



# STRANDLINE

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Investor Presentation

February 2015

Richard Hill – Managing Director

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# Disclaimer

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## Disclaimer & Forward Looking Statements

This presentation has been prepared by Strandline Resources (the "Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation. This presentation contains forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. The Company has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws Strandline makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation. You should not act or refrain from acting in reliance on this presentation material. This overview does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decisions.

## Competent Persons Statement

The information in this report that relates to exploration results, mineral resources and ore reserves for Strandline Resources is based on and fairly represents information compiled by Mr B J Cummins, who is a Member of the Australian Institute of Geoscientists. Mr Cummins, who is a part-time employee 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 Cummins consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

## Other Information

Refer to the ASX announcement dated 9 February 2015 for details of the material assumptions underpinning the production target and forecast financial information included in this presentation for the Coburn HMS Project. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

Refer to the ASX Announcements dated 6 June 2013 and 11 June 2013 for full details of the Mineral Resource information included in this presentation for the Mt Gunson Project. The portion of the Mineral Resource estimate that is pre-2000 JORC has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# Highlights



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## World Class Management Team

(ex-Iluka, Rio Tinto)

## Country-Wide Exploration Play – Tanzania

Within worlds major mineral sands producing corridor  
Significant activity by neighbours – Iluka/Kenmare, Rio Tinto, Base Resources



## Construction Ready Coburn HMS Project

100% owned, \$30m spent to date, quality zircon project, approvals in place

## Exciting Nickel & Copper Projects

Quality funded JV's, no expense to Strandline, significant newsflow



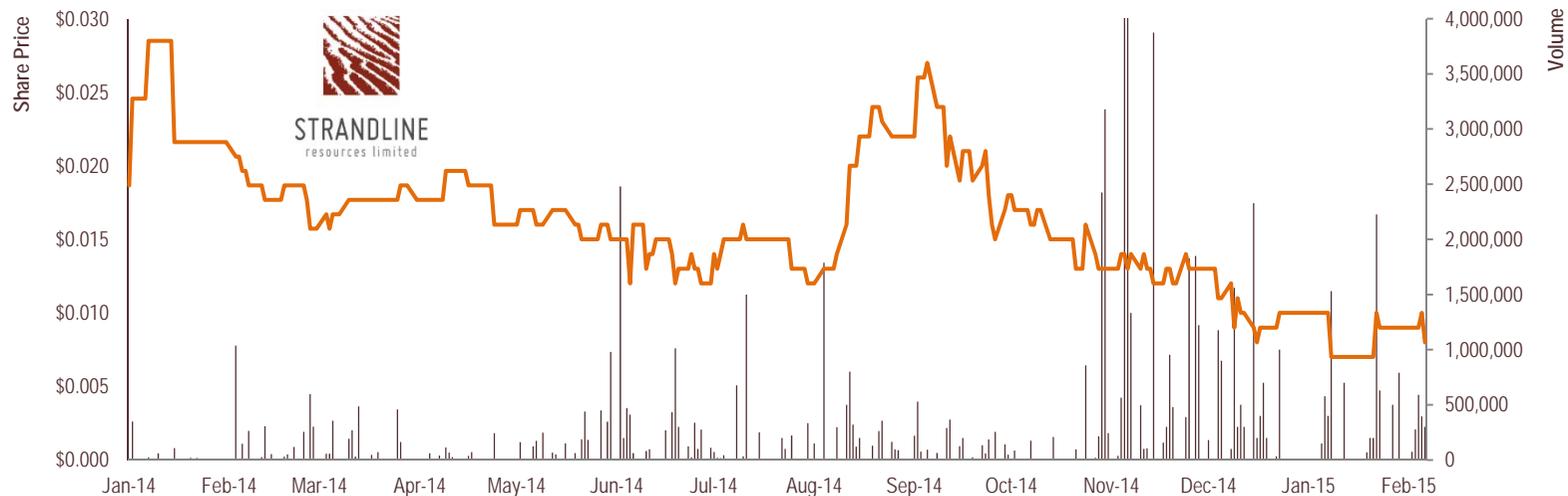
# Corporate Overview – ASX: STA



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|                                  |                |
|----------------------------------|----------------|
| Shares on Issue                  | 615.5m         |
| Unlisted Options                 | 15.6m          |
| <b>Market Cap (@ 1.0c/share)</b> | <b>A\$6.2m</b> |
| Cash (as at 31 Dec 2014)         | A\$1.2m        |
| Debt                             | Nil            |
| <b>Enterprise Value</b>          | <b>A\$5.0m</b> |

|                                   |                |
|-----------------------------------|----------------|
| <b>Major Shareholders</b>         | <b>Current</b> |
| Westoria Resource Investments Ltd | 5.64%          |
| Artemis Corporate Limited         | 5.64%          |
| Kabungo Holdings Pty Ltd          | 5.04%          |
| <b>Top 20 Shareholders</b>        | <b>47.88%</b>  |
| <b>Board &amp; Management</b>     | <b>~26.0%</b>  |



# Board and Management



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## Mike Folwell – Non-Executive Chairman

- Extensive experience in a range of Mining and industrial companies at MD and CEO level
- Former Managing Director of Iluka Resources
- Managed a number of businesses on a global basis for companies including - Iluka Resources, Pivot Ltd., Pioneer International, BOC Gases and Shell



## Richard Hill – Executive Director

- Qualified as a solicitor and geologist with over 19 years' experience in the Resource Industry
- Performed roles as legal counsel, geologist and commercial manager for several major and mid cap Australian mining companies and as founding director for a series of successful ASX-listed companies
- Practical geological experience as a mine based and exploration geologist in a range of commodities



## Didier Murcia (AM) – Non-Executive Director

- Honorary Consul for Tanzania in Australia, with extensive Tanzanian experience and high level connections
- 25 years legal and corporate expertise in resources sector • Awarded Order of Australia for services to the international community through support for the provision of medical and educational resources in Tanzania
- Currently Chairman of Centaurus Resources Limited and Alicanto Minerals Limited, and Non-Executive Director of Gryphon Minerals Ltd



## Bill Bloking – Non-Executive Director

- Engineer with 39 years of experience in technical, commercial and leadership roles in the oil industry
- 33 years with ExxonMobil and BHP Billiton in Australia, Asia, Europe, South America, and the USA. Former President, Australia Asia Gas, BHP Billiton Petroleum and Managing Director, Eureka Energy. Formerly MD of Gunson Resources (renamed to Strandline)
- Currently Non-Executive Chairman of Nido Petroleum, Non- Executive Director of Challenger Energy and Fellow of the Australian Institute of Company Directors



## Mark Alvin PhD – Consultant Geologist

- 20 years experience in mine and exploration geology (ex Rio Tinto)
- Successful in identifying and developing world-class mineral assets with a proven track record for discovery of Tier 1 Minerals Sands projects in south eastern Africa
- Hands on experience in exploring for Mineral Sands in Tanzania and fluent in Kiswahili



## Asimwe Kabunga – In-Country Consultant

- Asimwe is a Tanzanian born Australian entrepreneur
- Holds a Bachelor of Science, Mathematics and Physics and has over 18 years' technical and commercial experience in Tanzania, the United States and Australia
- Extensive experience in the mining industry, logistics, land access, tenure negotiation & acquisition
- Instrumental in establishing the Tanzania Community of Western Australia Inc, and served as it's first President. He was also a founding member of Rafiki Surgical Missions and Safina FoundationTanzania



## Brendan Cummins – Consultant Geologist

- 20 years experience in mine and exploration geology both within Australia, southern Africa, South America and China
- Specialist in identifying exploration assets and developing them from greenfields through to resource definition and feasibility study
- Has managed exploration teams on a number of projects in Tanzania over the past 4 years

# Heavy Mineral Sands Projects



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Major Exploration  
Potential



Tanzania Mineral Sands Project (100% STA).

Construction Ready  
Zircon Project

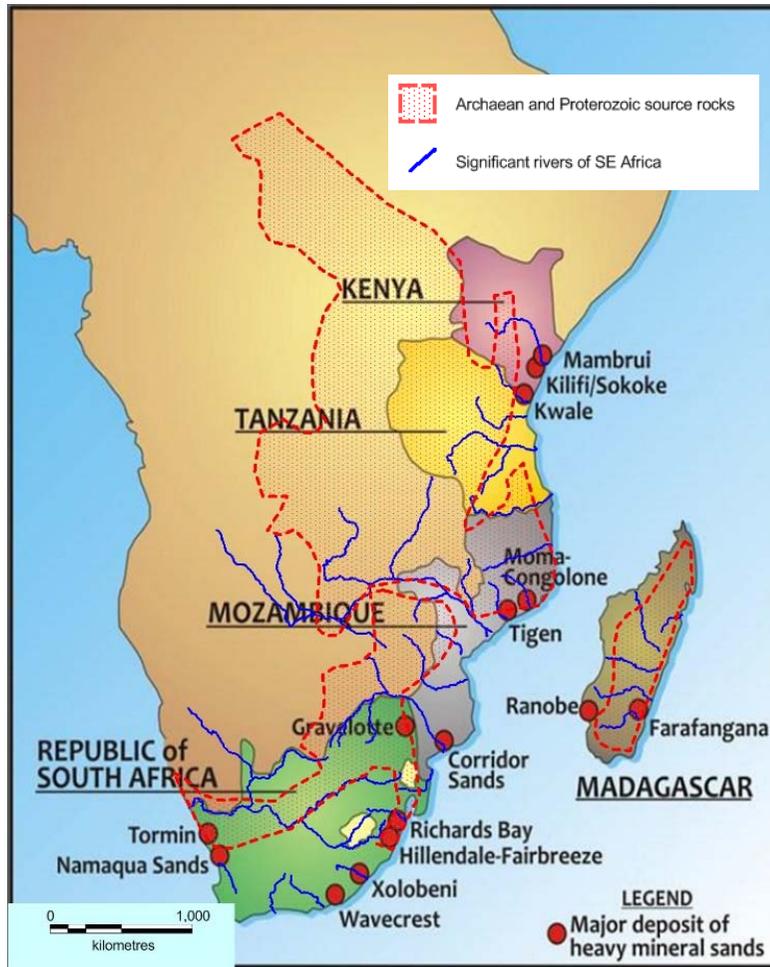


Coburn Mineral Sands Project – WA (100% STA).

# Why Tanzania?



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- Equivalent source rocks, river systems, coastline & trap sites as other southern African mines
- Within the worlds major zircon and titanium producing corridor
- Exclusive access to only major country-wide mineral sands database & specialist team
- Rapid low cost resource delineation
- Major operations in the region demonstrate
  - ✓ Simple, low risk development pathways
  - ✓ Infrastructure solutions
  - ✓ Established markets
- Favourable Jurisdiction:
  - ✓ Politically Stable Democracy;
  - ✓ Mining Friendly;
  - ✓ English Speaking, and
  - ✓ Fast growing Economy

# Country Wide Exploration Play



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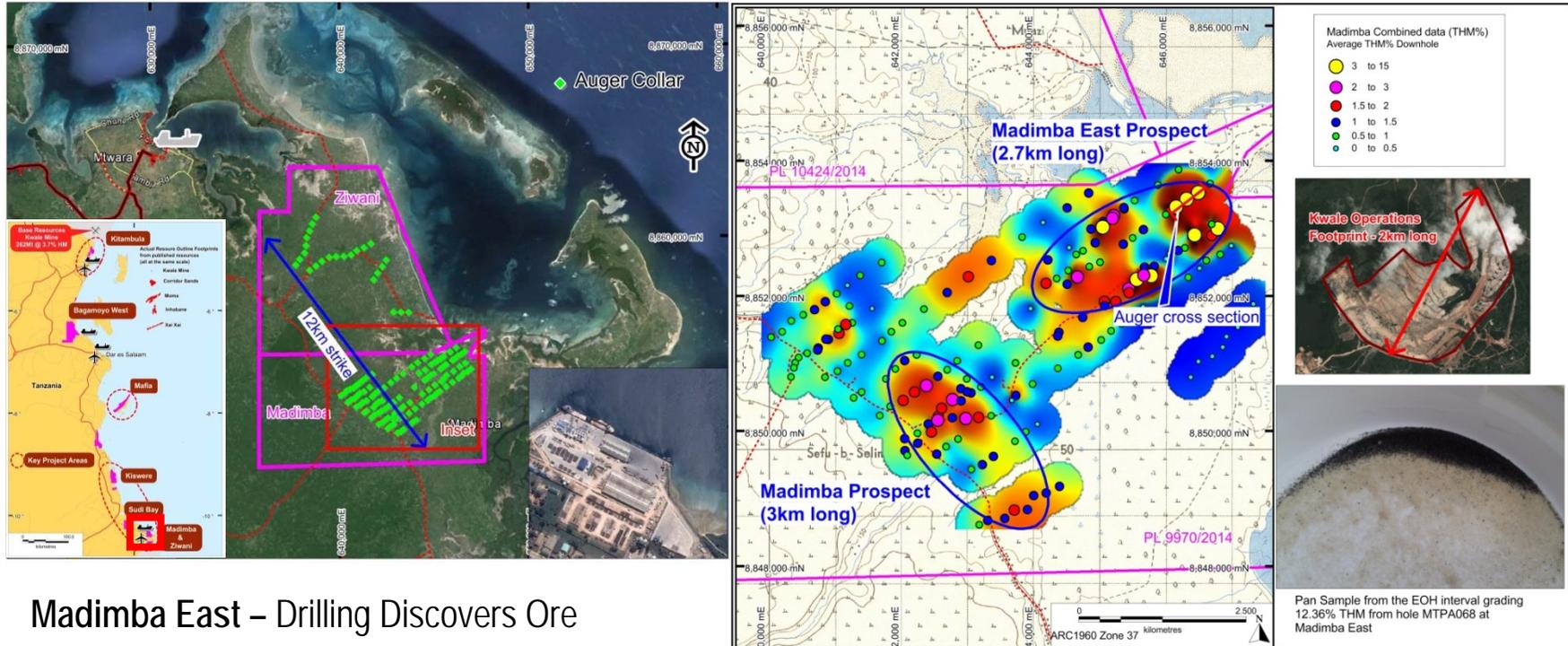


- >2,000 km<sup>2</sup> ground position in application and granted tenure (100%)
- 35-50km of coastline exposure at 5 projects (~ 200 km of coastline exposure)
- Targeting scalable, high value mineral assemblages (Ilmenite, Rutile, Zircon)
- All Projects within 20km of coastline - access to roads, rail and port hubs
- First Phase auger drilling of initial priority targets has generated early success with delineation of significant zones of heavy mineral sands
- Next steps include Resource drilling of several key project areas

# Madimba – Southern Tanzania

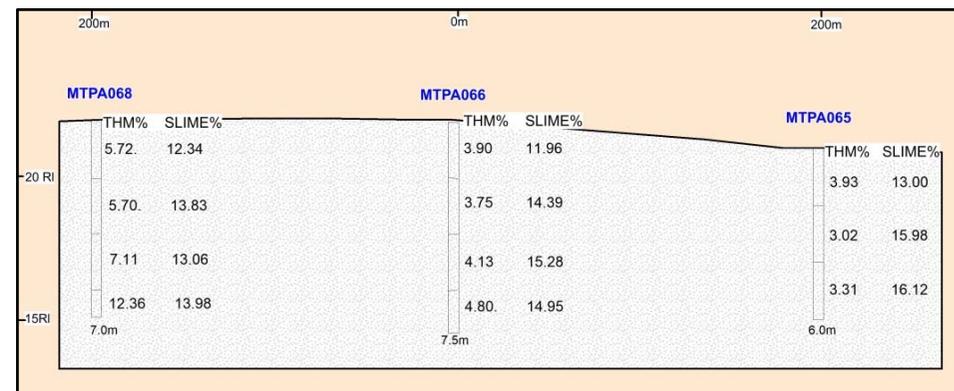


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- Madimba East – Drilling Discovers Ore grade zones within a 2.7km long zone of +1% THM mineralisation (low slime content)
- Madimba – drilling confirms depth extent of 3km long +1% THM anomaly
- Ziwani results are pending

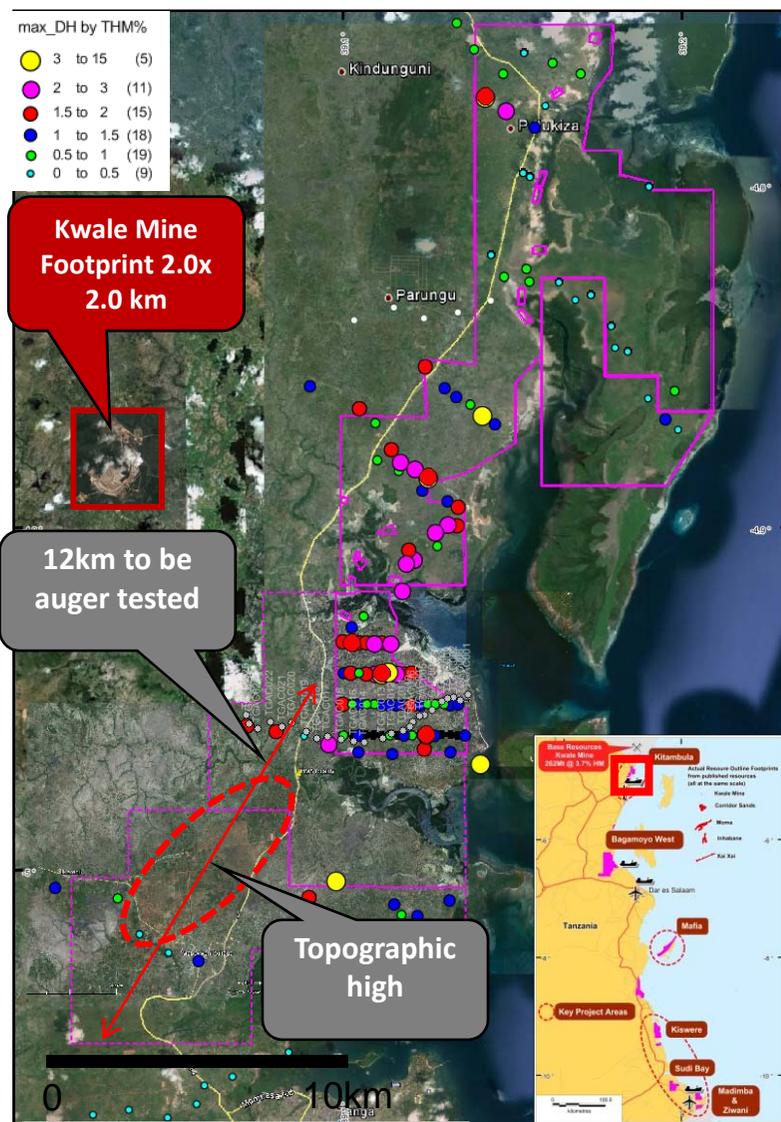
(Refer to ASX announcement dated 5 February 2015 for further details)



# Kitambula – Northern Tanzania



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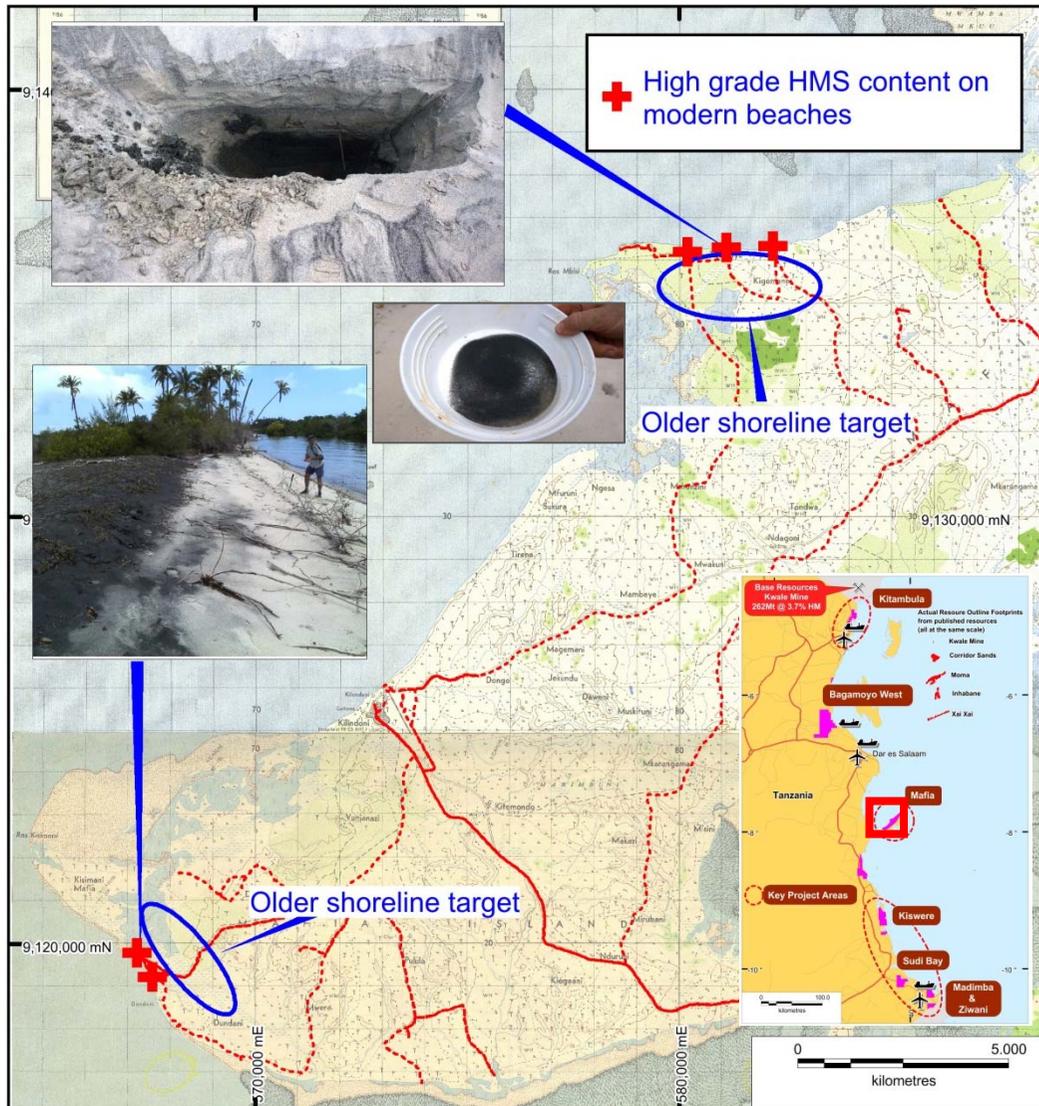
- Kwale Mine (262Mt @ 3.7% HM) 50km north in Kenya – footprint is less than 2km x 2km
- +35km of strike potential
- Broad Spaced testing to date (Phase 1):
  - Aircore drill results
    - TGAC006: 22m @ 2.43% HMS from surface (including 4m @ 5.2 % HMS from 6m)
    - TGAC011: 6m @ 6% HMS from 35m
    - TGAC012: 3m @ 5.7% HMS from 36m
    - TGAC013: 7m @ 4.15% HMS from 4m
  - Auger HMS sampling (<10m depths)
    - AR007: 3.85m @ 3.74% HMS from 0m until EOH
    - AR024: 9m @ 2.36% HMS from 0m until EOH
    - AR032: 2.9m @ 3.38% HMS from 0m until EOH
    - AR053: 10.5m @ 1.95% HMS from 0m until EOH (including 4.5m @ 2.74% HMS)
- 5 to 20 km from the port town of Tanga
- Next Step – Resource drilling of central mineralisation

(Refer to ASX announcements of 29 October and 24 November 2014 for further details) 10.

# Mafia Island – High Grade Potential



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- High grade modern strands identified
- HMS mapped along the beach for at least 2km along the northern target
- Visually estimated grade 10% to 70% heavy minerals with low estimated trash and slimes from pan samples
- High grade zircon visually detected in the pan samples
- Grade & Assemblage results pending
- Evidence of significant source of heavy mineral along coastline makes a compelling case for inland strands

(Refer to ASX Announcement dated 24 November 2014 for further details)

# Coburn HMS Project – Overview



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- ❑ Coburn the only DFS completed, fully permitted, construction ready zircon-rich HMS project globally
- ❑ 100% Strandline owned
- ❑ Long mine life of +19 years with ~\$30 million invested on the project to date
- ❑ Located in highly favourable mining jurisdiction of Western Australia with good access to existing infrastructure
- ❑ 2004 JORC Resource - 979MT @ 1.26% HM\*
- ❑ 2004 JORC Reserve - 308MT @ 1.2% HM\*
- ❑ Project economics strongly leveraged to improving mineral sands prices



\* See Appendices 1 and 2 for JORC Resource & Reserve Statements (also refer to ASX Announcement dated 7 January 2010 for further details)

# Coburn HMS Project - Economics



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|   | Base Case <sup>1</sup> | Base Case <sup>1</sup><br>+10% | Base Case <sup>1</sup><br>+20% | Base Case <sup>1</sup><br>+40% |
|---|------------------------|--------------------------------|--------------------------------|--------------------------------|
| Life-of-Mine Exchange Rate (AUD/USD)                | 0.75                   | 0.75                           | 0.75                           | 0.75                           |
| Total Revenue A\$M                                  | 2,852                  | 3,137                          | 3,422                          | 3,993                          |
| Total Operating Costs<br>(including Royalties) A\$M | 1,713                  | 1,727                          | 1,742                          | 1,771                          |
| Net Operating Margin Pre Tax A\$M                   | 1,139                  | 1,410                          | 1,680                          | 2,222                          |
| Capital Cost A\$M                                   | 173                    | 173                            | 173                            | 173                            |
| IRR*  | 26.5%                  | 33.0%                          | 39.2%                          | 51.3%                          |
| NPV* @ 8% A\$M                                      | 306                    | 423                            | 539                            | 772                            |

<sup>1</sup> Base case refers to the base case commodity price forecast in the TZMI Q4 2014 *Titanium Feedstock Price Forecast to 2018* report.

\* pre-tax

- NPV A\$306 million, IRR 26%, with a 4.5 year payback (using TZMI base case pricing)
- Project economics strongly leveraged to improving mineral sands prices
- NPV A\$539 million, IRR 39%, with a 3.1 year payback (using TZMI base case pricing +20%)

# Coburn HMS Project – Next Steps



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- ❑ Continue to advance cost reduction initiatives
- ❑ Significant recent interest from a number of end-users seeking quality, near term products as well as groups looking at direct participation in the project
- ❑ Seek to attract the right strategic partner and engage with off-take parties
- ❑ Construction ready to commence once financing is secured

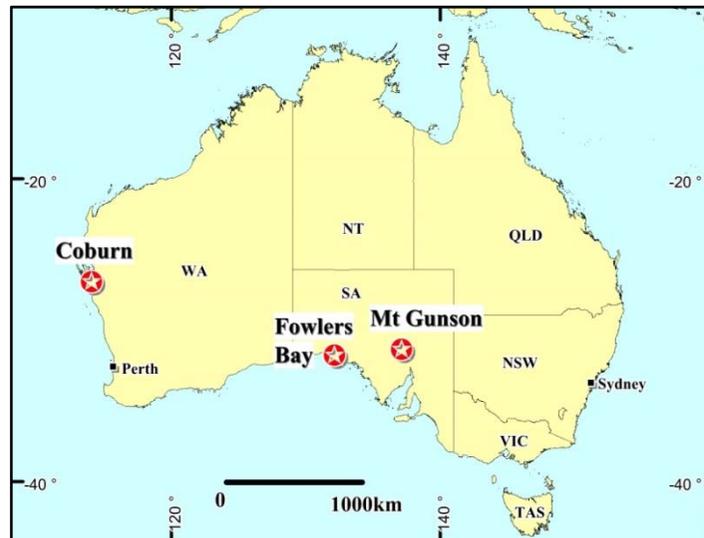




# Other Projects (100%) – Funded

## Fowlers Bay (Ni, Cu, Au)

- 700km<sup>2</sup> exploration licence located 150km west of Ceduna
- Western Areas (ASX: WSA) (earning to 90%) -targeting very large base metal & gold deposits in new province
- First mover play by high calibre, well funded partner
- Recently completed aeromagnetic survey has identified a number of prospective anomalies
- Major drilling campaign of key targets commences mid 2015
- Strandline free carried for \$1.2M of expenditure



## Mt Gunson (Cu)

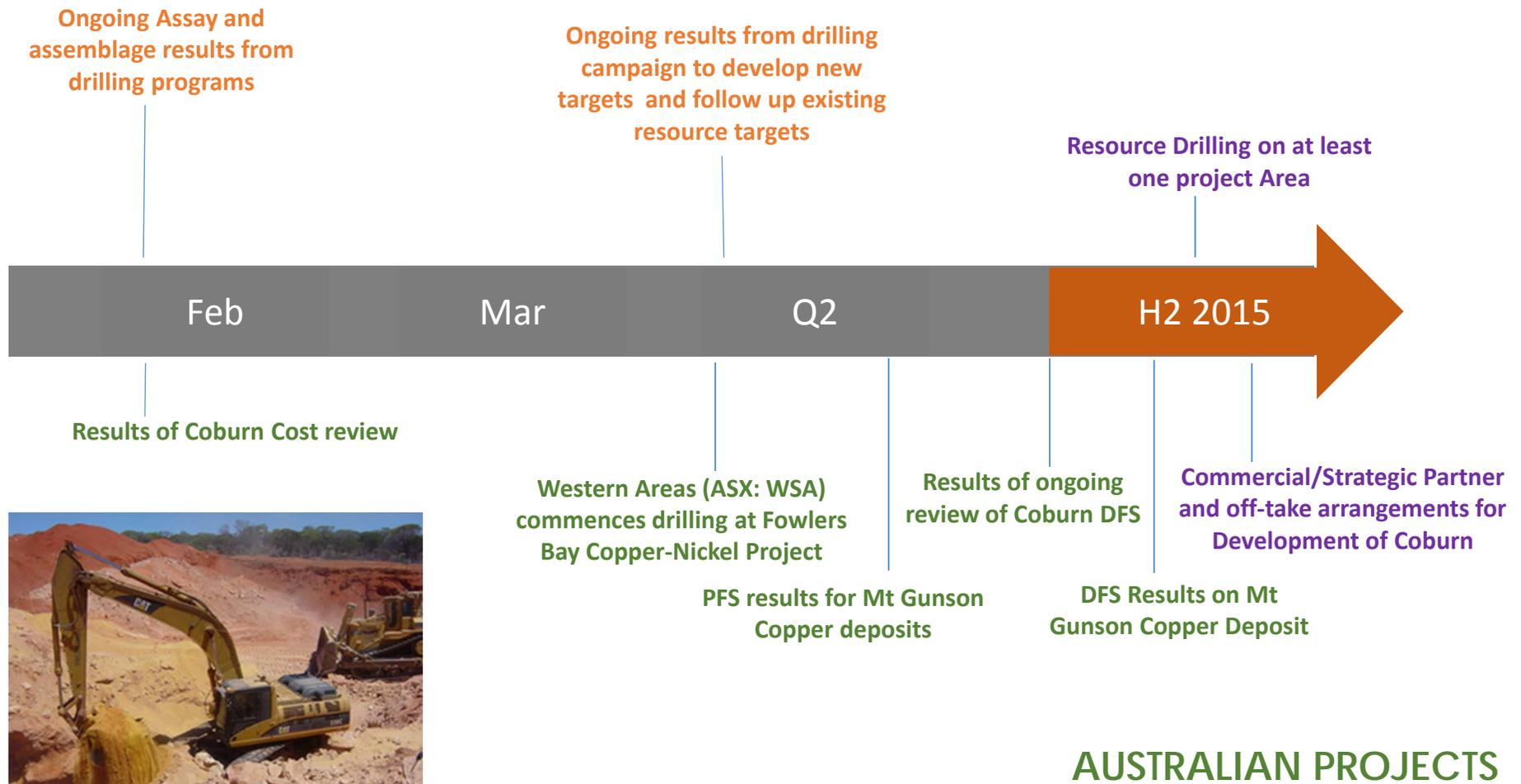
- Centrally located in the world-class Olympic Dam copper-gold province (100km south of BHP Billiton's Olympic Dam copper-uranium-gold mine)
- **Combined JORC pre-2000 and JORC 2012 Indicated Resources total +200,000t contained copper**
- Feasibility Studies significantly de-risk copper production projects with recent 'game changing' improvements in metal recoveries (copper up to 90%, Cobalt +80%)
- **Under JV - Bankable Feasibility Study targeted by mid 2016 at no cost to Strandline**

# Upcoming Newsflow



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## TANZANIAN MINERAL SANDS PROJECTS



## AUSTRALIAN PROJECTS

# Summary

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- ❑ **World Class Mineral Sands Team (Iluka/Rio Tinto Pedigree)**
- ❑ **Whole of Country Play – Tanzania (100%)**
  - ❑ Aggressive drilling campaign has commenced with early success - resource targets delineated
  - ❑ Significant activity by major players in the region through existing operations & recent consolidation (e.g. Iluka – Kenmare & Base-World Titanium mergers)
- ❑ **Construction Ready Coburn HMS Project – Western Australia (100%)**
  - ❑ ~\$30M previously spent and carried at a market capitalisation of circa A\$60 million when close to financing (Current Market Cap of ~\$6.2M)
  - ❑ Only quality zircon project world-wide at this level of readiness - significantly leveraged to rising prices
  - ❑ Costs review indicates significant Capex/Opex reduction, improved AUD environment
  - ❑ Now Seeking Strategic Partner
- ❑ **Other Projects – Australia (Currently 100%)**
  - ❑ Nickel and Copper Projects – Funded through quality JVs with significant newsflow



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# Contact Details

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# Appendix 1 - Coburn HMS Project Reserves



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## Coburn HMS Mineral Ore Reserves Estimate – January 2010

| JORC Category | Prospect     | Ore<br>Million<br>Tonnes* | HM<br>Grade<br>% | Zircon<br>% | Ilmenite<br>% | Rutile<br>% | Leucoxene<br>% |
|---------------|--------------|---------------------------|------------------|-------------|---------------|-------------|----------------|
| Proved        | Amy Pit A    | 53                        | 1.3              | 24          | 46            | 5           | 6              |
| Probable      | Amy Pits B-E | 255                       | 1.2              | 23          | 48            | 7           | 4              |
| <b>Total</b>  |              | <b>308</b>                | <b>1.2</b>       | <b>23</b>   | <b>48</b>     | <b>7</b>    | <b>5</b>       |

*\*Cut-off grade applied is 0.8% HM*

*The valuable mineral assemblage listed above is expressed as a percentage of the total HM content of each ore reserve category. Slimes average 2.7% of the ore and oversize 3.3%.*

Refer to the ASX announcement dated 7 January 2010 for full details of the Ore Reserve estimate. This Ore Reserve estimate has not been updated to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported.

