



Major Tanzanian Exploration and Feasibility Campaign

Tanzanian-focused mineral sands developer, Strandline Resources (**Strandline** or **the Company**) is pleased to provide an update on its current exploration program. Following a recent equity raising, the Company is now aggressively ramping up its exploration and development program.

Highlights

Fungoni Project

- **Resource Extension and Feasibility Study** – The drilling campaign to infill and extend existing high grade Mineral Resources at Fungoni has been completed, adding a potential 400m of strike to the previously defined mineralisation. The Company is now preparing for a mineral resource update, bulk metallurgical testwork, optimal flowsheet design and marketing studies.

Tanga South Project

- **Tajiri Mineralised Corridor** - Resource extension drilling has commenced between and along strike of the high grade deposits, already defined within the 25km long mineralised corridor.
- **Tongoni and Pangani Projects** – Maiden drill campaigns being finalised targeting discovery of new zones of high value mineralisation at these projects.

Aeromagnetic and Radiometric Survey

- An extensive 20,000 line-km, high resolution survey underway over much of the Company's Tanzanian land tenure, designed to significantly assist in delineating new zones of heavy mineral sands.

Strandline Managing Director, Tom Eadie commented, *"The Company is now in the middle of a very active phase of aggressive exploration and resource building.*

"The current program involves drilling programs across four high priority targets in Tanzania over the next 3 months, aimed at extending known Resources as well as new discoveries.

"The Fungoni Feasibility Study is progressing well, with drilling and re-logging identifying potential resource extensions that may extend the potential mine life and therefore economic returns."

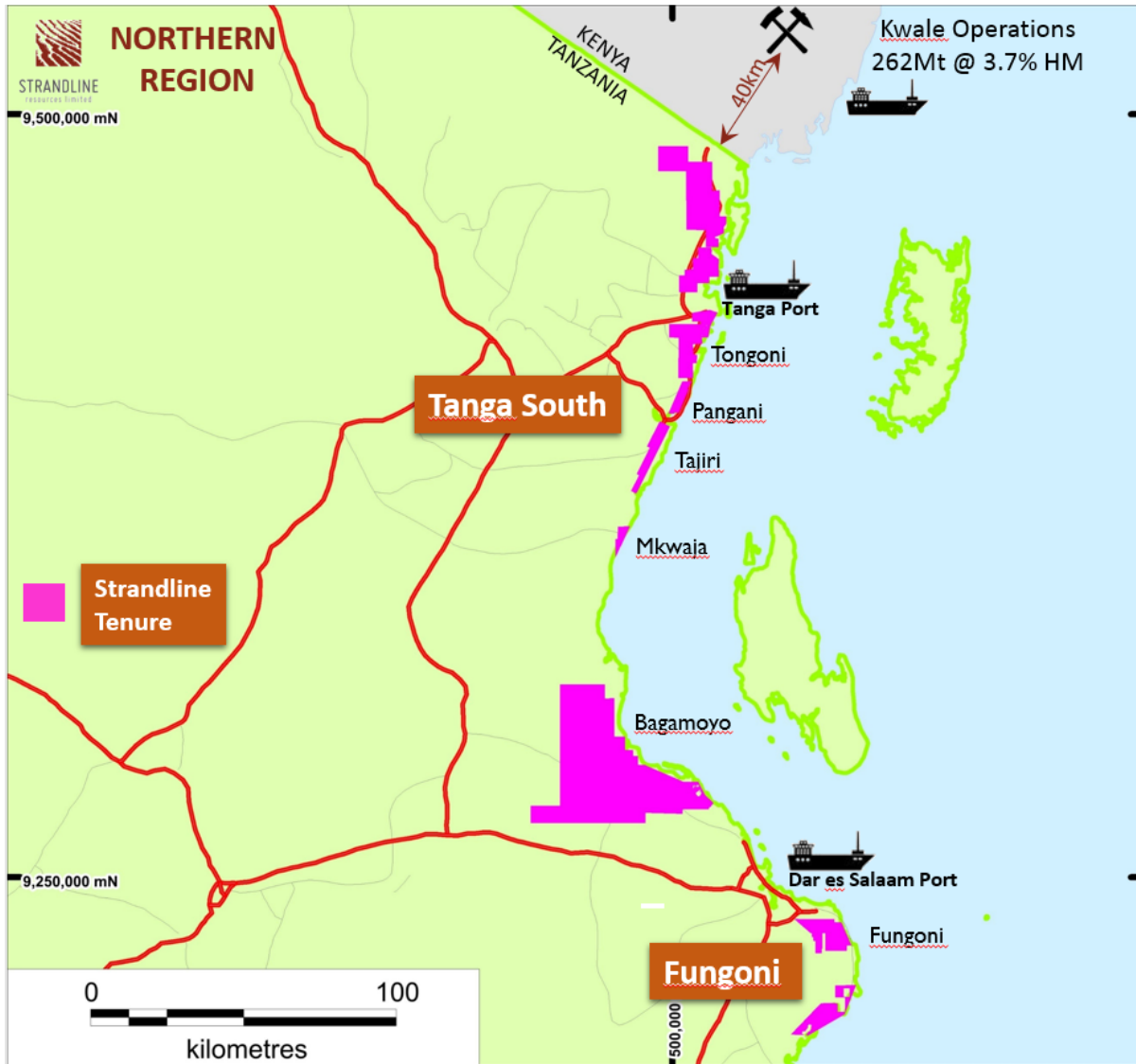


Figure 1. Location map for Strandline projects in Northern Tanzania

Fungoni Project - Resource Extension and Feasibility

Approximately 140 holes totalling 1700m of infill and extensional aircore (AC) drilling were completed at the Fungoni Project (Figures 1, 2 & 3). The holes were designed to infill existing resource drilling completed by Jacana Resources in 2012 reducing the drill pattern from 100 x 200m to 50 x 100m (Figure 3). The samples generated from this program will also provide additional material for mineral assemblage characterisation and geological domain definition prior to updating the resource model.

The updated mineral resource model will be used to select a 7 to 10 tonne composite sample for metallurgical testwork, essential to develop the optimum mining method, processing flow sheet, and product suites. Importantly, this will provide high value product samples for marketing in the short term.

In addition, re-logging of previous drill samples stored from the 2012 drill program has yielded some extensional heavy mineral targets to the north and south along strike of the Fungoni Mineral Resource. Field logging of the drill samples shows that shallow surface mineralisation extends a further 400m from the existing resource boundaries.

The samples are currently being processed in Tanzania prior to export to Australia for heavy mineral analysis.

As part of its development commitment, the Company lodged a preliminary Environmental Impact Assessment (EIA) Report for the Fungoni Project with the Tanzanian environmental regulatory authorities in late July 2016. A field visit by the Tanzanian Government's technical review panel will be carried out in early September. Feedback from this meeting will allow the report to be finalised efficiently.



Figure 2. Aircore drilling at Fungoni with heavy mineral pan sample taken from that drill hole

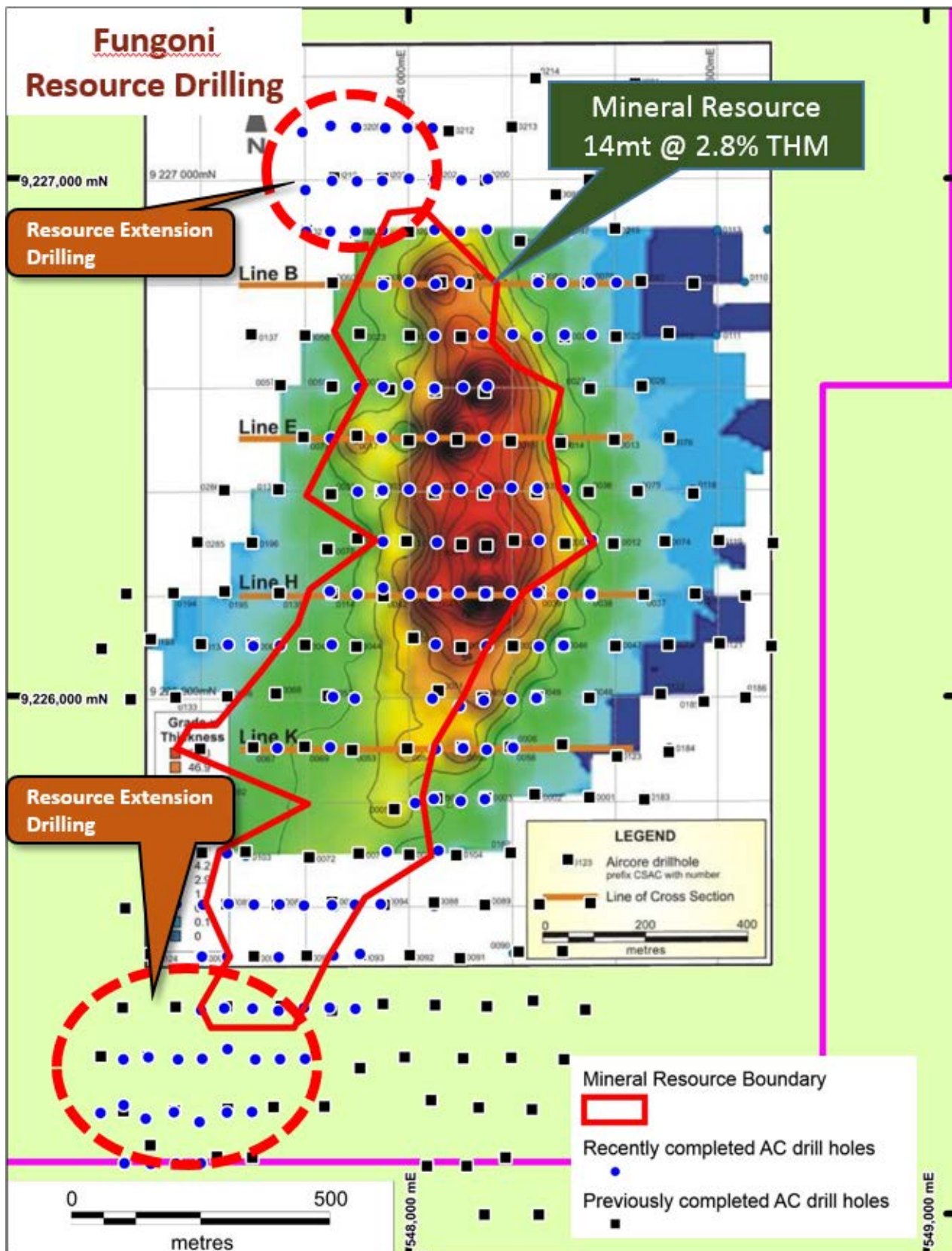


Figure 3. Extension and infill aircore drilling at Fungoni

Tanga South - Tajiri Mineralised Corridor

Access lines and drill pads have been cleared for the current AC drill program along the Tajiri Mineralised Corridor Exploration Target (refer to ASX announcement 15/06/2016).

The Company has previously estimated an Exploration Target of **100 to 270mt at between 3% to 5% Total Heavy Minerals (THM)** for this prospective 25km long zone (which is in addition to the existing Indicated Resources of **59mt @ 3.7% THM** for 2.2mt contained THM). Strandline would caution the reader that the potential quantity and grade of the combined Exploration Target is conceptual in nature and shows there is insufficient supporting information 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.



Figure 4. Planned Tajiri extension aircore drill plan

The Company has commenced a 4,000 to 5,000m AC drill program across these Exploration Targets and is expected to be completed over the next 4 weeks. The drilling will be conducted on 400 to 1,600m spaced drill lines with drill holes located every 200m along the lines (Figure 4). Additional infill drilling will be undertaken based on field results.

Tanga South - Tongoni and Pangani

Within the Tanga South Project, maiden AC drill programs will also be undertaken at the *Tongoni* and *Pangani* prospects.

Historic surface geochemistry and detailed aeromagnetic/radiometric data has been compiled to generate priority targets for drill testing. A systematic grid-based drill program has been designed to provide coverage over the majority of the tenure with closer spaced drill patterns targeting the higher priority zones. A total of 5,000m is planned for this program, which will test approximately 30km of strike within this highly anomalous zone. Drilling will commence once the Tajiri AC drill program is completed in September.

Aeromagnetic and Radiometric Survey

A detailed airborne geophysical survey has commenced, extending across all prospective tenements (aside from the Tanga South Project, which has already been flown) using 100m to 200m flight lines and a flight height of 30m.

A total of approximately 20,000 line-km have been planned for this extensive aerial magnetic, radiometric and topographic survey. The technique was very successful in delineating coherent target zones for heavy minerals at Tanga South. The data generated from this geophysical survey, combined with the existing surface geochemistry and mapping data sets will form a powerful and value-adding targeting tool for the Company in exploration for further heavy mineral accumulations for drill testing.

Southern Region Projects

Upon completion and processing of the regional geophysical survey the data will be integrated with our extensive geochemical database to target and prioritise drill programmes for the southern Tanzanian projects.

Corporate Matters

Following the recent placement and Rights Offer the Company is well cashed up and as at 31 August had A\$4.8 million in the bank.

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Table 1: Fungoni Mineral Resource Estimate¹ at various HM cut-off (April 2014)

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources ⁽¹⁾					THM assemblage ⁽²⁾					
Deposit	Cut-off	Mineral Resource Category	Tonnage	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
			(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Fungoni	1.0% HM	Indicated	11	3.1	44	4	22	-	27.5	8.7
Fungoni	1.0% HM	Inferred	3	1.7	44	6	23	-	24.2	8.9
Fungoni	1.5% HM	Indicated	7	4.1	44	5	22	-	25.2	8.6
Fungoni	1.5% HM	Inferred	2	1.9	44	5	22	-	24.1	9.2
Fungoni	2.8% HM	Indicated	2.4	8.3	44	5	22	-	20.8	7.1

(1) Mineral Resources reported at various cut-off grades
(2) Mineral assemblage is reported as a percentage of in situ THM content

¹ This JORC 2012 compliant Mineral Resource Estimate was prepared by Rod Webster, Tracie Burrows and Kathy Zunica of AMC Consultants Pty Ltd on 29 April 2014 and was published by Jacana in its replacement prospectus dated 6 November 2014. The 2.8% cut-off figures were taken from the graphs in the AMC report and from TZMI analysis of the AMC block model.

Table 2. Tanga South Project Mineral Resource Estimate (April 2016)

MINERAL RESOURCE SUMMARY FOR TANGA SOUTH PROJECT										
Summary of Mineral Resources ⁽¹⁾					THM assemblage ⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ THM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Tajiri	Indicated	19	1.0	5.1	65	12	6	6	34	3
Tajiri North	Indicated	40	1.2	3.0	70	7	5	2	52	3
	Total⁽³⁾	59	2.2	3.7	68	10	5	4	46	3

(1) Mineral Resources reported at a cut-off grade of 1.7% THM
(2) Mineral assemblage is reported as a percentage of in situ THM content
(3) Appropriate rounding applied

Competent Person's Statements

The information in this report that relates to Exploration Results and Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Dr Mark Alvin, a consultant to Strandline and Mr Brendan Cummins, a part time employee of Strandline. Dr Alvin is a Member of The Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and they both have 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". Dr Alvin and 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. Both Mr Alvin and Mr Cummins are shareholders of Strandline Resources.

The information in this report that relates to mineral resources for Fungoni is based upon information compiled by Mr Tom Eadie, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Eadie, who is Managing Director of Strandline Resources, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Eadie consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

The information in this report that relates to mineral resources for Tanga South is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Principal with GNJ Consulting) and Mr Brendan Cummins (Chief Geologist and part-time 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.

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.