



STRANDLINE
resources limited

22 June 2016

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ACN 090 603 642

Dear Optionholder

Notice to Optionholders of Pro-Rata Renounceable Rights Issue

On 9 June 2016, Strandline Resources Limited (ACN 090 603 642) (**Strandline** or the **Company**) announced that the Company would be conducting a pro-rata renounceable entitlement offer of up to 857,126,863 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one 1 New Share for every 2 Shares held at 5.00pm (WST) on 27 June 2016 (**Record Date**) at an issue price of \$0.005 per New Share, together with one New Option for each 2 New Shares subscribed for exercisable at \$0.01 on or before 30 June 2018, and one New Option for each 2 New Shares subscribed for exercisable at \$0.015 on or before 30 June 2019, to raise up to approximately \$4,300,000 (before issue costs) (**Rights Offer**).

The Offer is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission and the ASX on 22 June 2016 (**Prospectus**). The Prospectus is available on the Company's and ASX's website.

The Offer is fully underwritten by Euroz Securities Limited (**Underwriter**) and fully sub-underwritten by Ndovu Capital VII B.V. The Company must pay the Underwriter the fees set out in the Prospectus.

Your entitlement to participate in the Rights Offer will be calculated on the basis of the number of Shares you are registered as holding at 5pm (WST) on the Record Date. Accordingly, your options will not entitle you to participate in the Rights Offer unless, at 5pm (WST) on the Record Date, you have a registered address in Australia, New Zealand, Greece or the Netherlands and you have exercised your options and are entered on the register as a shareholder of the Shares issued on exercise of your options (**Eligible Shareholders**). Option holders who are resident **outside** of Australia, New Zealand, Greece and the Netherlands will be ineligible to participate in the Offer even if they exercise their options.

To exercise your options you will need to deliver to the Company a completed notice to exercise options, specifying the number of options to be exercised (**Option Exercise Notice**) together with payment of the exercise price for those options by way of a cheque made payable to the Company.

Option Exercise Notices and cleared funds should be provided to the Company by no later than 5.00 pm (WST) on 23 June 2016. If Option Exercise Notices are received after this date, the Company may be unable to process the exercise of your options before 5pm (WST) on the Record Date.

Before deciding whether to exercise any or all of your options, you should consider the terms of the Rights Offer and the exercise price of your options and if necessary consult your professional advisor.

If you do not wish to exercise any of your options in order to participate in, or increase your participation in, the Rights Offer, you do not need to take any action.

Should you have any queries please contact the Company Secretary on +61 8 9226 3130.

Yours faithfully,

STRANDLINE RESOURCES LIMITED

A handwritten signature in black ink that reads "G.A. James". The signature is written in a cursive, flowing style.

Geoff James
Company Secretary