

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

- a) Performance Rights
- b) Fully Paid Ordinary Shares
- c) Fully Paid Ordinary Shares
- d) Unlisted Options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- a) 3,941,124 Performance Rights
- b) 323,025 Fully Paid Ordinary Shares
- c) 344,424 Fully Paid Ordinary Shares
- d) 10,500,000 Unlisted Options

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

a) 3,941,124 Performance Rights (“Rights”) granted to Directors (“Participant”) pursuant to shareholder approval given on 28 November 2019 as follows:

- 3,100,775 Rights to Mr Luke Edward Graham
- 840,349 Rights to Mr Peter Richard Watson.

The Rights are issued in accordance with the Company’s Long Term Incentive Plan which was approved by shareholders on 28 November 2017.

Each Right entitles the Participant to acquire one Share upon exercise of the Right. No amount shall be payable by the Participant on the grant or exercise of the Right. Rights will only vest if the relevant performance conditions are met and the Participant remains in employment during the vesting period.

Upon vesting, Rights can be exercised by the Participant and the relevant shares will be issued by the Company. Unvested Rights granted will lapse when the performance conditions are not met or if the Participant ceases to be an Employee. The Board will determine the proportion of unvested Rights that vest upon a change of control event.

The Rights granted, subject to meeting performance conditions, include 3,941,124 Rights expiring on or before 15 August 2022. The Rights granted will only vest on satisfaction of performance conditions which are based on the Company’s Total Shareholder Return (TSR) measured against a peer group of companies’ TSR

- b) Fully paid Ordinary Shares  
c) Fully paid Ordinary Shares

+ See chapter 19 for defined terms.

d) Unlisted Options as approved by Shareholders at the Company's Annual General Meeting held on 28 November 2019:

- 3,500,000 unlisted options exercisable at \$0.18 or 40% of 60 day VWAP share price at time of grant, whichever is higher with an expiry date of 28 November 2021.
- 3,500,000 unlisted options exercisable at \$0.22 or 40% of 60 day VWAP share price at time of grant, whichever is higher with an expiry date of 28 November 2022.
- 3,500,000 unlisted options exercisable at \$0.26 or 40% of 60 day VWAP share price at time of grant, whichever is higher with an expiry date of 28 November 2023.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- 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

a) Performance Rights will not be quoted and do not rank equally with any class of quoted securities.

A Performance Right does not give any right to participate in new issues of Shares or to participate in dividends until Shares are issued to the Participant pursuant to exercise of vested Performance Rights.

- b) Ordinary Shares rank equally with existing ordinary shares
- c) Ordinary Shares rank equally with existing ordinary shares
- d) Unlisted Options will not be quoted. The Options do not entitle the holder to participate in dividends or new issues of securities. Shares issued on exercise of Options shall rank equally in all respects with the existing fully paid ordinary shares then on issue.

+ See chapter 19 for defined terms.

5 Issue price or consideration

- a) Nil
- b) Deemed issue price of \$0.1377 per fully paid ordinary share (the deemed price per Share is the volume weighted average price ("VWAP") for the Company's Shares traded on ASX for the period 1 June until 31 July in the year to which the relevant payment relates.
- c) Deemed issue price of \$0.1377 per fully paid ordinary share (the deemed price per Share is the volume weighted average price ("VWAP") for the Company's Shares traded on ASX for the period 1 June until 31 July in the year to which the relevant payment relates.
- d) Nil

6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

- a) Performance Rights granted to Directors with the purpose to motivate and reward performance in achieving specified performance conditions in accordance with shareholder approval given on 28 November 2019.
- b) Fully Paid Ordinary Shares issued to the employees for Performance Rights vested upon satisfaction of the performance and time based vesting criteria contained in the terms and conditions pursuant to shareholder approval given on 28 November 2017.
- c) Fully Paid Ordinary Shares issued to employees for their participation in the Company's Short Term Incentive Plan pursuant to shareholder approval given on 28 November 2019. Shares are to be issued lieu of an equivalent cash payment.
- d) Unlisted Options Issued to Non-Executive Directors pursuant to shareholder approval given on 28 November 2019.

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+ See chapter 19 for defined terms.

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6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b The date the security holder resolution under rule 7.1A was passed	28 November 2019
6c Number of +securities issued without security holder approval under rule 7.1	N/A
6d Number of +securities issued with security holder approval under rule 7.1A	N/A
6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

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+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	<ul style="list-style-type: none"> <li>a) 3,941,124 Performance Rights issued under Exception 14 of Listing Rule 7.2 pursuant to shareholder approval given on 28 November 2019.</li> <li>b) 323,025 Fully Paid Ordinary Shares issued under Exception 14 to employees for Performance Rights vested upon satisfaction of the performance and time based vesting criteria contained in the terms and conditions pursuant to shareholder approval given on 28 November 2017.</li> <li>c) 344,424 Fully Paid Ordinary Shares issued under Exception 14 of Listing Rule 7.2 pursuant to shareholder approval given on 28 November 2019 for employees of the Company to participate in the Short Term Incentive Plan. Shares were issued in lieu of an equivalent cash payment.</li> <li>d) 10,500,000 Unlisted Options issued under Exception 14 of Listing Rule 7.2 pursuant to shareholder approval given on 28 November 2019.</li> </ul>
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements  <b>Note:</b> Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017	LR 7.1 – 55,923,123 LR 7.1A – 37,282,082

+ See chapter 19 for defined terms.

7    +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

5 December 2019
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8    Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)

**Note:** Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017

Number	+Class
372,820,821	Fully paid ordinary shares

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+ See chapter 19 for defined terms.

		Number	+Class
9	<p>Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p> <p><b>Note:</b> Number of securities is post 12:1 consolidation of capital which took place on 4 December 2017</p>	<p style="text-align: center;">9,535,105</p> <p style="text-align: center;">5,462,567</p> <p style="text-align: center;">3,941,124</p> <p style="text-align: center;">3,500,000</p> <p style="text-align: center;">3,500,000</p> <p style="text-align: center;">3,500,000</p>	<p>Unlisted Performance Rights expiring on or before 15 August 2020, vesting on satisfaction of performance conditions.</p> <p>Unlisted Performance Rights expiring on or before 15 August 2021, vesting on satisfaction of performance conditions.</p> <p>Unlisted Performance Rights expiring on or before 15 August 2022, vesting on satisfaction of performance conditions.</p> <p>Unlisted options at \$0.18 each or 40% above the average 60-day VWAP share price at time of grant, whichever is higher</p> <p>Unlisted options at \$0.22 each or 60% above the average 60-day VWAP share price at time of grant, whichever is higher</p> <p>Unlisted options at \$0.26 each or 80% above the average 60-day VWAP share price at time of grant, whichever is higher</p>
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p style="text-align: center;">N/A</p>	

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

*Questions 11 to 33 are not applicable*

+ See chapter 19 for defined terms.



## Part 3 - Quotation of securities

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

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

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

### Entities that have ticked box 34(a)

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

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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

Questions 38 to 42 are not applicable

#### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.

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+ See chapter 19 for defined terms.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Authorised for release by:



Print name: Flavio Garofalo  
Company Secretary

Date: 5 December 2019

Strandline Resources Ltd  
35 Richardson Street | West Perth | WA | 6005  
enquiries@strandline.com.au | +61 8 9226 3130

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# Appendix 3B – Annexure 1

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

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

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	320,689,931
<p><b><i>Add</i></b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p><u>46,000,000</u> fully paid ordinary shares issued on 24 May 2019 and approved by shareholders at the 2019 Annual General Meeting of the Company on 28 November 2019.</p> <p><u>5,790</u> fully paid ordinary shares issued upon exercise of unlisted options expiring on 30 June 2019 – Exception 4 of LR 7.2</p> <p><u>729,847</u> fully Paid Ordinary Shares issued under Exception 14 of Listing Rule 7.2 pursuant to shareholder approval given on 24 November 2016 for the Managing Director/CEO to participate in the Short Term Incentive Plan. Shares were issued in lieu of an equivalent cash payment.</p> <p><u>1,075,599</u> Fully Paid Ordinary Shares issued under Exception 9 of Listing Rule 7.2 pursuant to shareholder approval given on 24 November 2016 for employees of the Company to participate in the Short Term Incentive Plan. Shares were issued in lieu of an equivalent cash payment.</p> <p><u>2,291,667</u> Fully Paid Ordinary Shares issued under Exception 14 of Listing Rule 7.2 to the Managing Director/CEO for Performance Rights vested upon satisfaction of the performance and time based vesting criteria contained in the terms and conditions pursuant to shareholder approval given on 24 November 2016.</p>

+ See chapter 19 for defined terms.

	<p><u>1,360,538</u> Fully Paid Ordinary Shares issued under Exception 9 of Listing Rule 7.2 to employees for Performance Rights vested upon satisfaction of the performance and time based vesting criteria contained in the terms and conditions pursuant to shareholder approval given on 24 November 2016.</p> <p><u>323,025</u> fully paid ordinary shares approved by shareholders at the 2019 Annual General Meeting of the Company on 28 November 2019.</p> <p><u>344,424</u> fully paid ordinary shares approved by shareholders at the 2019 Annual General Meeting of the Company on 28 November 2019.</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>"A"</b>	372,820,821

**Step 2: Calculate 15% of "A"**

<b>"B"</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply "A"</b> by 0.15	55,923,123

**Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used**

<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul>	
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+ See chapter 19 for defined terms.

<p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p><b>“C”</b></p>	<p>Nil</p>
<p><b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b></p>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>55,923,123</p>
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>Nil</p>
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>55,923,123</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	372,820,821
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	37,282,082
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	Nil
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	37,282,082
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	Nil

+ See chapter 19 for defined terms.

<b>Total</b> ["A" x 0.10] – "E"	37,282,082 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>
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For release to the market

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

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

**Details of the issue of offer of securities:**

Class of securities	Ordinary Shares
ASX Code of the securities	STA
Date of the issue of the securities	5 December 2019
Total number of securities issued	667,449

**Notice:**

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



Flavio Garofalo  
Company Secretary  
Strandline Resources Limited  
35 Richardson Street | West Perth | WA | 6005  
enquiries@strandline.com.au | +61 8 9226 3130

Date of Notice: 5 December 2019

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+ See chapter 19 for defined terms.