STRANDLINE
resources limited

Strandline Resources Limited
ABN 32 090 603 642

Annual Report
For the year ended 30 June 2017

CORPORATE DIRECTORY

Board of Directors

Didier Murcia	Non-Executive Chairman
Luke Graham	Managing Director
Richard Hill	Non-Executive Director
Asimwe Kabunga	Non-Executive Director
Tom Eadie	Non-Executive Director
John Hodder	Non-Executive Director

Company Secretary
Geoff James

Registered and Principal Office
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West Perth, Western Australia 6005

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Postal Address
PO Box 1217
West Perth, Western Australia 6872

Website
Website: www.strandline.com.au

Country of Incorporation
Strandline Resources Limited is domiciled and incorporated in Australia

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Share Registry
Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace
Perth, Western Australia 6000
Tel: (61 8) 9323 2000
Fax: (61 8) 9323 2033

Home Stock Exchange
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

ASX Code: STA

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The Directors of Strandline Resources Limited ("Strandline" or "the Company") submit the Annual Report on the Consolidated Entity ("Group") consisting of Strandline Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

Names of Directors
The names of the Directors of the Company during or since the end of the year are:

Mr. Didier Murcia
Mr. Luke Graham (appointed 19 September 2016)
Mr. Richard Hill
Mr. Asimwe Kabunga
Mr. Tom Eadie
Mr. John Hodder

Information about the Directors and Officers
The names and particulars of the Directors of the Company during or since the end of the financial year are:

Didier Murcia AM, Non-Executive Chairman
B.Juris, LL.B
Independent Non-Executive Chairman appointed 1 March 2016. Previously Non-Executive Director from 23 October 2014 to 29 February 2016. Lawyer with over 30 years' legal and corporate experience in the mining industry. Awarded Order of Australia for services to the international community through support for the provision of medical and educational resources in Tanzania. He is currently Honorary Australian Consul for the United Republic of Tanzania, a position that he has held for over 20 years. He is Chairman and founding director of Perth-based legal group MPH Lawyers. Has held directorships in the following ASX listed companies over the past three years:

- Alicanto Minerals Limited (appointed Chairman May 2012)
- Centaurus Metals Limited (appointed April 2009, Chairman since January 2010)
- Cradle Resources Limited (resigned May 2016)
- Gryphon Minerals Limited (delisted from ASX October 2016)

Luke Graham, Managing Director and Chief Executive Officer
A.Dip (Hons) (Elec Eng), MAICD
Managing Director appointed 19 September 2016. Engineer with over 20 years' experience in the resources sector. Former Regional Manager of global minerals engineering and project delivery company Sedgman Pty Limited (a member of the CIMIC Group). Extensive experience in major project development and delivery including mineral sands projects, and successfully managing multi-functional operations. Has not held any other directorships in ASX listed companies over the past three years.

Richard Hill, Non-Executive Director
B.Juris, LL.B, B.Sc (Hons), FFin
Non-Executive Director appointed 2 June 2017. Previously Managing Director from 23 October 2014 to 31 December 2015 and Executive Director from 1 January 2016 to 1 June 2017. Geologist and solicitor with 20 years' experience in the resources industry. Has performed roles as legal counsel, geologist and commercial manager for several major and mid cap Australian mining companies and as founding director for a series of successful ASX-listed companies. Has practical geological experience as a mine based and exploration geologist in a range of commodities. Has held directorships in the following ASX listed companies over the past three years:

- Centaurus Metals Limited (resigned July 2014)
- Genesis Minerals Limited (appointed Chairman February 2013)

Asimwe Kabunga, Non-Executive Director
B.Sc
Independent Non-Executive Director appointed 18 June 2015. Tanzanian-born Australian entrepreneur with over 18 years' experience in the mining industry, logistics, land access, tenure negotiation and acquisitions. Was instrumental in establishing the Tanzania Community of Western Australia Inc., and served as its first President. Was a founding member of Rafiki Surgical Missions and Safina Foundation Tanzania. Has held directorships in the following ASX listed companies over the past three years:

- Lindian Resources Limited (appointed June 2017)
- Volt Resources Limited (appointed Chairman August 2017)

Tom Eadie, Non-Executive Director
B.Sc (Hons), M.Sc., F.AusIMM
Non-Executive Director appointed 19 September 2016. Previously Managing Director from 1 January 2016 to 18 September 2016. Previously Non-Executive Director from 9 October 2015 to 31 December 2015. Geologist and mining executive with over 20 years' experience in the resources industry with many significant mineral discoveries to his name. Former Executive Chairman of Copper Strike, former founding Chairman of Syrah Resources and previously Executive General Manager – Exploration and Technology at Pasminco. Past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association. Has held directorships in the following ASX listed companies over the past three years:

- Alderan Resources Limited (appointed January 2017)
- Copper Strike Limited (resigned September 2016)
- New Century Resources Limited (appointed July 2017)
- Syrah Resources Limited (resigned October 2014)

John Hodder, Non-Executive Director
B.Sc, B.Com, MBA
Non-Executive Director appointed 8 June 2016. Geologist, director and fund manager with over 20 years' experience in the Resources Industry. Principal of mining focused Tembo Resource Fund. He has served as a director of a number of junior mining companies and has significant experience of operating and investing in Africa. Previously established the Commonwealth Development Corporation (CDC), a mining, oil and gas investment vehicle in 1995 and was responsible for its activities for eight years. Has held directorships in the following ASX listed companies over the past three years:

- Nzuri Copper Limited - formerly Regal Resources Limited (resigned December 2016)

Geoff James, Company Secretary
B.Bus, CA, AGIA
Appointed 2 December 2014. Experienced finance professional with over 20 years' experience in senior management roles. He was formerly Chief Financial Officer and Company Secretary of iron ore developer Centaurus Metals Limited and prior to this held senior finance roles with the Clough Engineering group.

Directors' shareholdings
The following table sets out each Director's relevant interest in shares and rights or options in shares of the Company as at the date of this Report:

Directors	Fully paid ordinary shares Number	Share options Number	Performance rights Number
Didier Murcia	-	-	-
Luke Graham [(1)]	20,057,500	-	55,000,000
Richard Hill	16,724,047	7,050,876	-
Asimwe Kabunga	67,862,850	26,192,380	-
Tom Eadie	61,484,994	26,209,284	-
John Hodder	-	-	-

[(1)] Appointed 19 September 2016.

Remuneration of key management personnel
Information about the remuneration of key management personnel is set out in the Remuneration Report of this Directors' Report, on pages 11 to 17 of this Annual Report. The term 'key management personnel' refers to 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.

Share options and performance rights granted to Directors and other key management personnel
During and since the end of the financial year, no share options or performance rights were granted to Directors and other key management personnel, except for 55,000,000 performance rights granted to Mr. Luke Graham, which were approved by shareholders at the Company's General Meeting held on 24 November 2016 (2016: 6,800,000 to Mr. Richard Hill).

Principal activities
The principal activity of the Company during the course of the financial year was mineral exploration and evaluation in Australia and Tanzania, with a focus on mineral sands.

Operating and financial review
Review of operations

Highlights of the Group's activities during the financial year were as follows:

Completion of Rights Issue
On 13 July 2016, Strandline announced the completion of a fully underwritten pro-rata renounceable 1 for 2 rights issue at 0.5c per share raising $4.28 million (before costs). A total of 857,125,894 new shares were issued together with a corresponding number of free attaching unlisted options. For the free attaching unlisted options 428,562,947 are exercisable at 1 cent and expire on 30 June 2018 and 428,562,947 are exercisable at 1.5 cents and expire on 30 June 2019.

Appointment of Managing Director
On 19 September 2016, Strandline announced the appointment of Mr. Luke Graham as Managing Director and Chief Executive Officer. Mr. Graham took over from Mr. Eadie who remained on the Board as Non-Executive Director.

Share Placement to Strategic Investors
On 6 July 2017, Strandline announced the completion of a strategic share placement of 651,166,267 shares at 0.8c per share raising $5.2 million (before costs). The placement was completed in two tranches, with shareholders approving tranche 2 of the placement on 6 July 2017.

Rio Tinto Earn-In and Joint Venture Agreement

As announced on 26 April and 26 June 2017, Strandline entered into an Earn-in and Joint Venture (JV) Agreement with Rio Tinto in connection with the Company's suite of heavy mineral sands (HMS) tenements located in the southern region of Tanzania, plus a surrounding "area of interest".

The Agreement with Rio Tinto is worth up to US$10.75 million (~A$14.5 million) consisting of a two-stage earn-in plus cash payments. The Stage 1 earn-in has now commenced with Rio Tinto having the option to sole fund US$5 million of exploration within 3.5 years to earn a 51% interest in the joint venture. Stage 2 involves a further US$4 million expenditure within 2 years to earn an aggregated 75% interest.

Due diligence was successfully completed by Rio Tinto enabling to the JV to formally start and triggering the first cash payment to Strandline of US$500,000. This is in addition to the minimum commitment milestone of US$2 million on exploration within the first 18 months.

The JV allows Strandline to accelerate exploration activities on the Project Area (southern Tanzania), with Rio Tinto contributing expertise and funding, whilst enabling the Company to concurrently progress its exciting northern projects (Fungoni, Tanga and Bagamoyo) and to pursue additional strategic exploration and development initiatives.

Tanzanian Heavy Mineral Sands Projects (100%) - Tanzania

Northern Region - Tanga Regional Exploration

- *Tanga South*

As announced on 28 November 2016, the Company completed the next phase of air core drilling across its Tanga South tenements, at Tajiri and Pangani-Tongoni, located near the port city of Tanga in the northern district of Tanzania. Exploration was successful in generating multiple new zones of HMS mineralisation along the Tajiri corridor that have the potential to significantly increase the existing resources at Tajiri.

The maiden drilling completed on the Pangani-Tongoni tenements successfully discovered new HMS zones at surface, to potentially compliment the Tajiri deposits and bolster the overall high grade inventory in the Tanga area. Refer to the ASX announcement dated 6 February 2017 for full details of the exploration results received from the drilling programmes at Tanga South.

Following successful new discoveries of higher grade mineralisation at Tajiri and Pangani-Tongoni tenements reported earlier in the year, the Company commenced in July 2017 its next phase of aircore drilling, aimed at building mineral resources and discovering new mineralisation zones in the Tanga South and Tanga North project areas.

Strandline believes the prospective Tanga Region, which is located just ~100km south of the major Kwale mineral sands project owned by Base Resources (ASX: BSE), has the potential to host a major titanium-dominant resource inventory. The region already hosts a sizable high grade Indicated Mineral Resource at Tajiri across two project areas totally 59Mt @ 3.7% THM, comprising a high value assemblage of 87% valuable mineral, which includes 68% Ilmenite, 10% Rutile, 5% Zircon and 4% Leucoxene[1]. Refer to the Mineral Resources and Ore Reserves Information on page 57 of this Annual Report for the Mineral Resource Summary for the Tajiri Prospects.

[1] Refer to ASX announcement dated 4 April 2016 for full details of the Tanga South Mineral Resource Estimate and the Competent Person's Statement. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Fungoni Mineral Resource Estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

- *Tanga North*

The Company commenced initial exploration activities of its Tanga North tenements, favourably located within 15-20km to the existing Tanga port infrastructure. The Company has successfully qualified a series of radiometric thorium anomalies extending over a promising 9km section of the Kitambula tenement with ground-reconnaissance sampling work verifying high grade HMS mineralisation at surface.

A maiden drilling programme will be commenced in the third quarter of 2017 at several Tanga North higher-grade targets. This forms part of the Company's strategy to establish a series of high-grade deposits which can be mined and processed over multiple decades using an innovative and cost-effective development approach. The prospects are located near to existing port infrastructure at the city of Tanga.

Central Region

- *Fungoni Project*

The Company continued to advance development on its low cost zircon-rich Fungoni Mineral Sands Project located near the port infrastructure of Dar es Salaam.

As announced to ASX on 17 November 2016, Strandline completed an aircore infill and extension drilling campaign of Fungoni's main orebody. These results provided the basis for a JORC-2012 Mineral Resource update and classification upgrade for the main orebody area, which was announced on 16 January 2017. As subsequently announced on 2 May 2017, extension drilling of the newly discovered Fungoni north-west zone led to a further expansion of the Mineral Resource. The results of these drilling campaigns during the year nearly doubled the Mineral Resource Estimate from 11Mt @3.1% Total Heavy Mineral (THM) to 21.7Mt @ 2.82% THM (see Table 1). Exploration in the broader Fungoni region has identified soil anomalies close to the Fungoni Project and these targets have the potential to further grow the Mineral Resource.

Table 1: Mineral Resource Statement for Fungoni at May 2017 [2]

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources[1]					**VHM assemblage[2]**					
Deposit	**Mineral Resource Category**	**Tonnage**	**In situ THM**	**THM**	**Ilmenite**	**Rutile**	**Zircon**	**Leucoxene**	**Slimes**	**Oversize**
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.37	4.26	43.3	4.3	18.3	1.0	18.5	6.8
FUNGONI	Indicated	12.97	0.24	1.84	36.7	4.3	14.6	1.4	24.4	7.3
	Total[3]	21.74	0.61	2.82	40.7	4.3	16.9	1.2	22.0	7.0
(1) Mineral Resources reported at a cut-off grade of 1.0% THM										
(2) Valuable Mineral assemblage is reported as a percentage of in situ THM content										
(3) Appropriate rounding applied										

Based on the positive drill results and strong geological definition, the Company accelerated its engineering feasibility work targeting completion of the Definitive Feasibility Study in the second half of 2017. Work is well advanced in the areas of regulatory approvals, metallurgy and process design, product off-take and financing, mining and auxiliary services. As announced on 26 July 2017, the Environmental Certificate was granted for the Project which paves the way for submission of the mine licence application in the near future.

- *Bagamoyo Project*

During the second quarter of 2017, Strandline performed a large surface soil sampling programme across the various Bagamoyo tenements north of Dar es Salaam. The results will be used to identify the most prospective mineralised zones and project targets, to allow planning a maiden discovery drilling campaign for execution later in the year.

[2] Refer to ASX announcement dated 2 May 2017 for full details of the Fungoni Mineral Resource Estimate and the Competent Person's Statement. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Fungoni Mineral Resource Estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Southern Region (Rio JV)
Exploration activities under the STA/RT JV are now underway with a significant reconnaissance air core drilling programme of priority target areas at Sudi, Kiswere, Miteja and Madimba tenements commencing in July 2017.

Coburn Zircon Project (100%) - Western Australia
Strandline continued to maintain the currency of its fully permitted 100% owned large scale zircon-rich HMS project in Western Australia through low cost strategies. The Coburn Zircon Project has a high value assemblage composition of 23% Zircon, 48% Ilmenite, 7% Rutile and 5% Leucoxene. Refer to the Mineral Resources and Ore Reserves Information on page 57 of this Annual Report for the Mineral Resource Summary for the Coburn Project.

The HMS market trend has improved throughout the year with the TiO_2 pigment industry and zircon demand in recovery phase, which is encouraging for the sector in general. Iluka Resources' (ASX:ILU) announced on 12 September 2017 a zircon price increase of U$130/t to US$1230/t, effective 01 October 2017 for a six-month period. The Coburn Zircon Project is leveraged to an improving HMS commodity market and the Company continued to evaluate and solicit external interest in the Project with a view to realising value for this advanced asset over the longer term.

Fowlers Bay Gold-Base Metal Project (100%) – South Australia
Exploration activities, being funded by joint venture partner Western Areas Limited continued over Strandline's 100% owned, 700km2 Fowlers Bay Project which is a key part of Western Areas' aggressive exploration push in the Western Gawler region of South Australia. During the year Western Areas continued to work towards the completion of the Stage 1 earn-in on Strandline's ground. Western Areas obtained access to conduct the next phase of exploration activities on the project area. Stratigraphic drilling commenced within the Yalata Aboriginal Reserve and results are expected in the third quarter of 2017.

Competent Person's Statement
The information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Mr. Brendan Cummins, Chief Geologist and permanent employee of Strandline. Mr. Cummins is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cummins consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Results of operations
The Group incurred a loss after tax for the year of $5,105,882 (2016: $3,256,600). The increased loss for the current year reflects higher levels of exploration and evaluation expenditure on mineral sands projects in Tanzania.

Financial position of the Company
The Group had $3,274,836 in cash at 30 June 2017, up from $1,621,442 at 30 June 2016. The Group completed a fully underwritten pro-rata renounceable rights issue in July 2016 raising $4.28 million (before costs) and a share placement in May 2017 raising $3.53 million (before costs). The cash raised was used to fund exploration and evaluation activities and corporate expenditure.

The Group has higher current assets at 30 June 2017 of $4,030,715 (30 June 2016: $1,674,201) reflecting an improved cash position. Non-current assets at 30 June 2017 were lower at $7,317,705 (30 June 2016: $7,475,758), reflecting an adverse foreign exchange movements on capitalised exploration and evaluation expenditure in Tanzania.

Total liabilities were lower at 30 June 2017 at $694,915 (30 June 2016: $713,674) reflecting lower levels of payables for corporate, exploration and evaluation costs accrued at year end.

Net assets increased to $10,653,505 as at 30 June 2017 (30 June 2016: $8,436,286) as result of raising $7.26 million in equity offset by net corporate, exploration and evaluation expenditure of $4.93 million.

Strategy
The Group continued its strategy during the year to focus on exploration and evaluation of mineral sands projects in Tanzania. The Company's strategy is to develop and operate a series of low cost expandable mining assets in a responsible and sustainable manner.

The Group entered into an Earn-in and Joint Venture (JV) Agreement with Rio Tinto in connection with the Company's suite of HMS tenements located in the southern region of Tanzania. The JV allows Strandline to accelerate exploration activities on the Project Area, with Rio Tinto contributing expertise and funding, whilst enabling the Company to concurrently progress its exciting northern projects (Fungoni, Tanga and Bagamoyo) and to pursue additional strategic exploration and development initiatives.

The Coburn Zircon Project located in Western Australia, is leveraged to an improving HMS commodity market and the Group continues to evaluate external interest in the Project with a view to realising value for this advanced asset over the longer term.

Factors and Business Risks Affecting Future Business Performance

The following factors and business risks could have a material impact on the Group's success in delivering its strategy of developing an economic mineral sands deposit in Tanzania:

Access to Funding

The Group's ability to successfully explore and discover mineral sands projects is contingent on the ability to fund those projects from realising value from existing assets or to raise additional capital.

Exploration and Development

The business of exploration, project development and ultimately production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continued success of these activities is dependent on many factors such as:

(i) discovery of economically recoverable ore reserves;
(ii) access to adequate capital for project development;
(iii) design and construction of efficient project infrastructure within capital expenditure budgets;
(iv) securing and maintaining title to interests;
(v) obtaining necessary consents and approvals;
(vi) access to competent operational management and appropriately skilled personnel;
(vii) mining risks;
(viii) operating risks;
(ix) health, safety and environmental risks;
(x) sovereign risk; and
(xi) financial risks.

Commodity Prices and Exchange Rates

Commodity prices for mineral sands products fluctuate according to changes in demand and supply. The Company is exposed to changes in commodity prices, which could affect the profitability of the Company's projects. Significant adverse movements in commodity prices could also affect the ability to raise capital (debt and equity) to fund exploration and development of projects. The Group will be exposed to changes in the US Dollar. Sales of mineral sands commodities will be denominated in US Dollars.

Significant Changes in the State of Affairs

In the opinion of the Directors, other than as outlined in this report, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Subsequent events

On 6 July 2017, Strandline announced that the Tanzanian Parliament had passed three bills of legislation containing changes to the legal framework governing the natural resources sector. Based on the information currently available, the Group does not believe the legislation will have a major impact on its strategy or ability to achieve its exploration and project development goals. The Group continues to work with the Government of Tanzania to progress the development of its HMS projects in a manner which delivers significant benefits to both the people of Tanzania and Strandline shareholders.

On 6 July 2017, Strandline announced the shareholders approved Tranche Two of the share placement of 209.9 million shares at 0.8 cents to Tembo Capital, providing the Company with a further $1.68 million before costs. As a result, Tembo Capital maintained its 32.2 per cent stake in Strandline.

On 27 July 2017, Strandline receipted US$500,000 relating to the initial joint venture earn-in revenue from Rio Tinto.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments
All information regarding likely developments is contained in the "Operating and Financial Review" and subsequent events sections in this report.

Environmental regulations
The Company's environmental obligations are regulated under both State and Federal legislation, in Australia and Tanzania. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. During the year there were no non-compliance incidents.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. In respect of the financial year ended 30 June 2017, the Directors have assessed that there are no current reporting requirements.

Dividends
No dividends were paid or declared and the Directors have not recommended the payment of a dividend.

Unissued share options and performance rights
Details of unissued ordinary shares of the Company under option as at the date of this Report are:

Options

Expiry date of options	Exercise price of option	Vested options	Unvested options	Total number of shares under option
3 November 2017	3 cents	10,000,000	-	10,000,000
12 October 2018	1.5 cents	136,366,924	-	136,366,924
30 June 2018	1 cent	428,508,795	-	428,508,795
30 June 2019	1.5 cents	428,549,645	-	428,549,645
		1,003,425,364	-	1,003,425,364

Performance Rights

Expiry date of rights	Exercise price of rights	Vested rights	Unvested rights	Total number of shares under rights
15 August 2018	nil	-	27,500,000	27,500,000
15 August 2019	nil	-	27,500,000	27,500,000
		-	55,000,000	55,000,000

The holders of these options and performance rights do not have the right to participate in any share issue of the Company or of any other body corporate or registered scheme. The share options and performance rights are unlisted securities, carrying no rights to dividends and no voting rights.

Shares issued on the exercise of options and performance rights
67,454 shares were issued during or since the end of the financial year as a result of the exercise of options and performance rights (2016: 9,601,604).

Indemnification of officers and auditors
During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such as an officer or auditor. The Company has made an agreement to provide access, indemnity and insurance for all its Directors and executive officers for any breach of duty as a Director or executive officer by the Company, for which they may be held personally liable.

The agreement provides for the Company to pay insurance premiums and legal costs where:
a) the liability does not arise out of conduct involving a lack of good faith; or
b) the liability is for costs and expenses incurred by the Director or executive officer in defending proceedings in which judgment is given in their favour or in which they are acquitted.

Directors' meetings
The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director (while they were a Director).

	Board of Directors		Audit & Risk Committee		Remuneration Committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Didier Murcia	8	8	-	-	-	-
Luke Graham [1]	6	6	-	-	-	-
Richard Hill	8	8	-	-	-	-
Asimwe Kabunga	8	8	-	-	-	-
Tom Eadie	8	8	1	1	-	-
John Hodder	8	8	1	1	-	-

[1] Appointed 19 September 2016.

Proceedings on behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's independence declaration
The auditor's independence declaration is included on page 19 of the Annual Report.

Remuneration Report (Audited)
This audited Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Strandline Resources Limited's key management personnel for the financial year ended 30 June 2017. The term 'key management personnel' refers to 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. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel;
- remuneration policy;
- relationship between the remuneration policy and Company performance;
- remuneration of key management personnel;
- bonuses and share-based payments granted as compensation for the current financial year;
- key management personnel equity holdings;
- key terms of employment contracts;
- loans and other transactions;
- voting of shareholders at last year's annual general meeting; and
- reliance on external remuneration consultants.

Key management personnel

The Directors and other key management personnel of the Company during or since the end of the financial year were:

- Didier Murcia (Non-Executive Chairman appointed 1 March 2016, former Non-Executive Director from 23 October 2014 to 29 February 2016)
- Luke Graham (Managing Director appointed 19 September 2016)
- Richard Hill (Non-Executive Director appointed 2 June 2017, former Executive Director from 1 January 2016 to 1 June 2017, former Managing Director from 23 October 2014 to 31 December 2015)
- Asimwe Kabunga (Non-Executive Director appointed 18 June 2015)
- Tom Eadie (Non-Executive Director appointed 19 September 2016, former Managing Director from 1 January 2016 to 18 September 2016, former Non-Executive Director from 9 October to 31 December 2015)
- John Hodder (Non-Executive Director appointed 8 June 2016)

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy

No directors received retirement benefits from the Company.

The Company's Non-Executive Directors receive only fees for their services and the reimbursement of reasonable expenses. The total aggregate fee pool to be paid to Directors, excluding Executive Directors, is set at $400,000 per year, in accordance with the Company's constitution and as approved by the shareholders of the Company.

The fees paid to the Company's Non-Executive Directors reflect the demands on, and responsibilities of these Directors. They do not receive any retirement benefits, other than compulsory superannuation. The Chairman normally receives an annual salary of $54,750 inclusive of superannuation and Non-Executive Directors normally receive an annual salary of $38,325 inclusive of superannuation.

At times, some individuals may choose to sacrifice part of their salary or fees to increase payments towards superannuation.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Company's development. Such options would vest across the life of the option and would be primarily designed to provide an incentive to Non-Executive Directors to remain with the Company. However, no share options have been issued to date.

The Remuneration Committee, established on 25 October 2016, is responsible for reviewing compensation arrangements for the Directors and the other key management personnel and making recommendations to the Board. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Relationship between the remuneration policy and Company performance

The Board considers that, at this time, evaluation of the Company's financial performance using generally accepted measures such as profitability, total shareholder return or peer company comparison is not relevant as the Company's assets have not yet been developed to the point where they can generate revenue.

The shareholders approved a short-term incentive plan at the Company's General Meeting on 24 November 2016 to assist in the recruitment, reward, retention and motivation of executive-level employees of the Company and encourage achievement of short term strategic business objectives and ownership of shares in the Company by those employees.

The Company does however grant share-based payments in the form of options and performance rights to align the interests of executives, employees and consultants with those of shareholders. During the year no (2016: nil) options were granted and 55,000,000 (2016: 6,800,000) performance rights were issued.

Due to the stage of the Company's development, no link between remuneration and financial performance currently exists. However, performance rights are issued and which will only vest if the performance conditions are satisfied before the expiry date. The performance conditions are set to align with the Company's key strategies to develop its mineral sands projects.

The table below sets out summary information about the Company's earnings and movement in share price for the five years to 30 June 2017:

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Revenue	700,125	4,777	21,479	20,299	79,088
Loss before tax	(5,105,882)	(3,256,600)	(21,941,682)	(1,025,058)	(7,947,238)
Loss after tax	(5,105,882)	(3,256,600)	(21,941,682)	(1,025,058)	(7,947,238)
Share price at start of year	0.5 cents	0.8 cents	1.2 cents	2.0 cents	11 cents
Share price at end of year	0.6 cents	0.5 cents	0.8 cents	1.2 cents	2.0 cents
Basic and diluted loss per share	(0.20) cents	(0.28) cents	(4.24) cents	(0.39) cents	(3.31) cents

Remuneration of key management personnel – 2017

Name	Short-term employee benefits			Post-employment benefits	Other long-term employee benefits	Share-based payment	Total
	Salary & fees $	Unpaid salary & fees $	Other $	Super-annuation $	$	Options and Performance Rights $	$
Directors							
D Murcia	54,750	-	-	-	-	-	54,750
L Graham [(1)]	236,073	-	-	22,427	-	107,323	365,823
T Eadie [(2)]	46,634	-	-	20,398	-	-	67,032
R Hill [(3)]	163,166	-	-	-	-	5,162	168,328
A Kabunga	38,325	-	-	-	-	-	38,325
J Hodder	38,325	-	-	-	-	-	38,325
	577,273	**-**	**-**	**42,825**	**-**	**112,485**	**732,583**

[(1)] CEO/Managing Director from 19 September 2016.
[(2)] Managing Director from 1 July 2016 to 18 September 2016. Non-Executive Director from 19 September 2016 to 30 June 2017.
[(3)] Executive Director from 1 July 2016 to 1 June 2017. Non-Executive Director from 2 June 2017 to 30 June 2017.

Remuneration of key management personnel – 2016

Name	Short-term employee benefits			Post-employment benefits	Other long-term employee benefits	Share-based payment	Total
	Salary & fees $	Unpaid salary & fees* $	Other $	Super-annuation $	$	Options and Performance Rights $	$
Directors							
D Murcia*[(1)]	43,800	-	-	-	-	-	43,800
T Eadie [(2)]	94,167	-	-	-	-	-	94,167
R Hill*[(3)(7)]	169,303	56,434	-	-	-	52,244	277,981
A Kabunga*	15,969	22,356	-	-	-	-	38,325
J Hodder [(4)]	3,194	-	-	-	-	-	3,194
M Folwell [(5)]	36,647	-	-	-	-	-	36,647
M Hanlon [(6)]	15,100	-	-	-	-	-	15,100
	378,180	**78,790**	**-**	**-**	**-**	**52,244**	**509,214**

* The Company resumed payment of previous deferred salary and fees in June 2016.
[(1)] Non-Executive Director from 23 October 2014 to 29 February 2016. Non-Executive Chairman from 1 March 2016.
[(2)] Appointed 9 October 2015. Non-Executive Director from 9 October 2015 to 31 December 2015. Managing Director from 1 January 2016. Subsequent to 30 June 2016 returned to Non-Executive role.
[(3)] Managing Director from 23 October 2014 to 31 December 2015. Executive Director from 1 January 2016.
[(4)] Appointed 8 June 2016.
[(5)] Resigned 1 March 2016.
[(6)] Appointed 9 October 2015, resigned 1 March 2016.
[(7)] The performance rights held by Mr. Hill were issued after the end of the financial year and the valuation was performed as at 5 May 2015 as this was when the key terms and conditions were agreed.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2017	2016	2017	2016	2017	2016
D Murcia	100%	100%	-	-	-	-
L Graham [(1)]	81%	-	-	-	19%	-
T Eadie	100%	100%	-	-	-	-
R Hill	97%	81%	-	-	3%	19%
A Kabunga	100%	100%	-	-	-	-
J Hodder	100%	100%	-	-	-	-

[(1)] Appointed 19 September 2016.

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses
No bonuses were paid to key management personnel during the financial year (2016: $nil).

Incentive share-based payment arrangements
During the year no share options were granted to key management personnel (2016: nil) and no share options were exercised during the year (2016: nil). During the year 55,000,000 performance rights were granted to key management personnel (2016: 6,800,000). The performance rights were issued to Mr. Graham (2016: Mr. Hill). The performance rights will only vest if the performance conditions are satisfied before the expiry date. These were subsequently granted when approved by shareholders at the Company's General Meeting held on 24 November 2016. The key terms and conditions of Mr. Graham's performance rights granted during the year are as follows:

Tranche	Service Period Start Date	Expiry Date	Number of Rights Granted During 2017	Number of Rights Vested During 2017	Number of Rights Expired During 2017	Number of Rights Remaining at 30 June 2017	% Vested During 2017	% Expired During 2017	Fair Value $
R Hill									
Tranche 4	05/05/2015	31/12/2016	-	-	1,020,000	-	-	100%	-
Tranche 5	05/05/2015	31/12/2016	-	-	680,000	-	-	100%	-
L Graham									
Tranche 1	19/09/2016	15/08/2018	27,500,000	-	-	27,500,000	-	-	0.005
Tranche 2	19/09/2016	15/08/2019	27,500,000	-	-	27,500,000	-	-	0.006
			55,000,000	**-**	**1,700,000**	**55,000,000**			

Details of the performance conditions for Mr. Graham are as follows:

The performance rights will only vest if certain performance conditions are met. At the end of each tranche's performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR) against a peer group of other companies as determined by the Board. The peer group may be varied from time to time by the Board in its absolute discretion. The percentage of performance rights in each respective tranche that will vest will depend upon the Company's TSR performance relative to the companies in the peer group, which will constitute Category A, B or C TSR performance, as set out below:

(a) **Category A TSR performance:** 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 TSR performance:** 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 TSR performance:** 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 vest at or above the 75th percentile).

Fair value of share options and performance rights granted in the year

The fair value of services received in return for share options granted is based on the fair value of the share options granted, independently determined using the Black-Scholes option pricing model. For performance rights with market conditions, the fair value of services received is measured using a binomial pricing model. For performance rights with non-market conditions, fair value is measured using the closing share price at grant date.

Key management personnel equity holdings in Strandline Resources Limited

Fully paid ordinary shares

Name	Balance at 1 July No.	Acquired No.	Net other change No.	Number held on appointment/ resignation No.	Balance at 30 June No.
2017					
D Murcia	-	-	-	-	-
L Graham [(1)]	-	3,557,500	-	-	3,557,500
T Eadie	40,989,996	20,494,998	-	-	61,484,994
R Hill	9,816,031	6,908,016	-	-	16,724,047
A Kabunga	45,241,900	22,620,950	-	-	67,862,850
J Hodder	-	-	-	-	-

[(1)] Appointed 19 September 2016

Share options

Name	Balance at 1 July No.	Acquired No.	Net other change No.	Number held on appointment/ resignation No.	Balance at 30 June No.	Vested and exercisable No.	Unvested and exercisable No.
2017							
D Murcia	-	-	-	-	-	-	-
L Graham [(1)]	-	-	-	-	-	-	-
T Eadie	5,714,286	20,494,998	-	-	26,209,284	26,209,284	-
R Hill	2,142,860	4,908,016	-	-	7,050,876	7,050,876	-
A Kabunga	3,571,430	22,620,950	-	-	26,192,380	26,192,380	-
J Hodder	-	-	-	-	-	-	-

[(1)] Appointed 19 September 2016.

Performance rights

Name	Balance at 1 July No.	Granted as compensation No.	Vested No.	Forfeited No.	Expired No.	Balance at 30 June No.
2017						
D. Murcia	-	-	-	-	-	-
L Graham [(1)]	-	55,000,000	-	-	-	55,000,000
T. Eadie	-	-	-	-	-	-
R. Hill	1,700,000	-	-	-	(1,700,000)	-
A. Kabunga	-	-	-	-	-	-
J. Hodder	-	-	-	-	-	-

[(1)] Appointed 19 September 2016.

Key terms of employment contracts

On 19 September 2016 Mr. Luke Graham was appointed Managing Director and Chief Executive Officer, and his remuneration and other terms of appointment were formalised in a service agreement, the key terms and conditions of which are:

- Term of agreement – permanent basis commencing 19 September 2016.
- Fixed Annual Remuneration of $330,000 per annum, to be reviewed annually.
- Short Term Incentive (STI) - performance to be assessed annually against a series of both financial and non-financial Key Performance Indicators (KPIs). The maximum annual amount payable under the Short Term Incentive is 50% of the Fixed Annual Remuneration. The STI will be paid in August each year in cash and/or performance rights.
- Long Term Incentive (LTI) - entitled to participate in a Long Term Incentive Plan ("LTIP") to be approved by Shareholders.
- Contract is capable of termination in the following circumstances:
  - By either party during the probation period (of 6 months from the commencement date) by giving 2 weeks' notice;
  - By either party following the probation period on giving 3 months' notice; or
  - By the Company without notice upon serious misconduct or gross neglect of duty.

Loans and other transactions
No loans have been made by the Company to key management personnel during the year (2016: nil).

Mr. Didier Murcia, Non-Executive Chairman, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling $157,418 were paid to Murcia Pestell Hillard for work completed on various legal matters (2016: $225,051). All transactions related to the services were based on normal commercial terms.

Mr. Didier Murcia, is also Chairman of Artemis Management Tanzania, a provider of corporate, administration, logistics, tenement management and evaluation and environment management services in Tanzania. Fees totalling $64,517 were paid to Artemis Management Tanzania for corporate and administration services (2016: $8,978). All transactions related to the services were based on normal commercial terms.

No other transactions occurred between the Company and key management personnel during the year, aside from that disclosed in the remuneration of key management personnel above (2016: nil).

Voting of shareholders at last year's annual general meeting
The Company received more than 99% of "yes" votes on its remuneration report for the 2017 financial year (2016: 94%).

Reliance on external remuneration consultants
During the year the Board did not engage the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors or other key management personnel.

This is the end of the audited Remuneration Report

Non-Audit Services
No non-audit services were provided during the year by BDO Audit (WA) Pty Ltd ("BDO"), the Company's auditor (2016: nil).

Corporate Governance
A copy of Strandline's full 2017 Corporate Governance Statement, which provides detailed information about governance, and a copy of Strandline's Appendix 4G which sets out the Company's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at **www.strandline.com.au/corporategovernance**

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Luke Graham
Managing Director

26 September 2017
Perth, Western Australia

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DECLARATION OF INDEPENDENCE BY PHIL MURDOCH TO THE DIRECTORS OF STRANDLINE RESOURCES LIMITED

As lead auditor of Strandline Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Strandline Resources Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 26 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $	2016 (Restated) $
Revenue from continuing operations	7	50,099	4,777
Other income	8	650,532	-
Gain on sale of Mount Gunson Project	9	-	381,818
Employee benefits expense	11	(692,388)	(439,143)
Depreciation expense	11, 15	(28,829)	(28,555)
Share based payment expense	11, 26	(72,273)	(163,591)
Impairment of exploration and evaluation expenditure	11, 16	-	(545,860)
Exploration and evaluation expenditure		(4,524,499)	(1,913,571)
Other expenses		(488,524)	(552,475)
Loss before income tax		**(5,105,882)**	**(3,256,600)**
Income tax benefit	10	-	-
Loss after income tax for the year		**(5,105,882)**	**(3,256,600)**
Other comprehensive income			
Items that may be re-classified to profit or loss			
Exchange differences arising on translation of foreign operations		(147,574)	(72,996)
Other comprehensive income for the year, net of income tax		**(147,574)**	**(72,996)**
Total comprehensive loss for the year		**(5,253,456)**	**(3,329,596)**
Loss attributable to:			
Owners of Strandline Resources Limited		**(5,253,456)**	**(3,329,596)**
		Cents per share	Cents per share
Loss per share			
Basic and diluted loss per share (cents per share)	12	(0.20)	(0.28)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 $	2016 (Restated) $
Current assets			
Cash and cash equivalents	24	3,274,836	1,621,442
Other receivable	13	755,879	52,759
Total current assets		**4,030,715**	**1,674,201**
Non-current assets			
Prepayments	14	5,662	-
Property, plant and equipment	15	24,011	45,575
Exploration and evaluation expenditure	16	7,078,032	7,220,183
Financial assets	17	210,000	210,000
Total non-current assets		**7,317,705**	**7,475,758**
Total assets		**11,348,420**	**9,149,959**
Current liabilities			
Trade and other payables	18	600,382	652,183
Provisions	19	94,533	61,491
Total current liabilities		**694,915**	**713,674**
Total liabilities		**694,915**	**713,674**
Net assets		**10,653,505**	**8,436,285**
Equity			
Contributed equity	20	62,379,704	54,981,301
Reserves	21	1,980,478	2,055,779
Accumulated losses		(53,706,677)	(48,600,795)
Total equity		**10,653,505**	**8,436,285**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital $	Share based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2015	**46,344,073**	**1,683,623**	**395,423**	**(38,715,951)**	**9,707,168**
Change in accounting policy (refer Note 4)	-	-	(18,112)	(6,628,244)	(6,646,356)
Balance at 1 July 2015 (Restated)	**46,344,073**	**1,683,623**	**377,311**	**(45,344,195)**	**3,060,812**
Comprehensive income for the year					
Loss for the year	-	-	-	(3,256,600)	(3,256,600)
Foreign currency translation difference for foreign operation	-	-	(72,996)	-	(72,996)
Total comprehensive loss for the year	**-**	**-**	**(72,996)**	**(3,256,600)**	**(3,329,596)**
Transactions with owners in their capacity as owners					
Issue of ordinary shares	9,014,738	-	-	-	9,014,738
Share issue costs	(377,510)	-	-	-	(377,510)
Recognition of share-based payments (refer to Note 26)	-	163,591	-	-	163,591
Performance rights vested into shares	-	(95,750)	-	-	(95,750)
Balance at 30 June 2016	**54,981,301**	**1,751,464**	**304,315**	**(48,600,795)**	**8,436,285**
Balance at 1 July 2016	**54,981,301**	**1,751,464**	**304,315**	**(48,600,795)**	**8,436,285**
Comprehensive income for the year					
Loss for the year	-	-	-	(5,105,882)	(5,105,882)
Foreign currency translation difference for foreign operation	-	-	(147,574)	-	(147,574)
Total comprehensive loss for the year	**-**	**-**	**(147,574)**	**(5,105,882)**	**(5,253,456)**
Transactions with owners in their capacity as owners					
Issue of ordinary shares	7,816,371	-	-	-	7,816,371
Share issue costs	(417,968)	-	-	-	(417,968)
Recognition of share-based payments (refer to Note 26)	-	121,843	-	-	121,843
Performance rights reversed during the period	-	(49,570)	-	-	(49,570)
Balance at 30 June 2017	**62,379,704**	**1,823,737**	**156,741**	**(53,706,677)**	**10,653,505**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $	2016 (Restated) $
Cash flows from operating activities			
Payments for exploration and evaluation		(4,183,348)	(1,876,770)
Payments to suppliers and employees		(1,456,572)	(808,112)
Interest received		47,196	4,777
Net cash (used in) operating activities	24	**(5,592,724)**	**(2,680,105)**
Cash flows from investing activities			
Payments for exploration and evaluation		-	(336,008)
Cash acquired from acquisition of subsidiary	31	-	15,123
Advance of loan funds from Jacana Minerals Limited prior to completion of acquisition of Jacana Resources (Tanzania) Limited		-	250,000
Research and development tax refund received		-	19,744
Proceeds from sale of Mount Gunson Project		-	181,818
Payments for property, plant and equipment		(9,662)	(961)
Proceeds from sale of fixed assets		1,916	-
Payments for available for sale financial assets		-	(10,000)
Net cash inflows/ (used in) investing activities		**(7,746)**	**119,716**
Cash flows from financing activities			
Proceeds from issues of shares		7,816,371	4,184,690
Payment for share issue costs		(561,036)	(170,760)
Net cash inflow provided by financing activities		**7,255,335**	**4,013,930**
Net increase in cash and cash equivalents		**1,654,865**	**1,453,541**
Cash and cash equivalents at the beginning of the year		1,621,442	167,759
Effects of foreign exchange movement on opening cash balance		(1,471)	142
Cash and cash equivalents at the end of the year	24	**3,274,836**	**1,621,442**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. General information

Strandline Resources Limited ('Company' or 'Strandline') is a limited company incorporated in Australia. The address of its registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration and development of mineral sands, and also has interests in other base metal resources.

2. New Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the AASB Standards and Interpretations listed below were in issue but not yet effective and are most relevant to the Group:

Standard Interpretation	***Nature of Change***	***Application date for the Company***	***Impact on the Company financial statements***
AASB 9 Financial Instruments	AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.	1 January 2018	This standard is not expected to have a material impact on the Group's financial statements and disclosures.

Standard Interpretation	*Nature of Change*	*Application date for the Company*	*Impact on the Company financial statements*
AASB 15 Revenue from Contracts with Customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	1 January 2018	This standard is not expected to have a material impact on the Group's financial statements and disclosures.
AASB 16 Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	1 January 2019	The Group is still assessing the potential impact of the adoption of this standard.

3. Significant accounting policies

3.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, AASB Standards and Interpretations, and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Group financial statements and notes comply with International Financial Reporting Standards (IFRS).

The Group has adopted all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2016. The adoption of these standards and interpretations did not have a material impact on the Group financial report.

The financial statements were approved by the Board of Directors on 26 September 2017.

3.2. Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for financial assets and financial liabilities that are recognised initially at fair values and subsequently measured at amortised costs using the effective interest method, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Joint venture management fees

Revenue is recognised on the completion of the services provided under the contractual arrangement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and in accordance with the above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the current provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions of the Company

The Group may provide benefits to employees and consultants (including Directors) in the form of share-based payments, whereby employees and consultants render services in exchange for options or rights over shares ("equity settled transactions").

Equity-settled share based payments to employees and consultants are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. For options, the fair value is determined using a Black-Scholes model. For performance rights with market conditions, the fair value is measured using a binomial pricing model. For performance rights with non-market conditions, the fair value is measured using the closing share price at grant date.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors, will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of the fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Taxation

The income tax expense or benefit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, and to unused tax losses.
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The carrying value is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Depreciation

Items of plant and equipment are depreciated using either the straight line or diminishing value method over their estimated useful lives to the Company. The depreciation rates used for each class of asset for the current period are as follows:

- Plant and equipment 7% - 40%

Assets are depreciated from the date the asset is ready for use. Depreciation costs are capitalised to exploration and evaluation expenditure where the assets are used exclusively for such activities.

Exploration and evaluation expenditure per change in accounting policy

Exploration and evaluation expenditure is expensed as incurred other than those incurred for the acquisition of mineral property licences or rights to explore which continue to be capitalised in respect of each identifiable area of interest, and reduced by any research and development tax offset receivable related to this expenditure. The expenditure is only carried forward to the extent that it is expected to be recouped through the successful development or sale of the area of interest, or where activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area of interest are written off in full against the profit or loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. When it is determined that it is no longer appropriate to continue the capitalisation of costs in relation to an area of interest they are expensed in profit or loss.

Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell, and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:
- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of the expense item; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment.

Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in banks and deposits at call which are readily convertible to cash and used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

Trade and other payables
Liabilities for trade creditors and other amounts represent the consideration to be paid in the future for goods and services received, whether or not billed to the Group. These amounts are initially recognised at fair value and subsequently measured at amortised costs using the effective interest rate method.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted using a current pre-tax rate that reflects the risks specific to the liability.

Share capital
Ordinary share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

Loss per share
Basic loss per share is determined by dividing the loss for the year attributable to owners of the Group, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Segment reporting
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers - identified as being the Board of Strandline. Operating segments that meet the quantitative criteria as described by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale. The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

3.3. Functional and presentation currency
These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency. The functional currency of the Tanzanian subsidiaries is the United States Dollar.

4. Voluntary change in Accounting Policy

(a) Exploration and evaluation accounting policy
The annual report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The new accounting policy adopted by the Group on 1 July 2016 is to expense exploration and evaluation expenditure as incurred other than those incurred for the acquisition of mineral property licences or rights to explore which continue to be capitalised. The previous accounting policy was to capitalise and carry forward exploration, evaluation and development expenditure in relation to separate areas of interest for which rights of tenure are current as an asset in the Consolidated Statement of Financial Position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

The Directors have determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice worldwide.

(b) Impact on financial statements
As a result of the change in the accounting policy for exploration and evaluation expenditure, prior year financial statements had to be restated. The following financial statement extracts show the impact of the change in the Group's accounting policy for exploration and evaluation expenditure on the prior year half year and full year financial statements.

(i) Consolidated Statement of Financial Position – 30 June 2016 (Extract)

	30 June 2016 $	Increase/ (Decrease) $	30 June 2016 (Restated) $
Non-current assets			
Exploration and evaluation expenditure	15,252,416	(8,032,233)	7,220,183
Total non-current assets	**15,507,991**	**(8,032,233)**	**7,475,758**
Net assets	**16,468,518**	**(8,032,233)**	**8,436,285**
Equity			
Foreign currency translation reserve	325,399	(21,084)	304,315
Accumulated losses	(40,589,646)	(8,011,149)	(48,600,795)
Total equity	**16,468,518**	**(8,032,233)**	**8,436,285**

(ii) Consolidated Statement of Profit or Loss & Other Comprehensive Income – 30 June 2016 (Extract)

	30 June 2016 $	(Increase)/ Decrease $	30 June 2016 (Restated) $
Expenses			
Impairment of exploration and evaluation expense	(552,156)	6,296	(545,860)
Exploration and evaluation expense	(524,370)	(1,389,201)	(1,913,571)
Loss after income tax for the year	**(1,873,695)**	**(1,382,905)**	**(3,256,600)**
Other comprehensive income			
Items that will be re-classified to profit or loss			
Exchange differences on translation of foreign operations	(70,024)	(2,972)	(72,996)
Total comprehensive loss for the year	(1,943,719)	**(1,385,877)**	**(3,329,596)**
Loss per share: basic and diluted (cents per share)	**(0.16)**	**(0.12)**	**(0.28)**

(iii) Consolidated Statement of Cash Flows – 30 June 2016 (Extract)

	30 June 2016 $	(Increase)/ Decrease $	30 June 2016 (Restated) $
Cash flows from operating activities			
Payments for exploration and evaluation	(487,569)	(1,389,201)	(1,876,770)
Net cash used in operating activities	**(1,290,904)**	**(1,389,201)**	**(2,680,105)**
Cash flows from investing activities			
Payments for exploration and evaluation	(1,725,209)	1,389,201	(336,008)
Net cash used in investing activities	**(1,269,485)**	**1,389,201**	**119,716**

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Asset acquisition

The Group has determined that the acquisition of Jacana Resources (Tanzania) Limited is not deemed a business acquisition, the transaction has been accounted for as an asset acquisition. In assessing the requirements of AASB 3 'Business Combinations', the Group has determined that the assets acquired do not constitute a business. The principal assets acquired consist of granted mineral sands exploration tenements in Tanzania. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition are included in the capitalised cost of the asset.

Capitalisation of exploration and evaluation expenditure

Under AASB 6 'Exploration for and Evaluation of Mineral Resources', the Company may capitalise exploration and evaluation expenditure as incurred provided that certain conditions are satisfied. The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recouped through the successful development or sale of the area of interest or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. The Group's policy is outlined in note 3.

Taxation

The Group is subject to various taxes in Australia and offshore jurisdictions and at times significant judgement is required in determining the Group's liability associated with these taxes. The Group estimates its tax liabilities based on its understanding of the transactions and the tax laws in the local jurisdictions in which it operates. Should the final outcome of these matters be different from the initial assessment, such differences will impact the Group's liabilities in the period in which such determination is made.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Impairment of exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. The Directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

5. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with Directors, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. For options, the fair value is determined using the Black Scholes model. For performance rights with market conditions, the fair value is measured using a binomial pricing model. For performance rights with non-market conditions, the fair value is measured using the closing share price at grant date.

Tax losses
The deferred tax liability in relation to temporary differences arising from exploration and evaluation expenditure has not been recognised as the Company expects to have sufficient carried forward tax losses to offset this balance. The future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities and passing the required Continuity of Ownership and Same Business Test rules at the time the losses are expected to be utilised.

6. Segment information
The Group operates in one business segment, namely the mineral exploration industry. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. Strandline Resources Limited has therefore decided to aggregate all its operating segments into one reportable operating segment.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income.

6. Segment information (cont'd)

The Group has exploration and evaluation assets in Australia and Tanzania and geographical segment information is shown below:

Geographical Segment Information	2017 Revenue $	2017 Non-Current Assets $	2016 Revenue $	2016 Non-Current Assets $
Australia	650,026	219,499	-	214,182
Tanzania	-	7,098,206	-	7,261,576
	650,026	**7,317,705**	**-**	**7,475,758**

	2017 $	2016 $
7. Revenue from continuing operations		
Interest revenue	50,099	4,777
8. Other income		
Earn-in revenue (a)	650,026	-
Profit on sale of fixed assets	506	-
	650,532	**-**

(a) Earn-in revenue recognised during the year relates to the initial amount owing to the Company with respect to the Joint Venture Agreement with Rio Tinto Mining and Exploration Limited. As disclosed in Note 34, this amount was received subsequent to year end by the Company on 27 July 2017.

9. Gain on sale of Mount Gunson Project

	2017 $	2016 $
Gain on sale of project tenements to Torrens Mining Limited	-	381,818

During the previous year the Group sold its 100% interest in the Mount Gunson Project to Torrens Mining Limited. The consideration received for the sale included a cash payment of $181,818 (exclusive of GST) and 4,000,000 ordinary Torrens shares (having a value of a further $200,000), as well as becoming eligible to receive a further deferred cash payment of $1 million once Torrens makes a formal decision to mine in connection with the Project. If, prior to a decision to mine, the Project assets become listed on the Australian Securities Exchange (whether via an IPO of Torrens or a sale into a listed vehicle), or the Project assets are otherwise sold to a third party, then $250,000 of the deferred cash consideration will become payable within 60 days and the remaining amount of the deferred cash consideration will convert to a 2% net smelter royalty (capped at $1.25M).

10. Income taxes

	2017 $	2016 $
Income tax recognised in the profit or loss		
Tax benefit comprises:		
Current tax benefit	-	-
Total tax benefit relating to continuing operations	-	-
The benefit for the year can be reconciled to the accounting loss as follows:		
Loss before tax	(5,105,882)	(3,256,600)
Income tax expense calculated at 30%	(1,531,765)	(976,980)
Effect of expenses that are not deductible in determining taxable loss	(56,022)	159,344
Effect of unused tax losses not recognised as deferred tax assets	1,699,824	974,947
Effect of deductible capitalised expenditure	(112,037)	(157,311)
Income tax benefit recognised in the statement of profit or loss and other comprehensive income	-	-

The tax rate used for the 2017 and 2016 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

	2017 $	2016 $
Unrecognised deferred tax assets/(liabilities)		
Tax losses (revenue)	12,197,265	11,472,388
Capital raising costs recognised directly in equity	291,598	166,207
Temporary differences	212,418	324,225
Temporary differences arising from exploration and evaluation expenditure	-	(1,800,000)
Net unrecognised deferred tax asset	12,701,280	10,162,820

Tax losses

Unused tax losses have not been recognised as a deferred tax asset as the future recovery of those losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities. The amount of unrecognised carry forward tax losses is based on management's assessment of their ability to meet the same business or the modified continuity of ownership test. The benefits of these deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

11. Loss for the year

Loss for the year has been arrived at after charging the following items of expenses:

	2017 $	2016 $
Employee benefit expense		
Directors' fees	317,121	184,148
Wages and salaries	239,781	217,406
Superannuation expenses	30,672	22,305
Increase in provision for annual leave	63,285	14,522
Increase in provision for long service leave	1,529	762
Staff recruitment	40,000	-
Total employee benefit expense	692,388	439,143
Depreciation expense	28,829	28,555
Impairment of exploration and evaluation expenditure	-	545,860
Occupancy expenses	61,311	61,671
Share-based payments	72,273	163,591

12. Loss per share

	2017 Cents per share	2016 Cents per share
Basic and diluted loss per share	(0.20)	(0.28)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2017 $	2016 $
Loss for the year	(5,105,882)	(3,256,600)

	2017 No.	2016 No.
Weighted average number of ordinary shares for the purposes of the basic loss per share	2,580,926,214	1,158,115,351

Diluted loss per share

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of calculating the diluted loss per share.

	2017 No.	2016 No.
Unlisted options exercisable at 3 cents on or before 3 November 2017	10,000,000	10,000,000
Unlisted options exercisable at 1 cent on or before 30 June 2018	428,508,795	-
Unlisted options exercisable at 1.5 cents on or before 12 October 2018	136,366,924	136,366,924
Unlisted options exercisable at 1.5 cents on or before 30 June 2019	428,549,645	-
Unlisted performance rights expiring on or before 15 August 2018	27,500,000	-
Unlisted performance rights expiring on or before 15 August 2019	27,500,000	-
Total unlisted options and performance rights	1,058,425,364	146,366,924

13. Other receivable	2017 $	2016 $
Goods and services tax recoverable	102,950	52,759
Accrued interest	2,903	-
Other income	650,026	-
	755,879	**52,759**

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. No impairments have been identified.

14. Prepayments	2017 $	2016 $
Tenement rents	5,662	-

15. Property, plant and equipment

	$
At 1 July 2015	
Cost or gross carrying amount	96,460
Accumulated depreciation	(91,549)
Net book value	4,911
Year ended 30 June 2016	
Opening net book value	4,911
Additions	961
Acquisition of subsidiary – cost	159,885
Acquisition of subsidiary – accumulated depreciation	(90,973)
Depreciation charge	(28,555)
Foreign exchange movement	(654)
Closing net book value	**45,575**
At 30 June 2016	
Cost or gross carrying amount	254,613
Accumulated depreciation	(209,038)
Net book value	**45,575**
Year ended 30 June 2017	
Opening net book value	45,575
Additions	9,662
Asset disposals – cost	(1,917)
Asset disposals – accumulated depreciation	508
Depreciation charge	(28,829)
Foreign exchange movement	(988)
Closing net book value	**24,011**
At 30 June 2017	
Cost or gross carrying amount	256,902
Accumulated depreciation	(232,891)
Net book value	**24,011**

16. Exploration and evaluation expenditure

	2017 $	2016 $
Carried forward exploration and evaluation expenditure	7,220,183	3,061,987
Acquisition of Tanzanian tenements	-	4,766,300
Foreign exchange movement	(142,151)	(62,244)
Impairment of exploration and evaluation expenditure (ii)	-	(545,860)
	7,078,032	**7,220,183**

(i) In accordance with applicable accounting standards, the Group has assessed whether or not there are any indicators that would require the group to undertake an impairment assessment as at the reporting date. Following this assessment, including the potential impact of the recent changes to the legal framework governing the natural resources sector in Tanzania, the Group has determined there are no indicators of impairment however acknowledge the recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(ii) An impairment of $545,860 relating to non-mineral sands projects has been recognised for the year ended 30 June 2016.

The method applied to calculate the recoverable value (being the fair value less costs of disposal) was the Market approach using comparable resource transactions and based on current market conditions. The recoverable value is a Level 3 measurement with the main unobservable input being the total resource. It is not expected that the resource would change.

17. Financial assets

	2017 $	2016 $
Available-for-sale financial assets	210,000	210,000

Other investments consist of 4,200,000 unlisted ordinary shares in Torrens Mining Limited ("Torrens"). Torrens is an unlisted public company. The investment consist of 4,000,000 shares received on the sale of the Mount Gunson Project to Torrens at a value of $200,000 and an additional 200,000 shares subscribed for at a cost of $10,000. The cost of the investment is deemed fair value based on Torrens securing additional funding to continue operations.

18. Current trade and other payables

	2017 $	2016 $
Trade payables	458,906	143,427
Accrued director fees	12,150	86,547
Other creditors and accruals	129,326	422,209
	600,382	**652,183**

Accounts payable are all payable in Australian dollars, are non-interest bearing and normally settled on 30 day terms. Refer to note 25 for details of the Company's exposure to liquidity risks on financial liabilities.

19. Current provisions

	2017 $	2016 $
Provision for annual leave	87,706	36,562
Provision for long service leave	6,827	24,929
	94,533	**61,491**

20. Issued capital	2017 $	2016 $
3,012,697,074 fully paid ordinary shares (2016: 1,714,253,726 shares)	62,379,704	54,981,301

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares	2017 No.	2017 $	2016 No.	2016 $
Balance at beginning of year	**1,714,253,726**	**54,981,301**	**628,526,794**	**46,344,073**
Share issue at 0.5 cents per share on 15 July 2016 pursuant to renounceable Rights Issue	857,125,894	4,285,629	-	-
Share issue at 1.0 cent per share on 27 September 2016 upon exercise of options	13,302	133	-	-
Share issue at 1.5 cents per share on 27 September 2016 upon exercise of options	13,302	200	-	-
Share issue at 1.0 cent per share on 21 December 2016 upon exercise of options	40,850	409	-	-
Share issue at 0.8 cents per share on 24 May 2017 pursuant to a Share Placement	441,250,000	3,530,000	-	-
Acquisition of Jacana Resources (Tanzania) Limited, shares issued at 1.0 cent per share on 9 October 2015	-	-	461,974,721	4,619,747
Share issue at 0.7 cents per share for payment of corporate services rendered on 9 October 2015	-	-	8,500,000	59,500
Share issue at 0.7 cents per share on 9 October 2015 as part of a share placement	-	-	105,671,460	739,700
Share issue at 0.7 cents per share on 20 October 2015 as part of a share placement	-	-	40,507,010	283,549
Share issue at 0.7 cents per share on 23 December 2015 as part of a share placement	-	-	49,428,592	346,000
Share issue at 1.0 cent per share upon vesting of performance rights on 23 December 2015	-	-	1,082,000	10,820
Share issue at 0.7 cents per share on 11 January 2016 as part of a share placement	-	-	72,000,000	504,000
Share issue at 0.7 cents per share for payment of corporate services rendered on 11 January 2016	-	-	5,126,786	35,888
Share issue at 1.0 cent per share upon vesting of performance rights on 10 May 2016	-	-	8,493,000	84,930
Share issue at 0.7 cents per share on 7 June 2016	-	-	332,943,363	2,330,604
Share issue costs	-	(417,968)	-	(377,510)
Balance at end of year	**3,012,697,074**	**62,379,704**	**1,714,253,726**	**54,981,301**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

20. Issued capital (cont'd)

Share options and performance rights on issue

Share options and performance rights issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2017, the Company has 1,003,425,364 share options on issue (2016: 146,366,924) exercisable on a 1:1 basis for 1,003,425,364 shares (2016: 146,366,924) at various exercise prices. During the year 857,125,894 options were granted (2016: 136,366,924), 67,454 options were converted into shares (2016: nil) and no options expired (2016: 2,500,000). Further details regarding the options are contained in note 26 to the financial statements.

As at 30 June 2017, the Company has 55,000,000 performance rights on issue (2016: 4,782,000) exercisable on a 1:1 basis for 55,000,000 shares (2016: 4,782,000). During the year 55,000,000 performance rights were granted (2016: 6,800,000), no performance rights were converted into shares (2016: 9,575,000) and 4,782,000 performance rights expired (2016: 4,813,000). The Company has made an assessment that it is probable the performance conditions will be met for the performance rights on issue. Further details regarding the performance rights are contained in note 26 to the financial statements.

21. Reserves

	2017 $	2016 $
Share-based payments reserve	1,823,737	1,751,464
Foreign currency translation reserve	156,741	304,315
	1,980,478	**2,055,779**
Share-based payments reserve		
Balance at beginning of year	1,751,464	1,683,623
Recognition of share-based payments (i)	72,273	163,591
Performance rights vested into shares	-	(95,750)
Balance at end of year	1,823,737	1,751,464

The share-based payments reserve arises on the grant of share options and performance rights to executives, employees, consultants and advisors. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments is contained in note 26 to the financial statements.

(i) Total expenses arising from share-based payment transactions recognised during the year ended 30 June 2017 as part of employee benefit expense was $72,273 (2016: $163,591). The amount recognised in the current period includes an adjustment for reversal of previously recognised expenses due to performance rights that did not ultimately vest of $49,570.

	2017 $	2016 $
Foreign currency translation reserve		
Balance at beginning of year	304,315	395,423
Change in accounting policy (refer Note 4)	-	(18,113)
	304,315	377,310
Foreign currency translation difference for foreign operation	(147,574)	(72,995)
Balance at end of year	156,741	304,315

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in foreign subsidiaries.

22. Commitments for expenditure

	2017 $	2016 $
Leasing commitments		
Leasing arrangements for office space and office equipment		
Not longer than 1 year	2,184	4,209
Longer than 1 year and not longer than 5 years	3,003	-
	5,187	4,209

23. Contingent liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2017 (2016: $nil).

24. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in banks and deposits at call which are readily convertible into cash and used in the cash management function on a day to day basis, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2017 $	2016 $
Cash and bank balances	**3,274,836**	**1,621,442**

Reconciliation of loss for the year to net cash outflow used by operating activities

Loss for the year	**(5,105,882)**	**(3,256,600)**
Non-cash items		
Depreciation	28,829	28,555
Exploration expenditure written off	-	545,859
Share-based payments	72,273	163,591
Gain on sale of fixed assets	(506)	-
Gain on sale of Mount Gunson Project	-	(381,818)
Movements in working capital		
Increase in trade and other receivables	(703,119)	(20,937)
Increase in prepayments	(5,662)	-
Increase in trade and other payables	91,265	258,356
Increase/(decrease) in provisions	33,043	(1,988)
Cash acquired on acquisition of subsidiary	-	(15,123)
Movements in Foreign currency translation reserve excluding Capitalised E&E and Property, plant and equipment	(2,965)	-
Net cash outflow used in operating activities	**(5,592,724)**	**(2,680,105)**

Non-cash financing activities
During the previous year the Company completed the acquisition of Jacana Resources (Tanzania) Limited through the issue of 461.97 million shares.

25. Financial instruments

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration and evaluation activities. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	2017 $	2016 $
Financial assets		
Cash and cash equivalents	3,274,836	1,621,442
Other investments	210,000	210,000
	3,484,836	1,831,442
Financial liabilities		
Trade and other payables	600,382	652,183

Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These risks include market risk, interest rate risk, credit risk and liquidity risk. The Group's objectives, policies and processes for measuring and managing those risks are disclosed below

The Board has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market risk management

As the Group is still in the exploration and evaluation phase and does not sell a commodity, market risk, which is the risk that changes in market prices will affect the Group's income, does not currently apply. However, it is recognised that if production was to commence on one of the Group's mineral sands projects, the prices of heavy mineral sand products, in particular zircon, will affect the Group.

Currency Risk

The Group is exposed to currency risk on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily the Australian dollar (AUD) and the United States Dollar (USD). The currencies in which these transactions primarily are denominated are AUD and USD. The Group investment in its Tanzanian subsidiaries is denominated in AUD and is not hedged as those currency positions are considered to be long term in nature.

25. Financial instruments (cont'd)

Interest rate risk management
The Group's exposure to interest rate risk is shown in the table below:

	$	Weighted average interest rate
2017		
Financial assets		
Cash and cash equivalents	3,274,836	0.92%
	3,274,836	
2016		
Financial assets		
Cash and cash equivalents	1,621,442	1.83%
	1,621,442	

Interest rate sensitivity analysis
A change of 100 basis points in interests rates (all other variables remaining constant) would have changed the Group's loss after tax for the year by $54,601 (2016: $2,616). Where interest rates decrease, there would be an equal and opposite impact on the loss after tax for the year.

Fair value of financial assets and liabilities
The Group's financial assets and financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of the financial assets and financial liabilities as at 30 June 2017 and 30 June 2016 approximates their carrying amounts.

Fair value hierarchy
The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Unobservable inputs for the asset or liability.

The Group's financial assets measured at fair value are set out in the table below:

	2017 $	2016 $
Level 3 Assets		
Equity investments – shares in Torrens Mining Limited	210,000	210,000
	210,000	210,000

As set out in note 17 to the financial statements, other investments consist of 4,200,000 unlisted ordinary shares in Torrens Mining Limited ("Torrens"). Torrens is an unlisted public company. The cost of the investment is deemed fair value based on equity issued by Torrens Mining Limited.

25. Financial instruments (cont'd)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's receivables. There were no trade and other receivables in arrears.

The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral/security bonds where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The credit rating of the Group's bank is AA-.

At risk amounts are as follows:

	2017 $	2016 $
Financial assets		
Cash and cash equivalents	3,274,836	1,621,442
	3,274,836	1,621,442

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, identifying when further capital raising or other initiatives are required.

Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

		Contractual cash flows				
	Carrying amount $	Less than 1 month $	1-3 months $	3-12 months $	1 year to 5 years $	Total contractual cash flows $
2017						
Financial liabilities						
Trade and other payables	600,382	(471,056)	(129,326)	-	-	(600,382)
2016						
Financial liabilities						
Trade and other payables	652,183	(229,974)	(422,209)	-	-	(652,183)

26. Share-based payments

Share-based payments including options and performance rights are granted at the discretion of the Board to align the interests of executives, employees and consultants with those of shareholders.

Each option issued converts into one ordinary share of Strandline Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry by paying the exercise price.

Performance rights are, in effect, options to acquire unissued shares in the Company, the exercise of which is subject to certain performance milestones and remaining in employment during the vesting period. Performance rights are granted under the Group's Long Term Incentive Plan for no consideration and are granted for a period not exceeding 5 years.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Options

Options series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
(3) Issued 8 November 2013 (i)	1,500,000	8 Nov 2013	8 Nov 2015	0.05	0.01
(4) Issued 8 November 2013 (ii)	1,000,000	8 Nov 2013	8 Nov 2015	0.06	0.01
(5) Issued 8 November 2013 (iii)	1,500,000	8 Nov 2013	1 Mar 2015	0.08	0.01
(6) Issued 3 November 2014 (iv)	10,000,000	3 Nov 2014	3 Nov 2017	0.03	0.0068

(i) In accordance with the terms of the share-based arrangement, the options vested on 8 May 2014
(ii) In accordance with the terms of the share-based arrangement, the options vested on 8 November 2014
(iii) In accordance with the terms of the share-based arrangement, the options expired on 1 March 2015 upon resignation of the recipient
(iv) In accordance with the terms of the share-based arrangement, the options were vested on 3 November 2014

Fair value of share options granted in the year
The fair value of services received in return for share options granted is based on the fair value of the share options granted, independently determined using the Black-Scholes option pricing model.

26. Share-based payments (cont'd)

Performance Rights

Fair value of performance rights granted in the year

For performance rights with market conditions, the fair value of services received is measured using a binomial pricing model. For performance rights with non-market conditions, fair value is measured using the closing share price at grant date. Vesting is based on the performance conditions being met which are listed below.

55,000,000 performance rights were granted during the year to Mr. Luke Graham, a director of the Company. In the previous year 6,800,000 performance rights were granted to Mr. Richard Hill. The details are as follows:

Number granted during 2016	Number granted during 2017	Total number granted	Grant date	Expiry date	Fair value at grant date $ per right	Vesting conditions
680,000	-	680,000	05/05/2015	30/06/2016	0.010	Tranche 1
680,000	-	680,000	05/05/2015	30/06/2016	0.010	Tranche 2
1,360,000	-	1,360,000	05/05/2015	30/06/2016	0.010	Tranche 3
1,020,000	-	1,020,000	05/05/2015	31/12/2016	0.010	Tranche 4
680,000	-	680,000	05/05/2015	31/12/2016	0.010	Tranche 5
1,020,000	-	1,020,000	05/05/2015	31/12/2016	0.010	Tranche 6
680,000	-	680,000	05/05/2015	31/12/2016	0.010	Tranche 7
680,000	-	680,000	05/05/2015	30/06/2017	0.010	Tranche 8
-	27,500,000	27,500,000	21/12/2016	15/08/2018	0.005	Tranche 9
-	27,500,000	27,500,000	21/12/2016	15/08/2019	0.006	Tranche 10
6,800,000	**55,000,000**	**61,800,000**				

Note: All options granted in 2016 have expired.

26. Share-based payments (cont'd)

The performance condition of each tranche is set out as follows:

Tranche 1: VWAP remaining at or above $0.025 per share for a period of at least 20 trading days

Tranche 2: VWAP remaining at or above $0.04 per share for a period of at least 20 trading days

Tranche 3: Announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM in relation to any existing or new projects of the Company

Tranche 4: Announcement of a JORC Inferred Mineral Resource >100Mt of >3%HM in relation to any existing or new projects of the Company

Tranche 5: Announcement of a JORC Inferred Mineral Resource >150Mt of >3%HM in relation to any existing or new projects of the Company or announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM for a second project

Tranche 6: Completion of a scoping or pre-feasibility study on a project with a positive economic outcome, resulting in the Board making a decision to move to a full feasibility study

Tranche 7: Introduction and securing of a new project that becomes a priority project for the Company and is likely to add significant value to the market capitalisation of the Company

Tranche 8: Completion of a material transaction or transactions that lead to financing of the expected capital development cost of any existing or new project of the Company or the divestment of a project to an external third party or parties (not associated with the Company) as approved by the Board

Tranches 9 & 10: The performance rights will only vest if certain performance conditions are met. At the end of each tranche's performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR) against a peer group of other companies as determined by the Board. The percentage of performance rights in each respective tranche that will vest will depend upon the Company's TSR performance relative to the companies in the peer group, which will constitute Category A, B or C TSR performance, as set out below:

(a) **Category A TSR performance:** 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 TSR performance:** 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 TSR performance:** 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 vest at or above the 75th percentile).

Movements in performance rights during the period

The following reconciles the performance rights outstanding at the beginning and end of the year:

	2017 No.	2016 No.
Balance at beginning of the year	4,782,000	12,370,000
Granted during the year	55,000,000	6,800,000
Exercised during the year	-	(9,575,000)
Expired during the year	(4,782,000)	(4,813,000)
Balance at end of the year	**55,000,000**	**4,782,000**

Recognition of share-based transactions

	2017 $	2016 $
Share options	-	-
Performance rights	72,273	163,591
Total share-based payments recognised in reserves	**72,273**	**163,591**

27. Other unlisted options

The following refers to unlisted options issued by the Company, other than those issued as a share based payment transaction.

857,125,894 options were granted during the year (2016: 136,366,924). The options granted during the year were free-attaching options as part of a renounceable Rights Issue. Shareholders who participated in the Rights Issue, for every 2 new shares taken up, receive 1 option exercisable at 1 cent on or before 30 June 2018 and 1 option exercisable at 1.5 cents on or before 30 June 2019.

Movements in share options during the period
The following reconciles the share options outstanding at the beginning and end of the year:

	2017		2016	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	146,366,924	0.016	12,500,000	0.030
Granted during the year	857,125,894	0.008	136,366,924	0.015
Forfeited during the year	-	-	-	-
Exercised during the year	(67,454)	0.004	-	-
Expired during the year	-	-	(2,500,000)	0.054
Balance at end of the year	1,003,425,364	0.009	146,366,924	0.016
Exercisable at end of the year	**1,003,425,364**	**0.009**	**146,366,924**	**0.016**

Share options exercised during the year
67,454 share options were exercised during the financial year (2016: nil).

Share options outstanding at the end of the year
The share options outstanding at the end of the year had a weighted average exercise price of 0.9 cents (2016: 1.6 cents) and a weighted average remaining contractual life of 533 days (2016: 811 days).

28. Key management personnel compensation

The Directors and other members of key management personnel of the Company during the year were:

- Didier Murcia (Non-Executive Chairman appointed 1 March 2016, former Non-Executive Director from 23 October 2014 to 29 February 2016)
- Luke Graham (Managing Director appointed 19 September 2016)
- Richard Hill (Non-Executive Director appointed 2 June 2017, former Executive Director from 1 January 2016 to 1 June 2017, former Managing Director from 23 October 2014 to 31 December 2015)
- Asimwe Kabunga (Non-Executive Director appointed 18 June 2015)
- Tom Eadie (Non-Executive Director appointed 19 September 2016, former Managing Director from 1 January 2016 to 18 September 2016, former Non-Executive Director from 9 October to 31 December 2015)
- John Hodder (Non-Executive Director appointed 8 June 2016)

Key management personnel compensation
The aggregate compensation made to key management personnel of the Group is set out below:

	2017 $	2016 $
Short- term employee benefits	620,098	456,970
Share-based payments	112,485	52,244
	732,583	509,214

28. Key management personnel compensation (cont'd)

The short-term employee benefits are recognised in both the statement of profit or loss and other comprehensive income as an expense, and the statement of financial position as an exploration and evaluation asset, depending upon the work activity undertaken.

The compensation of each member of the key management personnel of the Group is set out in the Remuneration Report on page 14 of this Annual Report.

The remuneration of Directors and key executives is determined by the Board having regard to the performance of individuals and market trends.

29. Remuneration of auditors

	2017 $	2016 $
Auditor of the Company		
Audit and review of the financial statements	38,848	34,726

The Company's auditor is BDO Audit (WA) Pty Ltd.

30. Related party transactions

Transactions with key management personnel

Compensation
Details of key management personnel compensation are disclosed in note 27 to the financial statements.

Equity holdings
Disclosure of key management personnel equity holdings is set out in the Remuneration Report on page 16 of this Annual Report.

Loans
No loans have been made by the Company to key management personnel during the year (2016: nil).

Appointment of Managing Director
Mr. Luke Graham was appointed as Managing Director on 19 September 2016. He replaced Mr. Tom Eadie who remained on the Board as a Non-Executive Director.

Other transactions
Mr. Didier Murcia, Non-Executive Chairman, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling $157,418 were paid to Murcia Pestell Hillard for work completed on various legal matters (2016:$225,051). All transactions related to the services were based on normal commercial terms.

Mr. Didier Murcia, is also Chairman of Artemis Management Tanzania, a provider of corporate, administration, logistics, tenement management and evaluation and environment management services in Tanzania. Fees totalling $64,517 were paid to Artemis Management Tanzania for corporate and administration services (2016: $8,978). All transactions related to the services were based on normal commercial terms.

31. Asset Acquisition

On 9 October 2015, the Company acquired 100% of the shares in Jacana Resources (Tanzania) Limited ("JRT") in an all-scrip transaction. The Company issued 461.97 million ordinary shares to JRT shareholders. With a deemed price of 1.0 cent for each share issued based on the fair value of the assets, the consideration payable was $4.619 million. Acquisition costs of $230,588 were also incurred resulting in total costs of $4,850,335.

Details of the fair value of the assets acquired as at 9 October 2015 (in Australian dollars) as at the date of purchase are as follows:

	9 October 2015 $
Purchase consideration	
Shares issued	4,619,747
Acquisition costs	230,588
Total	**4,850,335**
Net assets acquired	
Cash	15,123
Property, plant and equipment	68,912
Deferred exploration and evaluation (mineral sands leases)	4,766,300
Total	**4,850,335**

32. Group entities

	Country of Incorporation	Ownership Interest 2017	Ownership Interest 2016
Parent Entity			
Strandline Resources Limited			
Subsidiaries			
Active Resources (Tanzania) Limited	Tanzania	**100%**	100%
Jacana Resources (Tanzania) Limited	Tanzania	**100%**	100%
Strandline Australia Pty Limited	Australia	**100%**	100%

33. Parent entity disclosures

As at and throughout the financial year, the parent of the Group was Strandline Resources Limited.

	Company 2017 $	Company 2016 $
Results of the Parent Entity		
Loss for the period	(3,672,602)	(1,488,817)
Other comprehensive income	-	-
Total comprehensive loss for the period	(3,672,602)	(1,488,817)

	2017 $	2016 $
Financial Position of the Parent Entity at Year End		
Current assets	4,365,948	1,631,414
Non-current assets	16,492,503	15,604,849
Total assets	**20,858,451**	**17,236,263**
Current liabilities	1,034,762	715,024
Total liabilities	**1,034,762**	**715,024**
Net assets	**19,823,689**	**16,521,239**
Contributed equity	62,379,704	54,981,301
Reserves	1,823,737	1,751,464
Accumulated losses	(44,379,752)	(40,211,526)
Total equity	**19,823,689**	**16,521,239**

Parent Entity Contingencies

The parent entity had no contingent liabilities as at 30 June 2017 (2016: nil).

Parent Entity Expenditure Commitments

	2017 $	2016 $
Leasing commitments		
Leasing arrangements for office space and office equipment		
Not longer than 1 year	2,184	-
Longer than 1 year and not longer than 5 years	3,003	-
	5,187	-

34. Events after the reporting period

On 6 July 2017, Strandline announced that the Tanzanian Parliament had passed three bills of legislation containing changes to the legal framework governing the natural resources sector. Based on the information currently available, the Group does not believe the legislation will have a major impact on its strategy or ability to achieve its exploration and project development goals. The Group continues to work with the Government of Tanzania to progress the development of its HMS projects in a manner which delivers significant benefits to both the people of Tanzania and Strandline shareholders.

On 6 July 2017, Strandline announced the shareholders approved Tranche Two of the share placement of 209.9 million shares at 0.8 cents to Tembo Capital, providing the Company with a further $1.68 million before costs. As a result, Tembo Capital maintained its 32.2 per cent stake in Strandline.

On 27 July 2017, Strandline receipted US$500,000 relating to the initial joint venture earn-in revenue from Rio Tinto.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

35. Approval of financial statements

The financial statements were approved by the Board of Directors on 26 September 2017.

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements;

(c) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated Group;

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001; and

(e) the remuneration disclosures included in the Directors' Report on pages 11 to 17 of this Annual Report (as part of the audited Remuneration Report), for the year ended 30 June 2017, comply with s.300A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Luke Graham
Managing Director

Perth, 26 September 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Strandline Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strandline Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2017 the carrying value of the capitalised exploration and evaluation asset was $7,078,032 (30 June 2016: $7,220,183), as disclosed in Note 16 of the financial report. The company is required to assess for indicators of impairment at each reporting period in accordance with AASB 6. Subsequent to the end of the financial year ended 30 June 2017, the Tanzanian Parliament passed three bills of legislation containing changes to the legal framework governing the natural resources sector. Based on the information currently available to Strandline, the Group does not believe the legislation will have a major impact on its strategy or ability to achieve its exploration and project development goals. As the carrying value of exploration and evaluation expenditure represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the capitalised exploration and evaluation expenditure were required to be assessed for impairment indicators in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*. This required critical analysis of the key estimates and judgements used in the assessment of impairment indicators.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any facts or circumstances existed to suggest impairment testing was required in light of the Tanzanian Legislative changes; and • Considering whether any facts or circumstances existed to suggest impairment testing was required. We also assessed the adequacy of the related disclosures in Note 3.2, Note 5 and Note 16 to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Strandline Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 26 September 2017

SHAREHOLDING INFORMATION as at 13 September 2017

1 Number of Shareholders and Unmarketable Parcels

There were 1,726 shareholders, including 843 with an unmarketable parcel valued at less than $500.

2 Distribution of Equity Securities

The distribution of numbers of equity security holders by size of holding is shown in the table below:

			Class of Equity Security		
			Ordinary Shares	Options	Performance Rights
1	-	1,000	204	170	-
1,001	-	5,000	128	158	-
5,001	-	10,000	69	63	-
10,001	-	100,000	493	207	-
100,001	and over		832	169	2
			1,726	767	2
Number of securities			3,239,113,341	1,003,425,364	55,000,000

3 Twenty Largest Ordinary Shareholdings

	Name	Ordinary Shares Number Held	Ordinary Shares Percentage of Issued Shares (%)
1.	NDOVU CAPITAL VII BV	1,038,872,862	32.07
2.	C&H INTERNATIONAL INVESTMENT LIMITED	375,000,000	11.58
3.	GASMERE PTY LTD	181,000,000	5.59
4.	ARTEMIS CORPORATE LIMITED	71,435,704	2.21
5.	KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	67,862,850	2.10
6.	WESTORIA RESOURCE INVESTMENTS LTD	48,374,628	1.49
7.	MR HARALAMBOS HATZIKYRIAZIS	44,161,265	1.36
8.	MR HARRY HATCH	41,497,040	1.28
9.	T&C LANDRIGAN PTY LTD <T&C LANDRIGAN SUPER A/C>	40,000,000	1.23
10.	GASMERE PTY LIMITED	37,397,040	1.15
11.	THEA MANAGEMENT PTY LTD <THEA FAMILY A/C>	31,061,424	0.96
12.	BATTISTI CONSULTANTS PTY LTD	30,000,000	0.93
13.	JEMAYA PTY LTD <THE FEATHERBY FAMILY A/C>	30,000,000	0.93
14.	MR PAUL LESLIE DUNCAN + MRS DARANEE DUNCAN + MR PAUL KENNEDY DUNCAN <POCHANA SUPER FUND A/C>	29,100,000	0.90
15.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,635,378	0.88
16.	ANKEV INVESTMENTS PTY LTD	25,180,848	0.78
17.	GREY WILLOW PTY LTD	20,998,638	0.65
18.	1215 CAPITAL PTY LTD	20,425,270	0.63
19.	COPPER STRIKE LIMITED	20,384,356	0.63
20.	MR LUKE EDWARD GRAHAM	20,057,500	0.62
	TOTAL TOP 20 SHAREHOLDERS	**2,201,444,803**	**67.96**
	REMAINING SHAREHOLDERS	**1,037,668,538**	**32.04**
	TOTAL NUMBER OF ISSUED SHARES	**3,239,113,341**	**100.00**

4 Substantial Shareholdings (over 5%)

Name	Ordinary Shares Number Held	Ordinary Shares Percentage of Issued Shares (%)
NDOVU CAPITAL VII BV	1,038,872,862	32.07
C&H INTERNATIONAL INVESTMENT LIMITED	375,000,000	11.58
GASMERE PTY LTD	181,000,000	5.59

5 Voting Rights

At a general meeting of the Company shareholders are entitled:

- On a show of hands, each person who is a member or sole proxy has one vote.
- On a poll, each shareholder is entitled to one vote for each fully paid share.

Holders of options and performance rights have no voting rights. Voting rights will be attached to the unissued ordinary shares when the options or performance rights have been exercised.

6 Restricted Securities

Pursuant to the acquisition of Jacana Resources (Tanzania) Limited, a total of 78,014,396 shares were placed in escrow for 12 months. The escrow period expired on 14 October 2016.

7 On-Market Buy Back

There is no current on-market buy back.

8 Securities Approved Not Issued

None.

9 Issue of Shares under Short-Term Incentive Plan

On 25 August 2017, 16,500,000 shares were issued to Mr. Luke Graham, Managing Director/CEO of Strandline, for his participation in the Company's Short Term Incentive Plan pursuant to shareholder approval given on 24 November 2016 under Listing Rule 10.14. The shares were issued in lieu of an equivalent cash payment.

TENEMENT INFORMATION

TENEMENT SCHEDULE AS AT 30 JUNE 2017

COBURN MINERAL SANDS PROJECT, WESTERN AUSTRALIA (100% STRANDLINE)

Tenement	Area (sq km)	Grant / Application Date	Notes
EL 09/939	107.50	18 June 1999	1
EL 09/940	63.80	18 June 1999	1
ELA 09/942	196.00	12 May 1998	2
ELA 09/943	61.60	12 May 1998	2
ELA 09/944	176.40	12 May 1998	2
ELA 09/957	196.00	21 July 1998	2
M 09/102	9.98	25 October 2004	
M 09/103	9.99	25 October 2004	
M 09/104	9.99	25 October 2004	
M 09/105	10.00	25 October 2004	
M 09/106	10.00	25 October 2004	
M 09/111	9.99	19 July 2005	
M 09/112	9.90	19 July 2005	
L 09/21	9.50	8 January 2007	
L 09/43	0.70	17 January 2013	

FOWLER'S BAY GOLD-BASE METAL PROJECT, SOUTH AUSTRALIA (100% STRANDLINE)

Tenement	Area (sq km)	Grant / Application Date
EL 5880	700.00	9 March 2013

Note

1 No mining (exploration) conditions on portions overlapping the Shark Bay World Heritage Property and Retention Licenses have been applied for prior to the Anniversary Period

2 Tenement Application (ELA).

TENEMENT SCHEDULE AS AT 30 JUNE 2017 (cont'd)

TANZANIAN MINERAL SANDS PROJECTS (100% STRANDLINE)

Tenement	Name	Area (sq km)	Date Granted
PL 7321/2011	Tajiri	68.70	17 November2011
PL 7499/2011	Fungoni	16.46	22 December 2011
PL 7588/2012	Kitambula	34.16	3 February 2012
PL 7666/2012	Pangani	32.01	23February 2012
PL 7753/2012	Bagamoyo	93.41	4 April 2012
PL 7754/2012	Fungoni	99.74	4 April2012
PL 7940/2012	Kiswere North	95.30	30 April 2012
PL 7960/2012	Tongoni	56.22	4 June 2012
PL 8008/2012	Tanga North	142.15	4 June 2012
PL 8123/2012	Tongoni North	18.39	19 July 2012
PL 8197/2012	Mafia	122.03	22 August 2012
PL 9427/2013	Kitambula	15.23	18 October 2013
PL 9951/2014	Fungoni South	101.90	10 July 2014
PL 9976/2014	Tanga	50.43	22 July 2014
PL 9971/2014	Bagamoyo West	80.70	22 July 2014
PL 9972/2014	Miteja	226.91	22 July 2014
PL 9977/2014	Songa	92.29	22 July 2014
PL 9980/2014	Kiswere South	43.55	22 July 2014
PL 9969/2014	Sud	218.39	22 July 2014
PL 9970/2014	Madimba	69.19	22 July 2014
PL 10265/2014	Bagamoyo	63.39	25 September 2014
PL 10429/2014	Mkwaja	19.37	24 November 2014
PL 10425/2014	Tanga North	44.03	2 December 2014
PL 10424/2014	Ziwani	76.41	2 December 2014
PL 10978/2016	Fungoni South	37.62	5 December 2016
PL 11025/2017	Naumbu	68.42	13 March 2017
PL 11029/2017	Buyuni	5.97	13 March 2017
PL 11030/2017	Fungoni West	6.22	13 March 2017
PL 11076/2017	Bagamoyo	158.49	30 March 2017
PL 11131/2017	Sudi Central	39.99	21 April 2017

MINERAL RESOURCES AND ORE RESERVES INFORMATION

MINERAL RESOURCE INVENTORY

The Company's mineral resource inventory and ore reserves are summarised in the tables below:

COBURN MINERAL SANDS PROJECT, WESTERN AUSTRALIA

Ore Reserves

Prospect	Category	Mineralisation Type	Cut-Off Grade (%HM)	Reserve (Million Tonnes)	HM (%)	Contained HM (Million Tonnes)
Amy Pit A	Proven	Dune/strand	0.8%	53	1.3	0.7
Amy Pits B-E	Probable	Dune/strand	0.8%	255	1.2	3.1
TOTAL			**0.8%**	**308**	**1.2**	**3.8**

Mineral Resources (inclusive of Ore Reserves)

Prospect	Category	Mineralisation Type	Cut-Off Grade (%HM)	Resource (Million Tonnes)	HM (%)	Contained HM (Million Tonnes)
Amy South	Measured	Dune/strand	0.8%	119	1.3	1.5
Amy Central	Indicated	Dune/strand	0.8%	599	1.2	7.2
Amy North	Inferred	Dune/strand	0.8%	261	1.4	3.6
TOTAL			**0.8%**	**979**	**1.26**	**12.3**

FUNGONI MINERAL SANDS PROJECT, TANZANIA

Mineral Resources

Summary(1)					**THM Assemblage(2)**					
Deposit	**Mineral Resource Category**	**Tonnage**	**In situ THM**	**THM**	**Ilmenite**	**Rutile**	**Zircon**	**Leucoxene**	**Slimes**	**Oversize**
		(Mt)	**(Mt)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Fungoni	Measured	8.77	0.37	4.26	43.3	4.3	18.3	1.0	18.5	6.8
Fungoni	Indicated	12.97	0.24	1.84	36.7	4.3	14.6	1.4	24.4	7.3
	Total(3)	**21.74**	**0.61**	**2.82**	**40.7**	**4.3**	**16.9**	**1.2**	**22.0**	**7.0**
(1) Mineral Resources reported at a cut-off grade of 1.0% THM										
(2) Valuable Mineral Assemblage is reported as a percentage of in situ THM content										
(3) Appropriate rounding applied										

TANGA SOUTH (TAJIRI) MINERAL SANDS PROJECT, TANZANIA

Mineral Resources

Summary(1)					**THM Assemblage(2)**					
Deposit	**Mineral Resource Category**	**Tonnage**	**In situ THM**	**THM**	**Ilmenite**	**Rutile**	**Zircon**	**Leucoxene**	**Slimes**	**Oversize**
		(Mt)	**(Mt)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Tajiri	Indicated	19	1.0	5.1	65	12	6	6	34	3
Tajiri North	Indicated	40	1.2	3.0	70	7	5	2	52	3
	Total(3)	**59**	**2.2**	**3.7**	**68**	**10**	**5**	**4**	**46**	**3**
(1) Mineral Resources reported at a cut-off grade of 1.7% THM										
(2) Mineral Assemblage is reported as a percentage of in situ THM content										
(3) Appropriate rounding applied										

MINERAL RESOURCES

The figures in the Mineral Resource Inventory were compiled by the persons named below, who are corporate members of the Australasian Institute of Mining and Metallurgy, each of whom has had at least five years' experience in the fields of activity concerned and accurately reflects the information compiled by those persons. The estimates of Mineral Resources and Ore Reserves for the Coburn Project are reported in accordance with the JORC Code 2004 edition, and have not been updated to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported. The estimates of Mineral Resources for the Fungoni and Tanga South Projects are reported in accordance with the JORC Code 2012 edition.

Coburn – Resources	Measured & Indicated:	D Speijers of McDonald Speijers Resource Consultants Pty Ltd (2008)
	Inferred:	P Leandri (2007)
Coburn - Reserves		P Leandri and T Colton (2008)
Fungoni - Resources	Measured & Indicated	Greg Jones (Principal with GNJ Consulting) and Brendan Cummins (Employee of Strandline) (2017)
Tanga South (Tajiri) - Resources	Indicated	Greg Jones (Principal with GNJ Consulting) and Brendan Cummins (Employee of Strandline) (2016)

MINERAL RESOURCES AND ORE RESERVES ANNUAL STATEMENT AND REVIEW

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition and the ASX Listing Rules. The review was carried out as at 30 June 2017.

There has been no additional work or change to the Coburn Ore Reserve and Mineral Resource estimates during the year.

The Company has completed additional drilling and a Mineral Resources estimate has been undertaken to reflect the new information and confidence in the classification of the Fungoni Resources. The update Mineral Resource now totals Measured and Indicated of 22 million tonnes @ 2.8% Total Heavy Minerals ("THM") for the Fungoni Prospects

For the Tanga South Project (Tajiri and Tajiri North Prospects), the Group completed an aircore drilling programme and reported a maiden rutile-rich Indicated Mineral Resource of 59 million tonnes @ 3.7% Total Heavy Minerals ("THM") for the Tajiri Prospects.

The Company is not aware of any new information or data that materially affects the information included in this Annual Statement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

ESTIMATION GOVERNANCE STATEMENT

The Company ensures that all Mineral Resource and Ore Reserve calculations are subject to appropriate levels of governance and internal controls. Exploration Results are collected and managed by competent qualified geologists and overseen by the Company's Chief Geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserve estimates are prepared by qualified independent Competent Persons and further verified by the Company's technical staff. If there is a material change in the estimate of a Mineral Resource, the modifying factors for the preparation of Ore Reserves, or reporting an inaugural Mineral Resource or Ore Reserve, the estimate and supporting documentation in question is reviewed by a suitably qualified independent Competent Person.

APPROVAL OF MINERAL RESOURCES AND ORE RESERVE STATEMENT

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the JORC Code 2012 Edition.

The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's technical staff. The Ore Reserves and Mineral Resources Statement has been approved by Brendan Cummins, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Cummins is an employee of Strandline Resources Limited. Mr. Cummins has consented to the inclusion of the Statement in the form and context in which it appears in this Annual Report.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to mineral resources for the Fungoni and Tanga South (Tajiri) Projects is based on, and fairly represents, information and supporting documentation prepared by Mr. Greg Jones, (Consultant to Strandline and Principal with GNJ Consulting) and Mr. Brendan Cummins (Chief Geologist and employee of Strandline). Mr. Jones is a member of the Australian Institute of Mining and Metallurgy and Mr. Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr. Cummins is the Competent Person for the drill database, geological model interpretation and completed the site inspection. Mr. Jones is the Competent Person for the resource estimation. Mr. Jones and Mr. Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.