ASX ANNOUNCEMENT

Exploration Update – Tanga South Tajiri

26 June 2018

STRANDLINE
resources limited

New thick zones of mineral sands pave way for a significant increase in Resources at Tajiri

Drilling results confirm presence of high-grade mineral sands over a 7.5km strike length and up to 60m thick at Strandline's second project in Tanzania

HIGHLIGHTS

- **Latest reconnaissance drilling at Tajiri has exceeded the Company's expectations in terms of thickness of mineralisation, grade and strike length. Significant results include:**
  - 19TJAC1941 - 60m @ 4.7% Total Heavy Mineral (THM) from surface to EOH including 34.5m @ 5.8% THM from surface
  - 19TJAC1940 - 60m @ 5% THM from surface to EOH including 37.5m @ 6.0% THM from surface
  - 19TJAC1934 - 52.5m @ 3.0% THM from surface including 33m @ 3.5% THM from 19.5
  - 18TJAC1933 - 60m @ 3.5% THM from surface to EOH including 40.5m @ 4.7% THM from 19.5m
  - 18TJAC1932 - 60m @ 3.9% THM from surface to EOH including 46.5m @ 4.6% THM from 13.5m
- **Results point to a potential large increase in Tajiri's Resource estimate, which already hosts a JORC compliant Mineral Resource estimate of 147Mt at 3.1% THM; a Scoping Study is also underway**
- **In light of these results, Strandline has revised its Exploration Target for Tajiri (refer page 3) and a Resource definition drilling program is now being planned**
- **Tajiri is Strandline's second major mineral sands project in Tanzania behind the 'development-ready' Fungoni project, where a DFS has been completed and offtake agreements are in place**

Strandline Resources (ASX: STA) is pleased to announce outstanding drilling results which point to a substantial increase in Resources at its 100 per cent-owned Tajiri mineral sands project in Tanzania.

The reconnaissance drilling returned multiple intersections of high-grade mineral sands from surface and up to 60m thick.

These latest results highlight the strong potential to extend the existing Tajiri T4C Channel Mineral Resource at Tajiri to the north and south along the 7.5km strike length.

Tajiri's JORC Indicated Mineral Resources stand at 147Mt at 3.1 % THM, containing in-situ valuable minerals of 339,000t rutile, 201,000t zircon, 3,132,000t ilmenite and 322,000t almandine garnet. The T4C Channel currently accounts for 10Mt of this at 3.4% THM.

In light of these outstanding results, Strandline has set a revised Exploration Target for the Tajiri mineralised corridor, details of which are published on page three of this release, and is now planning a further resource drilling campaign.

Strandline Managing Director Luke Graham said: "The latest assay results are exceptional because they extend the known corridor of mineralisation significantly, based on thick, high-grade intersections along a 7.5km strike.

"The existing Tajiri Resources already hosts a large-scale mineral resource with a strong grade and valuable mineral assemblage which is more than adequate to underpin the current project scoping study.

"Further increases in this Resource will only strengthen the economic outlook for Tajiri."

SUMMARY OF THE TANGA SOUTH TAJIRI PROJECT

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

The large-scale Tajiri deposits are in northern Tanzania near the Port City of Tanga, some 60 km to the north. The Company has rapidly performed multiple stages of exploration to define the higher grade mineralised zones along Tajiri's 20km mineralised corridor.

The current Mineral Resource hosts a rutile enriched, ilmenite dominant mineral assemblage with zones of elevated zircon-rich and garnet mineralisation within some of the mineralogical domains. The mineralisation also shows strong geological and grade continuity along and across strike which bodes well for future mine planning activities. Importantly the deposits are outcropping and will have low strip ratios with high grades occurring close to surface in most of the resource areas.

The Mineral Resources extend over 20km forming a semi continuous string of outcropping HMS mineralisation. At least three (3) of the defined Mineral Resources remain open including Tajiri T1, T3 and the channel-style target which is the subject of this announcement.

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

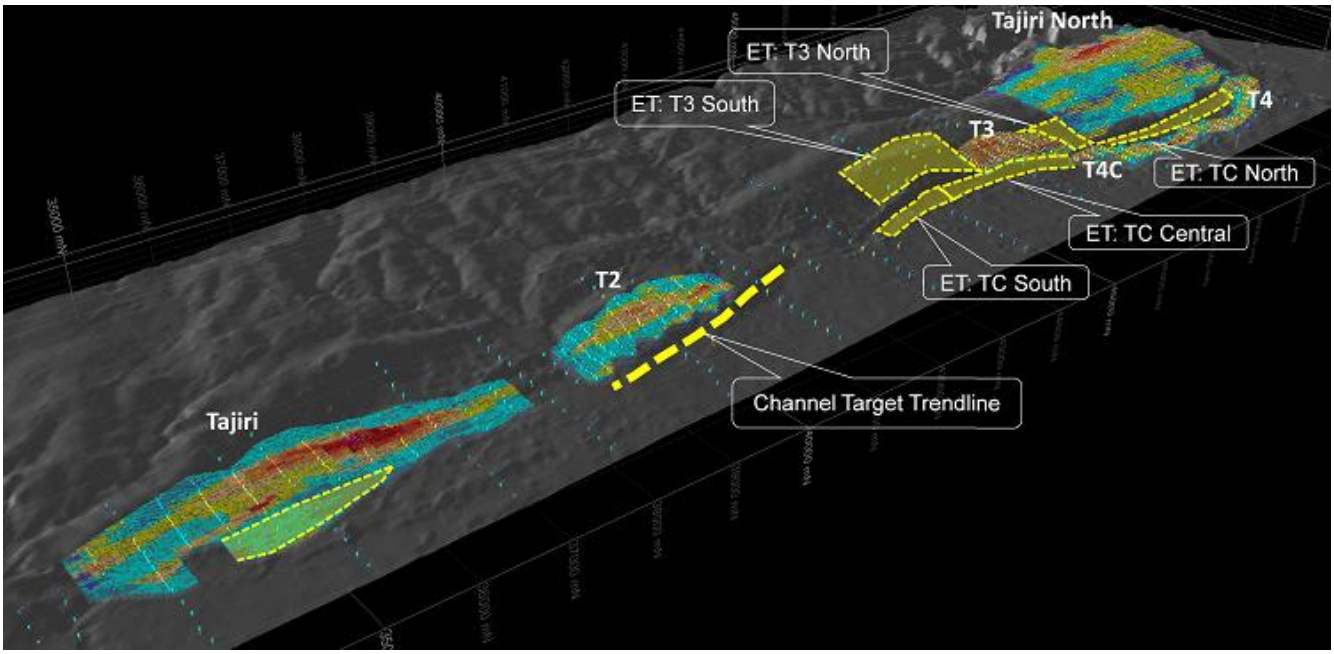

Figure 1 Tajiri Mineral Resources - 3D Image (showing Exploration Target (**ET**) areas for future exploration and potential to convert mineral resources)

TANGA SOUTH TAJIRI EXPLORATION TARGET UPDATE

With the completion of the AC drilling program along the channel, the Company has been able to update an Exploration Target estimate for the remainder of the undrilled portion of the 7.5km long mineralised channel and other areas within the tenement areas. The Exploration Target is an estimate of potential heavy mineral sands tonnage where there has been insufficient exploration for Mineral Resource Estimation.

The Company has now defined an **Exploration Target** of **73 to 133Mt at 2.8% to 4.4%** THM. This is in addition to the current Indicated Resources of 147Mt @ 3.1% HM already delineated.

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

The Exploration Target has been determined based on the Company's:

1. Extensive AC drill database for width, depth and grade ranges at a number of localities along and adjacent to the channel target;
2. Topographic features using a detailed digital terrain model generated from the detailed (100m flight line and 30m sensor height) aeromagnetic survey; and
3. Geological model with the recent drilling showing grade and geological continuity

The following assumptions have been used to estimate the Exploration Target:

1. Bulk density value of 1.7g/cm^3 has been used for the Exploration Target;
2. The width of mineralisation is based on detailed drilling across the T4C resource area and is considered conservative with exploration drilling indicating the mineralisation is potentially open to the east towards the T4 mineral resource;
3. Grade ranges used for the Exploration Target are based on the actual resource grades estimated for the Indicated Resources currently defined at Tajiri that range from 2.8% THM (Tajiri North and T2) to 4.4% THM (T3). The existing resource grade for the T4C mineral resource hosted in channel material is 3.4% THM. The resource grade ranges have been estimated for the mineralisation of the Tajiri region and are considered appropriate to use for this Exploration Target; and
4. Thickness ranges used for the Exploration Target are based on downhole thickness that are thought to represent true thickness of the mineral envelopes showing reasonable geological and grade continuity.

The surface expression of the Exploration Target was generated in GIS software integrating the above datasets. The surface areas were calculated for each zone and multiplied by the average bulk density. The outlines were then multiplied by the depth ranges as defined by AC drilling in the various zones. The results are presented in Table 1 and the locations and data distribution is presented in Figure 2.

Table 1. Updated Exploration Target for the Tajiri Mineralised Corridor

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

The Company is now planning a resource drilling campaign across the Exploration Target areas, expected to commence this calendar year. The drilling will be utilising nominally 50 x 200m or 50 x 400m spaced drill holes and drill lines.

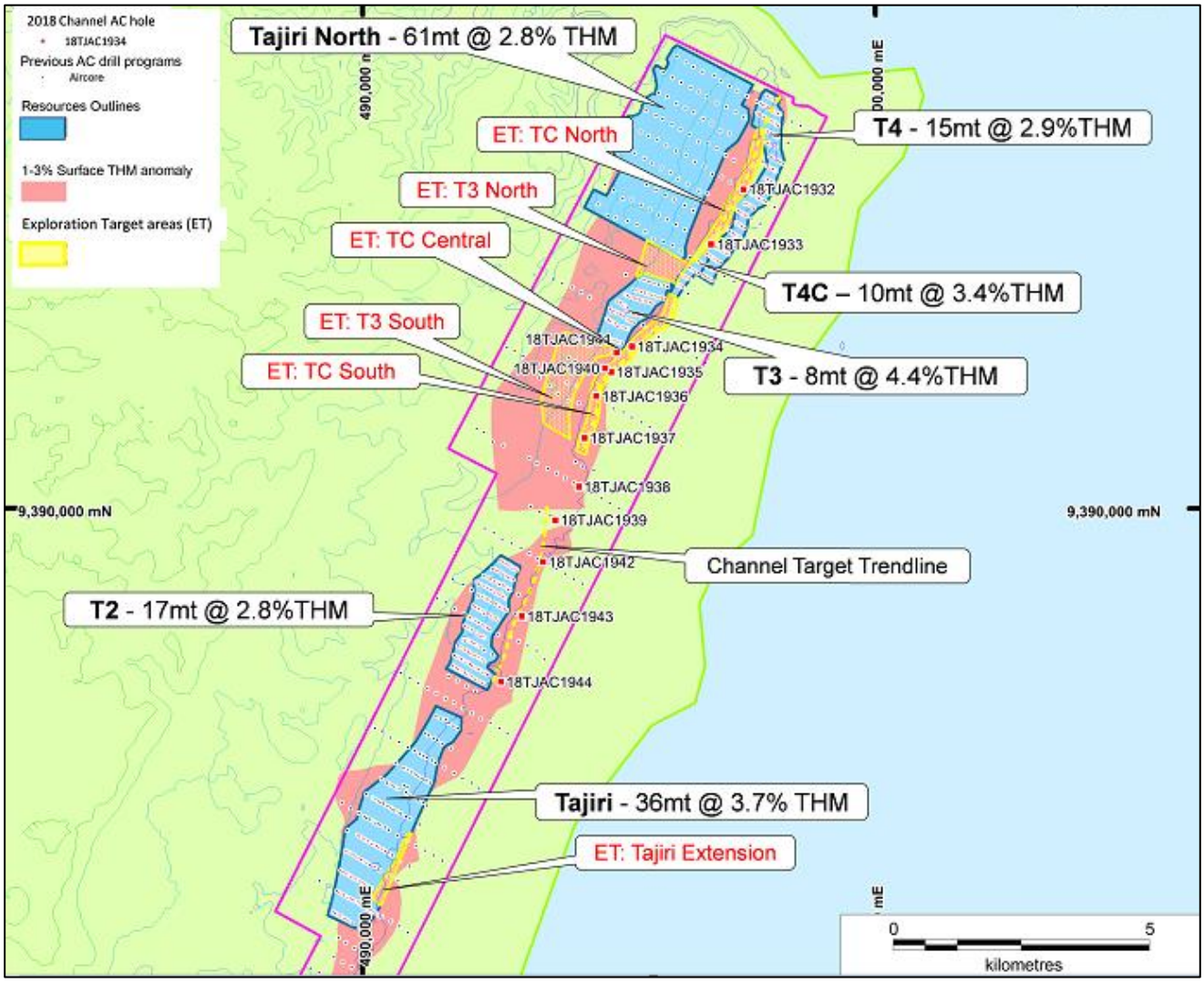

Figure 2 Tanga South Tajiri tenement with currently defined Mineral Resources and Exploration Target areas identified

SUMMARY OF THE TAJIRI CHANNEL MINERALISATION

The Tajiri channel mineralisation target was first drill tested in 2017 with a small section of the resource (approximately 0.8km) drilled using a 50 x 200m grid pattern. This generated a JORC Mineral Resource estimate (titled Tajiri T4C) of 10mt @ 3.4% THM, which formed part of the global Tajiri Mineral Resource announced on 16 February 2018.

The recent drill program of 13 holes for 722 metres targeted along the eastern margin of a prominent NNW trending limestone ridge that is traceable for approximately 13km from the Pangani River in the north of the license heading to the south. The holes were space approximately every 1km to 1.5km with each hole encountering thick intervals of mineralised sand.

Visual estimates of the heavy mineral sand sachets from this phase of drilling confirm similar mineral assemblage range to Tajiri T4C and T3 resources, but detailed laboratory test work is currently being undertaken by the Company to confirm the actual valuable assemblage. T4C resource contained an average mineral assemblage of 44% ilmenite, 31% garnet, 5% rutile and 2% zircon and T3 contained 68% ilmenite, 5% garnet, 6% rutile, 5% zircon and 1% leucoxene.

The previous T4C drilling ended in mineralisation at a depth of 42m, but the recent drilling has been drilled down to 60m depth where the mineralisation was still encountered to the end of hole.

Significant results from the recent channel drilling include:

- 19TJAC1941 – 60m @ 4.7% THM from surface to EOH including 34.5m @ 5.8% THM from surface
- 19TJAC1940 – 60m @ 5.0% THM from surface to EOH including 37.5m @ 6.0% THM from surface
- 19TJAC1934 – 52.5m @ 3.0% THM from surface including 33m @ 3.5% THM from 19.5
- 18TJAC1933 – 60m @ 3.5% THM from surface to EOH including 40.5m @ 4.7% THM from 19.5m
- 18TJAC1932 – 60m @ 3.9% THM from surface to EOH including 46.5m @ 4.6% THM from 13.5m

In light of these results the Company is currently planning a resource definition drilling campaign at the Tajiri channel target and other priority areas in the Tanga region (including Pangani-Tongoni tenements to the north of Tajiri – refer Figure 3 below).

Tajiri Channel Also Offers Exploration Upside to the East and West

To the east of the channel there has been limited deep drilling to date, but several holes from previous programs ended in mineralised sand bearing similarities to the channel sands. As such, this area east of the channel target may also be drill tested in future programs, offering potential resource expansion. The mineralisation appears to be closed off to the west onto the limestone ridge, but deeper drilling is planned to test additional potential for sand below shallow sections of the limestone ridge.

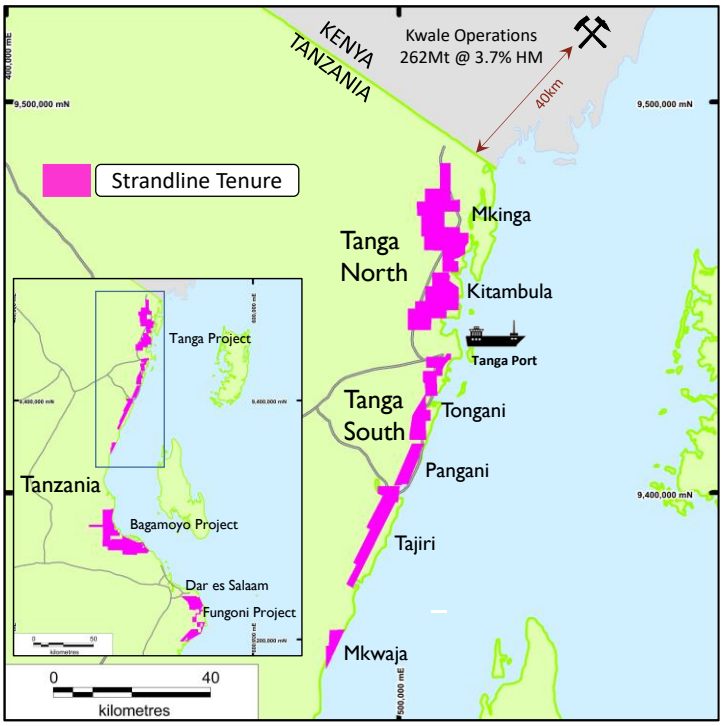

Figure 3 Strandline holds a strategic tenement package located along 350 km of the Tanzanian coastline

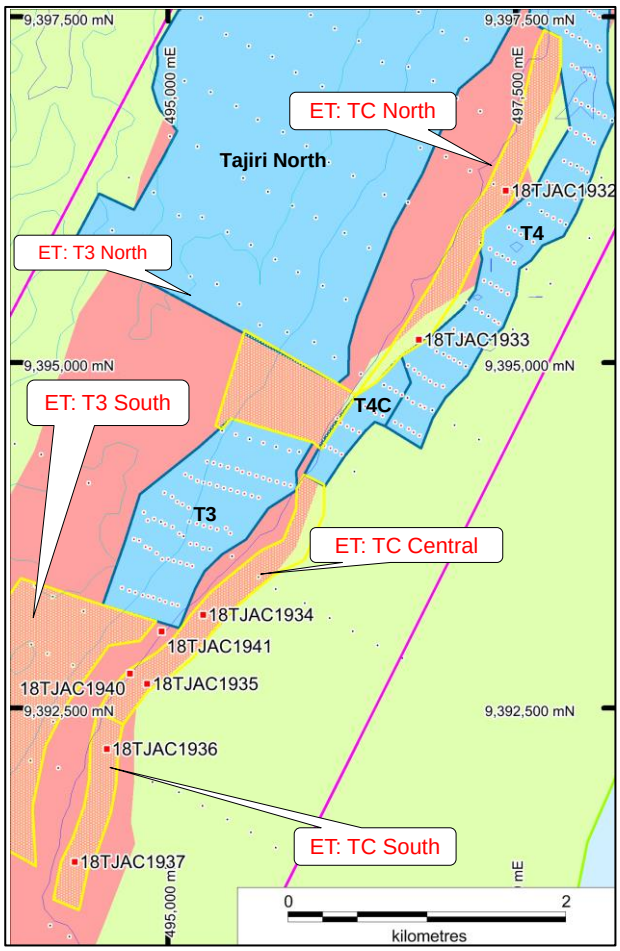

Figure 4 Tajiri northern tenement area with currently defined Mineral Resources and Exploration Target areas identified

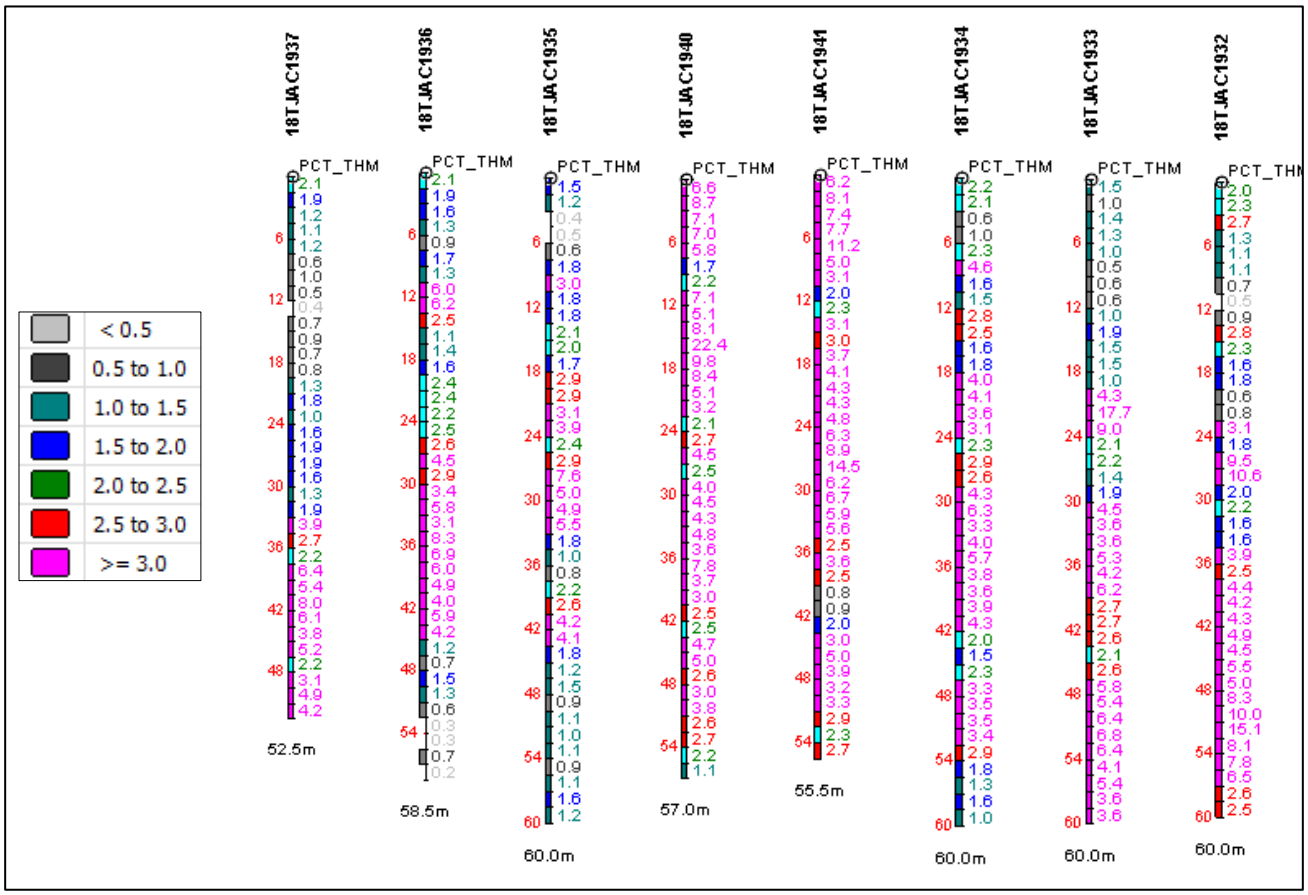

Figure 5 Tajiri channel drill hole intersections showing downhole THM grade for the drill holes included in the Exploration Target outlines. Section width is not too scale but extends along several kilometres of the channel. North is to the LHS.

TANGA SOUTH TAJIRI MINERAL RESOURCE DATA

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

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

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

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

ABOUT STRANDLINE

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

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

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

TANZANIA MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results and the Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, a permanent employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consent to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.

For further enquiries, please contact:
Luke Graham
CEO and Managing Director
Strandline Resources Limited
T: +61 8 9226 3130
E: enquiries@strandline.com.au

For media and broker enquiries:
Paul Armstrong and Nicholas Read
Read Corporate
T: +61 8 9388 1474
E: nicholas@readcorporate.com.au

APPENDIX 1 – Material drill intersects from the Channel AC drill program

The table below shows the drill intersections from the recent Tajiri Channel reconnaissance drilling program.

HOLE_ID	Prospect	UTM E (WGS84)	UTM N (WGS84)	DIP	AZim	EOH (m)	FROM (m)	TO (m)	INTERVAL (m)	THM (%)	SLIME (%)	COMMENTS
18TJAC1932	TC North	497431	9396253	-90	360	60	0	60	60	3.9	17	Including 46.5m @ 4.6% THM, 13% Slimes from 13.5m until EOH
18TJAC1933	TC North	496804	9395175	-90	360	60	0	60	60	3.5	20	Including 40.5m @ 4.7% THM, 11% Slimes from 19.5m until EOH
18TJAC1934	TC Central	495252	9393184	-90	360	60	0	52.5	52.5	3.0	23	Including 33m @ 3.5% THM, 23% Slimes from 19.5m
18TJAC1935	TC Central	494851	9392686	-90	360	60	9	43.5	34.5	3.0	21	
18TJAC1936	TC South	494559	9392215	-90	360	58.5	10.5	45	34.5	4.0	20	
18TJAC1937	TC South	494329	9391399	-90	360	52.5	33	52.5	19.5	4.5	20	
18TJAC1938	Channel	494217	9390447	-90	360	51	42	51	9	3.2	22	
18TJAC1939	Channel	493762	9389797	-90	360	51	0	51	51	2.4	38	
18TJAC1940	TC Central	494727	9392761	-90	360	57	0	60	60	5	20	Including 37.5m @ 6% THM, 20% Slimes from surface
18TJAC1941	TC Central	494954	9393065	-90	360	55.5	0	60	60	4.7	26	Including 34.5m @ 5.8% THM, 29% Slimes from surface
18TJAC1942	Channel	493524	9388981	-90	360	54	12	37.5	25.5	3.2	26	
18TJAC1943	Channel	493104	9387920	-90	360	51	0	22.5	22.5	3.7	19	In addition 9m @ 4.3% THM, 18% slimes from 42m to EOH
18TJAC1944	Channel	492702	9386642	-90	360	51	0	27	27	3.1	25	In addition 10.5m @ 4.8% THM, 12% slimes from 40.5m to EOH

APPENDIX 2 – JORC Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Aircore drilling was used to obtain samples for analysis at 1.5m intervals • Each 1.5m sample was homogenized within the sample bag by rotating the sample bag • A sample of sand, approx. 20gm, is scooped from the sample bag for an initial 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 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 500g by using a levelled riffle splitter on a firm surface for export to the processing laboratory • The laboratory sample was dried, 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
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore drilling with inner tubes for sample return was used • Aircore is considered a standard industry technique for HMS mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube • Aircore drill rods used were 3m long • NQ diameter (76mm) drill bits and rods were used • All drill holes were vertical

Criteria	JORC Code explanation	Commentary
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.*	• AC 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 • 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 moist samples are placed into large plastic basins to air dry in the field prior to 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 a Microsoft Excel spreadsheet • The aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated THM%, estimated Slimes% and any relevant comments - such as slope, vegetation, or cultural activity • Every drillhole was logged in full with detailed logging using a cap ful of sand taken from the split sample to improve representivity • 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 1.5m AC drill sample collected at the source was dispatched to a sample preparation facility to split with a level riffle splitter to reduce sample size • The water table depth was noted in all geological logs if intersected • Samples with aggregates are gently hit with a rubber mallet to break them down so the sample with flow easily through the splitter chutes • A total of 400 to 600gm of each sample was inserted into calico sample bags and exported to Western Geolabs in Perth for 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 25 primary samples • Standard Reference Material samples are inserted into the sample stream in the field at a frequency of 1 per 50 samples
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. 500g) were assayed by Western Geolabs in Perth, Western Australia, which is considered the Primary laboratory • The aircore samples were first 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 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 and HM Standards are alternatively inserted into the sample string at a frequency of 1 per 25 primary samples • Western Geolabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released • Analysis of QA/QC samples show the laboratory data to be of acceptable accuracy and precision • The adopted QA/QC protocols are acceptable for this stage test work • Test work has been undertaken at a Secondary laboratory

Criteria	JORC Code explanation	Commentary
		(Diamantina Laboratory) to check the veracity of the Primary laboratory data. 1/40 samples are submitted to Diamantina for secondary THM analysis
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 Chief Geologist, in addition to the independent consulting Resource Geologist when appropriate • The Chief Geologist and independent Resource geologist make periodic visits to the laboratory to observe sample processing • 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, duplicate sample numbers and other common errors • Several twin holes were drilled in the programme • 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 auger of 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 or the original GPS data • The accuracy of the locations is sufficient for this stage of exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	Aircore Drilling • The drilling along the channel zone was wide spaced with a single hole drilled along the channel every 1 to 1.3km. This was designed to test the channel concept and provide some confidence in in the

Criteria	JORC Code explanation	Commentary
	classifications applied. • *Whether sample compositing has been applied.*	geological model • 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 will be undertaken on HM concentrates for mineral assemblage determination. Composite samples will be classified high grade (approximately >2%THM) and low grade (approximately <2%THM)
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 drilling data • The strike of the mineralization is sub-parallel to the contemporary coastline and is known to be relatively well controlled by the 20m topographic contour and also coincides with a radiometric anomaly • Drill holes were vertical and the nature of the mineralisation is relatively horizontal • The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization limiting 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 a commercial transport company (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 the Company in Tanzania or are able to be acquired for 100% ownership • The drill samples were taken from tenement PL 7321/2011, • The tenement has exceeded it initial 4 years and have been reduced by 50% and renewed until 20 Dec. 2018. The tenement will then be reduced by 50% and renewed for a further 2 years. • Traditional landowners and village Chiefs of the affected villages and farms were consulted supportive of the drilling program
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 Tanganyika and OmegaCorp information • The historic data comprises surface sampling, limited aircore drilling and mapping • Jacana Resources undertook auger drilling in 2012 on an over the mineralised area defined by Tanganyika and Omega
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral placer style deposits are possible in Tanzania 1. Thin but high grade strandlines which may be related to marine

Criteria	JORC Code explanation	Commentary
		or fluvial influences 2. Large but lower grade deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique, however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to fossil shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole data used in the exploration Target are reported in Appendix 1 and displayed in plan and section in Figures 4 and 5.
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.*	• Material length weighted intervals are reported in for each hole (Appendix 1)

Criteria	JORC Code explanation	Commentary
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 and displayed in Figure 5.
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 appropriate sectional views.*	• Figures and plans are displayed in the main text of the Release
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 material results have been reported and tabulated in Appendix 1.
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.*	• Mineral assemblage work for the Tajiri Area has been previously reported • Testwork completed to date have not identified any contaminants in the VHM
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional Aircore drilling is planned along the channel (200m x 50m) to extend and infill zones of mineralization along the new channel zone • More detailed mineral assemblage studies will be completed on the mineral concentrates.