ASX ANNOUNCEMENT

Exploration Update – Tanga South Tajiri

28 March 2019

STRANDLINE
resources limited

EXPLORATION UPDATE – TANGA SOUTH TAJIRI

Strandline Resources Limited (ASX: STA) advises that the Exploration Update announced on 27 March 2019 now includes a cautionary statement in relation to the Tajiri exploration target on page 1 and a revised announcement is attached.

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Exploration Update – Tanga South Tajiri

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More thick intersections point to large mid-year Resource increase at Tajiri mineral sands project

Tajiri on track to be a significant deposit based on both tonnage and heavy mineral content

HIGHLIGHTS

- **Latest results from Resource drilling at Tajiri mineral sands project in Tanzania continue to highlight strong potential for large increase in the JORC Resource of 147Mt at 3.1% Total Heavy Mineral (THM)**
- **Heavy mineral sand intersections from the Tajiri channel target include:**
  - 19TJAC1989 - 42m @ 4.1% Total Heavy Mineral (THM) from surface to EOH
  - 19TJAC2037 - 54m @ 6.9% Total Heavy Mineral (THM) from surface to EOH
  - 19TJAC2038 - 45m @ 7.9% Total Heavy Mineral (THM) from surface to EOH
  - 19TJAC2042 - 66m @ 8.1% Total Heavy Mineral (THM) from surface to EOH
  - 19TJAC2041 - 48m @ 6.2% Total Heavy Mineral (THM) from surface to EOH
- **Titanium-dominated domain discovered from surface and is ~30-40m thick, comprising high-value mineral assemblage averaging 60% Ilmenite and 10% combined rutile and zircon**
- **The recent results continue to support Strandline's Exploration Target at Tajiri, including its assumptions of high-grade mineralisation and resource size potential**
- **An updated JORC Mineral Resource estimate is due for release in the middle of this year**

Strandline Resources (ASX: STA) is pleased to announce another round of strong assay results which will help underpin a substantial mid-year Resource increase at its Tajiri mineral sands project in Northern Tanzania.

The results provide more evidence that Tajiri is emerging as a game-changer for Strandline. The project has a valuable JORC Resource of 147 million tonnes grading 3.1% THM that contains 339,000t rutile, 201,000t zircon, 3,132,000t ilmenite and 322,000t almandine garnet.

The current Tajiri Mineral Resource is in addition to the Exploration Target of 38Mt to 64Mt for the combined TC Central and South zones (refer to announcements 23 October 2018 and 18 February 2019). Tajiri is the second-most advanced project in the Company's mineral sands portfolio behind the development-ready Fungoni project. 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.

The results are from the final batch of drill samples along a 3,000m strike length of the "channel" target south of the T4C Resource. Thick high-grade intervals of mineralisation have been discovered along an 800m-long bend in the interpreted paleo-coastline.

The bend has formed an effective trap-site for the accumulation of heavy mineral sands located between the TC Central and TC south (Refer to Figure 1). The drill data is now being used to update the current JORC Mineral Resources of 147Mt at 3.1 % THM, with mineralogical and geological domaining underway.

Figure 2 shows photos of shallow high-grade panned samples taken from the drill rig with the corresponding laboratory-derived THM-percentage analysis. The pans show thick black accumulations of titanium-dominated mineral with a minor garnet trail.

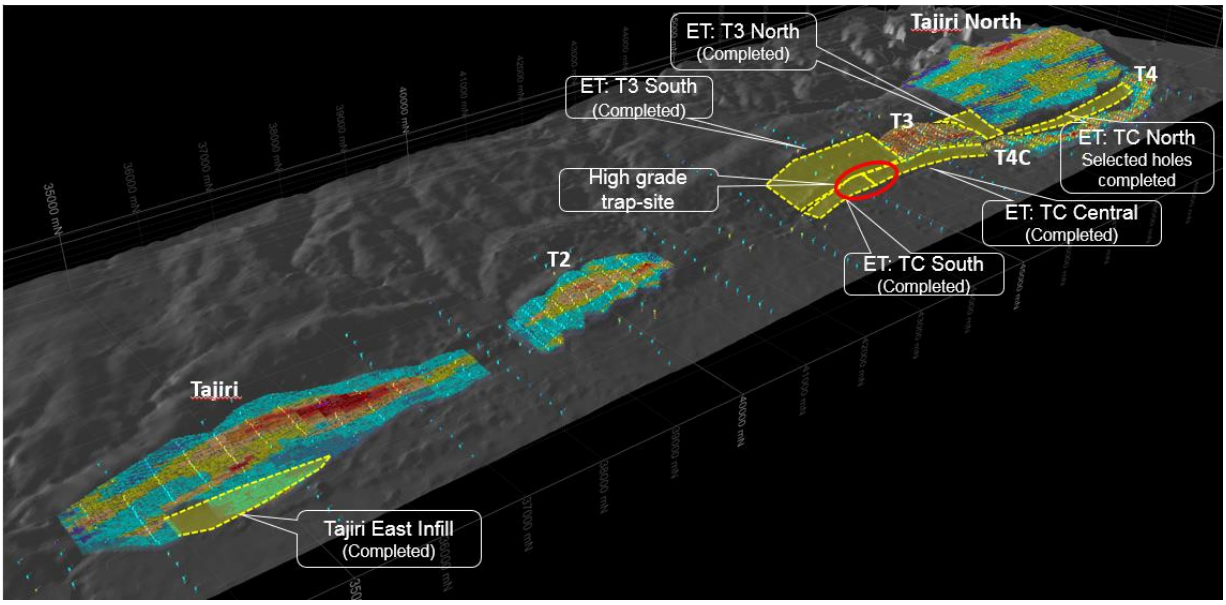

Figure 1 Tajiri Mineral Resources - 3D Image showing Exploration Target (**ET**) areas and "Completed" AC drilling areas. The high-grade trap-site is also identified.

Figure 2 Panned samples from holes 18TJAC2037 and 18TJAC2038 within the high-grade trap site. The photos show the bagged samples as drilled and panned from the field with the laboratory derived THM analysis superimposed over the image. Refer to Figure 6 for a cross-section.

SUMMARY OF THE TANGA SOUTH TAJIRI AC DRILL PROGRAM

The large-scale Tajiri deposits are in Northern Tanzania near the Port City of Tanga, some 45km to the north. The Company has performed multiple stages of exploration to define the higher-grade mineralised zones along Tajiri's 20km mineralised corridor.

This air core drilling program was completed in February 2019 for a total of 405 holes for 8,600m across the Tajiri Exploration Target areas. The majority of the drill metres have been focussed primarily along a 3,000m section of the channel zone which includes the TC Central and TC Southern zones of mineralisation (refer Figure 1 and 3).

The drill results received from the program have provided further confidence that the Exploration Target range of an additional 38Mt to 64Mt for the combined TC Central and South zones is achievable (refer to announcements 23 October 2018 and 18 February 2019).

Significant drill results from this drill program include:

- **19TJAC1989 - 42m @ 4.1% Total Heavy Mineral (THM) from surface to EOH**
- **19TJAC2037 - 54m @ 6.9% Total Heavy Mineral (THM) from surface to EOH**
- **19TJAC2038 - 45m @ 7.9% Total Heavy Mineral (THM) from surface to EOH**
- **19TJAC2042 - 66m @ 8.1% Total Heavy Mineral (THM) from surface to EOH**
- **19TJAC2041 - 48m @ 6.2% Total Heavy Mineral (THM) from surface to EOH**

In addition to previous results announced to the ASX on the 18 February 2019 which include:

- **19TJAC1972 - 42m @ 3.3% THM from surface to EOH**
- **19TJAC1973 - 42m @ 4.0% THM from surface to EOH including 19.5m @ 5.71% THM from 13.5m**
- **19TJAC1976 - 42m @ 7.9% THM from surface including 22.5m @ 11.5% THM from 13.5**
- **18TJAC1983 - 42m @ 4.5% THM from surface to EOH**

The resource drilling along the Channel comprises vertical holes on a nominal 200 x 50m grid pattern oriented 120°, which is approximately perpendicular to the modern and interpreted ancient coastlines. The holes have been drilled to about 42m depth with mineralisation generally encountered from surface to the end of the hole. Approximately 3000m of strike south of the T4C Indicated Mineral Resource have been drilled to date with a cross strike width of between 300 to 500m (refer to Figure 3).

The drilling has delineated thick, high-grade intervals of heavy mineral sands at a bend along the interpreted paleo-coastline that has created an effective trap site for the accumulation of mineral sands. As expected, the highest grades are found adjacent the topographic ridge on the west and tend to decrease to the east.

Titanium-rich mineral assemblages with elevated zircon grades are generally observed in the upper half of the drill holes which is gradually diluted by garnet at depth. The titanium-rich domain typically extends to 30m depth from the surface (refer to Figure 4, 5 and 6).

Previous mineral assemblage (SEM-EDX) test work undertaken on holes within the channel zone are also displayed in cross-sections (Figure 4, 5 and 6) and extend over 1.2km of strike. The assemblage data shows the titanium rich domains associated with the topographic bend comprise approximately 60% Ilmenite, 10% combined rutile-zircon and 0.5% leucoxene. The upper titanium zones vary in garnet content ranging from approximately 3% to 11% garnet (almandine dominant). At the bottom of the holes almandine garnet constitutes about 50-60% of the mineral assemblage.

Classification of the mineralogical domains will continue as more of the heavy mineral concentrate sachets are processed. This will further assist in characterising the mineralisation in preparation for an updated Mineral Resource estimate due mid this year.

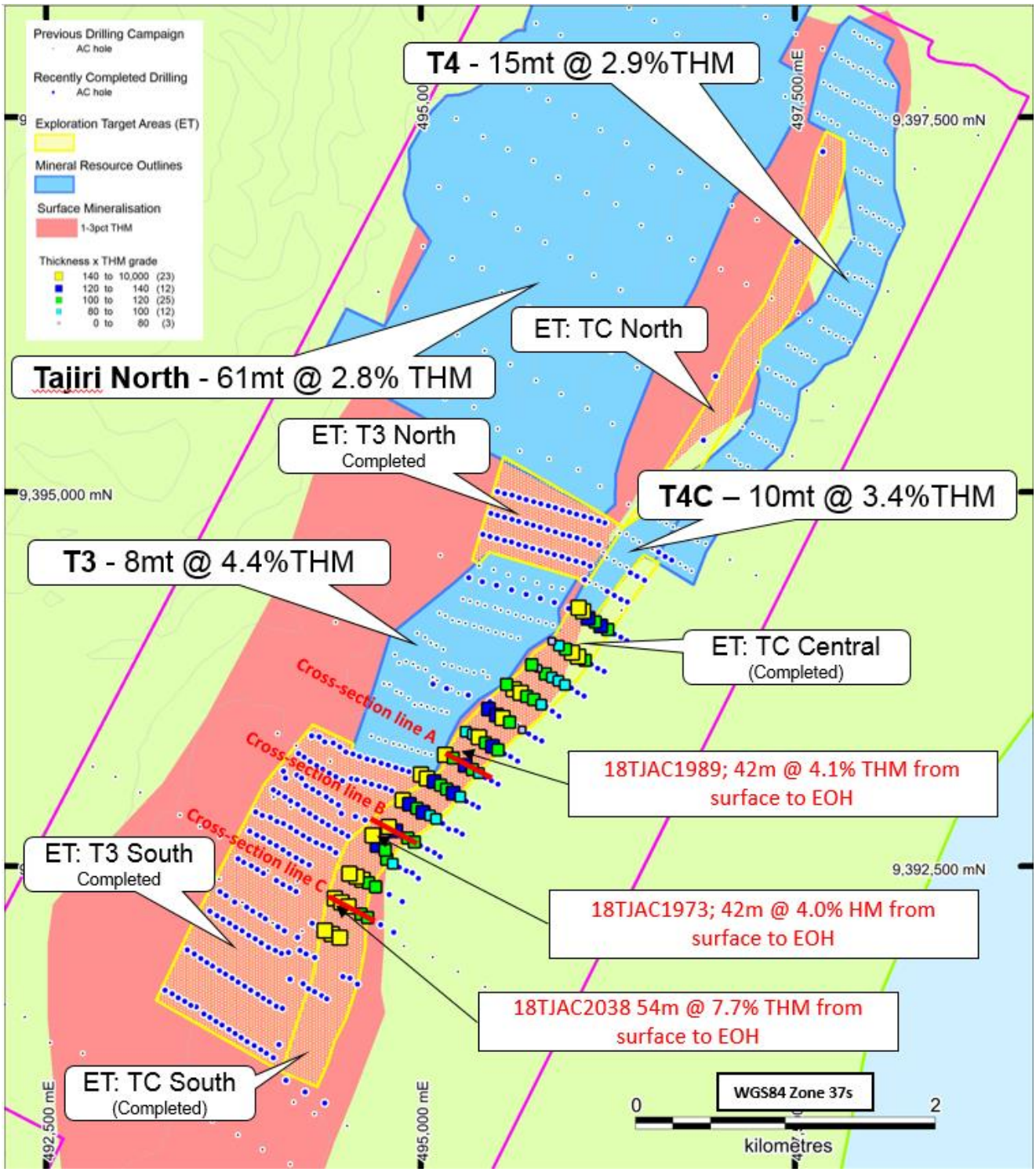

Figure 3 Tajiri Mineral Resources - showing Exploration Target areas (yellow), **MRE** outlines (blue) and recently AC drill holes from TC South and Central ET areas. Significant thickness x THM% results from this release are also presented in addition to the location of the cross sections in Figure 4, 5 & 6.

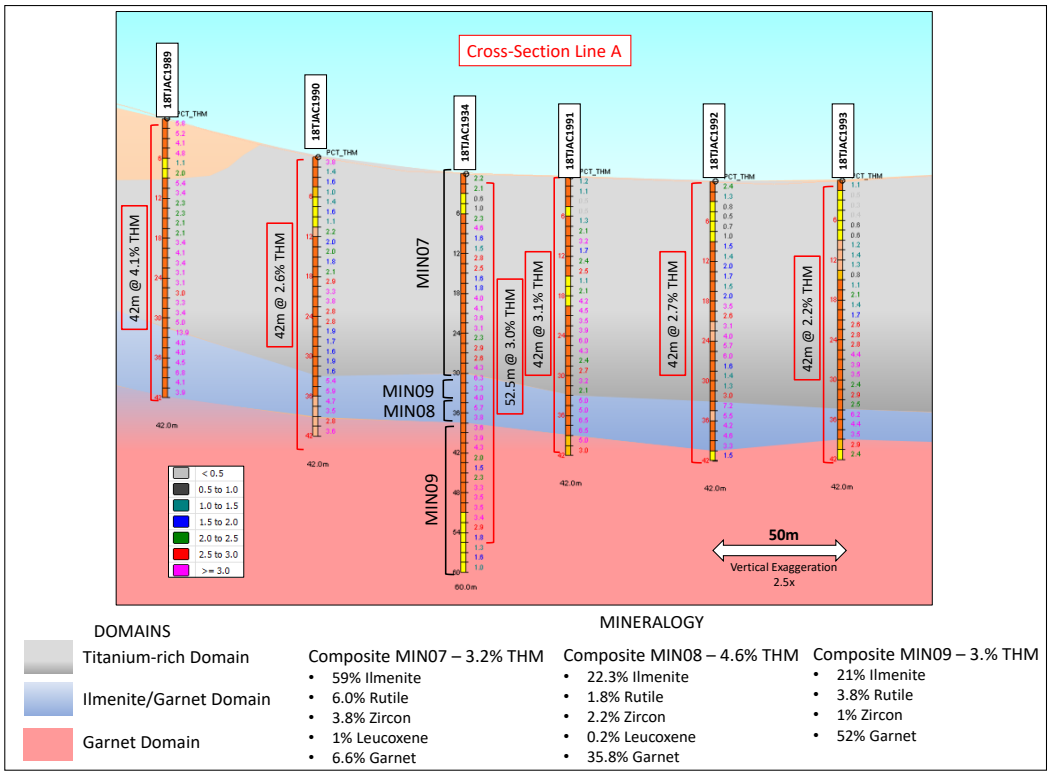

Figure 4 Tajiri Mineralisation Cross-section Line A - showing THM grades analysed down hole, significant mineral intersects and mineral assemblage testwork completed from previous drill holes 18TJAC1934.

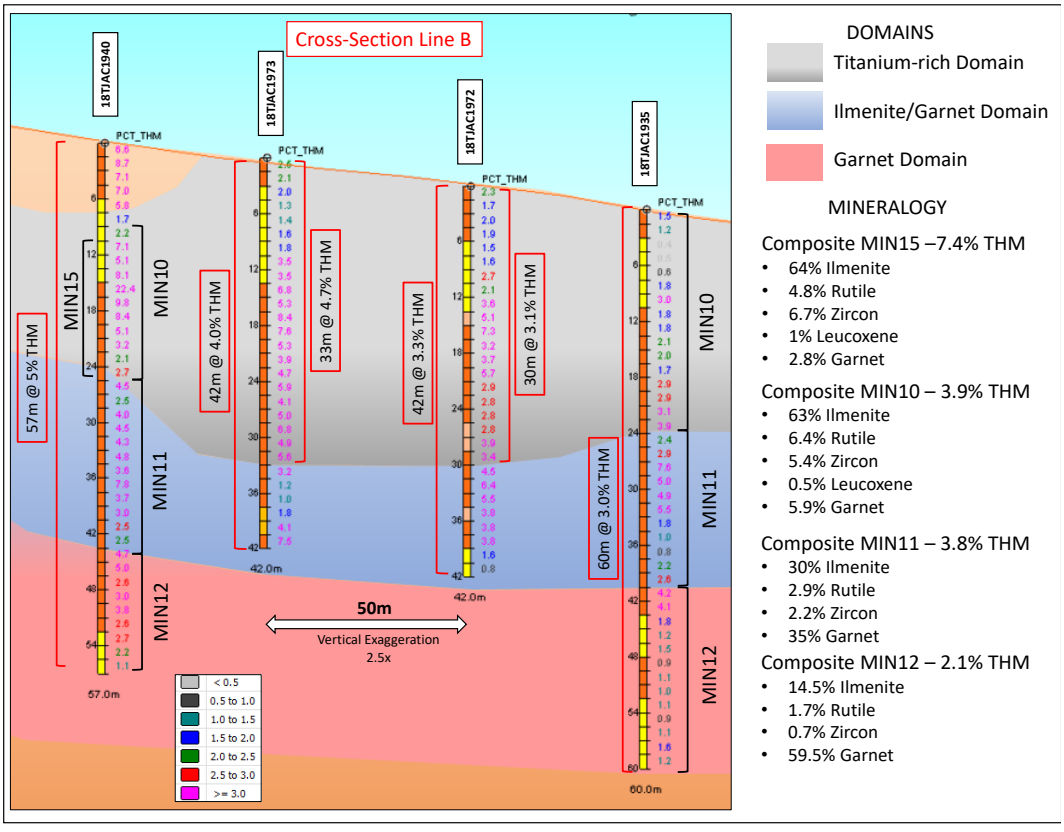

Figure 5 Tajiri Mineralisation Cross-section Line B - showing THM grades analysed down hole, significant mineral intersects and mineral assemblage testwork completed from previous drill holes 18TJAC1935 and 18TJAC1940 (refer to ASX released 18/02/2019).

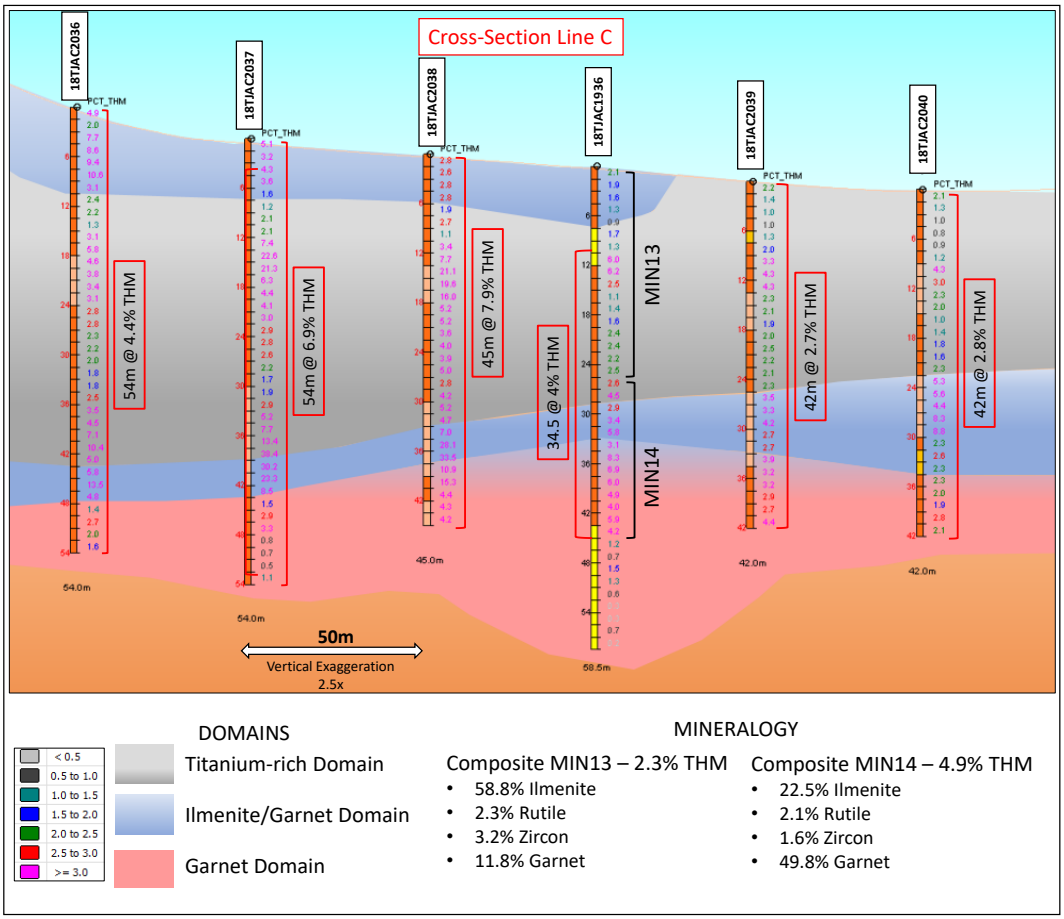

Figure 6 Tajiri Mineralisation Cross-section Line C - showing THM grades analysed down hole, significant mineral intersects and mineral assemblage testwork completed from previous drill holes 18TJAC1936.

Results are expected to continue to be received during April from drilling north and south of T3 and adjacent T4C.

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.

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.

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 to maximise shareholder value.

Figure 7 Strandline's world-wide mineral sands exploration & development projects

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