

ASX ANNOUNCEMENT

Chairman's Address – 2018 AGM



STRANDLINE
resources limited

23 November 2018

Ladies and Gentlemen

Good afternoon and welcome to the 2018 Annual General Meeting of Strandline Resources.

I am pleased to report on what has been a year of strong progress on many fronts for your Company.

During the year, Strandline released the Fungoni Project Definitive Feasibility Study. This was updated this month to reflect the latest information on the project, including the terms of binding offtake agreements and the higher mineral sands commodities price forecasts published by TZ Mineral International Pty Ltd in August-2018. Capital and operating cost estimates have also been revised in line with advancing execution contracts, such as the award of the fixed-price EPC contract with international contractor GR Engineering Services.

The updates have resulted in an overall enhancement to the project's financial metrics, including an outstanding pre-tax Internal Rate of Return of 61% (up from 56%) and first quartile revenue-to-operating cost ratio of 2.8.

In addition to Fungoni, your Company is progressing the other mineral sands projects in its multi-decade pipeline. During the year, Strandline enjoyed exploration success in Northern Tanzania, announcing an increase in Tajiri's Indicated Mineral Resource inventory to 147Mt at 3.1% THM, up from 59Mt at 3.7% THM in the previous year. The outstanding result means Tajiri is now a large-scale project and well on track to become Strandline's second Tanzanian mineral sands project behind Fungoni. We also released excellent drilling results at the Bagamoyo Project in central Tanzania, including a maiden Exploration Target based on high-grade zircon and titanium mineralisation from surface.

In southern Tanzania, our joint venture partner Rio Tinto continued to sole-fund exploration with the aim of delineating a series of high-grade resources over time. The Company is currently preparing for its next phase of air-core drilling at the highly-prospective Sudi project near the port city of Mtwara. Previous results suggest 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.

At our Coburn mineral sands project in WA, the Company embarked on a revised-DFS to evaluate a range of potential value-adding and de-risking opportunities, driven primarily by the significant upturn in the mineral sands market and improving industry dynamics.

With key development approvals already in place on Coburn, including the mining lease, environmental approval, native title and heritage agreements, we look forward to releasing the updated DFS in Q1-2019.

The minerals sands commodity market continues to strengthen on the back of the forecast structural supply deficit of zircon and titanium minerals, with new capital projects required to meet increasing demand and offset declining supply from existing mines.

Strandline's multi-pronged strategy is approaching a number of key milestones, including a development decision on two zircon-titanium rich deposits (Fungoni in Tanzania and Coburn in WA). The Company is

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also continuing to expand its already-significant resource inventory with drilling across a series of highly prospective exploration assets along the coastline in Tanzania.

The results achieved during the past year fully support the Board's view that Strandline has an exceptional pipeline of mineral sands assets. We are also confident that the Company's strategy to develop these assets and capitalise on the strong outlook for mineral sands will create significant value for shareholders.

With active exploration and development programs in place on all these projects, Strandline is poised to make strong progress and generate substantial newsflow over the coming year.

Finally, on behalf of the Board, I would like to thank our management team, staff and contractors for their commitment to unlocking the value of our projects over the past year. I would also like to thank our shareholders for supporting us as we march towards our goal of building a substantial mineral sands company and generating strong financial returns.

Didier Murcia
Non-Executive Chairman

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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.

FORWARD LOOKING STATEMENTS & DISCLOSURES

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.

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.