



07 November 2018

Strandline prepares for next phase of drilling in Southern Tanzania in JV with Rio Tinto

Initial drilling at the Sudi project in Southern Tanzania returned significant intersections; Now the upcoming program will target several new priority areas

Strandline Resources (**ASX: STA**) is pleased to announce that it is preparing to start the next phase of air-core drilling at the Sudi mineral sands project in Southern Tanzania, in joint venture with Rio Tinto Mining & Exploration Limited (**Rio Tinto**).

Under the terms of the JV, Rio Tinto is sole funding the exploration programme, which is being conducted by Strandline (see ASX releases dated 26 April 2017 and 26 June 2017).

Earlier this year, Strandline announced that drilling at Sudi had returned thick intervals of heavy mineral sands along an 8km anomaly. These intervals ranged between 2 and 4% Total Heavy Mineral (THM) and widespread lower grade mineralisation between 1 and 2% THM (see ASX announcement 14 March 2018).

Laboratory analysis of Sudi drill hole composite samples revealed a high unit-value mineral assemblage averaging 16.2% combined zircon and rutile (11.5% and 4.7% respectively) and 64.4% ilmenite.

The Sudi project is located 30km by sealed road from the port and city infrastructure of Mtwara.

The JV was recently granted by the Tanzanian Mining Commission a suite of prospective tenements near Sudi (refer Figure 1 & 2), which form the primary focus of the JV's next drilling program. The Company is required to formally accept the Notification of Grant and pay a statutory fee within 28 days. This process is underway.

To account for the length of the proposed program, the JV parties have agreed to formally extend the contracted milestone date to complete this phase of exploration from December 2018 to August 2019. This amendment has been executed under a Deed Agreement. Other conditions of the original JV agreement remain unchanged (see ASX announcement 26 June 2017 and 26 April 2017).

Strandline Managing Director Luke Graham said securing the new strategic and highly prospective tenements adjacent to the Sudi discovery provides an exciting exploration proposition for the JV.

"It is clear that Sudi has strong potential to add substantial value to the Company's mineral sands asset base and this next program is important to identify the scale of the mineralised system," Mr Graham said.

Exploration Update – Southern Tanzania

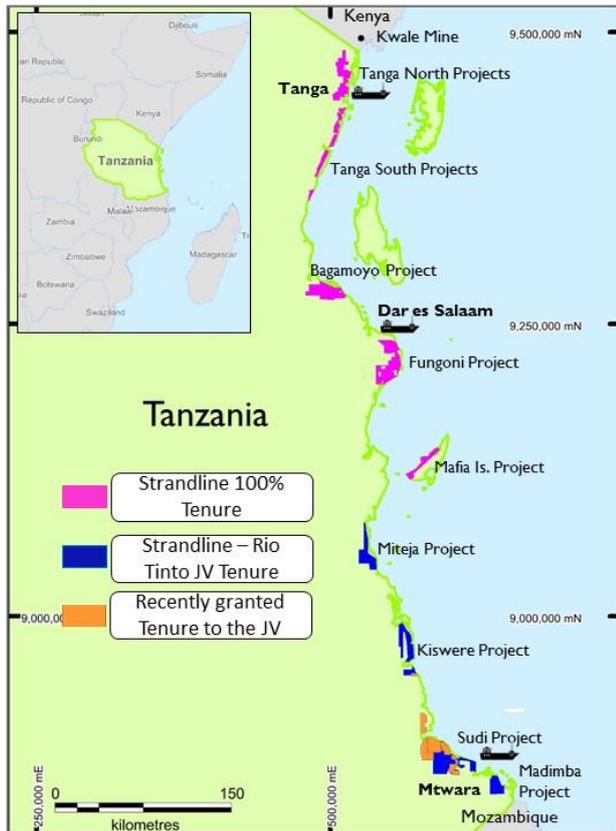


Figure 1 - Strandline holds a strategic tenement package located along 350 km of the Tanzanian coastline

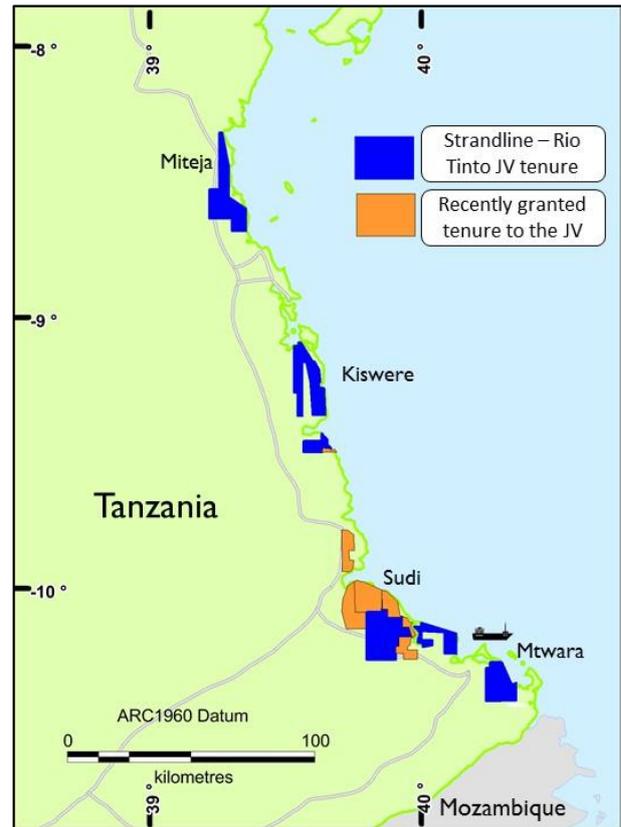


Figure 2 – Rio Tinto JV encompasses some of the Company's southern tenements

SUMMARY OF JV ACTIVITIES – SOUTHERN TANZANIA

Strandline successfully completed its first season of air core drilling in Southern Tanzania earlier this year, and announced the discovery of minerals sands anomalies at the Sudi project 30km north-west of the Mtwara port (see ASX release dated 14 March 2018).

Sudi forms part of the Earn-in and Joint Venture (JV) Agreement with Rio Tinto Mining & Exploration Limited (Rio Tinto).

The JV 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 JV. Stage 1 includes a mandatory "JV Minimum Commitment" of US\$2 million within 18 months from commencement. The JV Minimum Commitment term has been amended from 18 months to 26 months to account for the extended program at Sudi and is now due to expire August-2019.

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

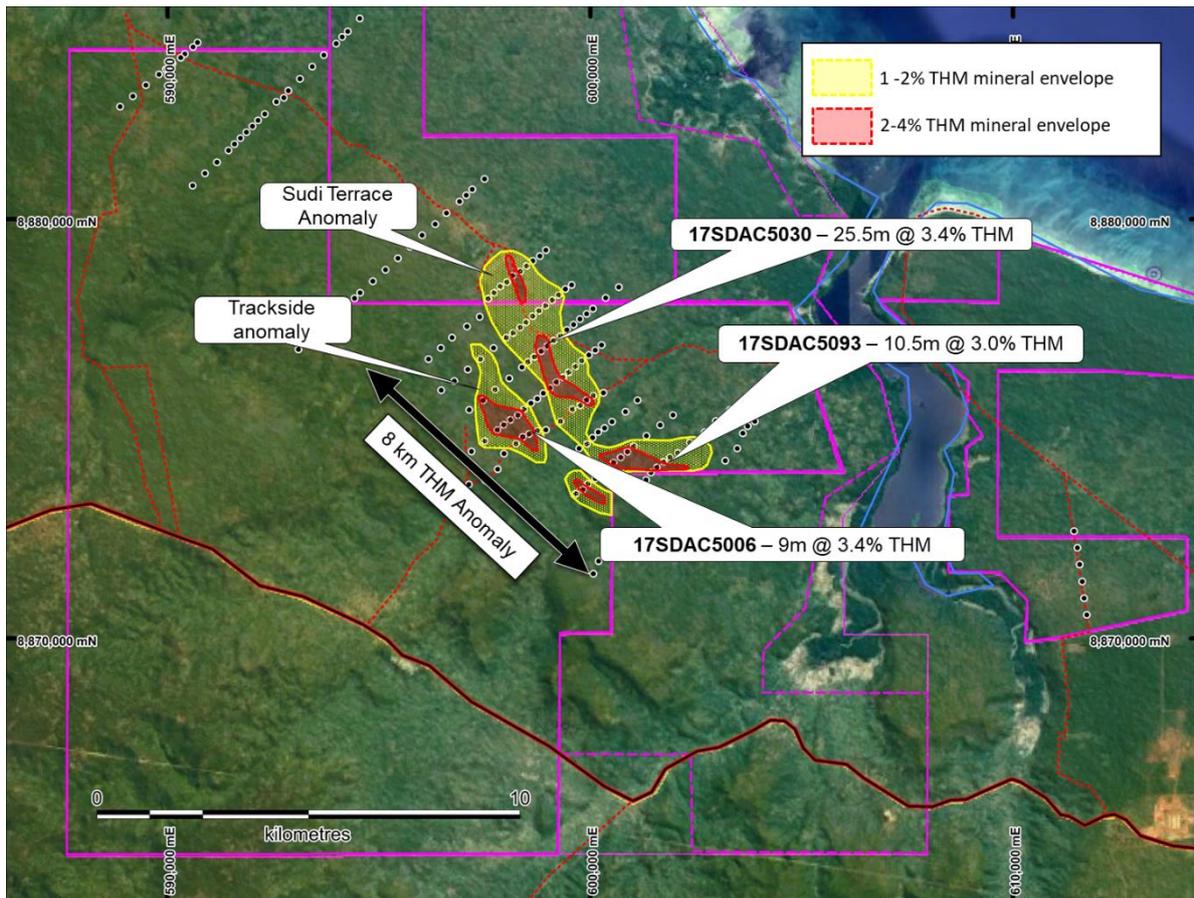


Figure3. Sudi Project drill hole collars and locations of the Trackside and Terrace anomalies

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.

TANZANIA 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, a permanent 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consent 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.

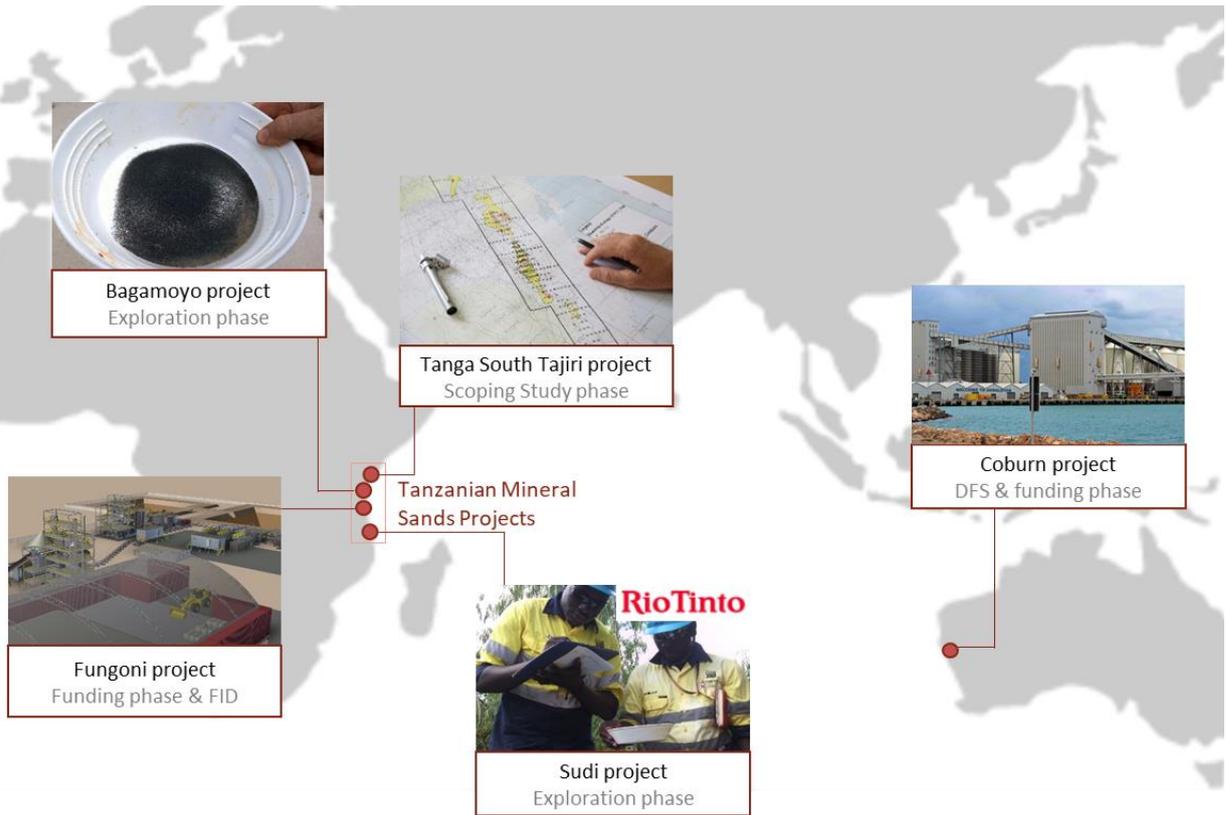


Figure 4 Strandline’s world-wide mineral sands exploration & development projects

ABOUT STRANDLINE – CAPITALISING ON THE GROWING MINERAL SANDS MARKET

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

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

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

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