



Strong progress at each project sees Strandline advance its strategy to capitalise on growing mineral sands market

Fungoni Project, Tanzania

- **Binding sales contracts now total 90% of forecast revenue** – a binding offtake agreement with China's Maoming Ubridge Group Mineral Industry Company covering all the ilmenite to be produced at Fungoni for the Life of Mine was executed. This is in addition to the previously announced zircon-monazite sales agreement with Hainan Wensheng High-Tech Materials Company.
- **Execution planning and project funding** activities continued and the project is well positioned to benefit from an improving mineral sands commodity outlook and, in particular, the emerging zircon structural supply gap forecast for the market through 2018 and beyond.

Tanzania Exploration – Tanga South Tajiri Project

- **Strong drilling results point to substantial Resource increase** - latest reconnaissance drilling at Tajiri exceeded the Company's expectations in terms of thickness of mineralisation, grade and strike length. High-grade mineral sands have now been outlined over a 7.5km strike length and up to 60m thick. Results point to a potential large increase in Tajiri's Resource estimate, which already hosts a JORC compliant Mineral Resource estimate of 147Mt at 3.1% THM; a Scoping Study is also underway

Coburn Project, Western Australia

- **Revised Definitive Feasibility Study (DFS) commenced** on the zircon-rich Coburn mineral sands project in Western Australia. GR Engineering Services, TZMI's Allied Mineral Laboratories, AECOM, and mining specialist AMC Consultants have now been appointed to advance key technical aspects of the project. Key project approvals are already in place.
- **Completion of drilling generating bulk samples** which will be used in offtake negotiations and refinement of process design parameters.

Corporate

- **Mining Commission established** by the President of United Republic of Tanzania under the Tanzanian Mining Act. The establishment of the Commission now paves the way for Mineral Rights, including Mining and Prospecting Licences, to be processed and granted.
- **Cash reserves of A\$4.3 million** and no debt at 30 June 2018
- Research and development rebate of A\$0.3 million received from the Australian Government
- Exercise of unlisted options raising A\$1.9 million
- Appointment of Mr Flavio Garofalo as CFO & Company Secretary

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 during the quarter on the heavy mineral sands projects including 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 exploration targets spread along 350km of highly prospective Tanzanian coastline, including the advanced Tanga South Tajiri Project and highly prospective Bagamoyo and the Sudi projects.

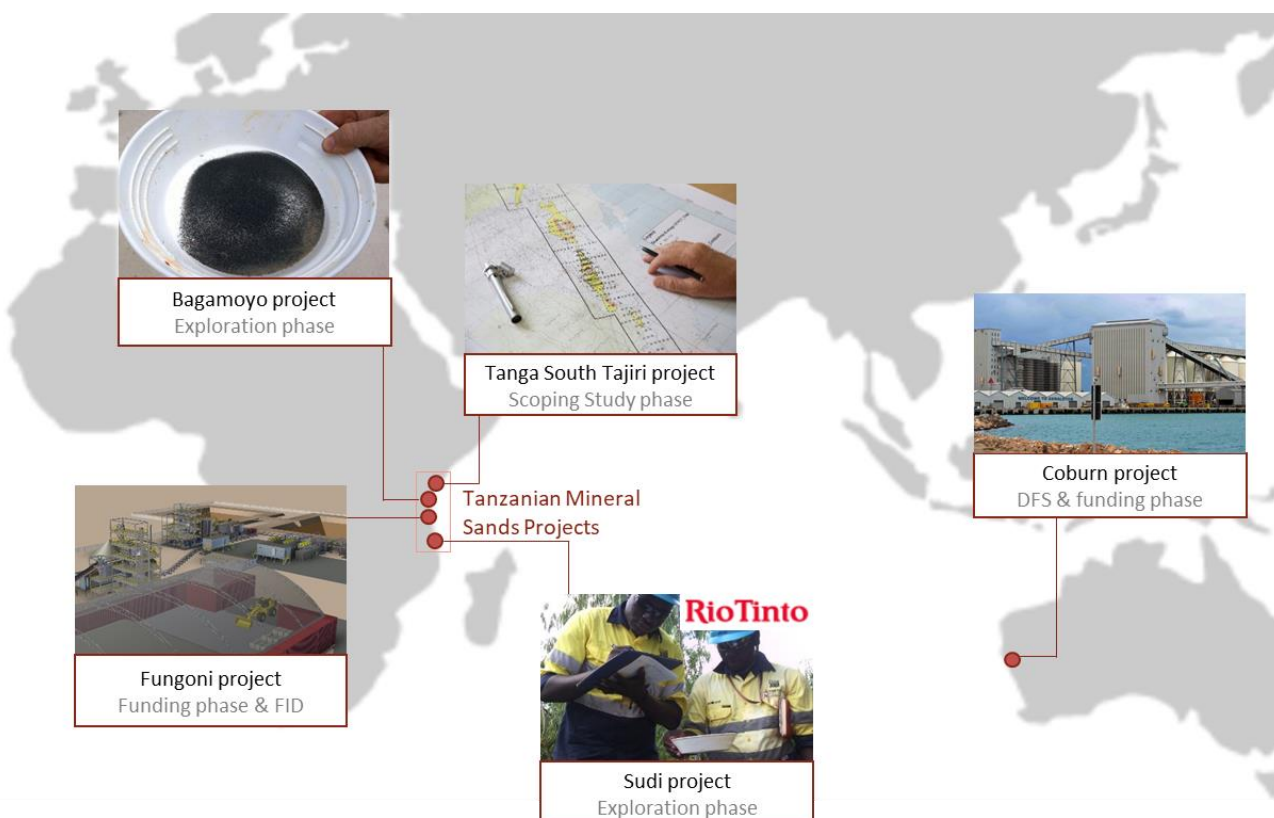


Figure 1 Strandline's world-wide mineral sands exploration & development projects

Fungoni Project

The Company took another significant step towards bringing its first mineral sands project into production, securing a binding offtake agreement for 100% of the ilmenite which will be produced at its Fungoni mineral sands project in Tanzania (see ASX release dated 2 May 2018). The Agreement was executed with China's Maoming Ubridge Group Mineral Industry Company.

Based on the pricing formulae contained in the Agreement and otherwise using the assumptions contained in the Fungoni Definitive Feasibility Study (DFS) (see ASX release dated 6 October, 2017), the ilmenite production is expected to generate 28% of Fungoni's total revenue. **Total binding sales contracts now cover 90% of forecast revenue for the project.**

The remaining project revenue is expected to be from zircon-monazite (over 62%, offtake has already been secured see ASX announcement dated 22 January 2018) and rutile (~10%), for which sales discussions are ongoing.

Fungoni's high unit value orebody assemblage and low costs underpin strong financial returns, with a fast payback period of 2.7 years from the start of construction and a first quartile revenue-to-cost ratio of over

2.7. The Fungoni Project is ideally positioned to benefit from an improving mineral sands outlook and in particular, the emerging zircon structural supply gap forecast to emerge this year. The zircon and ilmenite pricing formulae are leveraged to improving market conditions.

The Fungoni DFS confirms the project will deliver strong financial returns, has a high unit value product suite, is capital-efficient and demonstrates the strategic potential of the Company's portfolio of mineral sands assets in Tanzania.

The project is favourably located ~25km from the Dar es Salaam port in a growing commercial/industrial district and will benefit from existing infrastructure in the region.

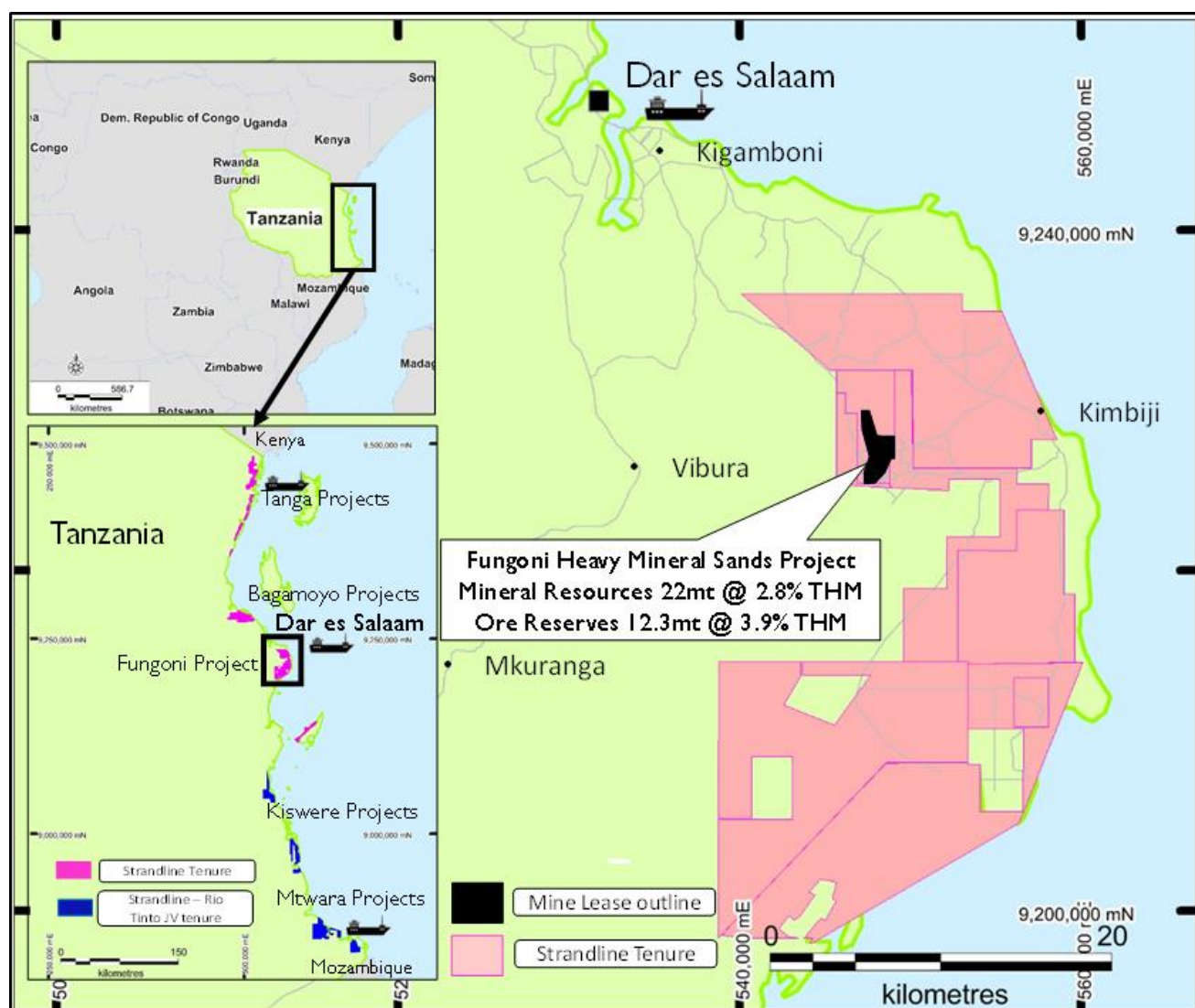


Figure 2 Fungoni Project map – located ~25km from Dar es Salaam Port

Key highlights of the Fungoni DFS¹ include:

- Low development capital cost of USD 30 million, including mine infrastructure, port facilities, working capital, land access, pre-production mining, owner's costs and project contingencies of 10%;
- Maiden ore reserve of 12.3 Mt @ 3.9% Total Heavy Mineral (THM), with opportunities to grow reserves and mine life, further increasing financial returns;

¹ Refer to the ASX Announcement dated 06 October 2017 for full details of the material assumptions underpinning the production target and financial results for the Fungoni Project. The Company confirms that all the material assumptions underpinning the production target and financial results continue to apply and have not materially changed.

- Outstanding Internal Rate of Return and revenue-to-operating cost ratio of 2.7 (first quartile);
- Project Pre-Tax NPV of USD 42.9 million (AUD 57.2 million at USD/AUD 0.75) based on a 10% discount rate and TZMI's September-2017 commodity price forecast;
- Life of Mine (LOM) Revenue of USD 168 million (AUD 224 million) and LOM EBITDA of USD 98 million;
- Binding offtake Agreements signed for 100% of zircon-monazite and ilmenite products for the Life of Mine, based on "take-or-pay" arrangement with letter of credit, representing ~90% of projected project revenue;
- Environmental Certificate granted and Mining Licence Application submitted;
- Nominal 12 month design, construction and commissioning period and 2.7 year payback period from start of construction;
- Modular relocatable infrastructure with state-of-the-art processing technology which can be re-used at Strandline's other mineral sands assets in Tanzania;
- "Low impact" mining philosophy with progressive backfill and rehabilitation of the mined area; returning the land to pre-mining state; and
- Fungoni will generate a host of key social and economic benefits including capital inflows to Tanzania, significant job creation, training and job diversity, transferable skills development as well as community engagement programmes.

Tanga South - Tajiri Project

The 100%-owned Tajiri tenement comprises a series of higher-grade mineral sands deposits stretching along 20kms of Tanzanian coastline. At least three (3) of the defined Mineral Resources remain open including Tajiri T1, T3 and the channel-style target.

Reconnaissance drilling across the Tajiri channel target was completed during the quarter with results exceeding the Company's expectations in terms of thickness of mineralisation, grade and strike length (see ASX release dated 26 June 2018). Tajiri is Strandline's second major mineral sands project in Tanzania behind the 'development-ready' Fungoni project.

The reconnaissance drilling returned multiple intersections of high-grade mineral sands from surface and up to 60m thick with significant results including:

- 19TJAC1941 - **60m @ 4.7% Total Heavy Mineral (THM)** from surface to EOH including 34.5m @ 5.8% THM from surface
- 19TJAC1940 - **60m @ 5% THM** from surface to EOH including 37.5m @ 6.0% THM from surface
- 19TJAC1934 - **52.5m @ 3.0% THM** from surface including 33m @ 3.5% THM from 19.5
- 18TJAC1933 - **60m @ 3.5% THM** from surface to EOH including 40.5m @ 4.7% THM from 19.5m
- 18TJAC1932 - **60m @ 3.9% THM** from surface to EOH including 46.5m @ 4.6% THM from 13.5m

The latest drill program of 13 holes for 722 metres targeted along the eastern margin of a prominent NNW trending limestone ridge that is traceable for approximately 13km from the Pangani River in the north of the license heading to the south. The holes were spaced approximately every 1km to 1.5km with each hole encountering thick intervals of mineralised sand (refer Annexure A - Material Drill Hole Intersections).

The results highlight the strong potential to extend the existing Tajiri T4C Channel Mineral Resource at Tajiri to the north and south along the 7.5km strike length. Tajiri's JORC Indicated Mineral Resources stand at 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. The Channel target (T4C) currently accounts for 10Mt of this at 3.4% THM.

Visual estimates of the heavy mineral sand sachets from this phase of drilling confirm similar mineral assemblage range to Tajiri T4C and T3 resources, but detailed laboratory test work is currently being undertaken by the Company to confirm the actual valuable assemblage. T4C resource contained an average mineral assemblage of 44% ilmenite, 31% garnet, 5% rutile and 2% zircon and T3 contained 68% ilmenite, 5% garnet, 6% rutile, 5% zircon and 1% leucoxene.

In light of these results the Company is currently planning a resource definition drilling campaign at the Tajiri channel target and other priority areas in the Tanga region.

Further, the Company has been able to update an Exploration Target estimate for the remainder of the undrilled portion of the 7.5km long mineralised channel and other areas within the Tajiri tenement .

The Exploration Target is an estimate of potential heavy mineral sands tonnage where there has been insufficient exploration for Mineral Resource Estimation.

The Company has now defined an **Exploration Target** of **73 to 133Mt at 2.8% to 4.4% THM**. This is in addition to the current Indicated Resources of 147Mt @ 3.1% HM already delineated.

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.

Table 1 Updated Exploration Target for the Tajiri Mineralised Corridor

Zone	Lower Thickness (m)	Upper Thickness (m)	Lower Tonnage (Mt)	Upper Tonnage (Mt)	Lower Grade	Upper Grade
Tajiri Extension	2.5	7.5	0.8	2.4	2.8% THM	4.4% THM
T3 North	2.5	7.5	2	5.9		
T3 South	2.5	7.5	5.4	16.4		
TC North	30	50	26.7	44.4		
TC Central	30	50	24.0	40.1		
TC South	30	50	14.2	23.7		
Totals			73	133		

Refer Annexure B for the JORC compliant Mineral Resources Table for Tajiri project.

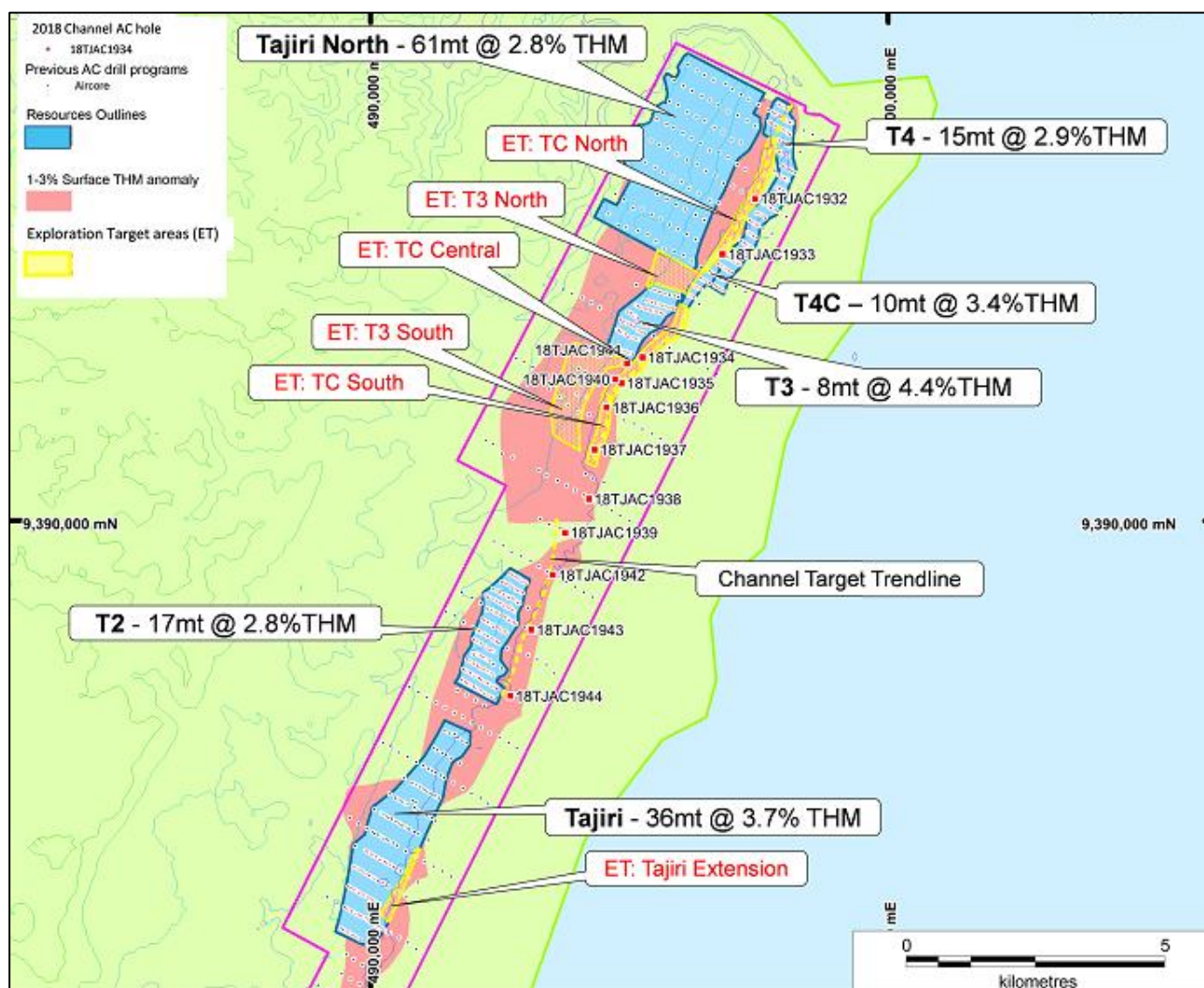


Figure 3 Tanga South Tajiri tenement with currently defined Mineral Resources and Exploration Target areas identified

Sudi Project

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.

Exploration activities to date have outlined minerals sands anomalies with elevated grades and high-value assemblage from surface with the next phase of drilling to commence across priority targets at Sudi and other areas of interest in Southern Tanzania (see ASX release dated 14 March 2018).

Bagamoyo Project

The Company completed its maiden auger drilling program at the Bagamoyo mineral sands project last quarter with strong results returned. Assay results showed that mineralisation continues below the extensive soil anomaly identified in earlier exploration work carried out.

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Following the success of the recent drill program, the Company is planning an air core drill program over several higher grade zones – results from the program are pending (see ASX release dated 12 March 2018).

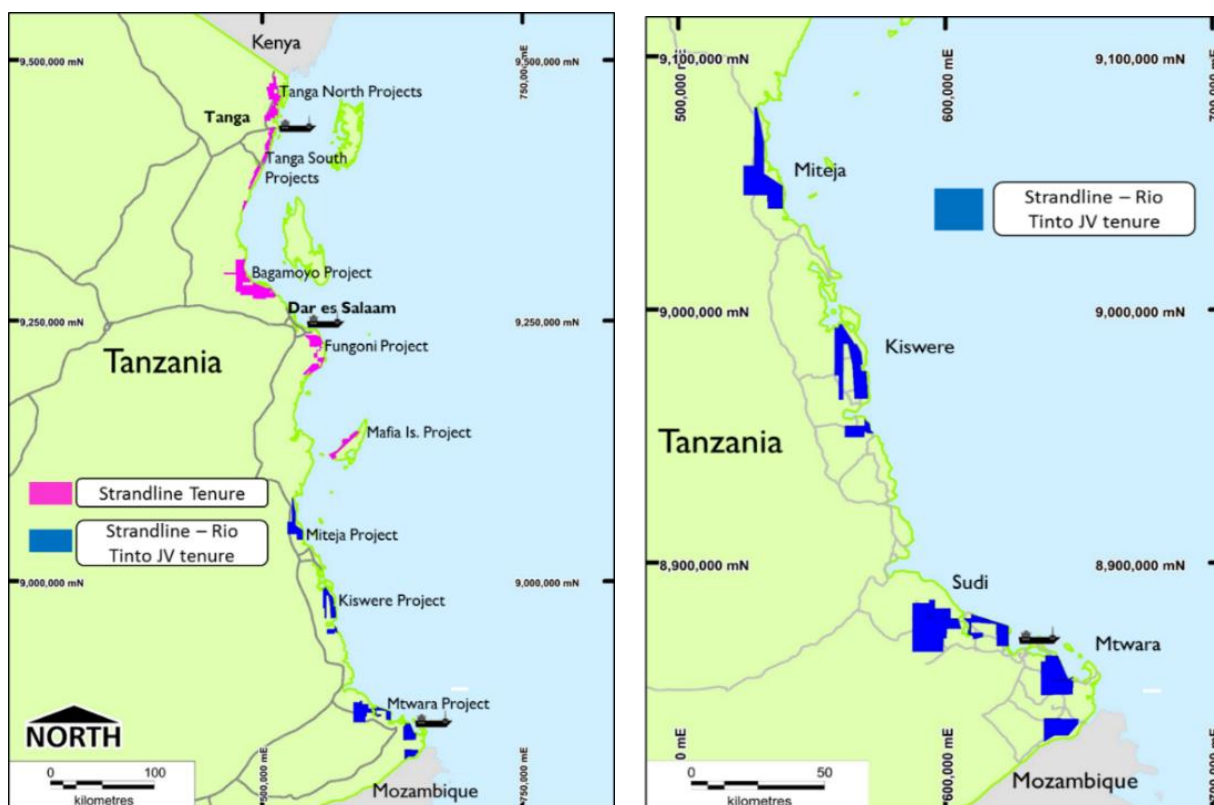


Figure 4 – Rio Tinto JV encompasses some of the Company’s southern tenements including the Miteja, Kiswera, Sudi and Mtwara prospects

Coburn Project

Coburn is located approximately 45km west of the North West Coastal Highway, linking the port of Geraldton some 250km to the south with coastal towns in the Gascoyne, Pilbara and Kimberley region. The project has key project approvals already in place, including mining and environmental licenses, and is well positioned to capitalise on the growing strength of the mineral sands market.

During the quarter the Company commenced a revised Definitive Feasibility Study (DFS) on its 100%-owned Coburn mineral sands project in WA. The DFS will redefine the technical and commercial aspects of the project. The Company initiated the DFS after receiving positive results from its internal project reviews and market engagement activities, which were undertaken in response to the significant upturn in the mineral sands market and improving industry dynamics.

The Company appointed leading specialist consultants and contractors to undertake key technical work as part of the DFS and include:

- GR Engineering Services - Process and non-process infrastructure design, DFS compilation, and development of overall definitive-level capital and operating cost estimates
- AMC Consultants - Mine study and pit optimisation development
- IHC Robbins - Geology and Mineral Resource review
- TZMI’s Allied Mineral Laboratories - Bulk metallurgical test work and marketing analysis
- AECOM Australia – environmental monitoring, project permitting and stakeholder engagement
- Qube Bulk - mine-to-ship logistics study for bulk mineral sands exports

Coburn has a large JORC Mineral Resource of 979Mt at 1.26% HM and Ore Reserve of 308Mt at 1.2% HM, a projected +19 year mine life and high-value product suite of zircon and high titanium minerals.

An air core drilling campaign was completed during the quarter to produce bulk samples which can be used to confirm process optimisation parameters and test modern processing technology which is expected to improve plant performance and product marketability (and ultimately, offtake negotiations).

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 a projected 19-year life, mining at a rate of 23.4Mtpa².

Fowlers Bay Nickel-Gold Project

Exploration activities, being funded by joint venture partner Western Areas Limited (ASX: WSA) (Western Areas), continued over Strandline's 700km² Fowlers Bay Project in the Western Gawler region of South Australia.

Activities reported by Western Areas include the following:

- Following the receipt of environmental and landholder approvals, a total of 16 air core drillholes were completed for a total of 908m of drilling. The air core program tested a number of interpreted geophysical targets and prospective geological trends. Assay results received to date have identified regionally anomalous geochemical zones (including gold) which will be evaluated within the broader context of the Western Gawler Project.
- Forward work programs for EL5880 includes the completion of a heliborne EM survey over the northern extents of lease in July, as part of a broader regional survey. Any resulting targets will be incorporated into follow-up drilling programs planned for the second half of 2018.



Figure 5 – Coburn project location map, 250km north of Geraldton port

Corporate

Cash

Consolidated cash on hand was A\$4.3 million as at 30 June 2018.

Equity

During the quarter 16,523,426 unlisted options at 12 cents each with an expiry date of 30 June 2018 and 2,332 unlisted options at 18 cents each were exercised and converted into fully paid ordinary shares in the Company raising \$1.98 million.

A total of 16,327,609 unlisted options at 12 cents each expired unexercised in accordance with their terms and conditions on 30 June 2018. A summary of the Company's capital structure is detailed below.

Class of securities	Number
Fully paid ordinary shares	289,315,617
Unlisted options expiring 12/10/18 @ 18c	11,363,922
Unlisted options expiring 30/06/19 @ 18c	35,707,925
Unlisted performance rights expiring 15/08/18	2,291,667
Unlisted performance rights expiring 15/08/19	3,975,230
Unlisted performance rights expiring 15/08/20	8,305,938

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.

New Mining Commission

During the Quarter, the Government of Tanzania has announced the establishment of the Mining Commission in accordance with the Mining Act. The key announcement was made by the President of the United Republic of Tanzania, John Pombe Magufuli.

The Mining Commission is the body empowered to regulate the effective implementation of the provisions of the Mining Act, including the granting of Mineral Rights such as Mining Licences. Following completion of the Fungoni DFS, Strandline submitted an updated Mining Licence Application for the Fungoni Project in March 2018 to ensure compliance with Tanzania's new Mining Regulations. The establishment of the Mining Commission now provides the body that is able to evaluate and grant applications under the Mining Act.

Research & Development Rebate

During the Quarter, the Company received a research and development rebate of \$0.27 million from the Australian Government in relation to the 2016-17 financial year. The rebate relates to the mine infrastructure and advanced processing design for the Fungoni Mineral Sands Project.

Executive Appointment

During the Quarter, the Company announced the appointment of Mr Flavio Garofalo to the roles of Chief Financial Officer (CFO) and Company Secretary.

Mr Garofalo is a finance and corporate executive with over 20 years' experience in the mining industry and has held multiple senior executive roles for ASX listed mining companies. His financial background includes the roles of General Manager of Finance, CFO and Company Secretary and was most recently with Fortescue Metals Group as Commercial Manager.

KEY ACTIVITIES PLANNED FOR SEPTEMBER 2018 QUARTER

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

Key planned activities include:

- Continue Fungoni project execution preparation and stakeholder engagement activities to progress final project approvals and funding;
- Ramp-up Tanga South Tajiri Scoping Study and plan next drill program with a view to further expanding the Mineral Resource inventory;
- Evaluate exploration results from recent Tanzanian drill programs and undertake planning in readiness for the next drill season in northern and southern Tanzania; and
- Progress the Coburn project DFS, while also engaging with strategic implementation partners relating to product offtake, major contract packages and funding options.

For further enquiries, please contact:

Luke Graham

CEO and Managing Director
Strandline Resources Limited
T: +61 8 9226 3130
E: enquiries@strandline.com.au

For media and broker enquiries:

Paul Armstrong

Read Corporate
T: +61 8 9388 1474
E: nicholas@readcorporate.com.au

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.

ANNEXURE A – Material drill intersects from the Channel AC drill program – Tanga South Tajiri

The table below shows the drill intersections from the recent Tajiri Channel reconnaissance drilling program.

Table 1 Drill Intersections from the recent Tajiri Channel Drilling

HOLE_ID	Prospect	UTM E (WGS84)	UTM N (WGS84)	DIP	AZim	EOH (m)	FROM (m)	TO (m)	INTERVAL (m)	THM (%)	SLIME (%)	COMMENTS
18TJAC1932	TC North	497431	9396253	-90	360	60	0	60	60	3.9	17	Including 46.5m @ 4.6% THM, 13% Slimes from 13.5m until EOH
18TJAC1933	TC North	496804	9395175	-90	360	60	0	60	60	3.5	20	Including 40.5m @ 4.7% THM, 11% Slimes from 19.5m until EOH
18TJAC1934	TC Central	495252	9393184	-90	360	60	0	52.5	52.5	3.0	23	Including 33m @ 3.5% THM, 23% Slimes from 19.5m
18TJAC1935	TC Central	494851	9392686	-90	360	60	9	43.5	34.5	3.0	21	
18TJAC1936	TC South	494559	9392215	-90	360	58.5	10.5	45	34.5	4.0	20	
18TJAC1937	TC South	494329	9391399	-90	360	52.5	33	52.5	19.5	4.5	20	
18TJAC1938	Channel	494217	9390447	-90	360	51	42	51	9	3.2	22	
18TJAC1939	Channel	493762	9389797	-90	360	51	0	51	51	2.4	38	
18TJAC1940	TC Central	494727	9392761	-90	360	57	0	60	60	5	20	Including 37.5m @ 6% THM, 20% Slimes from surface
18TJAC1941	TC Central	494954	9393065	-90	360	55.5	0	60	60	4.7	26	Including 34.5m @ 5.8% THM, 29% Slimes from surface
18TJAC1942	Channel	493524	9388981	-90	360	54	12	37.5	25.5	3.2	26	
18TJAC1943	Channel	493104	9387920	-90	360	51	0	22.5	22.5	3.7	19	In addition 9m @ 4.3% THM, 18% slimes from 42m to EOH
18TJAC1944	Channel	492702	9386642	-90	360	51	0	27	27	3.1	25	In addition 10.5m @ 4.8% THM, 12% slimes from 40.5m to EOH

ANNEXURE B – 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	Oversize
		(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.

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 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(683)	(4,038)
(b) development	-	-
(c) production	-	-
(d) staff costs*	(195)	(853)
(e) administration and corporate costs	(154)	(811)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	65
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	268	268
1.8 Other (Rio Tinto receipts/JV contributions)	560	2,168
1.9 Net cash from / (used in) operating activities	(194)	(3,201)

*Excludes staff costs allocated to exploration & evaluation activities.

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	-	(10)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,679
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	1,872	2,216
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(30)
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	1,872	3,865

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,615	3,613
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(194)	(3,201)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,872	3,865
4.5	Effect of movement in exchange rates on cash held	(2)	24
4.6	Cash and cash equivalents at end of period	4,291	4,291

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	991	860
5.2 Call deposits	3,300	1,755
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)¹	4,291	2,615

¹ Includes share of cash 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	135
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	10
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	1,101
9.2 Development	-
9.3 Production	-
9.4 Staff costs*	230
9.5 Administration and corporate costs	223
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,554

*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: 20 July 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	Kiswere 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	Kiswere 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%		