

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

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

Name of entity

STRANDLINE RESOURCES LIMITED

ABN

32 090 603 642

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|---|---------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 441,250,000 Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Shares are fully paid. |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Ordinary Shares rank equally with existing ordinary shares.</p>
5	<p>Issue price or consideration</p>	<p>\$0.008 per share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Ordinary Shares issued pursuant to Tranche 1 of the Share Placement as announced to ASX on 17 May 2017 to fund:</p> <ul style="list-style-type: none"> • Completion of the feasibility study, mining approvals process and early stage development costs for the Fungoni Heavy Mineral Sands Project in Tanzania; • Ongoing exploration and development costs relating to the Company's other permits and projects including but not limited to, in-fill resource drilling of existing deposits and regional exploration drilling of potential new deposits; and • General working capital, administration and corporate related expenses.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>24 November 2016</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	385,717,061				
6d	Number of +securities issued with security holder approval under rule 7.1A	55,532,939				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes, shares issued above VWAP price Issue Date: 24 May 2017 Issue Price: \$0.008 VWAP: \$0.007 75% of VWAP: \$0.0052 Source of VWAP: IRIS</p>				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>LR 7.1 – nil LR 7.1A – 201,611,768</p>				
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	24 May 2017				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3,012,697,074</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	3,012,697,074	Fully paid ordinary shares
Number	+Class					
3,012,697,074	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

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

Part 2 - Pro rata issue (Not Applicable)

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

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

34 Type of *securities
(tick one)

(a) *Securities described in Part 1

(b) All other *securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee

+ See chapter 19 for defined terms.

incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

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

Tick to indicate you are providing the information or documents

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

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

Questions 38 to 42 are not applicable

Quotation agreement

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

+ See chapter 19 for defined terms.

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



Print name: Geoff James
Chief Financial Officer and Company Secretary

Date: 24 May 2017

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Appendix 3B – Annexure 1

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

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

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue	1,381,310,363
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid *ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p><u>332,943,363</u> fully paid ordinary shares issued on 7 June 2016 by a placement pursuant to the Strategic Relationship and Subscription Agreement entered into with Tembo Capital as approved by shareholders on 24 November 2016.</p> <p><u>857,125,894</u> fully paid ordinary shares issued on 15 July 2016 pursuant to completion of a pro-rata renounceable issue of 1 New Share for every 2 Shares – Exceptions 1 & 2 of LR 7.2.</p> <p><u>26,604</u> fully paid ordinary shares issued on 27 September 2016 pursuant to exercise of unlisted options – Exception 4 of LR 7.2</p> <p><u>40,850</u> fully paid ordinary shares issued on 21 December 2016 pursuant to exercise of unlisted options – Exception 4 of LR 7.2</p>
Subtract the number of fully paid *ordinary securities cancelled during that 12 month period	Nil
“A”	2,571,447,074

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	385,717,061
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	385,717,061 fully paid ordinary shares issued on 24 May 2017 for Tranche 1 of share placement <i>[the subject of this Appendix 3B]</i> .
“C”	385,717,061
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	385,717,061
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	385,717,061
Total [“A” x 0.15] – “C”	nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,571,447,074
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	257,144,707
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	<u>55,532,939</u> fully paid ordinary shares issued on 24 May 2017 for Tranche 1 of share placement [the subject of this Appendix 3B].
“E”	55,532,939
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	257,144,707
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	55,532,939

+ See chapter 19 for defined terms.

Total ["A" x 0.10] – "E"	201,611,768 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>
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+ See chapter 19 for defined terms.

For release to the market

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

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

Details of the issue of offer of securities:

Class of securities	Ordinary Shares
ASX Code of the securities	STA
Date of the issue of the securities	24 May 2017
Total number of securities issued	441,250,000 shares

Notice:

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



Geoff James
Chief Financial Officer and Company Secretary
Strandline Resources Limited

Date of notice: 24 May 2017

+ See chapter 19 for defined terms.