ASX ANNOUNCEMENT

Exploration Update – Bagamoyo Project

17 September 2018

STRANDLINE
resources limited

Outstanding assays confirm Bagamoyo is a major mineral sands discovery with high grades

In light of these results, Strandline has set a maiden Exploration Target for what is its third most-advanced mineral sands project in Tanzania behind Fungoni and Tanga South (Tajiri)

HIGHLIGHTS

- **More outstanding assays with high grades of zircon and titanium from the Bagamoyo Project in central Tanzania**
- **Assay results, which come from air core (AC) and infill auger drilling, confirm extensive high-grade mineralisation from surface, with thickness of 3m to 10.5m**
- **Results reaffirm Strandline's strategy to establish a world-class mineral sands business in Tanzania based on a pipeline of quality projects: Fungoni, Tajiri, Bagamoyo and Sudi**
- **Significant drill results include:**
  - **7m @ 5.6% total heavy mineral (THM) and 18% slimes from surface (Auger)**
  - **5m @ 5.6% THM and 8% slimes from surface (Auger)**
  - **7m @ 4.7% THM and 10% slimes from surface – ended in mineralisation (Auger)**
  - **10.5m @ 4.4% THM and 9% slimes from surface (AC)**
  - **7.5m @ 3.9% THM and 20% slimes from surface (AC)**
- **Mineral assemblage test work from composite samples confirm a high unit-value assemblage for the upper zone of BG-2, averaging 8.2% zircon, 5.7% rutile, 0.5% leucoxene and 67% Ilmenite**

Strandline Resources (**ASX: STA**) is pleased to announce outstanding assay results from its maiden AC drill program second and round of auger drilling at the Bagamoyo mineral sands project in Tanzania.

The BG-2 anomaly has received relatively wide spaced AC drilling along its 4.5km length, and remains open across and along the strike, which confirms the potential scale of the system. The drilling of additional auger holes into the BG-4 anomaly has established the potential for north-west trending high-grade strands parallel to the current coast.

In light of these results, the Company has estimated an **Exploration Target comprising 78 to 156Mt at 3% to 4.5% THM.** A further drill program is required to test the veracity of the Exploration Target

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.

Strandline Managing Director Luke Graham said the latest results reaffirm the Company is rapidly building a world-class mineral sands business in Tanzania.

"These assays confirm that Bagamoyo is a major mineral sands discovery with high grades of zircon and titanium minerals," Mr Graham said.

"As a result, Bagamoyo is on track to be one of four major mineral sands projects we aim to evaluate and potentially develop in Tanzania over time.

"Fungoni, which is located just 70km from Bagamoyo, was granted its Mining Licence from the Tanzanian Government last month and we are now advancing project funding and construction contracts.

"Our Tanga South (Tajiri) project to the north is shaping to be a world-scale operation and we are also generating strong drilling results at the Sudi project in southern Tanzania, in joint venture with Rio Tinto."

SUMMARY OF BAGAMOYO PROJECT DRILL RESULTS

Strandline has a highly strategic portfolio of mineral sands projects in Tanzania and Australia at different stages of exploration and development. The portfolio includes two 'development ready' zircon-rich projects, the Fungoni Project in central Tanzania and the large Coburn Project in Western Australia, as well as a series of emerging exploration projects along the Tanzanian coastline.

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. The Company completed the AC and Auger drill programs in early in 2018 and recently received the final laboratory assay analysis data relating to THM, mineral assemblage and chemistry testwork.

The shallow auger drill program was completed across BG-2 and BG-4 using ~50m drill centres along variably spaced drill lines which confirmed the cross-strike continuity of the high-grade zones.

The 19 hole, 373 drill metre AC program was designed to test the thickness of mineralisation across the large BG-2 anomaly. The program identified higher-grade zones ranging from 3m to 10.5m thick from surface, with a cross-strike width ranging between 100 to 250m, which is encouraging. The BG-2 drill holes were planned on an irregular pattern with wide spaced drill lines varying between from 400 to 800m apart and 200m spaced holes along the 4,500m long BG-2 mineralised trend. No AC was completed at BG-4.

The AC drill program also confirms broad, high background heavy mineral content averaging approximately 1.5% THM that contains several high-grade strandlines with THM grades ranging between 4% and 6% THM.

Significant laboratory THM analysis results from the AC and auger drill holes are presented in Table 1 for the BG-2 and BG-4 anomalies.

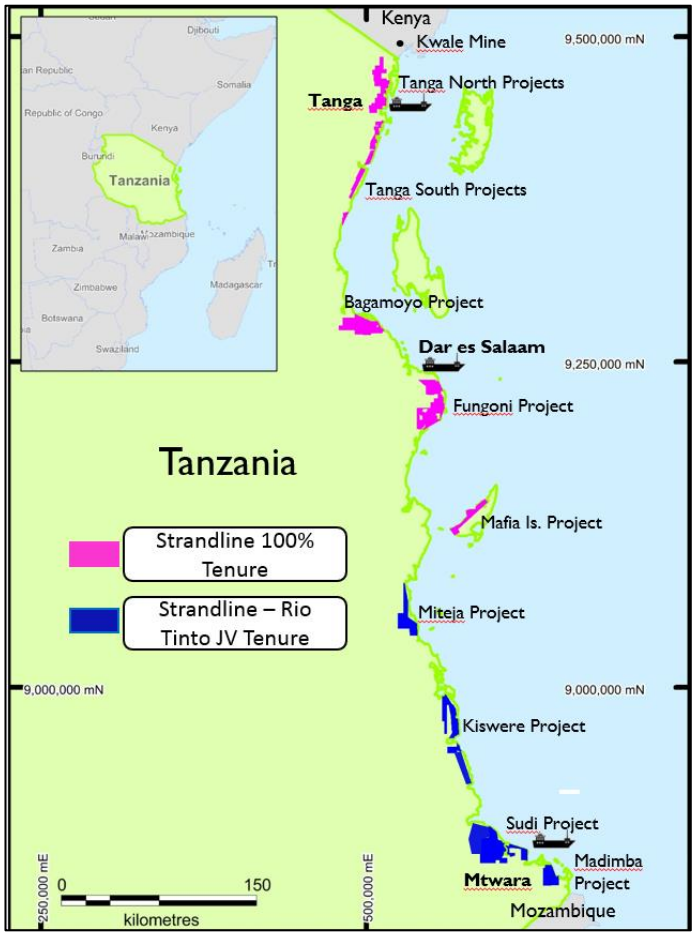

Figure 1 Strandline holds a strategic tenement package located along 350km of Tanzanian coastline

Mineral assemblage data has been received from 15 heavy mineral concentrate composites selected across geologic domains from the auger and AC drill programs (refer Table 2). The result show a high-value

average assemblage, comprising 6.4% zircon, 4.6% rutile, 0.7% leucoxene and 60% Ilmenite with combined rutile and zircon of 11.1%.

The mineral assemblage from across all of the zones and grade ranges at BG-2 comprises 7.4% zircon, 5.2% rutile, 0.5% leucoxene and 63% ilmenite. Five representative upper zone from BG-2 have a combined zircon-rutile content of 14.4% comprising 8.2% zircon and 5.7% rutile with a total VHM of 82%. The mineral assemblage from BG-4 comprises 5.5% zircon, 3.9% rutile, 0.8% leucoxene and 57% ilmenite across a range of THM grades.

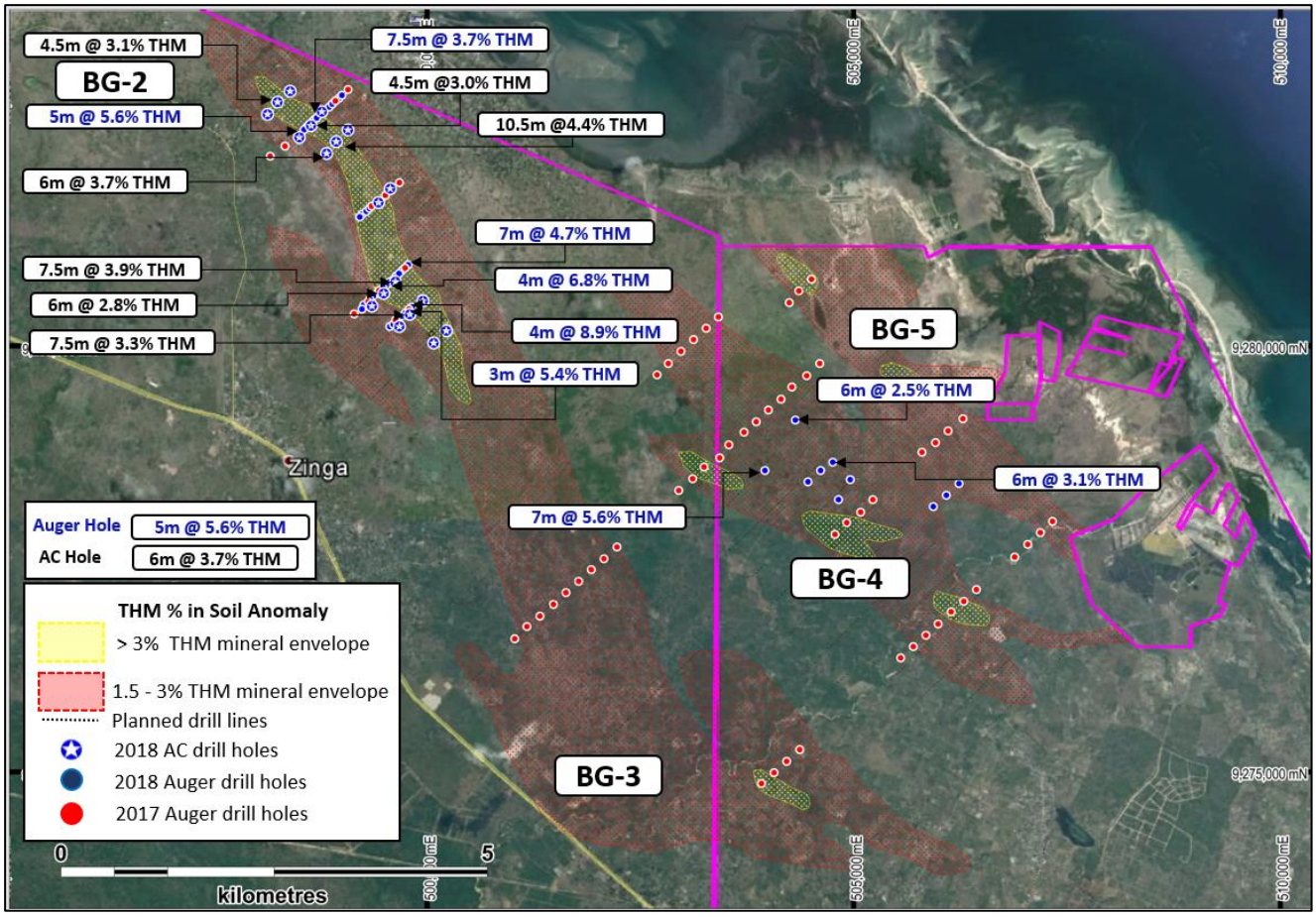

Figure 2 Bagamoyo Project anomalies with significant THM intersects from BG-2 and 4 showing the AC (black boxes and text) and Auger drill holes (blue holes and text) significant results.

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

HOLE_ID	PROSPECT	UTM E (WGS84)	UTM N (WGS84)	DIP	AZI	EOH (m)	FROM (m)	TO (m)	INTERVAL (m)	DH AVERAGE THM (%)	DH AVERAGE SLIME (%)
18BGAG1892	**BG-4**	**503956**	**9278552**	**-90**	**360**	**9**	**0**	**7**	**7**	**5.6**	**18**
18BGAG1893	BG-4	504313	9279148	-90	360	6	0	6	6	2.5	13
18BGAG1894	BG-4	504461	9278420	-90	360	7	0	5	5	2.7	15
18BGAG1896	BG-4	504754	9278652	-90	360	7	0	6	6	3.1	12
18BGAG1902	**BG-2**	**498588**	**9282589**	**-90**	**360**	**7**	**0**	**5**	**5**	**5.6**	**8**
18BGAG1904	BG-2	498663	9282655	-90	360	8	0	5	5	2.6	9
18BGAG1906	BG-2	498849	9282820	-90	360	7	0	5	5	2.3	11
18BGAG1907	BG-2	498886	9282854	-90	360	5	0	5	5	2.8	9
18BGAG1908	BG-2	498960	9282921	-90	360	3	0	3	3	2.2	9
18BGAG1910	**BG-2**	**499775**	**9280969**	**-90**	**360**	**7**	**0**	**7**	**7**	**4.7**	**10**

HOLE_ID	PROSPECT	UTM E (WGS84)	UTM N (WGS84)	DIP	AZI	EOH (m)	FROM (m)	TO (m)	INTERVAL (m)	DH AVERAGE THM (%)	DH AVERAGE SLIME (%)
18BGAG1911	BG-2	499700	9280900	-90	360	7	0	7	7	2.2	10
18BGAG1912	**BG-2**	**499631**	**9280836**	**-90**	**360**	**4**	**0**	**4**	**4**	**6.8**	**10**
18BGAG1913	BG-2	499555	9280767	-90	360	3	0	3	3	2.2	10
18BGAG1914	BG-2	499665	9280867	-90	360	4	0	4	4	3.5	10
18BGAG1915	BG-2	499518	9280731	-90	360	4	0	3	3	2.6	11
18BGAG1916	BG-2	499480	9280702	-90	360	3	0	3	3	2.4	9
18BGAG1922	BG-2	499240	9281562	-90	360	5	0	5	5	2.6	21
18BGAG1924	BG-2	499282	9281595	-90	360	4	0	4	4	2.5	13
18BGAG1925	BG-2	499318	9281629	-90	360	4	0	4	4	2.2	11
18BGAG1928	BG-2	499669	9280335	-90	360	5	0	5	5	2.4	33
18BGAG1930	BG-2	499742	9280408	-90	360	2	0	2	2	4.1	6
18BGAG1931	**BG-2**	**499819**	**9280470**	**-90**	**360**	**4**	**0**	**4**	**4**	**8.9**	**15**
18BGAC1836	BG-2	498243	9282876	-90	360	19.5	0	4.5	4.5	3.1	12
18BGAC1837	BG-2	498634	9282600	-90	360	21.0	0	4.5	4.5	3.0	9
18BGAC1840	**BG-2**	**498933**	**9282410**	**-90**	**360**	**19.5**	**0**	**10.5**	**10.5**	**4.4**	**9**
18BGAC1844	**BG-2**	**499625**	**9280768**	**-90**	**360**	**27.0**	**0**	**7.5**	**7.5**	**3.9**	**20**
18BGAC1845	**BG-2**	**499794**	**9280388**	**-90**	**360**	**21.0**	**0**	**7.5**	**7.5**	**3.3**	**16**
18BGAC1847	BG-2	500220	9280194	-90	360	19.5	0	4.5	4.5	2.6	12
18BGAC1848	BG-2	500077	9280049	-90	360	21.0	0	3	3	2.7	19
18BGAC1851	**BG-2**	**498821**	**9282272**	**-90**	**360**	**18.0**	**0**	**6**	**6**	**3.7**	**9**
18BGAC1853	BG-2	498128	9282730	-90	360	15.0	0	3	3	2.6	29

Table 2 Mineral Assemblage data for Bagamoyo BG-2 and BG-4 composites analysed using SEM/EDX with WRA-XRF to determine Zircon content

Sample ID	Prospect	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Total VHM (%) in THM
18BGMIN01*	BG-02	3.2	70.1	5.9	6.0	0.6	82.6
18BGMIN02*	BG-02	2	63.5	5.9	9.2	0.6	79.2
18BGMIN03	BG-02	1.6	51.1	3.3	3.2	0.6	58.1
18BGMIN04	BG-02	1.3	58.7	5.4	5.5	0.2	69.9
18BGMIN05*	BG-02	1.9	65.7	5.2	6.7	0.7	78.2
18BGMIN06*	BG-02	5.3	72	6.2	10.2	0.6	88.9
18BGMIN07*	BG-02	2.3	64.6	5.2	9.0	0.2	79.0
18BGMIN08	BG-02	1.6	57.8	4.6	9.1	0.6	72.1
18BGMIN09	BG-04	6.4	65.41	2.2	8.8	0.9	77.4
18BGMIN10	BG-04	5.6	59.2	4.7	7.8	0.8	72.5
18BGMIN11	BG-04	2.55	54.2	4.0	2.6	0.5	61.2
18BGMIN12	BG-04	2.4	53.4	4.2	3.5	0.9	61.9
18BGMIN13	BG-04	1.8	52.1	4.0	3.6	1.0	60.6
18BGMIN14	BG-04	1.5	56.3	4.4	5.6	1.0	67.2
18BGMIN15	BG-04	1.5	60.6	4.0	6.3	0.8	71.7

NB * denotes an upper zone mineral assemblage composite from BG-2

Refer Annexure 1 for Table 1 JORC and Annexure 2 Downhole Drill Results from Bagamoyo auger and AC drill programs.

BAGAMOYO MAIDEN EXPLORATION TARGET

With the completion of the auger and AC drilling program, the Company has been able to estimate a maiden Exploration Target for the anomalies at Bagamoyo. 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 **78 to 156Mt at 3% to 4.5% THM.**

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.

The Exploration Target has been determined based on the following:

1. AC and auger drill database for width, depth and grade ranges at a number of localities along and adjacent to the main anomalies;
2. Topographic features using a detailed digital terrain model generated from the detailed (100m flight line and 30m sensor height) aeromagnetic survey; and
3. Geological model with the recent drilling showing grade and geological continuity

The following assumptions have been used to estimate the Exploration Target:

1. Bulk density value of 1.8g/cm^3 has been used for the Exploration Target;
2. The width of mineralisation is based on drilling across the BG-2 and BG-4 anomalies and is considered conservative with exploration drilling indicating the mineralisation has not been closed off;
3. Grade ranges used for the Exploration Target are based on the averaged grades achieved using a lower and upper cut-off grade across the datasets, which is considered appropriate at this level of exploration; and
4. Thickness ranges used for the Exploration Target are based on downhole thickness that are thought to represent true thickness of the various grade mineral envelopes showing reasonable geological and grade continuity.

The surface expression of the Exploration Target was generated in GIS software integrating the above datasets. The surface areas were calculated for each zone and multiplied by the average bulk density. The outlines were then multiplied by the depth ranges as defined by auger and AC drilling in the various zones. The results are presented in Table 3 and the locations and data distribution is presented in Figure 3 and a cross-section in Figure 4.

Table 3 Maiden Exploration Target for the Bagamoyo Project

Zone	Lower Thickness (m)	Upper Thickness (m)	Lower Tonnage (Mt)	Upper Tonnage (Mt)	Lower Grade	Upper Grade
BG2 - a	5	10	26	52	3.0% THM	4.5% THM
BG2 - b	5	10	4.5	9		
BG4 - a	5	10	33.7	67.4		
BG4 - b	5	10	7.8	15.6		
BG5	5	10	5.8	11.6		
Totals			**78**	**156**		

The drill programs performed to date have been highly effective in terms of mineral sands discovery and enhancing the Company's understanding of the Bagamoyo anomalies. In light of these assay results and the large-scale Exploration Target, the Company will continue to define the prospects over time, with the aim to delineate Mineral Resources suitable for project feasibility assessment.

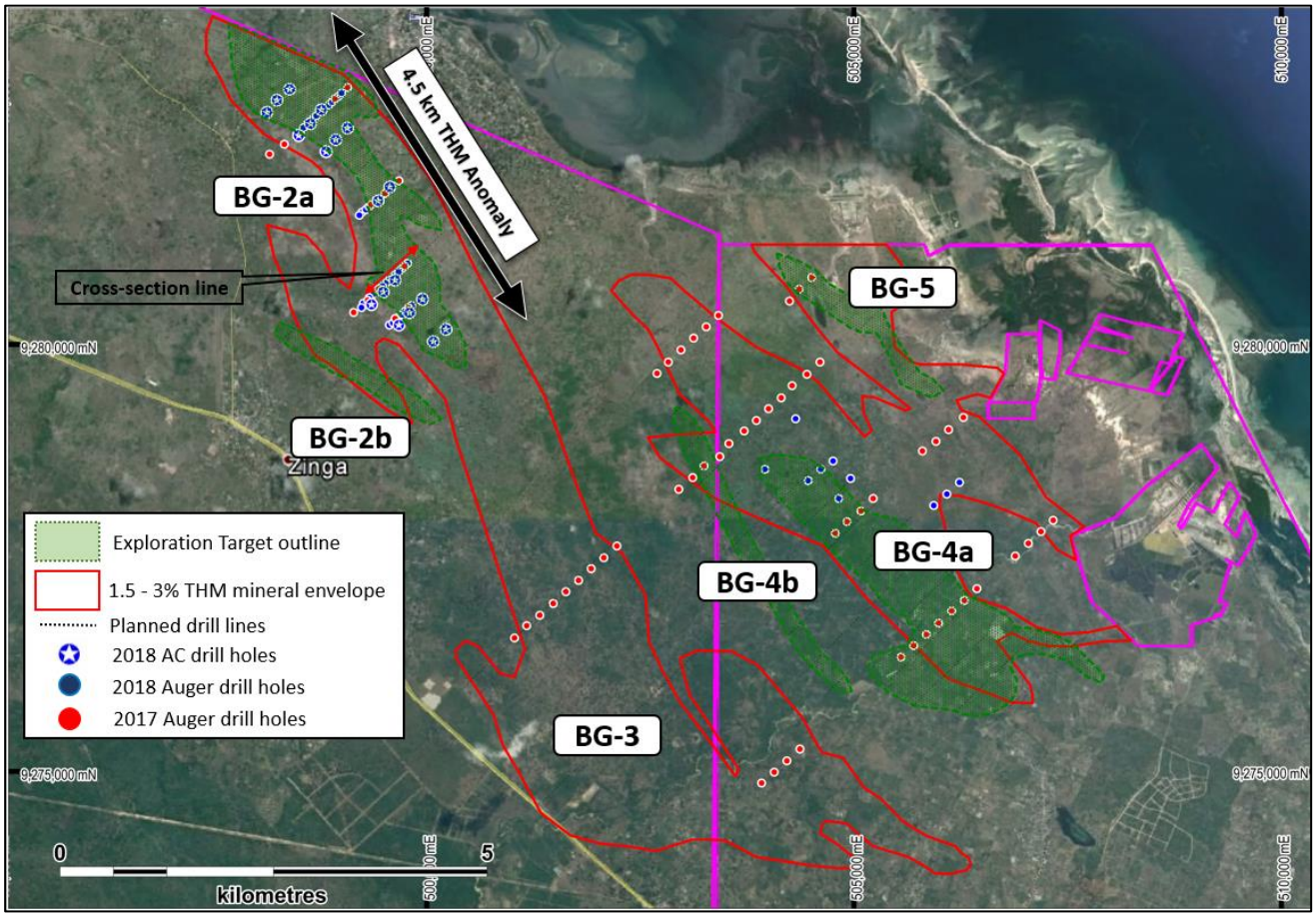

Figure 3 Bagamoyo Project – Exploration Target outlines for the BG-2 and BG-4 anomalies

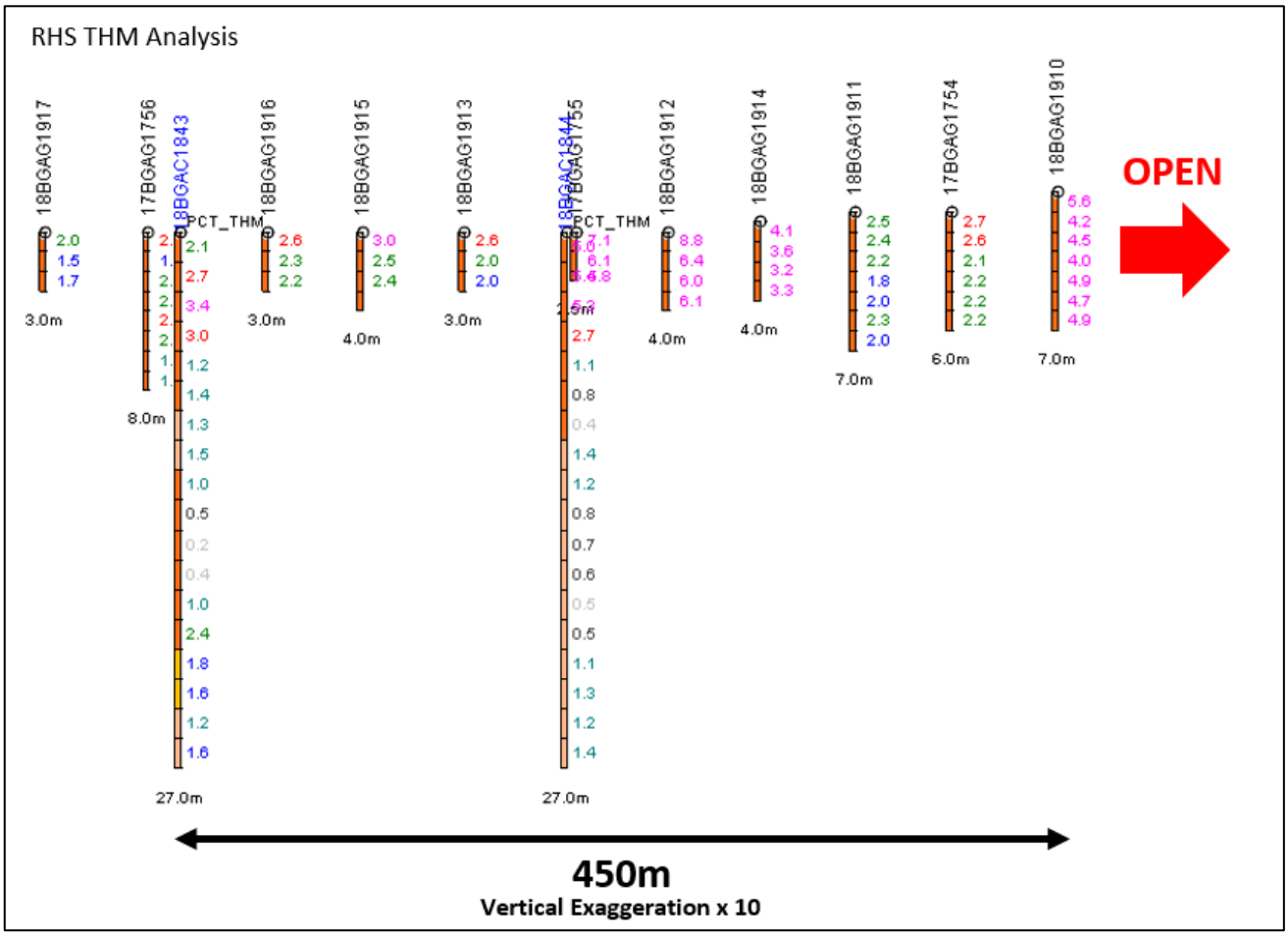

Figure 4 Cross section line looking northwest from BG-2 that is open to the north east (refer to Figure 3 for section location)

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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 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.

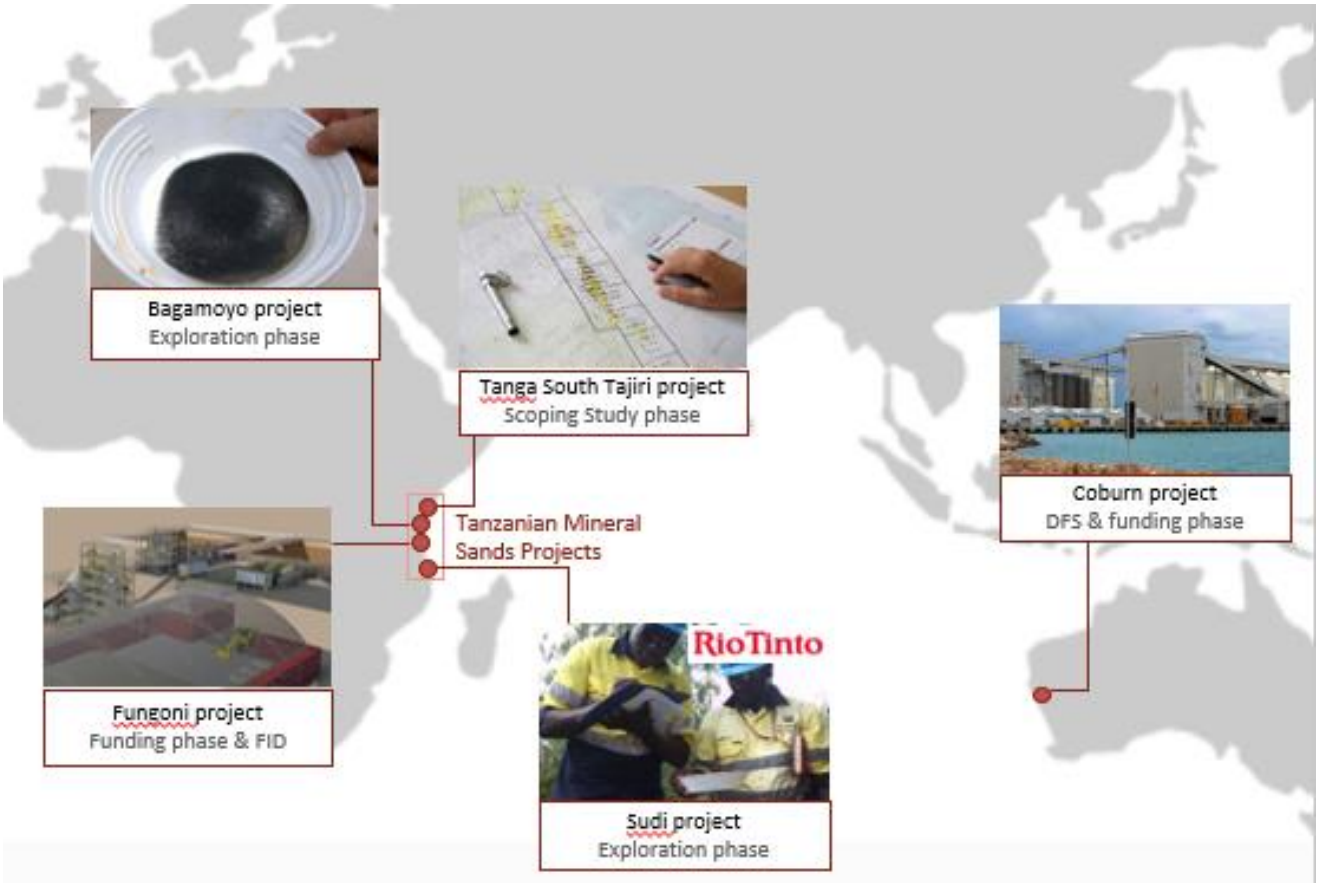

Figure 5 Strandline's mineral sands portfolio of exploration and development projects - Australia and Tanzania

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 and the Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, a full 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

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Manual Auger drilling was used to obtain samples for analysis at 1m intervals • Aircore drilling was used to obtain samples for analysis at 1.5m intervals • Each 1.5m sample was homogenized within the sample bag by rotating the sample bag • A sample of sand, approx. 20gm, is scooped from the sample bag for visual THM% estimation and logging. The same sample mass is used for every pan sample for visual THM% estimation • The standard sized sample is to ensure calibration is maintained for consistency in visual estimation • A sample ledger is kept at the drill rig for recording sample intervals and sample mass, and photographs are taken of samples for each hole to cross-reference with logging • 1m auger drill samples have an average weight of 3.5kg and were split down to approximately 500gram using a levelled riffle splitter on a firm a surface for export to the processing laboratory • The large 1.5m Aircore drill samples have an average of about 8kg and were split down to approximately 500g by using a levelled riffle splitter on a firm surface for export to the processing laboratory • The laboratory sample was dried, de-slimed (removal of -45µm fraction) and then had oversize (+1mm fraction) removed. Approximately 100gm of sample was then split to use for heavy liquid separation using TBE to determine total heavy mineral content
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Open hole manual auger drilling using 1m long rods and a 62mm diameter hole • Aircore drilling with inner tubes for sample return was used • Aircore is considered a standard industry technique for HMS mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube and delivered to the cyclone • Aircore drill rods used were 3m long • NQ diameter (76mm) drill bits and rods were used • All drill holes were vertical
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative*	• Auger drilling is considered to be an early stage relatively unsophisticated drilling technique and constrained by depth • It is open hole and drill recoveries are estimated according to the volume of drill spoils that forms

Criteria	JORC Code explanation	Commentary
	nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	around the holes. • No significant losses of sample were observed due to the shallow depths of drilling (<6m.) • A very small volume of water is added to the hole if the soils become too sandy to aid recovery of the sample • Auger drilling is stopped when the sample return is deemed inadequate, influx of water or productivity is reduced • There is potential for contamination in open hole drilling techniques particularly if it wet but sample bias is low in shallow dry holes. • AC Drill sample recovery is monitored by measuring and recording the total mass of each 1.5m sample at the drill rig with a standard spring balance • While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 1.5m sample interval owing to sample and air loss into the surrounding loose soil • The initial 0.0m to 1.5m sample interval is drilled very slowly in order to achieve optimum sample recovery • The entire 1.5m sample is collected at the drill rig in large numbered plastic bags for dispatch to the initial split preparation facility • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample pipes • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole • Wet and moist samples are placed into large plastic basins to air/sun dry in the field prior to splitting
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 1m auger and 1.5m aircore samples were each qualitatively logged onto paper field sheets prior to digital entry into a Microsoft Excel spreadsheet • The auger and aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated THM%, estimated Slimes% and any relevant comments - such as slope, vegetation, or cultural activity • The logging was carried out on a 20g scoop of the final split 500g sample to assist with representivity • Every drillhole was logged in full • Logging is undertaken with reference to a Drilling Guideline with codes prescribed and guidance on description to ensure consistent and systematic data collection
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample*	• The entire 1m auger and 1.5m AC drill sample collected at the source was dispatched to a sample preparation facility to split with a level riffle splitter to reduce sample size • The water table depth was noted in all geological logs if intersected • Samples with aggregates are gently hit with a

Criteria	JORC Code explanation	Commentary
	preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	rubber mallet to break them down so the sample can flow easily through the splitter chutes • A total of 400 to 600gm of each sample was inserted into calico sample bags and exported to Western Geolabs in Perth for analysis • Employees undertaking the splitting are closely monitored by a geologist to ensure sampling quality is maintained • Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate • The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, based on industry experience of the geologists involved and consultation with laboratory staff • Field duplicates of the samples were completed at a frequency of 1 per 25 primary samples • Standard Reference Material samples are inserted into the sample stream in the field at a frequency of 1 per 50 samples
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The wet panning at the drill site provides an estimate of the THM% which is sufficient for the purpose of determining approximate concentrations of THM in the first instance Aircore and Auger sample: • The individual sub-samples (approx. 500g) were assayed by Western Geolabs in Perth, Western Australia, which is considered the Primary laboratory • The samples were first screened for removal and determination of Slimes (-45µm) and Oversize (+1mm), then the sample was analysed for total heavy mineral (-1mm to +45µm) content by heavy liquid separation • The laboratory used TBE as the heavy liquid medium – with density range between 2.92 and 2.96 g/ml • This is an industry standard technique • Field duplicates and HM Standards are alternatively inserted into the sample string at a frequency of 1 per 25 primary samples • Western Geolabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released • Western Geolabs performs daily density tests on its heavy media • Analysis of QA/QC samples show the laboratory data to be of acceptable accuracy and precision • The adopted QA/QC protocols are acceptable for this stage test work • Test work has been undertaken at a Secondary laboratory (Diamantina Laboratory) to check the veracity of the Primary laboratory data. 1/40 samples are submitted to Diamantina for seconday THM analysis. No issues have been identified

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All results are checked by the Chief Geologist • The company Chief Geologist and independent Resource geologist make periodic visits to the laboratory to observe sample processing • A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data • Field and laboratory duplicate data pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues • Standard Reference Material sample results are checked from each sample batch to ensure they are within tolerance (<2SD) and that there is no bias • The field and laboratory data has been updated into a master spreadsheet which is appropriate for this stage in the programme. Data validation criteria are included to check for overlapping sample intervals, end of hole match between 'Lithology', 'Sample', 'Survey' files, duplicate sample numbers and other common errors • No adjustments are made to the primary assay data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Down hole surveys for shallow auger of aircore holes are not required • A handheld GPS was used to identify the positions of the drill holes in the field. The handheld GPS has an accuracy of +/- 10m in the horizontal • The datum used is WGS84 and coordinates are projected as UTM zone 37S • The drillhole collar elevation was collected from a detailed Digital Terrain Model or the original GPS data • The accuracy of the locations is sufficient for this stage of exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Auger Drilling • As described in the text of the main release. The holes were drilled using variably spaced drill lines 400m to 1200m apart • Along the lines the holes were spaced 50m apart that showed grade and geological continuity • The entire 1m downhole samples was logged and sampled Aircore Drilling • As described in the text of the main release the AC holes are widely spaced with drill line 400 to 800m apart • The drill holes are spaced 200m apart along the lines. The spacing does confirm continuity and is appropriate for use in the Exploration Target estimation. • Each aircore drill sample is a single 1.5m sample of sand intersected down the hole • Compositing of HM concentrates for mineral assemblage determination has been completed. The composites were based on grade and semi-quantitative mineral logging of the HMC to determine broad mineralogical domains which were submitted for analysis.

Criteria	JORC Code explanation	Commentary
		• Composite samples will be classified high grade (approximately >2%THM) and low grade (approximately <2%THM)
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The auger and aircore drilling was oriented perpendicular to the strike of mineralization defined by drill data • The strike of the mineralization is sub-parallel to the contemporary coastline and is known to be relatively well controlled by the 20m topographic contour and also coincides with a radiometric anomaly • Drill holes were vertical and the nature of the mineralisation appears to be relatively horizontal • The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias
Sample security	• *The measures taken to ensure sample security.*	• Auger and aircore samples remained in the custody of Company representatives while they were transported from the field to Dar es Salaam for final packaging and securing • The samples were then sent using a commercial transport company (Deugro) to Perth and delivered directly to the laboratory after quarantine inspection • The laboratory inspected the packages and did not report tampering of the samples
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal reviews were undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The exploration work was completed on tenements that are 100% owned by the Company in Tanzania • The drill samples were taken from tenement PL 11076/2017 and PL 10265/2014. The latter tenement has recently applied for a renewal that will require a 50% reduction in the tenement size. This has been lodged and awaiting processing by the Mining Commission that is in charge of administering tenure. None of the significant anomalies mentioned in this release will be affected or lost with the renewal application. The renewals are granted for a further 3 years., • The original tenements are granted for an intial 4 years period • Traditional landowners and village Chiefs of the affected villages and farms were consulted and found to be supportive of the drilling program
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Tanganyika Gold in 1998 and 1999. OmegaCorp undertook reconnaissance exploration in 2005 and 2007. The Company has obtained the hardcopy reports and maps in relation to this Tanganyika and OmegaCorp

Criteria	JORC Code explanation	Commentary
		information • The historic data comprises surface sampling, and mapping • Jacana Resources (public unlisted) undertook auger drilling in 2012 on an over area unrelated to the BG-2 and BG-4 anomalies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral placer style deposits are possible in Tanzania 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique, however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to fossil shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole data are reported in Appendix 2
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of*	• Length weighted intervals are reported in full for each hole (Appendix 2)

Criteria	JORC Code explanation	Commentary
	metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation • Downhole widths are reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figures and plans are displayed in the main text of the Release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All material results have been reported and tabulated in Appendix 2
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Mineral assemblage work for the BG-2 and BG-4 prospects has been reported. • Testwork completed to date have not identified any contaminants in the VHM with the minerals likely to be saleable
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional Aircore drilling is planned (400m x 100m) to extend and infill zones of mineralization along the extensive anomalies. • A number of bulk samples comprising 50 to 100 kg is planned for submission in 2018/19 depending on the size and scale of the mineralized body. The work will be completed to determine process recovery and final product specification for the Bagamoyo Project

Appendix 2 – Downhole Drill Intersects

HOLE_ID	UTM E (WGS84)	UTM N (WGS84)	RL	DIP	AZIM	EOH (m)	FROM (m)	TO (m)	INT (m)	THM (%)	SLIME (%)
18BGAC1836	498243	9282876	15.3	-90	0	19.5	0	19.5	19.5	1.9	9.6
18BGAC1837	498634	9282600	20	-90	0	21	0	21	21	1.9	8.9
18BGAC1838	498766	9282761	19.7	-90	0	19.5	0	19.5	19.5	1.2	6.6
18BGAC1839	499072	9282550	25.8	-90	0	19.5	0	19.5	19.5	1.5	7.8
18BGAC1840	498933	9282410	26	-90	0	19.5	0	19.5	19.5	2.9	8.4
18BGAC1841	499429	9281697	22.8	-90	0	15	0	15	15	1.1	10.5
18BGAC1842	499564	9281860	21.2	-90	0	15	0	15	15	1.3	9.6
18BGAC1843	499488	9280630	20.2	-90	0	27	0	27	27	1.6	18.9
18BGAC1844	499625	9280768	30.5	-90	0	27	0	27	27	1.7	16.2
18BGAC1845	499794	9280388	13.3	-90	0	21	0	21	21	1.8	15.7
18BGAC1846	499946	9280545	17.4	-90	0	21	0	21	21	1.4	13.1
18BGAC1847	500220	9280194	25.7	-90	0	19.5	0	19.5	19.5	1.3	16.7
18BGAC1848	500077	9280049	22	-90	0	21	0	21	21	1.2	18.9
18BGAC1849	499671	9280242	20.7	-90	0	24	0	24	24	2.2	16.3
18BGAC1850	499351	9280482	19.2	-90	0	18	0	18	18	1.0	21.5
18BGAC1851	498821	9282272	17.3	-90	0	18	0	18	18	1.8	7.5
18BGAC1852	498499	9282460	15.7	-90	0	15	0	15	15	1.1	11.9
18BGAC1853	498128	9282730	13.1	-90	0	15	0	15	15	1.4	13.9
18BGAC1854	498390	9283001	11.3	-90	0	18	0	18	18	1.3	13.5
18BGAG1892	503956	9278552	24	-90	0	9	0	9	9	4.8	18.1
18BGAG1893	504313	9279148	32	-90	0	6	0	6	6	2.5	12.7
18BGAG1894	504461	9278420	21	-90	0	7	0	7	7	2.3	13.1
18BGAG1895	504609	9278552	25	-90	0	6	0	6	6	1.8	14.7
18BGAG1896	504754	9278652	26	-90	0	7	0	7	7	2.8	11.3
18BGAG1897	504959	9278448	18	-90	0	3	0	3	3	1.9	12.6
18BGAG1898	504817	9278212	19	-90	0	8	0	8	8	1.9	12.6
18BGAG1899	505932	9278129	10	-90	0	5	0	5	5	2.1	28.1
18BGAG1900	506082	9278264	6	-90	0	5	0	5	5	1.1	30.4
18BGAG1901	506230	9278399	8	-90	0	6	0	6	6	1.7	18.8
18BGAG1902	498588	9282589	14	-90	0	7	0	7	7	4.4	8.4
18BGAG1903	498552	9282554	13	-90	0	6	0	6	6	1.6	8.5
18BGAG1904	498663	9282655	17	-90	0	8	0	8	8	2.1	9.1
18BGAG1905	498700	9282689	14	-90	0	7	0	7	7	1.3	8.0
18BGAG1906	498849	9282820	16	-90	0	7	0	7	7	2.1	10.5
18BGAG1907	498886	9282854	14	-90	0	5	0	5	5	2.8	8.8
18BGAG1908	498960	9282921	16	-90	0	3	0	3	3	2.2	8.7
18BGAG1909	498998	9282955	14	-90	0	3	0	3	3	2.0	11.5
18BGAG1910	499775	9280969	18	-90	0	7	0	7	7	4.7	9.9
18BGAG1911	499700	9280900	23	-90	0	7	0	7	7	2.2	9.6
18BGAG1912	499631	9280836	12	-90	0	4	0	4	4	6.8	10.2
18BGAG1913	499555	9280767	12	-90	0	3	0	3	3	2.2	10.1
18BGAG1914	499665	9280867	14	-90	0	4	0	4	4	3.5	9.8
18BGAG1915	499518	9280731	12	-90	0	4	0	4	4	2.6	11.2
18BGAG1916	499480	9280702	13	-90	0	3	0	3	3	2.4	9.5
18BGAG1917	499399	9280624	18	-90	0	3	0	3	3	1.8	25.7
18BGAG1918	499367	9280598	18	-90	0	2	0	2	2	1.5	22.8
18BGAG1919	499325	9280563	18	-90	0	3	0	3	3	1.9	32.0
18BGAG1920	499255	9280499	18	-90	0	5	0	5	5	1.6	14.7
18BGAG1921	499231	9280449	24	-90	0	5	0	5	5	1.6	16.0
18BGAG1922	499240	9281562	23	-90	0	5	0	5	5	2.6	20.6
18BGAG1923	499207	9281530	25	-90	0	5	0	5	5	2.0	15.0
18BGAG1924	499282	9281595	21	-90	0	4	0	4	4	2.5	13.0
18BGAG1925	499318	9281629	21	-90	0	4	0	4	4	2.2	10.8
18BGAG1926	499558	9280241	19	-90	0	7	0	7	7	2.0	27.3
18BGAG1927	499598	9280267	14	-90	0	6	0	6	6	1.1	31.5
18BGAG1928	499598	9280262	23	-90	0	5	0	5	5	2.4	33.3
18BGAG1929	499704	9280364	23	-90	0	2	0	2	2	1.8	9.7
18BGAG1930	499742	9280408	26	-90	0	2	0	2	2	4.1	6.2
18BGAG1931	499819	9280468	15	-90	0	4	0	4	4	8.9	15.1