

STRANDLINE
resources limited
ABN 32 090 603 642

**Notice of Annual General Meeting
and
Explanatory Memorandum**

Date of Meeting
Tuesday 28 November 2017

Time of Meeting
11.00am (WST)

Place of Meeting
**Offices of BDO Australia
38 Station Street
Subiaco Western Australia 6008**

This is an important document. Please read it carefully and in its entirety. If you do not understand it please consult with your professional advisers.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE, VISIT: www.strandline.com.au

Notice of Annual General Meeting

Strandline Resources Limited
ABN 32 090 603 642

The Annual General Meeting (**AGM**) of Strandline Resources Limited (**Company**) will be held at the offices of **BDO Australia, 38 Station Street, Subiaco**, Western Australia, on **Tuesday 28 November 2017 at 11.00am (WST)**.

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the AGM.

AGENDA

1. Financial reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of Strandline Resources Limited for the financial year ended 30 June 2017 which are contained within the Annual Report.

Note: This item of business is for discussion only and is not a Resolution.

2. Resolution 1 – Adoption of the Remuneration Report (non-binding resolution)

To consider and, if thought fit, to pass as an **ordinary resolution**:

'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company (which is contained in the Directors' Report in the Annual Report) for the financial year ended 30 June 2017 be adopted.'

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

The Company will disregard any votes cast on this Resolution by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member, unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

3. Resolution 2 – Re-election of Mr Asimwe Kabunga as a Director

To consider and, if thought fit, to pass as an **ordinary resolution**:

'That, for the purpose of clause 58.1 of the Constitution and for all other purposes, Mr Asimwe Kabunga, a Director, who retires by rotation, and being eligible, is re-elected as a Director.'

4. Resolution 3 – Re-election of Mr Tom Eadie as a Director

To consider and, if thought fit, to pass as an **ordinary resolution**:

'That, for the purpose of clause 58.1 of the Constitution and for all other purposes, Mr Tom Eadie, a Director, who retires by rotation, and being eligible, is re-elected as a Director.'

5. Resolution 4 – Approval of Long Term Incentive Plan ("Plan")

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*'That approval be given for the adoption by the Company of a Long Term Incentive Plan ("**Plan**"), the terms and conditions of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting and, further, that approval be given for the purposes of Listing Rule 7.2 Exception 9 (and for all other purposes) for all issues of Performance Rights under the Plan as an exception to Rule 7.1 of the Listing Rules for a period of 3 years from the date of this Meeting.'*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Plan and any associates of such person. However, the Company need not disregard a vote if it is cast by that person as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form, or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

6. Resolution 5 – Amendment to Terms of Previously Issued Performance Rights to Mr Luke Graham

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

'That, for the purpose of Listing Rule 6.23.4 and for all other purposes, approval be given for the Company to amend the change of control terms of 55,000,000 Performance Rights previously issued to Mr Luke Graham (or his nominee), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Graham and any of his associates. However, the Company need not disregard a vote if it is cast by that person as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form, or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

7. Resolution 6 – Approval of Grant of Performance Rights to Mr Luke Graham

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

'That, in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be given for the grant of 66,000,000 Performance Rights to Mr Luke Graham (or his nominee), subject to satisfaction of relevant long term performance milestones, the details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Graham and any of his associates. However, the Company need not disregard a vote if it is cast by a person (including the Chair) as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form and it is not cast on behalf of Mr Graham or any of his associates.

8. Resolution 7 – Renewal of the Company's Proportional Takeover Provisions

To consider, and if thought fit, to pass as a **special resolution**:

'That, the proportional takeover provisions in the form set out in clause 23 of the Constitution, a copy of which is tabled at the AGM, are renewed for a period of 3 years commencing on the date of the AGM pursuant to section 648G of the Corporations Act.'

9. Resolution 8 – Approval of Additional 10% Placement Facility

To consider, and if thought fit, to pass as a **special resolution**:

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% placement facility to which this Resolution relates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any of their Associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Important note: The proposed allottees of any Equity Securities under this 10% placement facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% placement facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

10. Resolution 9 – Consolidation of Capital

To consider, and if thought fit, to pass as an **ordinary resolution**:

'That, for the purposes of section 254H of the Corporations Act, Listing Rule 7.20, clause 28 of the Company's Constitution and for all other purposes, with effect on a date to be announced to the ASX in accordance with the Listing Rules, the issued capital of the Company be consolidated on the basis that:

- (a) every twelve (12) Shares be consolidated into one (1) Share;*
- (b) every twelve (12) Options be consolidated into one (1) Option;*
- (c) every twelve (12) Performance Rights be consolidated into one (1) Performance Right; and*
- (d) where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole Security,*

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

NOTES

These notes form part of the Notice of Meeting.

1. Background information

To assist you in deciding how to vote on the Resolutions, background information to the resolutions is set out in the Explanatory Memorandum forming part of this Notice of Meeting.

2. Required Majorities

All of the Resolutions except Resolutions 7 and 8 are **ordinary resolutions** and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions in person, by proxy, or by an authorised representative.

Resolutions 7 and 8 are **special resolutions** and will be passed only if supported by at least 75% of the votes cast by Shareholders entitled to vote on the resolution in person, by proxy, or by an authorised representative.

3. Recommendation

The Board believes Resolutions 1 to 9 are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends Shareholders vote in favour of each of them.

4. Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that, for the purpose of voting at the AGM, Shareholders eligible to vote at the AGM are those persons who are the registered holders of Shares at 11:00am (WST) on 26 November 2017.

5. How to vote

You may vote by attending the AGM in person, by proxy, or by an authorised representative.

6. Voting in person

To vote in person, attend the AGM on the date and at the place set out above. Shareholders are asked to arrive at the venue by 10.45am (WST) so the Company may check their Shareholding against the Company's Share register and note attendances.

7. Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy must appoint a representative to exercise any of the powers the body corporate can exercise as a proxy at the AGM. The representative should bring to the meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received at the Share Registrar **no later than 11:00am (WST) on 26 November 2017** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

Online: www.investorvote.com.au
 By Post: Computershare Investor Services Pty Ltd
 GPO Box 242
 Melbourne Victoria 3001
 Australia
 By Facsimile (inside Australia): 1800 783 447
 By Facsimile (outside Australia): +61 3 9473 2555

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any proxy form received after 11am (WST) on 26 November 2017 will not be valid for the AGM.

8. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

9. Questions from Shareholders

The Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Mr Phillip Murdoch of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2017 (or his representative), will attend the AGM. The Chair will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 11am (WST) on 21 November 2017.

By Post: PO Box 1217, West Perth, Western Australia 6872
 By Facsimile (inside Australia): (08) 9485 2070
 By Facsimile (outside Australia): +61 8 9485 2070
 In person: 35 Richardson Street, West Perth, Western Australia 6005

As required under section 250PA of the Corporations Act, at the meeting, the Company will make available those questions directed to the auditor received in writing at least 5 business days prior to the AGM, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the annual Financial Report for the year ended 30 June 2017. The Chair will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

10. Annual Report

The Company advises a copy of its Annual Report for the year ended 30 June 2017 is available to download at the website address, <http://www.strandline.com.au>

When you access the Company's Annual Report online, you can view it and print a copy. The Company will not provide a hard copy of the Company's Annual Report unless specifically requested to do so.

Please note if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or sometime in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

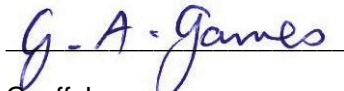
11. Enquiries

Shareholders are invited to contact the Company Secretary, Mr Geoff James on +61 8 9226 3130 if they have any queries on the matters set out in these documents.

By order of the Board

Date 24 October 2017

Signed



Name

Geoff James
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the AGM of the Company to be held on Tuesday, 28 November 2017.

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

1. Financial Reports

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to item 10 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2017 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements of Key Management Personnel, including the Managing Director, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report (pages 11 to 18), and can be found in the annual report section of the website at <http://www.strandline.com.au>.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chair will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors of the Company. However, under the Corporations Act if there are two consecutive votes at annual general meetings of the Company against the Company's remuneration report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive annual general meeting at which a Strike occurs (**Second Strike**), a resolution must be put to Shareholders to hold another meeting where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

The Remuneration Report for the year ended 30 June 2016 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 24 November 2016. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a spill resolution to Shareholders.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by Key Management Personnel (or their Associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chair to vote Shareholders' undirected proxy votes. In this regard, you should specifically note that if you appoint the Chair as your proxy and you indicate on the Proxy Form you do not wish to specify how the Chair should vote on Resolution 1, the Chair will cast your votes in favour of Resolution 1. **If you wish to appoint the Chair as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.**

3. Resolutions 2 and 3 – Election of Directors

3.1 Background

Clause 58.1 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. A retiring Director is eligible for re-election. Mr Asimwe Kabunga and Mr Tom Eadie retire in accordance with clause 58.1 of the Constitution and, being eligible, have offered themselves for re-election. Mr Didier Murcia, Mr Luke Graham, Mr Richard Hill and Mr John Hodder remain as Directors.

Details on each of Mr Kabunga's and Mr Eadie's respective background including experience, knowledge and skills are set out in this Explanatory Memorandum.

The Board considers the mix of executive and non-executive Directors collectively brings the range of skills, knowledge and experience necessary to direct the Company.

3.2 Re-election of Mr Asimwe Kabunga

Mr Asimwe Kabunga was appointed as a Director of the Company on 18 June 2015, a position he has continued to hold since that time. With effect from the conclusion of this AGM, and subject to Resolution 2 being passed, Mr Kabunga will remain a Director.

Mr Kabunga retires in accordance with clause 58.1 of the Constitution and offers himself for re-election as a Director of the Company.

Mr Kabunga is a Tanzanian-born Australian entrepreneur with over 18 years' experience in the mining industry, logistics, land access, tenure negotiation and acquisitions. He was instrumental in establishing the Tanzania Community of Western Australia Inc., and served as its first President. He was a founding member of Rafiki Surgical Missions and Safina Foundation Tanzania. He is currently a Non-Executive Director of Lindian Resources Limited and Chairman of Volt Resources Limited.

The Board (with the exception of Mr Kabunga) recommends Shareholders vote in favour of Resolution 2.

3.3 Re-election of Mr Tom Eadie

Mr Tom Eadie was appointed as a Director of the Company on 9 October 2015, a position he has continued to hold since that time. With effect from the conclusion of this AGM, and subject to Resolution 3 being passed, Mr Eadie will remain a Director.

Mr Eadie retires in accordance with clause 58.1 of the Constitution and offers himself for re-election as a Director of the Company.

Mr Eadie is a geologist and mining executive with over 20 years' experience in the resources industry with many significant mineral discoveries to his name. He is former Executive Chairman of Copper Strike, former founding Chairman of Syrah Resources and previously Executive General Manager – Exploration and Technology at Pasminco. He is a past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association. He is currently a Non-Executive Director of Alderan Resources Limited and New Century Resources Limited.

The Board (with the exception of Mr Eadie) recommends Shareholders vote in favour of Resolution 3.

4. Resolution 4 – Approval of Long Term Incentive Plan (“Plan”)

4.1 Background

Resolution 4 seeks Shareholder approval to the adoption by the Company of a Long Term Incentive Plan (“Plan”) and associated approval under Listing Rule 7.2, Exception 9 for the issue of Performance Rights under the Plan (and therefore the issue of Shares on exercise of those Performance Rights) as an exception to Listing Rule 7.1. Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of this Meeting (i.e. issues of Performance Rights under the Plan and the issue of Shares on vesting of Performance Rights will for that period of 3 years be excluded from the calculations in determining the number of securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1).

The purpose of the Plan is to increase Shareholder value in the Company by:

- (a) driving management decisions focussed on the long term prosperity of the Company through the use of

Performance Hurdles (as defined under the Plan);

- (b) linking employee remuneration to employee performance in relation to Performance Hurdles which enhance the Company's performance and contribute to the growth of the Company; and
- (c) ensuring the longer term success of the Company by attracting new staff and retaining existing employees.

Shareholders previously approved the Plan at the Annual General Meeting held on 26 November 2014.

The Directors of the Company have resolved to update the Plan and to seek Shareholder approval for a further period of 3 years.

4.2 Listing Rule 7.2 – Summary of the Plan

A summary of the main provisions of the Plan is set out below:

- (a) only Employees may participate under the Plan. An Employee is defined as a full-time or part-time employee (including an executive director) and a casual employee or contractor to the extent permitted by ASIC Class Order 14/1000;
- (b) the Board of Directors may determine which Employees and Directors are entitled to participate in the Plan and the extent of that participation, the Performance Hurdles to be met before the Performance Rights may be exercised, the Performance Periods, the Expiry Date and all other terms of the Performance Rights;
- (c) the Board of Directors may offer Performance Rights to any Eligible Person (i.e. an Employee) at such times and on such terms as the Board considers appropriate. However, under the Listing Rules, no Performance Rights may be issued to a Director, whether under the Plan or otherwise, without prior Shareholder approval;
- (d) offers made under the Plan in reliance on ASIC Class Order 14/1000 will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme;
- (e) an Employee who accepts an offer of Performance Rights under the Plan (i.e. a Participant) will not pay anything for the grant of the Performance Rights;
- (f) a Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise;
- (g) all Shares allotted upon exercise of the Performance Rights will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX;
- (h) the Company will not apply for official quotation of any Performance Rights;
- (i) the Performance Rights are not transferable except if a Participant dies;
- (j) Performance Rights lapse on the earlier to occur of:
 - (i) where Performance Hurdles have not been satisfied as at the expiry of the performance period;
 - (ii) if an Eligible Person ceases to be an Employee (except in certain cases);
 - (iii) the day the Board makes a determination that Performance Rights lapse due to breach, fraud or dishonesty;
 - (iv) the winding up or change of main undertaking of the Company; or
 - (v) the Expiry Date.
- (k) On the occurrence of a change of control event in relation to the Company which includes an unconditional takeover offer being made for Shares in the Company, any merger transaction or scheme of arrangement being approved under the Corporations Act for the Shares in the Company, or a person, or a group of associated persons becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company, the Board

may in its absolute discretion determine that all or a portion of the unvested Performance Rights will become vested Performance Rights;

- (l) if the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of a Participant for a Performance Right held by the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares to which the Performance Right relates will be increased by the number of Shares which the Participant would have received under the bonus issue if the Performance Right had vested immediately prior to the record date for the bonus issue;
- (m) on a reorganisation of the Company's capital, the rights of Participants will be changed to the extent necessary to comply with the Listing Rules of the ASX; and
- (n) the Board may terminate or suspend the Plan at any time without notice to Participants.

4.3 Listing Rule 7.2 – Number of securities issued under the Plan since the last approval

Since the Plan was last approved by Shareholders on 26 November 2014, 12,370,000 Performance Rights were issued, of which 5,835,000 were vested into shares and 6,535,000 lapsed.

4.4 Listing Rule 7.2 – Voting Exclusion Statement

A voting exclusion statement has been included in the Notice for the purposes of Resolution 4.

4.5 Directors' Recommendation

All the Directors (except those who are eligible to participate under the Plan) recommend that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Amendment to Terms of Previously Issued Performance Rights to Mr Luke Graham

5.1 General

At the Annual General Meeting of the Company held on 24 November 2016, Shareholders approved the grant of 55,000,000 Performance Rights ("PRs") to Mr Luke Graham. Mr Graham is the Managing Director and Chief Executive Officer of the Company.

The Directors have determined that the provisions in regards to vesting upon a change of control event which are contained in the terms of the Performance Rights previously granted to Mr Graham omit reference to a particular circumstance which ought properly to constitute a "change in control event". Accordingly, Resolution 5 seeks to rectify this matter.

The previous "change in control event" term approved by Shareholders was as follows:

Unvested PRs will become vested PRs upon a change of control event, which is defined as:

- (i) *a takeover bid being made to acquire Shares in the Company and such bid being declared unconditional; or*
- (ii) *a greater than 50% change in the shareholding of the Company from that which existed at the date the relevant PRs were granted; or*
- (iii) *any merger transaction or scheme of arrangement is recommended by the Board (where such transaction would have the effect contemplated in (ii) above).*

Approval is therefore sought from Shareholders for the following amendment to be made to the terms applicable to Mr Graham's existing 55,000,000 PRs:

Unvested PRs will become vested PRs upon a change of control event, which is defined as:

- (i) *immediately upon a takeover bid (as defined in the Corporations Act) to acquire any Shares becoming or being declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or*
- (ii) *a person, or a group of associated persons:*
 - *becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or*
 - *gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company; or*

- (iii) *immediately upon approval of a merger by way of scheme of arrangement under the Corporations Act by the Court under section 411(4)(b) of the Corporations Act.*

5.2 Voting Exclusion Statement

A voting exclusion applies to Resolution 5 in the terms set out in the Notice of Meeting.

5.3 Directors' Recommendation

All the Directors (except for Mr Graham) recommend that Shareholders vote in favour of Resolution 5. Those Directors note that the proposed amendment to the terms of Mr Graham's existing PRs will bring those terms into line with the terms of the additional PRs intended to be granted both under Resolution 6 and under the Plan.

6. Resolution 6 – Approval of Grant of Performance Rights to Mr Luke Graham

6.1 General

The Company proposes to grant 66,000,000 new PRs to Luke Graham (or his nominee) by way of long-term incentivisation. Mr Graham is the Managing Director and Chief Executive Officer of the Company. The purpose of Resolution 6 is to approve the grant of 66,000,000 PRs to Mr Graham.

The PRs proposed to be granted to Mr Graham reflect the level of commitment to be provided by him to the Company in assisting it to achieve certain specified performance objectives, taking into account the responsibilities of Mr Graham and the time commitment required from him. The PRs to be granted also reflect the value the Board believes Mr Graham brings to the Company.

The grant of PRs to Mr Graham is intended to:

- (a) provide an appropriate and adequate incentive for Mr Graham to assist the Company to achieve prescribed performance milestones;
- (b) provide a cost effective and efficient form of remuneration when compared to the payment of cash consideration;
- (c) ensure the Company retains the services and experience of Mr Graham; and
- (d) reinforce Mr Graham's commitment to the Company.

The PRs under Resolution 6 are intended to be granted in one tranche, subject to particular performance conditions. Upon satisfaction of the relevant performance conditions, the PRs will vest and Mr Graham will be issued with a corresponding number of Shares without being required to pay any monetary consideration. The PRs will be offered to Mr Graham for no cash consideration. The Board considers it is appropriate for part of Mr Graham's remuneration package to comprise non-cash, incentive based remuneration.

The PRs will only vest if the relevant performance conditions are met, as outlined in the table below and explained further in the text which immediately follows it:

| Total Shareholder Return ("TSR") performance measurement period (24 month period) | Maximum number of Performance Rights to vest | Issue price calculation period (2 month period) | Vesting date |
|---|---|---|----------------|
| 1 July 2018 – 30 June 2020 | For Category A TSR performance - nil For Category B TSR performance – 33,000,000 For Category C TSR performance – 66,000,000 | 1 June 2020 – 31 July 2020 | 15 August 2020 |

Explanation of performance conditions

At the end of the performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR), being the increase in the Company's share price during that performance measurement period (as adjusted for any applicable share consolidation, share split and dividend payment, to the extent relevant to that period) against a peer group of other companies as determined by the Board. The percentage of PRs that will vest will depend upon the Company's TSR performance relative to the companies in the peer group. The Company's TSR performance will fall within Category A, B or C as set out below:

- (a) **Category A:** if the Company's TSR is at/or below the 45th percentile of the peer group of companies' TSR, no PRs will vest.
- (b) **Category B:** If the Company's TSR ranks between the 46th and 50th percentile (inclusive) of the peer group of companies' TSR, for each percentile over the 45th percentile, 10% of the PRs will vest (up to a maximum of 50% for this Category).
- (c) **Category C:** For each 1% ranking at or above the 51st percentile of the peer group of companies' TSR, an additional 2% of the PRs will vest (up to a maximum of 100%, which will vest at or above the 75th percentile).

The Board will select the peer group of companies having regard to the following factors:

- (a) they represent a reasonable cross section of resource companies with reasonably comparable market capitalisation, resource base and stage of development to that of the Company; and
- (b) the group is primarily focused on developing industrial minerals projects.

The Board will also nominate an additional five suitable replacement companies ("**reserve group**"). Where a company in the peer group is delisted, merges or ceases in the Board's reasonable opinion to be suitable for comparative purposes, it will, subject to the Board's discretion, be replaced by a company from the reserve group. The peer group and reserve group may be varied from time to time by the Board in its absolute discretion.

The Board will have an additional discretion in special circumstances, where it believes that the Company's TSR performance as calculated and categorised above in relation to a particular performance measurement period does not reflect the true achievement in generating shareholder value and executing long-term strategies, to increase the number of Mr Graham's PRs which are deemed to vest as at the relevant vesting date (provided that in no circumstances will more than 33,000,000 PRs be liable to vest).

6.2 Listing Rules and Corporations Act

The Listing Rules and the Corporations Act require Shareholder approval to be obtained for the grant of performance rights to Directors. Accordingly, approval for the grant of the PRs to Mr Graham contemplated under Resolution 6 is sought in accordance with the provisions of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Resolution 6, if passed, will approve the grant of securities to and confer financial benefits upon a Director of the Company. The Company seeks to obtain shareholder approval in accordance with the requirements of section 208 of the Corporations Act and Listing Rule 10.11. Accordingly, information required under the Listing Rules and the Corporations Act as well as information that will properly enable shareholders to consider Resolution 6 is presented below.

Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party, it must generally obtain the prior approval of its shareholders.

For the purposes of the Corporations Act:

- a "related party" includes a director of a public company; and
- a "financial benefit" is widely defined and includes a public company granting PRs to a related party.

The granting of PRs to a Director as contemplated by this Resolution 6 constitutes the giving of a financial benefit and accordingly, the Company is seeking Shareholder approval under section 208 of the Corporations Act to approve the grant of the PRs to Mr Graham.

Listing Rule 10.11 provides that a company must not issue or agree to issue equity securities to a related party of the company, such as a director, without the company first obtaining the approval by ordinary resolution of its shareholders. Approval pursuant to Listing Rule 7.1 is not required in order to grant the PRs to Mr Graham, as approval is being obtained under Listing Rule 10.11. Accordingly, Shareholders should note that the grant of PRs to Mr Graham will not be included in the 15% calculation imposed by Listing Rule 7.1.

The Shares issued on any vesting of the PRs will rank equally with all other ordinary shares of the Company then on issue.

6.3 Information required under Chapter 2E of the Corporations Act

The following information is provided pursuant to section 219 of the Corporations Act in relation to Resolution 6:

- (a) The related party to whom the PRs will be granted is Mr Luke Graham (or his nominee). The nominee must be approved by the Board. Mr Graham is a related party by virtue of being the Managing Director of the Company.
- (b) The nature of the financial benefit to be granted to Mr Graham (or his nominee) is the right to receive 66,000,000 PRs, and the issue of a maximum number of 66,000,000 Shares upon the vesting of those PRs, for no cash consideration. The Company has valued the PRs to be granted to Mr Graham using the Black-Scholes Model. The value of the PRs calculated by the Black-Scholes Model is a function of the closing share price at the valuation date. The valuation of the PRs has been prepared using the following assumptions:
- (i) valuation date is 24 October 2017;
 - (ii) exercise price is nil;
 - (iii) expiration date is 15 August 2020;
 - (iv) expected life of the PR instrument is 3 years;
 - (v) current share price at date of valuation is \$0.005; and
 - (vi) dividend yield is nil.

Model input variables such as share price volatility and market interest rates have no effect on the valuation since no consideration is to be paid by the holder of the PRs upon vesting. As such, the PRs are valuable to the holder so long as there is some value in the underlying share. Therefore, the value of the PRs is the 5 day VWAP for Shares as at the valuation date.

Based on the assumptions, it is considered that the estimated average value of the PRs to be granted to Mr Graham is \$0.005 per PR which gives a total valuation of \$330,000.

- (c) In the 12 months before the date of this Notice of Meeting, the highest, lowest and last trading price of Shares on the ASX are as set out below:

| | Date | Price |
|---------------------------|-----------------|---------|
| Highest | 1 March 2017 | \$0.011 |
| Lowest | 7 July 2017 | \$0.004 |
| Last trading price | 24 October 2017 | \$0.005 |

- (d) The proposed grant of the PRs to Mr Graham will be made pursuant to the terms and conditions set out in Section 6.8.
- (e) Mr Graham has a material personal interest in the outcome of Resolution 6 as he (or his nominee) will be the recipient of the PRs. Accordingly Mr Graham does not wish to provide a recommendation for the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 6, recommend Shareholders approve Resolution 6 as they are of the view the grant of PRs to Mr Graham (or his nominee) is appropriate to assist the Company in retaining his services and directly aligning his long term interest with the strategic objectives of the Company. The Directors (other than Mr Graham) considered Mr Graham's experience, the current market price of the Shares and current market practice when determining the performance conditions and the number of PRs to be granted to Mr Graham (or his nominee).
- (f) Each Director voted in favour of the decision to grant the PRs the subject of Resolution 6 to Mr Graham. The Board's decision to grant the PRs to Mr Graham was made subject to Shareholder approval being sought under Chapter 10 of the Listing Rules and Chapter 2E of the Corporations Act.
- (g) As at the date of this Notice of Meeting, Mr Graham holds 20,057,500 Shares and 55,000,000 PRs (directly or indirectly) in the Company.
- (h) As at the date of this Notice of Meeting, the capital structure of the Company is as follows:

| Capital | Number |
|---|---------------|
| Ordinary shares | 3,239,113,341 |
| Options exercisable at various prices | 1,003,425,364 |
| Performance Rights exercisable upon achievement of all performance conditions | 55,000,000 |

If Shareholders approve Resolution 6 contained in this Notice of Meeting the issued capital of the Company will be as follows:

| Capital | Number |
|---|---------------|
| Ordinary shares | 3,239,113,341 |
| Options exercisable at various prices | 1,003,425,364 |
| Performance Rights exercisable upon achievement of all performance conditions | 121,000,000 |

- (i) If Resolution 6 is passed and Mr Graham's PRs vest into Shares, the effect will be to dilute the shareholding of existing Shareholders by approximately 2.04% on an undiluted basis and based on the number of Shares on issue, assuming that no existing options are exercised, no performance rights having been granted as at the date of this Notice of Meeting vest into Shares and no other securities are issued by the Company in the meantime.
- (j) The Directors (other than Mr Graham) do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the PRs to Mr Graham upon the terms proposed.
- (k) The Directors have determined that under the terms of the employment agreement for Mr Graham, he will be paid a total fixed remuneration package of \$330,000 per annum (inclusive of superannuation). Such amount is reviewable by the Board on an annual basis (but is not liable to be reduced). Mr Graham is also eligible to participate in the Company's Short Term Incentive Plan. No other Director fees will be paid to Mr Graham.
- (l) Other than the information specified in this Explanatory Memorandum, the Directors are not aware of any other information that would be reasonably required by Shareholders in order to decide whether it is in the best interests of the Company to pass Resolution 6.

6.4 Corporate Governance

Mr Graham is the managing director and CEO of the Company. Recommendation 8.3 of ASX's Corporate Governance Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short term and long term performance objectives. In the Board's view, the issue of PRs to Mr Graham is an appropriate means of providing these long term performance objectives. The Board also considers that the retention of high quality and well credentialed executive directors, like Mr Graham, is essential to the ongoing development and success of the Company and its projects.

6.5 Information Required Under Listing Rule 10.11

For the purposes of Listing Rule 10.11, the following information is provided in relation to the grant of PRs pursuant to Resolution 6 as required by Listing Rule 10.13:

- (a) The PRs will be granted to Mr Luke Graham (or his nominee), a related party of the Company.
- (b) The maximum number of PRs to be granted by the Company to Mr Graham (or his nominee) is 66,000,000.
- (c) The PRs will be granted not later than 1 month after the date of the Annual General Meeting in which Resolution 6 is passed (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The PRs will be granted for nil consideration as they are being granted as part of Mr Graham's Managing Director's remuneration package which provides a material incentive for Mr Graham's ongoing commitment and dedication to the growth of the Company.
- (e) The PRs will be issued on the terms and conditions set out in Section 6.8.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised by the grant of the PRs or issue of Shares on vesting.

6.6 Potential Costs – Grant of PRs

Australian International Financial Reporting Standards require PRs that are issued to related parties to be expensed in accordance with AASB 2 – Share Based Payments.

Expensing these PRs will have the effect of increasing both the expenses and the contributed equity of the Company. There will be no impact on the net assets or the cash position or financial resources of the Company as result of expensing these PRs.

6.7 Taxation Consequences

There are no tax implications for the Company issuing these PRs.

6.8 Terms and Conditions of the PRs

Subject to shareholder approval, the PRs will be granted on the following terms:

- (a) A person who accepts an offer of PRs (the '**holder**'), will not pay any consideration for the grant of the PRs.
- (b) Each PR entitles the holder to be issued with one Share upon vesting of that PR.
- (c) PRs may be issued to a nominee of the holder, subject to approval by the Board in its absolute discretion.
- (d) PRs will only vest if the performance conditions, as specified in Section 6.1, are satisfied on or before the applicable vesting date.
- (e) The holder of vested Performance Rights will be issued with a corresponding number of Shares without being required to pay any consideration.
- (f) PRs will expire 3 years from the grant date ('**Expiry Date**').
- (g) PRs lapse on the earlier to occur of:
 - (i) where performance conditions have not been satisfied on or before the vesting date;
 - (ii) if a holder ceases to be a Director or Employee of the Company;
 - (iii) the day the Board makes a determination that PRs lapse due to breach, fraud or dishonesty; and
 - (iv) the Expiry Date.
- (h) Unvested PRs will become vested PRs upon a change of control event, which is defined as:
 - (i) immediately upon a takeover bid (as defined in the Corporations Act) to acquire any Shares becoming or being declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or
 - (ii) a person, or a group of associated persons:
 - becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or
 - gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company; or
 - (iii) immediately upon approval of a merger by way of scheme of arrangement under the Corporations Act by the Court under section 411(4)(b) of the Corporations Act.
- (i) A PR does not confer on the holder the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (j) All Shares issued upon exercise of the PRs will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX.
- (k) The Company will not apply for official quotation of any PRs.
- (l) The PRs are not transferable except if the holder dies.
- (m) If the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of the holder for a PR held by the holder before the record date for determining entitlements to the bonus issue, then the number of Shares to which the PR relates will be increased by the number of Shares which the holder would have received under the bonus issue if the PR had vested immediately prior to the record date for the bonus issue.

- (n) On a reorganisation of the Company's capital, the rights of the holder will be changed to the extent necessary to comply with the Listing Rules.

6.9 Voting Exclusion Statement

A voting exclusion applies to Resolution 6 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

6.10 Directors' Recommendation

All the Directors (except Mr Graham) recommend that Shareholders vote in favour of Resolution 6.

7. Resolution 7 - Renewal of the Company's Proportional Takeover Provisions

7.1 Background

Clause 23 of the Company's Constitution contains provisions dealing with proportional takeover bids in accordance with the Corporations Act ("**Proportional Takeover Provisions**").

The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under section 648G of the Corporations Act, the Proportional Takeover Provisions must be renewed every three years or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing Proportional Takeover Provisions and will have effect for a three year period commencing on 28 November 2017.

Resolution 7 is a special resolution, which means a vote to pass this resolution is decided on a **75% majority** of the votes cast by Shareholders entitled to vote on this resolution.

If Resolution 7 is passed, then for 21 days after the Meeting, the Shareholder(s) holding 10% or more of the Company's Shares would have the right to apply to the court to have the Resolution set aside (pursuant to section 648G(6) of the Corporations Act). The court may set aside the Resolution if the court is satisfied in all the circumstances it is appropriate to do so.

The Corporations Act requires certain information to be included in the Notice of Meeting where the approval of Shareholders is sought to adopt proportional takeover provisions.

That information is set out below.

7.2 Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares.

7.3 Effect of the proposed takeover provisions

If a proportional takeover bid is made, the Directors must ensure a resolution of Shareholders to approve the takeover bid is voted on at least 14 days before the last day of the bid period.

The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers resulting from the proportional takeover bid must be registered (provided they comply with other provisions of the Corporations Act and the Constitution).

The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 28 November 2020, unless again renewed by Shareholders.

7.4 Reasons for Proportional Takeover Provisions

The Directors consider that Shareholders should have the opportunity to vote on any proportional takeover bid for the Company. A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

The Proportional Takeover Provisions lessen these risks because they allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

7.5 Potential advantages and disadvantages

The Directors consider the proposed proportional takeover provisions have no potential advantages or disadvantages for them and they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders of the Proportional Takeover Provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium to persons seeking control of the Company ;
- (c) the likelihood of a proportional takeover bid succeeding may be reduced; and
- (d) the Proportional Takeover Provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proposed proportional takeover provisions.

7.6 Previous operation of clause 23

During the past three years whilst the Proportional Takeover Provisions have been in effect, there were no takeover bids for the Company, either proportional or full. Therefore, the Directors cannot point to any more specific advantages or disadvantages evident from the operation of the clause during that period.

7.7 Knowledge of any acquisition proposals

As at the date on which this Notice of Meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

7.8 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

8. Resolution 8 – Approval of Additional 10% Placement Facility

8.1 Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be so at the date of the Annual General Meeting.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Company intends to use the consideration from any Shares issued under the 10% Placement Facility to raise funds for the acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

The Board believes the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. Accordingly, the Directors of the Company believe Resolution 8 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of this Resolution.

8.2 Requirements of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being Shares (ASX Code: STA), unlisted options and performance rights.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
 - (iv) less the number of fully paid ordinary shares cancelled in the 12 months.

Note: A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 3,239,113,341 Shares. If Resolution 8 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 485,867,001 Equity Securities under Listing Rule 7.1; and
- (ii) 323,911,334 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

8.3 Effect of Resolution 8

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice. The table also shows:
- (i) calculations where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) calculations where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2 | | Dilution | | |
|--|----------------------------|---|--|---|
| | | \$0.0025 50% decrease in Issue Price | \$0.0050 Current Market/ Issue Price | \$0.0075 50% increase in Issue Price |
| Current Variable A 3,239,113,341 Shares | 10% Voting Dilution | 323,911,334 shares | 323,911,334 shares | 323,911,334 shares |
| | Funds raised | \$809,778 | \$1,619,557 | \$2,429,335 |
| 50% increase in current Variable A 4,858,670,012 Shares | 10% Voting Dilution | 485,867,001 shares | 485,867,001 shares | 485,867,001 shares |
| | Funds raised | \$1,214,668 | \$2,429,335 | \$3,644,003 |
| 100% increase in current Variable A 6,478,226,682 Shares | 10% Voting Dilution | 647,822,668 shares | 647,822,668 shares | 647,822,668 shares |
| | Funds raised | \$1,619,557 | \$3,239,113 | \$4,858,670 |

The table has been prepared on the basis of the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options or performance rights (including any options or performance rights issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

- (vii) The issue price is \$0.005, being the closing price of the Shares on ASX on 24 October 2017.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration to raise funds for the acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital; or
 - (ii) non-cash consideration for acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (i) the methods of raising funds available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (h) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
- (i) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 24 November 2016. Therefore, the following information is provided in accordance with Listing Rule 7.3A.6 regarding the Equity Securities issued in the previous 12 months preceding the date of this Meeting.

Assuming no further issue of securities between the date of this Notice of Meeting and the date of the AGM, the Company will have issued a total of 722,707,117 Equity Securities during the 12 months preceding the date of this Meeting, representing approximately 20% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of this Meeting, being 28 November 2017.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

| Issue Date | Number of Equity Securities Issued | Class of Equity Securities Issued | Names of Persons to Whom Issued Equity Securities | Issue Price | Closing Market Price at Issue Date | Discount to Closing Market Price on Issue Date | Cash Consideration |
|--------------|------------------------------------|-----------------------------------|---|-------------|------------------------------------|--|--------------------|
| 21/12/2016 | 40,850 | Ordinary Shares | Note (i) | \$0.010 | \$0.007 | Premium | \$408 |
| 21/12/2016 | 55,000,000 | Performance Rights | Note (ii) | Nil | N/A | N/A | Nil |
| 24/05/2017 | 441,250,000 | Ordinary Shares | Note (iii) | \$0.008 | \$0.007 | Premium | \$3,530,000 |
| 10/07/2017 | 209,916,267 | Ordinary Shares | Note (iv) | \$0.008 | \$0.005 | Premium | \$1,679,330 |
| 25/08/2017 | 16,500,000 | Ordinary Shares | Note (v) | \$0.005 | \$0.005 | Nil | Nil |
| TOTAL | 722,707,117 | | | | | | |

Note:

- (i) Issue of Shares pursuant to exercise of options. Funds will be used to fund the advancement of the Company's mineral sands projects in Tanzania.
 - (ii) Issue of Performance Rights to Managing Director/CEO.
 - (iii) Tranche 1 of placement of Shares to institutional and sophisticated investors. The cash raised will be used to complete the feasibility study, mining approvals process and early stage development costs for the Fungoni HMS Project in Tanzania, exploration and development costs relating to the Company's other exploration projects and for working capital as set out in the ASX announcement of 17 May 2017.
 - (iv) Tranche 2 of placement of Shares to institutional and sophisticated investors as referred to in the ASX announcement of 17 May 2017.
 - (v) Issue of Shares to Managing Director/CEO pursuant to participation in the Company's short term incentive plan. The deemed issue price was \$0.005 per Share, valuing the shares issued at \$82,500. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 24 October 2017 of \$0.005 per Share, is \$82,500.
- (j) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

9. Resolution 9 - Consolidation of Capital

9.1 General

Resolution 9 seeks Shareholder approval to consolidate the Company's capital on a 12:1 basis ("**Consolidation**").

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rules 7.21 and 7.22 require that the number of Performance Rights and Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price of Options be amended in inverse proportion to that ratio.

The purpose of the Consolidation is to provide the Company with a more appropriate capital structure for a company of its size and nature. As at the date of this Notice, the Company has over 3.2 billion Shares on issue. The Board considers that having such a large number of Shares on issue subjects the Company to a number of disadvantages including:

- additional share price volatility arising from the fact that a change in the price of the Shares represents a higher percentage of the Share price than it would if the Company had a greater Share price;
- the Company has a far greater number of Shares on issue than comparable companies; and
- negative perceptions associated with a low share price.

9.2 Fractional Entitlements

Not all Securityholders will hold that number of Securities (as the case may be) which can be evenly divided by 12. Where a fractional entitlement occurs, the Company will (subject to Shareholder approval of this Resolution 9) round the fraction up to the nearest whole Security.

9.3 Taxation

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

9.4 Holding Statements

Taking effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. New holding statements will be issued to Securityholders, who are encouraged to check their holdings after the Consolidation.

9.5 Effect on Capital Structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below:

| Capital Structure | Shares | Options ¹ | Performance Rights ² |
|---|--------------------|----------------------|---------------------------------|
| Pre-Consolidation Securities | 3,239,113,341 | 1,003,425,364 | 55,000,000 |
| Issue of Performance Rights pursuant to Resolution 6 | Nil | Nil | 66,000,000 |
| Post 12:1 Consolidation of Securities (Resolution 9)³ | 269,926,112 | 83,618,779 | 10,083,334 |

¹ The exercise terms of these Options are set out in the table below.

² The exercise terms of these Performance Rights are set out in the table below.

³ This table assumes that no Securities are issued (other than as contemplated by this Notice) and no Options or Performance Rights are exercised. Post-Consolidation numbers are subject to rounding.

Shareholders will hold the same proportion of the Company's Share capital and net assets before and after the Consolidation. The current rights attaching to Securities will not be affected by the Consolidation. However, the price per Share can be expected to increase to reflect the reduced number of Shares on issue. Theoretically, in the absence of market or other events, the post-Consolidation Share price should be approximately twelve times its pre-Consolidation price. The actual effect of the Consolidation on the Share price will depend on a number of factors outside the control of the Company and the market price following the Consolidation may be higher or lower than the theoretical post-Consolidation price.

The effect the Consolidation will have on the terms of the Options and Performance Rights is set out in the table below:

| Terms | Pre-Consolidation Number | Pre-Consolidation Exercise Price \$ | Post-Consolidation Number ¹ | Post-Consolidation Exercise Price \$ |
|--|--------------------------|-------------------------------------|--|--------------------------------------|
| Unlisted Options expiring 03/11/17 | 10,000,000 | 0.030 | 833,333 ² | 0.36 |
| Unlisted Options expiring 30/06/18 | 428,508,795 | 0.010 | 35,709,066 | 0.12 |
| Unlisted Options expiring 12/10/18 | 136,366,924 | 0.015 | 11,363,910 | 0.18 |
| Unlisted Options expiring 30/06/19 | 428,549,645 | 0.015 | 35,712,470 | 0.18 |
| Total Number of Options | 1,003,425,364 | | 83,618,779 | |
| Unlisted Performance Rights expiring 15/08/18 | 27,500,000 | N/A | 2,291,667 | N/A |
| Unlisted Performance Rights expiring 15/08/19 | 27,500,000 | N/A | 2,291,667 | N/A |
| Issue of Performance Rights pursuant to Resolution 6 | 66,000,000 | N/A | 5,500,000 | N/A |
| Total Number of Performance Rights | 121,000,000 | | 10,083,334 | |

¹ Post-Consolidation numbers are subject to rounding.

² These Options, if not exercised beforehand, are due to expire on 3 November 2017 and hence will not be subjected to the Consolidation.

In accordance with their terms and conditions of grant, each tranche of Performance Rights referred to above will only vest upon the satisfaction of performance conditions which are linked to the Company's TSR performance. The TSR is calculated as being the increase in the Company's Share price during the performance measurement period. The number of Performance Rights that will vest will depend upon the Company's TSR performance when measured against a peer group of companies as determined by the Board in its discretion.

In accordance with Listing Rule 7.21, the number of Performance Rights on issue are required to be reorganised so that the holders of Performance Rights will not receive a benefit that holders of ordinary securities do not receive. The Directors confirm that, if Resolution 9 is passed, the effect of the Consolidation on the Company's share price will be disregarded for the purposes of calculating TSR performance as it relates to the performance conditions for Performance Rights.

9.6 Indicative Timetable

If Resolution 9 is passed, the Consolidation will take effect in accordance with the following indicative timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

| Key Event | Date* |
|--|------------------|
| Annual General Meeting | 28 November 2017 |
| Notification to ASX of Results of Annual General Meeting | 28 November 2017 |
| Issue of Performance Rights the subject of Resolution 6 | 29 November 2017 |
| Last day for pre-Consolidation trading | 29 November 2017 |
| Post-Consolidation trading starts on a deferred-settlement basis | 30 November 2017 |
| Last day for Company to register transfers on a pre-Consolidation basis | 1 December 2017 |
| First day for Company to send notice to each holder of the change in their details of holdings | 4 December 2017 |
| First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements | 4 December 2017 |
| Change of details of holdings date. Deferred settlement market ends | 8 December 2017 |
| Last day for Securities to be entered into holders' Security holdings | 8 December 2017 |
| Last day for the Company to send notice to each holder of the change in their details of holdings | 8 December 2017 |

* Subject to change in accordance with Listing Rules.

The Company will lodge, simultaneously with the Notice, an ASX online form in respect of the Consolidation.

9.7 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

GLOSSARY

In this document:

10% Placement Period has the meaning given in Section 8.2(f).

AGM means the Annual General Meeting of the Company to be held on 28 November 2017, or any adjournment or postponement of the Annual General Meeting.

Annual Report means the Company's Annual Report for the year ended 30 June 2017 containing the Financial Report, the Directors' Report and the Auditors Report.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 000 943 377) or the Australian Securities Exchange, as appropriate.

Auditor's Report means the Auditor's Report on the Financial Report.

Board means the Company's Board of Directors.

Chair means the chair of the AGM.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Strandline** means Strandline Resources Limited (ACN 090 603 642).

Consolidation has the meaning given in Section 9.1.

Constitution means the Company's Constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the Directors of the Company.

Directors' Report means the annual Directors' Report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum which accompanies and forms part of the Notice of Meeting.

Financial Report means the annual Financial Report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Glossary means the Glossary set out in the Explanatory Memorandum.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of the ASX.

Notice or **Notice of Meeting** means this notice of Annual General Meeting.

Option means an option to subscribe for and be allotted a Share in the Company.

Optionholder means a registered holder of an Option.

Performance Right means a right to be issued, for no consideration, a fully paid ordinary share in the capital of the Company upon the satisfaction of specified performance conditions.

Plan has the meaning given to it in Section 4.

Proportional Takeover Provisions has the meaning given in Section 7.1.

Proxy Form means the proxy form attached to the Notice of Meeting.

Remuneration Report means the Remuneration Report which is contained in the Directors' Report.

Resolution means a resolution referred to in the Notice of Meeting.

Section means a section of the Explanatory Memorandum.

Security means a Share, Option or Performance Right.

Securityholder means a registered holder of a Security.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.


Share Registrar means Computershare Investor Services Pty Ltd (ACN 000 937 879).

VWAP means volume weighted average price.

WST means Australian Western Standard Time.

STA
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 723 670
(outside Australia) +61 3 9946 4435

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 11:00am (WST)
Sunday, 26 November 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Strandline Resources Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Strandline Resources Limited to be held at the offices of BDO Australia, 38 Station Street, Subiaco, Western Australia on Tuesday, 28 November 2017 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4, 5 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain | | | For | Against | Abstain |
|--------------|--|--------------------------|--------------------------|--------------------------|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of the Remuneration Report (non-binding resolution) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 7 | Renewal of the Company's Proportional Takeover Provisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Mr Asimwe Kabunga as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8 | Approval of Additional 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Mr Tom Eadie as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 9 | Consolidation of Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval of Long Term Incentive Plan ("Plan") | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 5 | Amendment to Terms of Previously Issued Performance Rights to Mr Luke Graham | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 6 | Approval of Grant of Performance Rights to Mr Luke Graham | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /