

STRANDLINE
resources limited

Strandline Resources Limited
ABN 32 090 603 642
(formerly known as Gunson Resources Limited)

Annual Report
For the year ended 30 June 2015

CORPORATE DIRECTORY

Board of Directors

Mike Folwell	Non-Executive Chairman
Richard Hill	Managing Director
Didier Murcia	Non-Executive Director
Asimwe Kabunga	Non-Executive Director

Company Secretary

Geoff James

Registered and Principal Office

35 Richardson Street
West Perth, Western Australia 6005
Tel: (61 8) 9226 3130
Fax: (61 8) 9485 2070
Email: enquiries@strandline.com.au

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 (formerly known as Gunson 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, for the year ended 30 June 2015. 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 Keith M (Mike) Folwell (appointed 23 October 2014)
Mr Richard GM Hill (appointed 23 October 2014)
Mr Didier M Murcia (appointed 23 October 2014)
Mr Asimwe Kabunga (appointed 18 June 2015)
Mr David A Craig (resigned 23 October 2014)
Mr Garret Dixon (resigned 23 October 2014)
Mr William (Bill) F Bloking (resigned 1 March 2015)

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:

Mike Folwell, age 60, Non-Executive Chairman

B.Bus, MAICD

Independent Non-Executive Chairman appointed 23 October 2014. Has extensive experience in a range of mining and industrial companies at MD and CEO level. Former Managing Director of Iluka Resources Limited. Has managed a number of businesses on a global basis for companies including Pivot Ltd, Pioneer International, BOC Gases and Shell. Has not held any other directorships in ASX listed companies over the past three years.

Richard Hill, age 47, Managing Director

B.Juris, LL.B, Bsc (Hons), FFin

Managing Director appointed 23 October 2014. 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)

Didier Murcia, age 53, Non-Executive Director

AM, B.Juris, LL.B

Independent Non-Executive Director appointed 23 October 2014. Lawyer with over 25 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. 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 (appointed August 2013)
- Gryphon Minerals Limited (appointed July 2006)
- Rift Valley Resources Limited (resigned June 2013)

Asimwe Kabunga, age 42, Non-Executive Director

BSc

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 & 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 not held any other directorships in ASX listed companies over the past three years.

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Geoff James, age 49, Chief Financial Officer and 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.

Former Directors of the Company

David Craig, former Non-Executive Chairman

B.Juris (Hons) LLB (Hons) LLM (London) GDippAppFin (Finsia) FAICD

Independent Non-Executive Chairman until his resignation on 23 October 2014. Experienced businessman and lawyer who held executive and board positions in the fields of law, mining services, finance, construction, mining and petroleum. Has held directorships in the following ASX listed companies over the past three years:

- Sirius Resources Limited
- Forge Group Limited
- Southern Hemisphere Mining Limited
- Moly Mines Limited
- Nomad Building Solutions Limited

Bill Bloking, former Managing Director and Non-Executive Director

BSc (Mech Eng, Summa cum Laude) FAICD

Held positions of Managing Director and Non-Executive Director until his resignation on 1 March 2015. Experienced executive in the petroleum industry and held board positions in a variety of industry and not-for-profit sectors. Has held directorships in the following ASX listed companies over the past three years:

- KAL Energy Incorporated
- Nido Petroleum Limited
- Challenger Energy Limited
- Transerv Energy Limited
- Eureka Energy Limited
- Miclyn Express Offshore Limited

Garret Dixon, former Non-Executive Director

B.Eng (Hons), MBA, MAICD

Independent Non-Executive Director until his resignation on 1 March 2015. Experienced senior executive with extensive experience in the mining, transport and contracting industries in Australia and overseas. Has held directorships in the following ASX listed companies over the past three years:

- Watpac Limited

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
Mike Folwell	17,862,180	-	-
Richard Hill	900,000	-	6,800,000
Didier Murcia	-	-	-
Asimwe Kabunga	35,404,809	-	-

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 9 to 15 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.

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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 6,800,000 performance rights granted to the Managing Director, Richard Hill, which were approved by shareholders at the Company's General Meeting held on 10 July 2015 (2014: nil).

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:

- **Acquisition of Strandline**

The Company acquired 100% of the shares in mineral sands-focused Strandline Resources Pty Ltd ("SRPL") in an all-scrip transaction. Shareholder approval for the transaction was received at a General Meeting of shareholders held on 20 October 2014 and the transaction was formally completed on 23 October 2014.

SRPL's assets included 100% working interests in 16 granted mineral sands exploration tenements, covering more than 2000 square kilometres along the under-explored coast of Tanzania.

The Company issued 166.67 million ordinary shares to SRPL shareholders. With a deemed price of 1.5 cents for each share issued, the consideration payable was \$2.5 million. Subsequent to the acquisition, the Company also issued 146.67 million ordinary shares to sophisticated investors at an issue price of 1.5 cents per share raising \$2.2 million (before costs).

Following the completion of the acquisition, Messrs Folwell, Hill and Murcia were appointed to the Board, replacing Messrs Craig and Dixon. The Company also appointed a number of senior personnel to the management team of Strandline. Following receipt of shareholder and regulatory approval, the Company changed its name from Gunson Resources Limited to Strandline Resources Limited.

- **Tanzanian Heavy Mineral Sands Projects (100%) - Tanzania**

Following the acquisition of Strandline Resources Pty Ltd, the Group completed a reconnaissance, mapping and sampling programme across the Group's 2000 km² Tanzanian mineral sands portfolio and completed a successful auger drill programme on high priority targets at its southern tenements, including the Madimba and Madimba East prospects and the recently acquired Ziwani tenement. Refer to the ASX announcements dated 17 December 2014, 5 February 2015 and 3 March 2015 for full details of the exploration results received from these programmes. Characterisation and assemblage tests were carried out from surface samples taken from Mafia Island and Kiswere projects. In addition, mineral assemblage testwork was carried out on drilling samples for the Madimba and Madimba East prospects. Refer to the ASX announcements dated 3 March and 10 March 2015 for full details of these results.

- **Coburn Heavy Mineral Sands Project (100%) - Western Australia**

During the year the Group completed a cost review of the Coburn Project. The review identified potential CAPEX and OPEX cost reductions across the life of the Project. Other value adding opportunities were also identified. Refer to the ASX announcement dated 9 February 2015 for full details of the results of the cost review. The Group is continuing to seek a strategic partner to take an interest in the Project and is actively targeting potential investors.

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- **Mount Gunson Copper Exploration Project (100%) - South Australia**

The Operator of the Mount Gunson Joint Venture withdrew from the Project in August 2014 and transferred its interest back to the Group. Strandline successfully negotiated its expenditure commitments for the Project with the South Australian Department of State Development. The Group has completed compiling and interpreting all past exploration data and is seeking a major partner to test the high priority copper-gold and copper-cobalt-silver targets that have previously been generated across the tenement.

- **Mount Gunson Copper Project - MG 14 and Windabout Excised Areas (100%) - South Australia**

Torrens Mining Ltd (“Torrens”) has the right to earn a 51% interest in the Mount Gunson MG 14/Windabout Project. Torrens will earn its 51% participating interest upon delivery of a Bankable Feasibility Study or the cumulative expenditure of \$2.5 million, whichever occurs first.

As announced to the ASX on 12 August 2014, Torrens completed its initial Scoping Study into the commercial production of copper, cobalt and silver from the Project. The results of the preliminary test-work completed during the Study were very encouraging and Torrens commenced work on an Advanced Scoping Study which involved more detailed test-work including sodium cyanide leach tests, leach-tailings flotation and sodium cyanide regeneration tests. The results of this test-work were announced to the ASX on 29 January 2015. In addition to continued work on metallurgical studies, Torrens commenced work on an independent study into mining of the Windabout overburden, which is a major component of the Project operating costs.

- **Fowlers Bay Nickel Project (100%) – South Australia**

As announced on 9 October 2014, the Group entered into a farm-in agreement with Western Areas Ltd (“Western Areas”) under which Western Areas will become Operator of the Project and earn a participating interest of up to 90% by sole funding a \$1.2 million exploration program in two stages over a period of 4 years. The key terms of the farm-in agreement include:

- Western Areas will become Project Operator.
- Western Areas will spend \$800,000 on agreed exploration activities over 2 ½ years (Term 1) to earn a 75% participating interest in the Project.
- Following Term 1, Western Areas can declare a 75%/25% Joint Venture (“JV”) or elect to earn a further 15% interest by spending \$400,000 over the next 18 months (Term 2).
- Following Term 2, a 90% Western Areas/10% Gunson JV will be formed.
- Strandline will be “free-carried” until a JV is declared, following which it can pay its share of JV costs, dilute its interest, or convert its interest into a 1% gross royalty.

Western Areas completed a detailed airborne magnetic survey over the Project and the results were announced to the ASX on 22 January 2015. Western Areas has identified priority targets for a major drill program which is due to commence in early October 2015.

- **Tennant Creek Gold-Copper Project (100%) – Northern Territory**

At the end of the year the Group relinquished the tenements for the Tennant Creek Project.

- **Acquisition of Jacana**

As announced to the ASX on 22 April 2015, the Company executed a binding Heads of Agreement to acquire a 100% interest in Jacana Resources (Tanzania) Limited (“JRT”), a wholly-owned subsidiary of Jacana Minerals Limited (“Jacana”). JRT is Tanzanian mineral sands focussed explorer owning a 100% interest in 16 granted exploration tenements. On 10 July 2015, the Company received shareholder approval to acquire JRT. On 16 September 2015 the Company announced it had entered into a Share Sale Deed to implement the sale and purchase of JRT. Jacana is due to hold a shareholder meeting on 9 October 2015 to approve the in-specie distribution of shares to be issued by Strandline under the proposed transaction.

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Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Brendan Cummins, a part-time 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 \$21,941,682 (2014: \$1,025,058). The significant increase in the loss compared to the previous year is due to an impairment expense of \$20,664,698 (2014: \$155,251). The impairment expense included an amount of \$20,543,157 for the Coburn Project. The Group's main focus is exploring for mineral sands in Tanzania. The Group is seeking to secure a strategic partner to realise value for the Coburn Project.

Financial position of the Company

The Group had \$167,759 in cash at 30 June 2015, down from the \$557,021 at 30 June 2014. Several share placements were completed during the year raising \$2.08 million. The cash raised was used to fund corporate, exploration and evaluation activities. In an effort to conserve cash, from 1 June 2015 the Directors agreed to defer payment of their fees. The unpaid fees will be paid once the Company has secured further funding.

The consolidated financial statements have been prepared on the going concern basis as the Directors believe, amongst other things, that they will continue to be successful in securing additional funds through issue of shares, the disposal of assets and/or farm-outs. As in prior years the Group's auditor, BDO Audit (WA) Pty Ltd, has included an emphasis of matter in the review report relating to the going concern basis. This is not a qualification.

The Group has lower current assets at 30 June 2015 of \$219,326 (30 June 2014: \$610,237) reflecting a lower cash balance. Non-current assets at 30 June 2015 were lower at \$9,829,973 (30 June 2014: \$26,321,601), reflecting the impairment expense recorded for the Coburn Project which was partially offset by the acquisition and expenditure on mineral sands projects in Tanzania.

Total liabilities were lower at 30 June 2015 at \$342,131 (30 June 2014: \$425,016) reflecting reduced levels of provisions.

Net assets reduced to \$9,707,168 as at 30 June 2015 (30 June 2014: \$26,506,822) as result of recording the impairment expense for the Coburn Project, which was partially offset by the raising of \$2.08 million in equity and the \$2.5 million acquisition of Strandline Resources Pty Ltd.

Strategy

The Group changed its strategy during the year to focus on exploration and evaluation of mineral sands projects in Tanzania. This was reflected by the acquisition of Strandline Resources Pty Ltd in October 2014 and the proposed acquisition of Jacana Resources (Tanzania) Limited ("JRT"). Following the completion of the acquisition of JRT which is expected to take place in October 2015, Strandline will hold the dominant mineral sands exploration position in Tanzania, the last underexplored piece of the East African mineral sands producing corridor.

The Group is continuing with its strategy to secure a strategic investor to realise value for the Coburn Heavy Mineral Sands Project.

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 discovering an economic mineral sands deposit in Tanzania:

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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 development and production 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) environmental risks; and
- (x) 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 10 July 2015, the Company received shareholder approval to proceed with the acquisition of Jacana Resources (Tanzania) Limited ("JRT"), a wholly-owned subsidiary of Jacana Minerals Limited ("Jacana"). On 16 September 2015 the Company announced it had entered into a Share Sale Deed to implement the sale and purchase of JRT. The expected completion date of the acquisition of JRT is 9 October 2015.

In regards to the acquisition of JRT, the Group has capitalised acquisition costs totalling \$116,718 as a receivable as at 30 June 2015 in accordance with its accounting policy. The costs have been capitalised as it is highly probable that the transaction to acquire JRT will complete. If the transaction was not to complete, then the costs would be expensed.

As part of the transaction to acquire JRT, Strandline and Jacana have entered into a loan agreement for the purposes of funding the working capital requirements of Strandline through to completion of the transaction. The agreement consists of a loan facility of \$250,000 which has been fully drawn down. If the acquisition of JRT is completed, Jacana will forgive the loan. If the transaction is not completed, Strandline is required to repay the loan by 15 November 2015.

On 7 August 2015, the Company issued 6,800,000 performance rights to the Managing Director, Richard Hill, pursuant to shareholder approval given on 10 July 2015.

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.

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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 2015, 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
8 November 2015	5 cents	1,500,000	-	1,500,000
8 November 2015	6 cents	1,000,000	-	1,000,000
3 November 2017	3 cents	10,000,000	-	10,000,000
		<u>12,500,000</u>	<u>-</u>	<u>12,500,000</u>

Performance Rights

Expiry date of rights	Exercise price of rights	Vested rights	Unvested rights	Total number of shares under rights
30 June 2016	nil	-	8,286,500	8,286,500
31 December 2016	nil	-	9,801,500	9,801,500
30 June 2017	nil	-	1,082,000	1,082,000
		<u>-</u>	<u>19,170,000</u>	<u>19,170,000</u>

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

No shares were issued during or since the end of the financial year as a result of exercise of an option or performance right (2014: nil).

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.

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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).

Directors	Board of Directors	
	Eligible to attend	Attended
Mike Folwell	9	9
Richard Hill	9	9
Didier Murcia	9	9
Asimwe Kabunga	2	2
David Craig	4	4
Bill Bloking	8	8
Garret Dixon	4	4

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 17 of the Annual Report.

Remuneration Report

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 2015. 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; and
- loans and other transactions

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Key management personnel

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

- Mike Folwell (Non-Executive Chairman, appointed 23 October 2014)
- Richard Hill (Managing Director, appointed 23 October 2014)
- Didier Murcia (Non-Executive Director, appointed 23 October 2014)
- Asimwe Kabunga (Non-Executive Director, appointed 18 June 2015)
- David Craig (former Non-Executive Chairman, resigned 23 October 2014)
- Bill Bloking (former Managing Director and Non-Executive Director, resigned 1 March 2015)
- Garret Dixon (Non-Executive Director, resigned 23 October 2014)

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, including superannuation guarantee contributions.

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 \$50,000 plus superannuation and Non-Executive Directors normally receive an annual salary of \$35,000 plus superannuation.

From 1 June 2015 the Directors have agreed to defer payment of their fees until such time as the Company has secured further funding.

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 Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors or other key management personnel during the financial year.

The Board is responsible for determining and reviewing compensation arrangements for the Directors and the other key management personnel. 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 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 nil (2014: 4,000,000) options were granted and 12,370,000 (2014: nil) performance rights were issued to employees.

Subsequent to the financial year, 6,800,000 (2014: nil) performance rights were granted to the Managing Director, Richard Hill, after approval by shareholders at the Company's General Meeting held on 10 July 2015.

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Due to the stage of the Company's development, no link between remuneration and financial performance currently exists.

The table below sets out summary information about the Company's earnings and movement in share price for the five years to 30 June 2015:

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Revenue	21,479	20,299	79,088	232,812	149,454
Loss before tax	(21,941,682)	(1,025,058)	(7,947,238)	(1,204,865)	(1,739,492)
Loss after tax	(21,941,682)	(1,025,058)	(7,947,238)	(818,170)	(1,256,710)
Share price at start of year	1.2 cents	2.0 cents	11 cents	18 cents	6 cents
Share price at end of year	0.8 cents	1.2 cents	2.0 cents	11 cents	18 cents
Basic and diluted loss per share	4.24 cents	0.39 cents	3.31 cents	0.38 cents	0.66 cents

Remuneration of key management personnel - 2015

	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 ⁽⁵⁾	
	\$	\$	\$	\$	\$	\$	\$
Directors							
M Folwell* ⁽¹⁾	30,513	4,562	-	2,899	-	-	37,974
R Hill* ⁽¹⁾	131,471	42,634	-	-	-	10,594	184,699
D Murcia* ⁽¹⁾	23,388	3,194	-	-	-	-	26,582
A Kabunga* ⁽²⁾	-	1,278	-	-	-	-	1,278
D Craig ⁽³⁾	21,224	-	-	2,016	-	-	23,240
B Bloking ⁽⁴⁾	108,763	-	-	1,198	-	(2,298)	107,663
G Dixon ⁽³⁾	13,266	-	-	1,260	-	-	14,526
	328,625	51,668	-	7,373	-	8,296	395,962

* From 1 June 2015 payment of salary and fees were deferred. The unpaid fees will be paid when further funding is secured. Salary and fees for Mr Hill were paid up to 30 April 2015 and his fee for May 2015 was paid subsequent to the end of the financial year.

⁽¹⁾ Appointed 23 October 2014.

⁽²⁾ Appointed 18 June 2015.

⁽³⁾ Resigned 23 October 2014.

⁽⁴⁾ Managing Director from 1 July 2014 to 23 October 2014. Non-Executive Director from 23 October 2014 to date of resignation on 1 March 2015.

⁽⁵⁾ 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.

Remuneration of key management personnel - 2014

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment	Total
	Salary & fees	Unpaid salary & fees	Fees forfeited ⁽⁴⁾	Other	Super-annuation		Options	
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
D Craig* ⁽¹⁾	44,065	36,420	(8,414)	-	5,084	-	-	77,155
B Bloking* ⁽²⁾	150,000	125,000	-	-	-	-	28,592	303,592
D Harley ⁽³⁾	13,204	-	-	1,365	1,221	-	-	15,790
G Dixon* ⁽¹⁾	27,542	22,760	(5,257)	-	3,178	-	-	48,223
	234,811	184,180	(13,671)	1,365	9,483	-	28,592	444,760

CONTENTS

* From 1 February 2014 payment of salary and fees were deferred, until such time as further funding is secured.

⁽¹⁾ From 1 May 2013 salary and fees were reduced by 25% and payment deferred. On 1 August 2013 salary and fees were reinstated to pre May 2013 levels and all amounts outstanding repaid.

⁽²⁾ Appointed 1 August 2013.

⁽³⁾ Retired 1 August 2013. Disclosures only included for the month of July 2013. The amount in 'Other' represents interest at an average rate of 4.20% for the month of July 2013 on Mr David Harley's unpaid remuneration from the years ended 2009, 2010 and 2011. The interest rate used is referenced to the actual cash return the Company receives from investment of its excess cash. Mr Harley did not draw his full 2009, 2010 and 2011 entitlement, to help conserve the Company's limited cash reserves. This outstanding remuneration, plus interest, was repaid during the year.

⁽⁴⁾ In order to preserve the cash reserves of the Company the directors have foregone the unpaid entitlement for the year.

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:

Key management personnel	Fixed remuneration		At risk - STI		At risk - LTI	
	2015	2014	2015	2014	2015	2014
M Folwell	100%	-	-	-	-	-
R Hill	94%	-	-	-	6%	-
D Murcia	100%	-	-	-	-	-
A Kabunga	100%	-	-	-	-	-
D Craig	100%	100%	-	-	-	-
B Bloking	100%	91%	-	-	-	9%
G Dixon	100%	100%	-	-	-	-
D Harley	100%	100%	-	-	-	-

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 (2014: \$nil).

Incentive share-based payment arrangements

During the financial year, the following share-based payment arrangements were in existence:

Options series	Grant date	Expiry date	Exercise price	Grant date value \$	Vesting date	% vested
(1) Issued 8 Nov 2013	8 Nov 2013	8 Nov 15	5 cents	0.01	8 May 2014	100%
(2) Issued 8 Nov 2013	8 Nov 2013	8 Nov 15	6 cents	0.01	8 Nov 2014	100%
(3) Issued 8 Nov 2013	8 Nov 2013	8 Nov 15	8 cents	0.01	8 May 2015	0%

There are no further services or performance criteria that need to be met in relation to options granted under series (1) – (2) above, and as a consequence the beneficial interest has vested to the recipients. The options under series 3 were forfeited upon the resignation of Bill Bloking on 1 March 2015.

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.

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During the year no options were granted to key management personnel (2014: 4,000,000) and no share options were exercised during the year (2014: nil). During the year no performance rights were granted to key management personnel (2014: nil).

Key management personnel equity holdings

Fully paid ordinary shares of Strandline Resources Limited

	Balance at 1 July No.	Acquired No.	Net other change No.	Number held on appointment/ resignation No.	Balance at 30 June No.
2015					
M Folwell ⁽¹⁾	-	-	-	17,862,179	17,862,179
R Hill ⁽¹⁾	-	900,000	-	-	900,000
D Murcia ⁽¹⁾	-	-	-	-	-
A Kabunga ⁽²⁾	-	-	-	35,404,809	35,404,809
D Craig ⁽³⁾	346,155	-	-	(346,155)	-
B Bloking ⁽⁴⁾	10,000,000	6,200,000	-	(16,200,000)	-
G Dixon ⁽³⁾	-	1,723,853	-	(1,723,853)	-

⁽¹⁾ Appointed 23 October 2014.

⁽²⁾ Appointed 18 June 2015.

⁽³⁾ Resigned 23 October 2014.

⁽⁴⁾ Resigned 1 March 2015.

Share options

	Balance at 1 July No.	Acquired No.	Net other change No.	Number held on resignation No.	Balance at 30 June No.	Vested and exercisable No.	Unvested and exercisable No.
2015							
M Folwell ⁽¹⁾	-	-	-	-	-	-	-
R Hill ⁽¹⁾	-	-	-	-	-	-	-
D Murcia ⁽¹⁾	-	-	-	-	-	-	-
A Kabunga ⁽²⁾	-	-	-	-	-	-	-
D Craig ⁽³⁾	-	-	-	-	-	-	-
B Bloking ⁽⁴⁾	4,000,000	-	(1,500,000)	(2,500,000)	-	-	-
G Dixon ⁽³⁾	-	-	-	-	-	-	-

⁽¹⁾ Appointed 23 October 2014.

⁽²⁾ Appointed 18 June 2015.

⁽³⁾ Resigned 23 October 2014.

⁽⁴⁾ Resigned 1 March 2015.

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Performance Rights

As at 30 June 2015, no performance rights were held by key management personnel. 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. The performance rights will only vest if the performance conditions are satisfied before the expiry date. The fair value of the performance rights is \$0.01 per right.

The key terms and conditions of Mr Hill's performance rights are as follows:

Tranche	Performance Condition	Service Period Start Date	Expiry Date	Number of Rights	% Vested
Tranche 1:	VWAP remaining at or above \$0.025 per share for a period of at least 20 trading days	5/05/2015	30/06/2016	680,000	-
Tranche 2:	VWAP remaining at or above \$0.04 per share for a period of at least 20 trading days	5/05/2015	30/06/2016	680,000	-
Tranche 3:	Announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM in relation to any existing or new projects of the Company	5/05/2015	30/06/2016	1,360,000	-
Tranche 4:	Announcement of a JORC Inferred Mineral Resource >100Mt of >3%HM in relation to any existing or new projects of the Company	5/05/2015	31/12/2016	1,020,000	-
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	5/05/2015	31/12/2016	680,000	-
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	5/05/2015	31/12/2016	1,020,000	-
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	5/05/2015	31/12/2016	680,000	-
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	5/05/2015	30/06/2017	680,000	-
TOTAL				6,800,000	

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Key terms of employment contracts

On 23 October 2014 Richard Hill was appointed Managing Director, and his remuneration and other terms of appointment were formalised in a consultancy agreement, the key terms and conditions of which are:

- Term of agreement – 1 year commencing 23 October 2014.
- Minimum cost to the Company of \$170,000 per annum, working 3 days per week, with additional days worked to be remunerated at \$1,100 per day.
- Either party may terminate the agreement by providing four months' notice. The Company may terminate the agreement immediately for gross misconduct and other specified events.
- Subject to board and shareholder approval, the grant of performance rights under the Company's Long Term Incentive Plan.

Remuneration and other terms of appointment for Bill Bloking, Managing Director until 23 October 2014 were formalised in a consultancy agreement, the key terms and conditions of which are:

- Term of agreement – 2 years commencing 1st August 2013.
- Cost to the Company of \$300,000 per annum.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct and other specified events, equal to either six months remuneration or six months' notice.
- Grant of 4,000,000 options subject to shareholder approval.

Loans and other transactions

No loans have been made by the Company to key management personnel during the year (2014: nil).

Didier Murcia, Non-Executive Director, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling \$150,081 were paid to Murcia Pestell Hillard for work completed on the acquisition of Strandline Resources Pty Ltd, the acquisition of Jacana Resources (Tanzania) Limited and general legal services (2014: nil).

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 (2014: nil).

This is the end of the audited Remuneration Report

Non-Audit Services

During the period BDO Audit (WA) Pty Ltd ("BDO"), the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Board, is satisfied that the provision of those non-audit services during the year by the auditor, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, BDO, and its related practices for non-audit services provided during the year are set out below.

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Other Services

BDO Corporate Finance (WA) Pty Ltd – Independent Expert’s Report

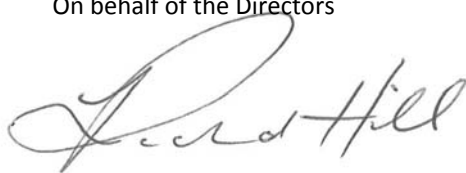
2015 \$	2014 \$
20,400	-

Corporate Governance

A copy of Strandline’s full 2015 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



Richard Hill
Managing Director

30 September 2015
Perth, Western Australia

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

As lead auditor of Strandline Resources Limited for the year ended 30 June 2015, 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, 30 September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue from continuing operations	7	19,569	18,742
Other income	8	1,910	1,557
Employee benefits expense	10	(413,468)	(239,632)
Depreciation expense	10, 13	(5,543)	(11,202)
Share based payment expense		(11,290)	(44,583)
Impairment of exploration and evaluation expenditure	10, 14	(20,664,698)	(155,251)
Finance costs	10	-	(1,365)
Other expenses		(868,162)	(593,326)
Loss before income tax		(21,941,682)	(1,025,058)
Income tax benefit	9	-	-
Loss for the year		(21,941,682)	(1,025,058)
Other comprehensive income			
Items that will be re-classified to profit or loss			
Exchange differences arising on translation of foreign operations		395,423	-
Other comprehensive income for the year, net of income tax		395,423	-
Total comprehensive loss for the year		(21,546,259)	(1,025,058)
Loss attributable to:			
Owners of Strandline Resources Limited		(21,546,259)	(1,025,058)
		Cents per share	Cents per share
Loss per share			
Basic and diluted loss per share (cents per share)	11	4.24	0.39

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	22	167,759	557,021
Trade and other receivables	12	51,567	53,216
Total current assets		219,326	610,237
Non-current assets			
Property, plant and equipment	13	4,911	10,454
Exploration and evaluation expenditure	14	9,708,344	26,311,147
Other receivable	15	116,718	-
Total non-current assets		9,829,973	26,321,601
Total assets		10,049,299	26,931,838
Current liabilities			
Trade and other payables	16	278,652	298,651
Provisions	17	63,479	126,365
Total current liabilities		342,131	425,016
Total liabilities		342,131	425,016
Net assets		9,707,168	26,506,822
Equity			
Contributed equity	18	46,344,073	41,676,538
Reserves	19	2,079,046	1,604,553
Accumulated losses		(38,715,951)	(16,774,269)
Total equity		9,707,168	26,506,822

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital \$	Share based payments reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2013	41,105,887	1,575,961	-	(15,749,211)	26,932,637
Comprehensive income for the year					
Loss for the year	-	-	-	(1,025,058)	(1,025,058)
Foreign currency translation difference for foreign operation	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,025,058)	(1,025,058)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	614,105	-	-	-	614,105
Share issue costs	(43,454)	-	-	-	(43,454)
Recognition of share-based payments	-	28,592	-	-	28,592
Balance at 30 June 2014	41,676,538	1,604,553	-	(16,774,269)	26,506,822
Balance at 1 July 2014	41,676,538	1,604,553	-	(16,774,269)	26,506,822
Comprehensive income for the year					
Loss for the year	-	-	-	(21,941,682)	(21,941,682)
Foreign currency translation difference for foreign operation	-	-	395,423	-	395,423
Total comprehensive loss for the year	-	-		(21,941,682)	(21,546,259)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	5,019,291	-	-	-	5,019,291
Share issue costs	(351,756)	-	-	-	(351,756)
Recognition of share-based payments (refer to Note 24)	-	79,070	-	-	79,070
Balance at 30 June 2015	46,344,073	1,683,623	395,423	(38,715,951)	9,707,168

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
		(1,268,098	
Payments to suppliers and employees)	(931,451)
Interest received		21,441	31,538
Interest paid		-	(46,232)
Net cash outflow used in operating activities	22	(1,246,657)	(946,145)
Cash flows from investing activities			
		(1,600,737	
Payments for exploration and evaluation)	(865,348)
Net cash inflow from acquisition of subsidiary		2,201	-
Refund of rental deposit		17,313	-
Research and development tax refund received		357,971	771,386
Payments for property, plant and equipment		-	(700)
Proceeds from disposal of property, plant and equipment		-	864
Retirement of Coburn Mineral Sands Project performance bonds		-	1,214,000
Net cash (used in)/provided by investing activities		(1,223,252)	1,120,202
Cash flows from financing activities			
Proceeds from issues of shares		2,363,011	614,105
Payment for share issue costs		(282,363)	(35,495)
Repayment of Mr David Harley borrowings		-	(474,604)
Net cash inflow provided by financing activities		2,080,647	104,006
Net (decrease)/increase in cash and cash equivalents		(389,262)	278,063
Cash and cash equivalents at the beginning of the year		557,021	278,958
Cash and cash equivalents at the end of the year	22	167,759	557,021

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 copper and other base metal resources.

2. Accounting policies applied for the first time

Pursuant to the transaction to acquire Strandline Resources Pty Ltd, refer to note 28, a number of accounting policies have been applied for the first time in this consolidated financial report.

(i) Asset Acquisition

On 23 October 2014, the Company acquired 100% of the shares in Strandline Resources Pty Ltd ("SRPL") in an all-scrip transaction. The Company issued 166.67 million ordinary shares to SRPL shareholders. With a deemed price of 1.5 cents for each share issued, the consideration payable was \$2.5 million. As the acquisition is not deemed a business acquisition, the transaction has been accounted for as an asset acquisition.

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 will be included in the capitalised cost of the asset.

(ii) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are included in the consolidated financial report from the date on which control commences and up to the effective date of disposal, as appropriate. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company.

Intercompany transactions, balances and unrealised profits and losses on transactions between Group companies are eliminated in full. The financial statements of subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financial statements.

(iii) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the foreign exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at reporting date. The income and expenses of foreign operations are translated to Australian dollars at average exchange rates for the period.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (FCTR) within equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the FCTR.

3. 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:

<i>Standard Interpretation</i>	<i>Nature of Change</i>	<i>Application date for the Company</i>	<i>Impact on the Company financial statements</i>
AASB 2014-9 (issued December 2014) Amendment to Australian Accounting Standards – Equity Method in Separate Financial Statements	Currently, investments in subsidiaries, associates and joint ventures are accounted for in separate financial statements at cost or at fair value under AASB 139/AASB 9. These amendments provide an additional option to account for these investments using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i> .	1 July 2016	It is not anticipated that the changes will have any material impact on the Group's financial statements.
AASB 2014-4 (issued August 2014) Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	Clarifies that use of revenue-based methods for calculating depreciation and amortisation is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of economic benefits embodied in the asset. This assumption is rebuttable for intangible assets and can be overcome in limited circumstances, for example, where revenue is established as the predominant limiting factor in the contract, such as a concession to explore and extract from a gold mine that expires when total cumulative revenue from extraction of gold reaches a certain dollar threshold.	1 July 2016	The Standard will not have an impact on the Group's financial statements as it does not use any revenue-based methods for calculating depreciation and amortisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. New Standards and Interpretations in issue not yet adopted (cont'd)

<p>AASB 2014-10 (issued December 2014) Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p>	<p>Removes the inconsistency between AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> in accounting for transactions where a parent loses control over a subsidiary that is not a business under AASB 3 <i>Business Combinations</i>, by selling part of its interest to an associate or joint venture, or by selling down part of its interest so that the remaining investment becomes an associate or joint venture. Requires that:</p> <ul style="list-style-type: none"> • Gain or loss from measuring the retained interest in the former subsidiary at fair value, as well as gains or losses to be reclassified from other comprehensive income to profit or loss, only be recognised to the extent of the unrelated investor's interest in that associate or joint venture, and • Remaining gains or losses to be eliminated against the investment in associate or joint venture. 	<p>1 July 2016</p>	<p>There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to sales or contributions of assets occurring after the application date.</p>
<p>AASB 9 (issued December 2014) Financial Instruments</p>	<p>AASB 9 amends the classification and measurement of financial assets:</p> <ul style="list-style-type: none"> • Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. • All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. <p>The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model.</p> <p>A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses.</p> <p>A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months.</p> <p>For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.</p>	<p>1 July 2018</p>	<p>Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The entity has not yet made an assessment of the impact of these amendments.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Significant accounting policies

4.1. 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 financial statements were approved by the Board of Directors on 30 September 2015.

4.2. 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.

As at 30 June 2015, the Group had negative working capital of \$122,805 (current assets less current liabilities). The Group had cash on hand at of \$167,759. The Group had trade and other payables of \$278,652.

The Group also has exploration expenditure commitments. The operating commitments of the Group will require further funding in the next twelve months.

The Group has recently met its working capital commitments by borrowing \$250,000 from Jacana Minerals Limited as part of the proposed acquisition of Jacana Resources (Tanzania) Limited. Refer to note 31 for further details of this acquisition. In addition, the board of Strandline has deferred paying Directors' salaries and fees from the 1st of June 2015 to assist the Group to meet its working capital commitments until further funding is secured.

The Directors have assessed the possible outcomes for the Group for the next twelve months and have reasonable grounds to believe the Group will continue to operate as a going concern by raising further funds as required. This view is based upon the Group's ability to continue to manage its working capital and the Group's ability in the past to raise capital as required.

However, there are a number of inherent uncertainties about the achievement of the Group's future plans including but not limited to:

- completion of the Jacana Resources (Tanzania) Limited acquisition, which is subject to Jacana's shareholder approval, the expected completion date is 9 October;
- finalisation of a strategic partner for the Coburn Mineral Sands Project;
- farm out or divestment of other projects;
- managing the Company's working capital requirements; and
- raising additional funds via debt or equity as and when required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Should the Group not be able to manage the inherent uncertainties referred to above, including sourcing additional working capital as and when required, there would be material uncertainty which may cast significant doubt as to whether the Group would be able to meet its debts as and when they fall due and thus continue as a going concern. The Directors have reasonable grounds to believe that they will be able to complete any required future fund raising.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 balance 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 balance 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 balance 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest, and reduced by any research and development tax offset receivable related to this expenditure. This net expenditure is only carried forward to the extent that it is expected to be recouped through the successful development or sale of the area, or where activities in the area 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 are written off in full against the profit or loss in the year in which the decision to abandon the area is made.

Upon commencement of production, the Group amortises the accumulated costs for the relevant area of interest over the life of the area according to the rate of depletion of the economically recoverable quantities of reserves. Estimates of recoverable reserve quantities include judgemental assumptions regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of the quality of reserves, and their anticipated mining recovery. The economic, geological and technical factors used to estimate reserves may change from period to period.

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

4.3. 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 subsidiary is the United States Dollar.

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 4, 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 Strandline Resources Pty Ltd is not deemed a business acquisition, the transaction has been accounted for as an asset acquisition. In assessing the requirements of IFRS 3 Business Combinations, the Group has determined that the assets acquired do not constitute a business. The principal assets acquired consist of 16 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 will be included in the capitalised cost of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Capitalisation of exploration and evaluation expenditure

Under AASB 6 Exploration for and Evaluation of Mineral Resources, the Company has the option to either expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure provided that certain conditions are satisfied. The Company's policy is outlined in note 4.

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.

The method applied to calculate the recoverable value (being the fair value less costs of disposal) is the Market approach using comparable resource transactions and based on current market conditions. The recoverable value is a Level 3 measurement.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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

Geographical Segment Information

	2015 Revenue \$	2015 Non-Current Assets \$	2014 Revenue \$	2014 Non-Current Assets \$
Australia	-	6,004,911	-	26,321,601
Tanzania	-	3,825,062	-	-
Total	-	9,829,973	-	26,321,601

7. Revenue from continuing operations

Interest revenue

2015 \$	2014 \$
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19,569	18,742
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8. Other income

Joint venture management fees

1,910	1,557
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Income taxes

Income tax recognised in the profit or loss

Tax benefit comprises:

	2015 \$	2014 \$
Current tax benefit	-	-
Total tax benefit relating to continuing operations	-	-

The benefit for the year can be reconciled to the accounting loss as follows:

	2015 \$	2014 \$
Loss before tax	(21,941,682)	(1,025,058)
Income tax expense calculated at 30%	(6,582,505)	(307,517)
Effect of expenses that are not deductible in determining taxable loss	6,155,711	26,109
Effect of unused tax losses not recognised as deferred tax assets	650,584	522,634
Effect of deductible capitalised expenditure	(223,790)	(271,226)
Income tax benefit recognised in the statement of profit or loss and other comprehensive income	-	-

The tax rate used for the 2015 and 2014 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Unrecognised deferred tax assets/(liabilities)

Tax losses (revenue)	10,450,516	9,979,155
Capital raising costs recognised directly in equity	106,870	38,326
Temporary differences	227,780	291,670
Temporary differences arising from exploration and evaluation expenditure	(1,654,597)	(7,747,941)
Net unrecognised deferred tax asset	9,130,569	2,561,210

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.

10. Loss for the year

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

Employee benefit expense		
Directors' fees	119,741	127,236
Wages and salaries	245,502	52,316
Superannuation expenses	19,841	16,056
Increase in provision for annual leave	26,088	43,793
Increase in provision for long service leave	2,296	231
Total employee benefit expense	413,468	239,632
Depreciation expense	5,543	11,202
Impairment of exploration and evaluation expenditure	20,664,698	155,251
Finance costs (i)	-	1,365
Loss on sale of property, plant and equipment	-	341
Occupancy expenses	67,601	134,908
Share-based payments	11,290	28,592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Loss per share

	2015 Cents per share	2014 Cents per share
Basic and diluted loss per share	4.24	0.39

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:

	2015 \$	2014 \$
Loss for the year	(21,941,682)	(1,025,058)

	2015 No.	2014 No.
Weighted average number of ordinary shares for the purposes of the basic loss per share	517,585,584	260,370,207

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.

	No.	No.
Unlisted options exercisable at 27 cents on or before 30 November 2014	-	4,000,000
Unlisted options exercisable at 29 cents on or before 22 June 2015	-	1,600,000
Unlisted options exercisable at 5 cents on or before 8 November 2015	1,500,000	1,500,000
Unlisted options exercisable at 6 cents on or before 8 November 2015	1,000,000	1,000,000
Unlisted options exercisable at 8 cents on or before 8 November 2015	-	1,500,000
Unlisted options exercisable at 3 cents on or before 3 November 2017	10,000,000	-
Total unlisted options	12,500,000	9,600,000

12. Current trade and other receivables

	2015 \$	2014 \$
Goods and services tax recoverable	31,823	15,413
Other receivables	-	20,490
Research and development tax offset	19,744	-
Bond on offices	-	17,313
	51,567	53,216

Refer to note 23 for details on the Company's exposures to credit and interest rate risks on receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. Property, plant and equipment

	\$
At 1 July 2013	
Cost or gross carrying amount	164,619
Accumulated depreciation	(142,458)
Net book value	<u>22,161</u>
Year ended 30 June 2014	
Opening net book value	22,161
Additions	700
Disposal – cost	(68,859)
Disposal – accumulated depreciation	67,654
Depreciation charge	(11,202)
Closing net book value	<u>10,454</u>
At 30 June 2014	
Cost or gross carrying amount	96,460
Accumulated depreciation	(86,006)
Net book value	<u>10,454</u>
Year ended 30 June 2015	
Opening net book value	10,454
Additions	-
Disposal – cost	-
Disposal – accumulated depreciation	-
Depreciation charge	(5,543)
Closing net book value	<u>4,911</u>
At 30 June 2015	
Cost or gross carrying amount	96,460
Accumulated depreciation	(91,549)
Net book value	<u>4,911</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 \$	2014 \$
14. Exploration and evaluation expenditure		
Carried forward exploration and evaluation expenditure	26,311,147	25,099,021
Transfer of pastoral lease for the Coburn Project from other assets	-	484,676
Capitalised during the year	1,271,346	904,086
Acquisition of Tanzanian tenements	2,776,645	-
Research and development tax offset	(377,715)	(21,386)
Foreign exchange movement	391,619	-
Impairment of exploration and evaluation expenditure (i)	(20,664,698)	(155,251)
	9,708,344	26,311,147

(i) An impairment of \$20,664,698 relating to the Coburn Mineral Sands Project, Mount Gunson Copper, Fowler's Bay Nickel and Tennant Creek Gold-Copper Projects has been recognised for the year ended 30 June 2015 (2014: \$155,251). Of this amount, \$20,543,157 relates to the Coburn Project.

The impairment expense for Coburn has been determined by reference to the Independent Technical Valuation ("Valuation") of Strandline's mineral assets prepared by CSA Global Pty Ltd ("CSA") dated 30 April 2015. The Company has used CSA's preferred valuation of \$6M for Coburn as the recoverable value.

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.

The Company continues to seek a suitable strategic partner who will take a significant equity interest in the Coburn Project and may also be able to assist the Company in obtaining debt and equity financing.

	2015 \$	2014 \$
15. Other receivable		
Asset acquisition costs - Jacana Resources (Tanzania) Limited	116,718	-

Costs have been incurred in the process of acquiring an exploration asset and will be recoverable upon completion of the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Current trade and other payables

	2015	2014
	\$	\$
Trade payables	110,322	58,338
Accrued Director fees	51,668	184,180
Other creditors and accruals	116,662	56,133
	278,652	298,651

Accounts payable are all payable in Australian dollars, are non-interest bearing and normally settled on 30 day terms. Refer to note 23 for details of the Company's exposure to liquidity risks on financial liabilities.

17. Current provisions

Provision for annual leave	39,312	28,467
Provision for long service leave	24,167	97,898
	63,479	126,365

18. Issued capital

628,526,794 fully paid ordinary shares (2014: 291,551,793 shares)	46,344,073	41,676,538
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The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares

	2015		2014	
	No.	\$	No.	\$
Balance at beginning of year	291,551,793	41,676,538	255,427,944	41,105,887
Share placement issued at 1.7 cents per share on 16 April 2014	-	-	17,647,061	300,000
Entitlement offer issued at 1.7 cents per share on 4 June 2014	-	-	18,476,788	314,105
Share issue at 2.4 cents per share on 19 August 2014	2,000,000	48,000	-	-
Acquisition of Strandline Resources Pty Ltd, shares issued at 1.5 cents per share on 23 October 2014	166,666,667	2,500,000	-	-
Share placement issued at 1.5 cents per share on 24 October 2014	146,666,668	2,200,000	-	-
Share purchase plan at 1.5 cents per share on 27 November 2014	8,600,000	129,000	-	-
Share issue at 1.0 cent per share on 21 January 2015	7,000,000	70,000	-	-
Share purchase plan shortfall issue at 1.5 cents per share on 29 January 2015	2,375,000	35,625	-	-
Share issue at 1.0 cent per share on 25 March 2015	3,666,666	36,666	-	-
Share issue costs	-	(351,756)	-	(43,454)
Balance at end of year	628,526,794	46,344,073	291,551,793	41,676,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Issued capital (cont'd)

Fully paid ordinary shares (cont'd)

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.

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 2015, the Company has 12,500,000 share options on issue (2014: 9,600,000) exercisable on a 1:1 basis for 12,500,000 shares (2014: 9,600,000) at various exercise prices. During the year 10,000,000 options were granted (2014: 4,000,000) and no options were converted into shares (2014: nil). Further details regarding the options are contained in note 24 to the financial statements.

As at 30 June 2015, the Company has 12,370,000 performance rights on issue (2014: nil) exercisable on a 1:1 basis for 12,370,000 shares (2014: nil). During the year 12,370,000 performance rights were granted (2014: nil) and no performance rights were converted into shares (2014: nil). Further details regarding the performance rights are contained in note 24 to the financial statements.

19. Reserves

Share-based payments reserve
Foreign currency translation reserve

	2015 \$	2014 \$
Share-based payments reserve	1,683,623	1,604,553
Foreign currency translation reserve	395,423	-
	2,079,046	1,604,553
Share-based payments reserve		
Balance at beginning of year	1,604,553	1,575,961
Recognition of share-based payments	79,070	28,592
Balance at end of year	1,683,623	1,604,553

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 24 to the financial statements.

Foreign currency translation reserve

Balance at beginning of year
Foreign currency translation difference for foreign operation
Balance at end of year

Balance at beginning of year	-	-
Foreign currency translation difference for foreign operation	395,423	-
Balance at end of year	395,423	-

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 a foreign subsidiary.

20. Commitments for expenditure

Leasing commitments

Leasing arrangements for the rental of office space
Not longer than 1 year
Longer than 1 year and not longer than 5 years

Not longer than 1 year	30,833	-
Longer than 1 year and not longer than 5 years	-	-
	30,833	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Contingent liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2015 (2014: \$nil).

22. 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:

	2015 \$	2014 \$
Cash and bank balances	167,759	557,021

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

Loss for the year	(21,941,682)	(1,025,058)
Non-cash items		
Depreciation	5,543	11,202
Impairment of exploration expenditure	20,664,698	155,251
Share-based payments	11,290	28,592
Loss on sale of property, plant and equipment	-	341
Movements in working capital		
Decrease in trade and other receivables	4,081	26,877
Increase/(decrease) in trade and other payables	74,501	(100,990)
Increase/(decrease) in provisions	(62,887)	2,508
Decrease in interest payable on borrowings	-	(44,867)
Cash acquired on acquisition of subsidiary	(2,201)	-
Net cash outflow used by operating activities	(1,246,657)	(946,145)

23. 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

	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	167,759	557,021
Trade and other receivables	-	26,579
	167,759	583,600
Financial liabilities		
Trade and other payables	278,652	298,651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

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 subsidiary is denominated in AUD and is not hedged as those currency positions are considered to be long term in nature.

Interest rate risk management

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

	\$	Weighted average interest rate
2015		
Financial assets		
Cash and cash equivalents	167,759	2.74%
Trade and other receivables	-	0.00%
	<u>167,759</u>	
2014		
Financial assets		
Cash and cash equivalents	557,021	3.26%
Trade and other receivables	26,579	0.00%
	<u>583,600</u>	

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 \$7,146 (2014: \$6,135). 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 2015 and 30 June 2014 approximates their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

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.

Financial assets and financial liabilities are classified in their entirety into only one of three levels.

During the year ended 30 June 2015, the Group had no financial assets or financial liabilities recognised at fair value, and as a consequence the fair value hierarchy is not applicable.

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:

	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	167,759	557,021
Trade and other receivables	-	26,579
	<u>167,759</u>	<u>583,600</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

	Contractual cash flows					Total contractual cash flows
	Carrying amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	
	\$	\$	\$	\$	\$	\$
2015						
Financial liabilities						
Trade and other payables	278,652	(106,058)	(114,745)	(57,849)	-	(278,652)
2014						
Financial liabilities						
Trade and other payables	298,651	(58,338)	(56,136)	(184,177)	-	(298,651)

24. 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
				\$	\$
(1) Issued 1 Dec 2010 (i)	4,000,000	1 Dec 2010	30 Nov 2014	0.27	0.11
(2) Issued 24 Dec 2010(ii)	250,000	24 Dec 2010	23 Dec 2013	0.12	0.20
(3) Issued 23 June 2011(ii)	1,600,000	23 Jun 2011	22 Jun 2015	0.29	0.12
(4) Issued 8 November 2013 (iii)	1,500,000	8 Nov 2013	8 Nov 2015	0.05	0.01
(5) Issued 8 November 2013 (iv)	1,000,000	8 Nov 2013	8 Nov 2015	0.06	0.01
(6) Issued 8 November 2013 (v)	1,500,000	8 Nov 2013	1 Mar 2015	0.08	0.01
(7) Issued 3 November 2014 (vi)	10,000,000	3 Nov 2014	3 Nov 2017	0.03	0.0068

(i) In accordance with the terms of the share-based arrangement, 2 million options vested on 1 December 2011 and 2 million options vested on 1 December 2012.

(ii) In accordance with the terms of the share-based arrangement, all options issued were vested to the recipients

(iii) In accordance with the terms of the share-based arrangement, the options vested on 8 May 2014.

(iv) In accordance with the terms of the share-based arrangement, the options vested on 8 November 2014.

(v) In accordance with the terms of the share-based arrangement, the options expired on 1 March upon resignation of the recipient.

(vi) In accordance with the terms of the share-based arrangement, the options were vested on 3 November 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Share-based payments (cont'd)

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.

10,000,000 options were granted during the year (2014: 4,000,000). The options were granted to Hartleys, the appointed broker for the share placement completed on 24 October 2014, as approved by shareholders at the Company's general meeting held on 20 October 2014

Inputs for measurement of grant date fair values

10,000,000 options granted on 3 November 2014

Fair value at grant date	0.68 cents
Share price on grant date	1.3 cents
Exercise price	3 cents
Expected volatility	110%
Option life	3 years
Expected dividends	N/A
Risk-free interest rate	2.54%

These options granted had a total value of \$67,779, of which the full amount has been recognised as a share issue cost during the year.

Movements in share options during the period

The following reconciles the share options outstanding at the beginning and end of the year:

	2015		2014	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance at beginning of the year	9,600,000	0.19	5,850,000	0.27
Granted during the year	10,000,000	0.03	4,000,000	0.06
Forfeited during the year	(1,500,000)	0.08	-	-
Exercised during the year	-	-	-	-
Expired during the year	(5,600,000)	0.27	250,000	0.12
Balance at end of the year	12,500,000	0.03	9,600,000	0.19
Exercisable at end of the year	12,500,000	0.03	7,100,000	0.23

Share options exercised during the year

No share options were exercised during the financial year (2014: 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 3 cents (2014: 19 cents) and a weighted average remaining contractual life of 712 days (2014: 330 days).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. 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.

12,370,000 performance rights were granted during the year (2014: nil) to employees. The details are as follows:

Number	Grant date	Expiry date	Fair value at grant date \$ per right	Vesting conditions
1,639,000	5 May 2015	30 June 2016	0.01	Tranche 1
1,639,000	5 May 2015	30 June 2016	0.01	Tranche 2
2,288,500	5 May 2015	30 June 2016	0.01	Tranche 3
1,453,500	5 May 2015	31 December 2016	0.01	Tranche 4
1,453,500	5 May 2015	31 December 2016	0.01	Tranche 5
3,092,500	5 May 2015	31 December 2016	0.01	Tranche 6
402,000	5 May 2015	31 December 2016	0.01	Tranche 7
402,000	5 May 2015	30 June 2017	0.01	Tranche 8
12,370,000				

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

Movements in performance rights during the period

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

	2015 Number	2014 Number
Balance at beginning of the year	-	-
Granted during the year	12,370,000	-
Balance at end of the year	12,370,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Share-based payments (cont'd)

Recognition of share-based transactions

	2015 \$	2014 \$
Share options (i)	(2,298)	28,592
Performance rights	13,588	-
Total expense recognised	11,290	28,592
Add – options granted to Hartleys recognised as a share issue cost	67,780	-
Total share-based payments recognised in reserves	79,070	28,592

(i) This expense for 2015 and 2014 relates to the grant on 8 November 2013 of 4,000,000 options to Bill Bloking, former Managing Director. During 2015 options were forfeited by Bill Bloking on his resignation which led to a reversal of previously recognised share-based payments expense.

25. Key management personnel compensation

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

Mike Folwell (Non-Executive Chairman, appointed 23 October 2014)
 Richard Hill (Managing Director, appointed 23 October 2014)
 Didier Murcia (Non-Executive Director, appointed 23 October 2014)
 Asimwe Kabunga (Non-Executive Director, appointed 18 June 2015)
 David Craig (former Non-Executive Chairman, resigned 23 October 2014)
 Bill Bloking (former Managing Director and Non-Executive Director, resigned 1 March 2015)
 Garret Dixon (former Non-Executive Director, resigned 23 October 2014)

Key management personnel compensation

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

	2015 \$	2014 \$
Short-term employee benefits	380,293	406,685
Post-employment benefits	7,373	9,483
Share-based payments	8,296	28,592
	395,962	444,760

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 11 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.

26. Remuneration of auditors

	2015 \$	2014 \$
Auditor of the Company		
Audit and review of the financial statements	41,863	37,074
Other Services		
BDO Corporate Finance (WA) Pty Ltd – Independent Expert's Report	20,400	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Related party transactions

Transactions with key management personnel

Compensation

Details of key management personnel compensation are disclosed in note 25 to the financial statements.

From 1 June 2015 payment of salary and fees to all Directors were deferred, until such time as further funding is secured, refer to note 16 of the financial statements

Equity holdings

Disclosure of key management personnel equity holdings is set out in the Remuneration Report on pages 13 to 14 of this Annual Report.

Loans

No loans have been made by the Company to key management personnel during the year (2014: nil).

Other transactions

Mr Murcia, Non-Executive Director, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling \$150,081 were paid to Murcia Pestell Hillard for work completed on the acquisition of Strandline Resources Pty Ltd, the acquisition of Jacana Resources (Tanzania) Limited and general legal services (2014: nil).

28. Asset Acquisition

On 23 October 2014, the Company acquired 100% of the shares in Strandline Resources Pty Ltd ("SRPL") in an all-scrip transaction. The Company issued 166.67 million ordinary shares to SRPL shareholders. With a deemed price of 1.5 cents for each share issued, the consideration payable was \$2.5 million. Acquisition costs of \$162,528 were also incurred resulting in total costs of \$2,662,528.

Details of the fair value of the assets acquired as at 23 October 2014 (in Australian dollars) as at the date of purchase are as follows:

	23 October 2014 \$
Purchase Consideration	
Shares issued	2,500,000
Acquisition costs	162,528
Total	2,662,528
Net Assets Acquired	
Deferred exploration and evaluation (mineral sands leases)	2,662,528

29. Group entities

	Country of Incorporation	Ownership Interest 2015	2014
Parent Entity			
Strandline Resources Limited			
Subsidiaries			
Active Resources (T) Limited	Tanzania	100%	-
Strandline Australia Pty Ltd	Australia	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Parent entity disclosures

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

	Company	
	2015 \$	2014 \$
Results of the Parent Entity		
Loss for the period	(21,948,408)	(1,025,058)
Other comprehensive income	-	-
Total comprehensive income for the period	(21,948,408)	(1,025,058)

	Company	
	2015 \$	2014 \$
Financial Position of the Parent Entity at Year End		
Current assets	183,490	610,237
Non-current assets	9,433,554	26,321,601
Total assets	9,617,044	26,931,838
Current liabilities	312,058	425,016
Total liabilities	312,058	425,016
Net assets	9,304,986	26,506,822
Contributed equity	46,344,073	41,676,538
Reserves	1,683,622	1,604,553
Accumulated losses	(38,722,709)	(16,774,269)
Total equity	9,304,986	26,506,822

Parent Entity Contingencies

The parent entity had no contingent liabilities as at 30 June 2015 (2014: nil).

Parent Entity Expenditure Commitments

Leasing commitments

Leasing arrangements for the rental of office space
 Not longer than 1 year
 Longer than 1 year and not longer than 5 years

	2015 \$	2014 \$
Not longer than 1 year	30,833	-
Longer than 1 year and not longer than 5 years	-	-
	30,833	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. Events after the reporting period

On 10 July 2015, the Company received shareholder approval to proceed with the acquisition of Jacana Resources (Tanzania) Limited ("JRT"), a wholly-owned subsidiary of Jacana Minerals Limited ("Jacana"). On 16 September 2015 the Company announced it had entered into a Share Sale Deed to implement the sale and purchase of JRT. The expected completion date of the acquisition of JRT is 9 October 2015.

In regards to the acquisition of JRT, the Group has capitalised acquisition costs totalling \$116,718 as a receivable as at 30 June 2015 in accordance with its accounting policy. The costs have been capitalised as it is highly probable that the transaction to acquire JRT will complete. If the transaction was not to complete, then the costs would be expensed.

As part of the transaction to acquire JRT, Strandline and Jacana have entered into a loan agreement for the purposes of funding the working capital requirements of Strandline through to completion of the transaction. The agreement consists of a loan facility of \$250,000 which has been fully drawn down. If the acquisition of JRT is completed, Jacana will forgive the loan. If the transaction is not completed, Strandline is required to repay the loan by 15 November 2015.

On 7 August 2015, the Company issued 6,800,000 performance rights to the Managing Director, Richard Hill, pursuant to shareholder approval given on 10 July 2015.

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.

32. Approval of financial statements

The financial statements were approved by the Board of Directors on 30 September 2015.

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, 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 9 to 15 of this Annual Report (as part of the audited Remuneration Report), for the year ended 30 June 2015, 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



Richard Hill
Managing Director

Perth, 30 September 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Strandline Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Strandline Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 4.1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Strandline Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Strandline Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 4.1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 4.2 in the financial report, which describes the principle conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Strandline Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 30 September 2015

SHAREHOLDING INFORMATION as at 28 September 2015

1 Number of Shareholders and Unmarketable Parcels

There were 2,065 shareholders, including 1,506 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	226	-	-
1,001 - 5,000	356	-	-
5,001 - 10,000	227	-	-
10,001 - 100,000	816	-	-
100,001 and over	440	2	6
	2,065	2	6
Number of securities	628,526,794	12,500,000	19,170,000

3 Twenty Largest Ordinary Shareholdings

Name	Ordinary Shares	
	Number Held	Percentage of Issued Shares (%)
1 KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	35,404,809	5.63
2 WESTORIA RESOURCE INVESTMENTS LTD	35,124,628	5.59
3 ARTEMIS CORPORATE LIMITED	35,123,802	5.59
4 MR PAUL LESLIE DUNCAN + MRS DARANEE DUNCAN + MR PAUL KENNEDY DUNCAN <POCHANA SUPER FUND A/C>	24,600,000	3.91
5 GREY WILLOW PTY LTD	21,998,638	3.50
6 SUNZONE PTY LTD	20,000,000	3.18
7 AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	16,572,156	2.64
8 FOLWELL SUPERANNUATION PTY LTD <FOLWELL SUPERANNUATION FUND A/>	16,528,847	2.63
9 MR JOHN BEVAN TILBROOK	15,355,401	2.44
10 JEMAYA PTY LTD <THE FEATHERBY FAMILY A/C>	13,266,670	2.11
11 MR MARTIN GALLAGHER	11,353,529	1.81
12 MIDSTYLE INVESTMENTS PTY LTD <THE ADAM LISLE FAMILY A/C>	11,019,229	1.75
13 AMALGAMATED DAIRIES LTD	7,930,000	1.26
14 GALE SUPERANNUATION PTY LTD <THE GALE SUPERANNUATION FUND A>	7,769,229	1.24
15 MR PAUL ANDREW CZEKLOWSKI	5,882,353	0.94
16 MR EVAN CAMPBELL HILLARD	5,875,000	0.93
17 NEFCO NOMINEES PTY LTD	5,666,667	0.90
18 MR PAUL KENNEDY DUNCAN	5,555,555	0.88
19 CHEE ENG OH	5,509,610	0.88
20 KAKULAS LEGAL PTY LTD <PETER B KAKULAS A/C>	5,400,000	0.86
Total Top 20 Shareholders	305,936,123	48.68
Remaining Shareholders	322,590,671	51.32
Total Number of Issued Shares	628,526,794	100.00

SHAREHOLDING INFORMATION as at 28 September 2015

4 Substantial Shareholdings (over 5%)

Name	Ordinary Shares	
	Number Held	Percentage of Issued Shares (%)
KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	35,404,809	5.63
WESTORIA RESOURCE INVESTMENTS LTD	35,124,628	5.59
ARTEMIS CORPORATE LIMITED	35,123,802	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 Strandline Resources Pty Ltd which was completed on 23 October 2014, a total of 130,854,199 shares were placed in escrow for 12 months. The escrow period will expire on 23 October 2015.

7 On-Market Buy Back

There is no current on-market buy back.

8 Securities Approved Not Issued

The Company received shareholder approval on 10 July 2015, for the purposes of Item 7 of section 611 of the Corporations Act, to issue up to 500,385,220 ordinary shares to Jacana Minerals Limited to acquire all the issued shares held in Jacana Resources (Tanzania) Limited. As at the date of this Annual Report the shares have not been issued.

TENEMENT INFORMATION

TENEMENT SCHEDULE AS AT 30 JUNE 2015

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

Tenement	Area (sq km)	Grant/ Application Date	Notes
EL 09/939	107.5	18 June 1999	1
EL 09/940	63.8	18 June 1999	1
ELA 09/942	196.0	12 May 1998	2
ELA 09/943	61.6	12 May 1998	2
ELA 09/944	176.4	15 May 1998	2
ELA 09/957	196.0	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	10.0	25 October 2004	
M 09/106	10.0	25 October 2004	
M 09/111	9.99	19 July 2005	
M 09/112	9.90	19 July 2005	
L 09/21	9.5	8 January 2007	
L 09/43	0.7	17 January 2013	

MOUNT GUNSON COPPER PROJECT, SOUTH AUSTRALIA (100% STRANDLINE)

Tenement	Name	Area (sq km)	Date Granted
EL 5108	Mount Moseley	105	29 October 2014
EL 5333	Yeltacowie	292	8 October 2013
EL 5636	Mt Gunson	463	25 March 2015

FOWLER'S BAY NICKEL PROJECT, SOUTH AUSTRALIA (100% STRANDLINE)

Tenement	Area (sq km)	Date Granted
EL 4440	700	9 March 2013

Note

1. No mining (exploration) conditions on portions overlapping the Shark Bay World Heritage Property.
2. Tenement Application (ELA).

TENEMENT INFORMATION

TENEMENT SCHEDULE AS AT 30 JUNE 2015 (cont'd)

TANZANIAN MINERAL SANDS PROJECTS (100% STRANDLINE)

Tenement	Name	Area (sq km)	Date Granted
PL 7588/2012	Kitambula	92.25	3/02/2012
PL 7940/2012	Kiswere North	193.97	30/04/2012
PL 8134/2012	Bagamoyo West	288.99	7/08/2012
PL 8196/2012	Bagamoyo West	224.34	22/08/2012
PL 8185/2012	Bagamoyo West	296.18	22/08/2012
PL 8197/2012	Mafia	263.66	22/08/2012
PL 9332/2013	Kitambula	22.03	18/10/2013
PL 9427/2013	Kitambula	15.23	18/10/2013
PL 9976/2014	Tanga	50.43	22/07/2014
PL 9971/2014	Bagamoyo West	80.70	22/07/2014
PL 9972/2014	Miteja	226.91	22/07/2014
PL 9977/2014	Songa	92.29	22/07/2014
PL 9980/2014	Kiswere South	43.55	22/07/2014
PL 9969/2014	Sud	218.39	22/07/2014
PL 9970/2014	Madimba	69.19	22/07/2014
PL 9978/2014	Mahuranga	81.97	22/07/2014

MINERAL RESOURCES AND ORE RESERVES INFORMATION

MINERAL RESOURCE INVENTORY

The Company's mineral resource inventory and ore reserves are summarised in the tables below and have remained unchanged during the year.

COBURN MINERAL SANDS PROJECT, WESTERN AUSTRALIA

1. 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

2. Resources

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

MOUNT GUNSON COPPER PROJECT, SOUTH AUSTRALIA

1. Resources

Prospect	Category	Mineralisation Type	Cut-Off Grade (% Copper)	Resource (Million Tonnes)	Copper (%)	Cobalt (%)	Silver (g/t)	Contained Copper (Tonnes)
Windabout	Indicated	Sulphide	0.5	18.7	1.0	0.05	10	187,000
MG14	Indicated	Sulphide	0.5	1.6	1.4	0.04	14	22,680
Cattlegrid South	Inferred	Sulphide	0.5	0.7	1.7	-	10	11,900
Sweet Nell	Inferred	Sulphide	0.5	0.35	1.2	-	12	4,200
Tailings Dams	Inferred	Sulphide	-	7.2	0.14	0.01*	-	10,080
Emmie Bluff•	Inferred	Sulphide	0.5	24.0	1.3	0.06	10	312,000
TOTAL				52.55				547,860

Notes:

- * Cobalt grade regarded as a low estimate as a result of inadequate sampling.
- Resource stated relates only to that portion of the upper copper deposit which lies within EL 5333.

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. Except for MG14, the estimates of Mineral Resources and Ore Reserves are all reported in accordance with JORC 2004, and have been not been updated since to comply with the JORC 2012 on the basis that the information has not materially changed since it was last reported.

MINERAL RESOURCES AND ORE RESERVES INFORMATION

Coburn – Resources	Measured & Indicated:	D Speijers (2008) of McDonald Speijers Resource Consultants Pty Ltd
	Inferred:	P Leandri (2007)
Coburn - Reserves		P Leandri and T Colton (2008)
Windabout:		F J Hughes (1997)
MG14:		T Callaghan of Resource and Exploration Geology (2013)
Cattlegrid South, Sweet Nell:		S D Lee of Stuart Metals NL (1995)
Tailings Dams:		K F Bampton of Ore Reserve Evaluation Services (1997)
Emmie Bluff:		H L Paterson (1998)

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 2015.

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

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 a part-time 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.