from a local bore field (at a peak of 76L/s in the dry season). Power will be supplied on site via a diesel-fired power plant at an average consumed load of 1.3MW.

Costs associated with operating this infrastructure was based on first principles and/or supplier quotations.

Basis of the cut-off grade(s) or quality parameters applied

The Ore Reserve estimate as at 6 October 2017, reported in accordance with the JORC Code 2012 Edition[2], is stated in Table 3, and reported to a nominal cut-off grade of 1.5%THM, with all internal waste within the mineralized zone included in the Ore Reserve.

Mineral Resource Estimation Methodology (Mineral Resource released 2/05/2017)

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 100 m along strike × 50 m across strike × 1.5 m down hole for Strandline drilling. The selection of parent cell dimensions in XYZ of 25 x 50 x 1.5 m 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 g/cm^3 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.

[2]Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC).

Ore Reserve Estimation Methodology

The methodology in determining the Reserves was as follows:

- Pit optimization was completed on the mineral resource model to define the economic limits of open pit mining. A 132% revenue factor pit shell was used as the basis for pit design because of the relatively flat pit optimization curve and to capture the upside of any increase in metal prices. Five separate pits were designed and subdivided into panels for scheduling.
- The mining method used as the basis for the mine plan is for ore to be excavated from open pits using a mining contractor fleet of 45-t class excavators and 40-t articulated dump trucks. No overburden is present and therefore no pre-strip is required. No drill and blast is required. Ore is hauled to MFUs for transport to ore processing facilities, which are moved two times subsequent to the initial location during the mine life.
- Geotechnical assessment was completed by Knight Piésold Pty Ltd (KP) from data from six air cored boreholes and twenty manually excavated test pits. Pit slopes at a vertical to horizontal ratio of 1:3 (1V:3H), with a 2-m wide bench every 4 m of vertical height were used in pit optimization and pit design, based on effective dewatering being undertaken to ensure that no water pressure will build up in the cut slopes.
- Major assumptions used for pit optimization were pit slopes defined by the above geotechnical analysis, processing recoveries defined from metallurgical test work, product prices as described above and operating costs derived from DFS studies. These costs were derived from first principles and/or supplier quotation.
- Mining dilution of 0% was assumed, as all material within the mineralized horizon is treated as ore and the selective nature of mining operations and visual difference between ore and waste is expected to result in minimal dilution.
- Mining recovery of 100% was assumed, as all material within the mineralized mining was treated as ore and edge losses are expected to be minimal.
- No minimum mining widths were used as the deposit is relatively tabular and flat lying.
- Inferred Mineral Resources were treated as waste in all mine planning and ore reserve estimation work.

Material modifying factors, including the status of environmental approvals, tenements and approvals, other governmental factors and infrastructure requirements for selected mining methods and for transportation to market

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, together with their area of contribution.

Table 5: List of Experts for the Fungoni Project Ore Reserve

Modifying Factors	Responsible Group	Responsible Person/s
Land access and community	ERC Consultants	Dr Mike Yhdego
Environmental	Kiv Five Consultants	Jones Mushi
Geology & Mineral Resource	IHC Robbins	Greg Jones
Geotechnical, tailings and water management	Knight Piésold	Brett Stevenson
Mining and Ore Reserve	AMC Consultants	Adrian Jones
Metallurgy	GR Engineering Services	Bill Gosling
Process plant & mine infrastructure	GR Engineering Services	Bill Gosling
Product transportation infrastructure	GR Engineering Services	Bill Gosling
Marketing/product sales/financial analysis	Strandline Resources	Tony Brazier

Each of the individuals named in Table 5 has consented to the application of their study findings for the purpose of estimating an Ore Reserve.

GR Engineering Services were integral in developing the design and costs associated with multiple stages of advanced process beneficiation and mineral separation on site using modern technology to produce the three saleable products. The process and non-process infrastructure related to the Project is based on a modular relocatable design concept which facilitates simple construction and de-commissioning ready for relocation and use in the next project, and also serves to de-risk in-country implementation and construction. The products will be exported via bulk and container form from the Dar es Salaam port approximately 25km from the Fungoni site.

The Company has undertaken extensive environmental and social impact assessments in accordance with Tanzanian regulatory requirements and in consideration of the Equator Principles. This includes significant community consultation, area of disturbance asset survey and subsequent land access compensation and resettlement planning for project affected people. Land access is substantially advanced, with a baseline survey of assets and project affected persons completed, village executives and key stakeholders extensively consulted, and strong support for the project evident. Commitments have been made to the local community in the EIA, Mining License application and community consultation process to include high local content, up-skilling of the local workforce, and support for local community social improvement programs such as health and education.

Tanzanian's environmental regulator, the National Environmental Management Council (NEMC) sets the guidelines and requirements of the Environmental Impact Assessment (EIA). The EIA for the Fungoni Project was approved by the Ministry of State, Vice President's Office – Union and Environment and the EIA Certificate was received in July 2017. The Company has since lodged its Mining license application to the Ministry of Energy and Minerals Tanzania and will continue to finalise land access agreements.

The saleable products, totalling approximately 302,000 tonnes produced over the life of mine, will be exported in containers and as bulk cargo through the port of Dar es Salaam to the global mineral sands market. As product is generated, shipments will be arranged at regular intervals for the various products; zircon and rutile products will be exported via containers (containing 24 tonnes per container) and shipments are expected every 4 to 6 weeks (nominally 2,000 to 3,000 tonnes per shipment). Ilmenite product in bulk form will be exported once a quarter (8,000-12,000 tonnes per shipment). Trucks, supplied by a local logistics contractor, will be used to transport the containers and bulk cargo to Dar es Salaam port ~27km's from site, on an efficient 'just in time' basis. The port of Dar es Salaam is managed by the Tanzanian Port Authority and has a total quay length of 2000 metres, with seven (7) deep water berths.

The rutile bags will be stuffed, sealed and bonded in containers on site and transported via flatbed truck to the Dar es Salaam port. The zircon product will be loaded into lined containers, sealed, bonded and weighed via the site weighbridge prior to departing to the port (berth-side) ready for shipment.

The ilmenite product will be loaded in bulk onto rear-tipper trucks (nominally 30t capacity) via a front end loader. The ilmenite trucks will be weighed via the site weighbridge prior to departing to the port for direct bulk loading to ship via a Company supplied mobile ship loader.

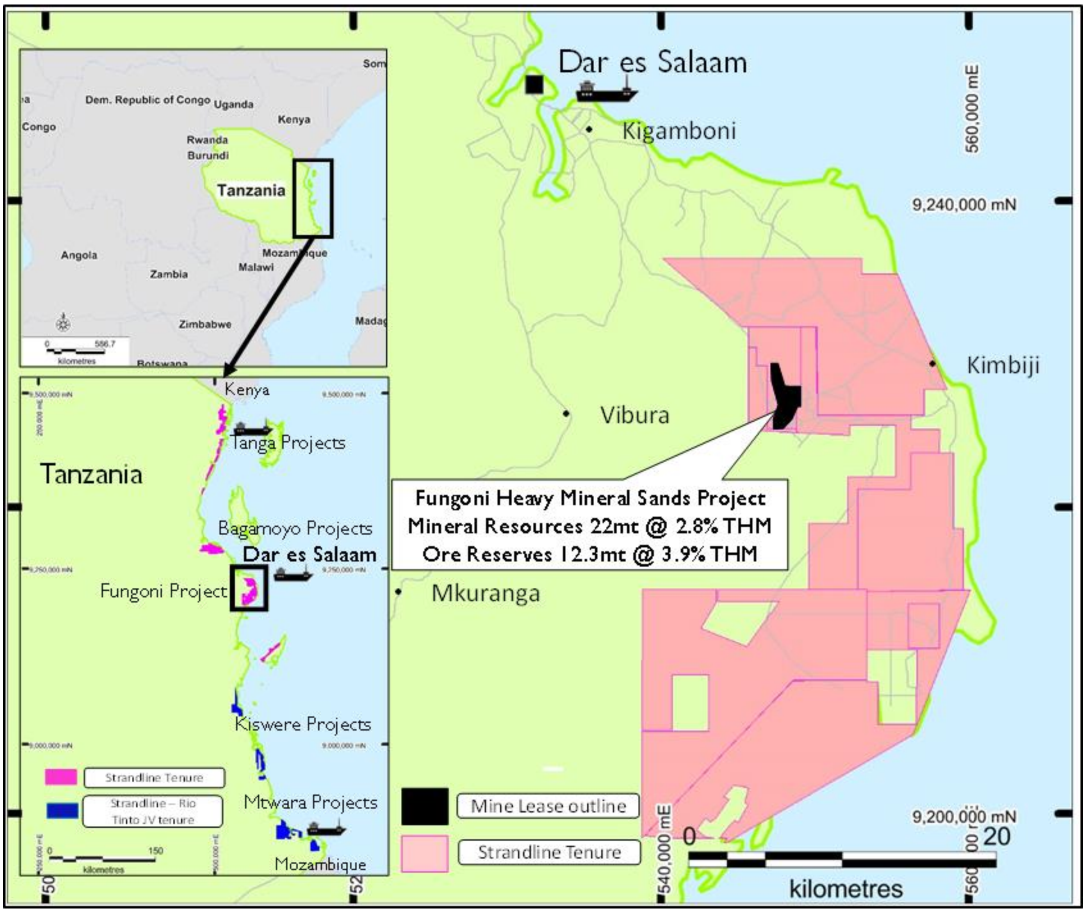

Figure 1 The Fungoni Project is favourably located close to Dar es Salaam Port Infrastructure and supporting industries

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About Strandline

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

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

Competent Person Statement

Exploration Results and Mineral Resource Estimation

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 a part time 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 consents 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.

Ore Reserves

The information in this report that relates to the Fungoni 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 together with their area of contribution.

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.

Annexure 1 - JORC Code, 2012 Edition – Table 1 (Section 1-4)

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
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*	Aircore drilling with inner tubes for sample return was used Aircore is considered a standard industry technique for HMS mineralization.

Criteria	JORC Code explanation	Commentary
	tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	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 drill hole 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 preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	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 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

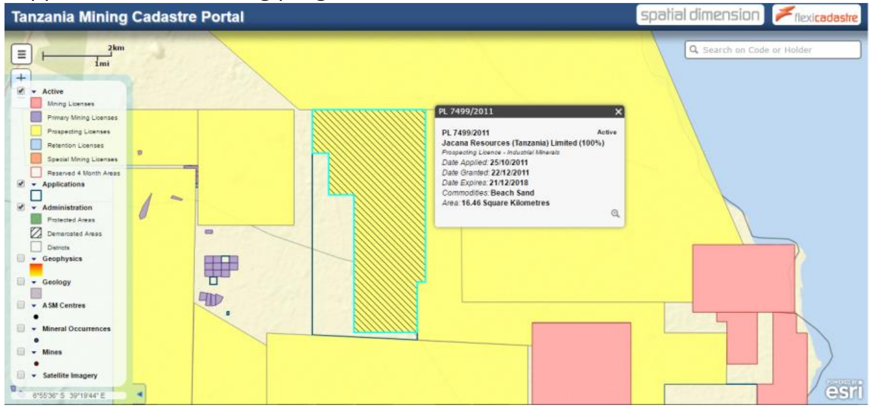
Criteria	JORC Code explanation	Commentary
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Employees 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 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

Criteria	JORC Code explanation	Commentary
		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.* *Quality and adequacy of topographic control.*	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 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	*Data spacing for reporting of Exploration Results.*	A more regular square 100m x 50m grid spacing was achieved at Fungoni by

Criteria	JORC Code explanation	Commentary
and distribution	*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.*	infill drilling the previous offset drill grid of 100 x 100m Fungoni NW was drilled on a 200m x 50m spacing 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 The coastline of Tanzania is not well known for massive dunal systems such as

Criteria	JORC Code explanation	Commentary
		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 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 on the THM grades, no top cuts were employed and all cut-off grades have been reported There was data aggregation of altered ilmenite and ilmenite to one mineral grouping of Ilmenite in order for the SEM_EDX mineral assemblage method to be incorporated with the magnetic separation mineral assemblage method used at Fungoni NW
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 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*	Figures and plans are displayed in the main text of the Release

Criteria	JORC Code explanation	Commentary
	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 as average composite lengths **– 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 (PMC) and by Allied Mineral Laboratories (AML) **(refer to Appendix 3).** The preparation of the composites prior to physical separation or assaying is described as: • 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 scanning 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). 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 10) - with the exception of the southernmost three lines that were composited together. • For the north-west extension of Fungoni where drilling was spaced at 200 m spaced drill lines and the morphology of strands was shallower and narrower than the main deposit, the selection of composites was made over 3 drill lines. In the case of the lower domain (ZONE=5) the entire domain north of 17200 mN was composited together. This approach was taken for the north-west extension due to the smaller weight of material available to prepare composites for the selected mineralogy determination method. • A total of 22 mineral assemblage composites were used to characterise the

Criteria	JORC Code explanation	Commentary
		mineralogy and chemistry for the main Fungoni project and a further 5 composites were used to characterise the north-west extension. • 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 for the main Fungoni deposit, and for the north-west extension, the samples were sent to Allied Mineral Laboratory (AML) in Perth. • 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 method of analysis by PMC for the main Fungoni deposit was by 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 2-5 g 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

Criteria	JORC Code explanation	Commentary
		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 (X-Ray Fluorescence) determination is required to assist in allocating modal mineral abundances. The mineral assemblage composites from the north-west extension of Fungoni were assayed by magnetic separation into 3 fractions, magnetic, para-magnetic and non-magnetic. These fractions were then assayed by XRF to determine oxide grades. The ratio and relationship of specific oxides to mineral species and their deportment based on magnetic properties can be used to back calculate overall mineral mass distribution. The results of this method are in alignment with the SEM-EDX results, without the specific mineral breakdown for magnetic and non-magnetic trash mineral species. In order to report the two data set methodologies, some aggregation of the SEM-EDX mineralogy was required. For transparency the two data sets are shown in Appendix 3.
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 work is planned for the determination of bulk density and insitu density, as well as standard penetration testing to determine sand properties. Metallurgical testwork is ongoing

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 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	*The nature and appropriateness of the estimation technique(s) applied and key*	The mineral resource estimate was conducted using CAE mining software (also

Criteria	JORC Code explanation	Commentary
modelling techniques	*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.*	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 for the Fungoni main deposit 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 by-products. 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 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.

Criteria	JORC Code explanation	Commentary
		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	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always 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*	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 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.

Criteria	JORC Code explanation	Commentary
	made.	
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 by-products 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 a 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 deposit.*	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 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	*Where appropriate a statement of the relative accuracy and confidence level in*	There was an evaluative geostatistical process undertaken (variography

Criteria	JORC Code explanation	Commentary
relative accuracy/ confidence	*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.*	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.

STRANDLINE resources limited

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Fungoni mineral sands deposit is located 25 km south of Dar es Salaam in Tanzania. • The Mineral Resource for the Fungoni deposit was estimated and reported by Greg Jones of IHC Robbins (IHCR) in March 2017 and reported by Strandline Resources Limited (Strandline) to the Australian Stock Exchange on 2/05/2017 (http://www.strandline.com.au/irm/PDF/2326_0/HighValueFungoniMineralResourceContinuestoExpand) • The mineral resource model is a 3-dimensional block model reported at a cut-off grade of 1% total heavy minerals (THM). • The majority of the Fungoni mineral resource is situated within an arcuate shaped depression at the base of a ten-metre rise. The higher-grade domains of the mineral resource are defined by more dominant valuable minerals such as zircon, ilmenite and rutile in addition to kyanite / sillimanite. • Mineral Resources are reported inclusive of Ore Reserves.
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.*	• The Competent Person is Mr Adrian Jones, Principal Mining Engineer from AMC Consultants Pty Ltd (AMC), who visited the site on 5 to 10 June 2017 for familiarization with the deposit, site topography, environmental conditions, and local infrastructure and for discussions with project personnel. • No major impediments to the development of the deposit were recognized during the site visit.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The Fungoni Definitive Feasibility Study (DFS) is currently in progress to develop a detailed understanding of the technical and other parameters required for the development of the project. AMC completed a mining study to a DFS level of accuracy to identify production requirements and mining costs. • The Competent Person is satisfied that the level of study is appropriate to support Ore Reserves.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Initial mine planning work was completed on a 1.5% THM cut-off grade. However, waste bands within the deposit are minor and subsequent mine planning and ore reserve estimation was completed on the basis

		of including all material within the mineralized horizon.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Pit optimization was completed on the mineral resource model to define the economic limits of open pit mining. A 132% revenue factor pit shell was used as the basis for pit design because of the relatively flat pit optimization curve and to capture the upside of any increase in metal prices. Five separate pits were designed and subdivided into panels for scheduling. • Ore is proposed to be excavated from open pits with an average depth of 12 m and a maximum depth of 22 m using a mining contractor fleet of 45-t class excavators and 40-t articulated dump trucks. No overburden is present and therefore no pre-strip is required. No drill and blast is required. Ore is hauled to mobile feed units (MFUs) for transport to ore processing facilities, which are moved three times during the mine life. • Geotechnical assessment was completed by Knight Piésold Pty Ltd (KP) from data from six air cored boreholes and twenty manually excavated test pits. Pit slopes at a vertical to horizontal ratio of 1:3 (1V:3H), with a 2-m wide bench every 4 m of vertical height were used in pit optimization and pit design, based on effective dewatering being undertaken to ensure that no water pressure will build up in the cut slopes. The suggested slope angle is subject to confirmation of the groundwater conditions and undertaking stability analysis. Grade control is not required due to the visible difference in ore and waste. • Major assumptions used for pit optimization were pit slopes defined by geotechnical analysis, processing recoveries defined from metallurgical test work, product prices supplied by Strandline and operating costs derived from DFS studies. • Mining dilution of 0% was assumed, as all material within the mineralized horizon is treated as ore and the selective nature of mining operations and visual difference between ore and waste is expected to result in minimal dilution. • Mining recovery of 100% was assumed, as all material within the mineralized mining was treated as ore and edge losses are expected to be minimal. • No minimum mining widths were used as the deposit is relatively tabular and flat lying. • Inferred Mineral Resources were treated as waste in all mine planning

		and ore reserve estimation work. • Mineral processing infrastructure required for the project will include MFUs to take feed from the pit and transfer sized feed to the wet concentration plant (WCP), before final separation into component product streams in the mineral separation plant (MSP). • Mining infrastructure will include office accommodation, mobile plant workshops and warehouse. This infrastructure will be supplied by the mining contractor. • Support services infrastructure will include office accommodation, fixed plant workshop, warehouse, mine industrial area, power generation and distribution infrastructure, and a water supply dam. This infrastructure is owned by Strandline. •
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The metallurgical processes for the project were developed by GR Engineering Services (GRES) from metallurgical test work and analysis. The processing rate was assumed at 2.0 Mt/yr run-of-mine ore. The source of product recoveries were obtained from the metallurgical test work program. WCP recoveries were assumed at 82.91% for heavy minerals, 94.98% for ilmenite, 87.46% for leucoxene, 79.8% for rutile, 95.52% for zircon, 97.82 % for monazite and 45.97% for light heavies. MSP recoveries were assumed at 99.52% for ilmenite, 99.21 for zircon into concentrate, 99.46% for monazite into concentrate, 78.06% for leucoxene to product, 88.59% for rutile to product and 97.60% for light heavies into concentrate. Leucoxene product was distributed to ilmenite and rutile product with the following ratio: 90 % leucoxene product diverted to Ilmenite, 10 % leucoxene product diverted to Ilmenite. Tails from MSP spread by weighted average between leucoxene, rutile and Ilmenite product. • The technology proposed is industry standard and comprises MFUs in close proximity to the pits to separate unsuitable coarse feed, a WCP to remove heavy minerals from the ore feed and a MSP to separate heavy minerals into separate saleable products. • Slimes in the feed is controlled by blending in-pit to smooth slimes grades and THM grade to provide consistency in mill feed presentation. • A 3t metallurgical sample at an average life-of-mine grade was submitted for mineral processing evaluation to develop the process flowsheet design for input into the DFS.

		• Planned recoveries of ilmenite, zircon and rutile are based on achieving marketable levels of contaminants.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• Environmental and social impact assessments have been undertaken within the Fungoni Project area since 2016, in accordance with Tanzanian regulatory requirements. Tanzanian's environmental regulator, the National Environmental Management Council (NEMC) set the guidelines and requirements of the Environmental Impact Assessment (EIA). • The EIA for the Fungoni Project was approved by the Ministry of State, Vice President's Office – Union and Environment and the EIA Certificate was received in July 2017.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The Fungoni Project is located 25km from the major port city of Dar es Salaam. As such roads to support transport routes, major port access for both bulk and container products and project supplies, good skilled and semi-skilled labour resources and support services are all readily available in close proximity to the Project. Due to its close proximity to a major city accommodation is also readily available. A major water aquifer has been identified to exist beneath the Fungoni deposit and access to this water has been provided by the relevant government authority. A bore field has been included in the Project costs. Although grid supplied power is available Strandline have taken the position of providing its own power to ensure reliability (using a diesel fuelled power plant). This has been costed into the reserves determination.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Mining capital costs are minor due to the use of an earthmoving contractor. Processing and infrastructure capital costs were derived from designed engineering drawings and unit costs. • Operating costs were derived from first principle estimates of mining equipment productivity, operating and maintenance costs, manning numbers and labour costs, unit costs of operating the installed processing equipment, and with a margin applied for those components contracted out. • Product pricing for ilmenite rutile and zircon are based on TZMI pricing forecasts. Monazite pricing was based on Strandline's own market research obtained through discussion with a number of potential customers. Products produced have been confirmed from metallurgical test work and these market evaluations to be highly desirable and will be readily accepted by the market. The test work carried out to prove up the processing circuit has been tested for the LOM base case and

		stress tested at ore grade extremes. • Costs were generally sourced in United States dollars (US$). Any Australian dollar costs were converted to US$ using an exchange rate of US$0.75 to the Australian dollar. • Transport charges were determined from competitive quotations received from multiple service providers. • The process circuit to produce the products already evaluated by the market was a pilot plant configuration of the actual process assumed for the reserves determination. It demonstrated robustness to meet the specifications required by the market. Therefore, no penalties were applied to the product pricing. • An allowance of 4.3% of revenue was made for Government royalties inclusive of 0.3% local government levy and the new proposed 1% "export clearance and inspection levy".
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Ilmenite, leucoxene, and rutile will be sold as final products, with the remainder of the concentrated minerals sold as a high-grade zircon concentrate. • Product prices were assumed to be: Ilmenite US$238.79/t in product, Rutile US$1082.01/t in product, Zircon US$1078.46/$/t contained zircon in concentrate, and Monazite US$1127.8/$/t contained monazite in concentrate.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The supply and demand analysis for the Fungoni key products was undertaken by TZMI, internationally recognised as one of the most reliable provider of market intelligence information for the global mineral sands industry. The mineral sands commodities the Fungoni project is planned to supply are predicted to be heading into a supply deficit. • Consumption of the key products is expected to generally grow in accordance with world GDP over time. Many existing competitors' operations are in a very mature phase with some approaching mine completion. This supports the forecasting of a deficit for the Fungoni products. Pricing for the titanium (ilmenite and rutile) and zircon products has been sourced from TZMI's pricing forecast. Monazite pricing has been based on data obtained from prospective customers for this product. • The Fungoni material is timed to reach the market during a period when demand and subsequent pricing is expected to be favourable to the

		supplier. • The proposed Fungoni products have been tested by multiple potential customers. Feedback has confirmed that the product is very fit for market and in line with TZMI's assessment and price expectation for the products.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The Project NPV and IRR have been calculated at the time mine development first commences 01 January 2018. The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs. • Strandline compiled the financial model for the Project in consultation with Argonaut Securities Pty Ltd and applied the inputs required to produce the net present value (NPV) in the study. The inputs and assumptions were sourced from the DFS costs which were obtained from first principles, actual quotations from suppliers and contractors and specialists' estimation data bases as deemed appropriate for a DFS. • Product pricing was obtained from the TZMI pricing forecast as relevant for the Fungoni suite of products The NPV for the project is expected to be between US$36M and US$48M depending on sensitivities applied. NPV was determined on a "Real Pricing" basis, i.e. inflation was not applied. A discount rate of 10% was applied for NPV calculations. • The NPV is mostly sensitive to product prices and product recoveries. • The positive NPV confirms the economic justification for extraction of the Ore Reserve.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Strandline has undertaken environmental and social impact assessments in accordance with Tanzanian regulatory requirements, including land access compensation and resettlement planning and community consultation. • The Project is predicated on low impact mining, progressive rehabilitation to pre-mining state and the ability to return the rehabilitated land back to the original landholder as soon as practical after mining. This method of land access is well proven in the mineral sands sector whereby the Miner effectively leases the land for the period of disturbance. • Land access is substantially advanced. A baseline survey of assets and project affected persons (PAP's) has been completed for the Fungoni Project. The village executives and key stakeholders as well as key government ministers have been extensively consulted with strong

		support for the project evident. Strandline's approach is to develop an appropriate land access agreement ("land access compensation and mining rights agreement") with the land holders; as preferred by the Tanzanian authorities to the more typical straight out land acquisition method. • Commitments have been made to the local community in the EIA, Mining License application and community consultation process to include high local content, up-skilling of the local workforce, and support local community social improvement programs such as health and education.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• A comprehensive risk assessment on the project was undertaken and no material naturally occurring risks were identified that were likely to impact on the project. • Product offtakes are in progress with several reputable potential customers. It is evident that the products are being well received. • As stated previously the Environmental Impact Assessment certificate has been received from the authorities. The mining License application has recently been submitted. • Strandline states that they have reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the DFS. • Although land access compensation and resettlement action planning is progressing positively, formal agreements with the landholders have not been finalised.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Ore Reserves classified as Proved were derived from Measured Mineral Resources and those classified as Probable were derived from Indicated Mineral Resources. • The classification reflects the Competent Persons view of the deposit. • No Probable Ore Reserves were derived from Measured Mineral Resources.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• There have been no reviews of the Ore Reserve.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such*	• The Competent Person considers that the classification of the Ore Reserves fairly reflects the underlying confidence in the Modifying Factors used to estimate the Ore Reserve. • While the project is sensitive to product prices, it is relatively insensitive

	an approach is not deemed appropriate, a qualitative discussion of the factors which 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.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	to changes in operating costs, confirming the Competent Persons opinion in the robustness of the Ore Reserve. • Drill spacing and the nature of the estimation process indicates that estimates are a global estimate. • There have been no production results from the project to compare against forecast production and cost estimates.