

# 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  | Ordinary Shares<br>Performance Rights                   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 40,850 Ordinary Shares<br>55,000,000 Performance Rights |

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+ See chapter 19 for defined terms.

|  |  |
|--|--|
| <p>3 Principal terms of the <sup>+</sup>securities (e.g. if options, exercise price and expiry date; if partly paid <sup>+</sup>securities, the amount outstanding and due dates for payment; if <sup>+</sup>convertible securities, the conversion price and dates for conversion)</p>  | <p>Ordinary Shares are fully paid.</p> <p>Performance Rights (“Rights”) granted to Mr Luke Graham, Managing Director and CEO (“Participant”) pursuant to shareholder approval given on 24 November 2016.</p> <p>Each Right entitles the Participant to acquire one Share upon exercise of the Right. No amount shall be payable by the Participant on the grant or exercise of the Right. Rights will only vest if the relevant performance conditions are met and the Participant remains in employment during the vesting period. Upon vesting, Rights can be exercised by the Participant and the relevant shares will be issued by the Company.</p> <p>Unvested Rights granted will lapse when the performance conditions are not met or if the Participant ceases to be an Employee. Unvested Rights will vest upon a change of control event as defined in the terms and conditions as approved by shareholders.</p> <p>The Rights granted, subject to meeting performance conditions, include:</p> <ul style="list-style-type: none"> <li>- 27,500,000 Rights expiring on or before 15 August 2018; and</li> <li>- 27,500,000 Rights expiring on or before 15 August 2019.</li> </ul> <p>The Rights granted will only vest on satisfaction of performance conditions as approved by shareholders which are based on the Company’s Total Shareholder Return (TSR) measured against a peer group of companies’ TSR.</p> |
| <p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Ordinary Shares rank equally with existing ordinary shares.</p> <p>Performance Rights will not be quoted and do not rank equally with any class of quoted securities.</p> <p>A Performance Right does not give any right to participate in new issues of Shares or to participate in dividends until Shares are issued to the Participant pursuant to exercise of vested Performance Rights.</p>  |

|    |   |   |
|----|---|---|
| 5  | Issue price or consideration  | 40,850 Ordinary Shares issued on conversion of unlisted options expiring on 30/06/2018 @ \$0.01 per share<br><br>Performance Rights – nil consideration   |
| 6  | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets)   | Ordinary Shares issued upon exercise of unlisted options<br><br>Performance Rights granted pursuant to shareholder approval with the purpose to motivate and reward performance in achieving specified performance conditions |
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?<br><br>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i | Yes   |
| 6b | The date the security holder resolution under rule 7.1A was passed  | 24 November 2016  |
| 6c | Number of +securities issued without security holder approval under rule 7.1  | N/A   |
| 6d | Number of +securities issued with security holder approval under rule 7.1A  | N/A   |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)   | N/A   |
| 6f | Number of +securities issued under an exception in rule 7.2   | 40,850 Ordinary Shares issued upon exercise of unlisted options ( <i>Exception 4</i> )<br>55,000,000 Performance Rights issued pursuant to shareholder approval ( <i>Exception 14</i> )                                       |

+ See chapter 19 for defined terms.

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.

|     |
|-----|
| N/A |
|-----|

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

|     |
|-----|
| N/A |
|-----|

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

|                       |
|-----------------------|
| LR 7.1 – 384,058,360  |
| LR 7.1A – 257,044,180 |

7 +Issue dates

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.

Cross reference: item 33 of Appendix 3B.

|                  |
|------------------|
| 21 December 2016 |
|------------------|

|   |   |               |                            |
|---|---|---------------|----------------------------|
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | Number        | +Class                     |
|   |   | 2,571,447,074 | Fully paid ordinary shares |

|   | Number      | +Class  |
|---|-------------|---|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 10,000,000  | <u>Unlisted options</u> expiring on 3/11/17, exercisable at 3 cents per share.  |
|   | 428,508,795 | <u>Unlisted options</u> expiring 30/06/18, exercisable at 1 cent per share  |
|   | 136,366,924 | <u>Unlisted options</u> expiring on 12/10/18, exercisable at 1.5 cents per share.   |
|   | 428,549,645 | <u>Unlisted options</u> expiring 30/06/19, exercisable at 1.5 cents per share   |
|   | 4,782,000   | <u>Unlisted performance rights</u> expiring on or before 31 December 2016, vesting on satisfaction of performance conditions. |
|   | 27,500,000  | <u>Unlisted performance rights</u> expiring on or before 15 August 2018, vesting on satisfaction of performance conditions.   |
|   | 27,500,000  | <u>Unlisted performance rights</u> expiring on or before 15 August 2019, vesting on satisfaction of performance conditions.   |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)           | N/A         |   |

## Part 2 - Pro rata issue (Not Applicable)

Questions 11 to 33 are not applicable

+ See chapter 19 for defined terms.

## 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 (**Ordinary Shares only**)

(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

### 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.
  - 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: Geoff James  
Chief Financial Officer and Company Secretary

Date: 21 December 2016

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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

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>   |  |
|---|--|
| <b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>  |  |
| <b><i>Insert</i></b> number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue  | 1,245,179,985  |
| <p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid *ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | <p><u>49,428,592</u> fully paid ordinary shares issued on 23 December 2015 by a placement as approved by shareholders on 27 November 2015.</p> <p><u>1,082,000</u> fully paid ordinary shares issued on 23 December 2015 pursuant to vesting of performance rights under the Company’s Long Term Incentive Plan - Exception 9 of LR 7.2.</p> <p><u>76,121,513</u> fully paid ordinary shares issued on 11 January 2016 by a placement as approved by shareholders on 27 November 2015.</p> <p><u>8,493,000</u> fully paid ordinary shares issued on 10 May 2016 pursuant to vesting of performance rights under the Company’s Long Term Incentive Plan - Exception 9 of LR 7.2.</p> <p><u>332,943,363</u> fully paid ordinary shares issued on 7 June 2016 by a placement pursuant to the Strategic Relationship and Subscription Agreement entered into with Tembo Capital as approved by shareholders on 24 November 2016.</p> <p><u>857,125,894</u> fully paid ordinary shares issued on 15 July 2016 pursuant to completion of a pro-rata renounceable issue of 1 New Share for every 2 Shares – Exceptions 1 &amp; 2 of LR 7.2.</p> <p><u>26,604</u> fully paid ordinary shares issued on 27 September 2016 pursuant to exercise of unlisted options – Exception 4 of LR 7.2</p> <p><u>40,850</u> fully paid ordinary shares issued on 21 December 2016 pursuant to exercise of unlisted options – Exception 4 of LR 7.2 (<i>The subject of this Appendix 3B</i>)</p> |



|   |               |
|---|---------------|
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period | Nil           |
| <b>“A”</b>  | 2,570,441,801 |

|   |   |
|---|---|
| <b>Step 2: Calculate 15% of “A”</b>   |   |
| <b>“B”</b>  | 0.15<br><i>[Note: this value cannot be changed]</i>   |
| <b>Multiply “A”</b> by 0.15   | 385,566,270   |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |   |
| <p><b>Insert</b> 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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | 1,005,273 fully paid ordinary shares and 502,637 unquoted free attaching options issued on 11 January 2016 for payment of corporate advisor services. |
| <b>“C”</b>  | 1,507,910   |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |   |
| <b>“A” x 0.15</b><br><i>Note: number must be same as shown in Step 2</i>  | 385,566,270   |
| <b>Subtract “C”</b><br><i>Note: number must be same as shown in Step 3</i>  | 1,507,910   |
| <b>Total</b> [“A” x 0.15] – “C”   | 384,058,360<br><i>[Note: this is the remaining placement capacity under rule 7.1]</i>   |

+ See chapter 19 for defined terms.

## Part 2

| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |  |
|--|--|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |  |
| <b>“A”</b><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  | 2,570,441,801  |
| <b>Step 2: Calculate 10% of “A”</b>  |  |
| <b>“D”</b>   | 0.10<br><i>Note: this value cannot be changed</i>  |
| <b>Multiply “A” by 0.10</b>  | 257,044,180  |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |  |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <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></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| <b>“E”</b>   | Nil  |
| <b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>   |  |
| <b>“A” x 0.10</b><br><i>Note: number must be same as shown in Step 2</i>   | 257,044,180  |
| <b>Subtract “E”</b><br><i>Note: number must be same as shown in Step 3</i>   | Nil  |
| <b>Total [“A” x 0.10] – “E”</b>  | 257,044,180<br><br><i>[Note: this is the remaining placement capacity under rule 7.1A]</i> |