

Multi-pronged mineral sands project development strategy advanced during the Quarter

Fungoni Project, Tanzania

- **Mining Licence granted for Fungoni mineral sands project** by the new Tanzanian Mining Commission. With the Fungoni Definitive Feasibility Study (DFS) already completed and all key approvals in place, Strandline is preparing for a development decision.
- **Binding sales contracts secured for 100% of forecast revenue** – final offtake agreement signed with IMMCO (Industrial Minerals and Metals) Limited covering all the rutile to be produced at Fungoni for the life of the mine. This follows previous agreements for the zircon and chloride ilmenite products.
- **Fixed price contract signed with GR Engineering Services** for 12-month engineering procurement construction and commissioning (EPC) of the Fungoni processing facility.
- **Project development meetings held in Tanzania** between senior representatives of the Tanzanian Mining Commission, the Ministry of Minerals and the Company, with strong support received for the near-term development of Fungoni.
- **Project financing process underway** with the appointment of experienced advisers Azure Capital

Coburn Project, Western Australia

- **Definitive Feasibility Study (DFS) ramped-up** on the zircon and titanium-rich Coburn mineral sands project in Western Australia; DFS on track for completion in the March quarter, 2019.
- Optimisation work, including mine planning, process design, logistics and product marketing, progressing well, with **value-add and de-risking initiatives** being incorporated to improve economics.

Exploration Projects, Tanzania

- **Bagamoyo, central Tanzania - outstanding assay results from maiden air-core drill program** confirmed extensive high-grade zircon-titanium mineralisation from surface, with thickness of 3m to 10.5m. Significant drill results include:
 - **7m @ 5.6% total heavy mineral (THM)** and 18% slimes from surface (Auger)
 - **5m @ 5.6% THM** and 8% slimes from surface (Auger)
 - **7m @ 4.7% THM** and 10% slimes from surface – ended in mineralisation (Auger)
 - **10.5m @ 4.4% THM** and 9% slimes from surface (AC)
 - **7.5m @ 3.9% THM** and 20% slimes from surface (AC)In light of these results, Strandline has set a **maiden Exploration Target at Bagamoyo**.
- **Tajiri, northern Tanzania - commencement of resource drilling at Tajiri** designed to expand the current JORC resource of 147Mt at 3.1% THM; aimed at establishing Tajiri as a Tier-One deposit.



Corporate

- Appointment of Peter Watson as Executive Director of the Company on 10 September 2018.
- Quarterly cash expenditure in line with budget; cash reserves of A\$2.8 million and no debt at 30 September 2018.
- **Mineral sands price environment has continued to strengthen** due to ongoing supply constraints and increasing demand driven by urbanisation, global growth and an extensive array of applications.

EXPLORATION AND DEVELOPMENT UPDATE

Strandline Resources (ASX: STA) (**Strandline**, or the **Company**) is pleased to provide this quarterly update on its 100%-owned heavy mineral sands projects in Australia and Tanzania.

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

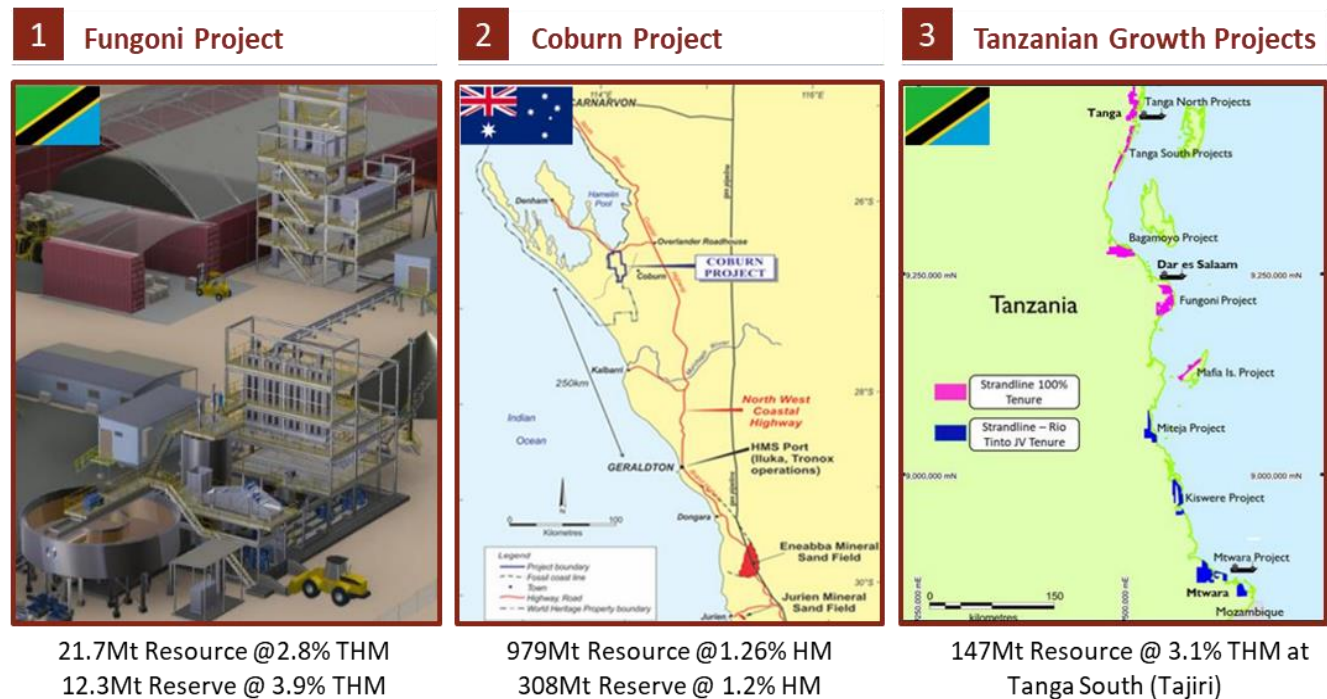


Figure 1 Strandline’s world-wide mineral sands exploration & development projects

Fungoni Project

During the Quarter, the Company announced that the Tanzanian Mining Commission had granted the Mining Licence for the Company’s Fungoni heavy mineral sands project. The Fungoni DFS¹, completed in

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



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October-2017, confirmed the project will be capital efficient, deliver strong financial returns and produce premium-quality zircon and titanium products that are in high demand.

The Company also announced the execution of a binding offtake agreement with IMMCO (Industrial Minerals and Metals) Limited for Fungoni’s rutile product. IMMCO is an experienced commodity trader and consumer of mineral sands based in Europe and Asia. The Fungoni rutile is expected to achieve a premium specification, making it suitable for high-end titanium applications.

All of the forecast project revenue is now secured under binding take-or-pay contracts for the entire life of the mine. The rutile production is expected to generate ~10% of Fungoni’s total project revenue, with the other revenue forecast to be from previously announced offtake agreements for zircon-monazite (over 62% of project revenue – see ASX announcement dated 22 January 2018) and ilmenite (~28% of project revenue - see ASX announcement dated 2 May 2018).



Figure 2 Surface sample from the Fungoni orebody 2018

Following the Quarter’s end, the Company announced the appointment of GR Engineering Services Limited (ASX: GNG) as engineering, procurement and construction (EPC) contractor for the processing plant scope at Fungoni.

The lump-sum EPC contract comprises construction, installation and commissioning of a new 2 million tonne per annum mineral processing plant and supporting infrastructure. The fixed cost contained in the contract is in line with the Fungoni DFS assumptions.



Figure 3 Strandline’s Chairman Didier Murcia engaging with community stakeholders at the Fungoni Project

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Customary conditions precedent to the commencement of the EPC contract apply, including achieving a positive final investment decision for Fungoni before 31 March 2019.

During the Quarter, the Company announced the appointment of Azure Capital, a lending corporate advisory and management consulting firm, to assist in securing debt and equity funding for Fungoni.

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

The highly-strategic commercialisation of Fungoni will provide the Company near-term cash flow and will pave the way for a succession of larger mineral sands project in Tanzania.

Coburn Project – Western Australia

During the Quarter, the Company made strong progress on the Coburn DFS optimisation work, which is on track for completion in the March Quarter, 2019. The optimisation activity is primarily focussing on value-adding and de-risking across mine planning, process design, logistics and product marketing, to enhance project economics and position for a development decision as soon as practical (see ASX announcement 16 October 2018).

Coburn is located in the low-risk mining jurisdiction of Western Australia, approximately 45km west of the North West Coastal Highway, linking to the minerals export port of Geraldton some 250km to the south.

Coburn has an estimated +19-year mine life based on its large JORC Resource of 979Mt at 1.26% HM and Ore Reserve of 308Mt at 1.2% HM and exceptional product basket price comprising zircon and high-TiO₂ minerals. The most recent review of the project was completed in 2015 with a pre-tax NPV₈ of A\$306 million and an IRR of 26%, generating A\$2.9 billion of sales revenue over the 19-years, mining at a rate of 23.4Mtpa².

As part of the DFS, the Company has advanced metallurgical testwork on representative bulk samples from the Coburn orebody, at TZMI's Allied Mineral Laboratories. Product samples are now being distributed to potential offtake partners.



Figure 4 Coburn drilling producing bulk samples

The interim results show the zircon is best-suited for the ceramic and chemical industries and the titanium minerals for chloride pigment and titanium metal production. Both sectors are widely forecast to be in supply deficit over coming years.

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



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With key project approvals already in place, including mining and environmental licences, the project is well positioned to capitalise on the growing mineral sands market.

Stakeholder engagement activities also ramped up during the Quarter, with multiple meetings held with local government and members of the local communities. Coburn is a major long-life project and is earmarked to form a key part of the growth and diversification aspirations of the Shire of Shark Bay (refer Economic Prospectus document <https://www.sharkbay.wa.gov.au>).

The Company recently received its renewed construction licence to “take water” from Department of Water and Environmental Regulation (DWER), and has advanced flora, fauna and water monitoring as required under its active environmental approval received from Environmental Protection Authority

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

Tanga South - Tajiri Project

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

Tajiri comprises a series of higher-grade mineral sands deposits stretching along 20kms of Tanzanian coastline, with JORC Indicated Mineral Resources of 147Mt at 3.1 % THM, containing in-situ valuable minerals of 339,000t rutile, 201,000t zircon, 3,132,000t ilmenite and 322,000t almandine garnet.

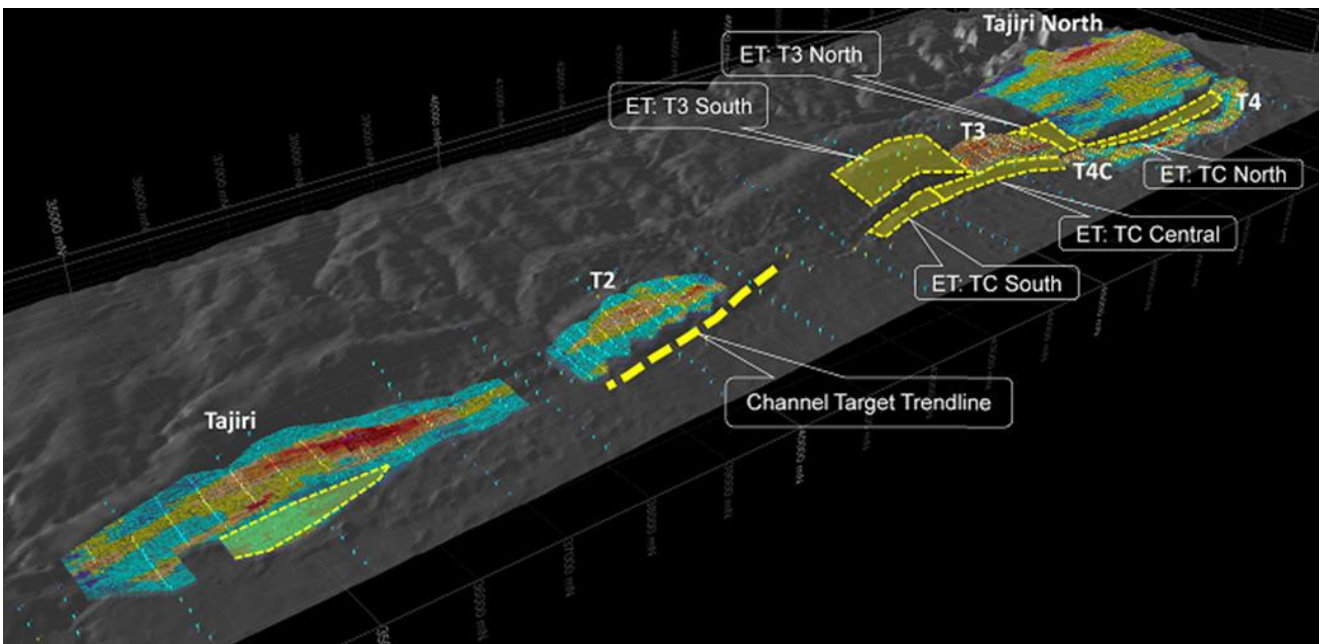


Figure 5 Tajiri Mineral Resources - 3D Image (showing Exploration Target (ET) areas for future exploration and potential to convert mineral resources)

At least three (3) of the defined Mineral Resources remain open including Tajiri T1, T3 and the channel-style target.

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During the previous Quarter, the Company completed drilling across the Tajiri channel-style target zone (see ASX release dated 26 June 2018) discovering thick intersections of mineralisation along a 7.5km strike length running adjacent to existing resources. These results enabled Strandline to revise its Exploration Target for the Tajiri corridor to 73-133Mt at 2.8% to 4.4% Total Heavy Mineral (THM), which is in addition to the currently defined 147Mt Mineral Resources.

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

Subsequent to the Quarter end, the Company commenced an extensive definition drilling program designed to expand the JORC Resources by targeting mineralisation within the updated Exploration Target area (see ASX announcement 23 October 2018).

Bagamoyo Project

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

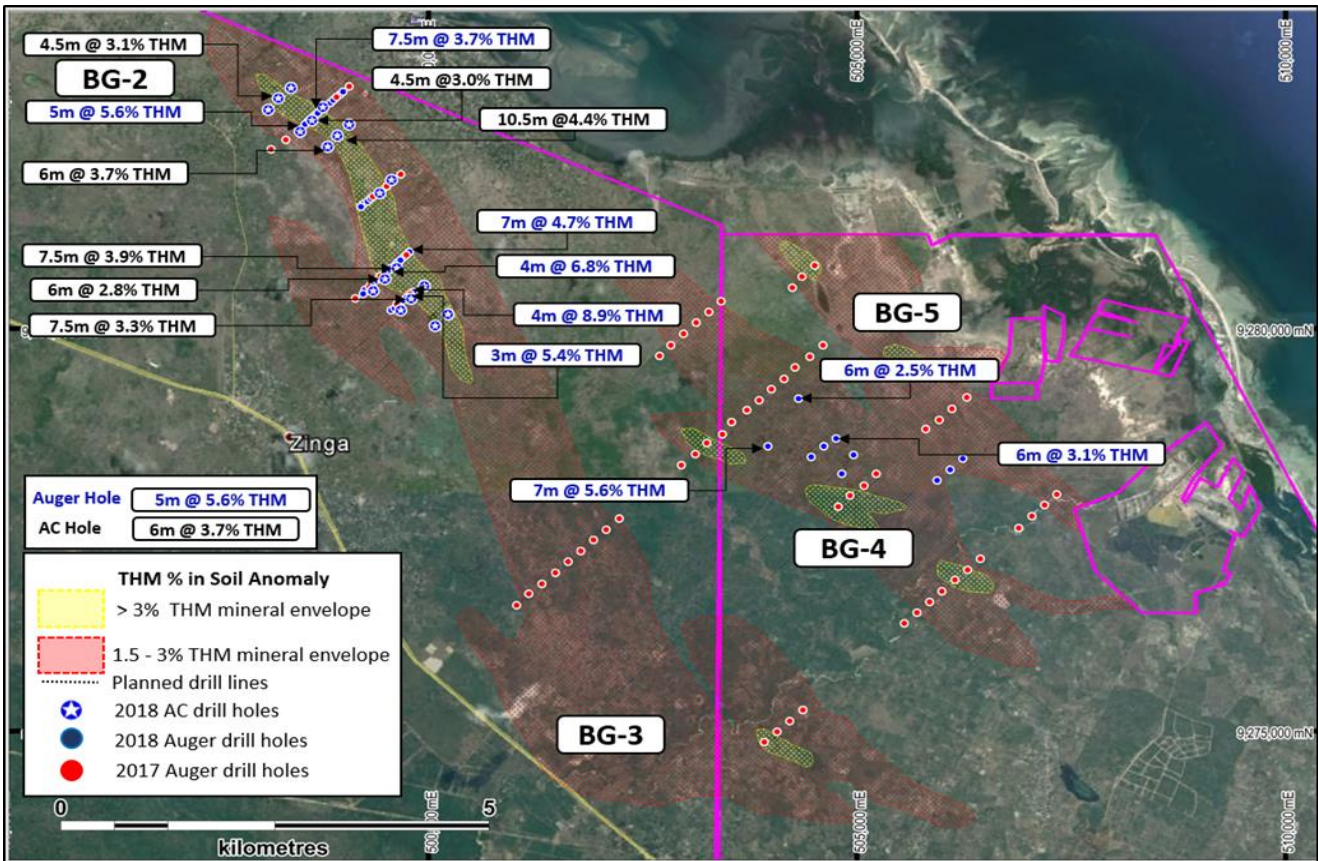


Figure 6 Bagamoyo Project anomalies with significant THM intersects from BG-2 and 4 showing the AC (black boxes and text) and Auger drill holes (blue holes and text) significant results.

The shallow auger drill program was completed across BG-2 and BG-4 using ~50m drill centres along variably spaced drill lines which confirmed the cross-strike continuity of the high-grade zones. The 19 hole, 373 drill metre AC program was designed to test the thickness of mineralisation across the large BG-2 anomaly.

The program identified higher-grade zones ranging from 3m to 10.5m thick from surface, with a cross-strike width ranging between 100 to 250m, which is encouraging.

The AC drill program also confirmed broad, high background heavy mineral content averaging approximately 1.5% THM that contains several high-grade strandlines with THM grades ranging between 4% and 6% THM. Mineral assemblage data has been received from 15 heavy mineral concentrate composites selected across geologic domains from the auger and AC drill programs. The results show a high-value average assemblage, comprising 6.4% zircon, 4.6% rutile, 0.7% leucoxene and 60% Ilmenite with combined rutile and zircon of 11.1%.

In light of these results, the Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM. A further drill program is required to test the veracity of the Exploration Target.

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

Sudi Project – in Joint Venture with Rio Tinto

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

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

Stage 2 involves an option to incur a further US\$4 million expenditure within 2 years to earn an aggregated 75% interest.

During the Quarter, ground reconnaissance work was completed while awaiting approval of a suite of highly prospective tenements located adjacent to Sudi. Once granted by the Tanzanian Mining Commission, the Company will progress the next phase of drilling across priority targets, aimed at identifying more high-grade mineral sands anomalies near Sudi and the port City of Mtwara.

Fowlers Bay Nickel-Gold Project

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

During the quarter exploration activities included the completion of a heliborne electromagnetic (EM) survey with preliminary interpretation identifying four low-moderate targets. Following this, a heritage clearance survey incorporating the identified targets was completed. Exploration activity planned for the next Quarter includes the completion of ground EM surveys designed to follow up two of the heliborne EM target zones, with the survey work scheduled to be completed early in the December Quarter 2018.

CORPORATE

Cash

Consolidated cash on hand was A\$2.8 million as at 30 September 2018.

Equity

During the Quarter 2,291,667 ordinary shares in the Company were issued following the vesting of Performance Rights and 1,808,795 ordinary shares in the Company were issued to employees for their participation on the Company's Short Term Incentive Plan pursuant to shareholder approval given on 24 November 2016.

A summary of the Company's capital structure as at 30 September 2018 is detailed below.

Class of securities	Number
Fully paid ordinary shares	293,416,079
Unlisted options expiring 12/10/18 @ 18c	11,363,922
Unlisted options expiring 30/06/19 @ 18c	35,705,668
Unlisted performance rights expiring 15/08/19	3,975,230
Unlisted performance rights expiring 15/08/20	9,535,105

Executive Appointment

During the Quarter, the Company announced the appointment of Peter Watson as an Executive Director of the Company.

Mr Watson, who joined Strandline's senior management team in 2017, will hold the position of Executive Director, Strategy and Development. He is a chemical engineer with more than 35 years' experience in the global resources sector across senior technical, project, and management roles as well as corporate experience running ASX-listed companies. Mr Watson is also a Fellow of the Institute of Engineers Australia and a Graduate member of the Australian Institute of Company Directors.

Mr Watson will play a central role in the funding and development phase of the Company's Fungoni and Coburn mineral sands projects.

KEY ACTIVITIES PLANNED FOR DECEMBER 2018 QUARTER

During the December 2018 Quarter, the Company plans to advance exploration and development activities across its portfolio of mineral sands projects in Australia and Tanzania.

Key planned activities include:

- Advance the Coburn project DFS, while also engaging with strategic implementation partners relating to product offtake, major contract packages and funding options.
- Continue Fungoni project execution preparation and stakeholder engagement activities to progress final project approvals, land access and funding;
- Progress air-core drilling and evaluation at Tanga South Tajiri with the view to expand Mineral Resources over time; and
- Commence the next phase of drilling in Southern Tanzania in JV with Rio Tinto.

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ABOUT STRANDLINE

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

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

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

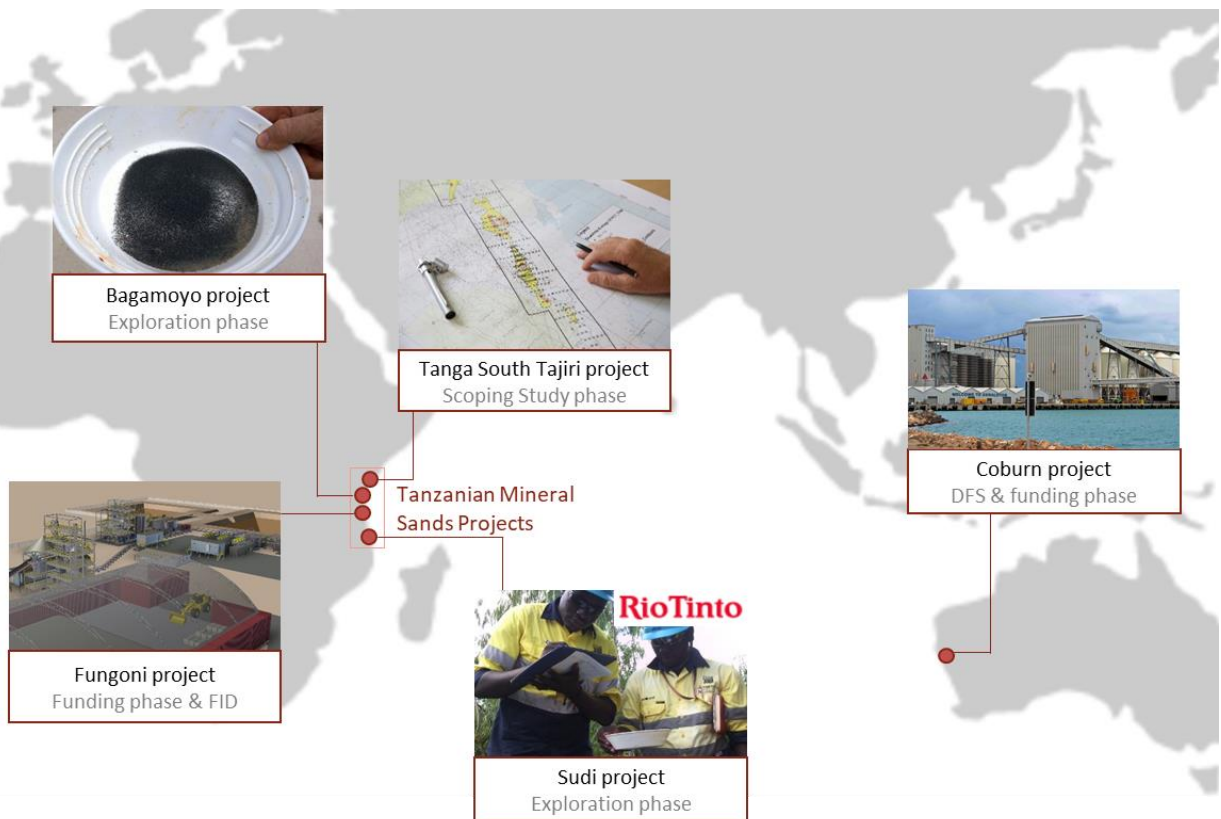


Figure 7 Strandline’s world-wide mineral sands exploration & development projects

ANNEXURE A – MINERAL RESOURCE DATA

Table 1 Mineral Resource Statement for Fungoni at May 2017

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

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

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

Table 2 Ore Reserve Statement for Fungoni Project at October 2017

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	Reserve Category	Ore	Slimes		Heavy Mineral	
		(Mt)	(Mt)	(%)	(kt)	(%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	Total*	12.3	2.3	19	480	3.9

*Note totals may deviate from the arithmetic sum due to rounding.

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

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

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

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

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

Table 5 Coburn Zircon Project Mineral Resource Estimate (January 2010)

MINERAL RESOURCE SUMMARY FOR COBURN HMS PROJECT ⁽¹⁾				
Deposit	Mineral Resource Category	Tonnage ⁽²⁾	Contained HM	HM Grade
		(Mt)	(Mt)	(%)
Amy South	Measured	119	1.5	1.3
Amy Central	Indicated	599	7.2	1.2
Amy North	Inferred	261	3.6	1.4
	Total⁽³⁾	979	12.3	1.26
(1) Cut-off grade applied is 0.8% HM				
(2) Inclusive of Ore Reserves				
(3) Appropriate rounding applied				

Refer to the ASX announcement dated 7 January 2010 for full details of the Ore Reserve and Mineral Resource estimates for the Coburn Project. These estimates have not been updated to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported.

MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Chief Geologist and employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

The information in this report that relates to Mineral Resources for Fungoni is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, an employee of IHC-Robbins and Consultant to Strandline, and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the drill database, geological model interpretation and completed the site inspection. Mr Jones is the Competent Person for the mineral resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for Tanga South Tajiri is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, an employee of IHC-Robbins and Consultant to Strandline, and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee

(JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the drill database, geological model interpretation and completed the site inspection. Mr Jones is the Competent Person for the resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

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

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

FORWARD LOOKING STATEMENTS

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Strandline Resources Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,240)	(1,240)
(b) development	-	-
(c) production	-	-
(d) staff costs*	(251)	(251)
(e) administration and corporate costs	(172)	(172)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Rio Tinto receipts/JV contributions)	-	-
1.9 Net cash from / (used in) operating activities	(1,645)	(1,645)

*Excludes staff costs allocated to exploration & evaluation activities.

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

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

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	120	120
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(10)	(10)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	110	110

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,291	4,291
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,645)	(1,645)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	110	110
4.5 Effect of movement in exchange rates on cash held	18	18
4.6 Cash and cash equivalents at end of period	2,774	2,774

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	536	352
5.2 Call deposits	1,800	3,300
5.3 Bank overdrafts	-	-
5.4 Other ¹ (provide details)	438	639
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,774	4,291

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

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	265
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	35
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Fees paid to MPH Lawyers and Artemis Management Tanzania, being director related entities	

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,313
9.2 Development	-
9.3 Production	-
9.4 Staff costs*	167
9.5 Administration and corporate costs	248
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,728

*Excludes staff costs allocated to exploration & evaluation activities.

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

Compliance statement

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



Sign here:
(Company Secretary)

Date: 31 October 2018

Print name: Flavio Garofalo

Notes

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

Additional Information Required by LR 5.3.3

Tenement Schedule

Tenement Number	Name/Location	Interest
Tanzania		
Mineral Sands Projects		
PL 7321/2011	Tajiri	100%
PL 7499/2011	Fungoni	100%
PL 7588/2012	Kitambula	100%
PL 7666/2012	Pangani	100%
PL 7753/2012	Bagamoyo	100%
PL 7754/2012	Fungoni	100%
PL 7940/2012	Kiswera North	100%*
PL 7960/2012	Tongoni	100%
PL 8008/2012	Tanga North	100%
PL 8123/2012	Tongoni North	100%
PL 9427/2013	Kitambula	100%
PL 9951/2014	Fungoni South	100%
PL 9969/2014	Sud	100%*
PL 9970/2014	Madimba	100%*
PL 9972/2014	Miteja	100%*
PL 9976/2014	Tanga	100%
PL 9977/2014	Songa	100%*
PL 9980/2014	Kiswera South	100%*
PL 10265/2014	Bagamoyo	100%
PL 10424/2014	Ziwani	100%*
PL 10425/2014	Tanga North	100%
PL 10429/2014	Mkwaja	100%
PL 10978/2016	Fungoni South	100%
PL 11025/2017	Naumbu	100%*
PL 11029/2017	Fungoni South	100%
PL 11030/2017	Fungoni West	100%
PL 11076/2017	Bagamoyo	100%
PL 11131/2017	Sudi Central	100%*
* Subject to Earn-in and Joint Venture Agreement with Rio Tinto		
Australia		
Coburn Mineral Sands Project		
EL 09/939	Shark Bay District, Western Australia	100%
EL 09/940	Shark Bay District, Western Australia	100%
M 09/102	Shark Bay District, Western Australia	100%
M 09/103	Shark Bay District, Western Australia	100%
M 09/104	Shark Bay District, Western Australia	100%
M 09/105	Shark Bay District, Western Australia	100%
M 09/106	Shark Bay District, Western Australia	100%
M 09/111	Shark Bay District, Western Australia	100%
M 09/112	Shark Bay District, Western Australia	100%
L 09/21	Shark Bay District, Western Australia	100%
L 09/43	Shark Bay District, Western Australia	100%
Fowlers Bay Gold-Base Metal Project**		
EL 5880	Ceduna District, South Australia	100%**
** Western Areas earning 90%		