Fungoni drilling confirms high grade core and extensions

Mineral sands developer, Strandline Resources (**Strandline** or **the Company**) is pleased to provide an update on its current exploration and feasibility programme relating to the high grade Fungoni Mineral Sands project, located near Dar es Salaam in Tanzania.

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

The Company has completed an aircore infill and extension drilling campaign of Fungoni's main ore body and assay results have now been received. The assay results have confirmed the high grade core of the deposit with extensions also confirmed north and south. This announcement summarises the key findings.

Highlights:

- **Fungoni Mineral Resource Area –** Infill drilling completed with the total heavy mineral (THM) results have confirmed the continuous high grade mineralisation deposit from surface:
  - **9m @ 14.2% THM** including **4.5m @ 20.1% THM** from surface (16FGAC326)
  - **15m @ 10.4% THM** including **7.5m @ 19.0% THM** from surface (16FGAC358)
  - **12m @ 8.6% THM** including **4.5m @ 16.9% THM** from surface (16FGAC328)
  - **12m @ 8.21% THM** including **4.5m @ 16.5% THM** from surface (16FGAC365)
  - **12m @ 7.28% THM** including **6m @ 12.2% THM** from surface (16FGAC327
  - **9m @ 10.1% THM** including **4.5m @ 16.7% THM** from surface (16FGAC320)
  - **12m @ 7.5% THM** including **6m @ 12.7% THM** from surface (16FGAC356)
  - **15m @ 7.0% THM** including **7.5m @ 12.4% THM** from surface (16FGAC357)
- **Fungoni Extension Zones** – drilling to the immediate north and south of the Fungoni Mineral Resource has confirmed extensions of high THM grades. The northwest strike remains open with analysed THM grades including:
  - **7.5m @ 4.7% THM** including **4.5m @ 6.88% THM** from surface (16FGAC306)
  - **7.5m @ 4.14% THM** including **4.5m @ 5.23% THM** from surface (16FGAC300)
- **Fungoni Mineral Resource Estimation** – an update of the JORC-2012 mineral resource is progressing in earnest, with the selection of mineral composites to confirm the high grade valuable mineral assemblage comprising 22% zircon, 5% rutile and 44% ilmenite.
- **Fungoni Expansion Options** –THM analysis of samples taken along the 2km northwest radiometric anomaly target has confirmed high THM grades ranging between 4.23% and 11.4% THM.

Strandline's Managing Director and CEO, Luke Graham commented, *"The assay results from the recent drilling programme confirms the very high grade nature of the Fungoni deposit and bodes well for an enhanced Mineral Resource in terms of scale, grade and JORC upgrade. These results should positively impact project economics, with potential further upside from the 2km long northwest extension anomaly and other nearby targets"*.

Summary of Fungoni Resource Development

The Company continues to advance development of its low cost zircon-rich Fungoni Mineral Sands Project located near the port infrastructure of Dar es Salaam.

Fungoni Mineral Resource Area

The aircore (AC) infill and extension drilling campaign within and adjacent to the existing Fungoni Indicated Mineral Resource has been successful in confirming shallow continuous high grade THM occurring from surface. The drill programme has provided the level of detail required to update the JORC-2012 Mineral Resource and define the orebody boundaries with increased certainty. The assay results have confirmed the high grade core of the deposit with extensions now also confirmed north and south.

The mineralisation is open to the northwest, where the last line of detailed drilling from the recent AC programme has confirmed high THM grades with similarities to the main Fungoni Mineral Resource (refer Figure 1.3).

Fungoni Expansion Options

THM analysis of samples taken along the 2km northwest geophysical anomaly target has confirmed high THM grades ranging between 4.23% and 11.4% THM (refer Figure 1.1).

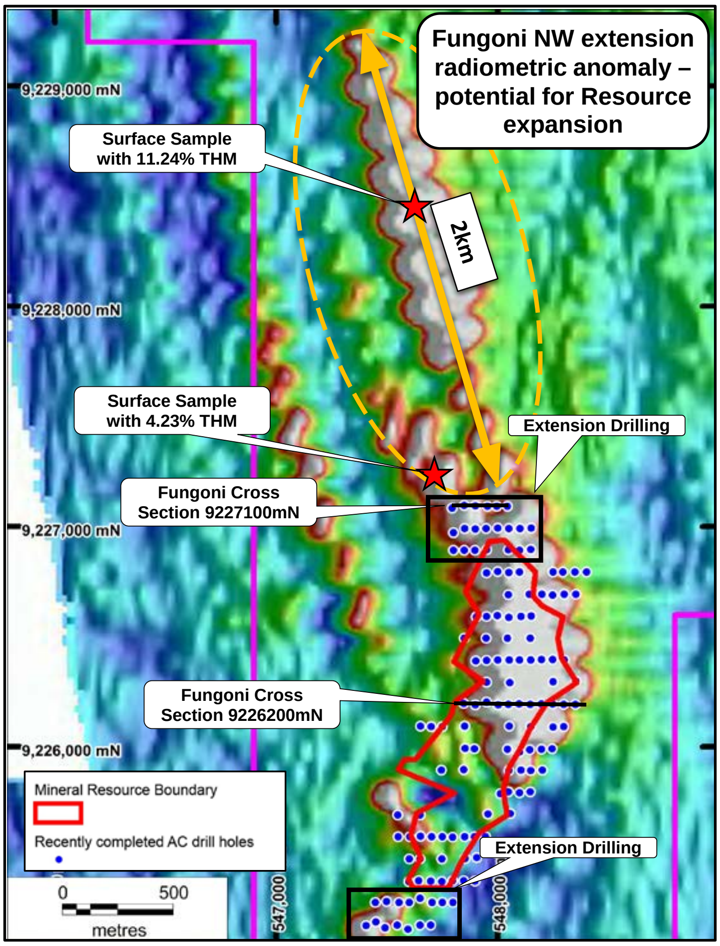

Figure 1.1 Fungoni Project Recent Extensions Drilling and Radiometric Anomaly

The Company has recently mobilised its exploration team back to Fungoni in preparation for a 2,000m AC drill programme designed to delineate this new potential resource extension to the northwest of the existing orebody and another near-by geophysical and geochemical anomaly. Any additional shallow moderate to high grade mineralisation should have a positive impact on the economic investment case for project development.

Fungoni Mineral Resource Estimation

The Company has completed a geological model update and composite sample selection for mineral assemblage and mineral chemistry characterisation. It is anticipated the updated JORC-2012 Mineral Resource for Fungoni will be completed in December 2016. During this time, the estimate will be used to select representative domains for determine bulk samples for metallurgical testwork. The testwork is essential for optimising the mineral processing flow sheet design and providing a product suite suitable for marketing purposes.

Figure 1.2 below provides a cross-sectional view of the Fungoni deposit representing high grade assays up to 32.75% THM. Figure 1.3 below provides a northern cross-sectional view demonstrating the orebody open to the northwest in the direction of the radiometric anomaly (soon to be drilled).

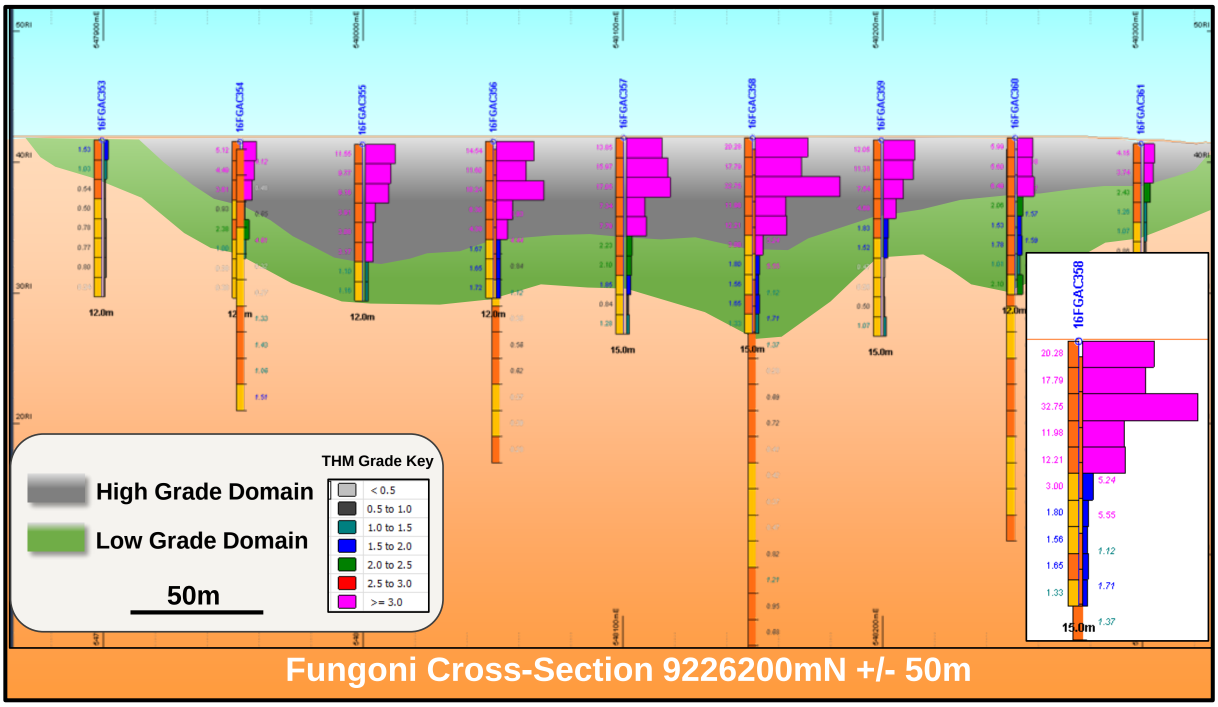

Figure 1.2 Fungoni Cross-Section 9226200mN

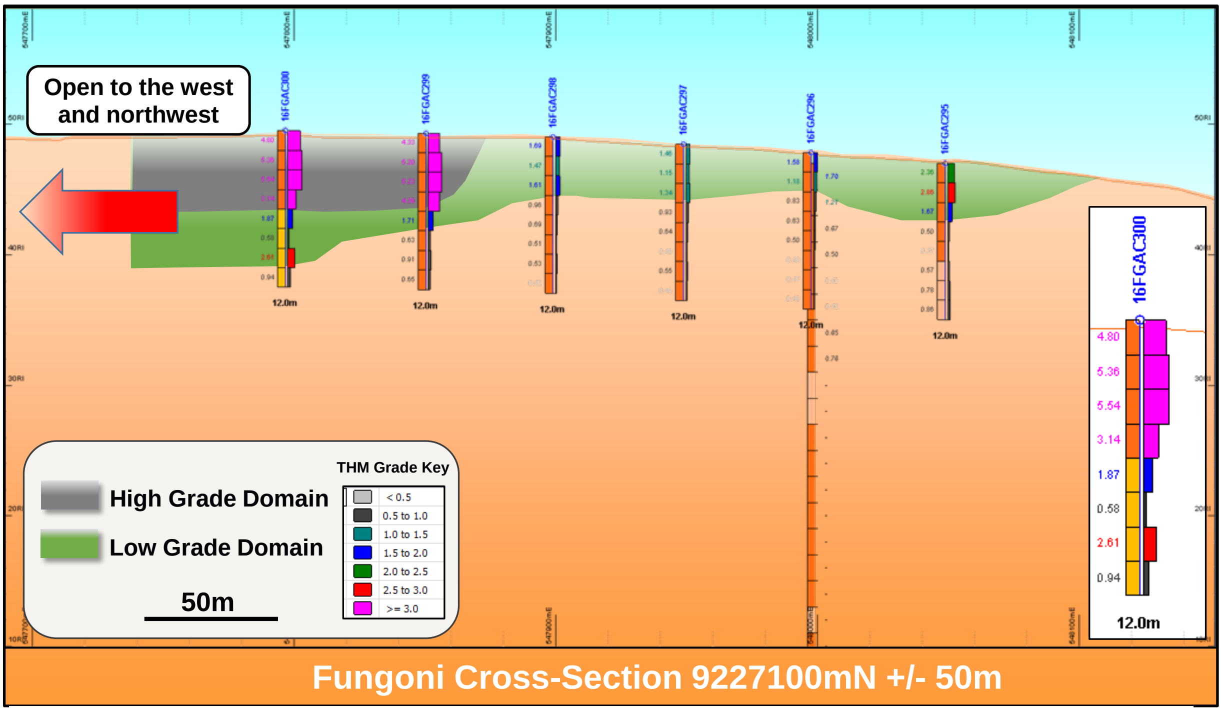

Figure 1.3 Fungoni Cross-Section 9227100mN (orebody is open to the northwest)

Mineral Resource Estimate Data

Table 1 Fungoni Mineral Resource Estimate[1] at various HM cut-off (April 2014)

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources(1)					THM assemblage(2)					
Deposit	Cut-off	Mineral Resource Category	Tonnage	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
			(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Fungoni	1.0% HM	Indicated	11	3.1	44	4	22	-	27.5	8.7
Fungoni	1.0% HM	Inferred	3	1.7	44	6	23	-	24.2	8.9
Fungoni	1.5% HM	Indicated	7	4.1	44	5	22	-	25.2	8.6
Fungoni	1.5% HM	Inferred	2	1.9	44	5	22	-	24.1	9.2
Fungoni	2.8% HM	Indicated	2.4	8.3	44	5	22	-	20.8	7.1
(1) Mineral Resources reported at various cut-off grades										
(2) Mineral assemblage is reported as a percentage of in situ THM content										

[1] This JORC 2012 compliant Mineral Resource Estimate was prepared by Rod Webster, Tracie Burrows and Kathy Zunica of AMC Consultants Pty Ltd on 29 April 2014 and was published by Jacana in its replacement prospectus dated 6 November 2014. The 2.8% cut-off figures were taken from the graphs in the AMC report and from TZMI analysis of the AMC block model.

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 850km Tanzanian coastline.

Following the recent placement and Rights issued cornerstoned by Tembo Capital, the Company is financially robust and as at 30 September had A$4.4 million in the bank. This position underwrites an aggressive exploration and development strategy to progress quality "low cost" projects based on high value titanium and zircon products.

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Competent Person's Statements

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

The information in this report that relates to mineral resources for Fungoni is based upon information compiled by Mr Tom Eadie, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Eadie, who is a Non-Executive Director of Strandline Resources, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Eadie consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

Forward Looking Statements

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

Appendix 1
JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Aircore drilling was used to obtain samples at 1.5m intervals 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 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 1000gm by riffle splitter 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
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 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

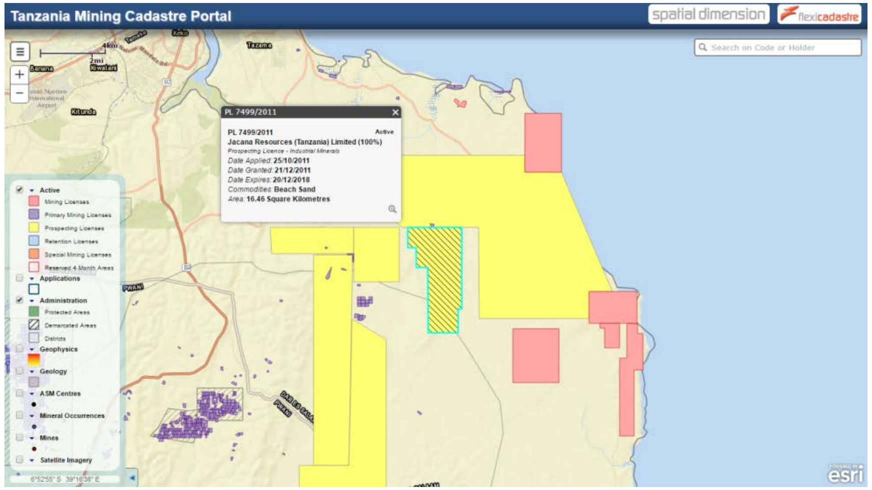
Criteria	JORC Code explanation	Commentary
		remove any clay and silt potentially built up in the sample pipes The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole Wet and moist samples are placed into large plastic basins to air dry in the 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 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.* *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.*	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 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 1000 to 1300gm of each sample was inserted into calico sample bags and exported to Western Geolabs in Perth for analysis Employees undertaking the splitting are closely monitored by a geologist to ensure sampling quality is maintained Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, based on industry experience of the geologists involved and consultation with laboratory staff Field duplicates of the samples were completed at a frequency of 1 per 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. 1000gm) 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

Criteria	JORC Code explanation	Commentary
		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 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 (Diamantina Laboratory) to check the veracity of the Primary laboratory data
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 and the Principal consulting geologist, in addition to the independent consulting Resource Geologist The company 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 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 Collars have been re-surveyed using a DGPS system The datum used is WGS84 and coordinates are projected as UTM zone 37S The drill hole collar elevation was collected from a detailed Digital Terrain Model collected in 2012 The accuracy of the locations is sufficient for this stage of exploration
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	The infill drilling was designed to bring the current drill hole density to 100m x 50m and the extension drilling was also completed at 100m x 50m to provide a high degree of confidence in the geological model Each aircore drill sample is a single 1.5m sample of sand intersected down the hole

Criteria	JORC Code explanation	Commentary
		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 (>2%THM) and low grade (<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 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 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 PL7499/2011 The tenement is 4 years old and was recently reduced by 50% and is valid to 20 Dec. 2018 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 Aircore drilling in 2012 on a 100m x 100m grid over the mineralised area defined by Tanganyika and Omega. The Jacana Resources data was reported publicly in a JORC statement prepared by AMC Consultants in 2014. The JORC mineral resource estimate at 1.5% cut-off comprises 10Mt @ 3.6% THM
Geology	*Deposit type, geological setting and style of mineralisation.*	Two types of heavy mineral placer style deposits are possible in Tanzania Thin but high grade strandlines which may be related to marine or fluvial influences Large but lower grade deposits related to windblown sands

Criteria	JORC Code explanation	Commentary
		The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique, however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to fossil shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	The drill hole data are reported
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.*	Details of data aggregation are reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation Downhole widths are reported
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts 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 results have been reported and tabulated

Criteria	JORC Code explanation	Commentary
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.*	Heavy mineral concentrates have been dispatched to Mineral Process Laboratories for assemblage and chemistry analyses of a statistically significant data-set. This data is pending Historic data for the Fungoni deposit, summarized in the AMC Consultants JORC Report has shown the mineral assemblage contains 22% zircon, 4% rutile and 44% ilmenite A Scoping Study was undertaken by TZMI in 2015 which identified a mining inventory of 2.4Mt @ 8.3% THM. The study envisaged a dry mining operation at a rate of 750ktpa producing 20ktpa of non-magnetic concentrate grading 60% zircon and 10% rutile, plus 24ktpa of chloride ilmenite Data for the Fungoni deposit obtained by Strandline in 2016 from AML Laboratories has shown the Ti content of the ilmenite to average 55-62% TiO2 Detailed aerial geophysics was flown over the lease in September 2016
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Additional Aircore drilling is planned (100m x 50m) to further extend zones of mineralization A bulk sample comprising up to 10 tonnes is planned for collection in late 2016 for determination of process recovery and final product specification Pre-feasibility phase engineering studies are planned for commencement in early 2017

Appendix 2: Down-hole Drill Intersects

All Results from Surface

Hole Id	North (WGS)	East (WGS)	RL	Dip	Azi-muth	EOH depth (m)	Down-hole Ave THM%	Down-hole Max THM%	Down-hole Ave Slime %	Down-hole Max Slime %
16FGAC295	9227100.39	548048.911	47.027	-90	360	12	1.23	2.86	25.74	56.57
16FGAC296	9227099.748	547997.633	47.836	-90	360	12	0.76	1.58	22.42	38.38
16FGAC297	9227101.148	547948.884	48.482	-90	360	12	0.87	1.46	23.62	39.92
16FGAC298	9227100.196	547898.981	49.058	-90	360	12	0.99	1.69	24.63	37.46
16FGAC299	9227101.998	547850.399	49.34	-90	360	12	2.88	5.23	28.62	37.51
16FGAC300	9227091.79	547796.666	49.509	-90	360	12	3.11	5.54	36.54	72.31
16FGAC301	9226981.893	547800.686	49.749	-90	360	12	1.59	2.79	33.00	55.94
16FGAC302	9226998.476	547851.74	49.693	-90	360	12	2.83	5.27	26.05	32.37
16FGAC303	9226995.17	547901.355	49.462	-90	360	12	2.27	4.15	25.58	31.82
16FGAC304	9226998.281	547950.625	49.263	-90	360	12	0.95	1.74	23.61	29.99
16FGAC305	9227001.736	548001.789	48.514	-90	360	12	0.91	1.50	24.72	46.68
16FGAC306	9227000.466	548049.815	47.582	-90	360	12	3.26	7.07	27.15	42.77
16FGAC307	9226997.707	548101.739	45.836	-90	360	12	2.40	5.76	19.40	30.71
16FGAC308	9227001.938	548154.017	42.625	-90	360	12	0.89	1.16	16.99	22.78
16FGAC309	9226900.601	548150.263	40.092	-90	360	12	1.64	3.48	24.52	37.64
16FGAC310	9226900.099	548099.959	44.073	-90	360	12	2.29	5.99	18.92	35.17
16FGAC311	9226902.655	548050.876	47.407	-90	360	12	2.33	4.35	25.93	50.23
16FGAC312	9226901.506	547951.469	49.845	-90	360	12	1.76	3.47	22.22	27.71
16FGAC313	9226898.738	547898.215	49.996	-90	360	12	1.98	3.17	25.71	32.27
16FGAC314	9226898.484	547849.951	49.906	-90	360	12	1.69	2.58	25.48	28.53
16FGAC315	9226900.735	547800.099	49.765	-90	360	12	1.21	1.75	26.60	32.09
16FGAC316	9226799.028	547949.202	49.817	-90	360	12	1.56	2.82	28.71	33.73
16FGAC317	9226801.578	547997.921	48.653	-90	360	12	2.03	3.66	30.52	49.55
16FGAC318	9226797.862	548049.526	44.324	-90	360	12	3.86	5.63	24.89	43.88
16FGAC319	9226800.179	548099.465	41.015	-90	360	12	4.92	10.08	22.49	43.03
16FGAC320	9226700.451	548143.21	39.022	-90	360	12	7.71	19.66	26.79	45.10
16FGAC321	9226698.016	548048.909	42.186	-90	360	12	5.59	11.54	21.37	31.51
16FGAC322	9226601.359	547899.714	48.556	-90	360	12	0.82	1.47	31.55	49.61
16FGAC323	9226602.239	547948.285	45.535	-90	360	12	0.76	1.25	29.69	51.96
16FGAC324	9226603.436	547994.378	42.8	-90	360	12	2.79	6.03	25.03	42.11
16FGAC325	9226597.208	548049.496	42.002	-90	360	12	3.24	9.16	30.65	55.96
16FGAC326	9226601.803	548102.763	42.199	-90	360	12	10.84	20.62	27.31	47.73
16FGAC327	9226601.354	548150.602	40.719	-90	360	12	7.73	17.34	27.45	42.58
16FGAC328	9226500.146	548150.108	41.29	-90	360	12	8.59	17.40	18.54	24.08
16FGAC329	9226503.372	548046.437	42.354	-90	360	12	3.34	7.40	28.15	43.32
16FGAC330	9226501.762	547949.224	42.611	-90	360	12	0.96	1.66	26.85	44.19
16FGAC331	9226500.607	547851.144	49.004	-90	360	12	0.66	1.00	28.23	47.63
16FGAC332	9226400.393	547899.228	42.605	-90	360	12	0.74	1.09	28.21	45.80
16FGAC333	9226399.874	547950.04	41.898	-90	360	12	1.38	3.93	25.53	41.11
16FGAC334	9226401.079	547999.746	42.025	-90	360	12	2.10	4.29	25.19	35.85
16FGAC335	9226401.067	548050.589	41.869	-90	360	12	5.26	10.79	21.93	32.54
16FGAC336	9226400.139	548098.796	41.404	-90	360	12	5.47	15.74	23.98	35.51
16FGAC337	9226399.837	548150.628	40.859	-90	360	12	4.37	11.46	21.83	37.95
16FGAC338	9226402.006	548198.411	40.748	-90	360	12	6.26	16.11	19.74	28.52
16FGAC339	9226403.078	548248.258	40.564	-90	360	12	4.75	13.25	39.42	89.37
16FGAC340	9226402.488	548300.025	40.189	-90	360	12	2.01	4.66	41.13	75.52

Hole Id	North (WGS)	East (WGS)	RL	Dip	Azi-muth	EOH depth (m)	Down-hole Ave THM%	Down-hole Max THM%	Down-hole Ave Slime %	Down-hole Max Slime %
16FGAC341	9226799.548	548401.423	40.094	-90	360	15	0.38	0.67	22.80	40.94
16FGAC342	9226800.761	548352.036	39.659	-90	360	15	1.52	4.36	19.63	26.05
16FGAC343	9226800.704	548299.008	39.302	-90	360	15	0.61	1.31	28.91	50.77
16FGAC344	9226799.362	548248.435	39.516	-90	360	12	0.89	1.37	26.19	32.58
16FGAC345	9226700.645	548201.062	39.241	-90	360	12	2.46	5.93	29.13	47.07
16FGAC346	9226697.384	548250.112	39.323	-90	360	12	1.07	1.84	25.84	43.13
16FGAC347	9226698.932	548303.327	39.644	-90	360	15	1.21	3.11	23.44	38.21
16FGAC348	9226700.425	548351.65	39.665	-90	360	12	0.56	0.92	23.72	41.25
16FGAC349	9226303.838	548351.833	40.499	-90	360	12	0.90	1.41	23.92	42.28
16FGAC350	9226300.445	548249.926	41.453	-90	360	12	5.24	12.20	37.68	77.48
16FGAC351	9226299.927	548051.377	41.41	-90	360	12	6.51	15.29	20.42	35.16
16FGAC352	9226300.168	547948.819	41.719	-90	360	12	1.57	3.09	31.57	47.54
16FGAC353	9226199.735	547899.42	41.688	-90	360	12	0.77	1.53	28.47	44.65
16FGAC354	9226207.66	547952.77	41.61	-90	360	12	2.29	5.12	24.70	39.35
16FGAC355	9226198.955	547999.876	41.371	-90	360	12	5.36	11.55	20.53	31.10
16FGAC356	9226199.736	548050.297	41.593	-90	360	12	7.51	18.24	24.11	51.80
16FGAC357	9226200.216	548100.31	41.84	-90	360	15	7.03	17.05	18.41	27.68
16FGAC358	9226199.305	548149.953	41.888	-90	360	15	10.44	32.75	16.60	21.61
16FGAC359	9226199.855	548199.479	41.682	-90	360	15	4.12	12.05	39.46	76.50
16FGAC360	9226199.395	548250.933	41.89	-90	360	12	3.32	6.49	16.85	33.62
16FGAC361	9226199.111	548299.544	41.42	-90	360	12	1.84	4.15	29.23	60.85
16FGAC362	9226198.755	548350.314	41.003	-90	360	12	0.62	1.28	27.21	64.32
16FGAC363	9226099.281	548299.178	41.461	-90	360	12	0.70	1.42	18.44	31.88
16FGAC364	9226099.14	548252.384	41.726	-90	360	12	1.34	2.81	22.60	47.90
16FGAC365	9226097.712	548149.253	41.683	-90	360	12	8.21	17.81	37.62	79.12
16FGAC366	9226102.228	548051.748	41.97	-90	360	12	4.44	10.23	16.92	29.33
16FGAC367	9226101.675	547850.835	42.089	-90	360	12	0.97	1.19	25.65	39.37
16FGAC368	9226100.198	547750.513	42.37	-90	360	12	1.08	2.24	27.57	50.43
16FGAC369	9226100.073	547700.52	44.343	-90	360	12	2.02	3.28	18.32	33.65
16FGAC370	9226100.23	547651.105	47.565	-90	360	12	1.27	2.54	23.64	32.86
16FGAC371	9226000.708	547850.536	42.121	-90	360	12	0.56	0.20	24.51	34.15
16FGAC372	9225998.12	547896.514	41.658	-90	360	12	1.43	3.29	30.61	50.34
16FGAC373	9225902.882	547850.137	41.89	-90	360	12	1.47	2.96	21.60	49.17
16FGAC374	9225904.107	547748.281	41.715	-90	360	12	1.11	2.16	25.51	40.95
16FGAC375	9226000.475	548249.294	42.36	-90	360	12	0.75	0.96	20.26	48.37
16FGAC376	9225999.902	548199.854	41.965	-90	360	12	1.47	2.52	16.68	23.80
16FGAC377	9225996.967	548145.093	41.533	-90	360	13.5	3.63	7.80	17.33	20.01
16FGAC378	9225983.496	548097.162	41.658	-90	360	12	2.95	6.21	20.16	35.95
16FGAC379	9225998.781	548047.334	41.756	-90	360	12	2.65	5.25	20.24	37.25
16FGAC380	9225900.07	548200.456	43.013	-90	360	12	0.65	0.91	18.94	40.46
16FGAC381	9225899.292	548150.668	42.571	-90	360	15	0.91	1.39	22.06	49.37
16FGAC382	9225901.648	548105.102	41.987	-90	360	15	2.63	4.05	16.35	39.55
16FGAC383	9225899.103	548052.414	41.685	-90	360	15	2.31	5.89	24.54	49.95
16FGAC384	9225805.488	548148.064	43.33	-90	360	12	0.63	1.18	10.67	22.88
16FGAC385	9225799.276	548099.054	42.94	-90	360	12	0.99	2.01	21.20	58.13
16FGAC386	9225799.993	548049.073	42.302	-90	360	12	1.71	2.19	14.26	25.39
16FGAC387	9225796.07	548010.595	41.906	-90	360	12	2.42	3.86	17.04	22.00
16FGAC388	9225701.298	548054.367	43.06	-90	360	12	0.79	1.30	13.85	37.70
16FGAC389	9225700.989	547955.234	42.379	-90	360	12	3.04	4.58	20.76	52.19

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16FGAC390	9225599.316	547949.239	42.916	-90	360	12	0.58	0.79	14.43	34.46
16FGAC391	9225600.933	547899.246	42.267	-90	360	12	1.62	3.45	12.23	24.63
16FGAC392	9225600.838	547851.934	41.466	-90	360	12	1.99	3.70	15.70	25.43
16FGAC393	9225599.136	547795.694	41.79	-90	360	12	1.33	2.63	24.30	38.85
16FGAC394	9225599.993	547750.524	42.045	-90	360	12	2.03	4.05	30.06	51.80
16FGAC395	9225600.61	547701.935	42.791	-90	360	12	0.93	1.93	32.23	52.94
16FGAC396	9225599.83	547650.384	44.293	-90	360	12	1.61	3.62	23.77	57.16
16FGAC397	9225599.097	547601.622	46.4	-90	360	12	1.20	2.18	18.44	34.60
16FGAC398	9225600.719	547550.552	48.62	-90	360	12	1.20	2.15	22.78	28.75
16FGAC399	9225699.973	547549.544	48.41	-90	360	12	0.69	1.43	23.03	30.85
16FGAC400	9225698.724	547647.354	42.28	-90	360	12	0.77	1.55	27.97	41.24
16FGAC401	9225500.387	547600.218	46.499	-90	360	12	0.89	1.78	21.77	29.54
16FGAC402	9225498.283	547650.311	44.512	-90	360	12	0.92	1.63	22.49	41.57
16FGAC403	9225501.014	547749.963	42.103	-90	360	12	0.98	2.12	24.13	39.64
16FGAC404	9225398.834	547600.893	43.592	-90	360	12	0.54	0.73	24.81	44.33
16FGAC405	9225399.771	547651.023	42.812	-90	360	12	0.91	2.06	27.00	45.58
16FGAC406	9225399.316	547701.015	41.962	-90	360	12	1.06	1.87	22.08	34.92
16FGAC407	9225395.75	547750.772	41.559	-90	360	12	1.31	2.91	17.94	31.17
16FGAC408	9225399.31	547799.739	41.25	-90	360	12	1.13	2.31	17.67	24.78
16FGAC409	9225399.926	547850.722	42.218	-90	360	12	0.85	1.47	11.35	18.13
16FGAC410	9225399.383	547897.963	42.103	-90	360	12	0.81	1.22	12.44	22.79
16FGAC411	9225500.595	547850.92	42.117	-90	360	12	0.60	1.12	12.56	23.45
16FGAC412	9225502.048	547904.192	42.409	-90	360	12	0.67	1.09	15.29	36.06
16FGAC413	9225300.605	547797.91	41.494	-90	360	12	0.68	1.34	13.87	24.24
16FGAC414	9225300.876	547751.299	41.488	-90	360	12	0.46	0.87	18.69	32.55
16FGAC415	9225301.608	547703.917	41.656	-90	360	12	1.23	2.86	18.08	32.99
16FGAC416	9225322.629	547650.549	41.829	-90	360	12	1.49	3.56	26.65	39.94
16FGAC417	9225301.26	547600.487	42.376	-90	360	12	0.54	0.85	26.14	40.84
16FGAC418	9225301.068	547554.261	43.86	-90	360	12	0.51	0.89	21.89	34.35
16FGAC419	9225303.377	547498.334	47.839	-90	360	12	1.41	1.87	20.64	32.59
16FGAC420	9225300.877	547447.573	53.455	-90	360	12	0.71	0.94	34.07	41.33
16FGAC421	9225198.092	547401.17	54.826	-90	360	12	1.00	1.99	32.02	49.67
16FGAC422	9225210.2	547449.301	49.894	-90	360	12	1.83	2.98	27.54	40.43
16FGAC423	9225198.21	547499.145	45.801	-90	360	12	3.38	6.67	20.14	39.81
16FGAC424	9225197.864	547548.528	43.799	-90	360	12	1.08	2.25	19.51	39.77
16FGAC425	9225179.206	547596.931	41.944	-90	360	12	1.93	3.36	19.96	34.36
16FGAC426	9225198.691	547650.402	41.558	-90	360	12	1.29	2.61	22.75	47.27
16FGAC427	9225198.941	547698.491	41.258	-90	360	12	0.41	0.59	17.73	35.00
16FGAC428	9225098.554	547598.623	41.827	-90	360	12	1.38	2.60	20.03	37.51
16FGAC429	9225100.262	547552.295	42.946	-90	360	12	1.70	3.67	26.75	60.65
16FGAC430	9225100.292	547502.14	44.662	-90	360	12	1.39	2.61	26.77	54.97
16FGAC431	9225100.039	547450.415	47.357	-90	360	12	1.77	2.84	17.77	41.60
16FGAC432	9226203.548	547849.013	41.731	-90	360	57	1.23	4.04	22.71	53.07