ASX ANNOUNCEMENT

Tajiri Mineral Sands Project
Engineering Scoping Study

7 October 2020

STRANDLINE
resources limited

Scoping Study shows Tajiri mineral sands project will deliver strong financial returns over 23-year life

Tajiri's rich titanium-dominated Resource and low-cost operation underpins Strandline's long-term production outlook in Tanzania

HIGHLIGHTS

- **Engineering Scoping Study shows Tajiri mineral sands project will generate strong financial returns over a long life:**
  - **Project pre-tax NPV of US$205m (pre-debt, real, 10% discount rate)**
  - **Project pre-tax IRR of 36%, with a high-margin revenue-to-operating cost (C1) ratio of 2.4**
  - **JORC-compliant Mineral Resources of 268Mt @ 3.3% Total Heavy Mineral forms the basis of the Study**
  - **Mine pit optimisation identifies Production Targets of +23 years at a mining rate of 8Mtpa**
  - **Life of mine (LOM) revenue of US$1.6b and LOM EBITDA of US$0.9b (with an average annual EBITDA of US$37m)**
  - **Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucoxene), zircon, monazite and garnet concentrates**
  - **18-month design and construct duration to achieve first ore to process plant**
  - **Development capital of US$125m to establish an open-pit mining and processing operation**
- **Opportunities to grow and optimise Production Targets, further increasing financial returns**
- **Tajiri to generate significant socio-economic benefits, employment and enterprise opportunities**
- **Tajiri benefits from its proximity to existing infrastructure and supports a range of key regional development initiatives in north-east Tanzania**
- **Study means that alongside its advanced Coburn project in WA and Fungoni project in Tanzania Strandline has three world-class projects with outstanding forecast financial returns**

Strandline Resources (**ASX: STA**) is pleased to announce the positive results of the Engineering Scoping Study on its Tajiri mineral sands project in Tanzania.

Strandline Managing Director Luke Graham said the Scoping Study confirms the technical and economic strength of Tajiri.

"This outstanding result highlights the strategic value and project optionality of Strandline's emerging mineral sands project portfolio.

"Tajiri, together with the more advanced Fungoni project, underpins Strandline's exciting multi-decade production profile in Tanzania.

"Tajiri's large JORC-compliant, titanium-dominated resource forms a solid basis for the Study, with the design incorporating conventional mining and processing to recover highly marketable mineral sands products."

In light of the Study's strong findings, Strandline will continue to advance project permitting and development approvals.

The Company will also review strategic partnership options to assist with the next phase of project development and evaluate external funding options including strategic joint venture interest.

SCOPING STUDY CAUTIONARY STATEMENT

The Tajiri project Scoping Study is a preliminary technical and economic study of the potential viability of developing the project's mine and associated infrastructure. The Scoping Study is based on lower level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

Approximately 90% of the total Mineral Resources for the Tajiri Project and approximately 91% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Measured and Indicated Resources. Approximately 10% of the total Resources for the Tajiri Project and approximately 9% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Inferred Resources in the remaining 2 years. There is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, initial funding in the order of US$125 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

SCOPING STUDY OVERVIEW

The Scoping Study shows the Tajiri project will generate strong financial returns over a long mine life, underpinning Strandline's long-term production outlook in Tanzania.

Tajiri's projected revenue is US$1.6 billion for the initial 23.4 years of mine Production Targets, with an EBITDA of US$0.9 billion (and average annual EBITDA of US$36.8 million).

Tanzania has a rapidly growing economy which has a rich history of major mine developments. The northern tip of the Tajiri project is situated just 35km south of the established Tanga port facilities.

The Scoping Study defines a realistic and proven project delivery pathway to production; confirming the ability to complete construction and commissioning in a nominal 18-month period.

JORC-compliant Mineral Resources form the geological basis of the Study. All resources start from surface (with no overburden) and comprise mostly a high-value titanium-dominated assemblage with elevated zones of zircon and almandine garnet.

The project is based on mining ore at 8Mtpa, processing onsite using multiple stages of beneficiation and mineral separation equipment to produce highly-marketable mineral sands products of ilmenite, HiTi (rutile and leucoxene) and zircon concentrate (which contains saleable zircon, monazite, garnet and titanium minerals).

Mineral Sands is a mature industrial mineral sector with increasing global demand driven by urbanisation, rising living standards, global growth and extensive array of applications. Supply continues to be restricted by mine closures, declining grades and depleting stockpiles. Demand growth is forecast to outpace supply and new projects are required to meet future demand.

Tajiri's saleable products of titanium, zircon, almandine garnet and monazite containing rare earths are used in everyday life applications and classified as "Critical Minerals" that are vital to the economic well-being of the world's major and emerging economies.

Tajiri's world-scale production volumes and longevity means the project offers strategic relevance in a growing mineral sands sector.

The Scoping Study was completed by a range of independent and highly reputable consultant/contractor firms with experience in mineral sands and African project delivery. Capital and operating cost expenditure, including sustaining and deferred capital, have been developed by first principle estimates, supplier quotations, vendor information, database pricing and benchmarking as appropriate for an engineering scoping study of this nature, with an overall accuracy level of ±30%.

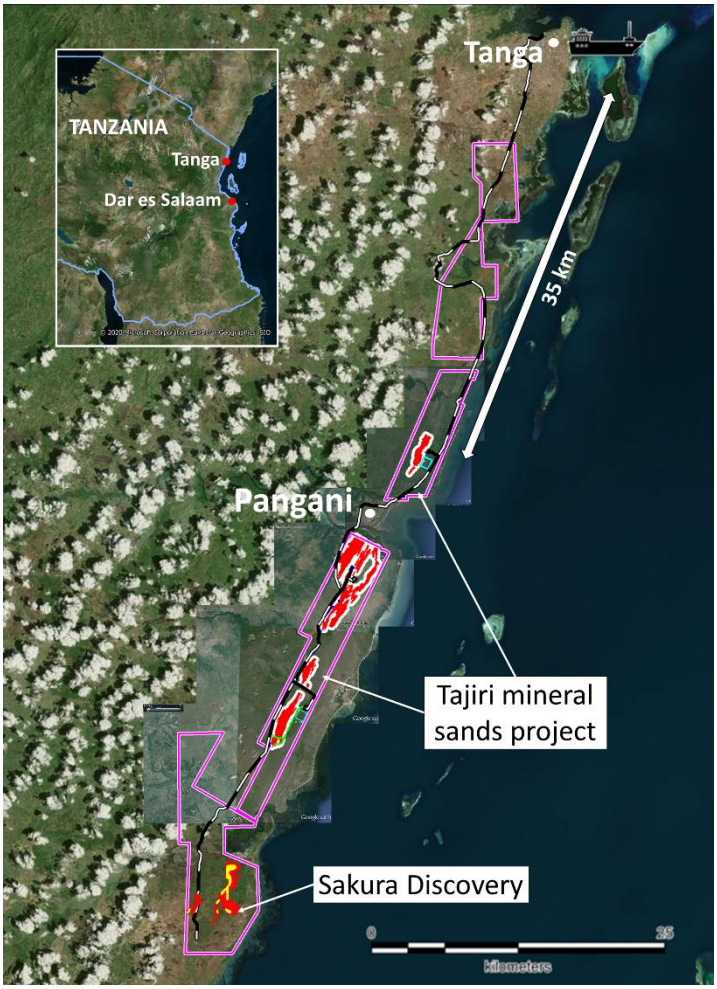


Figure 1 Tajiri project location map and outline of tenements and mine Production Targets

The discounted cash flow (DCF) analysis has been calculated incorporating the above-mentioned capital and operating cost expenditures and revenue assumptions, resulting in a pre-tax NPV of US$205 million and IRR 36%. The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs and the NPV valuation is measured from October 2020 (the date of this announcement).

Tajiri offers significant long-term employment and career development opportunities, as well as a range of local enterprise opportunities. Peak workforce during construction is estimated to be ~300 people (skilled and semi-skilled), with an average operational workforce during production of ~150 direct skilled workers.

For the regional communities, Tajiri provides an opportunity to diversify and grow their economy. Where possible, labour and supplies will be sourced locally. For every direct job created by the project, more indirect jobs are created in the local economy as employees consume goods and services (typically up to 3 times the number of direct jobs). The dashboard below summarises the financial metrics of the Tajiri Project Scoping Study.

Table 1 Tajiri Project – Engineering Scoping Study Financial Evaluation

Category	Engineering Scoping Study (Oct-20)
Mine Life	23.4yrs
Tonnes Mined –Production Targets	185Mt
Throughput	8Mtpa
Capital Expenditure (Pre-production)	US$125M
Revenue	US$1.61B
Total Opex (C1)	US$0.66B
Total All-in Sustaining Costs (AISC)	US$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.4
Average Annual C1 Cost per product tonne	US$124/t
Average Annual AISC ("A") per product tonne	US$143/t
Average Annual Basket Price ("B") per product tonne	US$303/t
Average Cash Margin (B-A) per product tonne	US$160/t
Total EBITDA	US$0.9B
Average Annual EBITDA	US$36.8M
NPV (discount rate of 10%, pre-tax, real, no debt)	US$205M
IRR (pre-tax, real, no debt)	36%

Notes:

[1] The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs. Scoping Study capital and operating costs have been developed in accordance with a ±30% accuracy

Figure 2 Tajiri Site Layout and Scoping Study Production Targets

Table 2 Tajiri Project – Engineering Scoping Study Average Production

Production Category	Average Annual Production (LOM)
HMC Production from WCP	261.2Ktpa
HiTi (rutile-leucoxene) Production from MSP[1]	16.0Ktpa
Ilmenite Production from MSP[2]	150.1Ktpa
Zircon Concentrate Production (incl. zircon, monazite, garnet & titanium minerals) from MSP[2]	60.7Ktpa

Notes:

[1] Exported as container cargo [2] Exported as bulk cargo

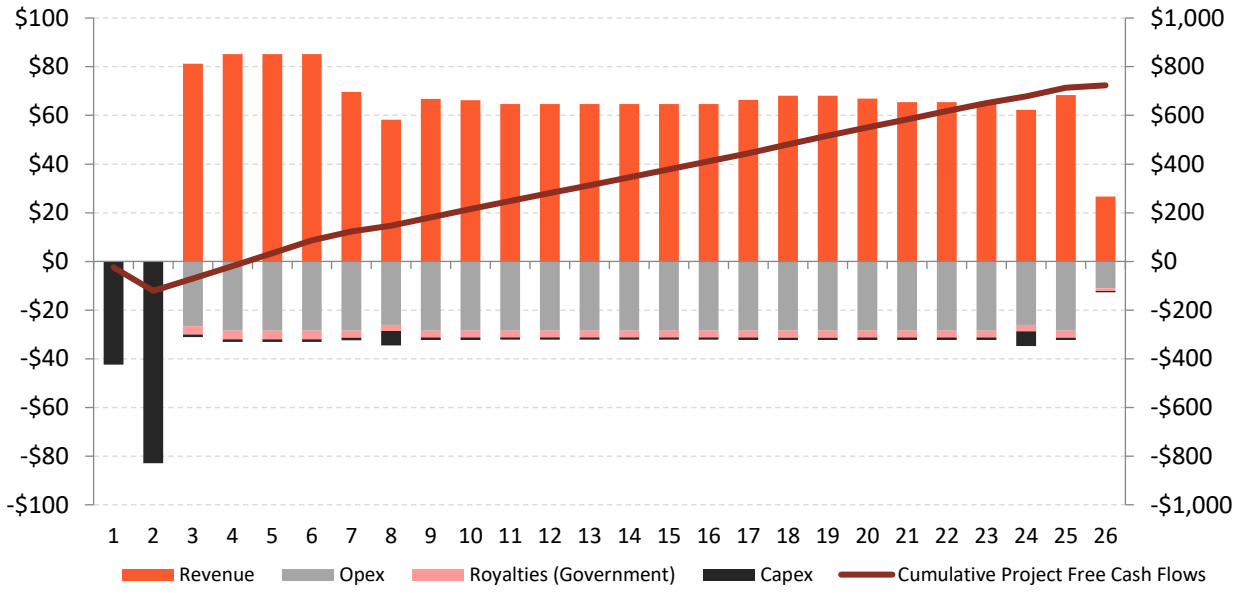


Figure 2 Tajiri Free Cash Flows per year (US$ million) - Net cash flows are on a pre-tax, real, pre finance basis

Table 3 Tajiri Project – Commodity Prices Reference

Commodity	Unadjusted Price Assumption (real) (FOB)
Zircon	US$1,495/t [1]
Rutile (bulk)	US$1,138/t [1]
Chloride Ilmenite	US$274/t [1]
Sulphate Ilmenite	US$197/t [1]
Almandine Garnet	US$150/t
Monazite	US$1,800/t

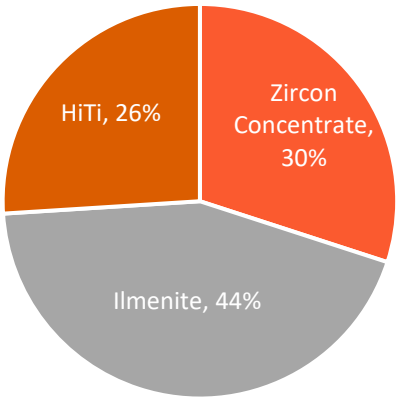


Figure 3 Tajiri Project Revenue by Product (%)

Notes:

[1] Pricing assumptions for ilmenite, rutile and zircon were obtained from TZ Mineral International Pty Ltd's (TZMI) mineral sands marketing report, titled *Titanium Feedstock Price Forecast to 2024 - August 2020*. TZMI pricing was then adjusted where appropriate to account for quality characteristics of the Tajiri product. In the case of concentrate product (zircon concentrate), pricing was adjusted further to consider downstream handling costs.

Zircon is typically sold into the European and Chinese ceramics markets where it is used in the production of ceramic items including kitchen benches, tiles and bathroom fittings. Zircon is also used in a range of production processes in refractories and foundry casting.	**Titanium minerals (ilmenite, rutile, leucoxene)** are used in a diverse range of products. 80-90 per cent of the world titanium market involves the production of TiO_2, a white pigment used in the production of paint, ink and plastics, providing non-toxic UV protection. Smaller

Growing markets include zirconium chemicals used in catalytic fuel converters, and air and water purification systems	quantities of titanium are used in the production of titanium chemicals, titanium metal, welding rod electrodes and steelmaking
Monazite minerals contains rare earth elements used in an ever-expanding range of high-tech consumer goods and low carbon technologies. Smart phones, televisions, computers, x-ray machines, cancer treatments, medical lasers, plastics, catalytic converters, fibre optics, rechargeable batteries, hybrid cars and wind turbines are just some of the products that use rare earths	**Garnet minerals** are used primarily for abrasive blasting, water-filtration media, water-jet-assisted cutting, and other end uses, such as in abrasive powders, nonslip coatings, and sandpaper. The majority of garnet is used in industries such as oil and gas, energy, construction, water and wastewater treatment

SCOPING STUDY SYNOPSIS

The main conclusions of the Tajiri Engineering Scoping Study are as follows:

- The Scoping Study provides a preliminary engineering assessment of the pathway to commercial production; confirming the ability to produce marketable zircon-titanium mineral products
- JORC-compliant Mineral Resources of 268Mt @ 3.3% THM, classified 74Mt (or 28%) Measured, 165Mt (or 62%) Indicated and 29Mt Inferred (or ~10%) provides the geological foundation for the project – refer ASX announcement dated 09 July 2019.
- Mining study and pit optimisation confirms Production Targets of 185Mt @ 3.6% THM underpinning an initial mine life of 23.4 years at the planned mining rate of 8Mtpa
- Potential to further increase project Production Targets and economic returns over time with resources remaining open and several nearby exploration targets under investigation
- Mine design is based on a shallow open pit mining operation where ore is mined using hydraulic mining equipment reporting material to a sump where it is then pumped in a slurry form to the processing facilities
- Preliminary metallurgical testwork of samples taken across the deposit, using full scale or scalable processing equipment, confirms conventional processing capable of producing saleable products with high pit-to-product recovery rates achieved
- Scoping Study confirms an efficient and modern process design capable of producing a high-grade saleable 95% HMC product from the WCP and final products through further processing by the MSP
- The WCP process utilises multiple stages of high-capacity gravity separation and classification to produce a HMC (with an average annual HMC production of 261kt)
- The WCP is designed to be relocated several times over the project life, in year 6 and 22
- The HMC will then be processed in the MSP, using electrostatic separation, gravity and magnetic fractionation to produce three final products; comprising a HiTi product (rutile-leucoxene containing nominally ~93% TiO_2), ilmenite product (48-54% TiO_2) and zircon concentrate product (containing payable zircon, monazite, titanium and garnet minerals)
- Average annual production over the 23.4-year life of mine is 61kt of zircon concentrate, 150kt ilmenite and 16kt HiTi product
- Tailings backfill will be performed using flocculated co-disposal with densified sand and slimes being pumped from the WCP (as a mixture) to moveable open-ended pipes at the pit edge. The captured decant water is then pumped back to the process for reuse
- Tailings material (once trafficable) is profiled and covered with stockpiled subsoils and topsoils to re-create the planned soil profile and final landform ready for full rehabilitation
- Products produced will be temporarily stored on site before being trucked on a continuous basis from the mine site to staging facilities at the Tanga port area, some 65km north of the MSP
- Products will be shipped from the Tanga port in bulk form for ilmenite and zircon concentrate products and in shipping containers for the HiTi product

- Water for operations will be supplied by a combination of sources including in-pit water if present, recycled tailings and decant return water, as well as raw water top-up from a local bore field
- Power for the operation will be supplied from the Tanzanian national power grid via existing infrastructure and a dedicated transmission line to site
- The project is based primarily on a drive-in-drive-out work force, whereby workers reside in the region (city of Tanga, or townships of Pangani or Mwera)
- For expatriate workers and other skilled labour sourced from outside the region during construction and operations, a 180-person purpose-built accommodation village will be installed. Additional temporary accommodation will be added to account for the peak construction periods
- Other non-process infrastructure comprises product storage facilities, water treatment plant, waste management facilities, fuel storage and dispensary, water services, site roads, laboratory, workshop, buildings, offices, heavy machinery compound and communications facilities
- The project is a long life, multi decade operation and will generate a host of socio-economic benefits including capital inflows to regional Tanzania, significant job creation, training and job diversity as well local business opportunities and community partnership programs
- A series of environmental and social impact assessments have been undertaken across the Tajiri Project area in accordance with regulatory requirements. This involved community and stakeholder consultation, technical evaluations, baseline surveys and land access planning
- In light of the strong Scoping Study outcomes, the Company is advancing key project development approvals including recently submitting an Environmental Impact Assessment (EIA) to Tanzanian regulators and commencing preparations for other permitting and mining licence applications
- The Scoping Study confirms a pre-tax (real) NPV[10] of US$205 million and IRR% of 36%, with a life of mine EBITDA of US$0.9 billion and high-margin revenue to cost ratio of 2.4 (cash costs)
- Total pre-production capital expenditure is estimated to be US$125 million with first ore delivered to process facilities ~18 months after project development commences

RESPONSIBLE MINING

The Tajiri project is predicated on an environmentally friendly, responsible mining operating philosophy. The shallow depth of the Tajiri deposit allows it to be mined using conventional surface mining methods including hydraulic monitor mining. The topsoil and subsoil (overburden) is removed and stockpiled separately by heavy machines to allow it to be progressively returned in correct order after the mining process. The ore is then removed from the ground. Water is added to the ore to allow it to be pumped to a processing plant where the valuable heavy minerals are separated from the sand. The sand is pumped back to the mined area, the water is removed for reuse and the sand is returned to the ground. The subsoil and topsoil are then replaced, and the land rehabilitated back to its original land use.

Rehabilitation is a critical part of the Tajiri mining process. By progressively rehabilitating the mined area, the area of disturbance is minimised and the landscape is reformed generally within 2-3 years.

NEXT STEPS

The Tajiri Scoping Study provides a strong foundation to advance to the next phase of project economic evaluation:

- Advance project permitting and development approvals
- Continue to build stakeholder awareness and engagement
- Review mineral sands market fundamentals to optimise the product offtake strategy and development timetable

- Review strategic partnership options to assist in the implementation of the project
- Evaluate external funding options in the form of debt, joint venture interest and/or equity investment

TAJIRI JORC MINERAL RESOURCES

Tajiri's JORC-compliant mineral resource estimate are summarised in the tables below.

Table 4 Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage (Mt)	Insitu HM (Mt)	THM (%)	SLIMES (%)	OS (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Leucoxene (%)	Garnet (%)
T3	1.70%	Measured	19	0.6	3.4	37	6	64	4	7	0	5
TC	1.70%	Measured	55	1.9	3.5	23	10	42	2	5	0	38
		Total	**74**	**2.5**	**3.4**	**27**	**9**	**48**	**3**	**5**	**0**	**30**
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		Total	**165**	**5.4**	**3.3**	**36**	**6**	**64**	**4**	**7**	**0**	**13**
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	**29**	**0.9**	3.0	**30**	**12**	**64**	**4**	**7**	**1**	**2**
		Grand Total	**268**	**8.8**	**3.3**	**33**	**7**	**59**	**4**	**7**	**0**	**17**

Notes:

[1] Mineral Resources reported at various THM cut-offs

[2] Mineral Assemblage is reported as a percentage of insitu THM content

[3] Appropriate rounding applied

Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.

SUPPORTING INFORMATION & FORWARD LOOKING STATEMENTS

This document is to be read in conjunction with the information contained in **Annexure 1 (Information Memorandum) and 2 (JORC Table)** which contain a series of forward-looking statements disclosing details of the material assumptions and underlying methodologies for deriving the above-mentioned financial information and production targets, including price assumptions and operating cost assumptions.

Strandline has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this document and supporting slides. This includes a reasonable basis to expect that Strandline will be able to fund the development of the Tajiri project when required in accordance with the information detailed in the supporting slides.

Forward-looking statements are 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.

COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Mineral Resources for Tanga South (Tajiri Project) 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).

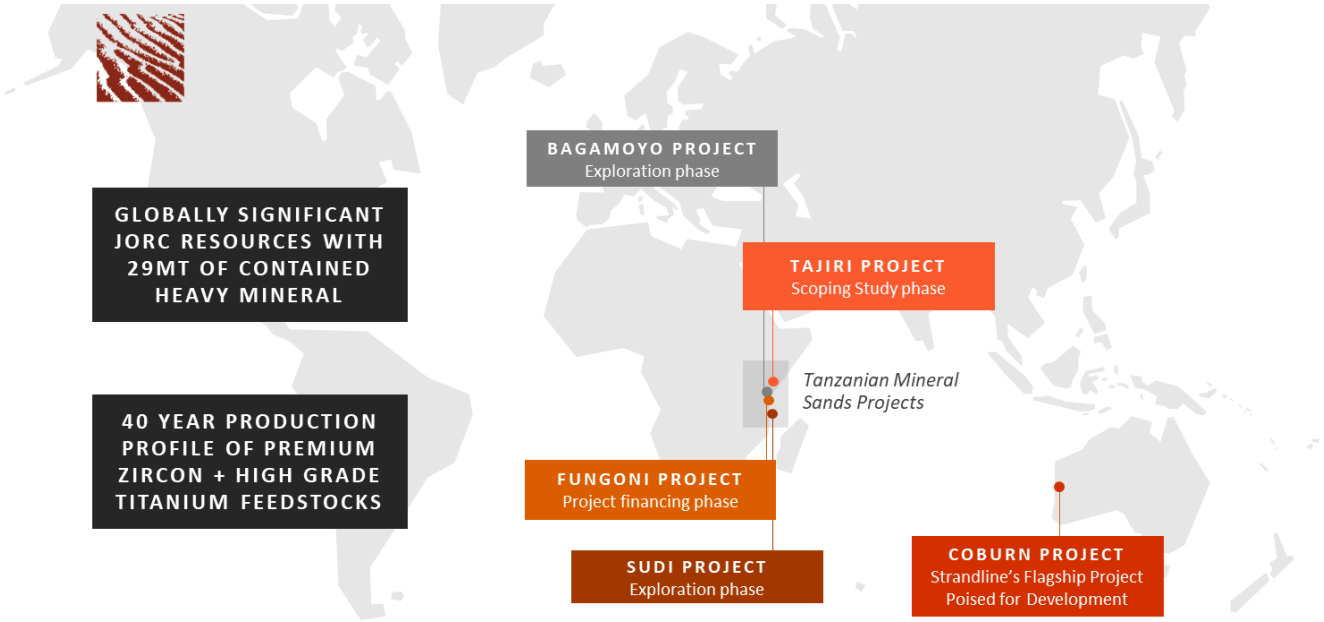
Mr Jones is a member of the Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken 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.

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 high margin, expandable mining assets with market differentiation and global relevance.

Strandline's project portfolio contains high quality assets that provide development optionality, geographic diversity and scalability. They include two zircon-titanium rich, 'development ready' projects, being 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 the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.



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ANNEXURE 1 – ENGINEERING SCOPING STUDY INFORMATION MEMORANDUM

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TAJIRI MINERAL SANDS PROJECT

ENGINEERING SCOPING STUDY

INFORMATION MEMORANDUM | OCTOBER 2020

TAJIRI UNDERPINS STRANDLINE'S STRONG LONG-TERM PRODUCTION OUTLOOK IN TANZANIA

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DISCLAIMER & IMPORTANT NOTICES

ABOUT STRANDLINE

Strandline Resources Limited ("**Strandline**" or "**the Company**") is an ASX listed resources company (**ASX: STA**), focused on the development of its portfolio of mineral sands assets in Australia and Tanzania. Strandline is pleased to announce the findings of the Engineering Scoping Study ("**Scoping Study**") on its Tajiri Mineral Sands Project ("**Tajiri**" or "**the Project**"). Strandline initiated the Tajiri Scoping Study after upgrading its JORC-2012 compliant Mineral Resources Estimate to 268Mt at 3.3% THM, which provides the geological robustness and scale to support project feasibility evaluation.

Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.

IMPORTANT NOTICE

The purpose of this presentation is to provide general information about Strandline Resources Limited ("Strandline") and the Tajiri Project. It is not recommended that any person makes any investment decision in relation to Strandline based on this presentation. The presentation contains certain statements which may constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement.

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All amounts stated within this presentation are stated in US Dollars (US$) unless otherwise noted. Figures stated within this presentation may contain immaterial rounding differences. This presentation is authorised for release by Strandline's Managing Director & CEO, on behalf of the Strandline Board of Directors.

SCOPING STUDY CAUTIONARY STATEMENT

The Tajiri project Scoping Study is a preliminary technical and economic study of the potential viability of developing the project's mine and associated infrastructure. The Scoping Study is based on lower level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

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SECTION I INTRODUCTION

TAJIRI HIGHLIGHTS: 23.4 YEAR MINE LIFE

STRANDLINE
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Scoping Study confirms the Tajiri mineral sands project has world-class potential. Tajiri has an attractive titanium-dominated product suite and low cost operation with the ability to generate strong financial returns

- Scoping Study confirms Strandline's 100% owned Tajiri project will generate strong financial returns with an NPV of US$205m (10% discount rate, real, pre-tax) and IRR of 36%
- Tajiri's JORC-compliant Mineral Resources Estimate of 268Mt @ 3.3% Total Heavy Mineral (THM) forms the basis of the Study
- All Tajiri resources start from surface, with no overburden and contain large coherent high-grade domains comprising mostly high-value titanium-dominated mineral assemblage
- Mining study identifies Production Targets of 185Mt @ 3.6% THM underpinning an initial 23.4 year mine life at the planned mining rate of 8Mtpa
- Life of Mine (LOM) revenue of US$1.6b and EBITDA of US$0.9b, with a high-margin revenue-to-operating cost ratio of 2.4 (C_1) based on TZMI's long-term commodity price forecast
- 18-month design and construct duration to achieve first ore to process facilities
- Low-cost mining based on hydraulic mining method
- Conventional mineral sands processing technology capable of producing a high-value product suite of HiTi (rutile-leucoxene), ilmenite, zircon, monazite and garnet concentrates
- Capital-efficient development of US$125m (excluding financing costs)
- Tajiri project is likely to continue to expand over time with Resources remaining open and several nearby exploration targets under investigation
- Outstanding result highlights the strategic value of Strandline's mineral sands portfolio, with Tajiri advancing strongly behind the Company's construction ready projects - Coburn project in Western Australia and the Fungoni project in central Tanzania

KEY FINANCIAL METRICS

NPV[10] **US$205million** | IRR **36%**

EBITDA of **US$0.9 billion** OVER 23.4 YEARS

AVERAGE ANNUAL EBITDA of **US$37 million**

REVENUE-TO-COST (C_1) RATIO OF **2.4**

Notes:

[1] The Scoping Study is underpinned by the Tajiri JORC-2012 Mineral Resources as per ASX dated 09 July 2019

TAJIRI SCOPING STUDY PARTNERS

STRANDLINE resources limited

The Scoping Study was completed by a range of independent and highly reputable consultant/contractor firms with experience in mineral sands and African project development

The Scoping Study represents an important milestone in Strandline's strategy to become a low-cost, high-margin mineral sands producer of relevance to key customers around the world

Scoping Study - Scope of Work

- Geological evaluation and JORC-2012 compliant Mineral Resource estimation
- Metallurgical testwork, characterisation and process flowsheet development
- Conceptual mining plan, design and estimate of Production Targets
- Hydrology, hydrogeology, and geotechnical analysis
- Process and non-process infrastructure engineering design
- Bulk earthworks, drainage and tailing management
- Product quality evaluation and pricing review
- Logistics relating to project implementation and operations
- Approvals, permitting and environmental-social impact
- Execution planning including implementation schedule
- Operations and maintenance philosophy
- Risk and opportunity assessment
- Capital and operating cost estimates ±30%
- Financial modelling and analysis

GR Engineering Services	▪ Process and non-process infrastructure design, Scoping capital-operating cost estimates and report compilation
IHC Robbins	▪ Geology and JORC-compliant Mineral Resource estimation
AMC consultants	▪ Mine study, pit optimisations and Production Target development
Knight Piésold Consulting	▪ Hydrology, geotechnics and tailings disposal
AML	▪ Preliminary metallurgical testwork and analysis (Allied Mineral Laboratories)
TZMI	▪ Mineral sands commodity price forecast data
ERM / MTL Consulting	▪ Environmental impact assessment, environmental monitoring and management plan ▪ Project approvals and permitting
Freight Forwarders Tanzania	▪ Logistics study

SECTION II PROJECT OVERVIEW

TAJIRI PROJECT LOCATION

The Tajiri project is situated in northern Tanzania, close to the established export port of Tanga. Tajiri's deposit is a large northerly trending zone comprising a series of titanium-dominated mineral sands deposits stretching along 30kms of Tanzanian coastline

- Tanzania is a rapidly growing economy which has a rich history of mining developments
- Tanzania lies within the world's major zircon-titanium producing corridor of east Africa with major mineral sand mines existing in Kenya, Mozambique, South Africa and Madagascar
- Tajiri is situated 35km south of the port city of Tanga in northern Tanzania, and 3km inland along the coastal plain
- Tanga, a city of some 300,000 inhabitants, is the regional centre and provides government, commercial and community services for the majority of the Region. However, Pangani is the closest town to the Project, lying between the Tajiri North and Vumbi deposits
- The project area is sparsely populated, and the land use limited to natural vegetation with some informal agriculture by local villagers and a sisal farm covering part of the Tajiri T3 deposit
- Exploration results show there is little to no overburden present with an average elevation of 32 metres above sea level
- Most of the operational supplies, labour and professional services for Tajiri will be accessed through Dar es Salaam, Tanga and other regional communities
- The climate is tropical with average temperatures between 25°C and 30°C. The highest rainfall is reported in March, April and May
- Access to the project is available all year round with road conditions having the potential to worsen in April. The project areas are relatively free draining with low probability of widespread flooding and inundation

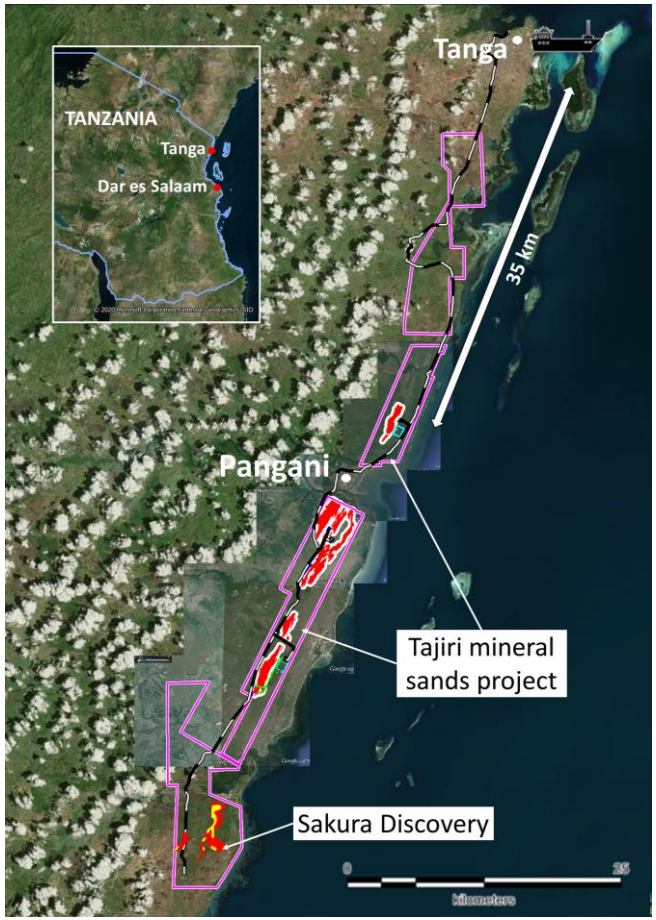


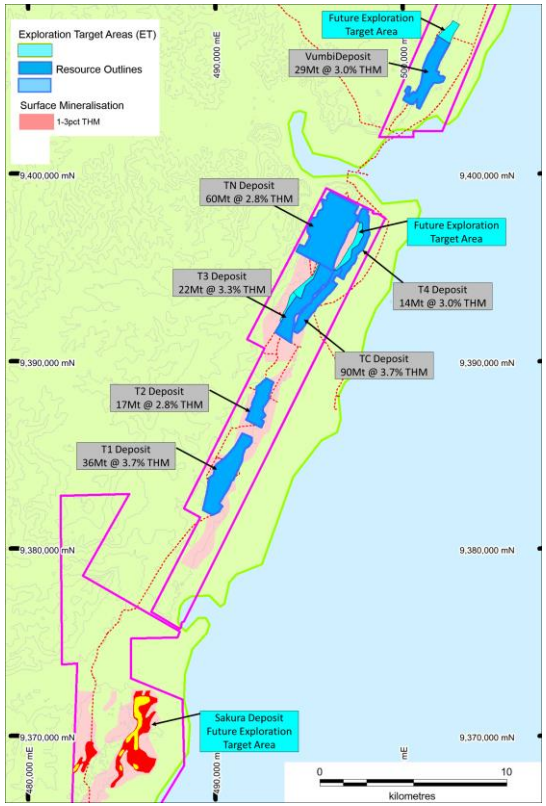
Image: Tajiri Project Location Map and outline of tenements and mine Production Targets

GEOLOGY AND MINERALISATION

STRANDLINE resources limited

Tajiri Resources comprise a series of higher-grade mineral sands deposits stretching along 30kms of Tanzanian coastline, including T1, T2, T3, T4, TC, Tajiri North and Vumbi deposits

- Tajiri JORC-compliant Mineral Resource Estimate (MRE) of 268Mt @ 3.3% THM
- Tajiri Resources have been defined through a series of air core drilling campaigns
- All resources start from surface, with no overburden and contain large coherent higher-grade domains comprising mostly high-value titanium-dominated mineral assemblage, with elevated zones of zircon and almandine garnet
- Contained Heavy Mineral (HM) content is 8.8Mt, with in-situ rutile (580,000t), zircon (335,000t), ilmenite (5,206,000t) and almandine garnet (1,477,000t)
- The MRE was managed by IHC Robbins' Greg Jones, a specialist consultant in mineral sands resources, metallurgy and processing technology (refer to Competent Person statement)
- The Tajiri MRE is likely to continue to grow over time with high grade resources remaining open



Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage (Mt)	Insitu HM (Mt)	THM (%)	SLIMES (%)	OS (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Leucoxene (%)	Garnet (%)
T3	1.70%	Measured	19	0.6	3.4	37	6	64	4	7	0	5
TC	1.70%	Measured	55	1.9	3.5	23	10	42	2	5	0	38
		Total	**74**	**2.5**	**3.4**	**27**	**9**	**48**	**3**	**5**	**0**	**30**
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		Total	**165**	**5.4**	**3.3**	**36**	**6**	**64**	**4**	**7**	**0**	**13**
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	**29**	**0.9**	3.0	**30**	**12**	**64**	**4**	**7**	**1**	**2**
		Grand Total	**268**	**8.8**	**3.3**	**33**	**7**	**59**	**4**	**7**	**0**	**17**

Notes:

1. Mineral Resources reported at various THM cut-offs
2. Mineral Assemblage is reported as a percentage of insitu THM content
3. Appropriate rounding applied

Source: Tajiri JORC compliant Mineral Resource estimate, 09 July 2019

TAJIRI SITE LAYOUT AND PRODUCTION TARGETS

STRANDLINE
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MINING METHODOLOGY

STRANDLINE
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Conventional shallow open pit mining, in free-dig sand using hydraulic mining units, with in pit tailings deposition and progressive backfill and rehabilitation

- Seeds will be collected from vegetation across the orebody prior to the vegetation being removed by heavy mobile equipment. Collected seeds will be used during mine rehabilitation
- Topsoil and subsoil material will be stripped by dozer or scraper and will be either placed in stockpiles in the vicinity of the pit or placed directly on top of recontoured tails areas. Both topsoil and subsoil will be managed to minimize stockpile duration
- Hydraulic mining units (HMUs) will be located in two positions in the deposit capable of mining 4Mtpa of ore per unit (to achieve an average total 8Mtpa). The HMUs are designed to blast the mining face directly with high pressure jets of water to create an ore slurry. At each station, there will be three monitors; two operating and one on standby or being relocated to a new position for advancement as previous positions are exhausted
- The monitored ore slurry will transfer through trenches at ~50% solids to a static grizzly screen to prevent rocks and root matter from entering the pumping system. The undersize from the screen will flow into a sump that contains a submersed pump. This will transfer the slurry to a vibrating screen to remove +2.5mm material and the undersize pumped to the wet concentrator plant (WCP)
- Grade control of the ore has been defined through the mine optimisation and scheduling process to achieve the target feed head grade to the plant
- The mining and related earthmoving activities will be delivered under a contract mining arrangement. The mining contractor will be responsible for efficiently pumping ore to the WCP's as per the mine plan and also performing the necessary contouring of co-disposed tails in-pit, subsoil-topsoil replacement, haul road maintenance, bench management and drainage, in pit dewatering and re-contouring of the completed pit area in readiness for rehabilitation
- Strandline will be responsible for statutory duties, technical services, geology and detailed mine planning, potable water, power and communication systems

Image: Example mineral sands hydraulic mining operation
Reference: Image of Base Resources Ltd, Kwale Operation, Kenya

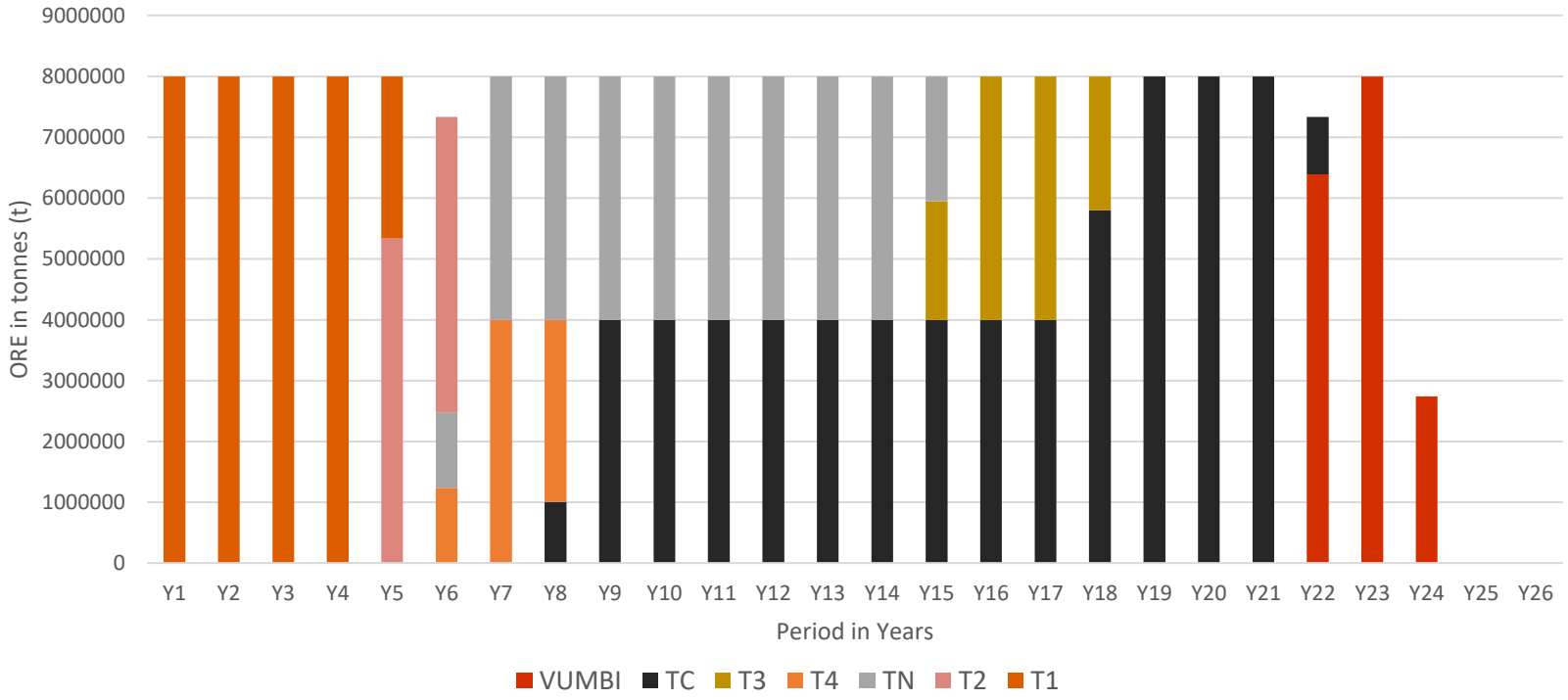
MINING SEQUENCE

STRANDLINE
resources limited

Production Targets of 185Mt @ 3.6% THM underpin an initial mine life of 23.4 years at the planned mining rate of 8Mtpa of ore

TAJIRI ESTIMATED PRODUCTION TARGETS PER MINE PIT

- Preliminary mine plan confirms mining of 185Mt of ore at 3.6% THM. Mine plan commences with Tajiri T1 deposit (34.6Mt), followed by T2 (10.1Mt), Tajiri North TN (35.3Mt), T4 (8.2Mt), TC (67.7Mt), T3 (12.1Mt) and Vumbi (17.1Mt)



MINE BACKFILL AND REHABILITATION

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Tajiri's proposed method of rehabilitation and mine closure is well proven in the mineral sands industry with progressive back-fill and rehabilitation to the pre-mining state

- Tajiri has a slime content averaging 33.1% and uses cost efficient co-disposal to manage sand and slimes backfill
- Once separated from the ore and HM, the slimes are initially dewatered in the thickener and the coarse sand tail is densified with dewatering cyclones. After dewatering, the two streams are mixed in a hopper at the WCP before being pumped as a combined mixture to one of two open ended pipes at each pit edge (co-disposal)
- Immediately prior to deposition, flocculant is injected into the pipe to promote rapid solid and water separation of the beached tailings inside the pit (flocculated co-disposal). The captured clean decant water is then pumped back to the process for reuse. This technique consumes far less water compared to other commonly used disposal methods
- Flocculated co-disposal enables rapid trafficability and minimal open area so that the landform can be profiled by dozer in readiness for rehabilitation
- The tails is then covered with stockpiled subsoil and topsoil to re-create the planned soil profile and final land form
- Once the desired landform is achieved, the area may be ripped. Ripping loosens the soil and encourages the spread of plant roots required for healthy vegetation and decreases wind and water erosion. Vegetation cover is re-established as a priority as soon as the soil profile is ready. Soil and vegetation is monitored against baseline studies undertaken prior to disturbance
- Groundwater levels will be monitored during operations. Rehabilitated areas are monitored for up to two years after mining has ceased
- A mine closure management plan will be developed by the Company and approved by the relevant authority

Image: Concentration of Tajiri Heavy Mineral at Surface

Image: Flocculated Co-disposal of Sand Tails and Slimes

PROCESSING – WET CONCENTRATION PLANT

The WCP receives -2.5mm ore from the hydraulic mining units and associated pumping system at an average rate of 1,031tph. A high grade 95% Heavy Mineral Concentrate is produced through multiple stages of gravity separation and classification technology

METALLURGICAL TESTWORK

- Preliminary metallurgical testwork has been carried out on the Tajiri material at AML Laboratories (Perth, WA) to determine an initial process configuration and product suite
- The testwork indicates a process circuit capable of producing a high-grade Heavy Mineral Concentrate (HMC) product from the Wet Concentrator Plant (WCP), and final finished products through further processing by the Mineral Separation Plant (MSP)
- The HMU, WCP and MSP have been designed with a degree of independence from one another
- Further confirmatory testwork is expected to be completed during thenext development phase

WET CONCENTRATION PLANT

- The WCP beneficiates the heavy minerals (ilmenite, leucoxene, rutile, zircon, monazite and garnet) and rejects the non-valuable, lighter minerals through multiple stages of high-capacity gravity separation and classification
- The WCP process is designed to produce HMC containing nominally 95% HM (averaging 261ktpa over the life of mine)
- The WCP infrastructure is relocatable and is planned to be moved as mining advances along the orebody in years 6 & 22
- HMC is transported to the MSP and stockpiled in readiness for processing
- HMC over the LOM averages 56.7% ilmenite, 0.4% leucoxene, 6.4% rutile, 4.1% zircon, 0.2% monazite, 15.6% garnet, 11.1% light HM and 5% free silica

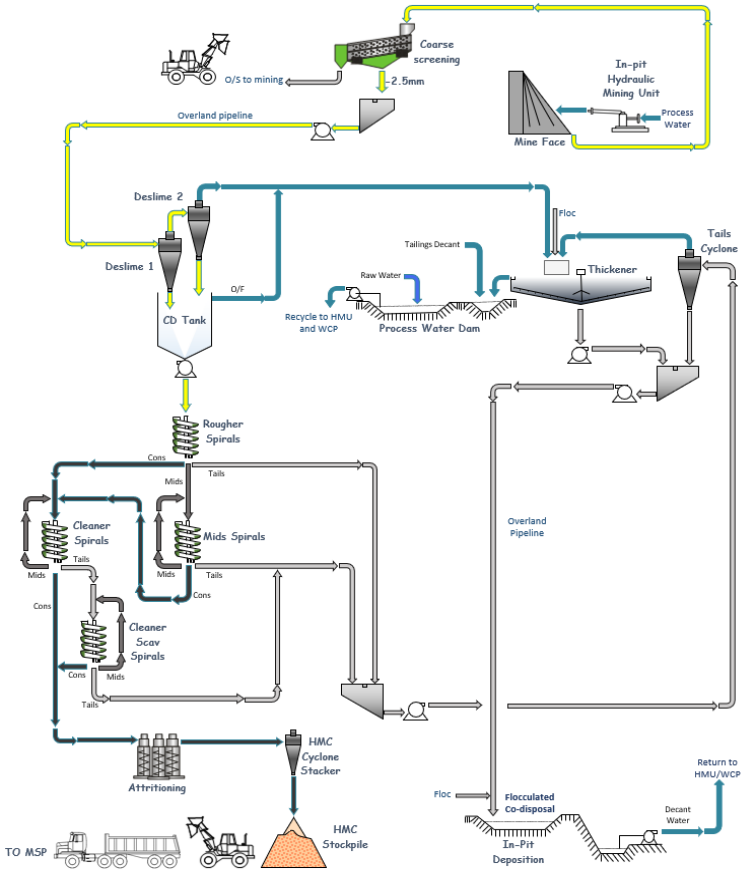

Image: Tajiri Project WCP process flow schematic

PROCESSING – MINERAL SEPARATION PLANT

The MSP utilises contemporary well proven process equipment to enhance product recovery, quality and marketability. The MSP will produce HiTi (combined leucoxene and rutile) and ilmenite products in addition to a zircon rich concentrate also containing saleable monazite and garnet

MINERAL SEPARATION PLANT (MSP)

- HMC is dried, screened to remove any trash material and then passed through an electrostatic rolls separator circuit to separate non-conductor mineral from conductor mineral
- Conductive HM proceeds through the conductor circuit and presents to a series of rare earth magnets that fractionate the HiTi and ilmenite products
- Non-conductive HM proceeds through the non-conductor wet circuit to produce zircon concentrate containing zircon, monazite and garnet minerals
- The simplified flowsheet and production of a zircon concentrate stream contributes to a very high overall zircon recovery at the MSP
- The MSP and major infrastructure, including accommodation village, is planned to remain in a fixed location for the life of mine
- Indicative product qualities:
  - Ilmenite, nominally 48% – 54% TiO_2 grade
  - HiTi, nominally 92% – 93% TiO_2 grade
  - Zircon concentrate, containing 17% zircon (nominal 66% ZrO_2+HfO_2 grade), with the balance of the valuable heavy minerals consisting of almandine garnet, monazite and titanium

Product	Average Annual Production (t)	Size of Shipment (t)	Shipments Per Year	Nominal Frequency
Zircon Concentrate[2]	60,721	10,000	6	Bi-monthly
HiTi[1]	16,035	4,000-6,000	3 – 4	Quarterly
Ilmenite[2]	150,109	10,000-15,000	12	Monthly

Image: Tajiri's Indicative Shipping Schedule Per Product

Note: [1] Container cargo [2] Bulk cargo

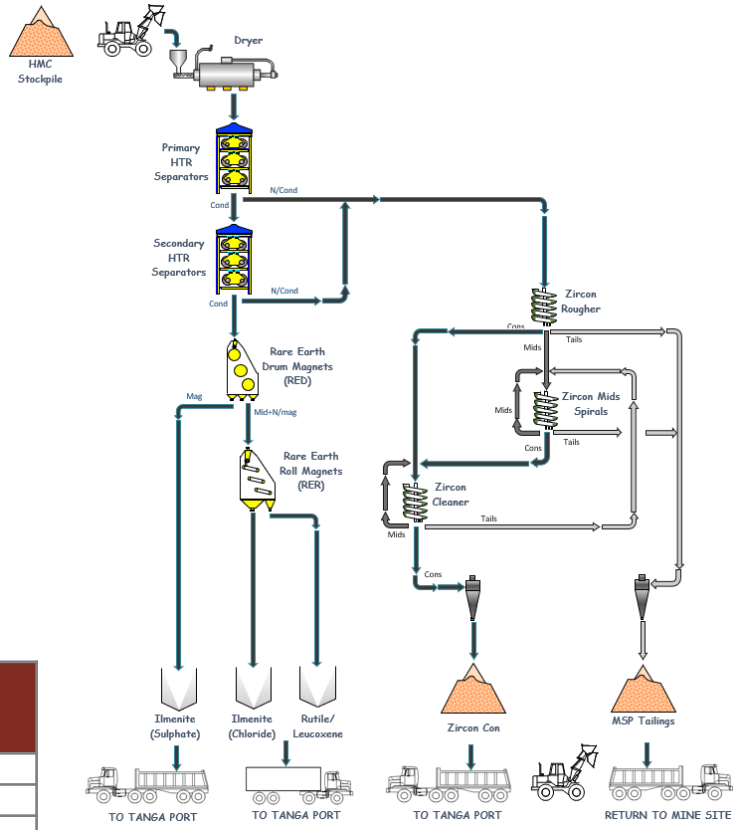

Image: Tajiri Project MSP process flow schematic

LOGISTICS AND PORT INFRASTRUCTURE

STRANDLINE
resources limited

Tajiri benefits from its proximity to infrastructure, in particular the current upgrade of the road network linking it to the established export port of Tanga, some 65kms north of the MSP

- Tajiri products will be sold in bulk and container cargo form to global mineral sands customers. Product will be trucked (30t loads in bulk or 28t loads if containerised) on a continuous basis from the mine site to a staging facility located at the Tanga port
- HiTi product will be exported via containers
- Ilmenite and zircon concentrate products in bulk form using a mobile ship loader arrangement
- There is existing available bulk storage shed facilities at the Tanga port capable of storing in excess of 40,000 t of bulk product; sufficient for the Tajiri Project
- The storage facility will be managed by the Tanga port with oversight services provided by an experienced trucking and logistics contractor. Logistics costings for the Scoping Study have be provided by a leading Tanzanian logistics contractor
- Tanga port, managed by the Tanzanian Port Authority (TPA), has two main berths with a capacity of 1,200,000 t/a. The study has assumed that Handimax ships can be loaded Quay side; one of the outcomes of an upgrade currently in progress
- Shipments will be arranged individually per product and the frequency will vary in according to the production plan and customer requirements

Image: Trucking product in container for zircon and rutile shipment

Image: Typical Mobile Dump Hopper and Shiploader for Ilmenite loading

Image: Tanga Port

NON-PROCESS INFRASTRUCTURE

ACCESS ROADS

- Tajiri is linked to the nearby city of Tanga via a series of existing paved and unpaved roads. The government of Tanzania, together with the East Africa Community (EAC), is in the process of upgrading the Tanga - Pangani - Saadani road (including construction of a new Pangani bridge), which will facilitate the primary haulage route for product, consumables and resources between Tanga and the Project site
- Several minor diversions and unsealed access road across the mining lease area will also be constructed, including a roads and tracks to link to the accommodation village, WCP and MSP, borefield and mine pit locations

SITE BULK EARTHWORKS AND DRAINAGE

- The WCP and MSP facilities will each be established on a single level pad, founded in a balanced cut to fill construction pad
- The MSP facility, administration area and fuel storage facilities will be contained in an area approximately 300m long and 250m wide and located to avoid the major local water courses
- The WCP facility and associated infrastructure area will be contained in an area approximately 360m long and 250m wide and initially located adjacent to the first mining pits (T1 and T2) comprising years 1 to 6. The associated off path starter tailing stirage facility (TSF) is 770m long and 700m wide
- The design basis allows for 100mm of topsoil to be removed across the site and stored within close proximity for future reuse during mine closure
- For the purpose of the study bearing capacity of the subgrade (insitu material) has been assumed as 180kPa and during construction, select fill will need to be extracted from nearby borrow pits to for foundation ground improvement
- A lined 3,500m³ settling pond and 7,300m³ process water pond will also be constructed in the processing plant area as part of the site earthworks. All ponds will be lined with 1.0mm HDPE

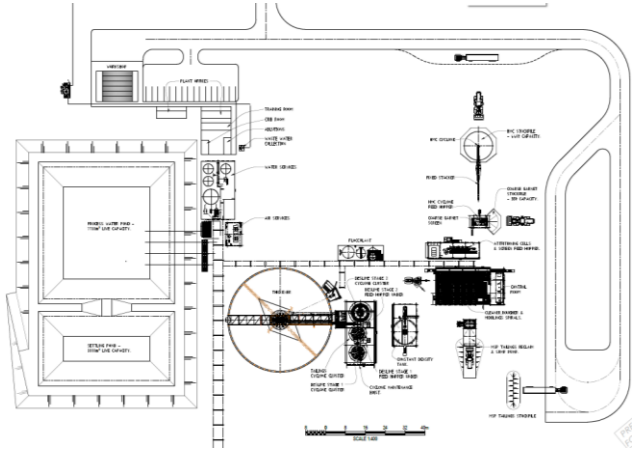

Image: Preliminary Wet Concentrator Plant Layout Diagram

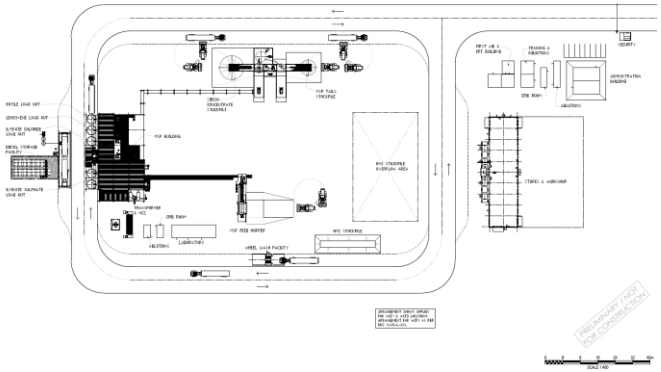

Image: Preliminary Mineral Separation Plant Layout Diagram

NON-PROCESS INFRASTRUCTURE

WORKFORCE ACCOMMODATION

- The Tajiri Project is based primarily on a drive-in-drive-out work force, whereby workers reside in the region (city of Tanga, or townships of Pangani or Mwera)
- For expatriate workers and other skilled labour sourced from outside the region during construction and operations, a 180-person purpose-built accommodation village will be installed. Additional temporary accommodation units will be added to account for peak manning requirements during construction

Image: Typical Site Accommodation Village

POWER SUPPLY

- Electricity for the project will be supplied from the Tanzanian national power grid via existing infrastructure and a dedicated transmission line to site
- The Pangani Falls Hydro Station, situated in Muheza District near Tanga, will be the main source of energy for Tajiri. The power grid is managed by the Tanzanian Electricity Supply Company Limited (TANESCO). A new 132kV transmission line will be required to supply the project. TANESCO have positively engaged with Strandline during the Study and are committed to ensuring a reliable supply is available to support the project's power demand
- Power will be received at the MSP area and distributed to the various loads across the mine site. Tajiri's average consumed power is forecast to be 9 MW. The HMU and WCP makes up 7.5 MW of average consumed power demand. Cost of power is forecast to be US$0.10c/kWh
- Overhead power lines will be installed to distribute power to the various project loads. Power transmission throughout the site will be at 22kV
- At each connection point, a transformer will be installed to convert the high voltage supply to industry standard 415VAC. Power at 415VAC is distributed throughout the site to the various transportable air-conditioned substations and distribution points
- Reticulation to the mobile pieces of equipment including the HMUs, booster pumps will be via 22kv trailing cables. In conjunction with the overhead power line, an optical fibre cable will be installed to establish the communications system backbone for the Project site

Image: The Tanzanian power grid is managed by the Tanzanian Electricity Supply Company Limited (TANESCO) http://www.tanesco.co.tz/

NON-PROCESS INFRASTRUCTURE

WATER SUPPLY

- Water is required by the project for the processing plant, domestic use at the accommodation village and the plant amenities and dust suppression
- Process water will be efficiently recycled from a combination of water sources including, slime thickener overflow and in-pit tailings decant
- At steady state, make-up water is estimated to be ~4.0 GL/annum. Bore water will be farmed and stored in the off path TSF prior to ore processing to cater for the early phase when negligible water return (recycle) from tailings decant is anticipated
- Raw water make-up is via a series of deep bores that run along the length of the deposits. 12 bores are planned to be installed with 11 operating at any given time. Each bore is expected to pump from a depth of ~200m at a rate of up to 60m³/h
- Further hydrogeological investigations, including the drilling of test bores are planned in the next phase of work to optimise the bore field design and locations
- Water is also available from upstream in the Pangani River which is not currently in the Study base case, but creates an opportunity for further evaluation
- The study base case has assumed bore water to be of sufficient quality for processing and not requiring prior treatment before use. This assumption will be verified in the next phase of project development

Image: Tanzania coastline close to the Tajiri project area

Image: Pangani River, Tanzania

NON-PROCESS INFRASTRUCTURE

WASTE MANAGEMENT

- Waste generated from the project will be managed in accordance with the Environment and Social Impact Assessment (ESIA) requirements
- Domestic waste such as paper, food, glass and plastics will be housed in a landfill facility. Hazardous and healthcare waste will be stored in drums or closed bins in accordance with the guidelines issued for the management of hazardous waste and ESIA requirements and transported off site to a suitable handling and treatment facility
- Non-hazardous industrial waste, such as scrap building materials, bricks, metal and wood/timber, will be generated during the project lifestyle. These wastes will be disposed in the landfill facility. Scrap metal and other recyclables will be collected and sold to a licensed contractor
- Domestic waste water will be generated at the MSP/Administration and village area and will be pumped to a dedicated Waste Water Treatment Plant (WWTP) located at the village area MSP. The WCP will have its own dedicated and relocatable WWTP
- Effluent will be treated to meet the stringent discharge and reuse standards to comply with Local Government and Health Department Regulations. Waste water from the WWTPs will be pumped to a spray dispersal area located away from the facility being serviced

SITE BUILDING, OFFICES AND SECURITY FACILITIES

- Site buildings will be located at the WCP and MSP processing plant sites. Site buildings include reception, office rooms, crib rooms, control rooms, training area, first aid clinic/medical centre, certified laboratory, meeting rooms, workshop, warehouse, amenities, data rooms and storage areas
- The buildings at the WCP will be transportable and the workshop and store at the WCP will consist of dome covered 12m containers

Image: Typical Borefield Pump Station Installation

Image: Typical Wastewater Treatment Plant

Image: Typical Mine Workshop Facilities

NON-PROCESS INFRASTRUCTURE

FUEL STORAGE AND DISPENSARY

- The project includes a diesel storage facility for light vehicles, diesel generators and plant equipment
- The plant diesel fuel facility will be located at the MSP plant and dispensing for vehicles will be controlled used a magnetic card system. The fuel storage facility will consist of a single 55,000 litre, fuel double contained horizontal tank.
- Diesel fuel will be delivered to site by road using road tankers. There will be a single point loading facility with reticulated pipework to transfer diesel fuel to the tank. The offloading and dispensing areas will be bunded to contain any spillage
- Plant consumption is estimated at 516,580 litres per annum excluding the mining contractor use. The mining contractor will be responsible for its own fuel system. Fuel out-loading includes a high flow fuelling point as well as a single service point, that will service light vehicles

Image: Example of self-bunded diesel storage facility

COMMUNICATIONS

- Site wide communications will be required and will include voice and data. Communications between site, Dar es Salaam and international will be established using a VSAT system (or similar) giving phone and internet connectivity across the site
- The communications system is based on configuration of the following, wide area network (WAN), local area network (LAN), intra site microwave communications, IP telephony and unified communications, village entertainment, WI-FI network and two-way radio system
- Site based operations would be supported by a number of handheld UHF radios while communications

Image: Example of a mine site VSAT system for remote site communications

MINING FACILITIES AND BUILDINGS

- The mining and rehabilitation contractor will be assigned a dedicated compound and hard stand area to house its buildings, workshop, wash down facility and associated fuel facilities and mining equipment

SECTION III MARKETING

PRODUCTS USED IN EVERYDAY LIFE

STRANDLINE
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Tajiri is designed to produce high quality mineral sands products of ilmenite, HiTi (rutile and leucoxene), zircon, garnet and monazite sand. The mineral sands industry is a mature "industrial mineral" sector and operates on a global competitive market

- Industrial minerals are valued for their physical and chemical properties that make them useful for so many products, and their price is driven by market demand supply for these items rather than by commodities exchange markets/indexes
- Tajiri's products are expected to be sold to well established global consumers under commercial offtake agreements using the prevailing US$ per tonne market price relevant to each industrial mineral type at the time of shipment
- Tajiri has two main product streams titanium and zircon, with marketable co-products of monazite and garnet minerals

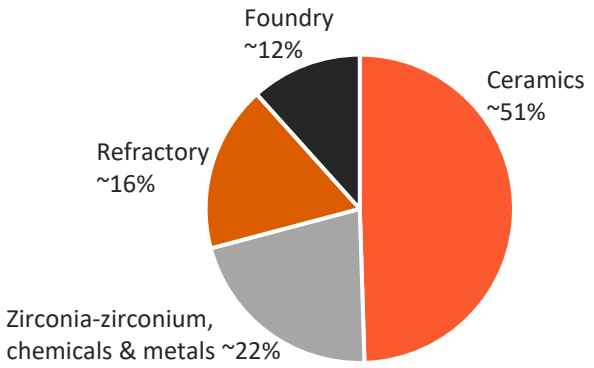
ZIRCON

- Zircon is resistant to water, chemicals, heat and abrasion
- ~1.1 million tonnes per annum global market
- China dominates zircon consumption with 47% and Iluka is most influential in establishing benchmark prices

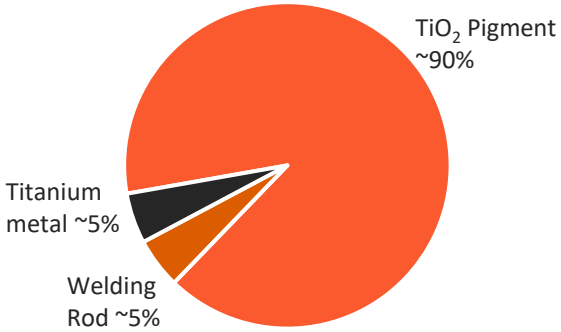
TITANIUM

- Demand for ilmenite and rutile is predominately attributed to titanium dioxide TiO_2 pigment manufacturing which is a key ingredient of paints, coatings, paper, ink and plastics
- TiO_2 pigment imparts whiteness, is UV resistant and inert
- ~7.0 million tpa global market (TiO_2 units), including ~0.75 million tpa of chloride grade ilmenite

GLOBAL ZIRCON MARKET



GLOBAL TiO_2 MARKET



MARKET FUNDAMENTALS AND PRICING BASIS

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Tajiri Scoping Study has used TZMI's long term commodity price forecast as the basis for determining the projected project revenue

GLOBAL MINERAL SANDS MARKET

- Increasing demand driven by urbanisation, rising living standards, global growth and extensive array of applications
- 'Critical Minerals', vital to the economic well-being of the world's major and emerging economies
- Supply restricted by mine closures, declining grades and depleting stockpiles
- Strong long-term market fundamentals - demand growth outpacing supply
- Tajiri Project is strategically located within the world's major mineral sands producing corridor of east Africa
- Major mineral sands producers are operating in Kenya to the north and Mozambique, South Africa and Madagascar in the south
- New projects are required to meet future demand

TAJIRI IS SET TO CAPITALISE ON THE STRONG LONG-TERM MARKET FUNDAMENTALS

SCOPING STUDY COMMODITY PRICE BASIS

- The Scoping Study has used TZMI's long term commodity price forecast dataset where relevant (published August-2020), together with the pricing structures typically contained in commercial offtake agreements, as the basis for determining the projected project revenue
- TZMI's long term price forecast[1] (real dollars) is:
  - Zircon: US$1,495/t FOB
  - Chloride Ilmenite: US$274/t FOB
  - Sulphate Ilmenite: US$197/t FOB
  - Rutile (bulk): US$1,138/t FOB

- Appropriate quality adjustments (as determined by Strandline) were applied to the HiTi (rutile-leucoxene) and zircon concentrate (including zircon, garnet, monazite and titanium)
- Garnet is used primarily for abrasive blasting, water-filtration media, water-jet-assisted cutting, and other end uses, such as in abrasive powders, nonslip coatings, and sandpaper. Any average price for Tajiri's Almandine garnet of US$150/t FOB has been used
- Monazite minerals contains rare earth elements used in an ever-expanding range of high-tech consumer goods and low carbon technologies. Smart phones, televisions, computers, x-ray machines, cancer treatments, medical lasers, plastics, catalytic converters, fibre optics, rechargeable batteries, hybrid cars and wind turbines are just some of the products that use rare earths. Any average price for Tajiri's monazite mineral of US$1,800/t FOB has been used

Note:
[1] TZ Minerals International (TZMI) is a global, independent consulting and publishing company which specialises in technical, strategic and commercial analyses of the opaque mineral, chemical and metal sectors including data, analysis and information across the mineral sands industries

SECTION IV PROJECT EXECUTION STRATEGY

PROJECT RISKS AND OPPORTUNITIES

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The Tajiri Project is a complex greenfields project and is in the early stages of feasibility evaluation and planning. As such, there are a range of material risks and opportunities that are subject to ongoing assessment and require controls to be put in place to further de-risk and enhance project fundamentals

PROJECT RISKS

The main project risks include:

- Negative movements in commodity prices
- Land acquisition and access not finalised in time for development activities to commence as planned
- Obtaining necessary project approvals and permitting
- Community risks resulting in delays caused by local political interference and/or community unrest
- Funding risks causing delays in securing project capital funding
- An increase in working capital or pre-production expenditure resulting in additional funding being required
- Inability to secure sufficient long term take-or-pay offtake agreements with customers
- Project execution risks including quality, schedule, cost, safety and environmental risks
- Government and legal risks
- Reliance on key external infrastructure and improvement projects, including TANESCO power, Pangani bridge and highway project and ongoing Tanga port maintenance and upgrades
- Process performance relating to plant throughput, recovery, grade and specification

Risk mitigation strategies will continue to be identified by the Company through the subsequent development stages to reduce the residual risks to an acceptable level suitable for project development

PROJECT OPPORTUNITIES

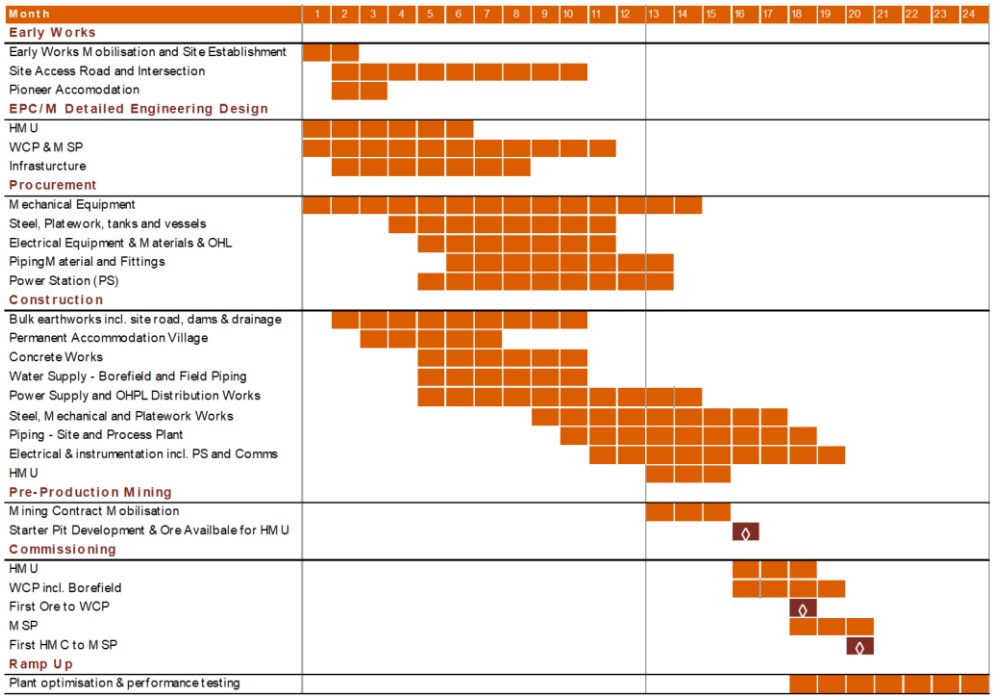
The Tajiri project is exposed to a range of potential opportunities to further enhance its fundamental and these will be subject to review as the project develops:

- Increasing the Mineral Resource estimate through additional exploration drilling and evaluation
- Optimising the mine pits as planning and technology improvements, thus expanding mineral resource that can be mined profitably
- Water supply from the nearby Pangani River reducing borefield demand and optimising water recovery (recycle)
- Improve environmental research activity in the Tanga region through effective environmental programs, sustainable practices and enhancing the projects contribution to regional benefit
- Improved process performance including recoveries, throughput and specification
- Positive movement in commodity prices above forecast
- Empowering the local communities to prosper from the project through career development, business improvement and partnership programs through the life of the project
- Strategic partnering opportunities to support development
- Additional capital reduction initiatives
- Asset recycling; use the Tajiri modular relocatable infrastructure to support development of Strandline's other mineral sands assets

PROJECT EXECUTION SCHEDULE

First production of HMC from the WCP is expected to be achieved 18 months from commencement of the project. A project implementation schedule has been prepared taking into account lead times and foreseeable site and seasonal conditions

TAJIRI IMPLEMENTATION SCHEDULE SUMMARY



Note:

[1] First Ore to WCP is scheduled in Week 78 and First HMC feed to MSP is scheduled in week 84

BASIS OF SCHEDULE SUMMARY

- Project execution is expected to start immediately following a final investment decision (FID)
- Project schedule captures the life cycle of the project from award of the EPC/M contract, through detailed design, procurement, construction, to the completion of commissioning and production ramp up
- Major early works packages include establishment of the pioneer accommodation facilities, permanent village and access road construction
- Multi discipline detailed design of process and non-process infrastructure scope commences immediately
- The critical path of the project runs through procurement and installation activities associated with the process facilities, including steel fabrication supply, structural, mechanical and pipework (SMP) construction, and electrical and instrumentation (E&I), construction, and no-load and load commissioning, and hence the overall project duration
- The construction portion of the schedule accounts for parallel work fronts where feasible and early access for construction vendors (e.g. bore driller, concrete, SMP, E&I)

WORKFORCE PLANNING

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Tajiri will generate significant employment and career opportunities through the construction and operational phases. Workers will be primarily sourced from the Tanga and Dar es Salaam regions with specialist support from experienced international contractors and consultants as required

PROCUREMENT CONTRACT STRATEGY

- Mining and rehabilitation Services: Contract Mining
- Process Infrastructure: EPC/M contract
- Non-process Infrastructure: D&C & EPC/M
- Power Supply: TANESCO Power Purchase Agreement
- Transport and Logistics: Contract with transport and logistics company
- Village Services: Contract with local catering and management company
- Port Services: Contract with Tanzania Port Authority (TPA)
- Laboratory Services – Owner implementation
- Environment & Social: Owner implementation
- Operations: Owner implementation

CONSTRUCTION

- The construction effort will be spread over a number of key work fronts including:
  - Infrastructure: roads, power, village, bulk earthworks, borefield and administration areas
  - WCP
  - MSP
  - Mine pit development and HMU
- Peak skilled and semi skilled workforce during construction including the owners project and operational team is estimated to be approximately 300 people
- The permanent village is designed for 180 person and additional temporary accommodation units will be installed to cater for the peak period

OPERATIONS

- An average operational direct skilled workforce of approximately 150 has been estimated, which includes mining and other contractor and consultant personnel
- The Company plans to engage with contractors, consultants and other suppliers to encourage employment from the Tanga and Dar es Salaam region, including a focus on Indigenous Tanzanian employment and local business participation during all stages of the project
- Based on 24 hours, 365 operational days per year and includes but not limited to roles relating to management, supervision, trades, engineers, environmentalist, technicians, operators, apprentices, medical professionals, consultants, security, and semi skilled labourer personnel

SECTION V SCOPING STUDY FINANCIAL EVALUATION

FINANCIAL MODEL METRICS

Scoping Study shows Tajiri will generate strong financial returns with a Pre-Tax NPV_{10} of US$205m, IRR of 36% and EBITDA of US$0.9b over the initial 23.4-years

- A discounted cash flow (DCF) analysis has been undertaken incorporating the estimated capital and operating expenditures and revenue assumptions based on TZMI's long term commodity price forecast [1]
- The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs and the NPV valuation is measured from October 2020
- Development capital is progressively deployed over the construction phase. A 6 month ramp-up period has been assumed to reach steady state nameplate production performance
- The assets relating to the Tajiri project will be held in Strandline's wholly owned subsidiary, Jacana Resources (Tanzania) Ltd
- The project is subject to the laws of Tanzania and the following royalty and tax assumptions have been made:
  - Corporate income tax rate of 30% on taxable profit
  - Capital expenditure is depreciable (written off) for tax purposes at 20% per annum on a straight-line basis over five years
  - Royalty paid to the Tanzanian Government of 3% of the Project revenue (for industrial minerals)
  - An export clearance and inspection fee of 1% of Project revenue paid to the Government and a service levy of 0.3% of Project revenue paid to the local Government (District)
  - Value added tax (VAT) of 18%, where applied to capital and operating cost items, is paid upfront and will be recoverable as an offset to corporate tax payable upon commencement of production revenue
  - Withholding tax of 10% on interest and dividends, and 15% applied on services provided by non-residents and 5% applied on services provided by residents
- Legislation provides for the Tanzanian Government owning a 16% non dilutable free-carried interest in the Project

KEY FINANCIAL METRICS

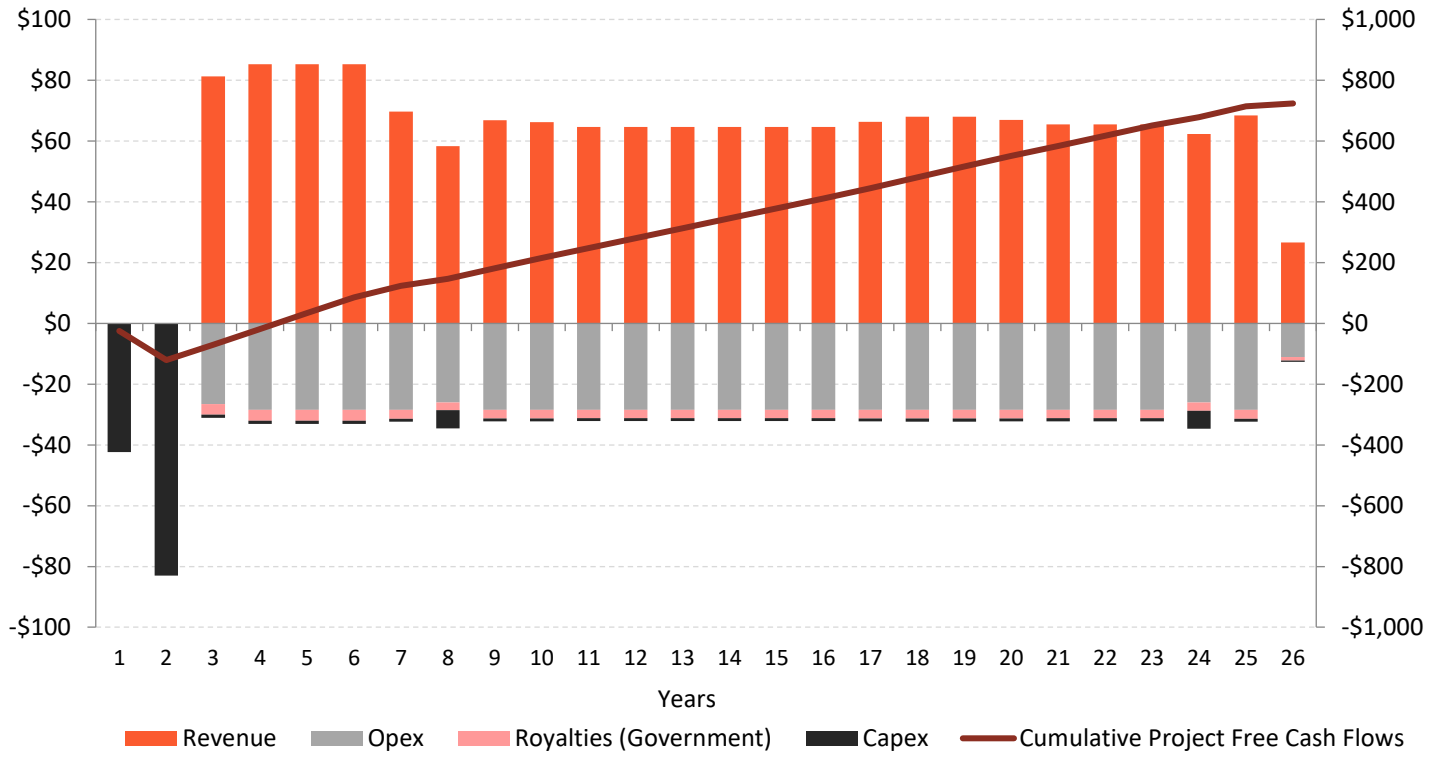
	Tajiri Engineering Scoping Study
Mine Life	23.4yrs
Ore Tonnes Mined	185Mt
Ore Throughput	8Mtpa
Capex	US$125M
LOM Revenue	US$1.61B
LOM Opex (C1)	US$0.66B
LOM AISC	US$0.76B
Avg. C1 Cost per Product Tonne	US$124/t
Avg. AISC per Product Tonne ("A")	US$143/t
Avg. Basket Price ("B")	US$303/t
Avg. Cash Margin (B-A)	US$160/t
LOM EBITDA	US$0.9B
Avg. EBITDA	US$36.8M
NPV^{10} (pre-tax, real, no debt)	US$205M
IRR (pre-tax, real, no debt)	36%

Note: [1] TZMI Long Term Commodity Price Forecast August-2020

SCOPING STUDY FINANCIAL OUTPUTS PRE-TAX

Tajiri delivers high margin operating cash flows with titanium products of HiTi and ilmenite representing ~70% of revenue, and zircon, garnet and monazite contributing the remaining ~30%

PROJECT FREE CASH FLOWS (US$M) [1,2]



Notes:

1. Net cash flows are on a pre-tax, real, pre-finance basis.
2. Capex includes upfront and sustaining capex.

CAPITAL AND OPERATING COSTS

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Capital and operating costs are supported by first principle estimates and quotations from suppliers as appropriate for an engineering scoping study of this nature, with an overall accuracy level of ±30%

- Development capital and operating cost estimates are presented in US dollars ($US), with an estimate base data of Jun-2020
- Estimated costs have been sourced using standard industry methods, including first principles, supplier quotations, vendor information, database pricing and benchmarking
- Other capital items include sustaining and deferred capital of US$33m incurred progressively over the life of mine
- The operating philosophy is based on industry proven operations and maintenance strategies
- The Project benefits from a cost-effective bulk material mining method suitable for an experienced mining contractor, a conventional processing solution and an efficient mine-to-ship logistics route
- Contingency is based on a deterministic assessment which reviews the level of confidence in each input and applies the relevant contingency factor

Capital Cost Item	Engineering Scoping Study (US$m) [1]
Bulk Earthworks and Roads	8.71
Civil	4.71
Mechanical Equipment	23.25
Platework and Structural Steel	10.85
Piping	8.23
Electrical & Instrumentation	9.16
Site Buildings and Offices	6.68
Construction Equipment and Facilities	4.59
EPC/M[2]	15.61
Owners Costs – Directs[3]	14.41
Owners Costs – Indirects[4]	7.50
Project Contingency	11.62
TOTAL	**125.32**

Note:
[1] Scoping Study capex summary includes all design, supply, installation and delivery works, excludes working capital and financing costs
[2] EPC/M capital cost include engineering, drafting, procurement, construction and commissioning activities and associated supervision and management
[3] Owners Costs (Direct) include borefield, pre-production mine development, fuel, land access, Owner's maintenance equipment and vehicles
[4] Owner Costs (Indirect) include village accommodation, first fills, spares, Owner's team and consultants.

Operating Cost Item	Engineering Scoping Study (US$/Saleable t)
Mining	31.63
Processing	53.23
Transportation to Ship	35.23
Administration & General	3.85
C1 Cash Costs	**123.94**
Government Royalty	13.03
Sustaining Capital	6.25
All in Sustaining Cost (AISC)	**143.22**
Product Basket Price	**303.13**
Operating C1 Cost Margin	**179.19**
AISC Margin	**159.91**

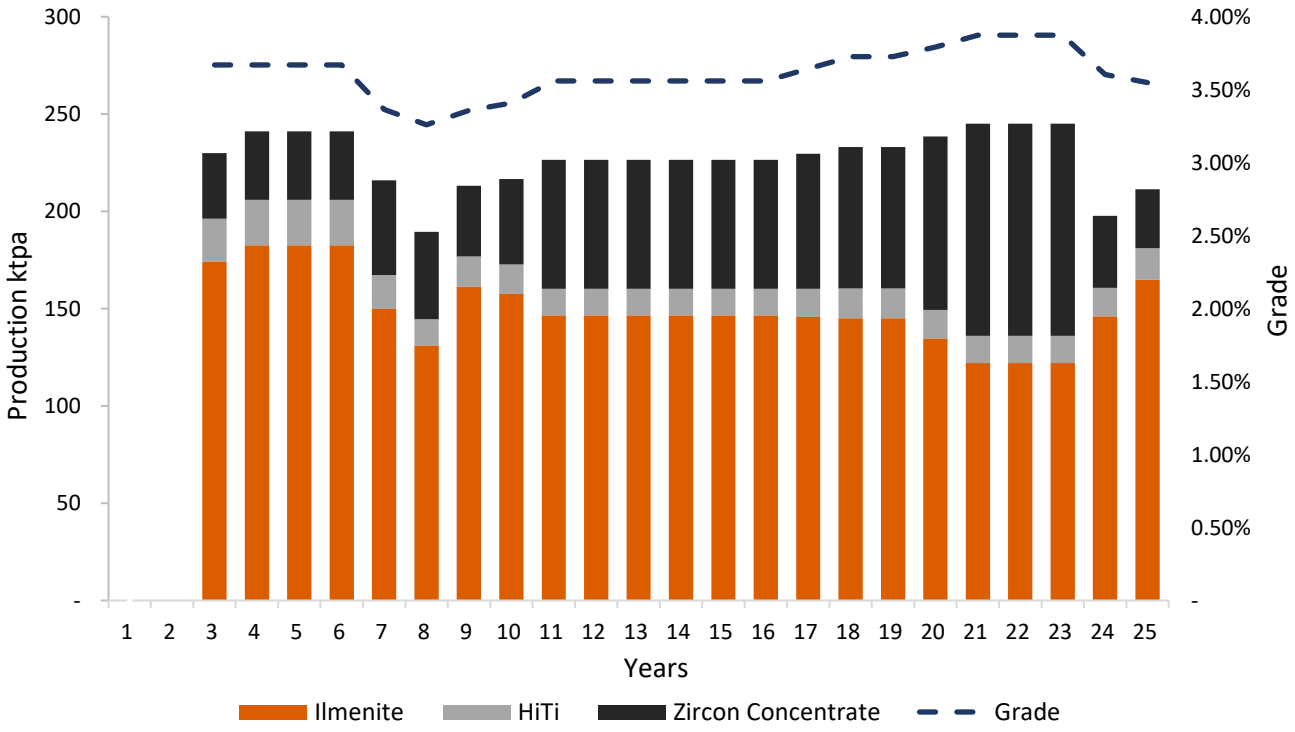
Note:
[1] Mining includes tailings and slimes handling, mine backfill, HMU and rehabilitation activities.

Other key cost assumptions: Cost of fuel per litre US$0.70/ltr; cost of electrical power US$0.10c/kWh; WCP relocations to occur in years 6 and 22; WCP relocations to each incur 30 days of production downtime. The downtime has been averaged over the life of mine and included in the overall downtime schedule

MINING AND PRODUCTION PROFILE

Consistent production profile across the initial 23.4 years of mining operations based on 185Mt of mine Production Targets, where the heavy mineral grade remains relatively stable throughout the mine plan

PRODUCTION AND GRADE PROFILE



REVENUE BY PRODUCT (%)

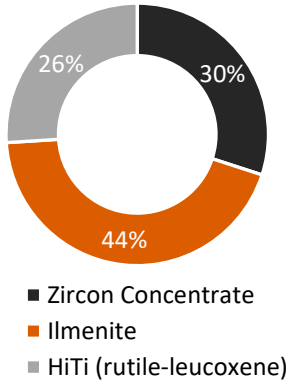


Image: Surface sample of heavy mineral from Tajiri deposit

SENSITIVITY ANALYSIS

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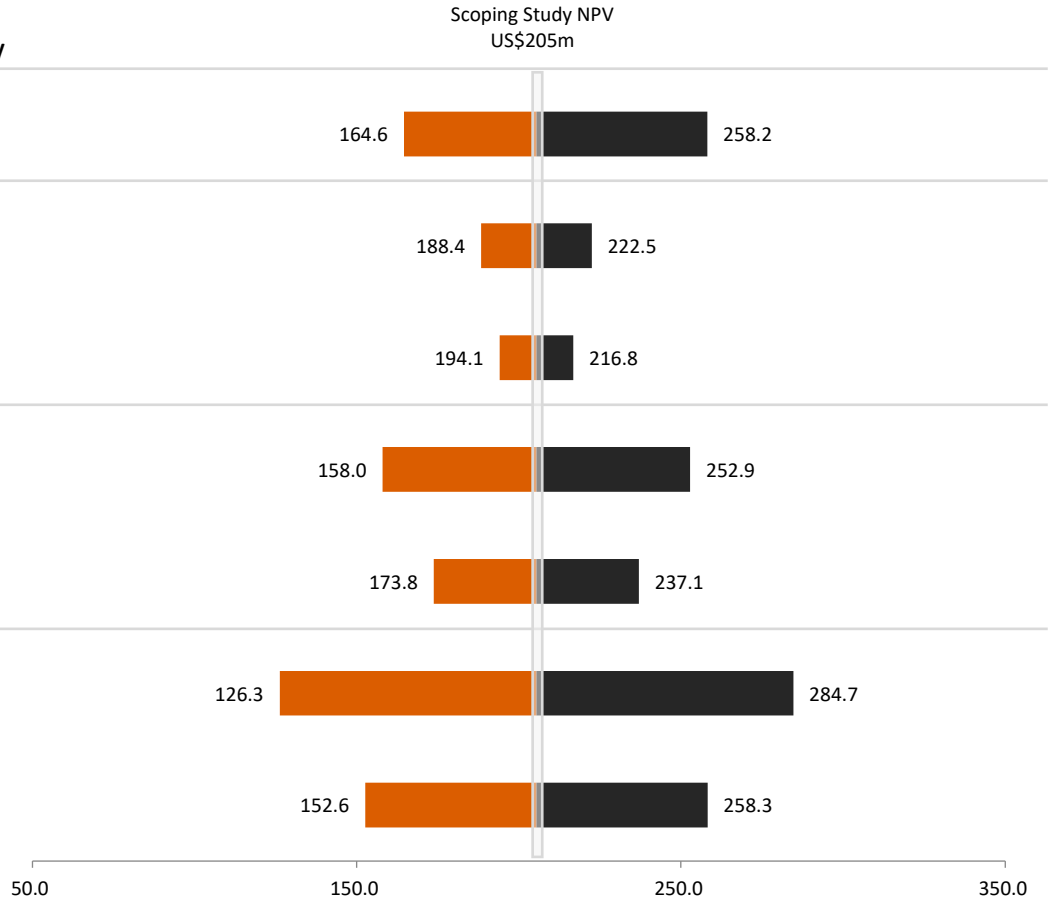
Under the Scoping Study assumptions, using TZMI long-term zircon and titanium price deck, the Tajiri Project pre-tax, pre-finance NPV[10] is US$205m. The project is most sensitive to movements in commodity prices

	Final Products	Sensitivity
Discount Rate	10%	+ / - 2%
Capital Cost (Development)	U$125.32m	+ / - 15%
		+ / - 10%
Operating Cost (AISC)	Avg. annual LOM US$143.22/t	+ / - 15%
		+ / - 10%
Pricing (All Products)	**Commodity Prices (Real)** Zircon = US$1,495/t Rutile (bulk) = US$1,138/t Chloride Ilmenite = US$274/t Sulphate Ilmenite = US$197/t Garnet = US$150/t Monazite = US$1,800/t	+ / - 15%
		+ / - 10%



Notes:

1. NPV sensitivities against Final Products Case, pre-tax, pre-debt, (real), 10% discount rate USD

SECTION VI DEVELOPMENT APPROVALS, PERMITS AND OBLIGATIONS

OVERVIEW ON TANZANIA

Tanzania is a rapidly growing economy which grew at ~6.8% GDP (YoY) in 2019. The Tanzanian government has created a strategic development plan, to accelerate economic growth and industrialisation, as well as to introduce new legislation to provide enhanced transparency over the mining sector

TANZANIA ECONOMIC SNAPSHOT

- Tanzania's GDP was worth 63.18 billion US dollars in 2019, according to data from the World Bank and Trading Economics
- Population (2018) 56.32 million
- Mining as % of Exports ~50%
- Main commodities include Gold, diamonds, gemstones, kaolin, nickel, cobalt, platinum and copper
- Emerging commodities of rare earths, helium, zircon and titanium

GOVERNMENT'S STRATEGIC DEVELOPMENT PLAN

- The Tanzanian Government is pursuing a development plan aimed at economic transformation through industrialisation and human development
- The Government is aiming to achieve this through:
  - Private sector-led growth
  - Infrastructure development
  - Combatting corruption
  - Creating a business environment conducive to job creation

REGULATORY CHANGES TO THE MINING ACT

In mid 2017, the Government passed a series of bills aimed at restoring more transparency and control over the mining industry, in order to facilitate better revenue generation, knowledge transfer, improved mining practices, and eventually improving the economy and sustainability of the mining sector

- On 10 January 2018, the Minister for Minerals promulgated a suite of new regulations under the Mining Act 2010, which essentially replaced the previous 2010 Regulations under the Mining Act
- The 2018 Regulations introduced new local content obligations and amended existing obligations relating to the issue, renewal and transfer of mineral rights, permits to export, import and trade in minerals, beneficiation, geological surveys and handling of radioactive minerals
- Many of the obligations imposed are not new, and repeat and in some cases elaborate on existing obligations
- Of these, 2018 Local Content Regulations does introduce a range of new initiatives which oblige services providers and mineral right holders to comply with local/indigenous engagement requirements
- Following the changes, the Mining Commission has made a number of subsequent amendments to 2018 Regulations to improve understanding and enhance their practical implementation
- Furthermore, the Ministry for Minerals and Mining Commission are now actively encouraging foreign investment and mine development

Source: Bloomberg.

RELEVANT TANZANIAN POLICY FRAMEWORK

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Tanzania is endowed with abundant natural resources, a favourable climate, a sophisticated legislation framework and an excellent geographical location, which makes it accessible to potential export markets in the region, the Gulf States and South Asia

- Various national policies and legislations of relevance to Tajiri have been identified and reviewed. These set out the legal requirements relevant to the overall environmental management of mining Projects in Tanzania, and legislation pertinent to governing environmental management and protection, occupational health and safety
- A detailed ESIA has been developed for Tajiri and submitted to the authorities
- In additional to National legislative requirements, the ESIA process took into consideration the requirements set out in the following:
  - Equator Principles
  - International Finance Corporation (IFC) Performance Standards (PS) on Environmental and Social Sustainability (2012)
  - IFC Environmental, Health and Safety (EHS) Guidelines for Mining (2007)
  - IFC General EHS Guidelines (2007)
- The Tajiri project is subject to the following National Policies:
  - National Environmental Policy, 1997
  - Mineral Policy of Tanzania, 2009
  - National Land Policy, 1995
  - National Forest Policy, 1998
  - National Water Policy (NAWAPO), 2002
  - National Health Policy, 2003
  - Sustainable Industry Development Policy (SIDP), 1996 – 2020
  - National HIV Policy, 2001
  - National Gender Policy, 2000
  - Wildlife Policy, 1998
  - National Construction Industry Policy, 2003
  - Cultural Heritage Policy, 2008
  - National Agriculture and Livestock Policy, 1997
  - National Employment Policy, 2008
  - National Energy Policy, 2015
  - National Investment Promotion Policy, 1996
  - Community Development policy (1997)

TANZANIAN LEGAL FRAMEWORK

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The main legislation governing mining activities in Tanzania is the Mining Act of 2010, as amended from time to time, which makes provisions for regulation of mining activities, including prospecting, mining, processing and dealing in minerals

- In addition to the Tanzanian policies, there are a number of legal and regulatory frameworks that the Tajiri Project must comply with, and which the Scoping Study and ESIA has taken into consideration:
  - Environmental Management Act, (No. 20), 2004
  - Mining Act (No. 14), 2010 and amendments of 2017
  - Local Government (District Authorities) Act CAP 287 R;E 2002
  - Local Government (Urban Authorities) Act CAP 288 R:E 2002
  - Water Resources Management Act, (No 11), 2009
  - Land Act, (No.4), 1999
  - Village Land Act (No. 5), 1999
  - National Land Use Planning Commissions Act (No. 3), 1984
  - Occupational Health and Safety Act, (No. 5), 2003
  - The Wildlife Conservation Act 2013
  - Forestry Act, (No. 14), 2002
  - Investment Act CAP 45 RE 2002
  - Employment and Labour Relation Act, 2004
  - Prevention and Control of HIV/AIDS Act, 2008
  - Engineers Registration Act and its Amendments of 1997 and 2007
  - Workers Compensation Act, 2008
  - Contractors Registration Boards Act (1997)
  - Public Health Act, 2009
  - Standards Act No. 2 of 2009
  - Industrial and Consumer Chemicals Act (No 3), 2003
  - Fire and rescue army act, No 14 2007
  - Road Act, 2007
  - Electricity Act (No 10),2008
  - Antiquities Act (Act No. 10 of 1964) and amended (Act No. 22 of 1979)
  - Graves (Removal) Act, (No. 9), 1969)
  - Natural Wealth and Resources (Permanent Sovereignty) Act, 2017
- According to legal framework for environmental impact in Tanzania, the body mandated to coordinate Environmental and Social Impact Assessments and to oversee its implementation is the National Environment Management Council (NEMC)
- In undertaking the Tajiri ESIA study, the Company and its environmental consultants (ERM Consulting and MTL Consulting Tanzania) have complied with procedures as stipulated in the Environmental Management Act, 2004 and its associated regulations. This included registering the Project for screening, undertaking the initial scoping study (the outcomes of which are the Terms of Reference for the detailed ESIA) and eventually undertaking a detailed ESIA study
- In May 2020, NEMC provided approval of the Tajiri project environmental scoping study and project Terms of Reference and are now in the process of reviewing the detailed ESIA

TENURE AND DEVELOPMENT APPROVALS

The Company has undertaken a series of environmental and social impact assessments across the Tajiri Project area in accordance with regulatory requirements. This involved community consultation, technical evaluations, baseline surveys and land access planning

- The Tajiri Project comprises 100.8km² of tenure, located within two prospecting licences PL 7321/2011 and PL 11442/2020
- The Company lodged its Tajiri ESIA to NEMC for review in Sept-2020 and will continue progress through the various stages of project permitting and approvals in accordance with legislation
- In parallel, the Company will continue to undertake technical and commercial evaluations to further define and de-risk the Project

Image: Example mine site rehabilitation following open pit mining

KEY STAKEHOLDERS

- Key project stakeholders include, but are not limited to, the following:
  - Tanzanian Government departments, including Ministry of Minerals, Mining Commission, Ministry of Finance, Ministry of Land and Human Settlements, Ministry of Water and Irrigation, Ministry of Investment, NEMC, TANROADS, TANESCO, TPA, TIC etc.
  - Local Government Authorities, including district and municipal stakeholders, as well as ward and village leaders
  - Project affected people and land holders
  - Non-government authorities and charity organisations
  - Contractors, consultants, professional service providers and employee
  - Product consumers, investors, lenders and shareholders
- Strandline intends to continue the consultation process throughout the development, pre-construction, construction, operation and decommissioning phases of the project

KEY PROJECT NEXT STEPS

The Tajiri Scoping Study provides a strong foundation to advance to the next phase of project economic evaluation:

- Advance development approvals and project evaluations
- Continue to build stakeholder awareness and engagement
- Review mineral sands market fundamentals to optimise the marketing offtake strategy and development timetable
- Review strategic partnership options to assist in the implementation of the project
- Evaluate external funding options in the form of debt, JV interest and/or equity

COMMITTED TO THE COMMUNITY

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Tajiri is a large multi-decade project that is predicated on providing important socio-economics benefits, including high local content, job diversity, knowledge transfer, career development and local business and community opportunities

- Strandline sets out to build enduring relationships with the local communities that are characterised by respect, trust and enriching lives through the Company's participation
- Through active collaboration Strandline strives to implement long-term sustainable benefits for the local communities, regional and national stakeholders
- Advanced beneficiation performed in country, maximising value generation and capital inflows
- Tajiri will provide an additional element in the country's growing level of foreign investment
- Significant job creation:
  - Scoping Study estimated 150 direct skilled jobs through the operational phase
  - Indirect employment opportunities expected to be 3-4 times the number of direct jobs
- Community initiatives involving improvements to local infrastructure, conservation and research, education, health and medical services
- Tajiri is based on 'low impact' mining philosophy, with no toxic elements or residual waste from the mine, and progressive rehabilitation of disturbed areas
- Strongly supported by project stakeholders and with an initial mine life of 23.4 years, Strandline's vision is to create a legacy of operational excellence and sharing of benefits

Images: Strandline (Jacana Resources) actively supporting the local community

KEY CONTACTS

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COMPETENT PERSON

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 a Competent Person as defined in the 2012 Edition of the "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.

TANGA SOUTH – TAJIRI PROJECT MINERAL RESOURCES

The information in this report that relates to Mineral Resources for Tajiri 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 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.

FUNGONI MINERAL 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, (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 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.

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 bag by rotating the sample bag after removing from the cyclone • 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 (20g) 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 500gm by a levelled 3 tier 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 an 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

Criteria	JORC Code explanation	Commentary
		in large numbered plastic bags for dispatch to the initial split preparation facility • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample pipes • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole • Wet and moist samples are placed into large plastic basins to sun dry 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 an 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 level 3 tier riffle splitter to reduce sample size • The water table depth was noted in all geological logs when intersected • Dry 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 450 to 650gm of each sample was inserted into calico sample bags and exported to Western Geolabs laboratory 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	• *The nature, quality and appropriateness of the assaying and laboratory procedures used*	• The wet panning at the drill site provides an estimate of the THM% which is sufficient for the

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laboratory tests	*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.*	purpose of determining approximate concentrations of THM in the first instance Aircore sample: • The individual 1.5m aircore sub-samples (approx. 500gm) were assayed by Western Geolabs in Perth, Western Australia, which is considered the Primary laboratory • The aircore samples were first screened for removal and determination of Slimes (-45µm) and Oversize (+1mm), then the sample was analysed for total heavy mineral (-1mm to +45µm) content by heavy liquid separation • The laboratory used TBE as the heavy liquid medium – with density range between 2.92 and 2.96 g/ml • This is an industry standard technique • Field duplicates 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 duplicates 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 density of the heavy liquid was checked every morning and then after every 20 samples by volumetric flask • The adopted QA/QC protocols are acceptable for this stage test work • 1/40 samples from the Primary Laboratory have been sent to a Secondary Laboratory (Diamantina Laboratories for check analysis and have been found to have very good repeatability for THM and Slimes.
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 • The Chief Geologist and independent geologist make periodic visits to Western Geolabs 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

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		sample intervals, end of hole match between 'Lithology', 'Sample', 'Survey' files and other common errors • No twin holes were drilled specifically in the drill programme but as part of the 2018 infill drilling some twin holes were drilled when a second hole was collared in order to drill deeper because the first hole ended in mineralisation • 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 vertical aircore holes are not required • A handheld GPS was used to identify the positions of the drill holes in the field. The handheld GPS has an accuracy of +/- 10m in the horizontal • The datum used is WGS84 and coordinates are projected as UTM zone 37S • The drill hole collar elevation was collected from a detailed Digital Terrain Model collected in 2012. One metre contours were generated and the x-y coordinates were cut to the RL using the contour information. To account for the disparity between collars and the topographic DTM all drill hole collars were pinned to the supplied topography wireframe surface. • 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.*	• Grid spacing used for the resource drill program was 400 x 200 or 200m x 50m. • Closer spaced drilling (50m spaced holes) provided a high degree of confidence in geological models and grade continuity between the holes • Each aircore drill sample is a single 1.5m sample of sand intersected down the hole • No compositing has been applied to models for values of THM, slime and oversize • Compositing of samples for was been undertaken on HM concentrates for mineral assemblage determination. Composite samples were classified into 6 domains. Domain 1 high grade (>3%) Ti rich, Domain 2 – low grade (<3 % THM) Ti rich, Domain 3 High grade (>3% THM) blend (garnet and Ti) , Domain 4 is Low grade (< 3% THM) blend (garnet and Ti), Domain 5 is garnet rich – low and high grade.
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*	• The aircore drilling was oriented perpendicular to the strike of mineralization defined by reconnaissance data interpretation • 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

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	introduced a sampling bias, this should be assessed and reported if material.	• 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 inspected by Tanzanian Government officials from MEM and TRA who took sub samples composites for analysis. Once they were inspected the drums holding the samples were sealed. MEM and TRA require sample analysis for royalty payment calculation prior to issuing an exportation license and allowing the samples to be dispatched. • The samples were then transported by air using Deugro to Perth and delivered directly to the laboratory after quarantine inspection and heat treatment of the samples < 3m depth. • 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 Strandline in Tanzania • The drill samples were taken from tenement PL7321/2011 and PL7666/2012 (Application PL14224/2018). • Tenement PL7321/2011 is 8 years old and is valid until 16 Nov. 2020. • Tenement PL7666/2012 is currently active but will be replaced by PL14224/2018 which was applied for 21/05/2018 and will likely be granted by the end of the year. • Traditional landowners and village Chiefs of the affected villages were supportive of the drilling program

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		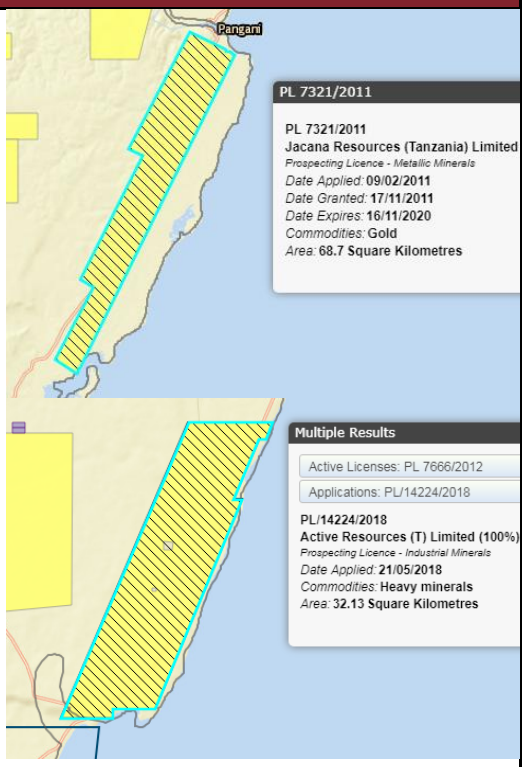
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Tanganyika Gold in 1998 and 1999. OmegaCorp undertook reconnaissance exploration in 2005 and 2007 • The Company has obtained the hardcopy reports and maps in relation to this information • The historic data comprises surface sampling, limited aircore drilling and mapping • The historic results are not reportable under JORC 2012
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral placer style deposits are possible in Tanzania 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique, however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to fossil shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above

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		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 has not been reported. The previous resource estimate released in February 2018, reported in full composited intervals at greater than 1.7% THM for T1, T2, T3, T4, TC and TN. The additional drilling is infill and extensional drilling and is not material to the Mineral Resources Estimate.
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.*	• No data aggregation methods were utilised, no top cuts were employed and all cut-off grades have been 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*	• Exploration results are not being reported at this time

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	practiced to avoid misleading reporting of Exploration Results.	
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.*	• Detailed mineral assemblage work was undertaken on composite samples from across the resource areas using QEMSCAN analysis undertaken by CSIRO in Perth, WA. • Detailed aerial geophysics was flown over the lease in 2012
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 to further extend mineralisation at TC and Vumbi • Additional work required for the determination of bulk density • Larger scale bulk metallurgical samples for metallurgical performance product marketability are also being considered

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Original laboratory files used to populate exploration database assay tables via an automatic software assay importer where available. • Checks of data by visually inspecting on screen (to identify translation of samples), duplicate and twin drilling was visually examined to check the reproducibility of assays. • Database assay values have been subjected to random reconciliation with laboratory certified values to ensure agreement. • Visual and statistical comparison was undertaken to check the validity of results
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Regular site trips before and during the resource drilling phase were undertaken by Brendan Cummins. Mr Cummins was onsite between the 1st and 3rd August 2018 to observe the drilling and data collection activities
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling*	• The geological interpretation was undertaken by Brendan Cummins and data was used by IHC Robbins and then validated using all logging and sampling data and observations. • Current data spacing and quality is sufficient to indicate grade continuity. The possibility of narrow washouts between drill lines exists but they are not considered likely. • Interpretation of modelling domains was restricted

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation. • *The factors affecting continuity both of grade and geology.*	to the main mineralised envelopes utilising THM sinks and geology logging. • No other interpretations were considered as the Competent Person was satisfied that the sachet logging which was used to define the mineral assemblage composites was effective in outlining the major mineralogical domains. This is the primary objective for any mineral sands resource estimation. • The Mineral Resource estimate was controlled to an extent by the geological and basement surfaces. • The mineralisation for the deposits at Tajiri have been truncated at surface by erosion of the original deposit apart from TC that seems to be covered with low grade material.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Mineral Resource for Tajiri is approximately 3 km long and 800 m wide on average. The deposit ranges in thickness from approximately 1.5 to 24 metres (averaging 11 metres) • Tajiri North the resource is 2.5 km long and 2 km wide with thickness ranging from 1.5 to 15 metres (averaging 6 metres) • T2 resource is approximately 2.4 km long and 0.7 km wide ranging from 4.5 to 16.5 metres thick (averaging 11 metres) • T3 resource is approximately 4.2 km long and 0.7 km wide ranging from 1.5 to 15 metres thick (averaging 5 metres) • T4 resource is approximately 3.8 km long and 0.4 km wide ranging from 1.5 to 21 metres thick (averaging 12.5 metres) • TC resource is approximately 3.6 km long and 0.5 km wide ranging from 3 to 66 metres thick (averaging 39 metres) • The Vumbi resource is approximately 3.8 km long and 1.2 km wide with thickness ranging from 1.5 to 18 metres (averaging 5.7 metres)
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.*	• The mineral resource estimate was conducted using CAE mining software (also known as Datamine Studio). Inverse distance weighting techniques were used to interpolate assay grades from drill hole samples into the block model and nearest neighbour techniques were used to interpolate index values and nonnumeric sample identification into the block model. The mostly regular dimensions of the drill grid and the anisotropy of the drilling and sampling grid allowed for the use of inverse distance methodologies as no de-clustering of samples was required. Appropriate and industry standard search ellipses were used to search for data for the interpolation and suitable limitations on the number of samples

Criteria	JORC Code explanation	Commentary
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	and the impact of those samples was maintained. An inverse distance weighting of three was used so as not to over smooth the grade interpolations. Hard domain boundaries were used and these were defined by the geological wireframes that were interpreted. • No assumptions were made during the resource estimation as to the recovery of byproducts. • Slimes and oversize contents are estimated at the same time as estimating the THM grade. Further detailed geochemistry is required to ascertain deleterious elements that may affect the marketability of the heavy mineral products • The average parent cell size used for the interpolation was approximately half the standard drill hole width and a half the standard drill hole section line spacing. • The dominant drill grid spacing for the T3 deposit was 50 m across strike × 150 m along strike x 1.5 m down hole (with some wider spaced drill holes at 200 to 300 m along strike). This led to the selection of parent cell dimensions in XYZ of 25 m x 75 m x 1.5 m in order to have a floating cell between drill holes and drill lines. • For the T4, and TC deposits the dominant drill spacing was 50 m x 200 m x 1.5 m down hole. This led to a parent cell size of 25 m x 100 m x 1.5 m. • The Vumbi deposit dominant drill spacing was 200 m x 400 m x 1.5 m down hole. This led to a parent cell size of 100 m x 200 m x 1.5 m. • No assumptions were made regarding the modelling of selective mining units however it is assumed that a form of dry mining will be undertaken and the cell size and the sub cell splitting will allow for an appropriate dry mining preliminary reserve to be prepared. Any other mining methodology will be more than adequately catered for with the parent cell size that was selected for the modelling exercise. • No assumptions were made about correlation between variables. • The Mineral Resource estimates were controlled to an extent by the geological / mineralisation and basement surfaces. • Grade cutting or capping was not used during the interpolation because of the regular nature of sample spacing and the fact that samples were not clustered nor wide spaced to an extent where elevated samples could have a deleterious impact on the resource estimation. • Sample distributions were reviewed and no extreme outliers were identified either high or low that necessitated any grade cutting or capping.

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		• The sample length of 1.5 m does result in a degree of grade smoothing also negating the requirement for grade cutting or capping. • Validation of grade interpolations were done visually In CAE Studio (Datamine) software by loading model and drill hole files and annotating and colouring and using filtering to check for the appropriateness of interpolations. • Statistical distributions were prepared for model zones from drill hole and model files to compare the effectiveness of the interpolation. Along strike distributions of section line averages (swath plots) for drill holes and models were also prepared for comparison purposes
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages were estimated on an assumed dry basis. A bulk density algorithm was prepared using first principles techniques coupled with industry experience that is exclusive to IHC Robbins. We believe the bulk density formula to be appropriate and fit for purpose at this level of confidence for the Mineral Resource estimates.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Cut-off grades for THM and SLIMES as well as hardness were used to prepare the reported resource estimates. These cut-off grades were defined by IHC Robbins as being based soundly on experience, the percentage of VHM and the grade tonnage curves taken in consideration with the grade distribution along the length of the deposits.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• No specific mining method is assumed other than potentially the use of dry mining scrapers and excavators into trucks. This allows for quite a selective mining process while still maintaining bulk economies of scale as the dark THM at the base of the orebody allows for excellent visual acuity and therefore grade control. To this end no minimum thickness was assumed for the reporting of the mineral resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation*	• Metallurgical assumptions were used based on mineral assemblage composites which at this stage only allow for preliminary commentary with no detailed chemistry or sizing of mineral species.

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	of the basis of the metallurgical assumptions made.	
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made regarding possible waste and process residue however disposal of byproducts such as SLIMES, sand and oversize are normally part of capture and disposal back into the mining void for eventual rehabilitation. This also applies to mineral products recovered and waste products recovered from metallurgical processing of heavy mineral.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density used for the Tajiri project has been developed by IHC Robbins from experience of working with these styles of ore bodies. A bulk density algorithm was prepared using first principles techniques coupled with industry experience that is exclusive to IHC Robbins. We believe the bulk density formula to be appropriate and fit for purpose at this level of confidence for the Mineral Resource estimates • The bulk density is calculated as an in situ dry bulk density and once material has been dug up invariably this bulk density cannot be used. The bulk density is however used on wet poured HMC (heavy mineral concentrate) from mining and concentrating and is successful at estimating density and therefore tonnages for stockpiles.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The resource classification for the Tajiri deposits was based on the following criteria: drill hole spacing and the distribution of bulk samples. • The classification of the Indicated Resources was supported by all of the supporting criteria as noted above. • As a Competent Person, IHC Robbins Principal Greg Jones considers that the result appropriately reflects a reasonable view of the deposit categorisation.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews of the mineral resource estimate has been undertaken at this point in time.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical*	• Local (nearest neighbour) estimates were undertaken as a preliminary evaluation process. The overall grade interpolation of this method was a fair comparison with inverse distance weighting methodology. • Geostatistical analysis (i.e variography) was

Criteria	JORC Code explanation	Commentary
	procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	undertaken on the THM during the resource estimation of the T3, T4, TC, and Vumbi deposits to determine optimal drill hole and sample spacing to assist with the JORC classification process. • Validation of the model vs drill hole grades by observation, swathe plot and population distribution analysis was favourable • The statement refers to global estimates for the entire known extent of the Tajiri deposits. • No production data is available for comparison with the Tajiri deposits.