

Appendix 3B

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

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

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

Name of entity

STRANDLINE RESOURCES LIMITED

ABN

32 090 603 642

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|---|--------------------|
| 1 | +Class of +securities issued or to be issued | Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 12,370,000 |

+ See chapter 19 for defined terms.

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<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Performance Rights (“Rights”) granted pursuant to the Strandline Resources Limited Incentive Plan (“Plan”). The Plan was approved by Shareholders on 26 November 2014.</p> <p>Each Right entitles the Participant to acquire one Share upon exercise of the Right. No amount shall be payable by the Participant on the grant or exercise of the Right. Rights will only vest if the relevant performance conditions as set by the Board are met and the Participant remains in employment during the vesting period. Upon vesting, Rights can be exercised by the Participant and the relevant shares will be issued by the Company.</p> <p>The performance conditions have been set to enhance the Company’s performance and contribute to the growth of the Company. The performance conditions are measured over a pre-determined period.</p> <p>Unvested Rights granted will lapse when the performance conditions are not met or if the Participant ceases to be an Employee. Unvested Rights will vest upon a change of control event as defined in the Plan.</p> <p>The Rights granted, subject to meeting performance conditions, include:</p> <ul style="list-style-type: none">- 5,566,500 Rights expiring on or before 30 June 2016;- 6,401,500 Rights expiring on or before 31 December 2016; and- 402,000 Rights expiring on or before 30 June 2017. <p>The Rights granted will only vest on satisfaction of performance conditions including:</p> <ul style="list-style-type: none">- growth in share price;- discovery of JORC Resources;- completion of scoping or pre-feasibility studies;- financing of projects or acquisition of projects by a third party; and- securing new projects.
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. Performance Rights will not be quoted and do not rank equally with any class of quoted securities.</p> <p>A Performance Right does not give any right to participate in new issues of Shares or to participate in dividends until Shares are issued to the Participant pursuant to exercise of vested Performance Rights.</p>
<p>5 Issue price or consideration</p>	<p>Nil consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Performance Rights granted pursuant to the Strandline Resources Limited Incentive Plan with the purpose to motivate and reward performance of employees in achieving specified performance conditions.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>26 November 2014</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

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6d	Number of +securities issued with security holder approval under rule 7.1A	Nil	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of +securities issued under an exception in rule 7.2	12,370,000 Performance Rights under Listing Rule 7.2 Exception 9(b)	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 – 81,985,353 LR 7.1A – 61,768,013	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	5 May 2015	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		628,526,794	Fully paid ordinary shares

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	1,600,000	Unlisted options exercisable on or before 22/06/15 at 29 cents per share.
	1,500,000	Unlisted options expiring on 8/11/15, exercisable at 5 cents per share.
	1,000,000	Unlisted options expiring on 8/11/15, exercisable at 6 cents per share.
	10,000,000	Unlisted options expiring on 3/11/17, exercisable at 3 cents per share.
	5,566,500	Unlisted performance rights expiring on or before 30 June 2016, vesting on satisfaction of performance conditions.
	6,401,500	Unlisted performance rights expiring on or before 31 December 2016, vesting on satisfaction of performance conditions.
	402,000	Unlisted performance rights expiring on or before 30 June 2017, vesting on satisfaction of performance conditions.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities (Not Applicable)

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

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

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(b) All other +securities

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

Entities that have ticked box 34(a)

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

Tick to indicate you are providing the information or documents

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

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

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

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

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

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

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

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

Quotation agreement

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

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Print name: Geoff James
Chief Financial Officer and Company Secretary

Date: 18 May 2015

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

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

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	272,895,005
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p><u>2,000,000</u> fully paid ordinary shares issued on 19 August 2014 by placement of shortfall shares from the Entitlement Offer which closed on 28 May 2014.</p> <p><u>18,476,788</u> fully paid ordinary shares issued on 4 June 2014 pursuant to the Entitlement Offer.</p> <p><u>166,666,667</u> fully paid ordinary shares issued on 23 October 2014 to Strandline Vendors as approved by shareholders on 20 October 2014.</p> <p><u>146,666,668</u> fully paid ordinary shares issued on 24 October 2014 by a placement as approved by shareholders on 20 October 2014.</p> <p><u>8,600,000</u> fully paid ordinary shares issued on 27 November 2014 pursuant to the Share Purchase Plan which closed on 21 November 2014</p> <p><u>2,375,000</u> fully paid ordinary shares issued on 29 January 2015 by placement of shortfall shares from the Share Purchase Plan which closed on 21 November 2014</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month	Nil

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period	
“A”	617,680,128

Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	92,652,019

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

<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p><u>7,000,000</u> fully paid ordinary shares issued on 29 January 2015 to employees to reward loyalty and commitment</p> <p><u>3,666,666</u> fully paid ordinary shares issued on 25 March 2015 to employees to reward loyalty and commitment</p>
“C”	10,666,666

Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1

“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	92,652,019
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	10,666,666
Total [“A” x 0.15] – “C”	81,985,353 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

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Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	617,680,128
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	61,768,013
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	61,768,013
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	61,768,013 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.