

ASX ANNOUNCEMENT

Exploration Update – Bagamoyo Project



STRANDLINE
resources limited

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Strong drilling results highlight growing potential of Bagamoyo mineral sands project

Assays from shallow auger drilling program confirm mineralisation below the large soil anomalies

HIGHLIGHTS

- Bagamoyo emerging as a significant new Tanzanian mineral sands province following strong assays from maiden auger drilling program
- Auger holes completed over soil, radiometric and topographic anomalies confirm a series of higher grade zones from surface; Remaining open at depth
- Many auger holes ended in mineralisation with significant results including:
 - 8m @ 3.1% total heavy mineral (THM) and 8% slimes from surface – ended in mineralisation
 - 5m @ 6.4% THM and 15% slimes from surface – ended in mineralisation
 - 2.5m @ 6.4% THM and 8% slime from surface – ended in mineralisation
 - 3m @ 5.4% THM and 10% slimes from surface – ended in mineralisation
 - 6m @ 2.3% THM and 19% slimes from surface
- Previously-released testwork shows the BG-2 to BG-5 anomalies contain a high unit value assemblage, comprising 9.1% zircon, 4.2% rutile, 0.8% leucoxene and 60.4% Ilmenite
- Subsequent 19-hole (374m) air core reconnaissance drill program was prioritised and completed in January this year to further define the large-scale anomalies; Results are pending

Strandline Resources (ASX:STA) is pleased to announce that the maiden auger drilling program at its Bagamoyo mineral sands project in Tanzania has returned strong results. The assays show that the mineralisation continues below the extensive soil anomaly outlined last year.

The wide spaced auger drilling was completed over the BG-2, BG-3, BG-4 and BG-5 soil, radiometric and topographic anomalies at Bagamoyo. The auger program was designed to rapidly evaluate the potential thickness of mineralisation across the previously discovered higher grade zones at Bagamoyo (refer announcement 04 October 2017).

The auger drilling confirmed the presence of higher grade mineralisation at surface while also identifying down hole THM grade at depth, emphasising the overall grade and scale potential of the Bagamoyo project.

The Company believes the Bagamoyo area is highly prospective and represents a significant new mineral sands province in Tanzania. Following the success of this auger activity, Strandline fast tracked a modest air core drill program over several higher grade zones. Results from the program are pending.

Strandline Managing Director Luke Graham said: “These auger results enhance our understanding of the original Bagamoyo discoveries and show good thickness of higher grade sand from surface (and open at depth) across a series of large mineral sand anomalies. The Company subsequently executed its first phase of air core reconnaissance drilling to maintain momentum on the project prior to the onset of the wet season.”

Summary of Drill Results

Strandline's 100%-owned Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. In early 2017 the Company undertook a widespread soil sample program over prospective radiometric and topographic features which identified significant areas of higher grade mineralisation (refer announcement 04 October 2017). The Company then followed up with a reconnaissance auger drill program designed to rapidly assess the potential thickness of sand across priority targets and also verify the high grade results generated from the soil sampling program.

Laboratory THM analysis results from this auger program have now been received, and reaffirm the highly prospective nature of the Bagamoyo region. The results show widespread heavy mineral sand enrichment over the various soil anomalies BG-2, BG-3, BG-4 and BG-5, with multiple holes showing higher grade THM at depth.

The mineral assemblage of the auger sample sachets received from the laboratory are currently being assessed prior to submitting mineral concentrates for SEM/EDX mineralogy and chemistry evaluation. Previously released mineralogy testwork using SEM/EDX shows the BG-2 to BG-5 anomalies contain a high unit value mineral sands assemblage, comprising an average of 9.1% zircon, 4.2% rutile, 0.8% leucoxene and 60.4% Ilmenite (refer Table 2 below).

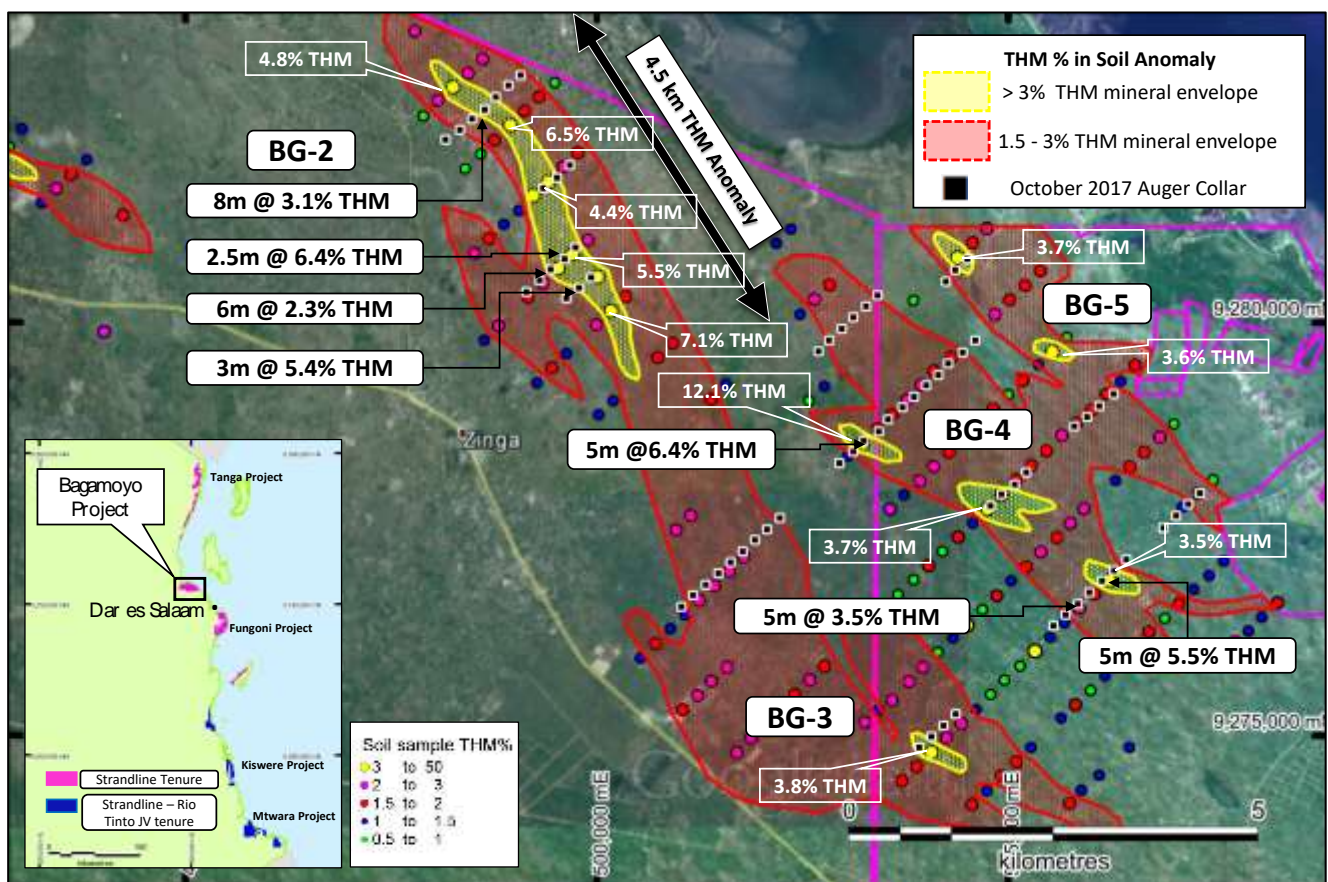


Figure 1. Bagamoyo THM in soil anomalies with significant auger drillholes results (Black boxes and text) and previously released THM% soil results (white boxes and text).

Due to the large size of the mineralised anomalies, covering over 11km of strike and 5km wide (refer Figure 1), the auger drill lines were widely spaced, nominally between 1200 and 1600m apart with only 2 of the 7 lines drilled 400m apart.

The manual auger method used, while providing a useful early-test of the extent of mineralisation, is limited to shallow drilling only, averaging 5m in depth. A total of 71 holes were drilled generating about 360 samples and many holes ended in mineralisation. Remaining open at depth, encouraging deeper drilling techniques for future programs:

- 17BGAG1745 – 5m @ 2.7% THM ending in 2.9% THM
- 17BGAG1747 – 8m @ 3.1% THM ending in 2.1% THM
- **17BGAG1755 – 2.5m @ 6.4% THM ending in 5.8% THM**
- **17BGAG1760 – 3m @ 5.4% THM ending in 4.7% THM**
- 17BGAG1761 – 5m @ 2.6% THM ending in 2.4% THM
- **17BGAG1799 – 5m @ 6.4% THM ending in 7.0% THM**

Subsequent to the auger program, the Company took the opportunity to perform a modest air core drill campaign at the BG-2 target in early January prior to the onset of the wet season. Samples have been processed ready for exportation to Australia laboratories for analysis. Initial evaluation of the visual panned THM estimates have confirmed elevated heavy mineral sand enrichment in the air core holes drilled adjacent to the first pass auger drill holes.

The drill programs performed to date have been cost effective and expeditious, enhancing the Company's understanding of the Bagamoyo anomalies and confirming strong mineral sands prospectivity. The Company continues to define the prospects so it can be in a strong technical position to consider larger scale air core drill programs across priority targets, with the view to delineate resources suitable for project feasibility over time.

Table 1. Significant results received from reconnaissance auger drill program completed at Bagamoyo.

Hole ID	Propsect	UTM E (WGS84)	UTM N (WGS84)	DIP	AZI	EOH (m)	FROM (m)	TO (m)	INTERVAL (m)	DH AVERAGE THM (%)	DH AVERAGE SLIME (%)
17BGAG1745	BG2	498922	9282893	-90	360	5	0	5	5	2.7	9
17BGAG1747	BG2	498637	9282605	-90	360	8	0	8	8	3.1	8
17BGAG1754	BG2	499736	9280933	-90	360	6	0	6	6	2.3	8
17BGAG1755	BG2	499605	9280796	-90	360	2.5	0	2.5	2.5	6.4	8
17BGAG1756	BG2	499433	9280664	-90	360	8	0	6	6	2.3	19
17BGAG1759	BG2	499624	9280320	-90	360	5	0	4	4	2.4	23
17BGAG1760	BG2	499783	9280445	-90	360	3	0	3	3	5.4	10
17BGAG1761	BG2	499930	9280570	-90	360	5	0	5	5	2.6	9
17BGAG1764	BG5	504504	9280797	-90	360	2	0	2	2	3.5	14
17BGAG1769	BG5	506887	9277541	-90	360	7	0	7	7	2.5	19
17BGAG1771	BG5	507187	9277825	-90	360	2	0	2	0	2.7	3
17BGAG1799	BG4	503245	9278596	-90	360	5	0	5	5	6.4	15
17BGAG1783	BG5	503245	9276722	-90	360	2	0	2	2	2.6	10
17BGAG1784	BG4	505551	9276355	-90	360	2	0	2	2	2.2	10
17BGAG1805	BG4	505843	9276621	-90	360	5	0	5	5	3.5	17
17BGAG1807	BG4	506142	9276894	-90	360	5	0	5	5	5.5	11

Table 2. Mineral Assemblage data for Bagamoyo East composites and single point samples determined using SEM/EDX with WRA-XRF

Sample ID	East WGS84	North WGS84	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Total VHM (%) in THM
SS1-001	503590	9278900	4.1%	67.0	4.1	8.1	0.7	79.8
SS1-002	504250	9274980	3.0%	66.8	4.3	8.1	1.3	80.5
SS1-003	505020	9280280	3.0%	63.4	5.2	8.2	0.5	77.3
SS1-004	482796	9277090	1.6%	67.0	5.2	13.3	0.7	86.2
Bag_Th_1	507220	9273120	6.4%	43.3	3.4	8.3	1.1	56.1
Bag_Th_2	509440	9277900	12.5%	31.2	1.4	4.2	0.3	37.1
Bag_Th_3	503500	9277970	5.5%	64.0	4.0	9.1	0.6	77.7
Bag_Th_4	499850	9280460	14.2%	72.4	6.3	12.6	0.7	91.9
Bag_Th_5	498800	9282541	6.7%	68.6	3.7	9.7	1.0	83.1
Averages			6.3%	60.4	4.2	9.1	0.8	74.5

Refer Annexure 1 for Table 1 JORC and Annexure 2 Downhole Drill Results from Bagamoyo.

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About Strandline

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 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.

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.

Competent Person Statement

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 part time 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 a Competent Person as defined in the 2012 Edition of the "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.

Appendix 1 – JORC Code, 2012 Edition – Table 1

Appendix 2 – Downhole Drill Intersects