

# ASX ANNOUNCEMENT

24 November 2016



**STRANDLINE**  
resources limited

## CHAIRMAN'S ADDRESS: 2016 ANNUAL GENERAL MEETING

Good morning Ladies and Gentlemen and welcome to Strandline's 2016 Annual General Meeting.

I am pleased to report that the Company has emerged from the past 12 months in a strong position, with a clear strategy in place for growth.

Our exploration results have reinforced the prospectivity existing within Strandline's highly strategic portfolio of 100%-owned mineral sands projects in Tanzania, which are spread along 350km of coastline (see Figure 1).

The Company cemented a long term strategic relationship with the Tembo Capital (Tembo) private equity fund group which saw the Company complete a \$6.6 million funding package, cornerstoned by Tembo.

The Company is now in a strong financial position to deliver on its exploration and development objectives, to define a pipeline of investment grade mineral sands projects superior to peers and to become a near-term, low cost, high value titanium and zircon producer in Tanzania through the potential commercialisation of the Fungoni project.

12 months ago Strandline commenced a maiden aircore drilling programme in Tanzania, following the consolidation of the ground holdings acquired from Jacana. This programme led to the discovery of mineralisation and resources at the Tanga South Project in northern Tanzania and the Madimba East Project near the port town of Mtwara in southern Tanzania.



Figure 1. Strandline Resources' Tanzania Projects and Prospects

At Tanga South (which includes the Tajiri and Tajiri North deposits), a maiden Mineral Resource was announced on 4 April. Excitingly, these Resources remain open along strike within a much larger 25km long mineralised corridor (Tajiri Mineralised Corridor) and demonstrate a high value assemblage composition in the order of 12% Rutile, 6% Zircon, 6% Le and 65% Ilmenite.

At Madimba East, as announced on 27 April, aircore exploration drilling intersected zircon-rich heavy mineral sands.

Importantly, mineralisation at each of these deposits commences at surface and consists of unconsolidated sand and is close to key infrastructure, which may be favourable for any future project development.

Work at the most advanced zircon-rich Fungoni Project has culminated in a positive scoping study completed by TZMI as announced by the Company on 23 February. The Project is located close to established port, power and other infrastructure at Dar es Salaam.

Recent drilling results for Fungoni announced by the Company on 17 November, has highlighted the potential to enhance the current Mineral Resource which will have a positive impact on the economic investment case for the Project. The Company has recently mobilised its exploration team back to Fungoni and drilling has commenced to test the potential for a new resource extension to the northwest of the existing orebody.

The Company is working with high quality mining and engineering groups to advance development of the Fungoni high grade deposit with a view to generate a low risk cashflow for the Company within the next 24 month period.

The Company has completed a comprehensive airborne magnetic and radiometric survey across all of Strandline's project areas in Tanzania. Integration of this high quality geophysical data with the Company's extensive surface geochemical database has proven to be a powerful tool in identifying new zones of heavy mineral sands at surface across our exploration package. Subsequent aircore drilling of these targets has resulted in an excellent success rate of discovering HMS mineralisation.

The Tanga South region (comprising the Tajiri Mineralised Corridor, Pangani and Tongoni) is a focus of current exploration activities. We have recently completed two stages of drilling in this region. Firstly, an aircore extension drill programme along 25Km of the Tajiri corridor, which has identified new zones of mineralisation and, when combined with the existing Indicated Mineral Resources, bodes well for the Company to achieve our exploration objectives for this region over time.

The second stage, just north of Tajiri between the townships of Pangani and Tanga, Strandline has also recently completed drilling priority targets along the 30km long mineralised corridor. Results of this Pangani-Tongoni drilling campaign will be received and evaluated in due course.

The combined effect of the above developments is that Strandline has now discovered mineralised areas across large portions of the 850km long Tanzanian coastline, confirming that significant potential exists within the Company's Tanzanian portfolio and vindicating our belief that Tanzania hosts mineral sands deposits potentially comparable to, or better than, those being mined in neighbouring Kenya or Mozambique.

Entering into a long term strategic relationship with Tembo has been an important step to assist the Company to further discover and exploit its dominant mineral sands position in Tanzania with the view to transition from explorer-developer to developer-producer in the near term.

Tembo has indicated that it has a long-term investment strategy in relation to the Company and an appetite to invest up to US\$20M in total in Strandline, or its projects, over the medium term (subject to the Company's funding requirements and all relevant approvals being obtained as and when required).

Strandline has recently appointed Luke Graham as Managing Director and CEO to lead the Company in the execution of strategic development opportunities. Luke is an engineering professional with over 20 years' experience in the resources sector and has significant project implementation and business leadership experience. Luke has first-hand experience in the development of international mineral sands projects and he will lead the Company through the next step-change of growth in exploration and project development.

In conclusion, I believe that Strandline is poised for a strong period of growth. We have put in place a high quality management team and we have good support from our major shareholders, including Tembo. The Company has made excellent progress with progressing its suite of 100% owned projects in Tanzania and we are seeing positive movement in market conditions in the mineral sands industry.

I would like to thank our team of dedicated personnel who has worked very hard over the past 12 months to deliver the excellent exploration results we have seen to date.

I also thank our shareholders for their ongoing support and assure you we have a hard working team who is focussed on delivering results for shareholders.

Thank you.

**Didier Murcia**  
**Non-Executive Chairman**

### **About Strandline**

Strandline Resources Limited (ASX: STA) is a Tanzanian-focused mineral sands developer positioned within the world's major zircon and titanium producing corridor in South East Africa. Strandline has a dominant mineral sands position with a series of 100% owned projects spread along 350km of the 850km Tanzanian coastline.

Following the recent placement and Rights issued cornerstoned by Tembo Capital, the Company is financially robust and as at 30 September had A\$4.4 million in the bank. This position underwrites an aggressive exploration and development strategy to progress quality "low cost" projects based on high value titanium and zircon products.