

Strong quarter puts Strandline on track to finalise funding for Fungoni mineral sands project in Tanzania

Plus, Feasibility Study on Coburn mineral sands project in WA set for completion this quarter

Fungoni Project, Tanzania

- **Updated Definitive Feasibility Study (DFS) on Fungoni completed** resulting in significant increases in forecast financial returns and reduced implementation risk:
 - **Project pre-tax NPV¹⁰ of US\$48.7m** (A\$64.9m at USD:AUD 0.75, up from US\$42.9m)
 - **Project post-tax NPV⁸ of US\$34.8m** (A\$46.4m) and NPV¹⁰ of US\$30.8m (A\$41.1m)
 - **Project pre-tax IRR of 61%** (up from 56%) and project post-tax IRR of 42%
- **Project financing well advanced with the appointment of Nedbank CIB** as lead arranger and underwriter for US\$26m Project Finance Facility, subject to due-diligence
- Key mining and environment licences already in place, 100% product pre-sold via offtake, strong government support, EPC contract executed and due-diligence underway with Nedbank CIB

Coburn Project, Western Australia

- **Mineral Resource Estimate increases by 64% to 1.6Bt at 1.2% Total Heavy Minerals (THM)**, up from 979Mt at 1.3% THM and now compliant to JORC-2012 (previously JORC-2004), further enhancing the project's geological robustness and scale.
- **Contained Heavy Mineral (HM) content rises to 19.6Mt from 12.3Mt**, comprising a high-value zircon-titanium dominated mineral assemblage:
 - In-situ zircon (4.3Mt), rutile (1.4Mt), leucoxene (1.0Mt) and ilmenite (9.4Mt).
- **Coburn DFS on track for completion in the March quarter, 2019.**

Exploration Projects, Tanzania

- **Extensive drilling campaign at Tajiri**, targeting an increase in Resources of 147Mt at 3.1% THM.
- **Next phase of drilling commenced at Sudi Project** in JV with Rio Tinto Mining & Exploration Limited.

Corporate

- **Cash on hand of A\$4.2m** and no debt as at 31 December 2018; **Capital raising of A\$3m** completed.



EXPLORATION AND DEVELOPMENT UPDATE

Strandline Resources (ASX: STA) (**Strandline**, or the **Company**) is pleased to report on the strong progress it made in the December quarter at its 100%-owned heavy mineral sands projects in Australia and Tanzania.

Exploration and development progressed significantly across the Company's portfolio of mineral sands assets, with a key focus on advancing the Company's two zircon-titanium rich, 'development-ready' projects: the Fungoni Project in Tanzania and the large Coburn Project in Western Australia. In parallel, Strandline progressed exploration and evaluation activities across a series of high-grade targets spread along 350km of highly prospective Tanzanian coastline, including the large-scale Tanga South Tajiri Project and highly prospective Bagamoyo and Sudi projects.

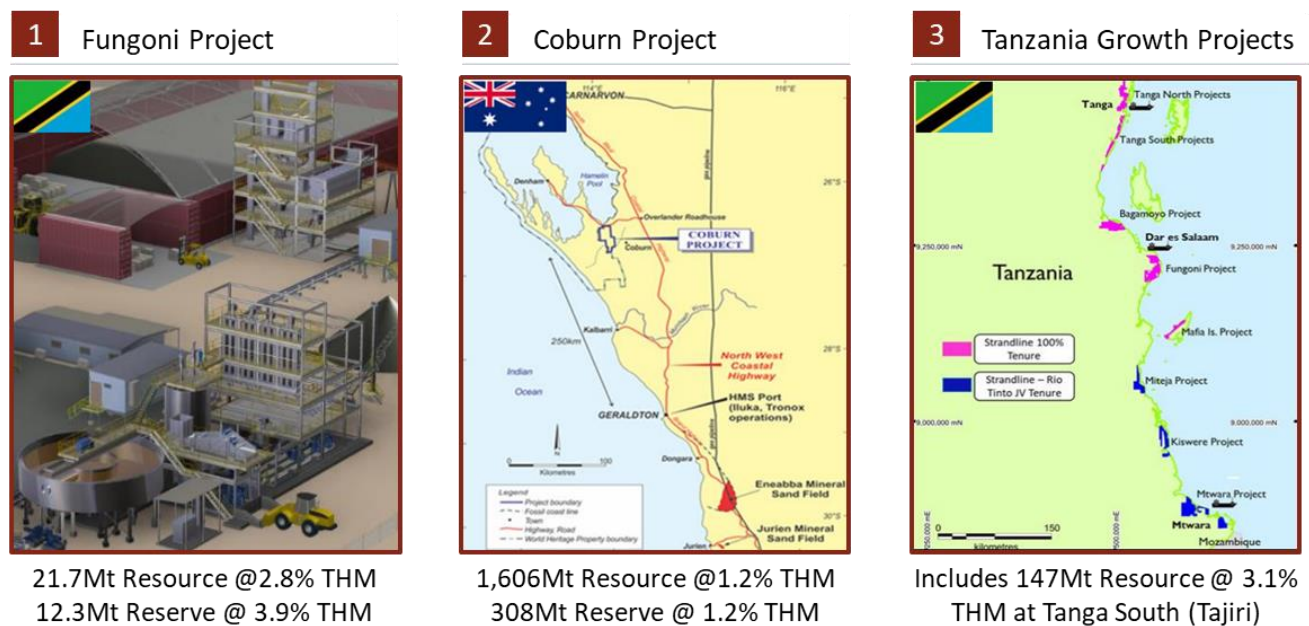


Figure 1 Strandline's world-wide mineral sands exploration & development projects

Fungoni Project

During the Quarter, the Company announced updated DFS¹ results for its 100%-owned, high-grade Fungoni mineral sands project in Tanzania. The original DFS results were announced to the ASX on 6 October 2017 and the updated DFS announced to the ASX 01 November 2018 reflects the latest information on the project, including terms of binding offtake agreements and higher mineral sands commodities price forecasts published by TZ Mineral International Pty Ltd (TZMI) in August-2018.

Capital and operating cost estimates were also revised in line with advancing execution contracts, such as the award of the fixed-price EPC contract to international contractor GR Engineering Services. Other material assumptions underpinning the original DFS were unchanged.

The update resulted in an overall enhancement to the project financial metrics, including an outstanding Internal Rate of Return of 61% (from 56%) and first quartile revenue-to-operating cost ratio of 2.8.

¹ Strandline confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Feasibility Studies, continues to apply and have not materially changed.

Quarterly Report for the period ending 31 December 2018

The projected LOM revenue has increased to US\$184m (or A\$246m) from US\$168m and EBITDA to US\$115m from \$98m. The increase is driven by the strengthening market outlook for Fungoni's high-value product suite and favourable offtake terms compared to the assumptions made in the original DFS.

The key financial results and underlying assumptions used are outlined in the following tables:

Table 1 – DFS Key Financial Metrics

Description	Original DFS Result (Oct-17)	Updated DFS Result (Oct-18)	Comment
NPV (10% WACC, Real, Pre Tax, no debt)	US\$42.9m	US\$48.7m	Up US\$5.8m or 14%
IRR	56.2%	61.1%	Up 4,900bps
NPV (10% WACC, Real, Post Tax, no debt)	n.a.	US\$30.8m	See commentary regarding taxes below
IRR	n.a.	42.1%	Original DFS IRR was pre-tax
NPV (8% WACC, Real, Post Tax, no debt)	n.a.	US\$34.8m	See commentary regarding taxes below
Operational Cashflow Payback Period of Initial Capital	2.72 years	2.67 years	From commencement of project execution
LOM Revenue	US\$168.1m	US\$184.2m	Up US\$16.1m or 10%
LOM EBITDA	US\$97.8m	US\$114.8m	Up US\$17.0m or 17%
LOM OPEX C1 Costs inc transport	US\$63.1m	US\$66.1m	Up US\$3.0m or 5%
LOM All-in Sustaining Costs (AISC)	US\$71.2m	US\$74.9m	Up US\$3.7m or 5%
Revenue to C1 Cost Ratio	2.7	2.8	First quartile RC ratio
Annual Average Operating Margin	US\$348/t	US\$391/t	Up US\$43/t or 12%
LOM Project Cash Flow	US\$71.5m	US\$81.7m	Up \$10.2m or 14%

Table 2 – DFS Key Assumptions

Description	Original DFS Result (Oct-17)	Updated DFS Result (Oct-18)	Comment
Annual Production Rate (Steady State)	2.0Mt	2.0Mt	No change
LOM Production	12.3Mt	12.3Mt	Re-optimisation based on increased commodity prices may increase reserves and mine life
Mine Life (Initial)	6.2 Years	6.2 Years	
Exchange Rate (A\$/US\$)	0.75	0.75	No change
Capital Expenditure (Pre-production)	US\$30.0m	US\$32.1m	Pre-production Capex excluding tax & levies
Product Price Zircon (FOB) Avg. LOM	US\$1,134/t	US\$1,229/t	Premium grade zircon in concentrate form
Product Price Rutile (FOB) Avg. LOM	US\$1,072/t	US\$1,129/t	Final product welding rod grade
Product Price Ilmenite (FOB) Avg. LOM	US\$232/t	US\$266/t	Chloride grade ilmenite
Product Price Monazite (FOB) Avg. LOM	US\$1,722/t	US\$1,804/t	In concentrate form

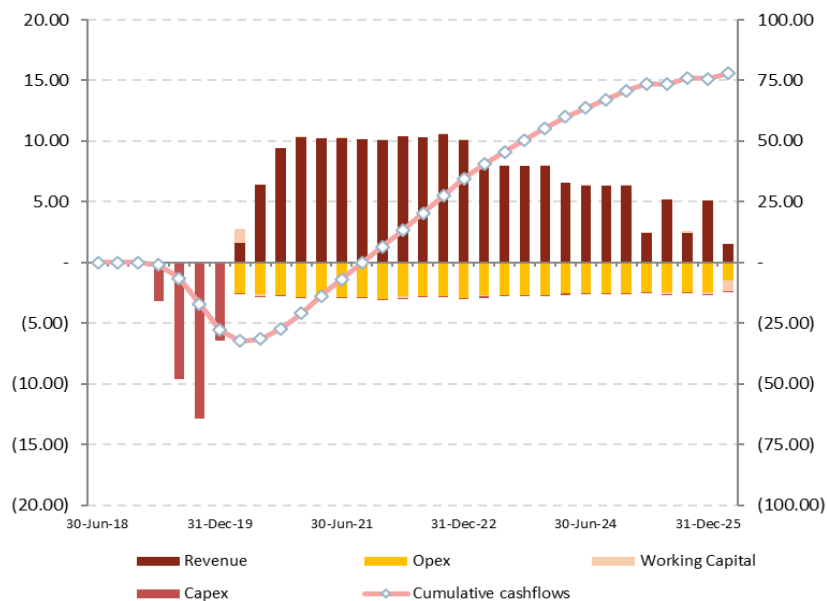


Figure 2 Quarterly Net Operating Cash Flow (excluding Corporate Overheads) (US\$m)

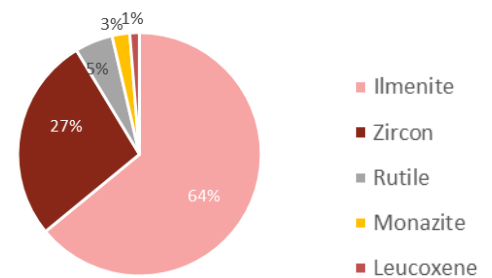


Figure 3 Production by Product (tonnes)

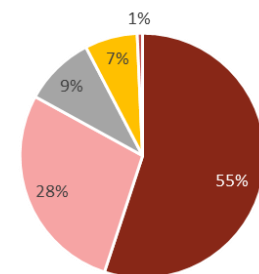


Figure 4 Revenue by Product (US\$m)

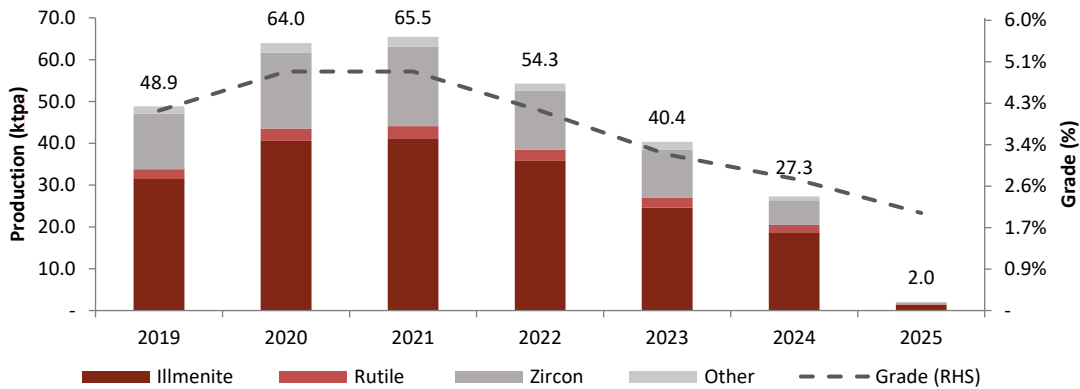


Figure 5 Production and Grade Profile (Other consists of monazite and leucoxene mineral)

All of the forecast project revenue is secured under binding take-or-pay contracts for the entire life of the mine. Strandline also announced the appointment of GR Engineering Services Limited (ASX: GNG) as engineering, procurement and construction (EPC) contractor for the processing plant scope at Fungoni. The lump-sum EPC contract comprises construction, installation and commissioning of a new 2 million tonne per annum mineral processing plant and supporting infrastructure. The fixed cost contained in the contract is in line with the original Fungoni DFS assumptions.

The Company announced a mandate with Nedbank Limited to act as a lead arranger and underwriter of a US\$26 million finance facility for Fungoni. The Facility accounts for the majority of Fungoni's total estimated development capital cost of US\$32 million, excluding taxes, levies and financing costs (see ASX release dated 01 November 2018). A detailed due-diligence process has commenced and the Facility remains conditional upon documentation and satisfactory completion of technical, financial, legal and environmental and social due diligence, which are targeted for completion by the end of the March quarter 2019, with Financial Close and first drawdown subject to customary conditions precedent.

With key mining and environment licences in place, 100 per cent of the product pre-sold via offtake, strong government support, EPC contract signed and project financing underway, Strandline is well positioned to capitalise on the growing mineral sands market.

Coburn Project – Western Australia

During the Quarter, the Company upgraded Coburn's JORC Mineral Resource Estimate to JORC-2012 (from JORC-2004) as part of the current DFS, which is due for release in the March 2019 Quarter (see ASX announcement 14 November 2018).

The total Mineral Resource Estimate (MRE) increased by 64 per cent and the new Resource stands at 1.6 billion tonnes at 1.2% Total Heavy Minerals (THM), containing 19.6Mt of Heavy Mineral. This is up from 979Mt at 1.3% THM containing 12.3Mt of Heavy Mineral.

Coburn is located in the low-risk mining jurisdiction of Western Australia, approximately 45km west of the North West Coastal Highway, linking to the minerals export port of Geraldton some 250km to the south. The MRE comprises two distinct deposits Amy South and Amy North. The Amy South deposit accounts for over 90% of the resource inventory and the additional Inferred resource tonnage is associated with this deposit.

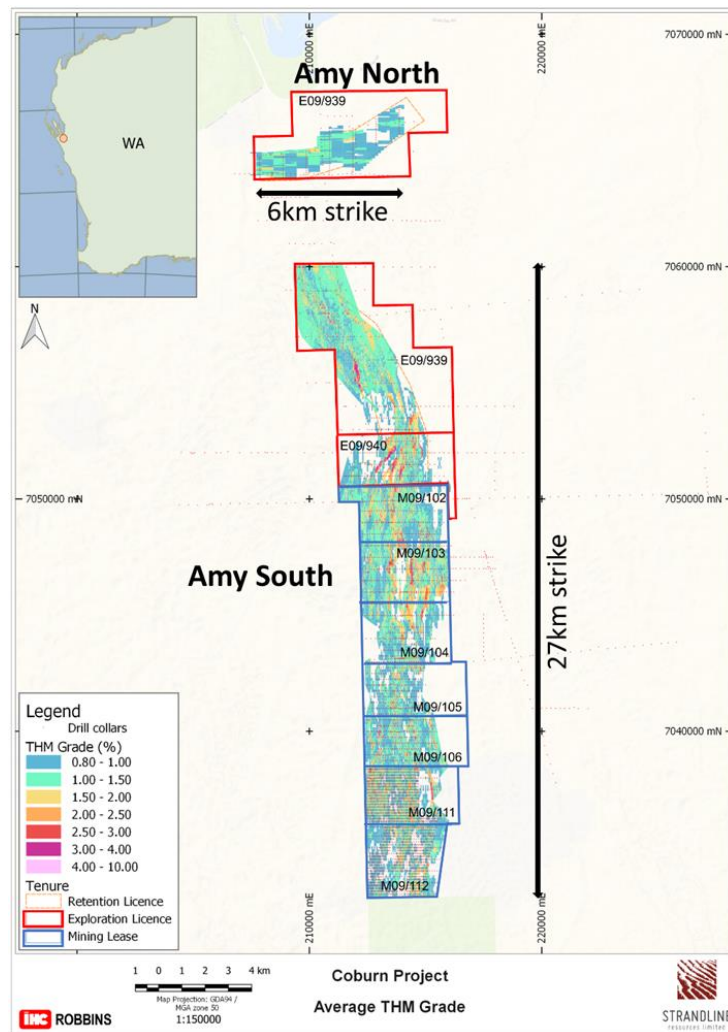


Figure 6 Coburn Mineral Resources –with Amy South and Amy North mineralisation

The Company initiated the DFS after receiving positive results from its internal project reviews and market engagement, which were undertaken in response to the strong upturn in the mineral sands market.

The DFS is leveraging the significant work done to date on the project while focusing on a multitude of value improvement initiatives and execution readiness activities. The DFS will generate updated capital and operating costs and an enhanced execution plan for the project.

The most recent review of the project was completed in 2015 with a pre-tax NPV₈ of A\$306 million and an IRR of 26%, generating A\$2.9 billion of sales revenue over the 19-years, mining at a rate of 23.4Mtpa². The upgraded Coburn MRE enables the Company to finalise the remaining DFS activities including mine optimisation and financial analysis for the project. The Company aims to improve the economic metrics and de-risk the development of the project.

With key project approvals already in place, including mining and environmental licences, the project is well positioned for potential commercialisation in the near term. In parallel with the DFS, Strandline is

² Refer to the ASX Announcement dated 09 February 2015 for full details of the material assumptions underpinning the production target and financial results for the Coburn Project. The Company confirms that all the material assumptions underpinning the production target and financial results continue to apply and have not materially changed.

holding discussions with potential offtake, investor and joint venture partners for Coburn and expects to be able to finalise arrangements as the Study nears completion and thereafter.

Tanga South - Tajiri Project

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

Tajiri comprises a series of higher-grade mineral sands deposits stretching along 20kms of Tanzanian coastline, with JORC Indicated Mineral Resources of 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.

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

Table 3 Updated Exploration Target for the Tajiri Mineralised Corridor (refer ASX announcement 26 June 2018)

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

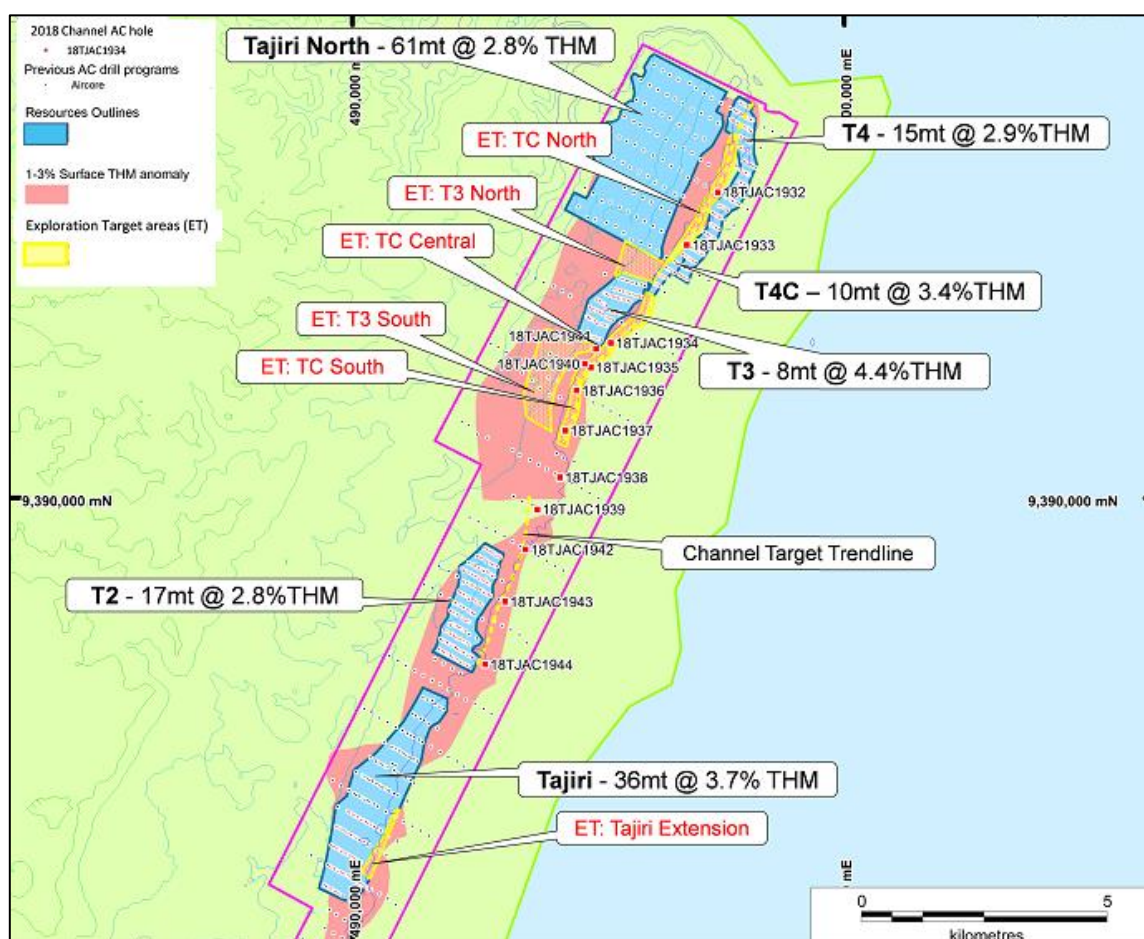


Figure 7 Tanga South Tajiri tenement with currently defined Mineral Resources and Exploration Target areas identified



Figure 8 Current Drilling at the Tajiri Project showing surface mineralisation

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

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

Bagamoyo Project

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Outstanding assays received from the maiden drilling program during the previous Quarter confirm Bagamoyo as a major mineral sands discovery (see ASX release dated 17 September 2018).

The Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM. Minor field activity was performed during the quarter and a further drill program is required to test the veracity of the Exploration Target.

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

Sudi Project – in Joint Venture with Rio Tinto

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

The Agreement with Rio Tinto is worth up to US\$10.75 million (~A\$14.5 million) consisting of a two-stage earn-in plus cash payments. The Stage 1 earn-in commenced in June 2017 with Rio Tinto having the option to sole fund US\$5 million of exploration within 3.5 years to earn a 51% interest in the joint venture. Stage 2 involves an option to incur a further US\$4 million expenditure within 2 years to earn an aggregated 75% interest.

During the Quarter, the Company commenced the next phase of drilling following the recent grant by the Tanzanian Mining Commission, a suite of prospective tenements near Sudi (refer Figure 1 & 2), which form the primary focus of the JV’s next drilling program (refer ASX announcement 07 November 2018)

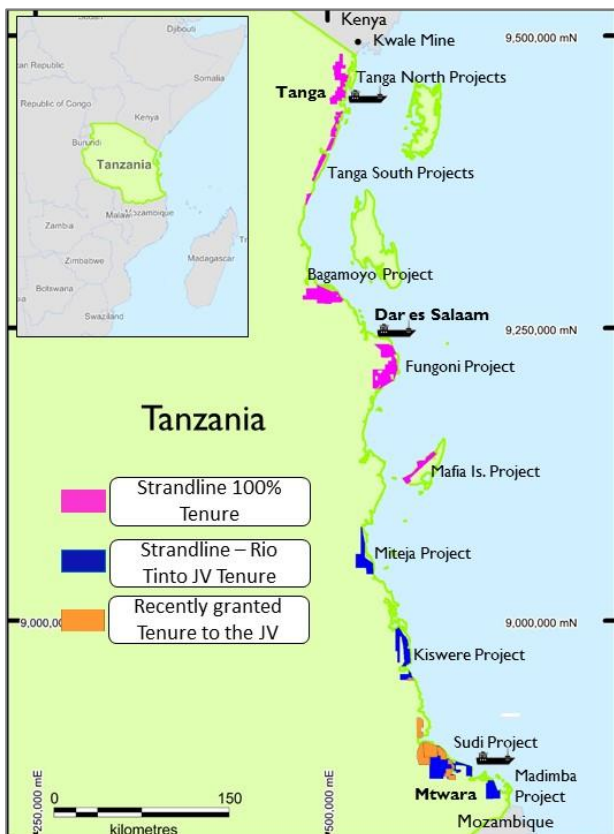


Figure 9 - Strandline holds a strategic tenement package located along 350 km of the Tanzanian coastline

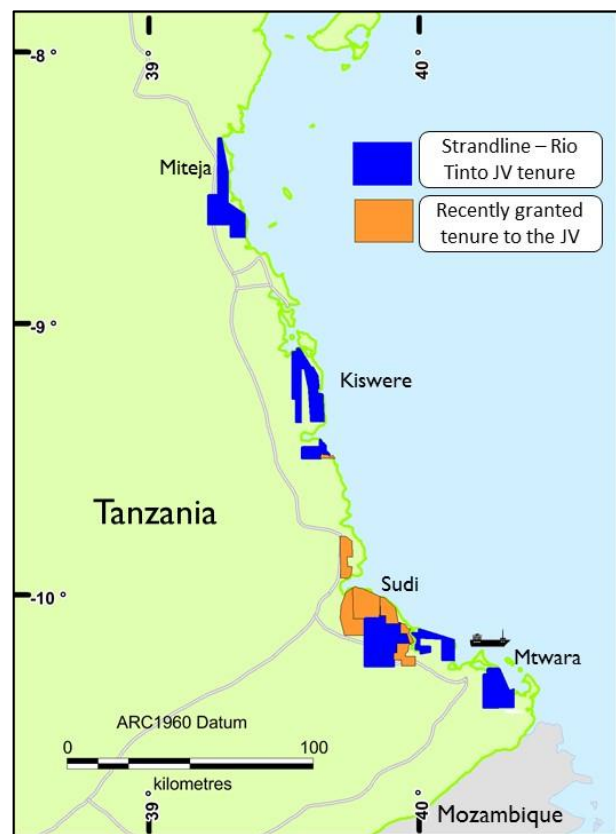


Figure 10 – Rio Tinto JV encompasses some of the Company’s southern tenements

To account for the length of the proposed program, the JV parties have agreed to formally extend the contracted milestone date to complete this phase of exploration from December 2018 to August 2019.

This amendment has been executed under a Deed Agreement. Other conditions of the original JV agreement remain unchanged (see ASX announcement 26 June 2017 and 26 April 2017).

Fowlers Bay Nickel-Gold Project

Exploration activities are being funded by Western Areas Limited (ASX: WSA) (Western Areas), who are earning up to 90% in the joint venture which covers Strandline's 700km² Fowlers Bay Project in the Western Gawler region of South Australia.

During the quarter MLEM surveying was completed over targets identified during earlier airborne EM surveying. The ground survey identified broad conductive trends, however no bedrock anomalies were recorded. Work plans for the coming quarter include focused air-core drilling of these conductive trends.

CORPORATE

Cash

Consolidated cash on hand was A\$4.2 million as at 31 December 2018. During the Quarter, the Company raised A\$3.0 million (before costs) via a share placement to institutional and sophisticated investors, underpinning the Company's strategy to progress its two most advanced mineral sands projects towards development and production (refer ASX announcement 14 November 2018).

Equity

During the Quarter 27,272,726 ordinary shares in the Company were issued following the share placement at A\$0.11 each and 1,126 unlisted options at A\$0.18 each were exercised and converted into fully paid ordinary shares. A total of 3,389,367 performance rights were issued to Directors pursuant to shareholder approval given on 23 November 2018 at the Annual General Meeting of the Company.

A summary of the Company's capital structure as at 31 December 2018 is detailed below.

Class of securities	Number
Fully paid ordinary shares	320,689,931
Unlisted options expiring 30/06/19 @ 18c each	35,704,542
Unlisted performance rights expiring 15/08/19	3,975,230
Unlisted performance rights expiring 15/08/20	9,535,105
Unlisted performance rights expiring 15/08/21	3,389,367

KEY ACTIVITIES PLANNED FOR MARCH 2019 QUARTER

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

- Complete the Coburn project DFS and continue engaging with strategic implementation partners relating to product offtake, major contract packages and funding options;
- Finalise detailed due diligence process with Nedbank CIB on the Fungoni project and continue project execution preparation and stakeholder engagement activities to progress final project approvals, land access and funding;
- Progress drilling and evaluation at Tanga South Tajiri with the view to expand Mineral Resources over time; and
- Progress drilling activities in Southern Tanzania in JV with Rio Tinto.

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
 Read Corporate
 T: +61 8 9388 1474
 E: paul@readcorporate.com.au

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands developer with a growing portfolio of 100%-owned development assets located in 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 plans to maximise shareholder value.

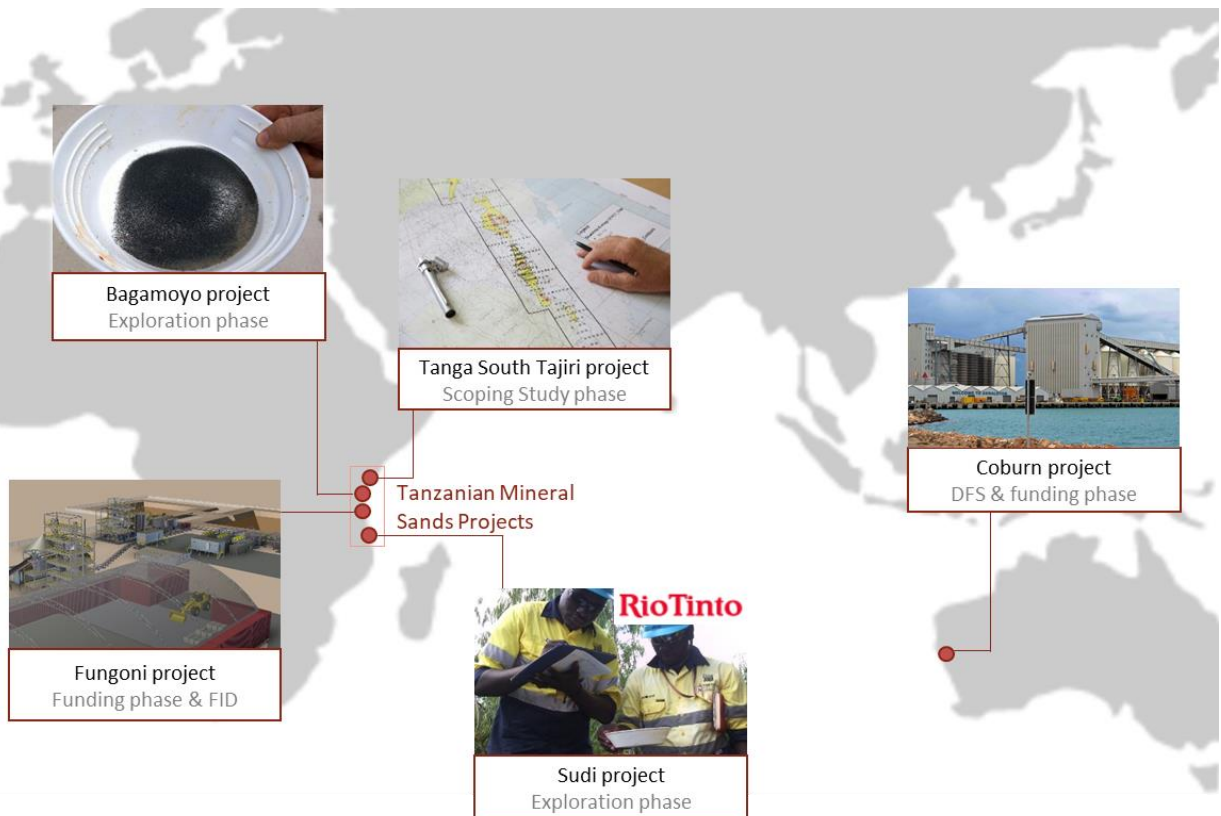


Figure 11 Strandline’s world-wide mineral sands exploration & development projects

ANNEXURE A – MINERAL RESOURCE DATA

Table 1 Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources ⁽¹⁾					VHM assemblage ⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ THM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.37	4.26	43.3	4.3	18.3	1.0	18.5	6.8
FUNGONI	Indicated	12.97	0.24	1.84	36.7	4.3	14.6	1.4	24.4	7.3
	Total ⁽³⁾	21.74	0.61	2.82	40.7	4.3	16.9	1.2	22.0	7.0
(1) Mineral Resources reported at a cut-off grade of 1.0% THM										
(2) Valuable Mineral assemblage is reported as a percentage of in situ THM content										
(3) Appropriate rounding applied										

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

Refer ASX announcement 6 October 2017 for full details of the Fungoni Ore Reserve statement.

Table 2 Ore Reserve Statement for Fungoni Project at October 2017

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.

Table 3 Tanga South (Tajiri) Project Mineral Resource Estimate (February 2018)

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

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

Quarterly Report for the period ending 31 December 2018

Table 4 Coburn HMS Project, Western Australia, Ore Reserve Estimate (January 2010)

ORE RESERVES SUMMARY FOR COBURN HMS PROJECT								
Summary of Ore Resources ⁽¹⁾					HM assemblage ⁽²⁾			
Deposit	Reserve Category	Tonnage	Contained HM	HM Grade	Zircon	Ilmenite	Rutile	Leucoxene
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)
Amy Pit A	Proven	53	0.7	1.3	24	46	5	6
Amy Pits B-E	Probable	255	3.1	1.2	23	48	7	4
	Total⁽³⁾	308	3.8	1.2	23	48	7	5
(1) Cut-off grade applied is 0.8% HM								
(2) Mineral assemblage is reported as a percentage of total HM content. Slimes average 2.7% of the ore and oversize 3.3%.								
(3) Appropriate rounding applied								

Table 5 Coburn Zircon Project Mineral Resource Estimate (November 2018)

MINERAL RESOURCE SUMMARY FOR THE COBURN PROJECT										
Summary of Mineral Resources ⁽¹⁾					VHM assemblage ⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ THM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
	Measured	119	1.5	1.3	45	5	24	6	3	6
	Indicated	607	7.7	1.3	48	7	22	5	3	3
	Inferred	880	10.4	1.2	49	7	21	4	3	1
	Total	1606	19.6	1.2	48	7	22	5	3	2
(1) Mineral Resources reported at a cut-off grade of 0.8% THM										
(2) Valuable Mineral assemblage is reported as a percentage of in situ THM content										
(3) Appropriate rounding applied										

Refer to the ASX announcement dated 14 November 2018 for full details of the Ore Reserve and Mineral Resource estimates for the Coburn Project.

MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Chief Geologist and employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as 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. Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

The information in this report that relates to Mineral Resources for Fungoni is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, an employee of IHC-Robbins and Consultant to Strandline, and Mr Brendan Cummins (Chief Geologist and 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.

The information in this report that relates to Mineral Resources for Tanga South Tajiri is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, an employee of IHC-Robbins and Consultant to Strandline, and Mr Brendan Cummins (Chief Geologist and 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 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.

The information in this report that relates to the Fungoni Ore Reserves is based on information compiled under the direction of Mr Adrian Jones, an employee of AMC Consultants. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and 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 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Jones used non-mining modifying factors for the Ore Reserve estimate drawn from contributions provided by various sources. Mr Jones consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

The information in this report that relates to the Coburn Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the 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 provision of the drill database, and completed the site inspection. Mr Jones is the Competent Person for the data integration and resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this ASX announcement relating to estimates of Coburn Ore Reserves has been extracted from the ASX announcement dated 7 January 2010. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Ore Reserves and Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Strandline Resources Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,094)	(2,334)
(b) development	-	-
(c) production	-	-
(d) staff costs *	(362)	(613)
(e) administration and corporate costs	(379)	(551)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Rio Tinto receipts/JV contributions)	277	277
1.9 Net cash from / (used in) operating activities	(1,541)	(3,186)

*Excludes staff costs allocated to exploration & evaluation activities.

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(2)	(2)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,000	3,120
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(76)	(86)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,924	3,034

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,774	4,291
4.2 Net cash from / (used in) operating activities (item 1.10 above)	(1,541)	(3,186)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,924	3,034
4.5 Effect of movement in exchange rates on cash held	21	39
4.6 Cash and cash equivalents at end of period	4,176	4,176

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	250	536
5.3 Call deposits	3,220	1,800
5.4 Bank overdrafts	-	-
5.5 Other ¹ (provide details)	706	438
5.6 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,176	2,774

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

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	144
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	27
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Fees paid to MPH Lawyers and Artemis Management Tanzania, being director related entities	

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,100
9.2 Development	-
9.3 Production	-
9.4 Staff costs*	261
9.5 Administration and corporate costs	450
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,811

*Excludes staff costs allocated to exploration & evaluation activities.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

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



Sign here:
(Company Secretary)

Date: 29 January 2019

Print name: Flavio Garofalo

Notes

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

Additional Information Required by LR 5.3.3

Tenement Schedule

Tenement Number	Name/Location	Interest
Tanzania		
Mineral Sands Projects		
PL 7588/2012	Kitambula	100%
PL 9427/2013	Kitambula	100%
PL 9976/2014	Tanga	100%
PL 7940/2012	Kiswera North JV*	100%*
PL 9980/2014	Kiswera South JV*	100%*
PL 9969/2014	Sudi JV*	100%*
PL 9970/2014	Madimba JV*	100%*
PL 10425/2014	Tanga North	100%
PL 10429/2014	Mkwaja	100%
PL 7321/2011	Tajiri	100%
PL 10265/2014	Bagamoyo	100%
ML 580/2018	Fungoni	100%
PL 7754/2012	Fungoni	100%
PL 7753/2012	Bagamoyo	100%
PL 9951/2014	Fungoni South	100%
PL 7666/2012	Pangani	100%
PL 8008/2012	Tanga North	100%
PL 7960/2012	Tongoni	100%
PL 8123/2012	Tongoni North	100%
PL 11025/2017	Naumbu	100%
PL 11029/2017	Buyuni	100%
PL 11030/2017	Fungoni West	100%
PL 10978/2016	Fungoni South	100%
PL 11076/2017	Bagamoyo	100%
PL11131/2017	Sudi Central	100%
PL/12070/2017	Nachunyu RIO JV*	100%*
PL/12770/2018	Lindi North RIO JV*	100%*
PL/13031/2018	Kitunda RIO JV*	100%*
PL/12280/2017	Rushungi South	100%
PL/12769/2018	Sudi West RIO JV*	100%*
PL/12080/2017	Sudi East RIO JV*	100%*
PL 7499/2011	Fungoni	100%
* Subject to Earn-in and Joint Venture Agreement with Rio Tinto		
Australia		
Coburn Mineral Sands Project		
EL 09/939	Shark Bay District, Western Australia	100%
EL 09/940	Shark Bay District, Western Australia	100%
M 09/102	Shark Bay District, Western Australia	100%
M 09/103	Shark Bay District, Western Australia	100%
M 09/104	Shark Bay District, Western Australia	100%
M 09/105	Shark Bay District, Western Australia	100%
M 09/106	Shark Bay District, Western Australia	100%
M 09/111	Shark Bay District, Western Australia	100%
M 09/112	Shark Bay District, Western Australia	100%
L 09/21	Shark Bay District, Western Australia	100%
L 09/43	Shark Bay District, Western Australia	100%
Fowlers Bay Gold-Base Metal Project**		
EL 5880	Ceduna District, South Australia	100%**
** Western Areas earning 90%		