

ASX ANNOUNCEMENT

Capital Raising & Appendix 3B



STRANDLINE
resources limited

14 November 2018

Completion of Capital Raising

Proceeds will be used to finalise funding for the Fungoni project in Tanzania and complete the DFS on the Coburn project in WA

Strandline Resources (**ASX: STA**) is pleased to announce that it has successfully completed the capital raising announced on 6 November 2018.

The Company has raised \$3.0 million through the issue of 27.3 million fully paid ordinary shares to institutional and sophisticated investors. The shares were issued at \$0.11 per share using the Company's existing placement capacity under ASX Listing Rule 7.1.

Proceeds from the Placement will be used to advance the Coburn mineral sands project Definitive Feasibility Study (DFS), while also engaging with strategic implementation partners relating to product offtake, major contract packages and funding options. This is in addition to ongoing exploration and development costs relating to the Company's other Projects in Tanzania, including but not limited to, progress Fungoni project financing process, resource drilling of existing deposits (Tajiri) and regional exploration drilling of potential new deposits.

For further details on the issue, please refer to the Cleansing Statement and Appendix 3B accompanying this announcement.

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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.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

STRANDLINE RESOURCES LIMITED

ABN

32 090 603 642

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 27,272,726 Fully Paid Ordinary Shares
b) 1,126 Fully Paid Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Fully paid Ordinary Shares
b) Fully paid Ordinary Shares issued following the conversion of 1,126 options at 18 cents with an expiry date of 30 June 2019. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Ordinary Shares rank equally with existing ordinary shares</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.11 per share b) \$0.18 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) Issued to institutional and sophisticated investors pursuant to the placement announced on 6 November 2018. Proceeds from the Placement will be used to advance the following:</p> <ul style="list-style-type: none"> • Coburn mineral sands project Definitive Feasibility Study (DFS), while also engaging with strategic implementation partners relating to product offtake, major contract packages and funding options. • Ongoing exploration and development costs relating to the Company's other Projects in Tanzania, including but not limited to, progress Fungoni project financing process, resource drilling of existing deposits (Tajiri) and regional exploration drilling of potential new deposits. • General working capital, administration and corporate related expenses. <p>b) Fully paid ordinary shares issued following conversion of options.</p>

+ See chapter 19 for defined terms.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	27,272,726 Fully Paid Ordinary Shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	1,126 fully paid ordinary shares issued on exercise of unlisted options (Exception 4)
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable

+ See chapter 19 for defined terms.

<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p> <p>Note: Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017</p>	<p>LR 7.1 – 16,739,855</p> <p>LR 7.1A – 29,341,721</p>
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<p>7 +Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>14 November 2018</p>
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	Number	+Class
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p> <p>Note: Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017</p>	<p>320,689,931</p>	<p>Fully paid ordinary shares</p>

+ See chapter 19 for defined terms.

	Number	+Class						
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">35,704,542</td> <td><u>Unlisted options</u> expiring 30/06/19, exercisable at 18 cents per share</td> </tr> <tr> <td style="text-align: center;">3,975,230</td> <td><u>Unlisted performance rights</u> expiring on or before 15 August 2019, vesting on satisfaction of performance conditions.</td> </tr> <tr> <td style="text-align: center;">9,535,105</td> <td><u>Unlisted performance rights</u> expiring on or before 15 August 2020, vesting on satisfaction of performance conditions.</td> </tr> </table>	35,704,542	<u>Unlisted options</u> expiring 30/06/19, exercisable at 18 cents per share	3,975,230	<u>Unlisted performance rights</u> expiring on or before 15 August 2019, vesting on satisfaction of performance conditions.	9,535,105	<u>Unlisted performance rights</u> expiring on or before 15 August 2020, vesting on satisfaction of performance conditions.
35,704,542	<u>Unlisted options</u> expiring 30/06/19, exercisable at 18 cents per share							
3,975,230	<u>Unlisted performance rights</u> expiring on or before 15 August 2019, vesting on satisfaction of performance conditions.							
9,535,105	<u>Unlisted performance rights</u> expiring on or before 15 August 2020, vesting on satisfaction of performance conditions.							
	Note: Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017							

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue (Not Applicable)

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities (Not Applicable)

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b) – Not Applicable

Questions 38 to 42 are not applicable

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Print name: Flavio Garofalo
Company Secretary

Date: 14 November 2018

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	3,239,113,341
<p><i>Add</i> the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>(<u>2,969,186,572</u>) adjustment for 12:1 consolidation of capital on 4 December 2017.</p> <p><u>2,863,321</u> fully paid ordinary shares issued upon exercise of unlisted options on 26 March 2018.</p> <p><u>14,020,437</u> fully paid ordinary shares issued upon exercise of unlisted options on 16 April 2018.</p> <p><u>442,350</u> fully paid ordinary shares issued upon exercise of unlisted options on 12 June 2018</p> <p><u>2,062,740</u> fully paid ordinary shares issued upon exercise of unlisted options on 30 June 2018.</p> <p><u>581,082</u> fully paid ordinary shares issued on 13 August 2018 for MD/CEO’s participation in Short Term Incentive Plan as approved by shareholders on 24 November 2016. Shares issued in lieu of an equivalent cash payment – Exception 14 of LR 7.2.</p> <p><u>1,227,713</u> fully paid ordinary shares issued on 25 August 2017 for employees participation in Short Term Incentive Plan as approved by shareholders on 24 November 2016. Shares issued in lieu of an equivalent cash payment – Exception 14 of LR 7.2.</p>

+ See chapter 19 for defined terms.

	<p><u>2,291,667</u> fully paid ordinary shares issued on 25 August 2017 for employees participation in Short Term Incentive Plan as approved by shareholders on 24 November 2016. Shares issued in lieu of an equivalent cash payment – Exception 9 of LR 7.2.</p> <p><u>1,126</u> fully paid ordinary shares issued upon exercise of unlisted options expiring on 30 June 2019</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	293,417,205

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	44,012,581
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p><u>27,272,726</u> fully paid ordinary shares issued on 14 November 2018</p>
“C”	27,272,726

+ See chapter 19 for defined terms.

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	44,012,581
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	27,272,726
Total ["A" x 0.15] – "C"	16,739,855 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	293,417,205
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	29,341,721
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	29,341,721
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	nil

+ See chapter 19 for defined terms.

Total ["A" x 0.10] – "E"	29,341,721 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>
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For release to the market

Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

**Issuer: Strandline Resources Limited
ACN 090 603 642**

Details of the issue of offer of securities:

Class of securities	Ordinary Shares
ASX Code of the securities	STA
Date of the issue of the securities	14 November 2018
Total number of securities issued	27,273,852 shares

Notice:

1. Strandline Resources Limited gives ASX (as the relevant market operator) notice relating to the issue of the securities identified above.
2. This notice is given under paragraph 5(e) of Section 708A of the *Corporations Act 2001* (Cth).
3. Strandline Resources Limited issued the securities identified above without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* (Cth).
4. As at the date of this notice, Strandline Resources Limited has complied with:
 - (a) the provisions of Chapter 2M of the *Corporations Act 2001* (Cth) as they apply to it; and
 - (b) Section 674 of the *Corporations Act 2001* (Cth).
5. There is no excluded information (as defined in Section 708A(7) and (8) of the *Corporations Act 2001* (Cth) as at the date of this notice.



Flavio Garofalo
Company Secretary
Strandline Resources Limited

Date of Notice: 14 November 2018

+ See chapter 19 for defined terms.