

ASX ANNOUNCEMENT

Strandline an emerging mineral sands developer

28 November 2017



STRANDLINE
resources limited

CHAIRMAN'S ADDRESS: 2017 ANNUAL GENERAL MEETING

The past year was one of strong achievement for Strandline as we advanced our pipeline of mineral sands projects. This pipeline reflects our core strategy of developing quality assets which vary in size, capital requirements and timetables.

The year in review also saw a significant turnaround in the mineral sands market. The lack of new mines built in recent years is now having an impact on commodity prices. This means your Company is ideally placed as we seek to develop the projects on our books.

At the front end of this pipeline we have our zircon-rich Fungoni project, where we have recently completed the definitive feasibility study. Fungoni has an estimated capital cost of just US\$30 million and outstanding forecast economics, with an internal rate of return of 56 per cent (refer to ASX release 5 October 2017).

Fungoni represents an immense opportunity for your Company because we stand to generate strong cashflow for a limited capital outlay and a relatively short lead-time to production. An application for a Mining Licence has been lodged, and I'm pleased to report that we are in constructive dialogue with the Tanzanian authorities, who have expressed their desire to see Fungoni developed. The project will generate jobs, training and income for the Tanzanian people. We are confident that we will arrive at a mutually-beneficial arrangement, paving the way for Fungoni to be developed and generate strong returns for all its stakeholders.

In parallel with the advancement of Fungoni, your Company is progressing the other projects in its pipeline. At Tajiri in northern Tanzania, we continue to generate encouraging exploration results which will underpin a further increase in the Mineral Resource (refer to latest release 23 August 2017). It is becoming clear that Tajiri hosts a Titanium-dominated valuable assemblage, with both high grades and genuine scale to support engineering feasibility assessment. This represents an excellent growth opportunity for our shareholders. Also in northern Tanzania, we have made some large mineral sands discoveries at our Bagamoyo project.

In southern Tanzania, our joint venture with Rio Tinto is proceeding to plan. This arrangement is aimed at giving Strandline exposure to what is potentially a world-scale mineral sands province. Rio is funding this exploration campaign, giving Strandline shareholders free exposure to what could be a substantial value-creating project.

At our Coburn mineral sands project in WA, we have initiated a funding and development strategy aimed at reviewing options to bring the large-scale project into production. Coburn has significant upside and your Board believes it would be prudent to pursue this opportunity in tandem with a well-funded partner given the size of our balance sheet and the other opportunities we now have. We look forward to reporting to you on the progress made in the near future.

I hope this brief outline of the status of our projects has done justice to the outstanding opportunities which your Company now has, particularly against the backdrop of a strengthening mineral sands market.

On behalf of the Board, I would like to thank our management team for their commitment to advancing our pipeline of projects over the past year. They have done an outstanding job.

I would also like to thank our shareholders for supporting us as we march towards our goal of building a substantial mineral sands company and wish you all a merry Christmas and a happy new year.

Thank you.

Didier Murcia
Non-Executive Chairman

About Strandline

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

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

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