STRANDLINE
resources limited

ACN 090 603 642

Notice of Extraordinary General Meeting
and
Explanatory Memorandum

Date of Meeting

Friday 10 July 2015

Time of Meeting

10.00am (WST)

Place of Meeting

Offices of BDO Australia

38 Station Street

Subiaco Western Australia 6008

This is an important document. Please read it carefully and in its entirety. If you do not understand it please consult with your professional advisers.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 9226 3130.

NOTICE OF EXTRAORDINARY GENERAL MEETING

STRANDLINE RESOURCES LIMITED ACN 090 603 642

An Extraordinary General Meeting of Strandline Resources Limited (**Company** or **Strandline**) will be held at **BDO Australia, 38 Station Street, Subiaco** Western Australia, on **Friday 10 July 2015 at 10.00am** (WST).

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Extraordinary General Meeting.

IMPORTANT INFORMATION

These notes form part of the Notice of Meeting.

1. Background information

To assist you in deciding how to vote on the Resolutions, background information to the Resolutions is set out in the Explanatory Memorandum forming part of this Notice of Meeting.

2. Recommendation

The Board believes Resolutions 1, 2, 3 and 4 are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends Shareholders vote in favour of each of them.

3. Voting entitlements

The Directors have determined that, for the purpose of voting at the Meeting, Shareholders eligible to vote at the Meeting are those persons who are the registered holders of Shares at 5.00pm (WST) on **8 July 2015** (save where otherwise indicated under voting exclusion statements in this Notice of Meeting and Explanatory Memorandum).

4. How to vote

You may vote by attending the Meeting in person, by proxy, or by an authorised representative.

5. Voting in person

To vote in person, attend the Meeting on the date and at the place set out above. Shareholders are asked to arrive at the venue by **9.30am** (WST) so the Company may check their Shareholding against the Company's Share register and note attendances.

6. Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy must appoint a representative to exercise any of the powers the body corporate can exercise as a proxy at the Meeting. The representative should bring to the meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received at the Share Registrar **no later than 10.00am** (WST) **on 8 July 2015** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

By Post:	Computershare Investor Services Pty Limited GPO Box 242 Melbourne, Victoria 3001 Australia
By Facsimile (inside Australia):	1800 783 447
By Facsimile (outside Australia):	+61 3 9473 2555

Shareholders can also submit their proxy voting instructions online at www.investorvote.com.au. Please refer to the enclosed Proxy Form for more information about submitting proxy voting instructions online.

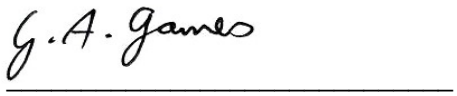
For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions. Any proxy form received after 10.00am (WST) on 8 July 2015 will not be valid for the Meeting.

7. Enquiries

Shareholders are invited to contact the Company Secretary, **Geoff James** on 9226 3130 if they have any queries on the matters set out in these documents.

By order of the board

Date 3 June 2015

Signed 

Name Geoff James
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

ORDINARY BUSINESS

AGENDA

1. Resolution 1 – Transaction with Jacana

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes approval is given for:

(a) *the Company to issue to Jacana the Acquisition Shares on completion of the Acquisition; and*

(b) *the acquisition by Jacana of a relevant interest in the issued voting shares of the Company otherwise prohibited by section 606(1) of the Corporations Act, by virtue of the issue of the Acquisition Shares referred to in paragraph (a) (**Voting Acquisition**)."*

Short Explanation: In relation to the Acquisition, the Company seeks approval to issue Shares to Jacana under Item 7 in the table in section 611 of the Corporations Act. Shareholder approval is required because Jacana will technically, in the period prior to distribution of the Acquisition Shares in specie to Jacana shareholders (the approval to which is a condition precedent to the transaction proceeding), acquire a relevant interest in Shares and their Voting Power in the Company will increase from **0%** to a maximum of **44.32%**, which is more than the 20% threshold prescribed by the Corporations Act.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any person associated with those persons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under section 611(Item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the issue of the Acquisition Shares to Jacana and the resulting Voting Acquisition is, in the circumstances where the Acquisition Shares will be distributed in specie to Jacana shareholders as soon as they are issued to Jacana, both fair and reasonable to the non-associated Shareholders in the context of the Acquisition.

2. Resolution 2 – Approval to issue Future Placement Shares

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the allotment and issue of:

(a) *up to a maximum of 300,000,000 Shares at a minimum issue price per Share which is at least 80% of the volume weighted average market trading price of the Company's Shares over the five trading days immediately prior to the day on which the issue is made (**Future Placement Shares**); and*

(b) *up to a maximum of 300,000,000 free-attaching options (**Future Placement Options**),*

*(together the **Future Placement Securities**), at any time during the period of 3 months after the date of the Meeting, by way of proposed placements to investors (**Future Placements**) that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act (**Future Placees**)."*

Further details of the nature of the Future Placements, including the terms and conditions of the Future Placement Shares and Future Placement Options are set out in the Explanatory Memorandum.

Short Explanation: Resolution 2 is proposed specifically for the purpose of enabling the Company to conduct a future placement (Future Placement) and issue a sufficient number of securities to raise funds required to appropriately progress the Company's exploration and development activities. It is not the Company's current intention to raise money, however, Resolution 2 allows the Company to act expeditiously should attractive financing opportunities present themselves.

Voting Exclusion: The Company will disregard any votes cast on Resolution 2, by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any person associated with those persons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of grant of Performance Rights to Mr Richard Hill

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That, in accordance with ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be given for the grant of 6,800,000 Performance Rights to Mr Richard Hill (or his nominee) (subject to satisfaction of relevant performance conditions), the details of which are set out in the Explanatory Memorandum to Resolution 3 in the Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by Mr Richard Hill and any of his associates. However, the Company need not disregard a vote if it is cast by that person as proxy, in accordance with the directions on the Proxy Form or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

4. Resolution 4 – Approval for Change in Activities

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That, subject to the passing of Resolution 1, for the purposes of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities by way of completion of the Acquisition on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Short Explanation: The Acquisition will result in an expansion of the Company's operations and activities. Resolution 4 seeks Shareholder approval to the Acquisition, which is required by ASX under Listing Rule 11.1.2 on the basis it constitutes a change in the scale of the Company's activities.

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any person associated with those persons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the Extraordinary General Meeting of the Company to be held on **Friday 10 July 2015.**

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the Resolutions detailed in the Notice of Meeting.

1. Background to Proposed Acquisition

1.1 Details of the Acquisition

On 22 April 2015, the Company announced it had executed the Heads of Agreement to acquire a 100% interest in a subsidiary of Jacana, the Tanzanian mineral sands focussed explorer spun out of ASX listed Syrah in 2014. The relevant Jacana subsidiary, JRT, is the operating entity holding all of the Jacana interests in prospective mineral sands acreage in Tanzania. The Heads of Agreement was subsequently amended by a letter agreement dated 20 May 2015.

The Acquisition will result in the Company holding the dominant mineral sands exploration position in Tanzania, the last underexplored piece of the East African mineral sands producing corridor. Additionally, upon completion of the Acquisition, the Company will be better funded and have a more diversified portfolio of projects.

The Board believes the importance of combining these coveted and strategic asset portfolios and holding the dominant mineral sands exploration position in Tanzania cannot be understated. The potential to uncover the next major mineral sands deposit that could go on to become the next generation of globally significant operations on the East African coast is greatly enhanced.

The consideration for the acquisition of JRT is the issue by the Company to Jacana of the Acquisition Shares. The intention is that Jacana will in turn distribute the Acquisition Shares in specie to Jacana shareholders immediately following completion of the Acquisition, thereby bringing new shareholders into the Company who are supportive of Tanzanian mineral sands projects.

The Acquisition is conditional upon the satisfaction or waiver of the following conditions precedent:

(a) confirmation from ASX that the Acquisition is not a transaction that will require Strandline to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules;

(b) the approval of Shareholders at a general meeting being obtained in relation to the Acquisition as follows:

  (i) under Listing Rule 7.1 for the issue of the Acquisition Shares;

  (ii) under Listing Rule 11.1.2, if required by ASX, for possible change of scale activities; and

  (iii) under item 7 of section 611 of the Corporations Act for Jacana acquiring a relevant interest of in excess of 20% in Strandline as a result of the Acquisition;

(c) the Syrah Loan will have been assigned from Jacana to either JRT or Strandline (at Strandline's election);

(d) Syrah agreeing to extend the repayment date for the Syrah Loan by an additional 6 months;

(e) all agreements and arrangements between JRT and ASAB either having been terminated

prior to completion of the Acquisition or, alternatively, Strandline having received written confirmation to its reasonable satisfaction that such agreements are capable of termination by JRT or Strandline following completion of the Acquisition;

(f) all Tanzanian regulatory and governmental approvals being obtained for the Acquisition;

(g) each party being reasonably satisfied with due diligence investigations in relation to the other;

(h) no material adverse change occurring in relation to Jacana, JRT or Strandline in the period from the date of signing of the Heads of Agreement and completion of the Acquisition; and

(i) the approval of Jacana's shareholders at an extraordinary general meeting being obtained under section 256B of the Corporations Act for the in specie distribution to Jacana shareholders of the Acquisition Shares on a pro rata basis pursuant to an equal capital reduction.

Other material terms of the Heads of Agreement include:

(a) Jacana ensuring that the Tenements are kept in good standing and not incurring any new expenditure in relation to the Tenements without Strandline consent;

(b) JRT holding a cash balance of at least $900,000 (net of liabilities), at Completion;

(c) a standstill provision, whereby Jacana will not acquire a Relevant Interest in any Shares in the period prior to completion of the Acquisition;

(d) neither party directly or indirectly procuring or entering into a Competing Proposal unless the Competing Proposal may reasonably be expected to lead to a transaction that is more favourable to that party's shareholders;

(e) the payment of a $100,000 break fee to a party if the other party enters into a Competing Proposal;

(f) Jacana not to transfer, amend or encumber any Tenement or do any thing to cause a breach of obligations under the Tenement;

(g) the parties being entitled to terminate if either fails to satisfy any of the conditions for which it is responsible, a Material Adverse Change occurs or upon the acceptance of a Competing Proposal; and

(h) the parties entering into a formal sale and purchase agreement which will supersede the Heads of Agreement.

1.2 Information about Jacana and JRT

Jacana is a Tanzania focussed mineral explorer with a diverse portfolio of exploration opportunities. Jacana through its wholly owned subsidiary, JRT, owns a 100% interest in sixteen (16) prospecting licences and a 90% interest in two (2) prospecting licences. The assets of Jacana, including mineral sands, graphite, nickel and coal prospects, were demerged from Syrah in October 2014.

The assets of Jacana are located within the world's major zircon and titanium producing region in south east Africa (see Figure 1).

Jacana is selling JRT, which controls Jacana's exploration assets, all of which are located in Tanzania (see Figure 2). These include high potential, underexplored, advanced exploration projects (one of which, Fungoni, has a JORC 2012 compliant Indicated Resource, more particularly set out in Table 1) as well as large areas of well-located unexplored ground. In addition, JRT has strong, graphite, nickel and coal prospects.

The strongest prospects include the rutile-rich Tanga North prospect, heavy mineral concentrated areas south of Tanga (Tongani and Tajiri) and the zircon-rich Fungoni prospect. All of these prospects, and the surrounding exploration areas, need more drilling to assess their potential.

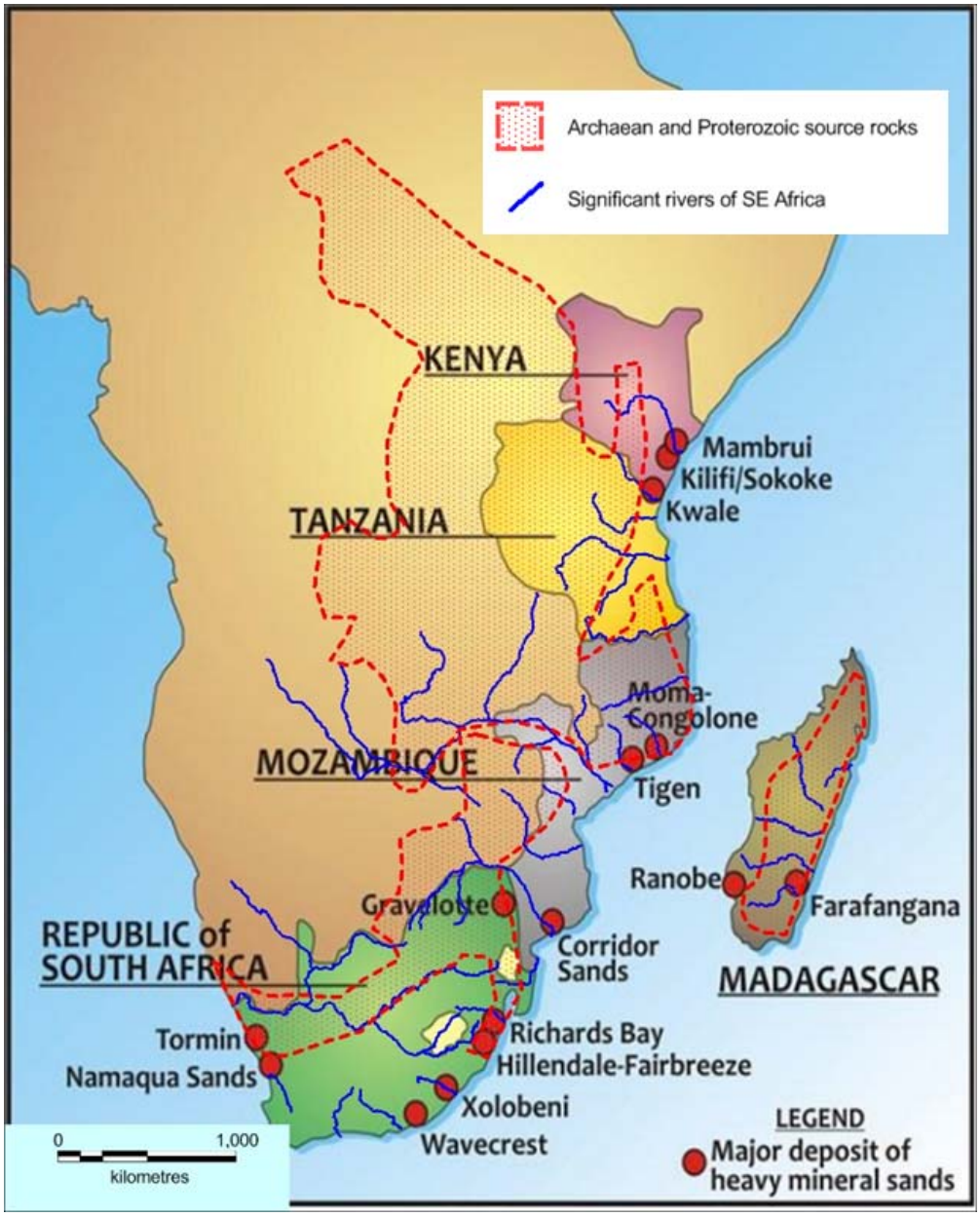


Figure 1: Location of Major Mineral Sands operations in south east Africa

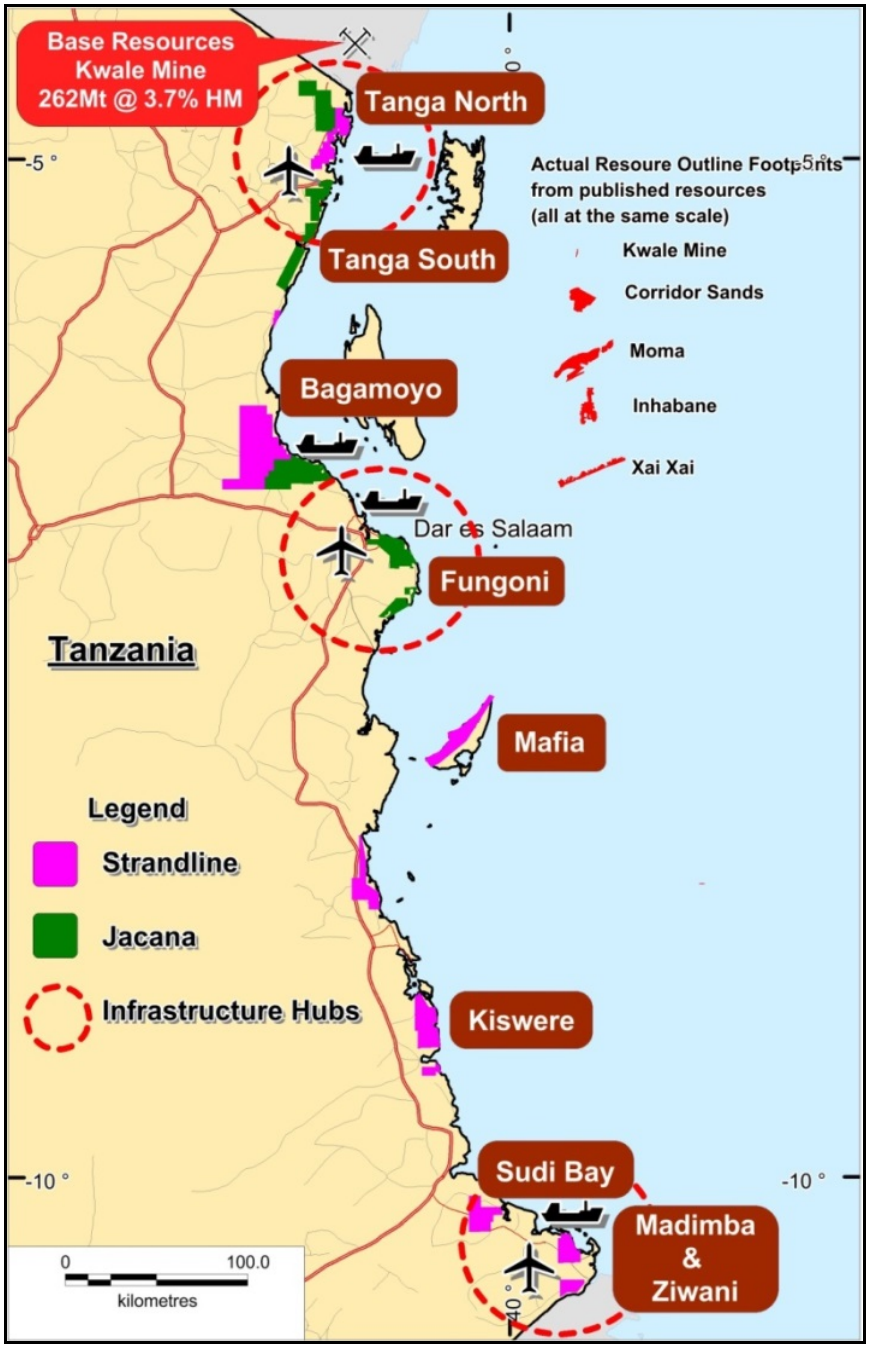


Figure 2: Dominant Mineral Sands Position in Tanzania

Table 1: Fungoni Mineral Resource Estimate[1] at 1.0% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	11.0	3.1	27.5	8.7	0.7	0.1	1.4
Inferred	3.0	1.7	24.2	8.9	0.4	0.1	0.7
Total	**14.0**	**2.8**	**26.8**	**8.8**	**0.6**	**0.1**	**1.2**

[1] The JORC 2012 compliant Mineral Resource Estimate was prepared by Rod Webster, Tracie Burrows and Kathy Zunica of AMC Consultants Pty Ltd on 29 April 2014 and was published by Jacana in its replacement prospectus dated 6 November 2014.

Further information on the exploration assets held by JRT is contained in the Independent Technical Assessment and Valuation report ('**Technical Report**') prepared by CSA Global Pty Ltd. The Technical Report contains information about the geology and mineralisation of JRT's Tenements together with details of previous exploration and development. The Technical Report is annexed to the Independent Expert's Report, which is itself attached to this Explanatory Memorandum at Schedule 2.

Jacana intends to distribute the Shares that it receives in relation to the Acquisition to Jacana shareholders at a rate of approximately five (5) Shares for every one (1) Jacana share owned. This distribution will be subject to Jacana shareholder approval which is intended to be sought by Jacana on or about the date of the Meeting.

1.3 Details of the Tenements

Under the Acquisition, Strandline will indirectly acquire the following tenement interests, as a result of the acquisition of JRT:

Licence No.	Grant Date	Expiry Date	Area (km^2)	Owner	Ownership (%)	Commodity	Project Area
7471/2011	14-Dec-11	13-Dec-15	81.80	JRT	90*	Graphite	Chiliogali
7488/2011	27-Dec-11	26-Dec-15	56.26	JRT	90*	Graphite	Chiliogali
7666/2012	23-Feb-12	22-Feb-16	66.15	JRT	100	HMS	Tanga South
7752/2012	19-Mar-12	18-Mar-16	158.95	JRT	100	HMS	Bagamoyo
7753/2012	4-Apr-12	3-Apr-16	191.93	JRT	100	HMS	Bagamoyo
10265/2014	25-Sep-14	24-Sep-18	63.39	JRT	100	HMS	Bagamoyo
7754/2012	4-Apr-12	3-Apr-16	202.06	JRT	100	HMS	Fungoni
7960/2012	4-Jun-12	3-Jun-16	116.43	JRT	100	HMS	Tanga South
8008/2012	4-Jun-12	3-Jun-16	292.38	JRT	100	HMS	Tanga North
8123/2012	19-Jul-12	18-Jul-16	38.06	JRT	100	HMS	Tanga South
7321/2011	17-Nov-11	16-Nov-15	137.80	JRT	100	HMS	Tanga South
7499/2011	22-Dec-11	21-Dec-15	33.89	JRT	100	HMS	Fungoni
9046/2013	11-Mar-13	10-Mar-17	46.61	JRT	100	Nickel	Mbinga
9352/2013	4-Oct-13	3-Oct-17	28.81	JRT	100	Nickel	Mbinga
9778/2014	5-Jun-14	4-Jun-18	17.67	JRT	100	Nickel	Mbinga
9960/2014	10-Jul-14	9-Jul-18	17.60	JRT	100	Nickel	Mbinga
9951/2014	10-Jul-14	9-Jul-18	101.90	JRT	100	Nickel	Fungoni
7806/2012	4-Apr-12	3-Apr-16	196.57	JRT	100	Uranium/coal	Shikula
		Total	**1848.26**				

* The Chiliogali Permits are subject to the terms of an Option and Purchase Agreement between ASAB and JRT which ultimately enables JRT to obtain a 100% interest in these permits.

1.4 Pro forma balance sheet

An unaudited pro forma statement of financial position of the Company following the Acquisition is set out below:

	Reviewed as at 31-Dec-14 Strandline	Reviewed as at 31-Dec-14 JRT	Unaudited Pro-Forma Adjustments	Unaudited Pro-Forma of Strandline and JRT
	$AUD	$AUD	$AUD	$AUD
Current Assets				
Cash and cash equivalents	1,224,399	33,693	1,466,307	2,724,399
Trade and other receivables	469,844	-	-	469,844
Total current assets	1,694,243	33,693	1,466,307	3,194,243
Non-current assets				
Property, plant and equipment	5,988	78,138	-	84,126
Exploration and evaluation expenditure	29,002,794	6,637,230	(2,611,516)	33,028,508
Other assets	484,676	-	-	484,676
Total non-current assets	29,493,458	6,715,368	(2,611,516)	33,597,310
Total assets	31,187,701	6,749,061	(1,145,209)	36,791,553
Current liabilities				
Trade and other payables	728,079	-	100,000	828,079
Borrowings	-	183,909	316,091	500,000
Provisions	51,361	-	-	51,361
Total current liabilities	779,440	183,909	416,091	1,379,440
Total liabilities	779,440	183,909	416,091	1,379,440
Net assets	30,408,261	6,565,152	(1,561,300)	35,412,113
Equity				
Contributed equity	46,205,009	8,543,994	(3,540,142)	51,208,861
Reserves	1,686,262	(250,887)	250,887	1,686,262
Accumulated losses	(17,483,010)	(1,727,955)	1,727,955	(17,483,010)
Total equity	30,408,261	6,565,152	(1,561,300)	35,412,113

The above unaudited consolidated balance sheet is based on the combined financial position of Strandline and JRT as if completion of the Acquisition had occurred at 31 December 2014.

The following matters make up the unaudited pro-forma adjustments:

(a) the completion of the Acquisition;

(b) the issue of 500,385,220 Acquisition Shares, with a deemed issue price of $0.01 each, resulting in a total purchase consideration of approximately $5 million for JRT;

(c) as at completion of the Acquisition, JRT having $1.5 million in cash and liabilities of $600,000; and

(d) the acquisition method of accounting has been used to account for the Acquisition of JRT and normal principles of consolidation are applied.

1.5 Pro forma capital structure

The pro forma capital structure of the Company on completion of the Acquisition is set out below. Additional information is also provided showing the capital structure of the Company assuming all Resolutions in this Notice of Meeting are approved.

	Shares	Options	Performance Rights
Current issued capital[1]	**628,526,794**	**14,100,000**	**12,370,000**
Issue of Acquisition Shares pursuant to Resolution 1[2]	500,385,220	Nil	Nil
Total on completion of the Acquisition	**1,128,912,014**	**14,100,000**	**12,370,000**
Issue of Future Placement Shares and Future Placement Options[3]	300,000,000	300,000,000	Nil
Issue of Performance Rights[4]	Nil	Nil	6,800,000
Total assuming all Resolutions are passed	**1,428,912,014**	**314,100,000**	**19,170,000**

Notes:

1. This figure assumes no further securities are issued before completion of the Acquisition other than as set out in the table and that no Options or PRs have been converted into Shares.
2. The issue of the Acquisition Shares is subject to shareholder approval under Resolution 1.
3. The issue of Future Placement Shares and Future Placement Options is subject to shareholder approval under Resolution 2.
4. The issue of PRs is subject to shareholder approval under Resolution 3.

1.6 Board of Directors

The current Directors are Mr Michael Folwell, Non-Executive Chairman, Mr Richard Hill, Managing Director, and Mr Didier Murcia, Non-Executive Director. Following completion of the Acquisition, the following Jacana representatives will be appointed to the Strandline Board as non-executive Directors:

(a) **Mr Tom Eadie**

Mr Eadie is the Executive Chairman of Jacana after leaving his previous role as Non-Executive Chairman of Syrah. He also serves as the Chairman of Copper Strike, an ASX-listed exploration company. Prior to his work with Syrah, Tom had 30 years' experience within the junior resources sector and at technical to Senior Executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco he held the role of Executive General Manager (Exploration & Technology) for 11 years. At Aberfoyle, he began as Chief Geophysicist, later taking charge of all mineral sands and base metal exploration. Tom is a past board member of the Australasian Institute of Mining and Metallurgy and of the Australian Mineral Industry Research Association.

(b) **Mr Mark Hanlon**

Mr Hanlon is a Non-Executive Director of Jacana and has over 10 years of experience in the resources and resource services sector. He also has over 10 years' experience in commercial and merchant banking. Mark's broad senior executive background includes experience across a wide range of industries: mining, mining services, electricity distribution, electronics contract manufacturing, paper and packaging and insurance. Most recently Mark served as Finance Director of ENK plc and previously held the position of CFO (or equivalent) with listed companies such as Century Drilling and International Contract Manufacturing Limited. Currently he is Director of Rusina Mining NL and Company Secretary of VU Group Pty Ltd.

1.7 Risk factors

Shareholders should be aware that if Resolution 1 is approved, JRT will become a wholly owned subsidiary of the Company and the Company will therefore be subject to the risks facing JRT.

Notwithstanding the risks specified below, Strandline is already exposed to several of these risks in any event given their current Tanzanian mineral sands projects.

Set out below is a non-exhaustive list of risk factors relating to JRT and the industry in which it operates.

Specific Risks

(a) **Dilution Risk**

Assuming there is no change to the capital structure of the Company, the issue of 500,385,220 Acquisition Shares to Jacana on completion of the Acquisition will dilute existing Shareholders from 100% to approximately 55.68%.

(b) **Risks associated with operating in Tanzania**

All of JRT's exploration tenements are located in Tanzania, a foreign jurisdiction. Investing and operating in foreign jurisdictions carry political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual risk, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which JRT's operations are conducted. Any of these factors could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing any of JRT's projects.

(c) **Tanzania's legal environment**

Tanzania's legal systems are less developed than more established countries and this could result in the following risks:

(i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;

(ii) a higher degree of discretion held by various government officials or agencies;

(iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;

(iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or

(v) relative inexperience of the judiciary and court in matters affecting JRT.

The commitment to local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

(d) **Tenure and access for tenements in Tanzania**

Mining and exploration tenements in Tanzania are subject to periodic renewal. Where a licensee has met the terms of the grant, renewal will not be denied. However, if development conditions are not met there is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements in Tanzania are also subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. If there is failure to meet the commitments, this could lead to forfeiture of the tenement.

(e) **Future capital requirements**

Significant future funding may be required by the Company to develop JRT's projects. There can be no assurance that such funding will be available on satisfactory terms or at

all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration program as the case may be, which may adversely affect the business and financial condition of the Company and its performance.

General Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors.

(a) **Exploration and development risk**

The business of exploration, project development and 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.

(b) **Commodity price volatility and foreign exchange risk**

If Strandline achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Strandline to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of Strandline including supply and demand fluctuations, forward selling activities, the level of production costs in major commodity producing regions and other macro-economic factors.

International prices of various commodities are denominated in United States dollars. The Company will be exposed to the volatility and fluctuations of the exchange rate between the United States dollar, the Tanzanian shilling and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

(c) **Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their

very nature, Resources estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

(d) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(e) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) **Market risk**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism and other hostilities.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

1.8 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

(a) The Acquisition represents a significant investment opportunity for the Company to strengthen its interests in mineral sands exploration in an upcoming region of the world. This will allow the Company to benefit from potential synergies in exploration and development activities between the new and existing Tanzanian projects.

(b) The Acquisition would diversify the Company's exposure to a broader range of commodities in Tanzania including nickel, coal and graphite.

(c) All of JRT's mineral sands exploration tenements and application areas are located close

to the coast, are easily accessible by road, and accessible to port facilities, thus facilitating development in the event of a commercially viable discovery.

(d) Acquisition occurring at what the Company believes is the bottom of the mineral sands price cycle.

(e) It provides an essential minimum injection of at least $900,000 in cash, net of liabilities. This will strengthen the Company's balance sheet.

(f) The potential increase in the market capitalisation of the Company may lead to increased coverage from capital market analysts, improved access to equity capital market opportunities and increased liquidity in its share trading.

(g) The Acquisition will reduce risk in the Company's operating profile through increased project diversity.

(h) The Acquisition represents a significant opportunity for the Company to increase the scale of its activities which could increase the number and size of the investor pool that may invest in the Company's Shares or projects including major mining houses operating in South East Africa.

(i) The Strandline Board will be bolstered by the addition of two experienced non-executive directors, being Mr Tom Eadie and Mr Mark Hanlon. Mr Eadie is an accomplished explorer and leader with several significant discoveries to his name as previous Chairman of Syrah. Mr Hanlon has over 10 years of experience in the resources and resource services sector and has a broad range of senior executive experience.

(j) Strandline's exploration capability will be bolstered by the addition of JRT's in-country exploration team.

1.9 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions relating to the Acquisition:

(a) There are risk factors associated with the Acquisition, including sovereign risk and dilution risk which are set out in Section 1.7 above.

(b) A significant future outlay of funds will be required which may increase funding pressure on the Company in order to continue exploration on JRT's projects and its existing projects.

(c) Current Shareholders will have their interests in the Company diluted by the Acquisition.

(d) Exploration activities on JRT's projects may not identify an economically viable mineral resource.

1.10 Plans for the Company if the Acquisition is not approved

If the Company does not complete the Acquisition, the Company will continue to undertake due diligence on new opportunities for growth and the Board will remain as it is presently. The Company will also undertake an immediate capital raising.

1.11 Directors' recommendation

The Directors unanimously recommend the Acquisition and that Shareholders vote in favour of Resolution 1. It is the view of the Directors that the Acquisition will give Shareholders the opportunity to participate in a significant Tanzanian focused mineral sands explorer and developer (with the synergies and potential attractiveness to majors that brings) in the most active mineral sands producing region in the world.

2. Resolution 1 – Transaction with Jacana

2.1 General

Resolution 1 seeks Shareholder approval for the purpose of section 611 (Item 7) of the Corporations Act to allow;

(a) the Company to issue the Acquisition Shares to Jacana in consideration for the sale and transfer to Strandline of the JRT Shares; and

(b) Jacana to acquire a relevant interest in the issued voting shares of the Company otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Acquisition Shares.

Under the terms of the Heads of Agreement, the Acquisition will not complete unless Jacana shareholders have resolved to accept the distribution to them in specie of the Acquisition Shares, which distribution is intended to occur immediately following completion. Accordingly, as a practical matter Jacana will only hold the Acquisition Shares for an extremely short period of time (and will effectively be receiving the Acquisition Shares in circumstances where it will be obliged to distribute them to those shareholders, rather than being entitled to continue to hold the Acquisition Shares in its own right). The requirement for the Company to obtain approval for the purposes of section 611 (item 7) is accordingly technical in nature only, as it is not intended that Jacana will be put in a position whereby it will be entitled to exercise voting power in relation to the Acquisition Shares. Nonetheless, from a strict compliance perspective the Company is seeking Shareholder approval for this matter. Assuming there is no change to Jacana's relevant interest in Shares prior to the issue of the Acquisition or the capital structure of the Company, Jacana's voting power in the Company will increase from **0%** up to approximately **44.32%** (solely for the period of time within which Jacana holds the Acquisition Shares prior to distributing them in specie to its shareholders) as a result of completion of the Acquisition and the associated issue of the Acquisition Shares contemplated by Resolution 1.

2.2 Corporations Act requirements - Section 611 (Item 7)

(a) **Prohibition on certain acquisitions of relevant interests in voting shares**

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%.

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose or, or control the exercise of a power to dispose of the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power. The voting power of a person is determined under section 610 of the Corporations Act. It involves calculating the number of voting shares in the company in which the person and the person's associates have a relevant interest.

In addition section 608(3) of the Corporations Act provides that a person is deemed to have a "relevant interest" in any securities that a body corporate has if their voting power in that body corporate is above 20% or they control that body corporate.

As indicated in section 2.1 above, the application of sections 606 and 608 to the Acquisition is technical in nature only, as the Acquisition Shares will be distributed in specie to Jacana shareholders immediately following their issue to Jacana.

(b) **Exceptions to the section 606 prohibition**

There are various exceptions to the prohibition in section 606. Section 611 contains a table setting out circumstances in which acquisitions of relevant interests are exempt from the prohibition. Item 7 of this table provides an exemption where a resolution is passed at a general meeting of the company in which the relevant interest will be acquired, before the acquisition is made.

The purpose of Resolution 1 is to seek Shareholder approval for issue of the Acquisition Shares to Jacana and the acquisition of a relevant interest in Shares by Jacana pursuant to section 611 (Item 7) as part of the Acquisition. By passing Resolution 1, Jacana will not be prohibited from acquiring a relevant interest in Strandline in excess of the takeover threshold of 20% in the Corporations Act.

2.3 Information required under section 611 (Item 7) of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74.

Shareholders are also referred to the Independent Expert's Report attached to this Explanatory Memorandum at Schedule 2.

(a) **Identity of the acquirer and their associates**

The Acquisition Shares to be issued by Strandline will be acquired by Jacana. Jacana is an unlisted public company and is the 100% owner of JRT. There are no associates of Jacana for the purposes of determining its voting power under the Corporations Act.

(b) **Maximum extent of increase in voting power**

As at the date of this Notice, Jacana does not hold any relevant interest in any voting shares of Strandline, nor any voting power in Strandline.

Assuming there is no change to the capital structure of the Company, the voting power of Jacana will increase from 0% to approximately 44.32% as a result of being issued the Acquisition Shares.

Strandline and Jacana have entered into the Heads of Agreement whereby Jacana proposes to distribute the Acquisition Shares, in specie to Jacana shareholders as soon as possible following completion of the Acquisition. Following such distribution, none of the shareholders of Jacana will hold more than a 7.8% relevant interest in the capital of Strandline.

(c) **Reasons for the proposed Acquisition**

The Acquisition Shares will be issued in consideration for the Acquisition. The reasons for Strandline proceeding with the Acquisition are set out in section 1 above.

(d) **Material terms and timing of the proposed Acquisition**

The material terms of Strandline's acquisition of JRT are set out in section 1 above. The Acquisition Shares will be issued to Jacana on completion, which is expected to occur within 3 days of Strandline shareholder's approval, as sought under Resolution 1, being obtained.

(e) **Acquirer's intentions**

If Shareholders approve Resolution 1 and the Acquisition Shares are issued, Jacana has informed Strandline that it has no current intention to:

(i) make any significant changes to the business of Strandline;

(ii) inject further capital into Strandline;

(iii) make changes regarding the future employment of the present employees of Strandline;

(iv) redeploy any fixed assets of Strandline;

(v) transfer any assets between Strandline and Jacana; or

significantly change the financial or dividend distribution policies of Strandline. There will be no effective change in Strandline Board control and Jacana will not retain any ownership or relevant interest in Strandline following the distribution in specie.

(f) **Proposed Directors**

As part of the Acquisition, Strandline will appoint Mr Tom Eadie, Executive Chairman of Jacana, and Mr Mark Hanlon, Non-Executive Director of Jacana, to the Strandline Board as Non-Executive Directors. Details of the qualifications and relevant professional experience of Messrs Eadie and Hanlon is set out in section 1.6 above.

(g) **Directors Interests and Recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 1 for the reasons given in section 1.11 above.

(h) **Escrow and ASX Waiver**

The Company made an application to ASX on 17 April 2015 for a waiver in respect of the technical application of the escrow provisions of Listing Rule 9.1.3 for the period in which Jacana holds the Acquisition Shares (**Waiver**). As at the date of this Notice of Meeting, ASX has granted the requested Waiver.

ASX has granted Strandline a waiver from Listing Rule 9.1.3 to the extent necessary to permit it not to apply the restrictions in Appendix 9B (12 month escrow requirement) to the Acquisition Shares to Jacana which are to be distributed in specie to the shareholders of Jacana that are not related parties of the Company or Jacana.

Any related parties (in accordance with Listing Rule 10.1) of the Company or Jacana that acquire any of the Acquisition Shares will, notwithstanding the Waiver, will have such Shares subject to a 12 month escrow period in accordance with Appendix 9B.

(i) **Independent Expert's Report**

To assist Shareholders in deciding how to vote on the Acquisition, the Board engaged BDO to prepare the Independent Expert's Report to provide an opinion on whether or not the issue of the Acquisition Shares to Jacana in connection with the Acquisition is 'fair and reasonable' to Shareholders. As part of the process, BDO commissioned CSA Global Pty Ltd to carry out technical valuations of the projects held by Strandline and Jacana and prepare the Technical Report.

The Independent Expert's Report has been prepared in order to satisfy the requirements for Shareholder approval under section 611 (Item 7) of the Corporations Act.

The Independent Expert has concluded that the issue of Acquisition Shares to Jacana in connection with the Acquisition is both fair and reasonable to Shareholders.

A complete copy of the Independent Expert's Report (including the Technical Report) is provided in Schedule 2 to this Explanatory Memorandum.

BDO has consented to the use of the Independent Expert's Report, and the opinion which it contains, in the form and context used in the Notice of Meeting and Explanatory Memorandum. CSA Global Pty Ltd has consented to the use of its Technical Report in the form and context used in the Notice of Meeting and Explanatory Memorandum[2].

2.4 Listing Rule 7.1

Listing Rule 7.1 provides a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement date of that 12 month period.

Pursuant to Listing Rule 7.2 (Exception 16), shareholder approval pursuant to Listing Rule 7.1 is not required where approval is being obtained pursuant to section 611 (Item 7) of the Corporations Act. Accordingly, if Resolution 1 is passed by the requisite majority, the issue of the Acquisition Shares will be made without using the Company's 15% annual placement capacity and the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1.

3. Resolution 2 – Approval to issue Future Placement Shares

3.1 General

The Company is seeking Shareholder approval for Resolution 2 under Listing Rule 7.1 as referred to in the accompanying Notice of Meeting.

Resolution 2 is proposed for the purpose of enabling Strandline to conduct the Future Placement required to appropriately fund the Company's exploration and development activities. Specifically, Resolution 2 will enable Strandline to issue up to a maximum of 300,000,000 fully paid ordinary Shares, at a minimum issue price per Share which is at least 80% of the VWAP of the Company's Shares over the five trading days immediately prior to the day on which the issue is made and up to 300,000,000 free-attaching Options.

The Directors may offer free-attaching Options as a means of incentivising the Future Placees to take up any placement.

The funds raised from such a Future Placement will be used to:

- fund exploration and development activities across the Company's asset portfolio; and
- to fund working capital requirements.

The Directors reserve the right to vary the application of funds in the best interests of all Shareholders and to proceed with any placements, either as proposed in Resolution 2 or otherwise within the Company's Placement Capacity.

3.2 Listing Rule Requirements

Subject to certain exceptions and to Listing Rule 7.1A, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new securities, or other securities with rights of conversion to equity (such as an option), in any 12 month period, which amount to more than 15% of the company's ordinary securities on issue, without shareholder approval.

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[2] CSA Global Pty Ltd:
(a) Has given and not withdrawn its consent to be named in the Notice;
(b) Has not authorised or caused the issue of the Notice;
(c) Takes no responsibility for any statements in, or omissions from, any part of the Notice, except in respect of its Technical Report; and
(d) Makes no representation regarding, and to the extent permitted by law, excludes any responsibility for, any statements in or omissions from any part of the Notice.

Listing Rule 7.1A further provides that certain companies may, by a special resolution of their shareholders, have the additional capacity to issue a further 10% of the number of fully paid securities on issue at the commencement of the relevant 12 month period. The Company passed such a resolution at its Annual General Meeting held on 26 November 2014 and, as such, is subject to an additional 10% capacity for the current 12 month period. As at the date of this Notice of Meeting, Strandline's Placement Capacity is 143,753,366 securities.

Listing Rule 7.3 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.1:

Item	Future Placement Shares	Future Placement Options
Maximum number of securities to be issued	300,000,000 Shares Strandline is not bound to issue the maximum number of Future Placement Shares for which authority has been granted and may, in its absolute discretion, issue such lesser number as it may determine from time to time so long as such issuance falls within the period specified in the row below.	300,000,000 free attaching Options Strandline is not bound to issue the maximum number of Future Placement Options for which authority has been granted and may, in its absolute discretion, issue such lesser number (on the basis of the granting of Future Placement Shares issued) as it may determine from time to time so long as such grant falls within the period specified in the row below.
Issue Date/date by which the entity will issue the securities	Both the Future Placement Shares and the Future Placement Options will be issued no later than 10 October 2015, being 3 months after the date of the Meeting however such issue may occur progressively or as soon as practicable after the date of the Meeting.	
Issue Price	The Future Placement Shares will be issued at an issue price which is at least 80% of the VWAP of the Company's Shares over the last 5 trading days immediately prior to the day on which the issue is made.	Nil. The Future Placement Options are "free-attaching" options, meaning they are issued for no consideration as a bonus for subscribing for the Future Placement Shares.
Name of persons to whom the securities will be issued	Both the Future Placement Shares and the Future Placement Options will be issued to Future Placees. Strandline reserves the right to pay any broker or other adviser a commission or fee on all monies raised from any Future Placees introduced by that adviser.	
Terms of the securities	Strandline will apply for quotation of the Future Placement Shares which shall rank equally in all respects with all existing Shares.	The Future Placement Options will be issued on the terms and conditions set out in Schedule 1.
Use of funds	Exploration and development activities across the Company's asset portfolio and working capital requirements.	No additional funds will be raised from the grant of the Future Placement Options.

3.3 Related Party Information

As Shareholder approval is only being sought under Listing Rule 7.1, the Future Placement Securities cannot be issued to related parties of the Company as defined in Listing Rule 10.11, including (but not limited) to Directors and their spouses, entities controlled by Directors and controlling Shareholders of the Company. The Company will ensure that none of the Future Placees are related parties of the Company.

3.4 Effect of Resolution 2

If passed, Resolution 2 will allow the Company to issue up to 300,000,000 Shares to raise funds which will contribute towards strengthening its financial position and thereby assisting the Company to fund exploration and development programs across its extensive range of project assets.

The issue of up to 300,000,000 Future Placement Shares will have a dilutive effect on the existing Shareholders. The issue of the Future Placement Options may also have a dilutive effect on existing Shareholders if those Options are exercised in the future (which will likely only occur if the Company's Share price increases above the Exercise Price).

A pro forma issued capital table demonstrating the impact (and dilutive effect) of all the Resolutions contemplated in this Notice of Meeting is set out below.

Securities	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolutions)	Options (cumulative)	% (at issue)	% (after issue of all Options per Resolutions)	Performance Rights (cumulative)	% (at issue)	% (after issue of all Performance Rights per Resolutions)	% (Fully Diluted Basis*)
Current (as at date of this Notice)	628,526,794	100%	44.0%	14,100,000	100%	4.5%	12,370,000	100%	64.5%	37.2%
Issue of Acquisition Shares (if Resolution 1 approved)	1,128,912,014	44.3%	35.0%	14,100,000	-	-	12,370,000	-	-	28.4%
Issue of Future Placement Shares (if Resolution 2 approved)	1,428,912,014	21.0%	21.0%	314,100,000	95.5%	95.5%	12,370,000	-	-	34.0%
Grant of Performance Rights (if Resolution 3 approved)	1,428,912,014	-	-	314,100,000	-	-	19,170,000	35.5%	35.5%	0.4%

* After issue of all securities contemplated by the Resolutions on a fully diluted basis.

Accordingly, each existing Shareholder's percentage ownership in the Company will be reduced upon the issuance of the Future Placement Shares (and upon the issue of any Shares upon exercise of any Future Placement Options), reducing the existing Shareholder's percentage ownership in the Company and potentially, their control over the affairs of the Company.

If Resolution 2 is not passed, the Company will not be able to issue Future Placement Shares in excess of its existing available Placement Capacity in accordance with Listing Rule 7.1 and/or 7.1A which may result in the Company missing the opportunity to place with quality investors and

fully advance the exploration and development of the Company's projects in the short term.

3.5 Directors' Recommendation

No members of the Board have any personal interests in the outcome of Resolution 2. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Approval of grant of Performance Rights to Mr Richard Hill

4.1 General

The Company proposes to grant 6,800,000 Performance Rights (PRs) to Richard Hill (or his nominee). Mr Hill is the Managing Director of the Company. The purpose of Resolution 3 is to approve the grant of 6,800,000 PRs to Mr Hill. The PRs are to be granted to Mr Hill only if the relevant performance conditions (set out below) have been satisfied.

The PRs proposed to be granted to Mr Hill were formulated in January 2015 and approved by the Board to reflect the level of commitment to be provided by him to the Company in assisting it to achieve certain specified performance objectives, taking into account the responsibilities of Mr Hill and the time commitment required from him. The PRs to be granted also reflect the value the Board believes Mr Hill brings to the Company.

The grant of PRs to Mr Hill is intended to:

(a) provide an appropriate and adequate incentive for Mr Hill to assist the Company to achieve prescribed performance milestones;

(b) provide a cost effective and efficient form of remuneration when compared to the payment of cash consideration;

(c) ensure the Company retains the services and experience of Mr Hill; and

(d) reinforce Mr Hill's commitment to the Company.

The PRs are to be granted to Mr Hill only if the relevant performance conditions have been satisfied. Upon satisfaction of the performance conditions, the PRs will vest and Mr Hill will be issued with a corresponding number of Shares without being required to pay any monetary consideration. The PRs will be offered to Mr Hill for no cash consideration. The Board considers it is appropriate for part of Mr Hill's remuneration package to comprise non-cash, incentive based remuneration.

The PRs will only vest if the following performance conditions are met:

Tranche	Performance Condition	Number of Performance Rights to vest	Test date
Tranche 1	VWAP remaining at or above $0.025 per share for a period of at least 20 trading days	680,000	30 June 2016
Tranche 2	VWAP remaining at or above $0.04 per share for a period of at least 20 trading days	680,000	30 June 2016
Tranche 3	Announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM in relation to any existing or new projects of the Company	1,360,000	30 June 2016
Tranche 4	Announcement of a JORC Inferred Mineral Resource >100Mt of >3%HM in relation to any existing or new projects of the Company	1,020,000	31 December 2016
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.	680,000	31 December 2016

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	1,020,000	31 December 2016
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. Completion of the Acquisition will satisfy this performance condition	680,000	31 December 2016
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.	680,000	30 June 2017
	TOTAL	**6,800,000**	

PRs will only vest into Shares if the relevant performance condition is satisfied on or before the test date. Any PRs that do not vest will lapse.

4.2 ASX Listing Rules and Corporations Act

The Listing Rules and the Corporations Act require shareholder approval to be obtained for the grant of PRs to Directors. Accordingly approval for the grant of the PRs to Mr Hill is sought in accordance with the provisions of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

The proposed Resolution 3, if passed, will approve the grant of securities to and confer financial benefits upon a Director of the Company. The Company seeks to obtain shareholder approval in accordance with the requirements of section 208 of the Corporations Act and Listing Rule 10.11. Accordingly, information required under the Listing Rules and the Corporations Act as well as information that will properly enable shareholders to consider Resolution 3 is presented below.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party it must generally obtain the prior approval of its shareholders. A "related party" for the purposes of the Corporations Act includes a director of a public company. A "financial benefit" for the purposes of the Corporations Act is widely defined and includes a public company granting PRs to a related party. The granting of PRs to a Director as contemplated by Resolution 3 constitutes the giving of a financial benefit and accordingly, the Company is seeking shareholder approval under section 208 of the Corporations Act to approve the grant of the PRs to Mr Hill.

Listing Rule 10.11 provides that a company must not issue or agree to issue equity securities to a related party of the company, such as a director, without the company first obtaining the approval by ordinary resolution of its shareholders.

Approval pursuant to Listing Rule 7.1 is not required in order to grant the PRs to Mr Hill, as approval is being obtained under Listing Rule 10.11. Accordingly, Shareholders should note that the grant of PRs to Mr Hill will not be included in the 15% calculation imposed by Listing Rule 7.1. The Shares issued on any vesting of the PRs will be issued on the same terms as all other ordinary shares of the Company currently on issue.

4.3 Information required under Chapter 2E of the Corporations Act

The following information is provided pursuant to section 219 of the Corporations Act in relation to Resolution 3:

(a) The related party to whom the PRs will be granted is Mr Richard Hill (or his nominee). The nominee must be approved by the Board. Mr Hill is a related party by virtue of being the Managing Director of the Company.

(b) The nature of the financial benefit to be granted to Mr Hill (or his nominee) is the right to receive 6,800,000 PRs, and the issue of a maximum number of 6,800,000 Shares upon the vesting of those PRs, for no cash consideration.

The Company has valued the PRs to be granted to Mr Hill using the Black-Scholes Model. The value of the PRs calculated by the Black-Scholes Model is a function of the closing share price at the valuation date. The valuation of the PRs has been prepared using the following assumptions:

(i) valuation date is 2 June 2015;

(ii) exercise price is nil;

(iii) expiration dates are (in accordance with the test dates specified in section 4.1 above): Tranches 1 to 3 – 30 June 2016, Tranches 4 to 7 – 31 December 2016, Tranche 8 – 30 June 2017;

(iv) expected life of the PR instrument is 3 years;

(v) current share price at date of valuation is $0.008; and

(vi) dividend yield is nil.

Model input variables such as share price volatility and market interest rates have no effect on the valuation since no consideration is to be paid by the holder of the PRs upon vesting. As such, the PRs are valuable to the holder so long as there is some value in the underlying share. Therefore, the value of the PRs is the 5 day VWAP as at the valuation date.

Based on the assumptions, it is considered that the estimated average value of the PRs to be granted to Mr Hill is $0.009 per PR which gives a total valuation of $61,200.

(c) In the 12 months before the date of this Notice of Meeting, the highest, lowest and last trading price of Shares on the ASX are as set out below:

	Date	**Price**
Highest	3 March 2015	$0.015
Lowest	20 April 2015	$0.006
Last Trading Price	2 June 2015	$0.008

(d) The proposed grant of the PRs to Mr Hill will be made pursuant to the terms and conditions set out in section 4.7 of this Explanatory Memorandum.

(e) Mr Hill has a material personal interest in the outcome of Resolution 3 as he (or his nominee) will be the recipient of the PRs. Accordingly Mr Hill does not wish to provide a recommendation for the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 3, recommend Shareholders approve Resolution 3 as they are of the view the grant of PRs to Mr Hill (or his nominee) is appropriate to assist the Company in retaining his services and directly aligning his long term interest with the strategic objectives of the Company. The Directors (other than Mr Hill) considered Mr Hill's experience, the current market price of the Shares and current market practice when determining the performance conditions and the number of PRs to be granted to Mr Hill (or his nominee).

(f) Each Director was present and voted at the Board meeting when the grant of the PRs the subject of Resolution 3 was approved. The Board's decision to grant the PRs to Mr Hill was made subject to Shareholder approval being sought under Chapter 10 of the Listing Rules and Chapter 2E of the Corporations Act.

(g) As at the date of this Notice of Meeting, Mr Hill (and his associates) holds 35,124,628 Shares (directly and indirectly)**.**

(h) As at the date of this Notice of Meeting, the capital structure of the Company is as follows:

Capital	**Number**
Ordinary Shares	628,526,794
Options exercisable at various prices	14,100,000
Performance Rights exercisable upon achievement of all performance conditions	12,370,000

If Shareholders approve all the Resolutions contained in this Notice of Meeting the issued capital of the Company will be as follows:

Capital	**Number**
Ordinary Shares	1,428,912,014
Options exercisable at various prices	314,100,000
Performance Rights exercisable upon achievement of all performance conditions	19,170,000

(i) If Resolution 3 is passed and Mr Hill's PRs vest into Shares, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.48% on an undiluted basis and based on the number of Shares on issue assuming that Resolutions 1 and 2 are passed, assuming that no existing options and none of the Future Placement Options are exercised, no existing PRs vest into Shares and no other securities are issued by the Company in the meantime.

The dilution of existing Shareholders will be approximately 1.08% on an undiluted basis based on the number of Shares on issue (as at the date of this Notice of Meeting), assuming no existing Options are exercised, no existing PRs vest into Shares and no other securities are issued by the Company in the meantime.

Information on the fully dilutive impact on shareholders is presented in section 3.4 of this Explanatory Memorandum.

(j) The Directors (other than Mr Hill) do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the PRs to Mr Hill upon the terms proposed.

(k) The Directors have determined that Mr Hill, as Managing Director, will be paid a remuneration package of $170,000 per annum (inclusive of superannuation) working a minimum of 3 days per week. Additional days worked are to be remunerated at $1,100 per day. No other Director fees will be paid to Mr Hill.

(l) Other than the information specified in this Explanatory Memorandum, the Directors are not aware of any other information that would be reasonably required by Shareholders in order to decide whether it is in the best interests of the Company to pass Resolution 3.

4.4 Information Required Under Listing Rule 10.11

For the purposes of Listing Rule 10.11, the following information is provided in relation to the grant of PRs pursuant to Resolution 3 as required by Listing Rule 10.13:

(a) The PRs will be granted to Mr Richard Hill (or his nominee), a related party of the Company.

(b) The maximum number of PRs to be granted by the Company to Mr Hill (or his nominee) is

6,800,000.

(c) The PRs will be granted not later than 1 month after the date of the Extraordinary General Meeting in which Resolution 3 is passed (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(d) The PRs will be granted for nil consideration as they are being granted as part of Mr Hill's Managing Director's remuneration package which provides a material incentive for Mr Hill's ongoing commitment and dedication to the growth of the Company.

(e) The PRs will be issued on the terms and conditions set out in section 4.7 of this Explanatory Memorandum.

(f) A voting exclusion statement is included in the Notice of Meeting.

(g) No funds will be raised by the grant of the PRs or issue of Shares on vesting.

4.5 Potential Costs – Grant of PRs

Australian International Financial Reporting Standards require PRs that are issued to related parties to be expensed in accordance with AASB 2 – Share Based Payments.

Expensing these PRs will have the effect of increasing both the expenses and the contributed equity of the Company. There will be no impact on the net assets or the cash position or financial resources of the Company as result of expensing these PRs.

4.6 Taxation Consequences

There are no tax implications for the Company issuing these PRs.

4.7 Terms and Conditions of the PRs

Subject to shareholder approval, the PRs will be granted on the following terms:

(a) A person who accepts an offer of PRs (the '**holder**'), will not pay any consideration for the grant of the PRs.

(b) Each PR entitles the holder to be issued with one Share upon vesting of that PR.

(c) PRs may be issued to a nominee of the holder, subject to approval by the Board in its absolute discretion.

(d) PRs will only vest if the performance conditions, as specified in section 4.1 of this Explanatory Memorandum, are satisfied on or before the test date.

(e) The holder of vested PRs will be issued with a corresponding number of Shares without being required to pay any consideration.

(f) Any PRs that do not vest will lapse.

(g) PRs will expire 3 years from the grant date ('**expiry date'**).

(h) PRs lapse on the earlier to occur of:

(i) where performance conditions have not been satisfied on or before the test date;

(ii) if a holder ceases to be a Director or employee of the Company;

(iii) the day the Board makes a determination that PRs lapse due to breach, fraud or dishonesty; and

(iv) the expiry date.

(i) Unvested PRs will become vested PRs upon a change of control event which is defined as:

(i) an unconditional takeover bid being made to acquire Shares in the Company; or

(ii) a greater than 50% change in the shareholding of the Company from that which existed at the date the relevant PRs were granted; or

(iii) any merger transaction or scheme of arrangement recommended by the Board.

(j) A PR does not confer on the holder the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

(k) All Shares issued upon exercise of the PRs will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX.

(l) The Company will not apply for official quotation of any PRs.

(m) The PRs are not transferable except if the holder dies.

(n) If the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of the holder for a PR held by the holder before the record date for determining entitlements to the bonus issue, then the number of Shares to which the PR relates will be increased by the number of Shares which the holder would have received under the bonus issue if the PR had vested immediately prior to the record date for the bonus issue.

(o) On a reorganisation of the Company's capital, the rights of the holder will be changed to the extent necessary to comply with the Listing Rules.

4.8 Voting Exclusion Statement

A voting exclusion applies to Resolution 3 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

5. Resolution 4 – Approval for change in activities

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the notice of meeting.

ASX has advised the Company that it must seek Shareholder approval for the Acquisition on the basis that it will constitute a change in the scale of the Company's activities. Accordingly, Resolution 4 seeks Shareholder approval for the Acquisition under Listing Rule 11.1.2. ASX has advised the Company that the change in the nature and scale of the Company's activities does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

Shareholders are advised that any approval the Company currently has under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve the Acquisition under ASX Listing Rule 11.1.2.

Shareholders should refer to the information at sections 1 and 2 for information about the Acquisition and its impact on the Company.

5.1 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

GLOSSARY

In this document:

AASB 2 – Share Based Payments means the compiled Australian Accounting Standards Board compilation 2.

Acquisition means, in accordance with the Heads of Agreement, the proposed acquisition by the Company of the JRT Shares from Jacana in consideration for the issue to Jacana of the Acquisition Shares.

Acquisition Shares means 500,385,220 new ordinary fully paid shares in the capital of the Company, each having a deemed price per share of $0.01.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASAB means ASAB Resources (Tanzania) Limited.

ASX means ASX Limited (ACN 000 943 377) or the Australian Securities Exchange, as appropriate.

ASX Waiver Application means the ASX waiver application lodged with ASX by Strandline on 17 April 2015 in respect of a waiver of the escrow requirements of Listing Rule 9.1.3 for the Acquisition Shares held by Jacana.

Board means the Company's Board of Directors.

Company or **Strandline** means Strandline Resources Limited (ACN 090 603 642).

Competing Proposal means a competing proposal as defined in the Heads of Agreement.

Constitution means the Company's Constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the Directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum which accompanies and forms part of the Notice of Meeting.

Exercise Price means the exercise price of any free-attaching Options to be issued pursuant to Resolution 2, to be approved by the Board and being an amount up to a maximum of 200% of the value of the Future Placement Shares issued to which they are attached.

Future Placees mean the placees under the Future Placement as set out in Resolution 2 of the Notice of Meeting.

Future Placement means the proposed future capital raising to be facilitated by the passing of Resolution 2 of the Notice of Meeting.

Future Placement Options mean the free attaching Options to be issued under a proposed capital raising as set out in Resolution 2 of the Notice of Meeting.

Future Placement Shares mean the Shares to be issued under a proposed capital raising as set out in Resolution 2 of the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice.

Heads of Agreement means the binding heads of agreement entered into between the Company and Jacana as announced on 22 April 2015, as amended by a letter agreement dated 20 May 2015.

HMS means heavy mineral sands.

Independent Expert or **BDO** means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the report prepared by the Independent Expert and annexed to

this Notice at Schedule 2.

Jacana means Jacana Minerals Limited (ACN 600 490 355).

JORC Resource means a resource classified in accordance with the then current edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

JRT means Jacana Resources (Tanzania) Limited.

JRT Shares means 100 duly paid ordinary shares in the capital of JRT (being all the issued shares in JRT).

Listing Rules means the Listing Rules of the ASX.

Material Adverse Change means a material adverse change as defined in the Heads of Agreement.

Notice or **Notice of Meeting** means this notice of General Meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Performance Rights or **PRs** mean the performance rights granted to acquire Shares on the terms and conditions as set out in section 4.7 of the Explanatory Memorandum.

Placement Capacity means the Company's capacity to issue equity securities without Shareholder approval having regard to the operation of Listing Rule 7.1 and Listing Rule 7.1A as they apply to Strandline from time to time.

Proxy Form means the proxy form attached to the Notice of Meeting.

Resolution means a resolution referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Share Registrar means Computershare Investor Services Pty Ltd (ACN 000 937 879).

Syrah means Syrah Resources Ltd (ACN 125 242 284).

Syrah Loan means the existing loan of $500,000 provided by Syrah to Jacana in accordance with the loan agreement dated 21 August 2014.

Tenements mean those tenements the subject of the Acquisition and as described at section 1.3 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Voting Power has the same meaning as in the Corporations Act.

Voting Acquisition means the acquisition of the relevant interest in the Company resulting from the issue of the Acquisition Shares which, without the approval of Resolution 1, would otherwise be prohibited by section 606(1) of the Corporations Act.

VWAP means the volume weighted average trading price of the Shares on ASX.

WST means Australian Western Standard Time.

SCHEDULE 1 – Future Placement Option Terms

The Future Placement Options will be granted under the following terms and conditions:

(a) each Future Placement Option entitles the holder to subscribe for one Share upon exercise of each option.

(b) the Future Placement Options granted will have a 2 year term and be set at the Exercise Price.

(c) the Future Placement Options will be exercisable at any time after they are issued and on or prior to their end date.

(d) Future Placement Options may be exercised by giving notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Future Placement Option being exercised. Any Notice of Exercise of a Future Placement Option received by the Company will be deemed to be a notice of the exercise of that Future Placement Option as at the date of receipt.

(e) Shares issued on exercise of the Future Placement Options will rank equally with the Shares of the Company.

(f) application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Future Placement Options.

(g) after each Future Placement Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of each Future Placement Option:

    (i) issue and allot the Shares; and

    (ii) do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.

(h) there are no participation rights or entitlements inherent in the Future Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Future Placement Options the opportunity to exercise their Future Placement Options prior to the date for determining entitlements to participate in any such issue.

(i) if the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

    (i) the number of Shares which must be issued on the exercise of each Future Placement Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Future Placement Option before the record date for the bonus issue; and

    (ii) no change will be made to the Exercise Price.

(j) if there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(k) Application will be made by the Company to ASX for quotation of the Future Placement Options.

(l) Future Placement Options are transferable provided the transfer of the Future Placement Options complies with section 707(3) of the Corporations Act.

SCHEDULE 2 – INDEPENDENT EXPERT'S REPORT

STRANDLINE RESOURCES LIMITED
Independent Expert's Report

21 May 2015

Financial Services Guide

21 May 2015

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Strandline Resources Limited (**'Strandline'**) to provide an independent expert's report on the proposed acquisition of a wholly owned subsidiary company of Jacana Minerals Limited (**'Jacana'**) with the issue of fully paid equity shares as consideration (**'the Transaction'**). You will be provided with a copy of our report as a retail client because you are a shareholder of Strandline.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $20,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Other Assignments
BDO Audit and Assurance (WA) Pty Ltd is the appointed Auditor of Strandline. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Strandline for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (**'FOS'**). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details
You may contact us using the details set out on page 1 of the accompanying report.

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Australia

21 May 2015

The Directors
Strandline Resources Limited
35 Richardson Street
West Perth, WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 22 April 2015, Strandline Resources Limited ('**Strandline**' or '**the Company**') announced that it had executed a Binding Heads of Agreement ('**HOA**') to acquire a wholly owned subsidiary of Jacana Minerals Limited ('**Jacana**') with the issue of fully paid equity shares as consideration ('**the Transaction**'). The subsidiary company of Jacana, Jacana Resources (Tanzania) Limited ('**JRT**'), is a company incorporated in Tanzania.

The consideration for the Transaction involves the issue of 500,385,220 fully paid equity shares to Jacana. The issue of shares to Jacana will result in Jacana technically holding a temporary interest in Strandline in excess of 20% and is subject to shareholders' approval which will be sought under item 7 section 611 of the Corporations Act 2001 Cth ('**Corporations Act**' or '**the Act**'). The Heads of Agreement was subsequently amended by a letter dated 20 May 2015 ('**Amended HOA**'). The Amended HOA seeks an approval of Jacana's shareholders for the in-specie distribution of the shares received as consideration by Jacana, on a pro rata basis pursuant to an equal capital reduction.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Strandline have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether or not the proposed Transaction is fair and reasonable to the non-associated shareholders of Strandline ('**Shareholders**').

Our Report is prepared pursuant to section 611 of the Corporations Act and is to be included in the Notice of Meeting for Strandline in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('**ASIC**'), Regulatory Guide 74 'Acquisitions Approved by Members' ('**RG 74**'), Regulatory Guide 111 'Content of Expert's Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of a Strandline share prior to the Transaction compares to the value of a Strandline share following the Transaction;
- The likelihood of a superior alternative offer being available to Strandline;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Strandline.

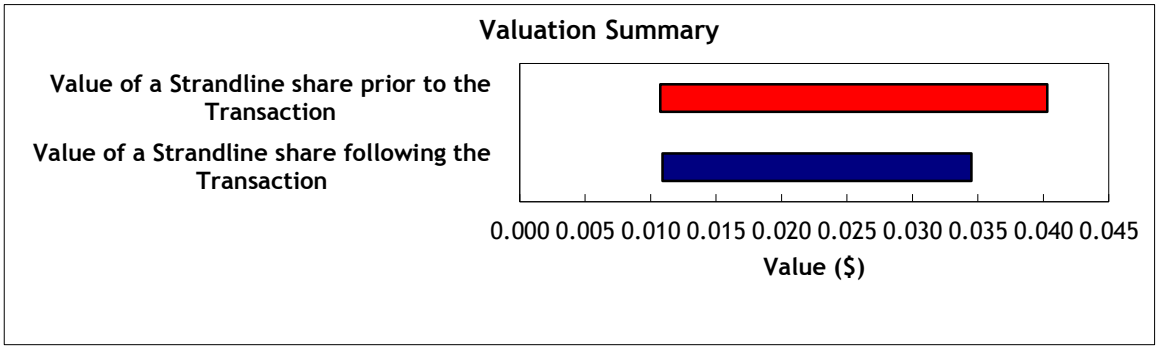
2.4 Fairness

In section 13, we determined that the value of a Strandline share prior to the Transaction compares to the value of a Strandline share following the Transaction, as detailed below.

		Low	Preferred	High
	Ref	$	$	$
Value of a Strandline share prior to the Transaction	11.1	0.011	0.018	0.040
Value of a Strandline share following the Transaction	12.2	0.011	0.018	0.034

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, our range of values of a Strandline share following the Transaction is equivalent to our range of values of a Strandline share prior to the Transaction. Therefore, we conclude that the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 14 of this report, in terms of both

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information, we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
14.4	The Transaction is fair	14.5	Increased risk with Tanzanian investment
14.4	The proposed Transaction would help diversify Strandline's base of Tanzanian projects and consolidate its position in Tanzania making it a more attractive takeover target	14.5	Altering the risk profile of the Strandline business could detract current investors
14.4	Synergies with current Tanzanian projects	14.5	Dilution of shareholding of current shareholders
14.4	Helps strengthen the Board of Directors		
14.4	Altering the risk profile of the Strandline business could attract new investors and help the Company with reviewing future growth opportunities		
14.4	Cash received will strengthen the balance sheet of Strandline as a part of the Transaction		

Other key matters we have considered include:

Section	Description
14.1	Alternative proposal
14.2	Practical level of control
14.3	Consequences of not approving the Transaction

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

If the Proposed Transaction is approved, Jacana will be issued with 44.32% of the issued ordinary shares in Strandline. However, as per the terms of the amended HOA, the Acquisition is conditional upon the approval of Jacana's shareholders for the in-specie distribution to Jacana shareholders of the shares received by Jacana as consideration on a pro rata basis. Therefore, Jacana will not hold a relevant interest in the Strandline shares.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Strandline, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Strandline have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, though Jacana would be issued with 44.32% of the issued ordinary shares in Strandline on completion of the Transaction, thereby coming within the ambit of a control transaction as defined by RG 111, we have not assessed the Transaction as a control transaction. As discussed above, the Notice of Meeting and the Amended HOA, state that the condition precedent for the Transaction is the approval by the Jacana shareholders of the in-specie distribution of the consideration shares.

Therefore, if the Jacana shareholders approve the in-specie distribution of the Strandline shares, it will be issued to them and if they do not approve it, the shares will be cancelled. There is no circumstance under which Jacana will continue to hold or have a relevant interest in the shares of Strandline.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities which are the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, in the present

instance, Jacana would not have control over Strandline given that the Transaction is conditional upon the approval of the Jacana shareholders for the in-specie distribution of shares received as consideration.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- a comparison between value of a Strandline share prior to the Transaction and the value of a Strandline share following the Transaction (fairness – see Section 13 'Is the Transaction Fair?'); and
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 14 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

4.1 The Transaction

Under the HOA, Strandline will acquire from Jacana, all fully paid ordinary shares in JRT in return for the issue of 500,385,220 fully paid ordinary shares in Strandline.

Jacana is transferring its interest in JRT which controls Jacana's exploration assets.

4.2 Shareholding in Strandline following the Transaction

Prior to the Transaction, Jacana does not hold any shares in Strandline. If Shareholders approve the Transaction and assuming no further shares are issued other than under the Transaction, the potential change in shareholding is summarised below.

	Strandline		
Shareholding Scenario	Jacana	Shareholders	Total
Existing shareholding:			
Issued shares as at the date of our Report	-	628,526,794	628,526,794
% holdings as at the date of our Report	-	100.00%	100.00%
Number of shares to be issued under the Transaction			
Shares issued as consideration to Jacana	500,385,220	-	500,385,220
Total shares following the Transaction	500,385,220	628,526,794	1,128,912,014
% holdings	**44.32%**	**55.68%**	**100.00%**

Source: Management information

The intention is for Jacana to distribute the Strandline shares as soon as possible to its shareholders, none of whom will hold more than 7.8% in Strandline post-Transaction. Jacana aims to distribute the Strandline shares at a rate of approximately five Strandline shares for every one Jacana share owned. A waiver has been granted by the ASX in respect of the technical application of the escrow provisions of ASX Listing Rule 9.1.3 for the period in which Jacana holds the Strandline shares.

We have not included the potential exercise of 14,100,000 options that Strandline currently has on issue at the date of our Report, as we consider them to be out of the money. Further, none of these options are held by Jacana.

Additionally, on 18 May 2015, the Company granted 12,370,000 Performance Rights ('**Rights**') pursuant to the Strandline Resources Limited Incentive Plan. The Rights have been granted with the purpose to motivate and reward the performance of employees in achieving specific performance conditions.

5. Profile of Strandline

5.1 History

Strandline, formerly known as Gunson Resources Limited, was incorporated on 23 December 1999 and officially listed on the Australian Securities Exchange ('**ASX**') on 17 May 2000. The Company is focused on the exploration of mineral sands in Australia and Tanzania. The current board members and senior management of Strandline are:

- Mr Michael Folwell, Non-executive Chairman;
- Mr Richard Hill, Executive Director;
- Mr Didier Murcia, Non-executive Director; and
- Mr Geoff James, Chief Financial Officer and Company Secretary.

On 23 October 2014, the Company acquired 100% of the shares in Strandline Resources Pty Ltd ('**SRPL**') in an all scrip transaction. Shareholder approval for the transaction was received on 20 October 2014. SRPL's assets included 100% working interest in 16 granted mineral sands exploration tenements, covering approximately 2,000 square kilometres in Tanzania.

As consideration for the acquisition, Strandline issued 166.67 million ordinary shares in the capital of Strandline to SRPL shareholders at a deemed issue price of $0.015 per share. Following receipt of shareholder and regulatory approval, the Company changed its name from Gunson to Strandline.

The Company's most recent capital raising was completed on 27 November 2014 through a share purchase plan ('**SPP**'), in which Strandline raised $129,000 through the issue of 8,600,000 shares at $0.015 per share. The Company intends to use the funds raised from the SPP for exploration and drilling work on its Tanzanian mineral sands assets and for working capital purposes.

Set out below is a brief description of the Company's projects.

Tanzania Heavy Mineral Sands Project

Following the acquisition of SRPL, the Company acquired a 100% interest in 16 Tanzanian mineral sands projects.

The prospective area includes five projects along the coast, which are:

- Madimba;
- Kiswere;
- Kitambula;
- Mafia Island; and
- Ziwani.

All five projects are located within 20 kilometres of the coastline with close access ports and other key infrastructure.

During 2014, Strandline completed its first auger drill program across Madimba, Madimba East and Ziwani. The drilling program comprises 115 auger drill holes, with the aim of the program to demonstrate sufficient scale, grade, continuity and assemblage potential of heavy mineral sands mineralisation to move

to aircore drilling. Results from the drilling indicated mineralisation with visible indications of heavy minerals such as zircon at its Madimba project.

On 3 March 2015, the Company received drilling results from three separate locations at Mafia Island which indicated mineral assemblage of ilmenite and zircon.

Coburn Heavy Mineral Sands Project

The Coburn heavy mineral sands project is located approximately 250 kilometres north of the port of Geraldton, south of Shark Bay, Western Australia. The project area covers approximately 1,200 square kilometres with the Definitive Feasibility Study completed. The Company has completed a Front End Engineering and Design Study in September 2012 and Optimisation Study in February 2013.

During the financial year ended 30 June 2014, the Company received final approval for Mining Proposal 2, covering the first five years of mining activity from the Western Australia Department of Mines and Petroleum (**'DMP'**).

In the Company's financial report for the half year ended 31 December 2014, Strandline outlined that it is seeking a strategic partner to take an interest in the project.

Mount Gunson Copper Project

The Mount Gunson copper project is located approximately 100 kilometres south of BHP Billiton Limited's Olympic Dam copper-uranium-gold mine in South Australia. The project is divided into two separate areas, firstly a 1,039 square kilometre tenement and secondly a 38.5 square kilometre excised area, covering the MG14 and Windabout deposits, in which Strandline has the sole right to explore and develop mineral deposits to a depth of 250 metres.

Fowlers Bay Nickel Project

The Fowlers Bay nickel project comprises a 700 square kilometre exploration license located approximately 150 kilometres west of Ceduna, South Australia.

On 9 October 2014, the Company announced that it had entered into a farm-in agreement with Western Areas Limited (**'Western Areas'**). Under the agreement, Western Areas will become the operator of the project and earn a participating interest of up to 90% in two stages by incurring $1.2 million in exploration expenditure over four years.

On 22 January 2015, Strandline announced that Western Areas had completed a detailed magnetic survey, representing the first stage of Western Area's earn in to the project. Data from the survey is being further analysed to prioritise targets for a major drill program scheduled for mid-2015, subject to access approvals.

Tennant Creek Gold-Copper Project

The Tennant Creek gold-copper project comprise three approved exploration licenses and one exploration license application over a combined area of 76.6 square kilometres in the Tennant Creek district of the Northern Territory.

The Company outlined that it had deferred exploration activities on the project in its financial report for the half year ended 31 December 2014.

For further information on Strandline's projects, refer Appendix 3.

5.2 Historical Balance Sheet

Statement of Financial Position	Reviewed as at 31-Dec-14 $	Audited as at 30-Jun-14 $	Audited as at 30-Jun-13 $
CURRENT ASSETS			
Cash and cash equivalents	1,224,399	557,021	278,958
Trade and other receivables	469,844	53,216	2,052,207
TOTAL CURRENT ASSETS	1,694,243	610,237	2,331,165
NON-CURRENT ASSETS			
Property, plant and equipment	5,988	10,454	22,161
Exploration and evaluation expenditure	29,002,794	25,826,471	25,099,021
Other assets	484,676	484,676	484,676
TOTAL NON-CURRENT ASSETS	29,493,458	26,321,601	25,605,858
TOTAL ASSETS	31,187,701	26,931,838	27,937,023
CURRENT LIABILITIES			
Trade and other payables	728,079	298,651	361,058
Borrowings	-	-	519,471
Provisions	51,361	126,365	123,857
TOTAL CURRENT LIABILITIES	779,440	425,016	1,004,386
TOTAL LIABILITIES	779,440	425,016	1,004,386
NET ASSETS	30,408,261	26,506,822	26,932,637
EQUITY			
Contributed equity	46,205,009	41,676,538	41,105,887
Reserves	1,686,262	1,604,553	1,575,961
Accumulated losses	(17,483,010)	(16,774,269)	(15,749,211)
TOTAL EQUITY	30,408,261	26,506,822	26,932,637

Source: Strandline's audited financial statements for the years ended 30 June 2014, 30 June 2013 and reviewed financial statements for the half year ended 31 December 2014.

Commentary on Historical Statement of Financial Position

We note that Strandline's auditor issued an Emphasis of Matter paragraph in the reviewed financial report for the half year ended 31 December 2014. The auditor outlined the existence of material uncertainty in relation to the recoverability of the Coburn Heavy Mineral Sands exploration and expenditure asset, which is dependent upon the successful development and commercialisation of the underlying areas of interest. Additionally, the auditor has indicated that the ability of Strandline to continue as a going concern is dependent upon the future successful raising of funding, successful exploration and exploitation of tenements, and/or sale of non-core assets. These conditions further indicate the existence of a material uncertainty about Strandline's ability to continue as a going concern.

We note the following in relation to Strandline's Historical Statement of Financial Position:

- Cash and cash equivalents increased from $278,958 at 30 June 2013 to $557,021 at 30 June 2014 primarily due to the retirement of the Coburn Mineral Sand project performance bonds and

receipt of a refundable research and development tax offset for the financial year ended 30 June 2013. The further increase to $1,224,399 in the six month period ended 31 December 2014 was mainly attributable to the Company raising $2,200,000 through the issue of 146,666,668 shares at $0.015 per share.

- Trade and other receivables of $2,052,207 at 30 June 2013 mainly comprised of a term deposit amounting to $1,214,000 which backed an unconditional performance bond for the proposed Coburn Mineral Sands project mine access road and associated infrastructure lodged with the Minister of Mines. On 1 July 2013, the DMP established the Mining Rehabilitation Fund. Mining companies' participation in the fund was optional until 30 June 2014. However, the Company opted for early participation, and on 4 July 2013, the deposit was cancelled as the DMP retired the bonds.
- Exploration and evaluation expenditure increased from $25,826,471 at 30 June 2014 to $29,002,794 at 31 December 2014 as a result of the Company acquiring a 100% working interest in mineral sands exploration tenements in Tanzania via the acquisition of SRPL.
- Other assets of $484,676 at 31 December 2014 relates to a pastoral lease that was purchased in April 2005 to provide the Company with better control of its operational environment at its Coburn Heavy Mineral Sands project.
- Trade and other payables have increased significantly in the six month period ended 31 December 2014 being reflective of higher expenditure incurred in Tanzania.
- Borrowings of $519,471 at 30 June 2013 pertained to an unsecured loan, repayable on retirement of the Coburn Mineral Sands project performance bonds. As the bonds were retired in July 2013, all borrowings were repaid.
- Contributed equity increased from $41,676,538 at 30 June 2014 to $46,205,009 at 31 December 2014 primarily due to the Company acquiring SRPL through the issue of shares along with the share placement referred to above.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed 31-Dec-14 $	Audited 30-Jun-14 $	Audited 30-Jun-13 $
Revenue			
Interest income	10,469	18,742	77,957
Other income	-	1,557	1,131
Expenses			
Impairment of exploration and evaluation expenditure	(64,065)	(155,251)	(6,029,103)
Employee benefits expense	(114,796)	(239,630)	(417,387)
Debt facility establishment costs written off	-	-	(286,936)
Hamelin Station establishment costs written off	-	-	(130,830)
Depreciation and amortisation expense	(4,465)	(11,202)	(11,496)
Share based payments expense	(7,513)	-	-
Finance costs	-	(1,365)	(18,340)
Other expenses	(528,371)	(637,909)	(1,132,234)
Loss before income tax	(708,741)	(1,025,058)	(7,947,238)
Income tax	-	-	-
Loss after income tax	**(708,741)**	**(1,025,058)**	**(7,947,238)**
Exchange differences arising on translation of foreign operations	6,417	-	-
Total comprehensive loss for the year	**(702,324)**	**(1,025,058)**	**(7,947,238)**

Source: Strandline's audited financial statements for the years ended 30 June 2014, 30 June 2013 and reviewed financial statements for the half year ended 31 December 2014.

Commentary on Profit or Loss and Other Comprehensive Income

We note the following in relation to Strandline's Historical Statement of Profit or Loss and Other Comprehensive Income:

- Impairment of exploration and evaluation expenditure of $6,029,103 during FY13 relates to the Mount Gunson Copper, Fowler's Bay Nickel and Tennant Creek Copper-Gold projects. The majority of this expenditure relates to the Mount Gunson Copper project with an impairment expense of $5.4 million. Management has advised that impairment for these projects during the period was a result of lack of funding to meet minimum expenditure commitments, no discovery of commercially viable mineral resource and cessation of exploration activities.
- Debt facility establishment costs written off for the year ended 30 June 2013 related to the Coburn Heavy Mineral Sands project.
- Hamelin Station establishment costs written off amounting for the year ended 30 June 2013 pertained to the proposed acquisition of the Hamelin Station.

5.4 Capital Structure

The share structure of Strandline as at 10 April 2015 is outlined below:

	Number
Total ordinary shares on issue	628,526,794
Top 20 shareholders	306,167,010
Top 20 shareholders - % of shares on issue	48.71%

Source: Share registry

The range of shares held in Strandline as at 10 April 2015 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	228	80,880	0.01%
1,001 - 5,000	363	1,101,772	0.18%
5,001 - 10,000	231	1,922,804	0.31%
10,001 - 100,000	832	33,448,871	5.32%
100,001 - and over	464	591,972,467	94.18%
TOTAL	**2,118**	**628,526,794**	**100%**

Source: Share registry

The ordinary shares held by the most significant shareholders as at 10 April 2015 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Kabunga Holdings Pty Ltd	35,404,809	5.63%
Westoria Resource Investments Limited	35,124,628	5.59%
Artemis Corporate Limited	35,123,802	5.59%
Grey Willow Pty Ltd	23,629,525	3.76%
Subtotal	129,282,764	20.57%
Others	499,244,030	79.43%
Total ordinary shares on Issue	**628,526,794**	**100.00%**

Source: Share registry

Strandline has the following options as at 2 April 2015 on issue:

Terms	Number of options
Options exercisable at $0.29 on or before 22 June 2015	1,600,000
Options exercisable at $0.05 on or before 8 November 2015	1,500,000
Options exercisable at $0.06 on or before 8 November 2015	1,000,000
Options exercisable at $0.03 on or before 3 November 2017	10,000,000
Total options on issue	**14,100,000**

Source: Appendix 3B dated 2 April 2015

Strandline has the following performance rights on issue as at 18 May 2015:

Terms	Number of rights
Unlisted performance rights expiring on or before 30 June 2016	5,566,500
Unlisted performance rights expiring on or before 31 December 2016	6,401,500
Unlisted performance rights expiring on or before 30 June 2017	402,000
Total performance rights on issue	**12,370,000**

Source: Appendix 3B dated 18 May 2015

6. Profile of Jacana Minerals Limited

6.1 History

Jacana is a public unlisted mineral exploration company focused on the exploration of prospective minerals sands, nickel and graphite projects in Tanzania. Jacana was incorporated on 2 July 2014 and the current board members and senior management of Jacana are:

- Mr Thomas Eadie, Executive Chairman;
- Mr Paul Kehoe, Non-executive Director;
- Mr Mark Hanlon, Non-executive Director;
- Ms Melanie Leydin, Company Secretary; and
- Mr Aspon Mwijage, Country Manager Tanzania.

Following its incorporation in July 2014, Jacana acquired a 100% beneficial interest in JRT from Syrah Resources Limited ('**Syrah**') through a share purchase agreement in September 2014. The consideration was approximately $660 (converted from Tanzanian Shillings) and the assumption of the debt owed by JRT to Syrah of $6,559,855 as of 30 June 2014. Through the acquisition of JRT, Jacana acquired a mineral sands, graphite and nickel portfolio consisting of 17 tenement licences in Tanzania covering close to 1,800 square kilometres.

On 15 October 2014, Jacana, and its wholly owned subsidiary JRT demerged from Syrah. Jacana was spun out from Syrah to enable the two separate companies to focus on specific geographic aspects of the Syrah exploration portfolio.

An initial public offering under the Replacement Prospectus dated 6 November 2014 was planned to raise $10 million for further exploration; however the minimum subscription was not achieved.

During February 2015, Jacana successfully completed a rights issue, raising approximately $2,500,000 (before costs) through the issue of one new Jacana share for every one Jacana share held at $0.05 per new share. Funds raised from the rights issue will be used to fund Jacana's exploration activities and for working capital purposes.

All exploration assets, and ongoing projects, are held and operated through Jacana's wholly owned subsidiary company, JRT.

JRT controls seven exploration projects in Tanzania, which are:

- Tanga North;
- Tanga South;
- Bagamoyo;
- Fungoni;
- Mbinga;
- Shikula; and
- Chiliogali.

JRT owns 100% interest in 15 prospecting licences and 90% interest in two Prospecting Licenses (the remaining 10% interest is held by ASAB Resources (Tanzania) Limited ('**ASAB**'). Set out below is an overview of the potential mineral assets encompassed within the above mentioned exploration projects:

Mineral Sands

JRT controls ten licences in the northern coastal area of Tanzania, one at Tanga North, four at Tanga South, two at Bagamoyo and three at Fungoni. Mineralisation has occurred at each of these licences with an indicated resource at Fungoni and advanced prospects at Tanga South.

Fungoni is a zircon-rich resource site with exploration upside, located approximately 25 kilometres south-east of Dar-es- Salaam. Fungoni covers a large area of underexplored mineralisation outlined by previous explorers with no follow up drilling completed by Syrah or previous explorers.

Tanga North is a rutile-rich dune system with large tonnage potential located south of the Kenyan border and roughly 50 kilometres from the Kwale mineral sand mine.

Tanga South has multiple high grade strand lines and dunes. The area has two main prospects; Tajiri North and South with prospective for ilmenite, rutile and zircon.

Bagamoyo has large mineralised underexplored dunes and strands identified by previous explorers. Exploration to date has been restricted to prospecting for outcropping high grade areas and some mineral identification work, with prospective for ilmenite, rutile and zircon.

Graphite

JRT controls two licences at Chiliogali, located southeast of Tanzania near the town of Nachingwea, covering approximately 140 square kilometres.

An Option to Purchase Agreement to acquire the Chiliogali Permits PL 7471/2011 and PL7488/2011 was entered into by JRT and ASAB, with a proviso that JRT must acquire the remaining 10% interest within four years with payment of US $4,500,000. If JRT does not exercise this option it will forfeit all of its rights and interests in the Chiliogali Permits. In the period from 31 December 2014 to the date of our report, Jacana had paid ASAB US$200,000 (on behalf of JRT) in accordance with the terms of the Option to Purchase Agreement.

Nickel

JRT controls four licences at Mbinga, located southwest of Songeo in the Ruvuma Region. To date no work has been completed at Mbinga other than interpretation of Albidon Limited's, in collaboration with BHP, airborne electromagnetic data, which showed high conductivity targets.

Coal

JRT controls one licence at Shikula, located to the northwest of Mbeya covering an area of 196 square kilometres. The project is located along strike from the Galua coal field and to the south of Kibo Mining PLC's Ruka coal exploration prospects. The licence was originally acquired for uranium, however future exploration activities will be focussed on determining if the coal measure present on Kibo's properties extend to the licence held by JRT. To date no work has been completed.

For further information on Jacana's projects, refer Appendix 3.

6.2 Historical Balance Sheet

Consolidated Statement of Financial Position	Reviewed 31-Dec-14 $	Reviewed 30-Jun-14 $
CURRENT ASSETS		
Cash and cash equivalents	174,593	193,870
Trade and other receivables	79,729	-
Other	14,835	-
TOTAL CURRENT ASSETS	269,157	193,870
NON-CURRENT ASSETS		
Property, plant and equipment	78,138	79,930
Exploration and evaluation expenditure	6,637,275	5,455,856
TOTAL NON-CURRENT ASSETS	6,715,413	5,535,786
TOTAL ASSETS	6,984,570	5,729,656
CURRENT LIABILITIES		
Trade and other payables	292,353	-
Borrowings	500,000	-
TOTAL CURRENT LIABILITIES	792,353	-
NON-CURRENT LIABILITIES		
Borrowings	-	6,970,174
TOTAL CURRENT LIABILITIES	-	6,970,174
TOTAL LIABILITIES	792,353	6,970,174
NET ASSETS	6,192,217	(1,240,518)
EQUITY		
Issued capital	7,015,211	2
Reserves	1,131,701	(62,407)
Accumulated losses	(1,954,695)	(1,178,113)
TOTAL EQUITY	6,192,217	(1,240,518)

Source: Reviewed financial statements extracted from Jacana Replacement Prospectus 2014 and Jacana Replacement Prospectus 2015

We note the following in relation to Jacana's Historical Consolidated Statement of Financial Position:

- On 15 October 2014, being the date of the demerger, Syrah provided a loan for $500,000. The balance as at 31 December 2014 is the net position pursuant to payments of $232,408 made to suppliers and employees and $93,053 for exploration activities.
- Property, plant and equipment as at 31 December 2014 comprised of furniture and fittings, office furniture, office equipment, computer equipment, motor vehicles and laboratory equipment.
- Exploration and evaluation of $6,637,275 as at 31 December 2014 is primarily attributable to a transfer of $6,095,844 from the acquisition of JRT. The balance consists of capitalised exploration expenses and foreign exchange differences between the demerger date (15 October 2014) and 31 December 2014.

- Trade and other payables include directors' fees of $75,281 that are being accrued until the Company is in a position to settle the amounts owing.
- Current borrowings of $500,000 as at 31 December 2014 relate to a loan owing to Syrah. The intercompany loan agreement was signed on 21 August 2014 between Jacana and Syrah.
- Non-current borrowings of $6,970,174 from Syrah as at 30 June 2014 converted to equity during the period ending 31 December 2014.
- Issued capital increased from $2 as at 30 June 2014 to $7,015,211 as at 31 December 2014. This is attributable to the debt for equity swap with Syrah following the demerger.
- Subsequent to 31 December 2014, Jacana undertook a rights issue to raise capital totalling $2.5 million. The capital raising was for the purposes of; repaying the Syrah loan for $500,000; Tanzanian project expenditure and working capital requirements. As at 7 May 2015, Jacana's cash balance was approximately $1.6 million.

6.3 Historical Statement of Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed Half year ended 31-Dec-14 $	Reviewed Year ended 30-Jun-14 $
Revenue		
Interest income	54	25
Expenses		
Corporate costs	(292,060)	-
Employment costs	(150,901)	-
Administration expense	(94,346)	(92,113)
Depreciation and amortisation expense	(13,429)	(23,074)
Legal and consulting expense	-	(20,681)
Foreign exchange gain/(loss)	4,587	-
Loss before income tax	(546,095)	(135,843)
Income tax expense	-	-
Loss after income tax	**(546,095)**	**(135,843)**
Foreign currency translation	1,131,701	(62,407)
Total comprehensive income/(loss) for the year	**585,606**	**(198,250)**

Source: Reviewed financial statements extracted from Jacana Replacement Prospectus 2014 and Jacana Replacement Prospectus 2015

We note the following in relation to Jacana's Historical Statement of Profit or Loss and Other Comprehensive Income:

- The period ended 31 December 2014 includes only financial performance from 15 October 2014 (date of demerger) to 31 December 2014. The financial performance of Jacana from 1 July 2014 to 14 October 2014 consisted of a net loss of $230,487. A detailed reconciliation is set out below.

Earnings reconciliation	Reference	Amount
Jacana Accumulated losses as at 30 June 2014	6.2	(1,178,113)
Jacana Accumulated losses as at 31 December 2014	6.2	(1,954,695)
Difference (Loss for period 1-Jul-14 to 31-Dec-14)		(776,582)
Loss before income tax for period 15-Oct-14 to 31-Dec-14	6.3	(546,095)
Difference (Loss for period 1-Jul-14 to 14-Oct-14)		**(230,487)**
Loss for period 1-Jul-14 to 14-Oct-14		(343,566)
Foreign exchange gain on demerger at 14-Oct-14		139,795
Less: 30-Jun-14 audited accounts adjustment		(26,716)
Net loss for period 1-July-14 to 14-Oct-14		**(230,487)**

Source: Management information

Note that the loss for the period from 1 July 2014 to 14 October 2014 had been accounted for in Jacana's statement of financial position as at 31 December 2014 as part of the accumulated losses.

- Foreign currency translation increased from a loss of $62,407 for the year ended 30 June 2014 to a gain of $1,131,701 during the six month period ended 31 December 2014. The foreign currency translation is a result of the significant fluctuations in the US dollar against the Australian dollar during the period 1 July 2014 to 31 December 2014. (The period from 1 July 2014 to 15 October 2014 resulted in an unrealised gain of $929, 862.)

6.4 Capital Structure

The share structure of Jacana as at 5 May 2015 is outlined below:

	Number
Total ordinary shares on issue	100,077,044
Top 20 shareholders	61,866,603
Top 20 shareholders - % of shares on issue	61.82%

Source: Share registry information

The range of shares held in Jacana as at 5 May 2015 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	1,888	675,798	0.68%
1,001 - 5,000	1,051	2,446,780	2.44%
5,001 - 10,000	245	1,748,506	1.75%
10,001 - 100,000	364	9,701,553	9.69%
100,001 - and over	103	85,504,407	85.44%
TOTAL	**3,651**	**100,077,044**	**100%**

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 5 May 2015 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Basapa Pty Ltd	6,232,763	6.23%
Hatzikyriazis Haralambos	5,530,330	5.53%
Eadie Thomas	5,150,000	5.15%
Gasmere Pty Ltd	5,001,888	5.00%
Subtotal	21,914,981	21.91%
Others	78,162,063	78.09%
Total ordinary shares on Issue	**100,077,044**	**100.00%**

Source: Share registry information

6.5 Balance Sheet of JRT

We have outlined below the financial position of JRT as at 31 December 2014.

Statement of Financial Position	Reviewed as at 31-Dec-14 $
CURRENT ASSETS	
Cash and cash equivalents	33,693
TOTAL CURRENT ASSETS	33,693
NON-CURRENT ASSETS	
Property, plant and equipment	78,138
Exploration and evaluation expenditure	6,637,230
TOTAL NON-CURRENT ASSETS	6,715,368
TOTAL ASSETS	6,749,061
CURRENT LIABILITIES	
Borrowings	183,909
TOTAL CURRENT LIABILITIES	183,909
TOTAL LIABILITIES	183,909
NET ASSETS	6,565,152
EQUITY	
Issued capital	8,543,994
Reserves	(250,887)
Accumulated losses	(1,727,955)
TOTAL EQUITY	6,565,152

We note the following in relation to JRT's Statement of Financial Position:

- Cash and cash equivalents consists of trading accounts that have been translated from Tanzanian Shillings and US Dollars to Australian Dollars, as at 31 December 2014. Jacana holds the majority of the cash in the consolidated entity. As mentioned in Section 6.2, Jacana undertook a capital raising subsequent to 31 December 2014 which has resulted in a cash balance of approximately $1.6 million in Jacana as at the date of this report, which would be transferred to JRT on completion of the Proposed Transaction.
- JRT holds the entire Property, plant and equipment balance of the consolidated entity, Jacana. See section 6.2 for details.
- JRT holds the entire Exploration and evaluation expenditure balance of the consolidated entity, Jacana. See section 6.2 for details.

- Borrowings pertain to an intra-company loan from Jacana for US$150,000 that has been translated to Australian dollars as at 31 December 2014 for reporting purposes. As it is an intra-company transaction, it has been eliminated in the consolidated financial statements of Jacana as set out in section 6.2.

6.6 Historical Statement of profit and loss of JRT

Statement of Profit or Loss and Other Comprehensive Income	Reviewed 31-Dec-14 $
Expenses	
Corporate costs	(264,541)
Employment costs	(184,081)
Administration expense	(64,185)
Depreciation and amortisation	(13,429)
Legal and consulting expense	-
Foreign exchange gain	3,110
Loss before income tax	(523,126)
Income tax expense	-
Loss after income tax	**(523,126)**
Foreign currency translation	-
Total comprehensive loss for the year	**(523,126)**

Source: Management accounts for the six months ended 31 December 2014

We note the following in relation to JRT's Historical Statement of Profit and Loss:

Note:

A majority of the expenses from the consolidated entity, Jacana, are accounted for in the JRT profit and loss statement; given that JRT is the main operating entity, holding the exploration and evaluation assets.

7. Economic analysis

Commodity prices

Commodity prices have declined over the past year, in some cases sharply. The price of oil in particular is much lower than it was a year ago. These trends appear to reflect a combination of lower growth in demand and, more importantly, significant increases in supply. The much lower levels of energy prices will act to strengthen global output and temporarily to lower CPI inflation rates. Prices for key Australian exports have also been falling and therefore Australia's terms of trade are continuing to decline.

Financial conditions are very accommodative globally, with long-term borrowing rates for several major sovereigns at all-time lows. Financing costs for creditworthy borrowers remain remarkably low.

Domestic growth

In Australia the available information suggests that growth is continuing at a below-trend pace, with overall domestic demand growth quite weak as business capital expenditure falls. As a result, the unemployment rate has gradually moved higher over the past year. The economy is likely to be operating with a degree of spare capacity for some time yet. With growth in labour costs subdued, it appears likely that inflation will remain consistent with the target over the next one to two years, even with a lower exchange rate.

Credit growth

Credit is recording moderate growth overall. Growth in lending to investors in housing assets is stronger than to owner-occupiers, though neither appears to be picking up further at present. Lending to businesses, on the other hand, has been strengthening recently. Dwelling prices continue to rise strongly in Sydney, though trends have been more varied in a number of other cities. The RBA is working with other regulators to assess and contain risks that may arise from the housing market. In other asset markets, prices for equities and commercial property have risen, in part as a result of declining long-term interest rates.

Impact of currency movements

The Australian dollar has declined noticeably against a rising US dollar over the past year, though less so against a basket of currencies. Further depreciation seems likely, particularly given the significant decline in key commodity prices. A lower exchange rate is likely to be needed to achieve balanced growth in the economy.

Source: www.rba.gov.au *Statement by Glenn Stevens, Governor: Monetary Policy Decision dated 7 April 2015*

8. Profile of the United Republic of Tanzania

8.1 Economy

Tanzania has experienced sporadic growth in recent history due to its poor policies, lack of infrastructure and limited financial resources. As at October 2014 Tanzania had a per capita GDP of US$1,813 which was approximately 32% below the average for the 45 sub-Saharan African countries of US$2,673. The country's largest trading partners for exports are South Africa, Switzerland and China while the majority of its imports are from Switzerland, China and the United Arab Emirates.

The main drivers for Tanzania's economy are agriculture and tourism. Agriculture accounts for approximately 24.5% of Tanzania's GDP with maize, cassava and sweet potatoes being the largest food crops. Industries, which comprises of mining, manufacturing, natural gas and construction contribute approximately 22.2% of GDP. The majority of mineral export revenue comes from gold.

8.2 Mineral sand industry in Tanzania

The country's main resources are gold, copper and coal. The interest in Tanzania's mineral sands is relatively new with there being very few companies actively seeking deposits along the coasts of Tanzania. The south-eastern coast of Africa has a number of mineral sands projects in countries such as South Africa, Mozambique and Kenya. Major mineral sands operations in the region include the Kenmare Resources dredging project in Mozambique, the Rio Tinto Limited dredging project in South Africa and the Tronox Limited's Namakwa projects in South Africa.

9. Industry analysis

The mineral sands industry is involved in the mining of zircon and titanium dioxide products (ilmenite, rutile and upgraded titanium dioxide products). The industry mines a number of products with co-production of two or more mineral sands occurring at the same mine site. Assemblage, the weighting of each mineral, varies significantly by deposit, with ilmenite typically dominating, and zircon the minor component.

The performance of the mineral sands industry depends heavily on demand for titanium minerals and zircon from downstream processors and manufacturers, and the prices these minerals command. The economics of mineral sands projects is influenced as much by assemblage (which shapes the revenue per tonne characteristics) as the deposit grade or cost of mining. The major known locations of mineral sands ore bodies are in Australia, India, Southern Africa and Southern USA.

Zircon is the most valuable and critical ore component. This is followed by rutile, leucoxene and ilmenite in terms of value given to the ore.

9.1 Zircon

Zircon is a colourless to off-white mineral, with a specific gravity of 4.6-4.7 times heavier than water. Zircon is primarily used in the ceramics industry as a speciality glaze and foundry medium. It is also used as a raw material for making foundry mouldings and bricks, and furnace linings due to its melting point of over 2500 degrees Celsius. Zircon is the world's major source of zirconium products which are used as alloying agents in materials that are exposed to corrosive agents such as space vehicle parts, surgical appliances and explosive primers.

In 2012 around 1.3 million tonnes of zircon was produced globally, with Australia the largest zircon producing country. The three major producers of zircon; Iluka, Rio Tinto and Tronox, account for two thirds of global productions.

The ceramics sector is the largest end user of zircon, accounting for roughly 50 per cent of demand.

Demand from the chemicals sector is the fastest growing with annual average growth of over ten per cent. This sector caters to an increasingly diverse range of end applications utilising zircon's unique properties that few materials can provide the properties required. These include catalytic converters, nuclear fuel roads, electronics and pressure and oxygen sensors. Growth of this sector is linked to increase in usage of electronics and communications, energy efficiency and emission controls.

Growth drivers for zircon include urbanisation, construction and industrial production, with demand heavily influenced by tile production and consumption.

The zircon industry remained subdued in 2013 with many producers curtailing production in response to a depressed market and demand remaining weak. In recent years the price of zircon has risen sharply following the move from spot trading to contract trading.

Continued construction growth in Asia is expected to keep export demand for zircon growing solidly throughout the next five years. Rising steel production in Asia, particularly China, will drive modest price gains for zircon. Currently, China makes up roughly 45 per cent of the global demand for zircon.

9.2 Titanium Dioxide

Titanium dioxide is mined as ilmenite, rutile, or other variants of titanium oxide. In 2012 around 7.1 million tonnes of titanium dioxide was produced, with its primary use as a whitening pigment in paints, plastics and paper. Approximately half of all feedstock produced is chloride grade, and the remainder sulphate grade. The three largest producers, Iluka, Rio Tinto and Tronox account for nearly 50 per cent of titanium feedstock production.

Ilmenite

Ilmenite is the most abundant titanium mineral which contains approximately 35 to 65% titanium dioxide. It is black and opaque, and known to be slightly magnetic with a specific gravity around 4.5 to 5.0. Ilmenite is predominantly used a direct feedstock for sulphate or chloride route titanium pigment plants.

Prices are set under long-term contracts, with the value of ilmenite substantially lower than rutile. Ninety per cent of titanium metal is sourced from ilmenite.

Rutile

Rutile is composed of approximately 95 to 100 per cent titanium dioxide. The mineral is typically red to black in colour and has a specific gravity of 4.25. Rutile is predominantly used as direct feedstock for chloride route titanium pigment plants. Some rutile is also used in the manufacture of welding electrodes.

Prices are set under long-term contracts between producers and consumers.

Leucoxene

Leucoxene is not a pure mineral species but rather refers to a range of commercial titanium bearing products typically containing between 65 and 92 per cent titanium dioxide. Leucoxene is predominantly used as direct feedstock for chloride route titanium pigment plants and in the manufacture of welding electrodes.

Titanium pigment is the largest end use of titanium feed stocks, accounting for roughly 90 per cent of demand, and is used in paints, plastics and paper.

Titanium metal demand has been growing, with its high strength to weight ratio and high corrosive resistance ideal for aerospace, heat exchanges, offshore oil and gas drilling component and industrial chemicals and desalination plants.

9.3 Current market conditions

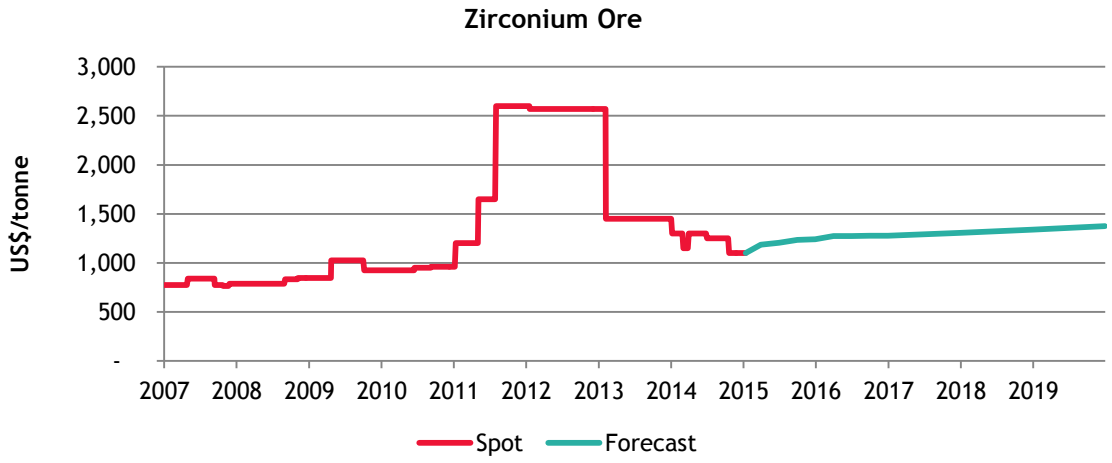
After a recovery in demand for zircon in the first half of 2013, especially China, the remainder of the year saw more subdued market conditions reflecting continuing fragility in business confidence. Demand in the United States, which mainly related to manufacturing, remained robust. The long term growth for both titanium and zircon is forecast to be weaker than expected as customers continue to use mineral sands more efficiently.

9.4 Prices

Zircon, rutile and ilmenite prices, while different in terms of value, tend to follow similar trends. The graphs below show the historical spot prices for zircon, ilmenite and rutile for the past five and the forecast prices for the next few years.

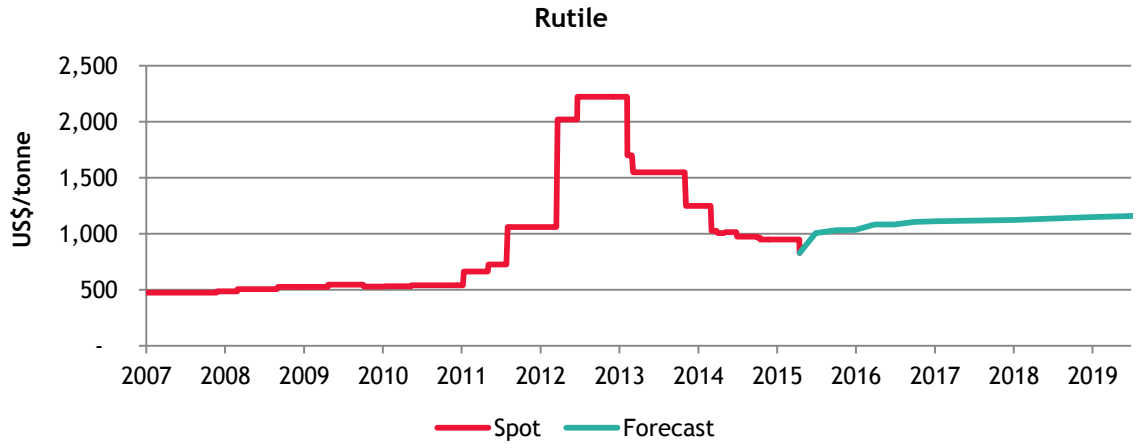
Zircon

After historic highs during 2011 and 2012 of just over US$2,500 per tonne, zircon prices have since fallen to approximately US$1,100 per tonne in January 2015. Prices are expected to increase to US$1,373 in the next five years.



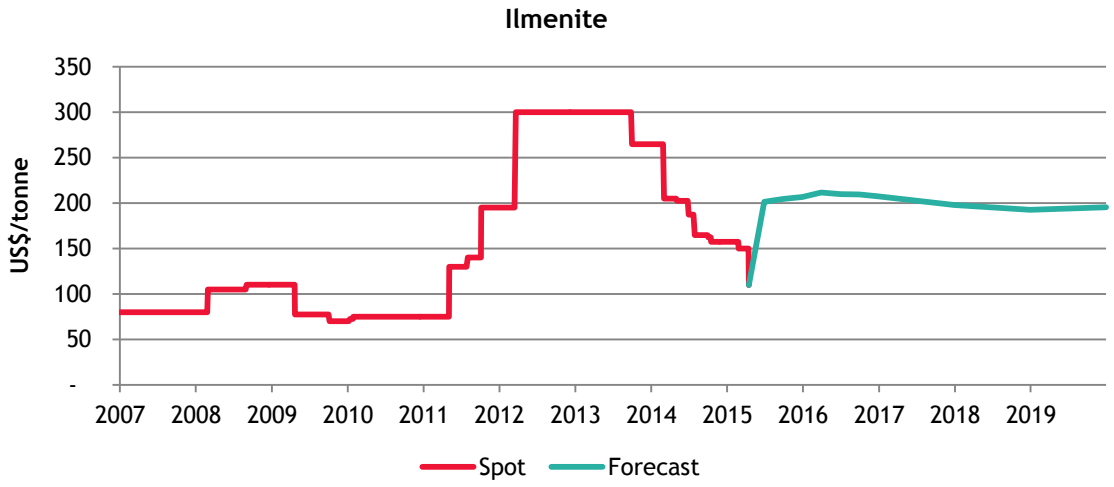
Rutile

Rutile followed a similar trend to zircon, peaking at US$2,225 per tonne in mid-2012 before correcting at the start of 2013 to US$1,250 per tonne. The price decreased further to approximately US$950 per tonne in April 2015 and has remained at this level. Prices are expected to continue to fall to approximately US$830 per tonne before increasing to approximately US$1,169 per tonne in the next five years.



Ilmenite

Ilmenite following a slightly different trend to that of zircon and rutile peaked at US$300 per tonne in mid-2012 before correcting to US$150 per tonne in April 2015. Prices are expected to remain relatively stable at approximately US$200 per tonne in the next five years.



Source: IBIS, Bloomberg

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**')
- Discounted cash flow ('**DCF**')
- Quoted market price basis ('**QMP**')
- Net asset value ('**NAV**')
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

10.1 Valuation of Strandline shares Pre-Transaction

Valuation methodology

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Strandline shares before the Transaction ('**Pre-Transaction**'), we have chosen to employ the following methodologies:

- NAV approach as our primary method; and
- QMP approach as our secondary method.

We have chosen these methodologies for the following reasons:

- There is a lack of reliable long term forecasts available for a DCF approach to be undertaken as the Company does not currently have any producing assets and no revenue or cash flows are currently generated by these assets;
- Similarly, as the Company is not currently generating any income nor are there any historical earnings that could be used to represent future earnings, the FME approach is not appropriate;
- In accordance with Strandline's reviewed half year financial statements to 31 December 2014, there exists a material uncertainty, which may cast significant doubt as to whether the Company will continue as a going concern;
- On this basis, we consider the NAV methodology to be an appropriate valuation approach to undertake; and
- The QMP method is a relevant methodology to consider as Strandline's shares are listed on the ASX. This means that there is a regulated and observable market where Strandline's shares can be traded. However, in order for QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities.

10.2 Valuation of Strandline shares Post-Transaction

In our assessment of the value of Strandline's shares following the Transaction ('**Post-Transaction**'), we have adopted the sum-of-parts approach, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods.

The Post-Transaction value of Strandline consists of the following component values:

- the Pre-Transaction value of Strandline;
- the value of JRT valued on the NAV approach; and
- the number of shares to be issued under the consideration.

We have chosen the NAV approach in valuing JRT for the following reasons:

- As JRT is still in the development stage of its business, there is a lack of reliable long term forecasts available and insufficient reasonable grounds for a DCF approach to be undertaken, and therefore, we have not elected to use the DCF valuation approach;
- Based on the Jacana reviewed financial statements for the period to 31 December 2014, JRT generated losses in the financial year ended 30 June 2014 and the half year ended 31 December 2014, indicating that there are insufficient historical earnings that could be used to represent future earnings, rendering the FME approach inappropriate; and
- Given that asset based methods are appropriate when an entity is not making an adequate return on its assets, we consider the NAV methodology to be an appropriate valuation approach to undertake.

Notwithstanding the fact that, we have separately identified the component values that make up Strandline's Post-Transaction value, we have conducted our valuation assessment based on their combined values on a pro-forma basis.

11. Valuation of Strandline prior to the Transaction

11.1 Net Asset Valuation of Strandline

The value of Strandline assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Note	Reviewed 31-Dec-14 $	Low value $	Preferred value $	High value $
CURRENT ASSETS					
Cash and cash equivalents	1	1,224,399	1,078,000	1,078,000	1,078,000
Trade and other receivables	2	469,844	123,413	123,413	123,413
TOTAL CURRENT ASSETS		1,694,243	1,201,413	1,201,413	1,201,413
NON-CURRENT ASSETS					
Property, plant and equipment		5,988	5,988	5,988	5,988
Exploration and evaluation expenditure	3	29,002,794	8,592,000	14,655,000	31,985,000
Other assets		484,676	484,676	484,676	484,676
TOTAL NON-CURRENT ASSETS		29,493,458	9,082,664	15,145,664	32,475,664
TOTAL ASSETS		31,187,701	10,284,077	16,347,077	33,677,077
CURRENT LIABILITIES					
Trade and other payables		728,079	728,079	728,079	728,079
Provisions		51,361	51,361	51,361	51,361
TOTAL CURRENT LIABILITIES		779,440	779,440	779,440	779,440
TOTAL LIABILITIES		779,440	779,440	779,440	779,440
NET ASSETS (control basis)		30,408,261	9,504,637	15,567,637	32,897,637
Minority discount	4		29%	26%	23%
NET ASSETS (minority basis)			6,748,292	11,520,051	25,331,180
Shares on issue (number)	5		628,526,794	628,526,794	628,526,794
Value per share ($) (minority basis)			$0.011	$0.018	$0.040

Source: BDO analysis, Reviewed financial statements for the six months ended 31 December 2014

We have been advised that there has not been a significant change in the net assets of Strandline since 31 December 2014. The table above indicates the net asset value of a Strandline share is between $0.011 and $0.040, with a preferred net asset value of $0.018.

The following adjustments were made to the net assets of Strandline as at 31 December 2014 in arriving at our valuation.

Note 1 - Cash and cash equivalents

We have adjusted the Cash and cash equivalents balance in accordance with the Appendix 5B March 2015 Quarterly Cash flow Report which reflects the cash balance to be $1.078 million at 31 March 2015. The cash expenditure over the quarter has been directed towards administration expenses and exploration activities. Any increase in value arising over the period in the value of the Company's exploration assets is reflected in the independent valuation reported in Note 3.

Note 2 - Trade and other receivables

Trade and other receivables as at 31 December 2014, included a research and development tax offset amounting to $346,431. The Appendix 5B March Quarter Cash flow Report included the cash inflow of the research and development tax offset. For this reason we have adjusted the balance as follows:

Trade and other receivables	$
Balance as at 31 December 2014	469,844
Less: R&D tax offset received	(346,431)
Assumed balance as at Report Date	**123,413**

Note 3 - Exploration and evaluation expenditure

We instructed CSA Global Pty Ltd ('**CSA**') to provide an independent market valuation of the exploration assets held by Strandline. CSA considered the exploration/development stage of each project in deciding the relevant valuation methods that would be suitable in assessing the value of each project area. At least two valuation methods were considered for each project, with at least one market approach attempted in assessing the value of each project.

The Coburn project has a declared mineral resource; and therefore, the value of the tenement was assessed on the basis of the resource.

Exploration ground was valued on the basis of area-based valuation factors derived from the analysis of comparable transactions. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. This was compared to appraised values in terms of effective exploration expenditure for the remaining Australian projects, and valuations based on a geoscience rating method for the Tanzanian projects. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the pre-feasibility stage of development for Strandline's exploration assets.

The range of values for each of Strandline's exploration assets as calculated by CSA is set out below:

Mineral asset	Low value $'000s	Preferred value $'000s	High value $'000s
Australia:			
Coburn	3,000	6,000	18,000
Fowlers Bay#	925	1,000	1,100
Mount Gunson#	1,250	2,500	5,000
Tennant Creek	255	345	435
Tanzania:			
Mtwara (Madimba)	750	1,100	1,500
Kilwa-Kiswere (Kiswere)	562	1,000	1,400
Mafia Island	350	560	800
Bagamoyo West (Ziwani)	1,000	1,350	2,250
Kitambula	500	800	1,500
Total	**8,592**	**14,655**	**31,985**

Subject to JV agreements. Valued at 100%, as Strandline currently holds 100% interest

The table above indicates a range of values between $8.59 million and $31.99 million, with a preferred value of $14.66 million.

Note 4 - Minority discount

The NAV of Strandline is reflective of a controlling interest. We have adjusted our valuation of Strandline, to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula 1 – (1/1+control premium). We acknowledge that this is not a control transaction and therefore a control premium to be paid is not relevant. However, we have also used the QMP approach in section 11.2 to value the shares in Strandline, which represents a minority interest value. Therefore in order to conduct a like for like comparison of the results of the two valuation methodologies, we are required to present the net asset value on a minority interest basis.

Control Premium

We have reviewed the control premiums paid by acquirers of mining companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2014	14	116.43	38.50
2013	16	49.12	57.80
2012	21	129.36	42.18
2011	22	578.06	38.02
2010	25	735.82	43.27
2009	29	86.80	39.23
2008	8	553.76	38.87
	Median	**129.36**	**39.23**
	Mean	**321.33**	**42.55**

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

The table above indicates that there has been an increasing trend of control premium paid by acquirers of mining companies since 2008.

Based on the analysis above we believe that an appropriate control premium is between 30% and 40%. As such, we have applied a minority discount to the net asset value in the range of 23% to 29%.

Note 5 - Shares on issue

Shares on issue have increased since 31 December 2014, as detailed below:

Shares on issue	No. of shares
31 December 2014	615,485,128
29 January 2015	
Placement share issue	2,375,000
Employee bonus share issue	7,000,000
25 March 2015	
Employee bonus share issue	3,666,666
Total	**628,526,794**

The placement shares of 2.375 million as shown in the above table were issued at $0.015 per share as payment towards provision of professional services.

11.2 Quoted Market Prices for Strandline Securities

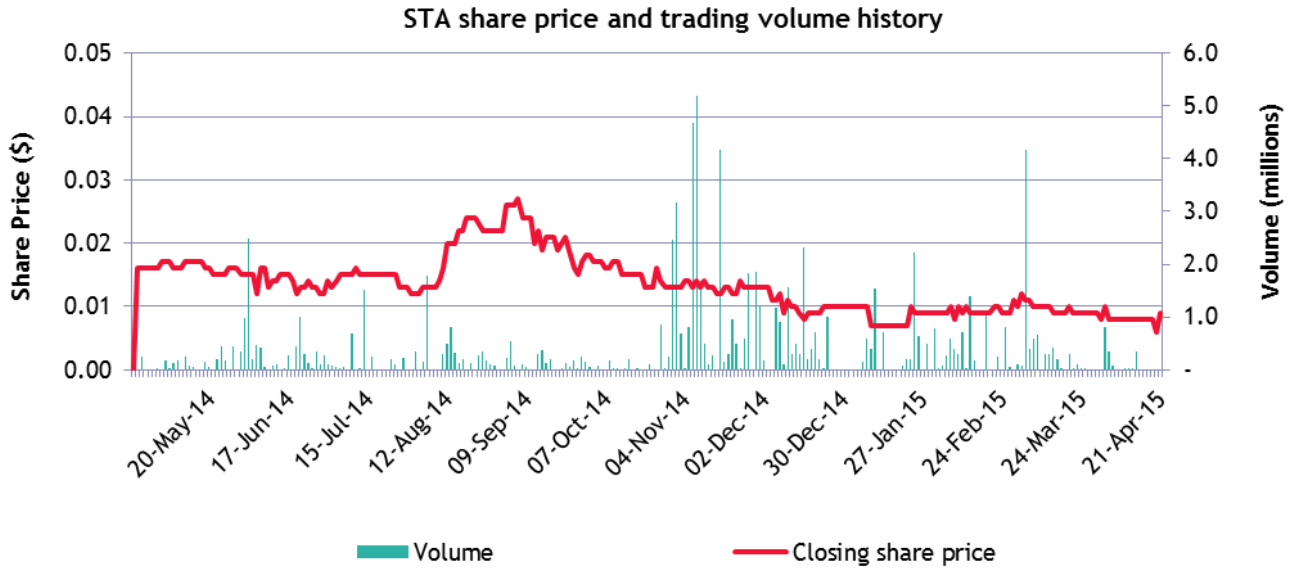
To provide a comparison to the valuation of Strandline in Section 11.1, we have also assessed the quoted market price for a Strandline share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

As discussed in the earlier sections of the Report, the consideration for the acquisition of JRT is the issue by the Company to Jacana of shares in Strandline, with the intention that Jacana will in turn distribute the consideration shares received to the Jacana shareholders. In this regard, a condition precedent to the completion of the Transaction is the approval being sought of the Jacana shareholders to approve the in-specie distribution of the consideration shares received by Jacana on a pro rata basis.

Our analysis of the quoted market price of a Strandline share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Strandline share after the announcement may include the effects of any change in value as a result of the Proposed Transaction. However, we have considered the value of a Strandline share following the announcement when we have considered reasonableness in Section 14.

Information on the Transaction was announced to the market on 22 April 2015. Therefore, the following chart provides a summary of the share price movement over the 12 months to 21 April 2015 which was the last trading day prior to the announcement.



Source: Bloomberg and BDO analysis

The daily price of Strandline shares from 21 April 2014 to 21 April 2015 has ranged from a low of $0.007 on 20 April 2015 to a high of $0.027 on 5 September 2014. From 1 August 2014 to 5 September 2014, Strandline's share price displayed an upward trend peaking at the beginning of September 2014. It has since trended downwards, plateauing in December 2014 to a range between $0.008 to $0.012. The highest single day of trading was on 6 November 2014 where a total of 5,181,498 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
10/03/2015	High Quality Assemblage Confirmed at Madimba HMS Project	0.010	▸	0.0%	0.009	▾	10.0%
03/03/2015	New Very High Grade HMS Drill Targets Confirmed in Tanzania	0.012	▲	20.0%	0.010	▾	16.7%
09/02/2015	Significant CAPEX and OPEX Reductions for Coburn HMS Project	0.010	▲	25.0%	0.009	▾	10.0%

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
05/02/2015	Drilling Success at Southern Tanzanian Mineral Sands Project	0.010	▲	11.1%	0.009	▼	10.0%
22/01/2015	Successful Magnetic Survey Completed at Fowlers Bay Project	0.010	▲	42.9%	0.009	▼	10.0%
17/12/2014	South Tanzanian Drilling Confirms Mineral Sands Potential	0.009	▲	12.5%	0.009	▶	0.0%
06/11/2014	Western Areas to Commence Major Exploration at Fowlers Bay	0.013	▼	7.1%	0.014	▲	7.7%
23/10/2014	Strandline Acquisition Completion	0.013	▶	0%	0.013	▶	0%
20/10/2014	Share Purchase Plan	0.015	▶	0%	0.013	▼	13%
09/10/2014	Western Areas Farms-In to Fowlers Bay Nickel Project	0.017	▲	6%	0.015	▼	12%
11/09/2014	Acquisition of Dominant Mineral Sands Exploration Position	0.020	▼	17%	0.021	▲	5%
22/08/2014	Issue of Shortfall Shares & Appendix 3B	0.023	▼	4%	0.022	▼	4%
12/08/2014	MG14 / Windabout Scoping Study Completed	0.020	▲	25%	0.022	▲	10%
02/07/2014	June Quarter Report and Appendix 5B	0.013	▼	7%	0.015	▲	15%
16/06/2014	Noranda Pacific to Withdraw from Mount Gunson Copper Project	0.015	▶	0%	0.012	▼	20%
16/06/2014	Tennant Creek Gold Copper Co Funded Proposed Drilling	0.015	▶	0%	0.012	▼	20%
02/06/2014	Closure of Entitlement Offer	0.015	▶	0%	0.012	▼	20%
26/05/2014	Coburn Project Mining Works Approved by WA DER	0.015	▶	0%	0.016	▲	7%
15/05/2014	Coburn Project Mining Proposal Approved by WA DMP	0.017	▶	0%	0.016	▼	6%
17/04/2014	Completion of Placement and Cleansing Notice	0.019	▶	0%	0.019	▶	0%

On 2 June 2014, the Company announced its non-renounceable offer had been completed, raising $300,000. On the day of the announcement, the Company's share price remained unchanged, however in the following three days fell by 20% to $0.012.

On 16 June 2014, the Company announced Noranda Pacific Pty Ltd.'s intention to withdraw from the Mount Gunson Copper Project Joint Venture. On the same day the Company also announced the approval of its co-funding application for the Tennent Creek-Gold Project. On the day of the announcement the Company's share price remained unchanged, however in the following three days fell by 20% to $0.012.

On 11 September 2014, the Company announced the acquisition of 100% of the shares in SRPL along with a placement and share purchase plan to raise $2.2 million through the issue of 146.67 million shares. The funds were proposed to be utilised towards existing work commitments at Coburn and the initial phase of

exploration drilling and resource estimation in Tanzania. On the day of the announcement, the Company's share price fell 17% to $0.02. However, it subsequently increased by 5% to $0.021 in the next three days.

On 22 January 2015, the Company released an update on a magnetic survey at Fowlers Bay Gold-Base Metal Joint Venture. Results from Westerns Areas survey highlighted numerous features likely to represent large maficultramafic intrusions, in areas of know gabbroic rock already being targeted by the joint venture. On the day of the release, the Company's share price increased by 42.9% to $0.01, however in the following three days fell by 10% to $0.009.

On 3 March 2015, the Company released an update on their mapping and sampling projects at Mafia Island, Kiswere and Ziwani. On the day of the release, the Company's share price increased by 20% to $0.012; however in the following three days, the share price fell by 16.7% to $0.010.

To provide further analysis of the market prices for an Strandline share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 21 April 2015.

Share Price per unit	21-Apr-15	10 Days	30 Days	60 Days	90 Days
Closing price	$0.009				
Volume weighted average price (VWAP)		$0.009	$0.010	$0.010	$0.010

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in price of Strandline shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Strandline shares for the twelve months to 21 April 2015 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.009	$0.009	1,300,000	0.21%
10 Days	$0.006	$0.009	1,898,700	0.30%
30 Days	$0.006	$0.011	4,484,597	0.71%
60 Days	$0.006	$0.015	17,746,363	2.82%
90 Days	$0.006	$0.015	27,260,939	4.34%
180 Days	$0.006	$0.027	72,262,630	11.50%
1 Year	$0.006	$0.027	90,004,408	14.32%

Source: Bloomberg, BDO analysis

This table indicates that Strandline's shares display a low level of liquidity, with 14.32% of the Company's current issued capital being traded in a twelve month period and 11.50% in the last six months. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Strandline, we do not consider there to be a deep market for the Company's shares as a result of only 14.32% of the Company's current issued capital being traded over the twelve months prior to 21 April 2015.

Our assessment is that a range of values for Strandline shares based on market pricing, after disregarding post announcement pricing, is between $0.008 and $0.010.

11.3 Assessment of Strandline value

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Net assets value (Section 11.1)	0.011	0.018	0.040
ASX market prices (Section 11.2)	0.008	0.009	0.010

Source: BDO analysis

We note that the values obtained under the NAV methodology are higher than the values obtained under the QMP methodology. The difference between the valuations obtained under the NAV and QMP approaches can be explained by the following:

- The price of mineral sands over the last 12 months has remained fairly stable and has not seen the same decline in price which many other mineral resources have experienced. The QMP valuation may have factored in the recent decline in commodity prices reflecting general market sentiment, and therefore does not fully reflect the potential value of Strandline's mineral assets;
- Our NAV methodology includes an independent market valuation of Strandline's mineral assets performed by CSA. CSA has relied on a combination of valuation methods including the comparable transaction, appraised values and geoscience ratings valuation approaches, which reflect the potential value of the Company's mineral assets, which may not have been factored in by the market and therefore is not fully reflected under the QMP method;
- Under RG111.69 (d), the QMP methodology is considered appropriate when a liquid and active market exists for the securities. From our analysis of the QMP of a Strandline share, we note that only 14.32% of the Company's current issued capital has been traded in the twelve months up until the date of the announcement of the Transaction, which represents a low level of liquidity over the period.

For the reasons described above and the lack of a 'deep' market for the trading of Strandline's shares, we consider the net asset value to be the most appropriate methodology and consider the value of a Strandline share prior to the Transaction to be $0.018 per share, being the preferred net asset value.

12. Valuation of Strandline following the Transaction

12.1 Value of JRT

Statement of Financial Position	Note	Reviewed 31-Dec-14 $	Low 31-Dec-14 $	Preferred 31-Dec-14 $	High 31-Dec-14 $
CURRENT ASSETS					
Cash and cash equivalents		33,693	33,693	33,693	33,693
TOTAL CURRENT ASSETS		33,693	33,693	33,693	33,693
NON-CURRENT ASSETS					
Property, plant and equipment		78,138	78,138	78,138	78,138
Exploration and evaluation expenditure	1	6,637,230	4,584,000	8,301,000	12,632,000
TOTAL NON-CURRENT ASSETS		6,715,368	4,662,138	8,379,138	12,710,138
TOTAL ASSETS		6,749,061	4,695,831	8,412,831	12,743,831
CURRENT LIABILITIES					
Borrowings	2	183,909	440,550	440,550	440,550
TOTAL CURRENT LIABILITIES		183,909	440,550	440,550	440,550
TOTAL LIABILITIES		183,909	440,550	440,550	440,550
NET ASSETS		6,565,152	4,255,281	7,972,281	12,303,281

Source: BDO analysis, Management information

The following adjustments have been made to the net assets of JRT since 31 December 2014 that has a material impact on our opinion. The table above indicates the net asset value of JRT is between $4.26 million and $12.30 million, with a preferred value of approximately $7.97 million.

Note 1 – Exploration and evaluation expenditure

We instructed CSA to provide an independent market valuation of the exploration assets held by JRT. CSA considered the exploration/development stage of each project in deciding what valuation methods would be suitable in assessing the value of each project area. At least two valuation methods were considered for each project, with at least one market approach attempted in assessing the value of each project.

Exploration ground was valued on the basis of area-based valuation factors derived from the analysis of comparable transaction. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. This was compared to valuations based on a geoscience rating method for all projects. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the pre-feasibility stage of development for JRT's exploration assets.

The range of values for each of JRT's exploration assets as calculated by CSA is set out below:

Mineral asset	Low value $'000s	Preferred value $'000s	High value $'000s
Tanzania:			
Tanga North	625	875	1,250
Tanga South	813	1,500	2,380
Bagamoyo	427	800	1,000
Fungoni	2,000	3,750	5,500
Chiliogali*	313	625	938
Mbinga	156	313	626
Shikula	250	438	938
Total	**4,584**	**8,301**	**12,632**

*90% interest

The table above indicates a range of values between $4.58 million and $12.63 million, with a preferred value of $8.30 million.

Note 2 - Exercised option to acquire tenements

Jacana paid ASAB US$200,000 in accordance with the terms of the 2014 option agreement to maintain its 90% interest in the two Prospecting Licenses held by ASAB, as mentioned in section 6.1. Given that the loan was paid in US dollars we have translated it to Australian dollars as at the date that ASAB was paid being 27 March 2015. The spot price as at 27 March 2015 was $0.7793 USD/AUD, which converts US$200,000 into AU$256,641

Borrowings	Amount
Balance as at 31 December 2014	183,909
Part payment towards tenements	256,641
	440,550

12.2 Valuation of Strandline following the Transaction

Valuation of Strandline post-Transaction	Note	Low $	Preferred $	High $
Net assets of Strandline prior to the Transaction (minority interest)		6,748,292	11,520,051	25,331,180
Net assets of JRT		4,255,281	7,972,281	12,303,281
Cash received in addition to the shares in JRT	1	1,466,307	1,466,307	1,466,307
Additional liabilities of JRT	2	(159,450)	(159,450)	(159,450)
Value of Strandline post-Transaction		**12,310,431**	**20,799,190**	**38,941,319**
Number of shares on issue post-Transaction	3	1,128,912,014	1,128,912,014	1,128,912,014
Value per share post-Transaction		**0.011**	**0.018**	**0.034**

The table above indicates the net asset value of a Strandline share following the Transaction is between $0.011 and $0.034. In arriving at this value, the following adjustments were made to the net assets of Strandline following the Transaction.

Note 1 - Cash received in addition to the shares in JRT

As outlined in section 4.1, Strandline will acquire cash of approximately $1.5 million from JRT, in addition to all of the shares in JRT. As at 31 December 2014, JRT had a cash balance of $33,693 which would increase by $1,466,307 post Transaction on the basis of cash received from Jacana (cumulatively totalling to $1.5 million).

We have noted the cash balance of Jacana as at 19 April 2015 amounting to approximately $1.6 million. The management of Jacana has confirmed that the cash balance has not changed significantly as at the date of this report.

Note 2 - Additional liabilities of JRT

The draft Notice of meeting provided states that at completion of the acquisition; JRT would have $600,000 in liabilities. We have considered an adjustment for $159,450, being the difference between the liabilities as at 31 December 2014 (Refer Section 12.1) and the pro-forma position post Transaction.

Note 3 - Number of shares on issue

We have adjusted the number of pre-Transaction shares on issue for the shares to be issued as consideration to Jacana. A breakdown is set out below.

Shareholding Scenario	Ref	Shares on issue
Issued shares as at the date of our Report	5.4	628,526,794
Issued shares as consideration to Jacana	4.1	500,385,220
Total shares following the Transaction		**1,128,912,014**

We have not included the potential exercise of 14,100,000 options Strandline currently have on issue, as we consider the options to be out of the money.

13. Is the Transaction fair?

The values of a Strandline share prior to the Transaction is compared to the value of a Strandline share following the Transaction below:

	Ref	Low $	Preferred $	High $
Value of a Strandline share prior to the Transaction	11.1	0.011	0.018	0.040
Value of a Strandline share following the Transaction	12.2	0.011	0.018	0.034

We note from the table above that our range of values of a Strandline share following the Transaction is equivalent to the range of values of a Strandline share prior to the Transaction. Therefore, we consider that the Transaction is fair to the Shareholders of Strandline.

14. Is the Transaction reasonable?

14.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Strandline a premium over the value ascribed to, resulting from the Transaction.

14.2 Practical Level of Control

If the Transaction is approved then Jacana will hold an interest of approximately 44.32% in Strandline. In addition to this, Strandline will have two additional Board members nominated by Jacana.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved then the vendors of Jacana will be able to block special resolutions.

Strandline's Board currently comprises three directors. Jacana will nominate two additional directors which will take Strandline's Board to five directors. This means that Jacana nominated directors will make up 40% of the Board.

Jacana's control of Strandline following the Proposed Transaction will be significant when compared to all other shareholders. However, given that the intention of Jacana is to distribute the consideration shares received from Strandline to the Jacana shareholders immediately following the Transaction, we do not consider Jacana to be in a position to significantly influence the activities of Strandline.

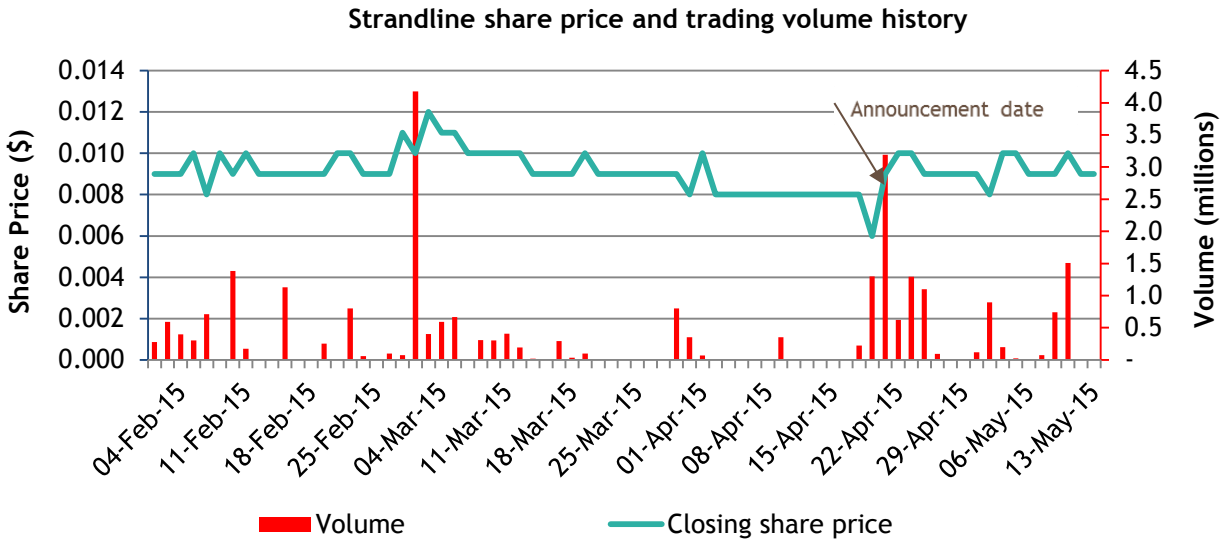
14.3 Consequences of not approving the Transaction

Consequences

If the Transaction is not approved, Strandline will retain its existing operations. As such, the Directors of Strandline would need to consider funding alternatives to further develop its exploration assets and continue as a going concern.

Potential decline in share price

We have analysed movements in Strandline's share price since the Transaction was announced. A graph of Strandline's share price since the announcement is set out below.



Source: Bloomberg

The announcement of the Transaction was made to the market on 22 April 2015. On that day approximately 3.2 million shares were traded and Strandline's share price closed at $0.010, an increase of 11% from the closing price of the previous trading day, and an increase of 67% from the closing price of two days prior to the announcement. Since the announcement of the Transaction, Strandline's share price has continued to trade between $0.009 and $0.010. If the Transaction is not approved, then the share price may fall further below its pre-announcement level.

14.4 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description
The Transaction is fair	Our analysis in section 13 concludes that the Transaction is fair to Shareholders. RG 111 states that an offer is reasonable if it is fair.
The proposed Transaction would help diversify Strandline's base of Tanzanian projects and consolidate its position in Tanzania	Strandline currently has exploratory mining tenements comprising mineral sand deposits. JRT tenements comprise of projects with potential nickel, coal and graphite deposits. This would diversify Strandline's exposure to a broader range of commodities in Tanzania. Further, consolidating Strandline's and JRT's tenements together would make Strandline a more attractive takeover target.

Synergies with current Tanzanian projects	Strandline already has a number of exploration projects in Tanzania. The acquisition of further exploratory projects in Tanzania would allow Strandline to benefit from potential synergies between the new and existing Tanzanian projects.
Helps strengthen the Board of Directors	Approval of the Transaction will see two Jacana Board members added to the Strandline Board of Directors. This will bring a wealth of knowledge regarding JRT operations and the broader Tanzanian mining exploration industry.
Altering the risk profile of the Strandline business could attract new investors and help the Company with reviewing future growth opportunities	Strandline will be increasing investment in Tanzania which will alter the risk profile of the business of Strandline. This could attract new investors and may allow the Company to more readily raise additional working capital and as such Strandline may increase its ability to acquire further projects
Cash received as a part of the Transaction reduces the risks of holding shares in Strandline and also strengthens the balance sheet	The cash received as a part of the Transaction reduces the risks that Shareholders bear from continuing to hold Strandline shares. These risks include, but are not limited to, the following: • Future development of projects into cash generating assets; • Deterioration in market conditions; and • Future funding. Additionally, the cash received will strengthen the balance sheet of Strandline and allow it to attract other debt or equity funding in the future. This also defers the need for future equity raisings and hence, dilution of existing shareholders' interests.

14.5 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Increased risk with Tanzanian investment	Tanzania is an emerging market, bringing with it additional risk relative to investing in domestic projects.
Altering the risk profile of the Strandline business could detract current investors	Strandline will be increasing investment in Tanzania which will alter the risk profile of the business of Strandline. This may be inconsistent with the objectives of the current shareholders of Strandline.
Dilution of current shareholdings	The proposed acquisition will result in the issue of shares to the shareholders of Jacana, which will have a dilutionary effect on the current holdings of shareholders.
Risk associated with early stage exploration projects	The risk involved with acquiring many of the early stage exploration projects of JRT is the likelihood of the project failing to generate resources of significant economic value.

15. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Strandline.

16. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Amended Heads of Agreement between Strandline and Jacana dated 20 May 2015;
- Audited financial statements of Strandline for the years ended 30 June 2013 and 30 June 2014;
- Reviewed financial statements of Strandline for the half year ended 31 December 2014;
- Reviewed financial statements of Jacana as at 30 June 2014 and for the half year ended 31 December 2014;
- Management accounts of JRT for the six months ended 31 December 2014;
- Independent Valuation Report of Strandline and JRT mineral assets dated 30 April 2015 performed by CSA;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Strandline and Jacana.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $20,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Strandline in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Strandline, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Strandline and Jacana and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Strandline and Jacana and their respective associates.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 – Professional Independence. The services provided have no material impact on the financial report of Strandline.

A draft of this report was provided to Strandline and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of

BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Institute of Chartered Accountants in Australia. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of Strandline for inclusion in the Explanatory Memorandum which will be sent to all Strandline Shareholders. Strandline engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to issue shares in Strandline for the purchase of 100% of the issued capital of JRT.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to JRT. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Strandline, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Strandline and JRT.

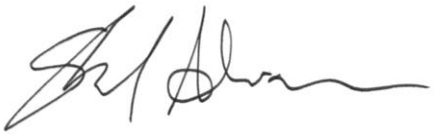
The valuer engaged for the mineral asset valuation, CSA, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes

Director

Adam Myers

Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act
Amended HOA	Amended Heads of Agreement dated 20 May 2015
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASAB	ASAB Resources (Tanzania) Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
CSA	CSA Global Pty Ltd
DCF	Discounted Future Cash Flows
DMP	Department of Mines and Petroleum
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
HOA	Heads of Agreement dated 22 April 2015
Jacana	Jacana Minerals Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JRT	Jacana Resources (Tanzania) Limited
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
RBA	The Reserve Bank of Australia
RG 74	Acquisitions approved by Members (December 2011)

RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Rights	Performance Rights issued under the Strandline Resources Limited Incentive Plan
Shareholders	Shareholders of Strandline not associated with Jacana
SPP	Share purchase plan
SRPL	Strandline Resources Pty Ltd
Strandline/ the Company	Strandline Resources Limited
Syrah	Syrah Resources Limited
The Transaction	The proposal to issue 500,385,220 shares in Strandline to the vendors of Jacana
Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
Western Areas	Western Areas Limited

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘**EBIT**’) or earnings before interest, tax, depreciation and amortisation (‘**EBITDA**’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 – Valuation report of CSA Global Pty Ltd

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Resource Industry Consultants

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Date: 30th April 2015
Report No: R153.2015

Independent Technical Assessment and Valuation

STRANDLINE RESOURCES LTD

Valuation of Strandline and Jacana Mineral Assets

Tanzania and Australia

By

Trivindren Naidoo *MSc., MAusIMM, MGSSA, Pr.Sci.Nat*

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Principal Reviewer:	Graham Jeffress	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Graham M Jeffress
CSA Authorisation:	Graham Jeffress	Signature	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Graham M Jeffress

Executive Summary

Introduction

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Valuation of the Mineral Assets of Strandline Resources Limited (Strandline or "The Company") and Jacana Resources (Tanzania) Limited ('JRT', Jacana or the "The Target Company"). This review and valuation report ("Report") was written for inclusion in an Independent Expert's Report ("IER") to be prepared by BDO as part of a notice of meeting for the shareholders of Strandline. BDO's report will address if the proposed acquisition of JRT involving the issue of fully paid equity shares of Strandline as consideration, is fair and reasonable to the non-associated shareholders of Strandline and as such it will be a public document.

Strandlines's projects comprise four groups of tenements in three Australian States (Figure 1) and five tenement groups in Tanzania (Figure 2). Strandline holds a 100% interest in each project. Two of Strandline's Australian projects (Fowlers Bay and Mount Gunson) are currently subject to Joint Venture agreements, with Strandline's JV partners currently earning-in to these projects.

Jacana's projects comprise seven tenement groups in Tanzania (Figure 2). Jacana holds a 100% interest in each project, with the exception of Chiliogali, in which Jacana holds a 90% interest.

Strandline's Coburn Heavy Mineral Sands Project in Western Australia covers an area of approximately 964 km^2 and consists of seven granted mining licences, three granted exploration licences, four exploration licence applications and two granted miscellaneous licences. Comparatively zircon-rich heavy mineral sands were discovered within the project area, with a large current Measured, Indicated and Inferred heavy mineral sands resource of 979 Mt disclosed according to the JORC Code (2004). A 'bankable' feasibility study was completed, and underwent several updates, but the project is not currently under construction, and there has not been a decision made to construct the project.

Strandline's Mtwara Project in southern Tanzania comprises four granted prospecting licences covering an area of approximately 446 km^2, with heavy mineral sands known to occur in three prospects. Strandline's shallow power auger drilling programme has confirmed interesting grades and mineral assemblages at two of the prospects so far. The Mtwara Project is considered to have significant potential for the presence of significant concentrations of economic mineral sands with a promising mineral assemblage.

Strandline's Kilwa-Kiswere Project in southern Tanzania consists of four granted prospecting licences covering an area of approximately 557 km^2, with heavy mineral sand anomalies known on all licences. Strandline has not as yet conducted much work on the project. CSA Global consider the Kilwa-Kiswere tenements to have reasonable exploration potential for mineral sand deposits. The targets being sought are both strandline placer and/or aeolian-dune hosted deposits.

Strandline's Mafia Island Project off the coast of Tanzania consists of a single prospecting licence covering approximately 264 km^2, which spans the entire western half of the island. Potentially significant heavy mineral sand concentrations were reported from reconnaissance work in the 1970's, with initial reconnaissance work by Strandline indicating that further exploration is warranted. CSA Global considers this project has some exploration potential and is worthy of a small to moderate exploration program to provide some additional data to work with. The project's location on a small offshore island may provide development difficulties however.

Strandline's Bagamoyo West Project in northern Tanzania consists of four granted prospecting licences covering approximately 890 km^2, with heavy mineral sands concentrations known to occur within the area. Strandline completed one programme of very broadly spaced shallow auger drilling on the project, with heavy mineral sands encountered, but with a disappointing composition. In comparison the adjoining Jacana Bagamoyo Project provides much greater potential, with more extensive exploration data available in these tenements. These projects need to be considered together with the greater understanding of the Jacana Bagamoyo Project providing some guidance on how future exploration activity could be directed in the Strandline Bagamoyo West Project.

Strandline's Kitambula Project in northern Tanzania consists of six granted prospecting licences covering approximately 243 km^2, located about 70 km southwest of the newly opened Kwale heavy mineral sands mine in southern Kenya. Heavy mineral sands concentrations are known on the project, confirmed by initial variably spaced drilling by Strandline. The combined area of Jacana's single PL and the adjacent conjoined four Strandline PLs is 516.35km^2, which represents a significant exploration holding in a strategic location. Despite the lack of encouragement from the relatively limited surface sampling and drilling completed to date, CSA Global believes that the area should be carefully explored for both strand placer and aeolian dune-hosted heavy mineral deposits, as are present at Kwale.

Jacana's Tanga North Project in northern Tanzania is adjacent to Strandline's Kitambula Project, and consists of one granted prospecting licence covering approximately 292 km^2. Significant heavy mineral sands concentrations were noted historically, but Jacana has not as yet conducted any detailed exploration on the project. CSA Global believes that the project area offers reasonable prospects of successful heavy mineral exploration with the application of the aircore drilling technique in areas with the most promising surface heavy mineral indications. The potentially prospective area is quite large at 17 km long and 1–3km wide.

Jacana's Tanga South Project in northern Tanzania consists of four granted prospecting licences covering approximately 358 km^2, with heavy mineral sands concentrations confirmed by drilling at three named prospects within the licences. CSA Global believes that the project is prospective, and further exploration, including AC drilling at all three prospects, is warranted.

Jacana's Bagamoyo Project is adjacent to Strandline's Bagamoyo West Project in northern Tanzania, and consists of three granted prospecting licences covering approximately 414 km^2. Three arcuate zones of anomalous mineral sands that are 200–400 m wide and run for 5–10 km in a generally east-west direction across the two licences have been identified from previous exploration. Jacana has not conducted any exploration on these licences as yet, and CSA Global believes that the two tenements have been only lightly explored and is worthy of further exploration, with further work including consideration of Strandline's adjoining Bagamoyo West licences.

Jacana's Fungoni Project in Tanzania is situated 25 km southeast of Dar-es-Salaam, and consists of three granted prospecting licences covering approximately 338 km^2. Previous work confirmed the presence of concentrations of heavy mineral sands with high grades, and drilling by Jacana led to the delineation in 2014 of an Indicated and Inferred Resource of 14 million tonnes of heavy mineral sands at a grade of 2.8% heavy minerals (JORC 2012). CSA Global believes that the relatively extensive area and strike length of the anomalous HM zones provides significant encouragement for the discovery of additional zones of high-grade HM mineralisation outside of the main defined Fungoni resource.

Jacana's 90% owned Chiliogali Graphite Project in southern Tanzania consists of two granted prospecting licences covering approximately 138 km^2. Graphite-bearing rocks have been reported from pits at two prospects within the project area. This project is at the very earliest of exploration

phases with no drilling undertaken to date. CSA Global believe that the project area offers reasonable prospects for graphite and base metals exploration. Neighbouring projects reported publicly by IMX Resources and Magnis Resources have significant proportions of large and extra-large graphite flakes > 180 µm.

Jacana's Mbinga Nickel Project in southern Tanzania consists of four granted prospecting licences covering approximately 110 km^2. The Mbinga nickel sulphide project is located in Proterozoic age rocks of the Usugaran System, with gabbro norites, norite-troctolites and olivine gabbros also being present in the area. Previous stream and soil sampling in the area confirmed elevated nickel, and geophysical targets have been identified. Jacana has not undertaken any exploration on the project as yet. This project is at the very earliest of exploration phases with no drilling undertaken to date. CSA Global believes that the project area offers reasonable prospects for nickel exploration.

Jacana's Shikula Coal Project in western Tanzania consists of a granted single Prospecting Licence which covers an area of approximately 197 km^2. The project is located in the Rukwa Rift Basin and is underlain by sediments of Karoo Supergroup age. The Karoo Supergroup is known to contain coal measures and uranium mineralisation in various parts of Africa. The project is located along strike from the Galula coal field and to the south of Kibo Mining PLC's Rukwa coal exploration prospects. Jacana has not as yet undertaken detailed exploration for coal within the project area. This project is at the earliest stage of exploration. The project area offers reasonable prospects for coal mineralisation, although exploration needs to be undertaken to confirm its presence.

Strandline's Mount Gunson Project in South Australia consists of three granted exploration licences covering approximately 824 km^2 within the Olympic Dam IOCG province, with old copper mines and known current resources present on the licences. There is a current JV agreement over two excised areas within the licence holdings covering the MG14 and Windabout Deposits. Strandline currently retains 100% interest in these excised areas, but the JV partner has the right to earn in to 51%. The greater area has been explored in the past, but new exploration models targeting copper and gold mineralisation in the crystalline basement remain to be tested. CSA Global believes that the area retains untested exploration potential.

Strandline's Fowlers Bay Project in South Australia comprises a single granted exploration licence (EL4440), with Western Areas currently earning-in to 51%, under a JV agreement. Western Areas is currently the operator of the JV, and has the right to earn up to 90% by sole funding exploration on the project. Previous geophysical work has identified numerous conductors, with limited drilling to date not intersecting nickel mineralisation. This project is at the very earliest of exploration phases with very limited drilling undertaken to date. CSA Global believes that the project area warrants exploration for nickel.

Strandline's Tennant Creek Project in the Northern Territory of Australia consists of three granted exploration licenses and one exploration license application over a combined area of 76.6 km^2 (63.7 km^2 currently granted). The Tennant Creek district has seen significant gold and copper mining in the past, with most orebodies associated with distinctive magnetic anomalies. Significantly less exploration has been conducted in the district for non-magnetic gold-copper ore bodies. Such deposits are predicted to occur in the Tennant Creek district, but will not have the usual geophysical characteristics of the well-known gold-copper ore bodies. This project is at the very earliest of exploration phases with very limited drilling undertaken to date. CSA Global believes that the project area offers reasonable prospects for gold-copper exploration.

Mineral resources have been estimated for the Coburn, Fungoni and Mount Gunson Projects. The Coburn and Fungoni deposits are of heavy mineral sands, whereas the Mount Gunson deposits are

copper deposits. The Mount Gunson deposits occur in the excised portion of the licence holding which is subject to a JV agreement.

Valuation

CSA Global considered the exploration/development stage of each project in deciding what valuation methods would be suitable in assessing the value of each project area. At least two valuation methods were considered for each project, with at least one market approach attempted in assessing the value of each project.

Where declared mineral resources are known to exist on the tenements, the value of the tenements were assessed on the basis of these resources. Exploration ground was valued on the basis of area-based valuation factors derived from the analysis of comparative transactions, and this was compared to valuations based on a Geoscience Rating method for the Tanzanian projects, and to Appraised Values in terms of effective exploration expenditure for the Australian projects.

Strandline's Discounted Cash Flow model was also considered in the case of Strandline's Coburn Project, but the cash flow model was not effective in assessing a reasonable value for the project when current market conditions were taken into account.

CSA Global's Valuation Ranges and Preferred Values for the mineral assets of Strandline and Jacana are summarised in Table 1 and Table 2 respectively.

For the Strandline mineral assets, the preferred total valuation is A$14.6M, from a range of A$8.5M to A$31.9M.

For the Jacana mineral assets, the preferred total valuation is A$8.3M, from a range of A$4.6M to A$12.3M.

The preferred Valuation of the combined assets of both Strandline and Jacana is therefore A$22.9M, within the range A$16.8M to A$44.2M.

Table 1: Valuation Range and Preferred Value of Strandline's project portfolio as at 30th April 2015

Project	Low (A$)	Preferred (A$)	High (A$)
Coburn	3,000,000	6,000,000	18,000,000
Mtwara	750,000	1,100,000	1,500,000
Kilwa-Kiswere	562,000	1,000,000	1,400,000
Mafia Island	350,000	560,000	800,000
Bagamoyo West	1,000,000	1,350,000	2,250,000
Kitambula	500,000	800,000	1,500,000
Fowlers Bay#	925,000	1,000,000	1,100,000
Mount Gunson#	1,250,000	2,500,000	5,000,000
Tennant Creek	255,000	345,000	435,000
TOTALS	**$8,592,000**	**$14,655,000**	**$31,985,000**

#Subject to JV agreements. Valued at 100% interest, as Strandline currently holds 100% interest.

There is significant range in the values derived for the mineral assets. CSA Global has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the projects, given the uncertainties inherent in valuing early stage exploration projects and advanced projects that are stalled because of commodity prices and market sentiment.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

Table 2: Valuation Range and Preferred Value of Jacana's project portfolio as at 30th April 2015

Project	Low (A$)	Preferred (A$)	High (A$)
Tanga North	625,000	875,000	1,250,000
Tanga South	813,000	1,500,000	2,380,000
Bagamoyo	427,000	800,000	1,000,000
Fungoni	2,000,000	3,750,000	5,500,000
Chiliogali*	313,000	625,000	938,000
Mbinga	156,000	313,000	626,000
Shikula	250,000	438,000	938,000
TOTALS	**$4,584,000**	**$8,301,000**	**$12,632,000**

* 90% interest

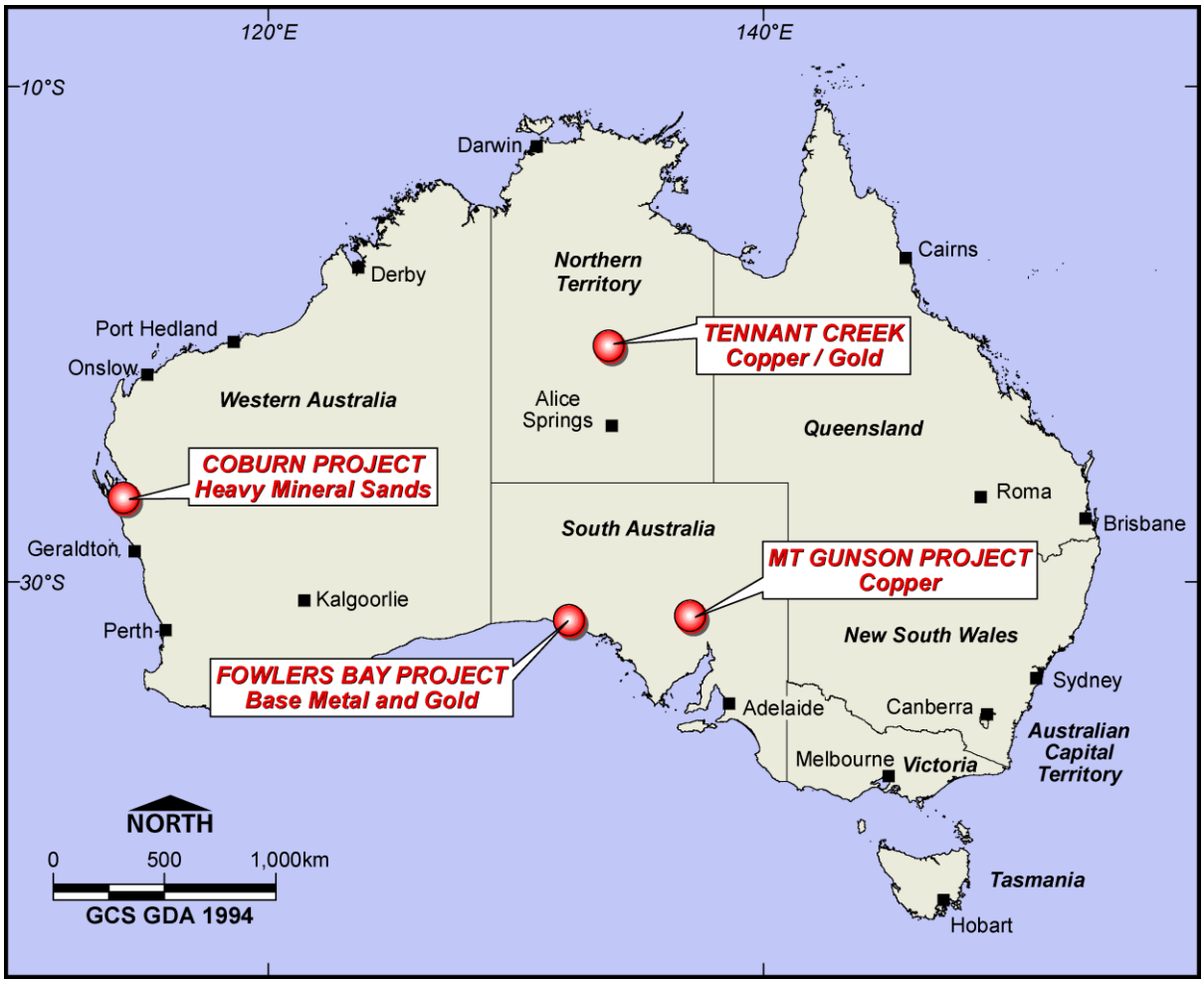

Figure 1. Strandline's Australian Project locations

Figure 2. Location of Strandline's and Jacana's main mineral projects in Tanzania

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1 Introduction

1.1 Context, Scope and Terms of Reference

Strandline Resources Limited (Strandline) is a Perth-based mineral exploration and development company listed in May 2000. Strandline has a suite of projects in Tanzania and Australia at various stages of evaluation. The projects are targeting valuable mineral sands, copper and nickel.

Jacana Minerals (Jacana) is a Tanzania-focussed mineral explorer with a diverse portfolio of exploration opportunities and an experienced and successful board and management team. The assets, including valuable mineral sands, graphite, nickel and coal prospects, were demerged from Syrah in October 2014.

Strandline has executed a Binding Heads of Agreement (HOA) to acquire a 100% interest in Jacana Resources (Tanzania) Limited ('JRT'). Jacana was spun out of Syrah in October 2014 and now owns the Tanzanian assets that Syrah held. Syrah is focussing on its industry-leading Balama graphite and vanadium in Mozambique. Jacana is selling Jacana Resources (Tanzania) Limited, which controls Jacana's exploration assets, all of which are located in Tanzania

Jacana is planning to distribute the Strandline shares that it receives in the transaction to Jacana shareholders at a rate of approximately 5 Strandline shares for every 1 Jacana share owned. This distribution will be subject to Jacana shareholder approval.

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by the directors of Strandline Resources Limited (Strandline) to prepare an Independent Expert's Report (IER). The IER is being prepared to address if the proposed acquisition of JRT involving the issue of fully paid equity shares of Strandline as consideration, is fair and reasonable to the non-associated shareholders of Strandline.

CSA has been tasked with completing a valuation of the Mineral Assets in both companies, which will be relied upon by BDO as an input in the Independent Expert's Report. CSA will use a range of valuation methodologies to reach a conclusion on the value of the assets.

BDO has requested that the Report is conducted in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts ("the VALMIN Code") as issued in 2005.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 30th April 2015 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global has provided and not withdrawn written consent for the inclusion of the report on the Projects in the IER, and to the inclusion of statements made by CSA Global and to the references to its name in other sections of the IER, in the form and context in which the Report and those statements appear.

CSA Global accepts responsibility for this Report for the purposes of an Independent Technical Assessment and Valuation. Having taken all reasonable care to ensure that such is the case, CSA Global and the authors confirm that, to the best of their knowledge, the information contained in the Report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred since 30th April 2015 that would require any amendment to the Report.

A final draft of the report was provided to Strandline, along with a written request to identify any material errors or omissions prior to lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 111, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

1.2 Compliance with the VALMIN Code 2005

This Independent Technical Valuation Report ("Report") has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, 2012 Edition ("JORC 2012") and the rules and guidelines issued by such bodies as the ASIC and ASX that pertain to Independent Expert Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX), including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

This Report has been based upon information available up to and including 30th April 2015 ("Valuation Date"). The information was provided to CSA by Strandline or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to the Projects.

The authors have endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this report is based. Strandline and BDO were provided a final draft of this Report and requested to identify any material errors or omissions prior to its lodgement.

CSA has elected not to undertake site visits specifically for this report, due to the relatively grassroots nature of most of the projects, a recent visit as part of an independent geologist's report for Jacana (Parker 2014), and general familiarity with the project areas.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 30th April 2015 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global reviewed the status of all tenements using information provided by Strandline, Jacana and from independent enquiries by CSA Global.

The Jacana prospectus provides an independent solicitor's report on the Jacana Tanzanian tenements, however a recent independent review of the Strandline tenements was not available.

Based on CSA Global's enquiries to Strandline and the solicitor's report all tenements appear to be in good standing. CSA Global has reviewed Purchase and Trust Agreements provided by Strandline that show Strandline has beneficial ownership of the Tanzanian tenure described in this report through its local subsidiary – Active Resources.

CSA Global is not qualified to provide extensive comment on legal issues, including status of tenure, associated with the properties referred to in this report. However, CSA Global has reviewed documents provided by Strandline demonstrating that Strandline has been granted these licences

through its local subsidiary, Active Resources. Assessment of these aspects has relied on information provided by Strandline, which has not been fully independently verified by CSA Global for the Tanzanian licences. The information that CSA Global has relied on for the relates to various correspondence from the Tanzanian Ministry of Energy and Minerals to Strandline

CSA Global made independent inquiries in relation to the status of the tenements and by cross checking the government web-based tenement registers as follows:

- Tanzania (http://portal.mem.go.tz/map/)
- Western Australia (https://emits.dmp.wa.gov.au/emits/enquiry/home2.xhtml)
- South Australia (https://sarig.pir.sa.gov.au/Map) and
- Northern Territory (http://strike.nt.gov.au/).

These checks verified the supplied information, being sufficient action to meet the requirements of paragraph 67 of the VALMIN Code.

1.4 Authors of the Report – Qualifications, Experience

This Report has been prepared by CSA Global Pty Ltd, a privately-owned consulting company that has been operating from Perth, Western Australia for over 25 years.

CSA provides multi-disciplinary services to clients in the global resources industry. CSA has worked for major clients globally and many junior resource companies. CSA provides services including all aspects of the mining industry from project generation, to exploration, resource estimations, project evaluation, development studies, operations assistance and corporate advice, such as valuations and independent technical documentation. CSA has been involved in the preparation of independent reports for Canadian, Australian, United States and United Kingdom listed companies.

Technical aspects of this report have been prepared by CSA's Principal Geologists Mr Graham Muggeridge, Mr Anthony Donaghy and Mr Warren Potma.

Mr Graham Muggeridge BSc. (Hons) is a Fellow of the AusIMM ("FAusIMM") and a Chartered Professional Geologist ("CPGeo"), who has over 30 years' experience in the exploration and evaluation of mineral properties, in grass roots to advanced exploration; near-mine and resource definition with associated management skills, within Australia and overseas. Mr Muggeridge has completed mineral sands exploration in Surat, Gippsland, Eucla and Canning Basins and provided expert advice on mineral sands projects in the Perth Basin in addition to projects on Cape York and in Central Australia.

Mr Anthony Donaghy BSc. (Hons) is an internationally recognised expert in the global search for nickel and platinum group elements, with over 15 years' experience covering all continents and all aspects of the industry – from leading continental-scale grassroots targeting exercises, through greenfields and brownfields exploration project design and execution, mining, property evaluation and due diligence, to Board level strategy development and guidance.

Mr Warren Potma MSc. is a Member of the AIG ("MAIG"), who has over 20 years' experience exploration and mining geology, ranging from grassroots reconnaissance through to brownfields, near-mine, resource definition and feasibility studies, mine production and technical projects experience, and a strong background in applied exploration technology research and development and mineral systems research (at CSIRO). Mr. Potma has extensive experience across a range of magmatic hydrothermal base and precious metal mineral systems.

Mr Muggeridge, Mr Donaghy and Mr Potma have the relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The valuation was prepared by Mr Trivindren Naidoo MSc. Mr Naidoo is a consulting geologist with over 15 years' experience in the minerals industry, including 10 years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Mr Naidoo is a Registered Professional Natural Scientist (Pr.Sci.Nat) in the field of Geology with the South African Council for Natural Scientific Professions (SACNASP), and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), as well as a Member of the Geological Society of South Africa (MGSSA).

Mr Naidoo has the relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The primary reviewer of the report is CSA's Principal Geologist Mr Graham Jeffress BSc. (Hons), a Member of the Australian Institute of Geoscientists and Fellow of the AusIMM, and a Registered Professional Geologist ("RPGeo"), who has worked for over 25 years as a professional geologist with experience in the exploration for, and the evaluation and mining of, mineral properties within Australia and worldwide. Mr Jeffress has the relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

1.5 Prior Association and Independence

The authors of this report have no prior association with Strandline or Jacana in regard to the mineral assets. Neither CSA, nor the authors of this report, have or have had previously, any material interest in Strandline or Jacana or the mineral properties in which Strandline and Jacana have an interest. CSA's relationship with Strandline is solely one of professional association between client and independent consultant.

CSA is an independent geological consultancy. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. The fee for the preparation of this report is approximately $30,000.

No member or employee of CSA is, or is intended to be, a director, officer or other direct employee of Strandline or Jacana. No member or employee of CSA has, or has had, any shareholding in Strandline or Jacana. There is no formal agreement between CSA and Strandline as to CSA conducting further work for Strandline.

1.6 Declarations and Limitations

This Report has been prepared by CSA at the request of, and for the sole benefit of BDO. Its purpose is to provide an independent technical assessment and valuation of Strandline's and Jacana's Projects in Australia and Tanzania. The Report is to be included in its entirety or in summary form within an IER to be prepared by BDO in connection with an IER**.** It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

CSA has consented to the inclusion of the Report within the IER in the form and context in which it is to appear. Neither the whole nor any part of the Report, nor any reference to it, may be included in

or with, or attached to any other documents, circular, resolution, letter or statement without the prior written consent of CSA as to the form and context in which it is to appear.

This report has been compiled based on information available up to and including the date of this report. The statements and opinions are based on the reference date of 30th April 2015 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

All parties have consented to the inclusion of their work for the purposes of this announcement.

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing.

It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

1.7 Tanzanian Mining Law

For minerals other than building material and gemstones (but including diamonds) a PL is granted for an initial four year period and can be renewed twice; once, for a period of three years at which stage fifty percent of the original area is to be relinquished, and a second time for a further two years for an area fifty percent smaller than that applied for in the first renewal period. A further 2 years may be applied for after the second renewal period should additional time be required to complete a feasibility study. During the license period the owner is granted exclusive exploration rights on the property.

The licence application fee for PL's is US$300 on initial application and for each renewal, and the preparation fee for PL's is US$500. An annual rent is levied at US$100 per km^2 in the initial 4 year period, which escalates to US$150 per km^2 during the first renewal and US$200 per km^2 during the second renewal. In order to apply for a PL licence, the applicant must submit their financial and technical capabilities, previous PL application details, work programme and budget. The Mining Act indicates a minimum spend of US$500 per km^2 in the first 4 years, with increased expenditures for each renewed period.

An RL can be applied for if a mineral deposit (not including building materials and gemstones but including diamonds) in a prospecting area has the potential for commercial significance but is not able to be developed immediately. The RL is valid for a period of five years and has a single renewal period of a further five years. An application for a SML can be made while holding an RL for an area.

CSA Global reviewed the status of the licences Strandline and Jacana Tanzanian prospecting licences using the Tanzania Mining Cadastre Portal system on 29th April 2015. The tenements appear to be in good standing and currently active.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

2 Strandline's Australian Mineral Sand Projects

2.1 Coburn Mineral Sands Project

2.1.1 Property Location, Access and Infrastructure

The project site is located approximately half way between the port city of Geraldton to the south and the coastal town of Carnarvon in the north which are approximately 500km apart in the State of Western Australia. Most of the supplies and services for the Project can be accessed through Geraldton, via the North West Coastal Highway. This Highway is located about 45 km to the east of the Project via the Coburn station access road. Strandline Resources own the pastoral property, "Coburn" on which the project is located. Since the purchase of the property by Gunson Resources the grazing property has been destocked.

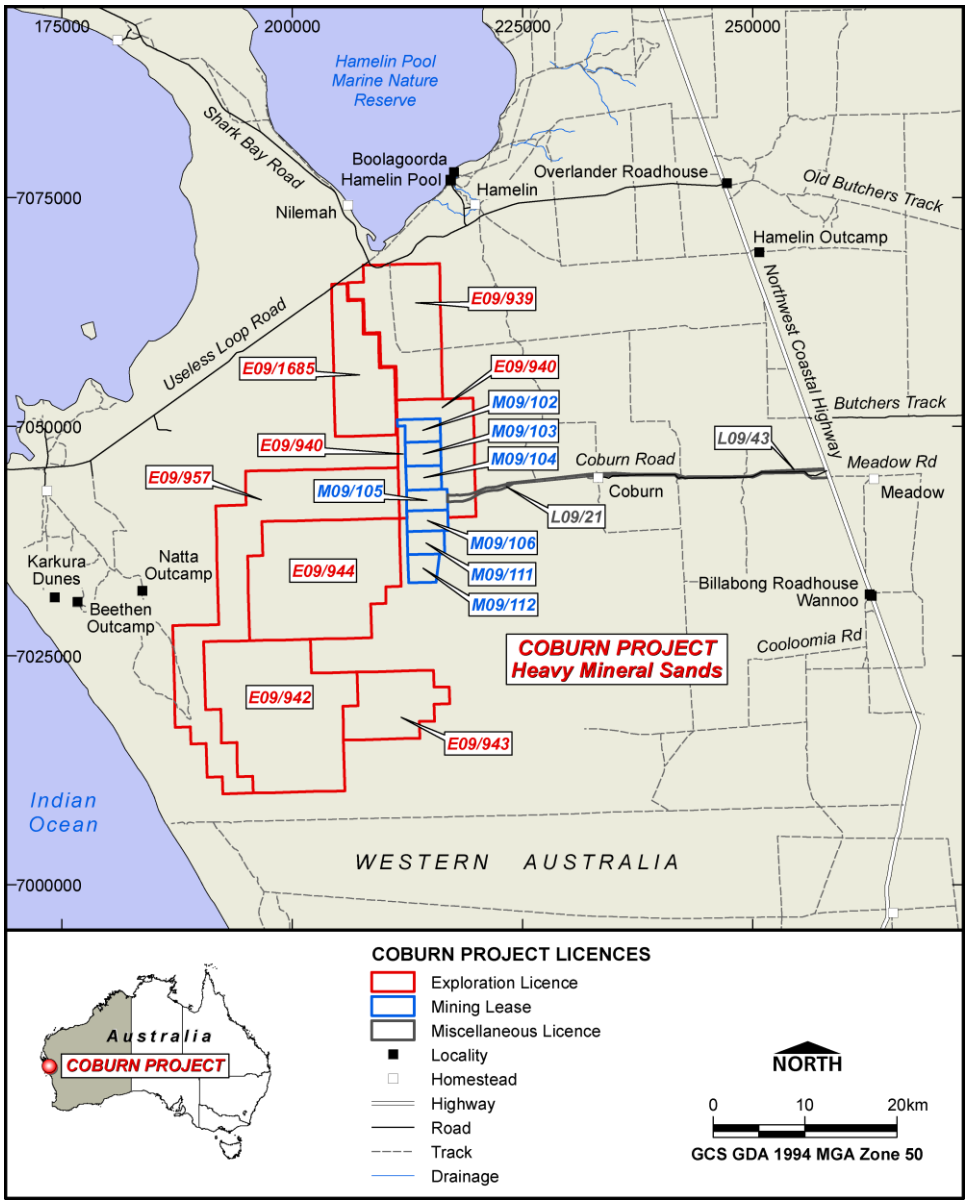

Figure 3. Coburn Project Location and Tenements

2.1.2 Description of Mineral Assets

The Coburn Project as of April 2015 comprised seven approved mining leases, three approved exploration licences, two approved miscellaneous licences and four exploration licence applications (Table 3). The area covered by this tenement portfolio is 964.25 km^2 in area. However, some 767 km^2 (or 64%) of this area comprises exploration licences and exploration licence applications which overlap the Shark Bay World Heritage Property (SBWHP), where no exploration or mining activities are possible at this time.

CSA Global reviewed the status of the licences using the Western Australian Department of Mines and Petroleum TENGRAPH Online system on 29th April 2015. The tenements appear to be in good standing, to be on pastoral land and are subject to Native Title claims. The expenditure commitments have been met or exceeded on all licences appear to have had and are on track to do so again in this current year.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

Table 3: Coburn Mineral Sand Project Assets

Tenement ID	Holder	Area (km^2)	Grant/ Application Date	Expiry Date
EL 09/939	Strandline Resources	107.5	18-Jun-99	17-Jun-14
EL 09/940	Strandline Resources	63.8	18-Jun-99	17-Jun-14
EL 09/1685	Strandline Resources	82.9	15-Mar-11	14-Mar-16
ELA 09/942	Strandline Resources	196	12-May-98	-
ELA 09/943	Strandline Resources	61.6	12-May-98	-
ELA 09/944	Strandline Resources	176.4	15-May-98	-
ELA 09/957	Strandline Resources	196	21-Jul-98	-
M 09/102	Strandline Resources	9.98	25-Oct-04	24-Oct-25
M 09/103	Strandline Resources	9.99	25-Oct-04	24-Oct-25
M 09/104	Strandline Resources	9.99	25-Oct-04	24-Oct-25
M 09/105	Strandline Resources	10	25-Oct-04	24-Oct-25
M 09/106	Strandline Resources	10	25-Oct-04	24-Oct-25
M 09/111	Strandline Resources	9.99	14-Jul-05	18-Jul-26
M 09/112	Strandline Resources	9.9	14-Jul-05	18-Jul-26
L 09/21	Strandline Resources	9.5	8-Jan-07	07-Jan-28
L 09/43	Strandline Resources	0.7	17-Jan-13	16-Jan-28

2.1.3 Regional Geology

The Coburn Project is located on the Gascoyne Platform, a north – south aligned structural unit of the Carnarvon Basin. The Gascoyne Platform consists of mainly Ordovician to Devonian intercalated siliciclastic and carbonate sediments, overlain by a thin veneer of carbonate dominated Late Cretaceous to Cainozoic sedimentary rocks.

The Cretaceous units represent several sequences of deep water to shallow water marine and onshore depositional environments. The most significant of these units are the Windalia Sandstone, the Birdrong Sandstone and the Kopke Sandstone, which contain the productive ground water aquifers in the Project area.

The Toolonga Calcilutite outcrops in the Shark Bay district where it is often obscured by a well-developed calcrete duricrust. It was deposited in the late Cretaceous when there was a basin wide change to carbonate dominated sedimentation. The Toolonga Calcilutite is interpreted to be the basement to the Amy Zone mineralisation.

The Cainozoic sediments overlying the Toolonga Calcilutite were deposited in four marine cycles ranging from Eocene to Holocene age. These cycles were interspersed with a period of terrestrial sedimentation in the Late Pliocene to Pleistocene that formed the dune fields which host the Coburn (Amy Zone) mineralisation.

2.1.4 Local Geology

The Amy Zone (ore body), which is the main zone of heavy minerals in the Coburn Project area consists of an accumulation of mainly aeolian sands deposited over a Cretaceous basement of clays, clayey sands and limestone. In the southern part of Amy Zone, the basement units are often capped by a hard silcrete layer, which is thought to represent a palaeo weathering surface or duricrust on the underlying Toolonga Calcilutite.

Three phases of sand dune formation have been identified. The earliest phase occurred as a sheet like deposit over the basement and may have been associated with marine sedimentation from a transgression to the west. Within the southern end of the Amy Zone there is evidence of a buried palaeo-surface marked by elevated slimes levels, which is interpreted as the top of a second phase of dunal deposition formed over the sheet dunes. Within this second phase dune system there is a prominent north-north east striking ridge, which is occasionally reflected in the sheet dunes and has been built upon by subsequent deposits. The third dune phase continues this ridge to the north where it has eroded the second phase dunes.

Mineralisation is associated with all of the dune formations, the lower dunes containing higher grade sheet like concentrations that are moderately continuous between sections and strike north-north-easterly. Above these, the second dune formation is more sporadically mineralised and generally lower grade and may merge with the third dune mineralisation. The third dune contains a continuous body of mineralisation associated with the back slope of the ridge in the north and migrating to its fore slope in the south.

The typical stratigraphy intersected in drilling consists of an upper layer of red brown sands between 1 and 6 m thick, passing downward into orange and then yellow sands, with the occasional zone of white, well sorted, possibly marine sands lying on top of a basement silcrete layer. The base of the red brown sands is often defined by a discontinuous calcrete horizon, which varies from 1 to 6 m thick and varies from gravelly nodules formed within the red brown sands through to solid layers.

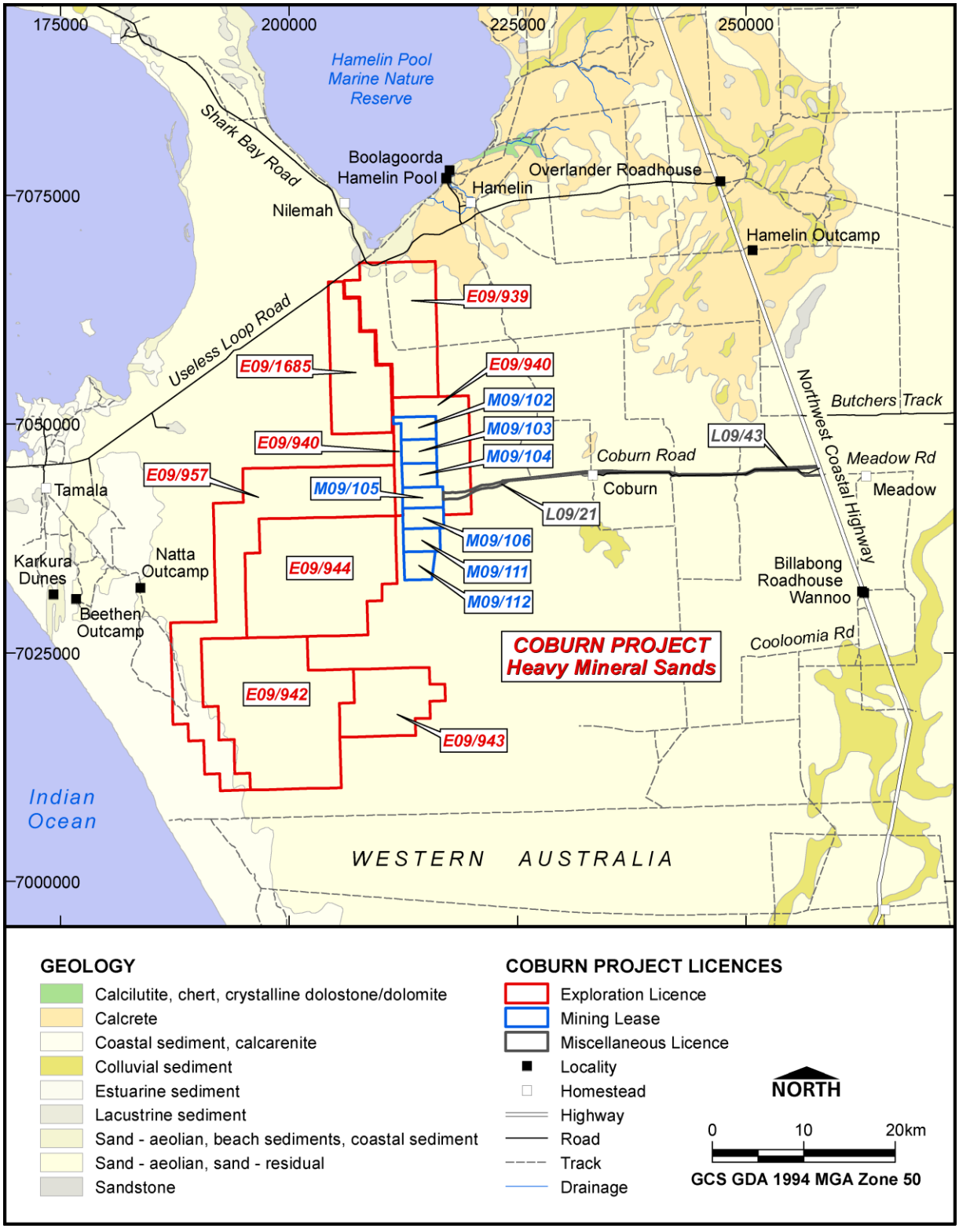

Figure 4. Coburn Project Geology (after GSWA)

2.1.5 Current and Historical Mineral Sands Exploration

Gunson Resources Ltd (now Strandline Resources) first identified the Coburn Project as a prospective mineral sands domain following a regional geological review of coastal Western Australia in the mid to late 1990's. The ancient coastline at Coburn with its characteristic hook shape, similar to the world

class Eneabba deposit 400 km to the south was determined to be an ideal trap for heavy mineral sands.

In 1997, the Coburn area was identified as being prospective by the collection of panned soil samples at regular intervals across the area. Mineral analysis and mineral assemblage studies of these sample confirmed the presence of encouraging levels of heavy minerals with supporting promising levels of valuable heavy minerals including rutile and zircon. These results provided the impetus to plan and implement a drilling programme to establish the extent of the mineralisation.

Exploration programs prior to 2003 were focused on delineating the overall 35 km long Amy Zone resource. The scale of the task required broad spaced drill lines and only material that was visually estimated to have significant grades greater than 0.5% HM was assayed. To the end of 2007 a total of 4,032 aircore drill holes had been completed across the Coburn Project area for a total of 105,379 metres of air core drilling with the collection of 75,153 drilling samples.

In developing the drilling programme for the 2003-2004 Bankable Feasibility Study (BFS), it was considered essential to use best practice standards and improve the rigour of the process such that there was a high degree of confidence in the results achieved. Additionally the programme included the collection of a representative bulk sample and digging of a test pit to validate induration and mineability of the overburden, calcrete and ore.

When the BFS was initiated in April 2003 the decision was made to concentrate on the higher grade mineralisation in the southern half of the Amy Zone (Amy South) and since 2003, drilling programs were conducted every year up to 2007 to improve the resource definition in the Amy Zone in the area granted governmental approval for mining.

All holes were drilled using the industry standard Wallis NQ aircore drilling system with drill returns passed through a cyclone and a 2 kg sub-sample taken via rotary splitter. In the 2003, 2004, 2006 and 2007 programs, sampling was carried out at one metre intervals, but in 2005 samples were taken at 2 metre intervals. In contrast to the pre 2003 programs, every sample was submitted for assay. Holes were logged by a geologist at the same time as they were drilled. The geologist recorded estimates of HM, slimes and oversize content, sample condition and recovery, and the difficulty of penetration (hardness), as well as detailed geological descriptions for each sample interval. An assay quality control programme was introduced consisting of duplicate samples submitted to the primary assay laboratory and check samples submitted to an umpire laboratory.

All drill hole collars were located by qualified surveyors using an RTK differential GPS to a nominal horizontal and vertical accuracy of ±0.1 m. This system was also used to accurately locate the collars of exploration holes drilled in the southern part of the Amy Zone.

2.1.6 Coburn Mineral Resources

The Amy South zone is defined for the purposes of resource estimation as the area covered by a minimum drill density of 500 m by 100 m at the end of the 2007 drilling programme.

This area is contained almost entirely on the current mining leases and falls between 33,000 mN and 54 000 ,N, covering the area approved for mining by the State Environmental Minister in 2006.

Table 4 lists the Measured and Indicated Mineral Resources estimated for the Amy South Zone at 14th April 2008.

Table 4: Coburn (Amy South Zone) Resources at 0%, 0.5%, 0.8%, 1.0%, 1.5% and 2.0% (modified from Table 5.4 Gunson Resources 2010)

Cut-off (%HM)	Resource Category	Tonnes (Mt)	HM%	Slime%	Hm Content (Mt)	Mineral Assemblage					
						Prim Ilm	Sec Ilm	Leuc	Rutile	Zircon	Other
0	MEAS	441.55	0.7	3.26	3.08	37.3	8.2	6.1	4.9	22.8	20.7
0	IND	2583.7	0.64	3.14	16.64	40	7.7	4.8	6.5	21.8	19.2
0.5	MEAS	265.44	0.93	2.94	2.46	37.2	8.2	6.2	4.9	23.1	20.4
0.5	IND	1427.4	0.89	2.87	12.66	40	7.7	4.8	6.5	21.9	19.1
0.8	MEAS	119.06	1.29	2.75	1.53	37.3	8.2	6.2	4.9	23.5	19.9
0.8	IND	599.27	1.24	2.66	7.43	40.2	7.7	4.7	6.6	22.2	18.8
1	MEAS	69.51	1.57	2.66	1.09	37.3	8.2	6.2	4.9	23.7	19.6
1	IND	322.2	1.54	2.49	4.96	40.5	7.6	4.6	6.7	22.4	18.2
1.5	MEAS	28.33	2.15	2.46	0.61	37.3	8.2	6.2	5	24.1	19.2
1.5	IND	134.71	2.06	2.08	2.78	40.7	7.5	4.7	6.7	22.6	17.8
2	MEAS	12.82	2.65	2.26	0.34	37.4	8.2	6.2	5	24.3	18.9
2	IND	61.38	2.44	1.97	1.5	40.5	7.7	4.7	6.7	22.7	17.7

2.1.7 Ore Reserves at 0.8% Amy South Zone-Coburn Project

The Coburn Ore Reserve estimates at a cut-off of 0.8% derived from the Amy South resource estimate (Table 5). The following qualifications have been applied.

- Economic criteria applied in a resource optimisation
- Ore dilution and loss considerations
- Considerations of mining methods, continuity, mining operating width and proximity to Shark Bay World Heritage Property (SBWHP)

Table 5: Coburn Ore Reserve Estimate – Amy South Zone 0.8% cut-off (after Table 6.1 Gunson Resources 2010)

Millions of Tonnes	% Total Heavy Minerals	% Clay Fines	Strip Ratio Waste:Ore	Proportion of mineral within heavy mineral			
				Zircon%	Leucoxene%	Rutile%	Ilmenite%
Proven							
53	1.3	2.3	0.89:1	24	6	5	46
Probable							
255	1.2	2.8	0.59:1	23	4	7	48
Total Proven and Probable							
308	1.2	2.7	0.64:1	23	5	7	48

2.1.8 Mineral Assemblage

The mineralogy of the deposit was determined by CSL, using a combination of magnetic separation and XRF analysis to characterise HM composites created from drilling samples. Separate composites were defined for each of the distinct mineralised units with each composite being restricted to individual sections. In all, 101 samples were analysed.

The results showed a moderate variation in the assemblage with total ilmenite levels varying between 37% and 51% and zircon between 17% and 29% of the HM. The average levels of each

mineral were 37% primary ilmenite, 9% secondary ilmenite, 6% leucoxene, 5% rutile, 22% zircon and 0.2% monazite.

There is a significant positive correlation between HM grade and zircon content and a poorer positive correlation between HM grade and leucoxene content. The three mineralised zones also have some differences in mineral contents with the lower zone having a greater variability in ilmenite and zircon content and containing the highest zircon grades. There is no discernible variability in mineral contents across the orebody (east-west) but zircon content decreases to the north (along strike) and ilmenite content increases.

2.1.9 Metallurgical and Processing Aspects

Strandline have completed several metallurgical scoping studies on bulk sand samples from the Coburn Project. These testing programs have been completed by Roche (Mineral Technologies), AML (Allied Mineral Laboratories) and Gunson. Table 6 shows the wet concentrator plant recoveries (WCP) for the principal mineral products. These recoveries are very good in comparison to many other mineral sands projects. These recoveries are facilitated by the relatively low slimes content and the relatively favourable grain size of the valuable heavy mineral.

Table 7 lists the product chemical specification for the valuable heavy mineral products from the Coburn mineral sand project. On an international basis these are very favourable properties and compare well with products from operations such as Eneabba and Tiwest in the south-west of WA. The principal difference being the SiO_2 which is four times higher than that at Eneabba. The zircon chemical parameters are quite comparable with premium grade zircon from operations such as Eneabba and most likely better because of the lower Th+U content.

Table 6: Overall WCP (Wet processing plant) Recoveries

Product	WCP Recoveries (%)		
	Downer (MT)	AML	Gunson
Feed grade	1.1	1.24	1.3
Ilmenite	90.3	86.7	90.3
Rutile	89.7	87.3	89.7
Zircon	97.9	98.9	97.9
Leucoxene	79.4	87.3	79.4

Table 7: Coburn Product Specifications

	Ilmenite	Rutile	Leucoxene	Primary Zircon Product	Secondary Zircon Product
TiO_2	61.90%	95.10%	90.70%	<0.20%	<0.35%
Fe_2O_3	31.40%	0.77%	3.42%	<0.15%	<0.20%
Al_2O_3	1.00%	0.57%	0.93%	<0.6%	<1.0%
SiO_2	2.70%	1.35%	2.19%	n/a	n/a
ZrO_2	0.10%	0.61%	0.35%	>66%	>64.5%
Cr_2O_3	0.12%	n/a	n/a	n/a	n/a
MgO	0.27%	n/a	n/a	n/a	n/a
U+Th	114 ppm	n/a	n/a	<350	<350

2.1.10 Sources of Information

Most of the contents of this section were derived from the Gunson Resources report dated 2010 entitled "Coburn Zircon Project-Definitive Feasibility Study" and the McDonald Speijers report entitled "Coburn Zircon Project-Amy South Updated Resource" dated 2008.

3 Tanzanian Mineral Sands Projects

3.1 Regional Geology

The coastal belt of Pleistocene to Recent marine sediments which is the prospective formation for the heavy mineral deposits varies from 5 km to 8 km in width, with the widest portion being 16km, located immediately to the north of the Ruvu River (adjacent to Bagamoyo), extending for about 40 km into the Sadani Game Reserve (Omega, 2004) varies from 10 km to 15 km in width to south and occasionally 20 km in width to the south from Dar-es-Salaam.

At least three major Pleistocene palaeo-terraces ("raised beaches") have been identified along the Tanzanian coast line. The terraces represent palaeo-shorelines and are preserved at the following intervals above mean sea level (mRL):

- Mtoni Terrace (+3mRL to 5mRL)
- Tanga Terrace (top of Mtoni Terrace to +20mRL to 40mRL)
- Sakura Terrace (top of Tanga Terrace to +60mRL to 100mRL)

Inland from the coastal belt, the rocks are mainly Jurassic and Cretaceous age Karoo Supergroup sediments which overlie amphibolites and gneisses of the Proterozoic Usagaran basement (Moore, 1963).

The older marine terraces are preserved progressively further from the coast as they are traced southwards.

Mapping by the Tanganyikan Geological Survey indicated that normal faulting may have been responsible for the distribution of the Sakura Terrace (the oldest and highest of the marine terraces) southeast of Dar-es-Salaam (Bartholomew, 1963). To the west of the Sakura Terrace, Miocene sandstones occur overlain by red-brown clay enriched sediments of Miocene-Pliocene age.

HMS deposits are present along the length of the coastline, containing differing concentrations of HM. In some places the strandlines from the different terraces merge, possibly due to reworking. In other places the strandlines are absent and appear to have been eroded (Omega, 2004).

3.2 Strandline Projects

3.2.1 Mtwara Project

3.2.1.1 Property location, access and Infrastructure

The Mtwara Project comprises four prospecting licenses located in the south of Tanzania located in relatively near vicinity to the coastal town of Mtwara and within the Mtwara and Lindi River Rural Districts. The town of Mtwara is located 390km south-east of the Tanzanian capital Dar-es-Salaam or 560km along the B2 highway which requires eight hours of driving. Access to the licences is via sealed and unsealed main roads connecting Mtwara and Lindi and the Tanzania-Mozambique border. Within the tenements access is provided by numerous foot and cycle paths with some vehicle tracks extending into the coastal fishing villages.

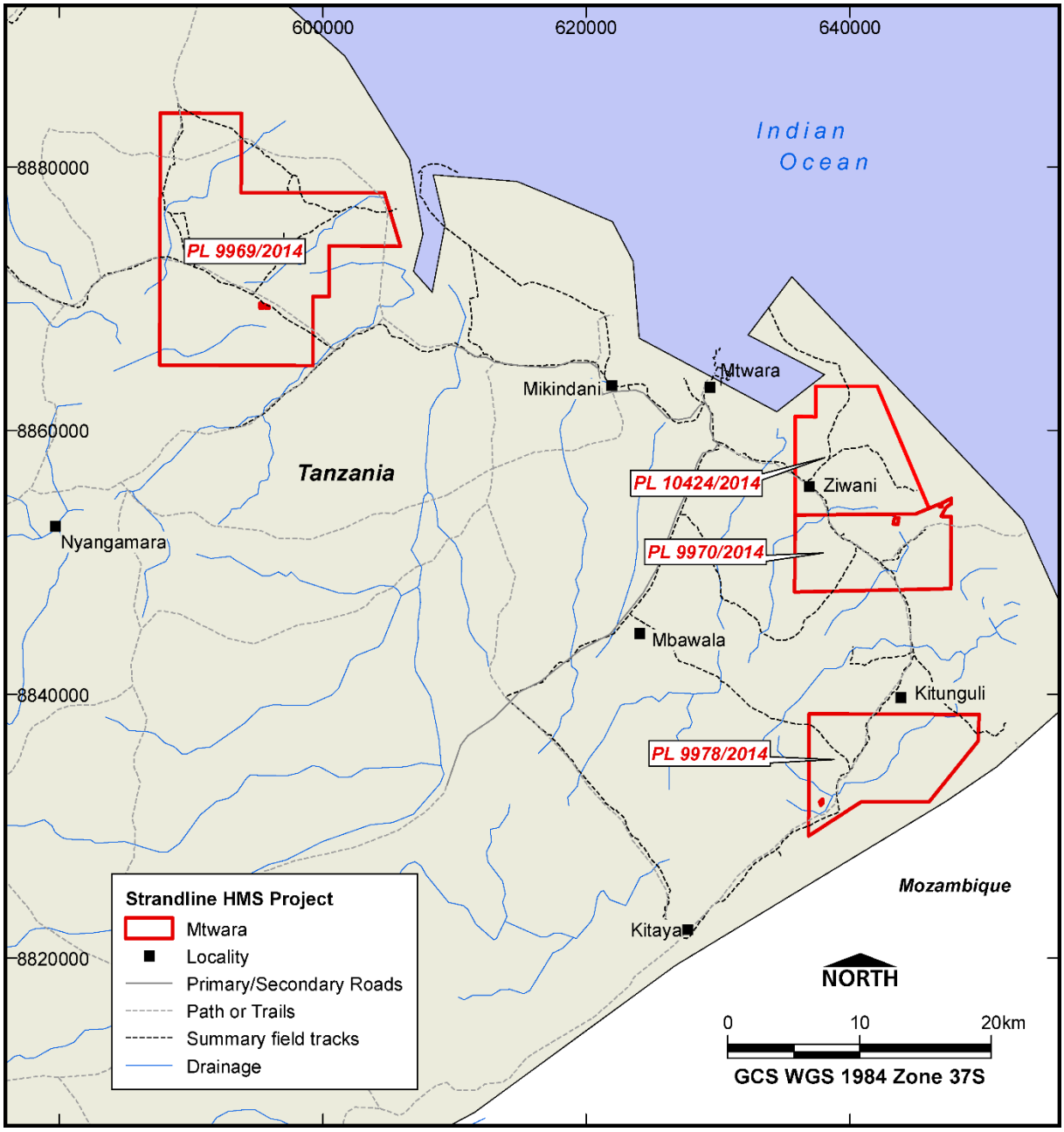

Figure 5. Mtwara Project Location

3.2.1.2 Description of Mineral Assets

The Mtwara Project comprises four Prospecting Licences (Table 8). Strandline Resources holds a 100% interest in all four tenements.

Table 8: Mtwara Project Assets

Tenement ID	Tenement Name	Area (km^2).	Grant Date	Expiry Date	Prospect Name
PL 9969/2014	Sudi	218.39	22-07-14	21-07-18	Sudi
PL 9970/2014	Madimba	69.19	22-07-14	21-07-18	Madimba
PL 9978/2014	Mahuranga	81.97	22-07-14	21-07-18	
PL 10424/2014	Ziwani	76.41	01-12-14	01-12-18	Ziwani

3.2.1.3 Regional Geology

The Mtwara Project area is located in a regional deviation in the coastal geomorphology, where the orientation of the coastline changes from broadly north-south to southeast-northwest. In the area southeast of Mtwara, terrigenous Neogene sands typically occur above the +50m topographic contour, and form the Makonde Plateau. The terrigenous sands include a variety of textures with grit units, clay-bound sands, and pebble beds. Colour varies from orange-brown to yellow-brown. Below the +50m contour, the coastal plain is about 6 – 8 km wide, and the surface sands tend to be grey-brown and relatively well sorted with low silt content. Salt flats and tracts mangrove trees occur in estuarine areas. Extensive beaches up to 7 km long rim the contemporary coastline, where mineralisation is known to occur. In the Rovuma river valley, a veneer of black clays up to 3m thick overlies fluvial sand.

Northwest of Mtwara, at Sudi, the sands are mapped as Neogene marine sands. These sands are generally medium-fine grained and moderately silty. They are red-brown and in places overlie limestone. Linear topographic features in the Sudi area suggest palaeo-dunes may occur here.

3.2.1.4 Historical Mineral Sands Exploration

Tanganyika Gold conducted reconnaissance soil sampling of pits in the Madimba-Ziwani and Sudi licences. Sample traverses were spaced between 1 km and 2km apart with pits about 250m apart. A total of 136 surface samples were collected within the Madimba-Ziwani licenses. The highest THM result was 5.75% with 14 samples >2%, and an average of 1.2%.

The Sudi license had limited work, with only 4 sample traverses comprising pit samples between 250m to 1km apart. A total of 51 samples were collected with the maximum THM of 2.93% and 30 samples >1%. The average THM is 1.2%.

No mechanised air core drilling has been completed in the Mtwara Project area.

Tanganyika Gold data indicate the **Madimba** area hosts THM with 65% ilmenite, 3% rutile, and 10% zircon. Ilmenite contains up to 61% TiO2, with an average of 56% TiO2. At Sudi, the TiO2 in ilmenite is up to 58% with an average of 52%.

3.2.1.5 Strandline Mineral Sands Exploration

Strandline drilled a shallow power auger programme in Nov-Dec 2014 over the **Madimba-Ziwani** prospects, with the objective of determining if mineralisation occurred at depth and along strike from the surface anomaly. The programme comprised 140 holes and 775.7m, with an average depth of 5.5m. A total of 415 composite samples were taken, including field duplicates.

At **Madimba** the drilling was based on a grid with traverses 500m apart, and hole stations between 200m and 400m apart. The drill spacing at **Ziwani** was less regular and followed existing tracks approximately 1 km to 2 km apart along strike.

The best results were returned from **Madimba**, and include the following:

- 7m at 7.06% Total Heavy Mineral (THM) from surface ending in 12.36% THM
- 7.5m at 4.10% THM from surface ending in 4.8% THM
- 6m at 3.42% THM from surface ending in 3.31% THM

The **Ziwani** mineralised zone (at +1%THM) is large at approximately 2.85km long and extends in a northwest orientation located 3.5km inland from the current shoreline. The mineralisation is hosted by orange-brown silty sand, with average slime content of about 25%.

3.2.1.6 Mineral Assemblage Data

The mineral assemblage results were gathered from 13 samples taken from 2 holes at **Madimba** and 2 holes at **Madimba East**. The two holes at **Madimba East** were separated by 2000m whilst at **Madimba**, the holes were located 750m apart. The results show a high percentage of the THM comprises VHM.

At **Madimba East**, the THM% from the tested samples averages 3.54% and its VHM averages 87.9% with an average of 33.4% altered ilmenite (from 28.4% to 41.7%), 40.7% ilmenite (from 28.6% to 48.9%), 0.7% leucoxene (from 0.41% to 1.56%), 4.3% rutile (from 2.52% to 6.41%) and 8.8% zircon (from 7.0% to 10.9%) .

For **Madimba**, the THM% from the tested samples average 2.47% and its VHM% averages 72.1% with an average of 29.8% altered ilmenite (from 11.8% to 47.9%), 29.8% ilmenite (from 22.8% to 40.4%), 1.6% leucoxene (from 0.31% to 2.99%), 1.9% rutile (from 0.35% to 3.28%) and 8.9% zircon (from 5.59% to 13.7%).

Across the Madimba prospects, the average ilmenite and altered ilmenite grainsize for the +45µm fraction is 103µm which is typical of a strand placer deposit.

Significantly, the combined rutile and zircon grades average 10.85% and 13.08% R+Z for Madimba and Madimba East respectively. The average grainsize of the zircon in the +45µm fraction across both prospects is 96 µm.

3.2.1.7 Mineral Chemistry

Ilmenite TiO2 contents average 55.3% for the 13 samples comprising ilmenite and the higher Ti content altered ilmenite species.

Zircon has a ZrO2+HfO2 range 62.26% to 64.03%, with an average of 63.24% across the two prospects. In addition, the zircon has low aluminium, titanium, and iron oxide levels, as well as low ThO2 (average 0.19%), which makes it likely to produce a saleable product.

3.2.1.8 Metallurgical and Processing Aspects

No metallurgical testwork has been undertaken on any of the prospects in the **Mtwara Project** area. However from the available data it can be seen that the mineral assemblage is reasonably endowed with valuable heavy minerals (72.1 to 87.9%) including rutile and zircon grades average 10.85% and 13.08% R+Z for **Madimba** and **Madimba East** respectively. The TiO_2 content of the altered ilmenite is in the range of 59% which would be suitable for chloride feedstock.

The main negative from the available data is the potential high slimes content of the mineralisation. This is indicated at the Ziwani prospect where the mineralisation is hosted in a clayey sand and has a slimes content of 25%. Slimes data from the auger sampling at the Madimba and Madimba East prospect is also generally high and mainly in excess of 20% but in some high grade zones slimes content is between12 and 20%.

3.2.1.9 Exploration Potential

The Mtwara Project is considered to have significant potential for the presence of significant concentrations of economic mineral sands with a promising mineral assemblage. Strandline is currently proposing an exploration programme in the Mtwara Project which will include a mix of air core drilling and assaying/mineral assemblage work (2000m), an airborne magnetic and radiometric survey (450 km^2) and a 300m auger drilling programme. These activities will be undertaken predominantly at Madimba but also at Ziwani and Sudi.

CSA Global consider that this programme is justified on the basis of the available data and assessed prospectivity.

3.2.1.10 Sources of Information

The contents of this section have been derived from Strandline ASX Announcement dated 3/3/15 entitled “New very high grade HMS drill targets confirmed in Tanzania”, ASX Announcement dated 5/2/15 “Drilling success at southern Tanzanian heavy mineral sands projects-High grade mineralisation discovered”, ASX Announcement dated 24/11/14 “Regional programme confirms and extends Targets-Drilling underway” and Strandline Resources (2015) Mtwara Project Summary Notes.

3.2.2 Kilwa-Kiswere Project

3.2.2.1 Property location, access and Infrastructure

The **Kilwa-Kiswere** Project comprises four Prospecting Licences located in the south of Tanzania with a total area and strike length of prospective coast of 557km² and 75km, respectively. The project area includes two contiguous licence areas (**Kiswere North** and **Songa**) located about 35 km south of the coastal town of Kilwa Masoko, and two non-contiguous licenses, Miteja and Kiswere South, located 40 km northwest and 65 km southeast of Kilwa Masoko, respectively.

Kilwa Masoko is a District town located 230 km southeast of Dar-es-Salaam or 320 km along the B2 highway, which requires 5 hours of driving. The project lies within the boundary of the Lindi Region. Access to the licenses is by sealed and unsealed main roads connecting Dar-es-Salaam with Kilwa and Lindi towns. Internally the licenses are traversed by numerous foot and cycle paths with some vehicle tracks extending into the coastal fishing villages.

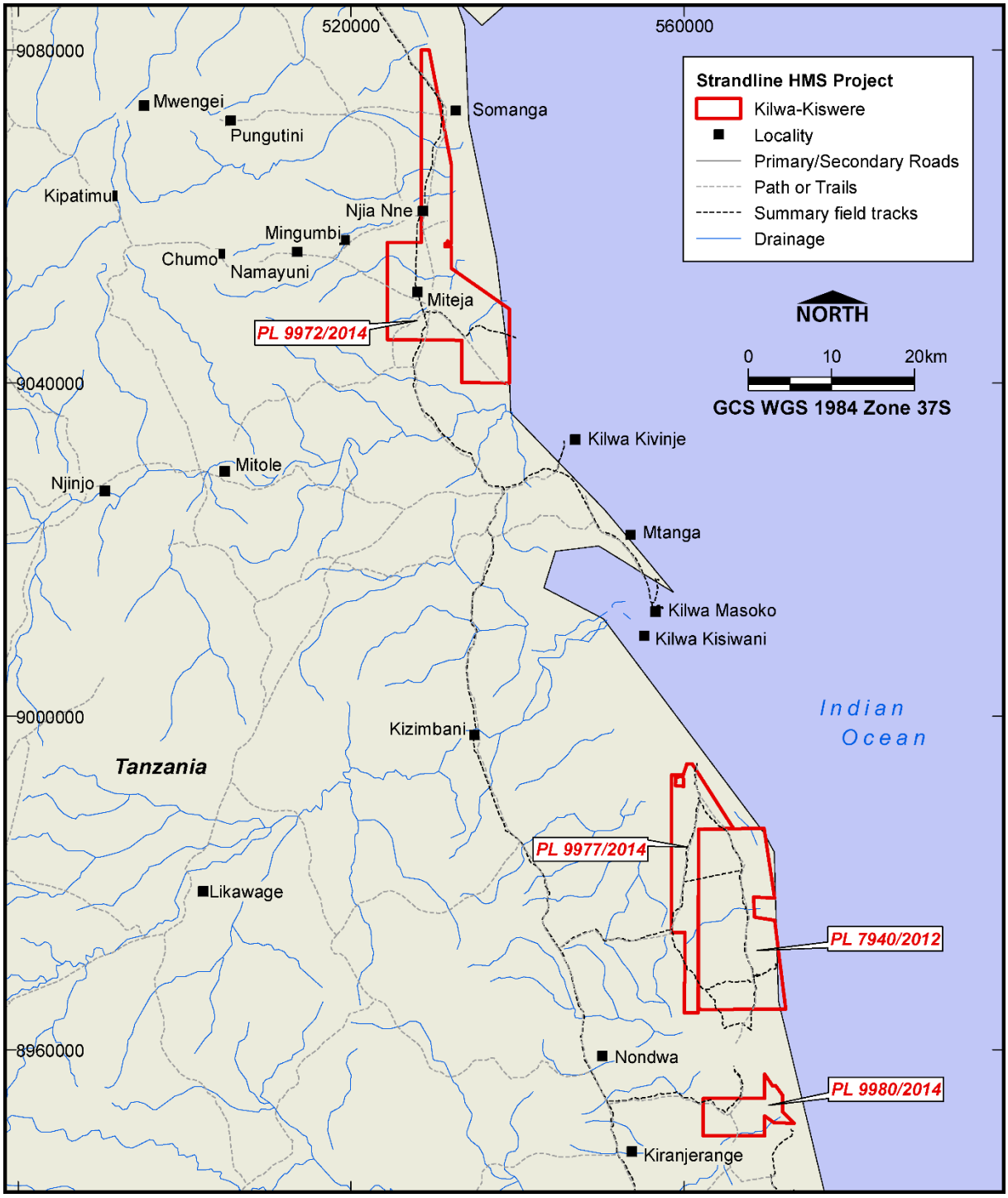

Figure 6. Kilwa-Kiswere Project Location

3.2.2.2 Description of Mineral Assets

The Kilwa-Kiswere Project comprises four Prospecting Licences (Table 9). Strandline Resources holds a 100% interest in all four tenements.

Table 9: Kilwa-Kiswere Project Assets

Tenement ID	Tenement Name	Area (km^2)	Grant Date	Expiry Date	Prospect Name
PL 7940/2012	Kiswere North	193.97	30-04-12	29-04-16	Kiswere North
PL 9972/2014	Miteja	226.91	22-07-14	21-07-18	Miteja
PL 9977/2014	Songa	92.29	22-07-14	21-07-18	Songa
PL 9980/2014	Kiswere South	43.55	22-07-14	21-07-18	Kiswere South

3.2.2.3 Regional Geology

The Kilwa-Kiswere Project area is located on a generally north-south trending section of the Tanzanian coastline. An extensive estuarine area adjacent to Kilwa Masoko town is interpreted to be the result of down-warping and drowned river valleys, and is currently fed by a large system of rivers emanating from the Kiturika Plateau that rises to 400 m above sea level. The estuarine area separates the Miteja license in the north from the remaining three licenses to the south. Regionally, the geology ranges in age from Jurassic to recent, younging to the east (coastward).

3.2.2.4 Local Geology

Within the license areas, terrigenous Neogene sands typically occur above the +50m topographic contour, and overlie the Cretaceous geology. The terrigenous sands include a variety of textures with grit units, clay-bound sands, and pebble beds. Colour varies from white-grey to red-brown. Below the +50 m contour, the coastal plain is about 8 – 10 km wide, and the surface sands tend to be grey with minor red sand, and relatively well sorted with low silt content. The zone between about 15m and 50m is interpreted to be a raised Pleistocene marine terrace. At Kiswere North and Songa licenses this interpreted marine terrace is potentially 30 km long. Below 15 m, the Pleistocene to recent geology comprises grey sands often developed as beach ridges and low dunes, and raised coral platforms Extensive beaches up to 5 km long rim the contemporary coastline, where mineralisation is known to occur.

3.2.2.5 Previous Mineral Sands Exploration

Historical Tanganyika Gold data included surface sampling with significant total heavy mineral (THM) anomalism (+2%THM) and good mineral assemblage data, on all licenses. The Kiswere South license is contiguous with areas both north and south with high grade mineralisation at surface (+4%THM).

The anomalies at Kiswere North, Kiswere South and Songa licenses are coincident with potential palaeo-dunal features and interpreted palaeo-marine terraces. On the Miteja license, a series of Quaternary beach ridges up to 2 m high exist close to the coastline near the village of Mtoni. Historical reconnaissance surface sampling returned values up to 2%THM. Based on satellite images, there appear to be up to 5 ridges between 100-200 m wide with a composite width of about 1 km. The beach ridges can be 2.5 km long and lens out to the south.

3.2.2.6 Strandline Mineral Sands Exploration

Strandline has completed limited exploration at this project area apart from a brief field visit in late 2014 to ground truth the historical Tanganyika Gold field data and to identify any geomorphic features not previously seen on remote sensing data. A single surface sand channel sample (ACT007) was collected where significant heavy mineral was noted in a nearby gully. This sample was subjected to mineral assemblage determination by SEM. This sample returned 8.9% altered ilmenite, 92.8% ilmenite, 1.3% leucoxene, 1.8% rutile and 9.5% zircon. SEM grain size data indicates the various valuable heavy minerals are relatively fine grained ranging from ilmenite at 73µ average, zircon at 62µ average and 62µ average.

Mineral chemistry of the valuable heavy mineral components was determined on the sample described above. These results 55.3% TiO_2 for altered ilmenite, 47.3% TiO_2 for ilmenite, 93.5% TiO_2 for rutile and 61.9% ZrO_2 for zircon.

3.2.2.7 Metallurgical and Processing Aspects

This project is in the very earliest part of the exploration stage with very little work being completed so far apart from some early reconnaissance and grab sampling. Therefore no significant commentary can be based about the metallurgical and processing aspects.

3.2.2.8 Exploration Potential

CSA Global consider the Kilwa-Kiswere tenements to have reasonable exploration potential for mineral sand deposits. The targets being sought are both strandline placer and/or aeolian-dune hosted deposits.

Strandline are proposing a 2015 exploration programme including 1000m of auger drilling (assaying, mineral assemblage at the Kiswere North/South and Songa prospects. A 1000m air core programme is contingent on the success of the auger drilling programme as is the LIDAR DEM survey covering 550 km^2.

At Kilwa 500m of auger drilling is planned to test the Quaternary beach ridges and a 300m auger drilling programme of the interpreted Pleistocene palaeo-marine terrace.

CSA Global consider this proposed programme for 2015 to be an adequately funded set of activities to assess the potential of the project area prior to making a decision on implementing a more expensive exploration programme.

3.2.2.9 Sources of Information

The contents of this section have been derived from Strandline ASX Announcement dated 3/3/15 entitled “New very high grade HMS drill targets confirmed in Tanzania” and “Strandline Resources (2015) Kilwa-Kiswere Project Summary Notes”.

3.2.3 Mafia Island Project

3.2.3.1 Property location, access and Infrastructure

The Mafia Island Project comprises one Prospecting Licence with a total area and strike length of prospective coast of 263.7 km^2 and 50 km, respectively. The project area spans the entire western half of the island, which has a long axis oriented northeast-southwest. Mafia Island is within Pwani Region, and located 125 km southeast of Dar-es-Salaam, with best access via scheduled daily air flights which take about 1 hour. The District government is located in Kilindoni, where the two main roads on the island emanate from. Access around the license area is via four-wheel drive tracks and walking paths that join the village centres.

The eastern side of Mafia Island is gazetted as a National Marine Park.

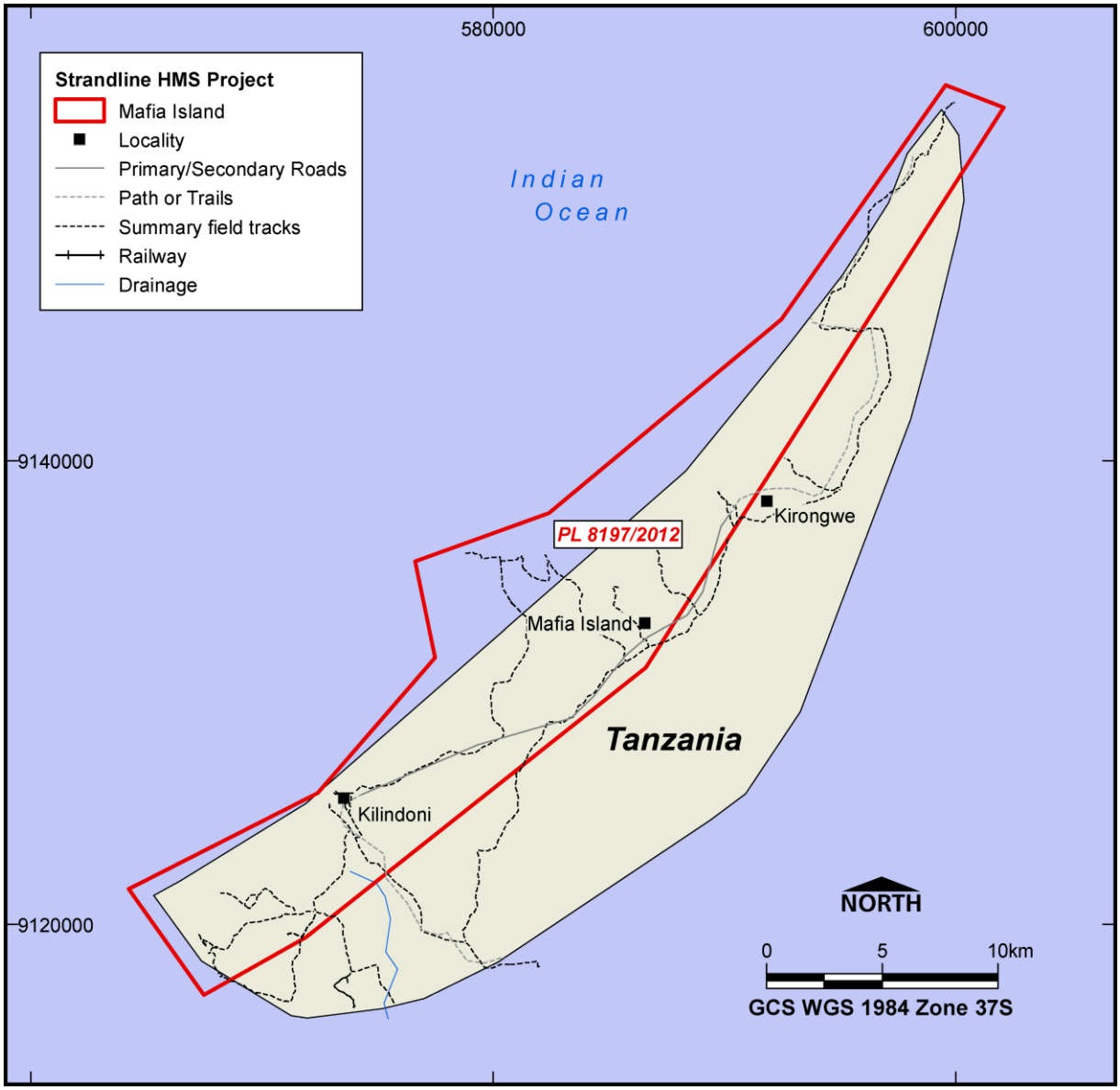

Figure 7. Mafia Island Tenement

3.2.3.2 Description of Mineral Assets

The Mafia Island Project comprises one Prospecting Licence (Table 10). Strandline Resources holds a 100% interest in all four tenements.

Table 10: Mafia Island Project Assets

Tenement ID	Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 8197/2012	Mafia	263.66	22-08-12	21-08-16	Mafia Island

3.2.3.3 Regional Geology

The island is generally flat, with the core of the island between about 30-40m above sea level. Topography rises to about 50m at locations in the southern part of the island. The western coast is defined by a fault. The surface geology above 15m elevation is typically Neogene sands and clay-

bound sands. In many places, the Neogene sands weather to a very grey, coarse grained, clean sand, which can grade into orange below about 1m.

Pliocene pale soft shelly limestones outcrop in the beach flat in the west near Kilindoni, and perhaps also at Ras Mbisi. A borehole to 37m was made on this outcrop to investigate the downward succession; it intersected white arkosic sands with thin marine beds. In the lower part, the sands are enriched in HMS, particularly garnet. It is not clear whether the borehole reached the base of the Pliocene, but from the limited outcrop it may be supposed that the formation is quite thin, probably occupying a depression on the Miocene surface.

The oldest beds outcropping on Mafia are flat-lying, or very gently dipping, well bedded Lower Miocene detrital limestones.

The coastal areas below 15m elevation, particularly on the southern and eastern coastline, comprise a recent (Quaternary) marine terrace. However, the Neogene sands can form cliffs along the coastline where the recent coastal plain has not been developed.

At the northern end of the island and along the east coast, the geology is dominated by raised limestone reef of Pleistocene age. An extensive estuarine area comprising significant mangrove forest occurs in Kirongwe Bay. Here there are salt mining and prawn farming industries.

3.2.3.4 Historical Exploration

Cilek (1976) carried out a heavy mineral reconnaissance of the island in the mid-seventies. Cilek estimated a total of 1.42Mt of mineralised sand containing 316,000t of heavy mineral at 23% THM. The report is incomplete and specific sampling and location of this “resource” is not available.

3.2.3.5 Strandline Heavy Mineral Exploration

Strandline has undertaken a small programme of reconnaissance surface sampling on Mafia Island with three samples being collected. These included two beach sample, the first of which (ACT004) is located on the southwest coast of the island. Here significant HM is present on the beach to a depth of 0.5m. It was thought that the source of the HM is the Neogene terrigenous sands on the island, and is being brought to the coast via small creeks and rivers, probably accelerated by intensive farming activities. A second beach sample (ACT006) was collected on the central west coast on a beach with extensive evidence of HM on the surface.

Mineral assemblage data from these samples determined by the SEM technique shows the valuable heavy mineral ranges from 58% in ACT006 to 77% in ACT004. Ilmenite is the most abundant titanium mineral, and combined ilmenite+altered ilmenite in VHM varies from 51.3% to 69.7%. Rutile varies from 1.81% to 2.35% and zircon from 3.58% to 17.9% in the third sample ACT003.

Average grainsize for ilmenite and altered ilmenite, in the >45µm to -1mm fraction that was analysed is quite coarse, ranging from 94µm to 135µm. For rutile and zircon in the same size fraction, grainsize averages from 80µm to 107µm, and 77µm to 98µm, respectively.

In terms of TiO2 within Ti-oxide minerals, the ilmenite fraction typically contains 43.6% to 44.7%, and altered ilmenite contains 51.5% to 54.3% (Tables 5 to 7). Importantly, the ilmenite and altered ilmenite contain low contaminants such as chrome and alkalis, which have an impact on the potential processing routes, and therefore, value of the raw product. The TiO2 deportment is generally dominated by ilmenite, although in ACT006 it is split roughly 50/50 to ilmenite and high titanium altered ilmenite.

3.2.3.6 Metallurgical and Processing Aspects.

This project is at the early reconnaissance stage and therefore there is limited data to make any definitive comments on the metallurgical and processing aspects.

The relatively coarse grain size of the HM is encouraging from a processing perspective (wet gravity separation). The chemistry of the ilmenite and altered ilmenite indicates low levels of contaminants which is good from a marketing viewpoint.

3.2.3.7 Exploration Potential

CSA Global considers this project has some exploration potential and is worthy of a small to moderate exploration programme to provide some additional data to work with. The project's location on a small offshore island may provide development difficulties however.

Strandline have proposed a small programme of exploration which will include 500m of auger drilling to test for mineralisation behind the high grade beach occurrences at Dundani (including assaying and SEM mineral assemblage determinations), a similar 500m of auger drilling at Dundani Upper to test an interpreted Pleistocene palaeo-marine terrace (including assaying and mineral assemblage work) and finally a 500m auger drilling programme on the Quaternary beach ridges.

3.2.3.8 Sources of Information

The contents of this section have been derived from Strandline ASX Announcement dated 3/3/15 entitled "New very high grade HMS drill targets confirmed in Tanzania", ASX Announcement dated 24/11/14 "Regional programme confirms and extends Targets-Drilling underway" and "Strandline Resources (2015) Mafia Island Summary Notes".

3.2.4 Bagamoyo West Project

3.2.4.1 Property location, access and Infrastructure

The Bagamoyo West Project comprises four prospecting Licences (Table 11) located in central Tanzania with a total area and strike length of coast 890 km² and 40 km, respectively. The licence areas are located west and northwest of the coastal town of Bagamoyo and 85 km northwest of Dar-es-Salaam. The most direct access is along the sealed road that connects Bagamoyo to Msata that bisects the project area. The drive from Bagamoyo to the centre of the tenement area takes approximately 90 to 120 minutes. Internally, the license is traversed by numerous foot and cycle paths with some vehicle tracks traversing the tenement. A north trending narrow gauge rail line bisects the centre of the tenement packages and extends all the way to the northern coastal town of Tanga. The rail line is maintained by the Government but trains have not run on the line for several years. There is limited habitation in the project area, with a number of small villages. The project lies within the boundary of the Bagamoyo District.

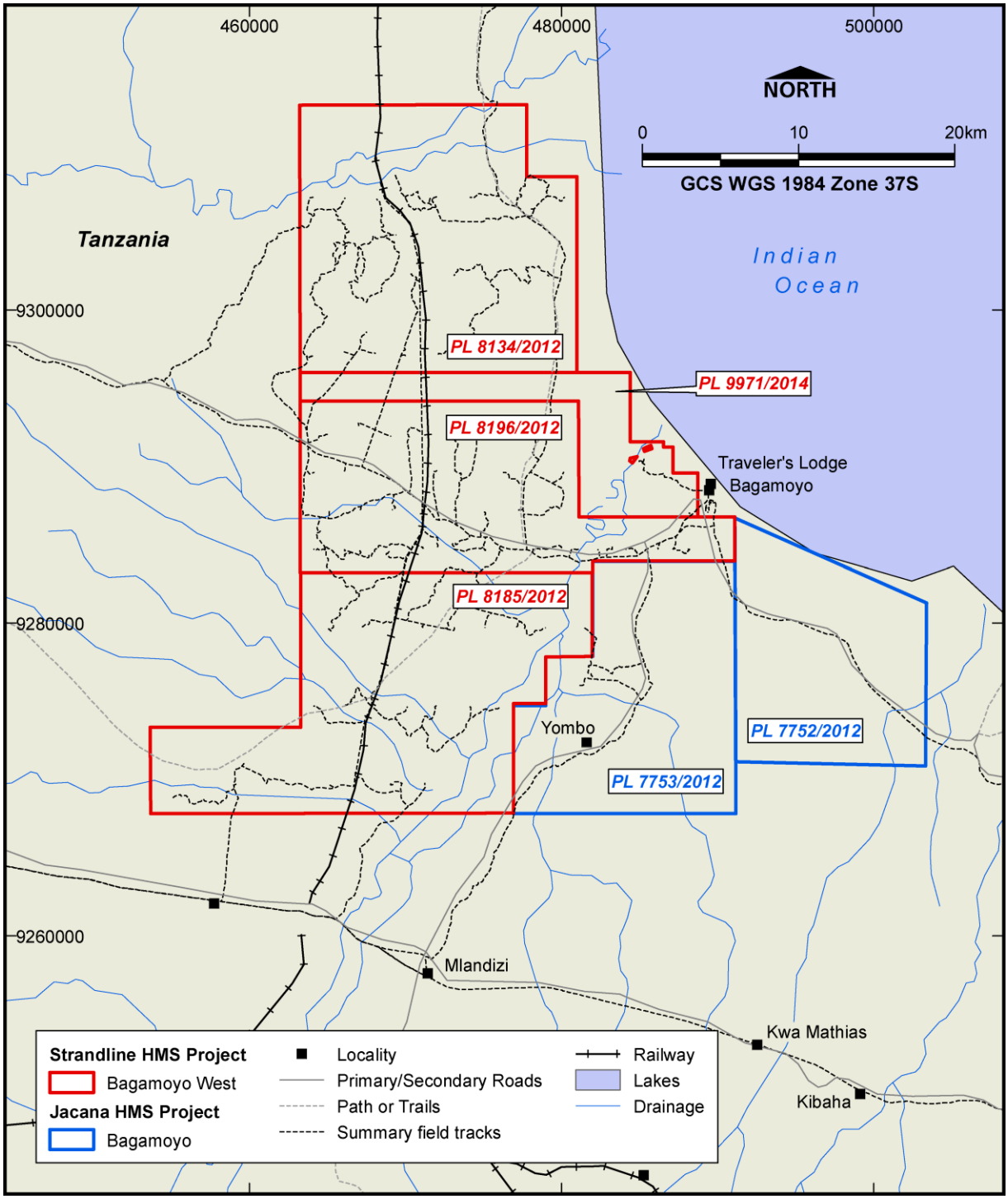

Figure 8. Bagamoyo Project Locations

3.2.4.2 Description of Mineral Assets

The Bagamoyo West Project comprises four Prospecting Licence (Table 11). Strandline Resources holds a 100% interest in all four tenements. The Jacana PL 7753/2012 abuts PL 8185/2012 to the west. The Strandline Bagamoyo West PL 8185/2012 abuts PL 7753/2012 to the east which is part of a co-joined group of two PLs. Together these six tenements comprise an area of 1,241.09 km^2.

Table 11: Bagamoyo Project Assets

Tenement ID	Tenement Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 8134/2012	Bagamoyo	288.99	7-08-12	6-08-16	
PL 8196/2012	Bagamoyo	224.34	22-08-12	21-08-16	
PL 8185/2012	Bagamoyo	296.18	22-08-12	21-08-16	
PL 9971/2014	Bagamoyo	80.70	22-07-14	21-07-18	

3.2.4.3 Regional Geology

The published geological map of the Bagamoyo region (QDS 168) shows the area to the east of the license is dominated by modern beach ridge sands, sand dunes and beach sands with lagoonal clays and silts within the Mtoni marine terrace. These sands grade into the Ruvu River Delta that comprises reedy saltbush marshland. The modern beach sands fringe the coast with no notable occurrences of limestone reefs, most likely limited by large sediment loads carried by the Ruvu and Wami Rivers.

The central coastal plain is dominated by grey sands with superficial black cotton soils and mbuga clay. Older north trending beach ridges are common over the coastal plain soils. The western third of the license is mapped as course white sands and grits with quartz pebble beds and low clay contents.

3.2.4.4 Historical Mineral Sands Exploration

In the late-1990s Tanganyika Gold carried out wide spaced shallow surface pit sampling with a total of 130 surface samples collected within the Bagamoyo Project areas. The highest THM result was 5.47% with an average of 0.4%. The bulk of the surface samples were taken from two east trending lines 5.5 km apart with samples taken between 100 and 400m apart. This sampling was mainly confined to PL 8196.

3.2.4.5 Strandline Mineral Sands Exploration

Strandline completed one programme of shallow auger drilling at the Bagamoyo Project. A total of 103 holes have been completed totalling 545 m to an average depth of 5.3 m. The drill spacing was extremely broad utilising 5 km spaced drill fences with holes 2km apart. On one line of drilling the holes were drilled 1 km apart.

The maximum THM result is 8.75% but it is related to THM with very high garnet contents. The average THM grade from all of the drill composite data is 0.91%. Based on THM content the most coherent anomaly detected using this broad spaced drill pattern was located in the northern portion of PL 8134. It was located within the Wami River floodplain and unfortunately dominated by garnet. The results of the composite samples tested for mineral assemblage are shown in Table 12.

Table 12: Significant Composite Sample Assays from Auger Drill Holes at the Bagamoyo West Project

Hole ID	Comp No	RL m	TD	Significant THM Result
AR162	C006	23	6.5	5m at 6.59%THM and 10.62% slimes (EOH)
AR145	C007	16	9.8	9.8m at 4.13%THM and 36.95% slimes (EOH)
AR172	C008	30	10.5	10.5m at 2.35% THM and 24.85% slimes (EOH)
AR119	C009	20	6.90	2.4m at 4.63% THM and 22.61% slimes (EOH)
AR184	C010	67	4.00	4m at 1.25% THM and 26.52% slimes (EOH)

3.2.4.6 Mineral Assemblage Data

A total of five composite samples have been analysed by optical microscopy, with SEM checks, for VHM at Bagamoyo West. The selection was based on geographic spread and THM grade range. The

results unfortunately were heavily dominated by trash minerals including garnet and kyanite. Sample C010 contained the highest VHM at 27.9%, of which 2.6% was rutile, 3.2% was garnet, and 21.5% ilmenite species. This means that the "trash mineral" content ranges between 72.1% and 93.8%.

Strandline believes there may be samples with higher percentages of VHM within the Bagamoyo Project area, and is considering additional mineral assemblage work using SEM-EDX methods to test a larger volume of samples to enable decision-making on the way forward for the Bagamoyo Project.

3.2.4.7 Metallurgical and Processing Aspects

From the very limited reconnaissance data available the only comment that can be made is the high proportion of "trash" minerals in the heavy mineral component and the corresponding low total of valuable heavy mineral ranging between 6.2% and 27.9% thereby detracting from the currently apparent potential of the project area.

3.2.4.8 Exploration Potential

The results received so far are not pointing to significant prospectivity within this project area. The negatives are the high proportion of trash mineral in the samples collected so far and the very high slimes content.

In comparison the adjoining Jacana Bagamoyo Project provides much greater potential from the much more extensive exploration data available in these tenements. These projects need to be considered together with the greater understanding of the Jacana Bagamoyo Project providing some guidance on how future exploration activity could be directed in the Strandline Bagamoyo West Project.

Strandline have proposed a significant exploration programme within the Bagamoyo West Project. This will include an airborne magnetic-radiometric airborne survey, 2000 metres of air core drilling and related assaying and mineral assemblage determinations.

This is quite a sizable programme which is probably justified over the large tenement area encompassing the Bagamoyo West Project area and potentially in the adjacent Jacana Project area.

3.2.4.9 Sources of Information

The contents of this section have been derived from "Strandline Resources (2015) Bagamoyo Project Summary Notes".

3.2.5 Kitambula Project Area

3.2.5.1 Property location, access and Infrastructure

Kitambula comprises four prospecting Licences located in the north of Tanzania with a total area and strike length of coast 173 km² and 35 km, respectively (Table 12). The licence areas are located about 15 km north of the coastal town of Tanga and 220 km directly north of Dar es Salaam or 350 km along the A14 highway which requires 6 hours of driving. The project area lies within the boundary of the Muheza District. It can be accessed easily from the south by sealed road (A14) connecting Tanga to the northern border of Tanzania/Kenya. Internally the license is traversed by numerous foot and cycle paths with some vehicle tracks extending into the coastal fishing villages.

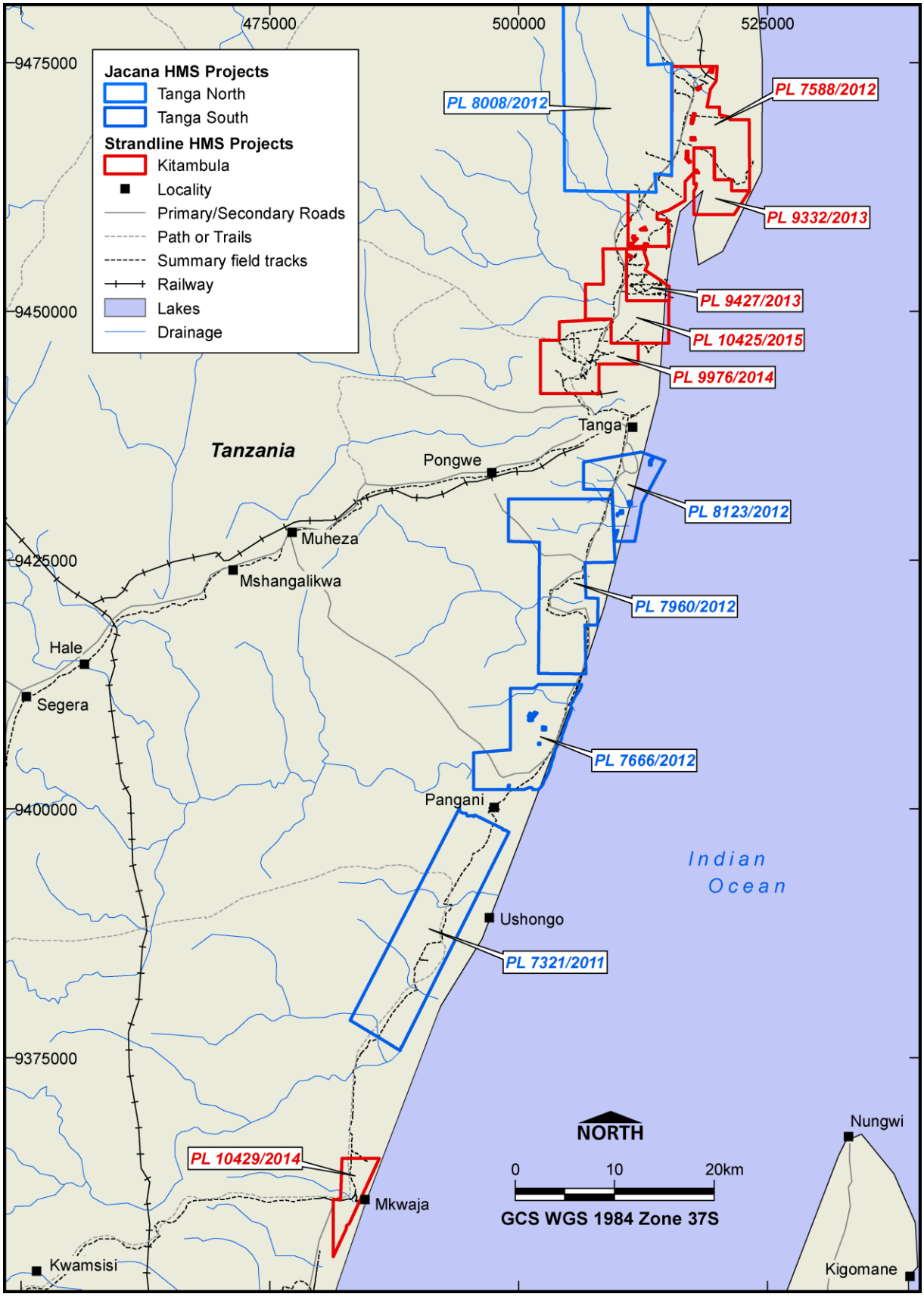

Figure 9. Kitambula and Tanga Projects

3.2.5.2 Description of Mineral Assets

The Kitambula project comprises six Prospecting Licence (Table 13). Strandline Resources holds a 100% interest in all six tenements. The Jacana PL 8008/2012-Tanga North (refer Section 2.1) abuts PL 7588/2012 to the west. Together these tenements comprise a total area of 535.72 km^2.

Table 13: Kitambula Project Assets

Tenement ID	Tenement Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 7588/2012	Kitambula	92.25	3-02-12	2-02-16	
PL 9332/2013	Kitambula	22.03	18-10-13	17-10-17	
PL 9427/2013	Kitambula	15.23	18-10-13	17-10-17	
PL 10425/2015	Tanga North	44.03	2-12-14	1-12-18	
PL 9976/2014	Tanga	50.43	22-07-14	21-07-18	
PL 10429/2014	Pangani South	19.37	24-11-14	23-11-18	

3.2.5.3 Regional Geology

To the west and south of the project area there is extensive subcrop/outcrop of Karoo Group and Jurassic rocks, comprising mainly the Tanga Limestone, calcareous sandstones, conglomerates, and siltstones. The marine and non-marine Neogene sediments occur as a veneer over the Karoo and Jurassic rocks. The Neogene mixed sediments are overlain with areas of quartz pebble beds, gravels and grits. Plio-Pleistocene sediments occur in the area and have been interpreted to be the southern continuation of the Kenyan Magarini sands (Cooke, 1974).

The recent surface is dominated by pale orange and red soils, with several topographic features that may be palaeo-dunal structures. Modern beach sands fringe the coast with outcrops of raised Pleistocene reefs along its eastern boundary.

3.2.5.4 Historical Mineral Sands Exploration

Tanganyika Gold collected a total of 31 surface samples from shallow pits (0.5m) within the Kitambula Project areas in the late 1990's. The highest THM result was 3.3% with an average of 1.1%. The samples are from five southeast trending traverses approximately 5 to 8 km apart with samples taken at 1 km stations on the traverses.

Tanganyika Gold also drilled one line of drillholes (Traverse 5) in 1999 across the southern central section of the Kitambula area, within tenement PL 9427. A total of 22 holes were completed with an additional 3 holes drilled beyond the tenement boundary to the east.

Significant drill results along Traverse 5 include:

- TGAC006: 22m at 2.43% HMS from surface, including 4m at 5.2 % HMS from 6m
- TGAC011: 6m at 6% HMS from 35m
- TGAC012: 3m at 5.7% HMS from 36m
- TGAC013: 7m at 4.15% HMS from 4m
- TGAC014: 2m at 4.8%m HMS from 21m

Mineral assemblage data from five of the drill holes along the drill traverse 5 showed a very high proportion of garnet in the heavy mineral ranging from 29.6% to 75.9% with valuable heavy mineral comprising between 3.8% and 47.4%. Importantly the zircon content is very low at between 0% and 1.1% whilst the rutile content ranges between 0.2% and 9.8%

3.2.5.5 Strandline Mineral Sands Exploration

Strandline completed a total of 84 holes in the Kitambula Project totalling 381m to an average depth of 4.5m. The drill spacing was variable. In the north of the tenements it ranged from 2 to 5 km drill fences with holes 1 km to 0.5 km apart. Within tenement PL9427 the drilling was more systematic with holes drilled on 1 km fences about 250m apart.

The maximum THM result was 13.21% but it was related to iron oxides above the basement. The next highest THM result was 4.05%. The average THM grade from all of the drill composite data was 1.16% (Table 14). Using a 1.5% lower cut-off the surface anomaly on license PL 9427 is 3.5 km long and strikes in a NW orientation. The anomaly forms a sigmoidal shape tapering to the southeast but at its widest point it is about 1.3 km wide. An interpretation of the topography from 1:50,000 scale maps and satellite imagery shows a distinct north-facing J-shape palaeo-geographic feature at the +20m topographic contour coincident with the high-grade mineralisation. This is possibly a palaeo-shoreline.

Table 14: Significant Composite Sample Assays from Auger Drill Holes at the Kitambula Project

Hole ID	Comp No	RL m	TD	Significant THM Result
AR007	C001	69	3.85	3.85m at 3.74%THM and 34.60% slimes (EOH)
AR024	C002	23	9.0	9m at 2.36%THM and 17.08% slimes (EOH)
AR039	C003	18	5.04	5.04m at 1.68% THM and 22.02% slimes (EOH)
AR042	C004	18	2.90	2.9m at 3.38% THM and 36.99% slimes (EOH)
AR068	C005	16	11.2	11.2m at 1.57% THM and 31.73% slimes (EOH)

Licenses PL 10425 and PL 9976 have only been recently granted but mineral sands anomalies have been detected in drainages and shedding from ridges and outcrops (up to 3.5% THM visual in-situ sand), which require auger testing to establish any depth and strike potential. The licenses have the potential to host strandline and Kwale-style dunal mineralisation.

Mineral assemblage data from composites of this auger drilling as shown in Table 14 show a mineral assemblage generally high in trash minerals ranging from 25.6% to 89.7% whilst the valuable mineral content ranges from 10.3% to 74.4%. The assemblage is low in zircon (0.3% to 4.1%), moderate in rutile (2.9% to 16.8%) and quite variable in ilmenite content (7% to 63.8%).

3.2.5.6 Metallurgical and Processing Aspects

The data available on the Kitambula Project indicates heavy mineralisation of low to moderate grade but with high slimes at between 17% and 37%. The heavy mineral can have quite high trash mineral content dominated by garnet. Zircon is very low whilst the rutile content is moderate and the ilmenite content quite variable. There is no mineral chemistry data on the valuable heavy minerals nor is there any sizing data.

On this basis the prospectivity of the project area should considered lower than most of the other project areas although the proximity to the Kwale mineral sands mine only 30km to the north in southern Kenya provides some incentive to carefully consider the area.

3.2.5.7 Exploration Potential

The combined area of Jacana's single PL and the adjacent conjoined four Strandline PLs is 465.92 km^2. This is quite an exploration acreage in a strategic location only 70km southwest of the recently opened Kwale mineral sand mine (262Mt at 3.7%HM) in southern Kenya. Despite the lack of encouragement in the relatively limited surface sampling and drilling completed to date the area

should be carefully explored for both strand placer and aeolian dune hosted heavy mineral deposits as present at Kwale.

3.2.5.8 Sources of Information

ASX Announcement dated 24/11/14 "Regional programme confirms and extends Targets-Drilling underway" and "Strandline Resources (2015) Kitambula Project Summary Notes".

3.3 Jacana Tanzanian Mineral Sands Projects

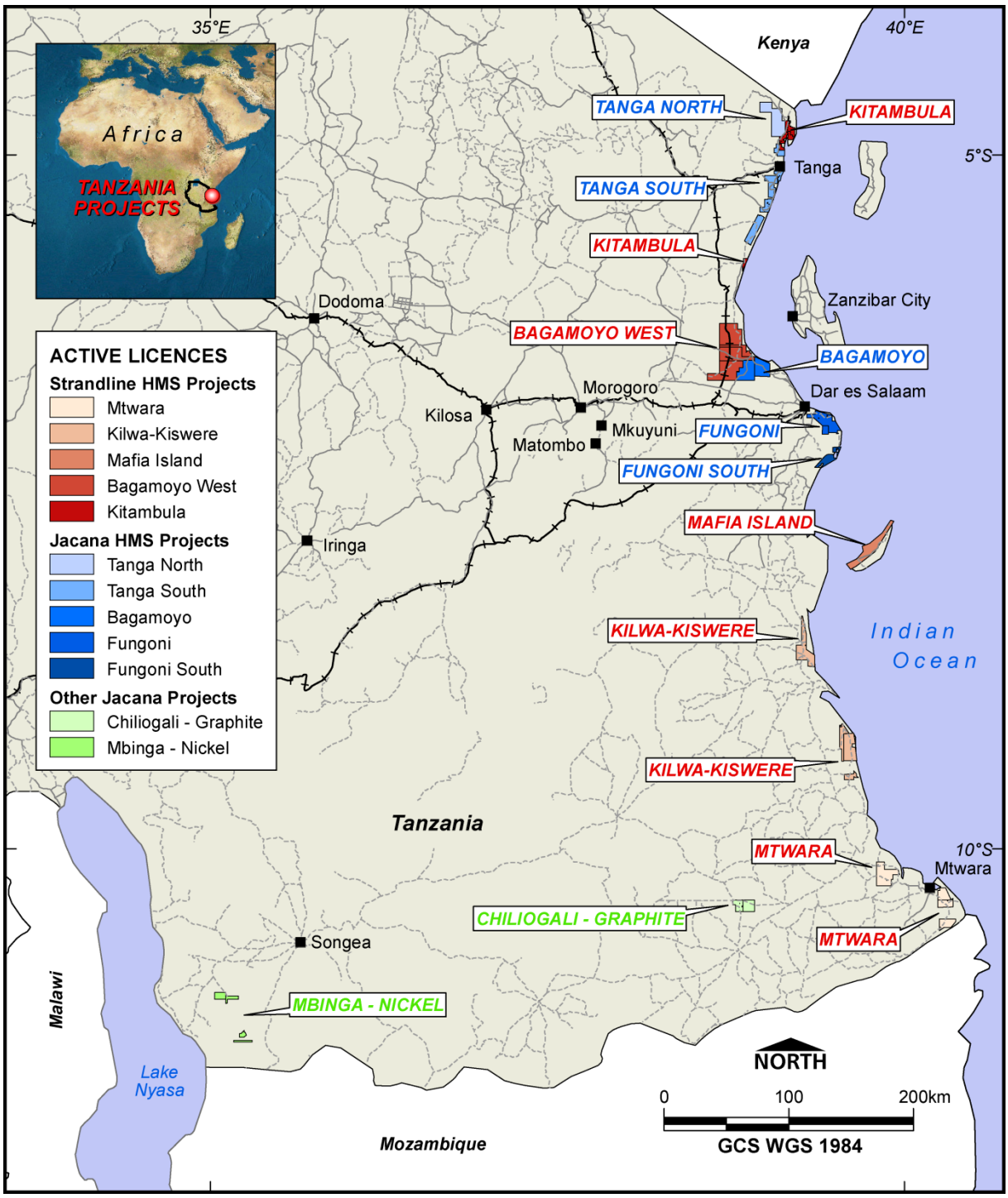

Figure 10. Jacana's heavy mineral tenements assets in Tanzania

3.3.1 Fungoni Prospect

3.3.1.1 Property location, access and Infrastructure

This project is comprised of the Fungoni prospect and is located 25km to the south-east of Dar-es-Salaam and 15km inland. The area is accessed via the Bagamoyo Road then via various unsurfaced roads of varying quality. The area is sparsely populated with subsistence farming being the main economic activity.

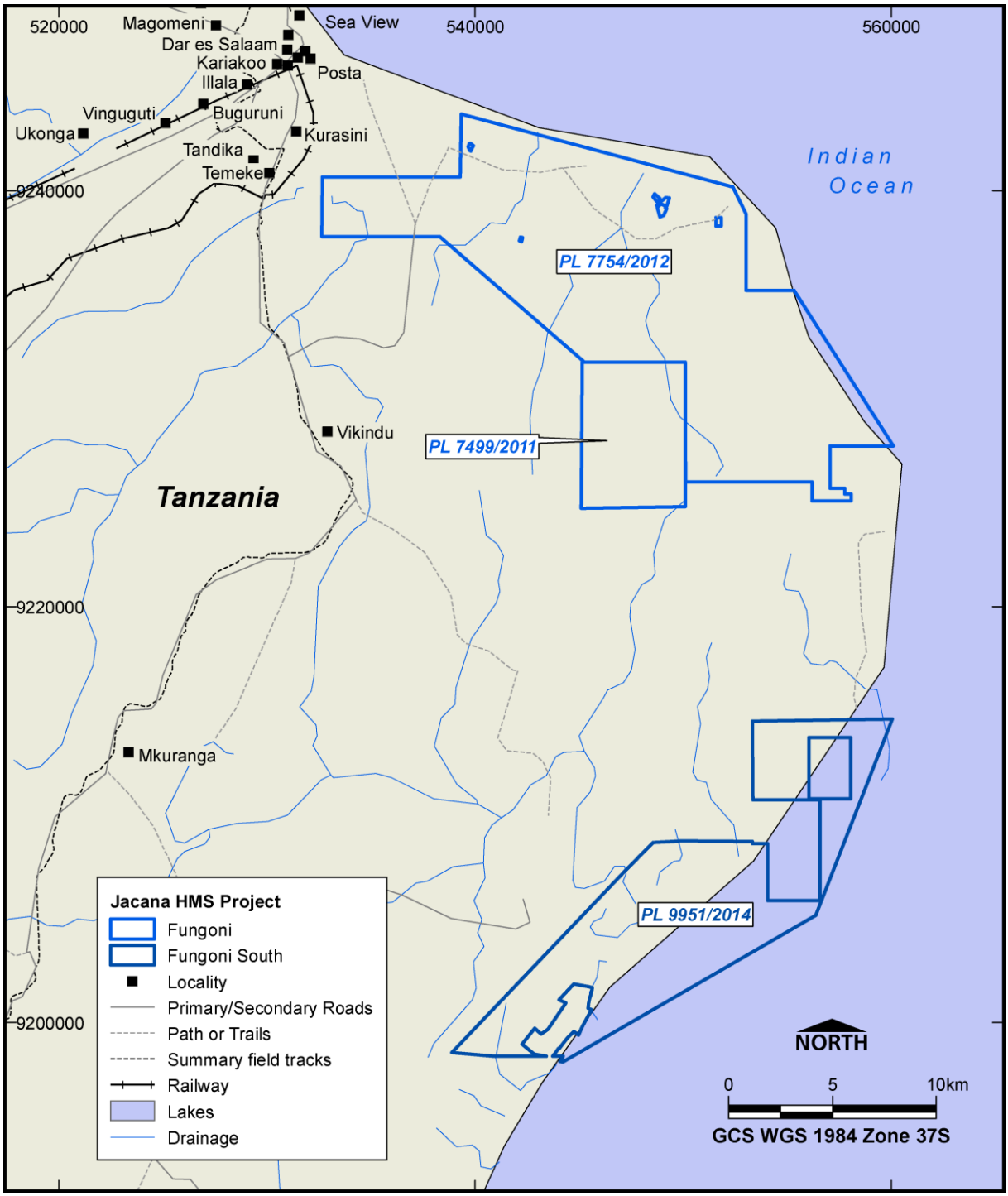

Figure 11. Fungoni Project Location

3.3.1.2 Description of Mineral Assets

The Fungoni prospect lies within PL 7754/2012. A second tenement located about 15km to the south is PL9951/2014. Jacana Minerals Ltd holds a 100% interest in both tenements (Table 15).

Table 15: Fungoni Prospect Assets

Tenement ID	Project Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 7754/2012	Fungoni	202.06	4-04-12	3-04-16	Fungoni
PL 9951/2014	Fungoni South	101.90	10-07-14	9-07-18	
PL 7499 /2011	Fungoni	33.89	22-12-12	21-12-15	

3.3.1.3 Previous Exploration

Initial reconnaissance soil sampling by Tanganyika Gold at Fungoni covered the coastal plain. This was followed up by over 800 pits dig to a depth of 0.5m, spaced at 400m on lines 5km apart. Two arcuate zones over 20km long of >1% HM were outlined. In 2005 Omegacorp drilled 53 hand held auger holes to follow up the highest grade area at Fungoni. This drilling outlined a very high grade zone surrounded by a lower grade halo. The bulk of the two large anomalous zones >1%HM covering a strike length of several tens of kilometres was not tested.

Omegacorp carried out grid auger drilling over the high grade area defined by the Tanganyika Gold pit sampling which delineated a 300m by 150m very high grade core containing over 15% HM. One hole in this core recorded 4m at 27.4%HM and another 4m at 24.9%HM. Auger holes were only four metres deep because the drilling method could not recover sample below the water table.

Jacana carried out grid drilling (approx. 151 air core drill holes) on this high grade area section of the Fungoni prospect over an area 1800m north-south and 1000m east-west at drill centres of 100 metres. In the high grade area mineralisation reaches a thickness of 20 metres.

3.3.1.4 Metallurgical and Processing Aspects

Jacana have not undertaken any bulk sampling for the purpose of scoping the metallurgical characteristics of the Fungoni mineral sand nor is there any chemical analysis data on the quality of the various valuable heavy minerals such as ilmenite, rutile or zircon. CSIRO data (electron microprobe analyses) for the Fungoni prospect indicates low uranium and thorium content at 167ppm U and 91ppm Th for the zircon component whilst similarly derived data showed ilmenite with 12ppm U and 75ppm Th together with 62% TiO2. CSIRO concluded that the Fungoni ilmenite might be a suitable feedstock for the chloride process route. The mineral assemblage indicated by the drilling so far is quite favourable because of the relatively high proportion high value zircon and rutile comprising collectively approximating 26%. The major negative with the current knowledge of the resources is the very high slimes at between 25 and 27%. These high slimes values can have several negative impacts including reduction in recoveries during wet gravity separation, it may mean that the heavy mineral is relatively fine grained and in a mining operation may cause problems with fines settlement and excessive requirement of water in large tailings dams.

The answers to these questions can only be gained by way of the collection of a large sized bulk sample and subjected to a comprehensive programme of scoping metallurgical test work.

3.3.1.5 Mineral Resources at Fungoni

AMC Consultants in April 2014 completed a resource estimate to Indicated and Inferred Status from this drilling data using cut offs of 1%THM and 1.5% THM. These estimates are shown in Table 16 and Table 17.

Table 16: Fungoni Mineral Resource Estimate at 1.0% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	11.0	3.1	27.5	8.7	0.7	0.1	1.4
Inferred	3.0	1.7	24.2	8.9	0.4	0.1	0.7
Total	14.0	2.8	26.8	8.8	0.6	0.1	1.2

Table 17: Fungoni Mineral Resource Estimate at 1.5% cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	7.0	4.1	25.2	8.6	0.9	0.2	1.8
Inferred	2.0	1.9	24.1	9.2	0.4	0.1	0.8
Total	10.0	3.6	25	8.7	0.8	0.1	1.6

3.3.1.6 Exploration Potential

The relatively extensive area and strike length of the anomalous HM zones provides significant encouragement for the discovery of additional zones of high grade HM mineralisation outside of the main Fungoni defined resource.

3.3.1.7 Sources of Information

The contents of this section have been derived from "Snowden (2014) Jacana Resources Pty Ltd-Independent Geologist Report Project 2225 Tanzania", Syrah Resources ASX Announcement dated 18/4/12 "Strong Results for Tanzanian Mineral Sands Prospects", Syrah Resources ASX Announcement dated 28/2/12 "Syrah builds strategic mineral sands exploration portfolio in Tanzania" and "AMC Consultants, 2014. Fungoni Deposit Mineral Resource Estimation prepared by Rod Webster, Tracie Burrows and Kathy Zunica on 29 April, 2014".

3.3.2 Tanga North Project

3.3.2.1 Property location, access and Infrastructure

The Tanga North Project is located in north-east Tanzania, 30km north of the coastal town of Tanga and 230km north of the Tanzanian capital Dar-es-Salaam (Figure 12).

Access to the project area is via the main sealed Tanga-Mombasa Highway, then via dirt roads of varying quality.

The area is generally flat with limited subsistence farming. Sisal plantations are common in the Tanga area. Human settlement is generally concentrated along the dirt road network that covers the area with population density varying from medium to low.

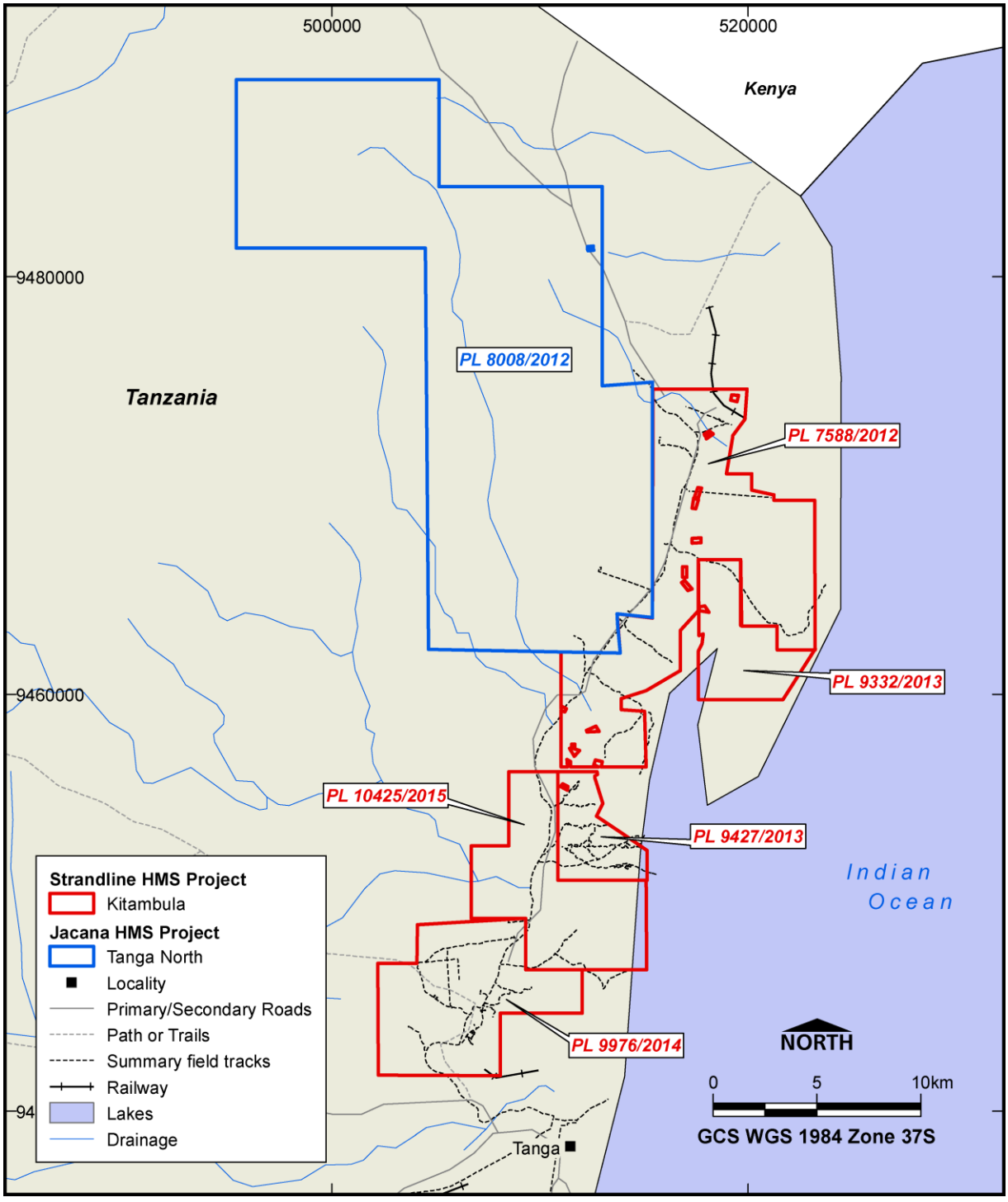

Figure 12. Tanga North and Kitambula Project Locations

3.3.2.2 Description of the Mineral Assets

The Tanga North Project comprises one Prospecting Licence (PL 8008/2012). Jacana Minerals Ltd holds a 100% interest in the Tanga North tenement.

Table 18: Tanga North Project Tenements

Tenement ID	Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 8008/2012	Tanga North	292.38	4-06-12	3-06-16	Tanga North

3.3.2.3 Previous Exploration

The presence of heavy mineral concentrations were noted by the Tanganyika Geological Survey along the north coast of Tanzania in 1963 (Moore, 1963). Landcastle (1963) noted the presence of heavy minerals between Dar-es-Salaam and Bagamoyo to the north, near the mouth of the Ruvu River. Hester (1995) noted the Bagamoyo heavy mineralisation as significant and potentially economic. He also reported potentially economic mineral sands at Msimbati, close to Mtwara near the border with Mozambique.

From 1974 to 1976, Beach Sands Mining Company 9 a joint company between State Mining Corporation and Geomin of Romania), undertook exploration for HMS and identified "probable" ore reserves of 33.5Mt" in their Msimbati deposit averaging 1.39% ilmenite, 0.22% rutile and 0.18% zircon (Hestor, 1995).

Limited exploration for HMS has occurred in the Tanga North Prospect, consisting primarily of reconnaissance panning and auguring for heavy minerals by Syrah personnel and historical pitting undertaken by Tanganyika Gold Ltd (TGL). In most cases the auger holes were stopped when ferricretes were intersected.

3.3.2.4 Exploration by Jacana Minerals Ltd

Jacana has not yet completed any exploration for heavy minerals in this project area. In 2015, Jacana had planned to drill 570 m (19 air core holes) in the PL in areas where good mineralised intersections had been historically encountered, in order to test its mineral potential.

3.3.2.5 Metallurgical and Processing Aspects

This project is at the very earliest of exploration phases with only limited surface and shallow auger drilling undertaken to date. Very little can be said about the metallurgical and processing aspects of the project at this very early stage.

3.3.2.6 Exploration Potential

The project area offers reasonable prospects of successful heavy mineral exploration with the application of the air core drilling technique in areas with the most promising surface heavy mineral indications. The potentially prospective area is quite large at 17km long and 1 to 3km wide. The prospect is the closest to the Kwale mineral sands mine (Operated by Base Resources) which is located 30km to the north across the border in Kenya. This deposit is hosted in aeolian dune sand.

The key to significant exploration success in this project area is the location of dune hosted mineralisation as found at Kwale in addition to strandline style concentrations.

3.3.2.7 Sources of Information

The contents of this section have been derived from "Snowden (2014) Jacana Resources Pty Ltd-Independent Geologist Report Project 2225 Tanzania".

3.3.3 Tanga South Project

3.3.3.1 Property location, access and Infrastructure

This project is comprised of three prospects being the Tongani, Pangani and Tariji prospects which provide almost continuous coverage of a 60km strike length of coastline immediately to the south of

the coastal town of Tanga which is located 190km north of the Tanzanian capital Dar-es-Salaam. Access to the tenements is via the unsealed Tanga to Pangani road.

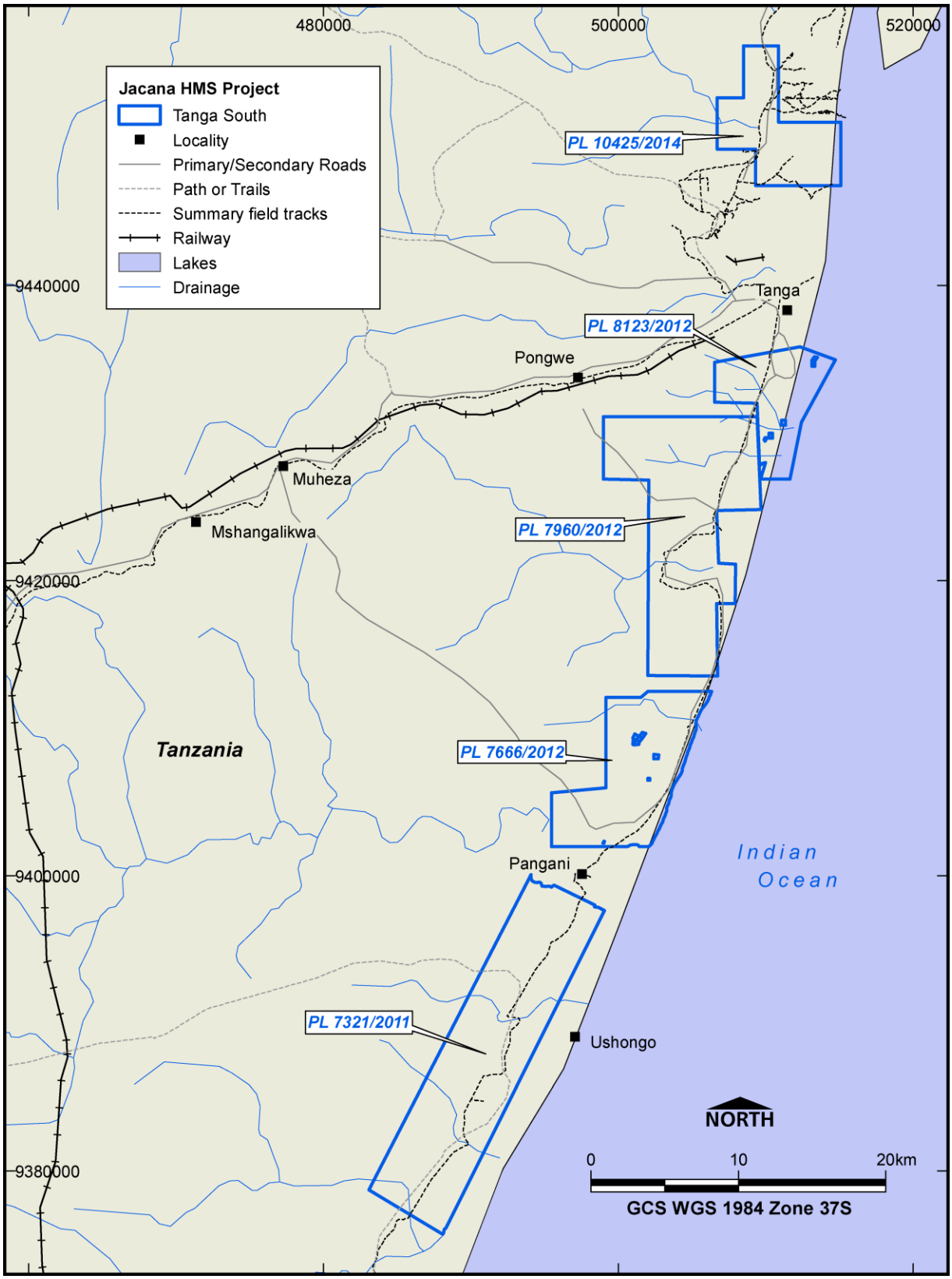

Figure 13. Tanga South Tenements

3.3.3.2 Description of Mineral Assets

The Tanga South Project comprises four Prospecting Licences (Table 19). Jacana Minerals Ltd holds a 100% interest in the Tanga North tenement.

Table 19: Tanga South Project Assets

Tenement ID	Project Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 7666/2012	Tanga South	66.15	23-02-12	22-02-16	Pangani
PL 7960/2012	Tanga South	116.43	04-06-12	03-06-16	Tongani
PL 8123/2012	Tanga South	38.06	19-07-12	18-07-16	Tongani
PL 7321/2011	Tanga South	137.8	17-11-11	16-11-15	Tariji

3.3.3.3 Local Geology

The HM mineralisation in the Tanga South Project area is hosted in Pleistocene sands which can include lenses of clayey sand and sandy clay. These units overlie limestone units of the Jurassic to Cretaceous Karoo Super Group. At Tariji the mineralisation lies between elevations of 5 metres to 20 metres ASL.

3.3.3.4 Previous Exploration

The presence of heavy mineral concentrations were noted by the Tanganyika Geological Survey along the north coast of Tanzania in 1963 (Moore, 1963). Landcastle (1963) noted the presence of heavy minerals between Dar-es-Salaam and Bagamoyo to the north, near the mouth of the Ruvu River. Hester (1995) noted the Bagamoyo heavy mineralisation as significant and potentially economic. He also reported potentially economic mineral sands at Msimbati, close to Mtwara near the border with Mozambique.

From 1974 to 1976, Beach Sands Mining Company (a joint company between State Mining Corporation and Geomin of Romania), undertook exploration for HMS and identified “probable” ore reserves of 33.5Mt” in their Msimbati deposit averaging 1.39% ilmenite, 0.22% rutile and 0.18% zircon (Hestor, 1995).

Tanganyika Gold carried reconnaissance mineral sands exploration in the late 1990’s (Omega, 2004). Targets for HMS exploration were generated based on HMS area selection criteria used in Western Australia. These targets were subjected to reconnaissance surface pit sampling (0.5m depth) and geological mapping along 10km spaced traverses at 1km spacing along the Tanzanian coastline.

A limited drilling programme was planned but not fully implemented because of budget, time and logistical constraints. Drilling was restricted to the area north of the Rufiji River which identified the Tariji prospect.

Detailed surface pit sampling was undertaken to the north and south of the prospect, both as part of an orientation programme for future exploration, as well as to define the zone of HM mineralisation. During this programme, samples were taken every 200 m along lines 1 km apart, the results of which defined a 20 km long zone containing more than 3% HM.

Syrah Resources flew an aeromagnetic survey over the Tariji prospect at a height of 30m and line spacing of 100m in late 2012. Analysis of the data confirmed that HMS deposits can be detected due to their high ilmenite content, which is weakly magnetic, shown as red and orange colours. Syrah identified several new target areas on the prospects that warrant follow up exploration work (Syrah Resources, 2012).

Follow up auger drilling was undertaken on the Tariji prospect with the drilling of one NNW-SSE drill section (T-14) across the mineralised zone defined from surface sampling. Two of the centrally located drill holes on traverse T-14 encountered 9m at 12.3% HM in auger hole TGAC48 and 14m at 9.2%HM in TGAC46. In 2005, this line was followed up with the drilling of four parallel drill traverses. The best results were encountered a line in TJR3 located 200m north of T-14 with 7m at 14% HM in TJR3, 15m at 7.7% HM in TJR4 and 10m at 8.2% HM in TJR5.

The zone is open to the north and south and is currently over 3km long, 200 to 600m wide, averaging 4 to 6m thick at a grade of 4-5%HM. The zone has been informally split into the Tariji North and Tajiri South prospects.

The average mineral assemblage of the heavy mineral at Tajiri is 7% zircon, 12% rutile and 72% ilmenite.

Ten kilometres along strike and to the NNE of the Tajiri prospect is the Pangani prospect and a further 20km further NNE is the Tongani Prospect located with PLs 8123/2012 and PL 7860/2012. The Pangani prospect is a very large HM anomaly that stretches for about 28km along the Tanzanian coast. Pangani was discovered by Tanganyika Gold as a result of their coastal sampling programme. An initial auger drill traverse across the anomalous zone yielded HM values of up to 5.4%. Pit sampling was then carried out over a 30km long stretch of coastal plain from Tanga to Pangani. A total of 165 samples were taken from 0.5m pits at intervals of 200m to 400m and traverse spacing of about 5km. Much of the area was found to be anomalous with greater than 1% being recorded. Two further extensive anomalies were identified containing greater than 3$ HM with values up to 5.2% HM being recorded.

Grain counts from 7 samples within the prospect area averaged 2.82% HM (range 1.25% to 5.2%) with ilmenite 66.8% (41.4% to 79.9%), 7.3% rutile (5.3% to 8.7%) and 4.0% zircon (2.2% to 5.9%), with combined rutile, ilmenite and zircon of 78.1%.

At Tongani HMs are present on the surface and are readily observed over a length of several hundred metres.

3.3.3.5 Metallurgical and Processing Aspects

There is no data available which might give any indication of the metallurgical and processing characteristics of the mineralised sand nor the chemical parameters of the various valuable HM components from the Tanga South group of prospects.

3.3.3.6 Exploration Potential

The most interesting prospect in this group of tenements is the **South Tariji and North Tariji** prospects with anomalous mineralisation present over a strike length of approximately 16km. These prospects require the drilling of several east-west air core drilling traverses along the length of the 16km strike length. The mineral assemblage is quite favourable with combined rutile+zircon being on average 11.3% accompanied by 66.8% ilmenite.

Very little exploration data is available at the **Pangani prospect**. The available data would suggest that at least a number of air core drilling east-west should be completed at various spacing along the prospective strike length of the anomalous zone.

At the **Tongani Prospect** an anomalous HM zone is present over approximately 20km. As with the Tariji prospects this prospect requires drill testing with a series of east-west aligned air core drill traverses across the anomalous zone.

3.3.3.7 Sources of Information

The contents of this section have been derived from "Snowden (2014) Jacana Resources Pty Ltd-Independent Geologist Report Project 2225 Tanzania" and Syrah Resources ASX Announcement date 18/4/13 "Strong Results for Tanzanian Mineral Sands Prospects" and Syrah Resources ASX Announcement dated 28/2/12 "Syrah builds strategic mineral sands exploration portfolio in Tanzania".

3.3.4 Bagamoyo Prospect

3.3.4.1 Property location, access and Infrastructure

This project is comprised of Bagamoyo prospect which stretches over the two adjacent PLs; PL7752/2012 and PL7753/2012. The prospect is located 60km to the north-west of Dar-es-Salaam and is accessed via the Bagamoyo Road then via various unsurfaced roads of varying quality. The area is sparsely populated with subsistence farming being the main economic activity.

3.3.4.2 Description of Mineral Assets

The Bagamoyo prospect comprises three Prospecting Licences (Table 20). Jacana Minerals Ltd holds a 100% interest in all tenements. The Strandline Bagamoyo West PL 8185/2012 abuts PL 7753/2012 to the east which is part of a co-joined group of four PLs. Together these seven tenements comprise an area of 1,321.79 km^2.

Table 20: Bagamoyo Project Tenements

Tenement ID	Project Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 7752/2012	Bagamoyo	158.95	19-03-12	18-03-16	Bagamoyo
PL 7753/2012	Bagamoyo	191.93	4-04-12	3-04-16	Bagamoyo
PL 10265/2014	Bagamoyo	63.39	25-09-14	24-09-18	Bagamoyo

3.3.4.3 Previous Exploration

Previous mineral sand exploration has identified three arcuate zones of anomalous (>1% HM) mineral sands that are 200 to 400m wide and run for 5 to 10km in a generally east-west direction across the two PLs. Highest grades found were 8.6% HM in soil sampling and 5.7% in pit sampling. A total of 13 heavy mineral concentrates from the prospect had an average assemblage of 5.5% zircon, 5.5% rutile and 59% rutile. It is assumed that this exploration was undertaken by Tanganyika Gold. Neither Jacana nor Syrah Resources have completed any additional exploration in the project area.

It is concluded that the two tenements have been only lightly explored and is worthy of further exploration.

3.3.4.4 Metallurgical and Processing Aspects

Due to the very early stage of exploration in this project area there is no significant data available to comment on the metallurgical and processing aspects.

3.3.4.5 Exploration Potential

Due to the strike length of the three anomalous zones within the tenement the potential of the project can be judged as good and worthy of follow-up in the form of a reconnaissance air core drilling along a number of drill lines across the prospect area. These prospective zones could potentially extend into the adjacent Strandline PL 8185/2012 to the west. Any future exploration should consider this possibility.

3.3.4.6 Sources of Information

The contents of this section have been derived from “Snowden (2014) Jacana Resources Pty Ltd-Independent Geologist Report Project 2225 Tanzania”.

4 Jacana Tanzanian Graphite, Nickel and Coal Projects

4.1 Chiliogali Graphite Project

4.1.1 Property location, access and Infrastructure

The Chiliogali Graphite Project is located in south-east Tanzania, 150km west of the coastal town of Mtwara and 35km north of the township of Masasi (Figure x).

Access to the project area is via sealed road from Mtwara to Masasi, then 36 kilometres of unsealed road from Masasi towards Nachingwea.

The area is generally rolling hills with dense secondary vegetation with subsistence farming throughout the area. Most common crops are cashew, mango, rice and banana.

Cell phone reception in the region is generally good, but may be sporadic in the project area. Power and potable water is sourced from Nachingwea.

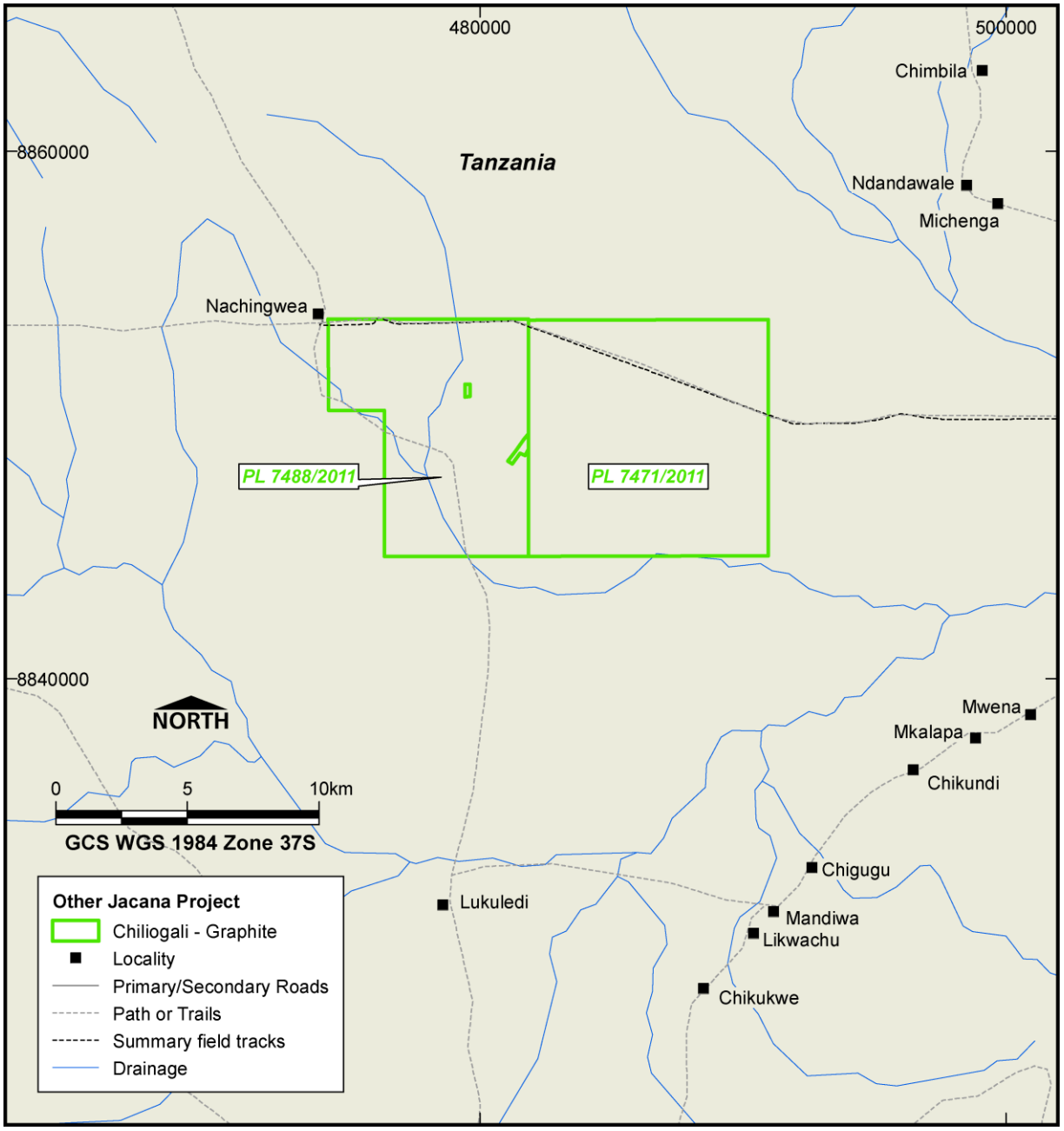

Figure 14. Chiliogali Graphite Project Location

4.1.2 Description of the Exploration Assets

The Chiliogali Project comprises two Prospecting Licence (Table 21). Jacana Minerals Ltd holds a 90% interest in the Chiliogali tenements, the remaining 10% owned by ASAB Resources (Tanzania) Ltd (ASAB), under the Option to Purchase Agreement dated 26th July, 2014 between Jacana and ASAB.

Table 21: Chiliogali Project Tenements

Tenement ID	Name	Area (km²)	Grant Date	Expiry Date	Prospect
PL 7471/2011	Chiliogali	81.80	14-12-11	13-12-15	Chiliogali
PL 7488/2011	Chiliogali	56.26	27-12-11	26-12-15	Chiliogali

4.1.3 Regional Geology

The Chiliogali Project is located in the Neoproterozoic Mozambique Mobile belt, which abuts against and truncates the eastern margin of the Tanzanian craton. The Mozambique Belt is highly complex, both metamorphically and structurally, consisting typically of hornblende, biotite, pyroxene gneisses, charnockites, marbles, graphitic schists and quartzites.

4.1.4 Previous Exploration

Initial exploration, via trenching and field mapping, was undertaken on the Chiliogali Project by the Geological Survey of Tanganyika (1956 to 1958), who explored for colluvial graphite.

Additional work was undertaken by the Geological Survey of Tanzania (GST) from November 1990 to June 1992. Two prospects were identified, one in the saddle of Chiliogali Hill (Prospect 1) and a second on the same hill, located to the west of Prospect 1. Forty eight pits were dug, of which 10 intersected graphite bearing rocks. These were sampled, indicating apparent widths of between 1.3 and 35 m and graphite contents ranging from 5.9 to 24.9%, for an average grade of 14% graphite.

The project was re-evaluated in 1993, by Pangea Minerals Limited (Pangea) on behalf of Sigo Gems Limited. A single sample that appears to have been a hand specimen sourced from the Geological Survey in Dodoma was sent to South Africa for processing. The product from the metallurgical test was reported to have assayed slightly in excess of 98% graphitic carbon from a sample that ran 25.1% graphitic carbon (Van Eck and Lurie, 1992). Maximum flake size was noted to be about 500 micron but there was insufficient material coarser than 300 µm to weigh.

4.1.5 Exploration by Jacana

Jacana commenced exploration of the project in 2012, via field mapping, pitting and trenching.

Future planned exploration will continue the field mapping and trenching programme, extending the trenches into the Chiliogali A and B target areas. Follow up diamond core drilling, comprising approximately 2,000m is planned.

In addition, approximately 100 line kilometres (km), of ground Electromagnetic (EM) survey will be undertaken to pick out conductors, in low lying areas where no outcrop occurs, as well as to determine if nickel- copper mineralisation is present in the PL's.

4.1.6 Exploration Potential

This project is at the very earliest of exploration phases with no drilling undertaken to date. The project area offers reasonable prospects for graphite and base metals exploration.

Based on maps presented by Jacana (2014) the Chiliogali North Prospect appears to extend for approximately 1000 m along strike on the limbs of a folded structure. A small but high grade tonnage may be expected from this area.

Neighbouring projects reported publicly by IMX Resources and Magnis Resources have significant proportions of large and extra-large graphite flakes > 180 µm. As a general rule the Tanzanian deposits appear to have coarser flake than Mozambique deposits (Table 22**Error! Reference source not found.**). CSA considers it reasonable to infer that Chiliogali may be characterised by similar flake size distribution to Nachu and Chilalo.

Table 22: Flake size for selected projects in Mozambique and Tanzania (Source: Company websites 2014; 2015)

Flake Size	Syrah (Balama)	Triton (Nicanda)	Kibaran (Epanko)	Magnis (Nachu)	IMX (Chilalo)
	Mozambique	Mozambique	Tanzania	Tanzania	Tanzania
>300 micron (+48 Mesh)	16%	16%	22%	64%	12 to 26%
>180 microns (-48 to +80 Mesh)	9%	18%	29%	21%	30%
>150 microns (-80 to +100 Mesh)	16%	10%		5%	9%
>75 microns (-100 to +200 Mesh)	33%	32%	34%	10%	20 to 26%
<75 microns (-200 Mesh)	26%	24%	16%		14 to 21%

4.1.7 Graphite flake size, purity and market pricing – some notes

Although resource tonnes and graphitic carbon content (grade) are key metrics in assessing graphite projects, the evaluation of is more complex and key attributes are product flake size distribution and purity (Scogings and Chesters, 2014).

Listed graphite explorers have recently reported widely divergent MREs ranging from 2 Mt (Lincoln) to 1,457 Mt (Triton) and from 1.7% TGC (Northern) to 15.9% TGC (Mason). From this it can be deduced that tonnage and graphite content are important, but not the sole metrics in deciding on 'reasonable prospects for eventual economic extraction' (Table 23).

For graphite, the key quality aspects are flake size (Table 24) and graphitic carbon content (purity) of a concentrate product. The graphitic carbon content of a flake concentrate product should have a minimum graphitic carbon content of 90% TGC, although 94% TGC is often quoted as the minimum. In addition, there are key quality aspects important for different end users; e.g. ash chemistry (refractories), exfoliation (electrical applications) or sphericity (batteries).

Although all sizes of graphite flake may have a commercial value, medium and large flake sizes of +180 µm (80 mesh) attract significantly higher prices than finer grades (Table 25). This price range can have a significant impact on the 'basket price' for a particular project, especially considering that large and extra-large flakes are forecast to be in supply deficit by 2020. For purposes of this study, current graphite prices have been assumed based on Industrial Minerals Magazine data, while forecast prices have been taken from a report by Hykawy and Chudnovsky (2014). The forecast prices assume that with the likely emergence of new mines in the near future, excess production of -80 mesh product will result in oversupply and price reduction. Anticipated demand for large and extra-large flake is anticipated to cause an undersupply situation with resultant steep price increase by 2020 (Table 26**Error! Reference source not found.**).

Table 23: Selected graphite resource tonnes and TGC % (Source: Company websites)

Company	Lincoln (Australia)	Valence (Australia)	IMX (Tanzania)	Kibaran (Tanzania)	Mason (Canada)	Northern (Canada)	Magnis (Tanzania)	Syrah (Mozam.)	Triton Mozam.)
MRE Tonnage (ktonnes)	2	6.5	7.4	22.7	62	94	156	1,150	1,457
MRE grade (TGC %)	15.1%	7.1%	10.7%	9.8%	15.9%	1.7%	5.2%	10.2%	10.7%

Table 24: Graphite flake size and market terminology (Source: Industrial Minerals Magazine)

Sizing	Market terminology

>300 micron (+48 Mesh)	Extra-Large or 'Jumbo' Flake
>180 microns (-48 to +80 Mesh)	Large Flake
>150 microns (-80 to +100 Mesh)	Medium Flake
>75 microns (-100 to +200 Mesh)	Small Flake
<75 microns (-200 Mesh) 80-85%C	Fine Flake

Table 25: Graphite prices, 26 February 2015 (Source: Industrial Minerals Magazine www.indmin.com)

Graphite type	Purity (% C)	Size (Mesh)	Description	Shipping method	Low price (US$)	High price (US$)
Synthetic	99.5			Switzerland	7,000	20,000
Synthetic	98-99			CIF, Asia	1,000	1,500
Synthetic	97-98			CIF, Asia	950	1,450
Flake	94-97	+80	Large	FCL, CIF European port	1,200	1,300
Flake	94-97	+100 -80	Medium	FCL, CIF European port	1,050	1,150
Flake	94-97	-100	Small	FCL, CIF European port	900	950
Flake	90	+80	Large	CIF, European port	950	1,050
Flake	90	+100 -80	Medium	FCL, CIF European port	850	950
Flake	90	-100	Small	FCL, CIF European port	750	800
Flake	85-87	+100 -80	Medium	FCL, CIF European port	700	800
Amorphous	80-85	-200	Fine	FCL China, CIF Europe	430	480
Amorphous	70-75			ex-works, Austria	500	550

Table 26: Graphite prices assumed for this study (Source: CSA; Industrial Minerals Magazine; *Hykawy and Chudnovsky, 2014)

Assumed Pricing (90-97%C for > 75 µm product)				
Sizing	Market terminology	Current 2015 (US$)	Stormcrow* 2020 (US$)	% Change 2015 to 2020
>300 µm (+48 Mesh)	Extra Large or 'Jumbo' Flake	$2,000	$6,175	+310
>180 µm (-48 to +80 Mesh)	Large Flake	$1,250	$1,165	-10
>150 µm (-80 to +100 Mesh)	Medium Flake	$1,000	$517	-53
>75 µm (-100 to +200 Mesh)	Small Flake	$800	$493	-34
<75 µm (-200 Mesh) 80-85%C	Fine Flake	$450	$359	-20

4.2 Mbinga Nickel Project

4.2.1 Property location, access and Infrastructure

The Mbinga Nickel Project is located in southern Tanzania, 80km southwest of the town of Mbinga and 50km southeast of the town of Songea (Figure x).

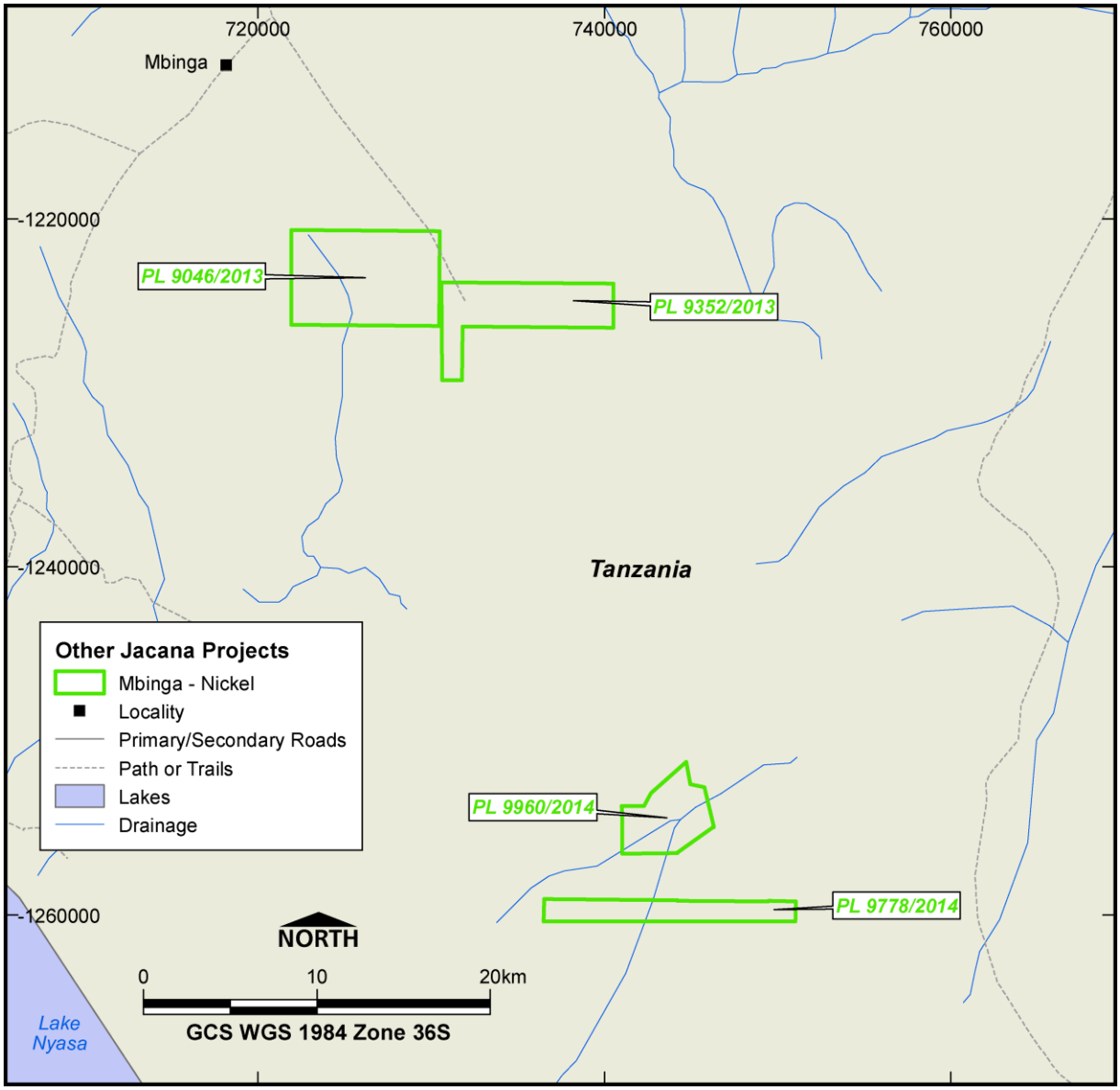

Figure 15. Mbinga Nickel Project Location

4.2.2 Description of the Exploration Assets

The Mbinga Project comprises four Prospecting Licences (Table 27). Jacana Minerals Ltd holds a 100% interest in the Mbinga tenements.

Table 27: Mbinga Project Tenements

Tenement ID	Name	Area (km^2)	Grant Date	Expiry Date	Prospect
PL 9046/2013	Mbinga	46.61	11-3-13	10-3-17	Mbinga
PL 9352/2013	Mbinga	28.81	4-10-13	3-10-17	Mbinga
PL 9778/2014	Mbinga	17.67	5-6-14	4-6-18	Mbinga
PL 9960/2014	Mbinga	17.60	10-7-14	9-7-18	Mbinga

4.2.3 Regional Geology

The geology of the Ruvuma Region comprises primarily Palaeoproterozoic Usugaran metamorphic rocks such as charnockite, granulite and gneiss. Late orogenic granites and granodiorites are also present.

Gemstones including tourmaline, sapphire, topaz, and garnet (rhodolite) are mined from Usagaran pegmatites.

A massif of layered ultramafics of late Proterozoic age, which intruded into Usagaran Metamorphics; consisting of banded pyroxenite, gabbroic pyroxenite, pyroxenitic gabbro, gabbro, and granodiorite occurs to the north of Mbinga and has been explored by others for gold mineralisation.

The Usagaran basement rocks in the region are generally overlain by sediments of the Karoo Supergroup, consisting of sandstones, mudstones, conglomerates and minor coal seams.

Gabbronorites, norite-troctolites and olivine gabbros have been mapped as being present in the area.

4.2.4 Previous Exploration

Exploration of the area was undertaken by an Albidon-BHP Billiton team, commencing in 2005. Stream sediment sampling identified nickel and copper anomalies, with peak values of up to 582 ppm Ni and up to 176 ppm Cu being recorded.

A VTEM airborne electromagnetic survey was completed by BHP Billiton in late 2007. The survey comprised a total of 3,016 line km covering 414 km^2 over several prospective mafic-ultramafic intrusion complexes.

Several of the stream Ni anomalies are accompanied by Co, Pt and Pd anomalies, which was interpreted by Albidon as supporting that the Ni anomalies reflect nickel sulphide mineralisation as opposed to nickel oxides (in laterites).

Two soil sampling exercises were undertaken on the Mbinga PL's, the results of which confirmed the presence of elevated Ni.

4.2.5 Exploration by Jacana

Jacana has not commenced any on-ground exploration of the project.

Future planned exploration comprises field reconnaissance mapping, approximately 40 line kilometres (km) of ground Electromagnetic (EM) survey and power auger drilling. Follow up diamond core drilling, comprising approximately 2,000m is planned.

4.2.6 Exploration Potential

This project is at the very earliest of exploration phases with no drilling undertaken to date. The project area offers reasonable prospects for nickel exploration.

4.3 Shikula Coal Project

4.3.1 Property Location

The Shikula Project is located to the northwest of Mbeya in western Tanzania.

4.3.2 Description of the exploration assets

The Shikula Project consists of a single Prospecting Licence (PL 7806/2012) which covers an area of 196.57 km^2.

Table 28: Jacana's Shikula assets

Tenement ID	Name	Area (km2)	Grant Date	Expiry Date	Prospect
PL 7806/2012	Shikula	196.57	4-04-12	3-04-16	Shikula

4.3.3 Regional Geology

The project is located in the Rukwa Rift Basin and is underlain by sediments of Karoo Supergroup age. Coal measures and uranium mineralisation are known to exist in sections of the Karoo Supergroup in various parts of Africa. The project is located along strike from the Galula coal field and to the south of Kibo Mining PLC's Rukwa coal exploration prospects.

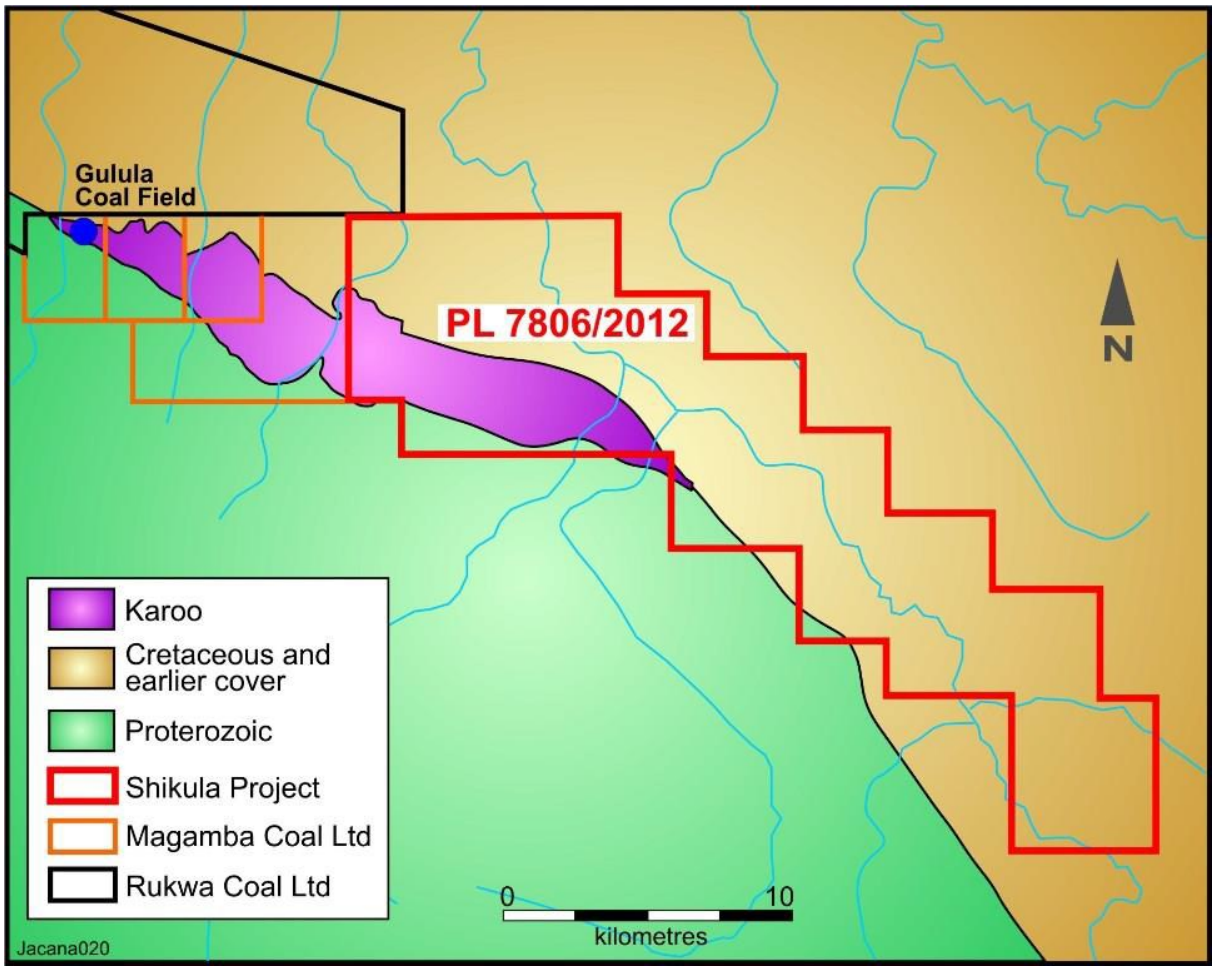

Figure 16. Geology of Shikula Project

Source: Jacana presentation dated November 2014

4.3.4 Previous Exploration

The PL was originally acquired as a roll front uranium prospect, however future exploration activities will be focussed on determining if the coal measures present on Kibo's properties extend into PL 7806/2012

4.3.5 Exploration by Jacana

Jacana has not as yet undertaken detailed exploration for coal within the project area,

4.3.6 Exploration Potential

This project is at the earliest stage of exploration. The project area offers reasonable prospects for coal mineralisation, although exploration needs to be undertaken to confirm its presence.

5 Strandline Australian Nickel and Copper Projects

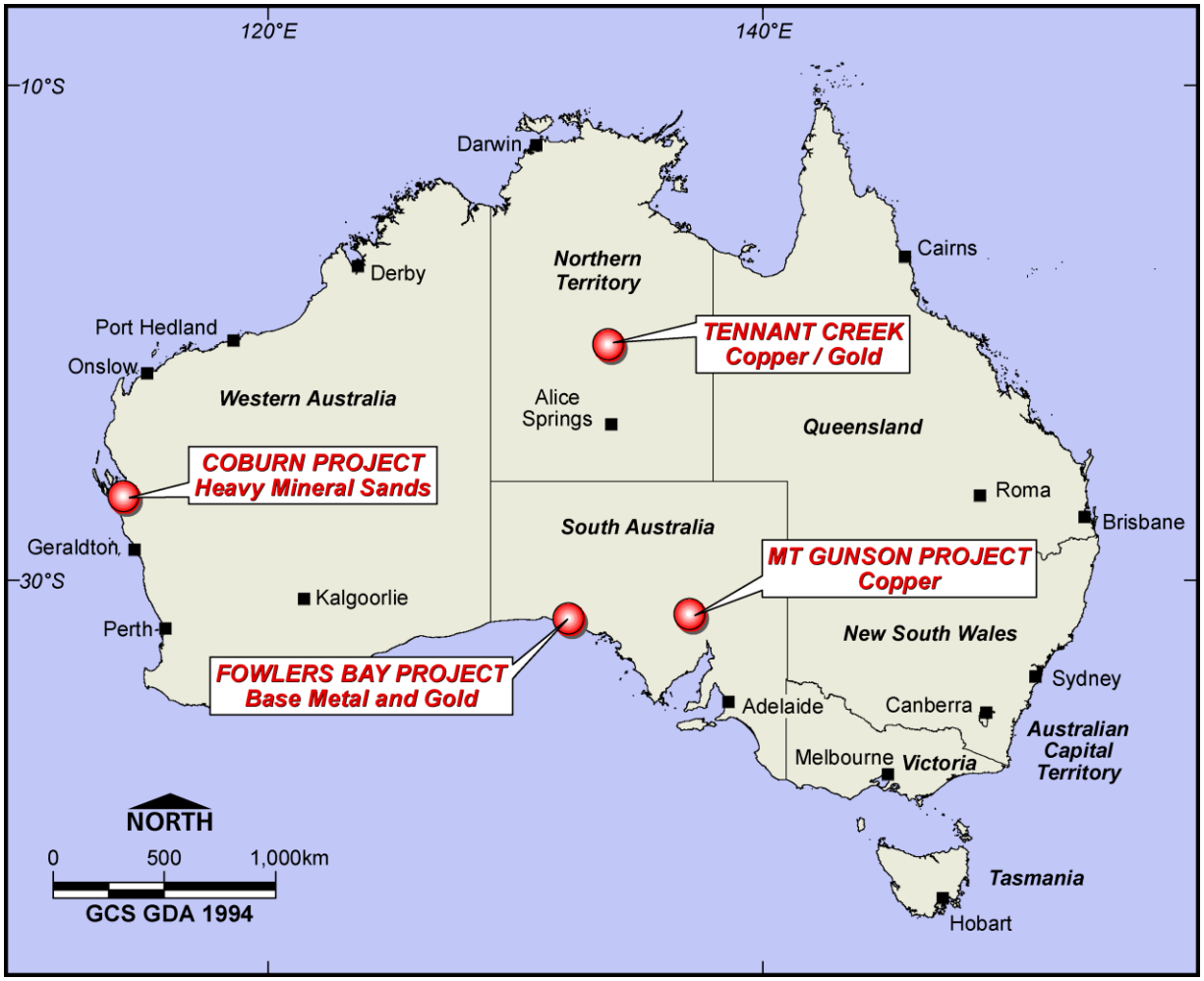

Figure 17. Strandline's Australian Mineral assets

5.1 Mount Gunson Sediment-hosted Copper-Cobalt-Silver and Iron Oxide Copper Gold (IOCG) Project

5.1.1 Property location, access and Infrastructure

The Mount Gunson Project area is situated 45km south of Woomera and 135km north of Port Augusta. The area is approximately 5 hours by road from Adelaide.

The site lies about 9km off the sealed Stuart Highway and is accessed via established unsealed mining roads. There is also established access to electrical grid power and limited scheme water. The Adelaide to Perth/Darwin railway parallel the Stuart Highway.

Regular air services are available at Woomera, Olympic Dam and Port Augusta.

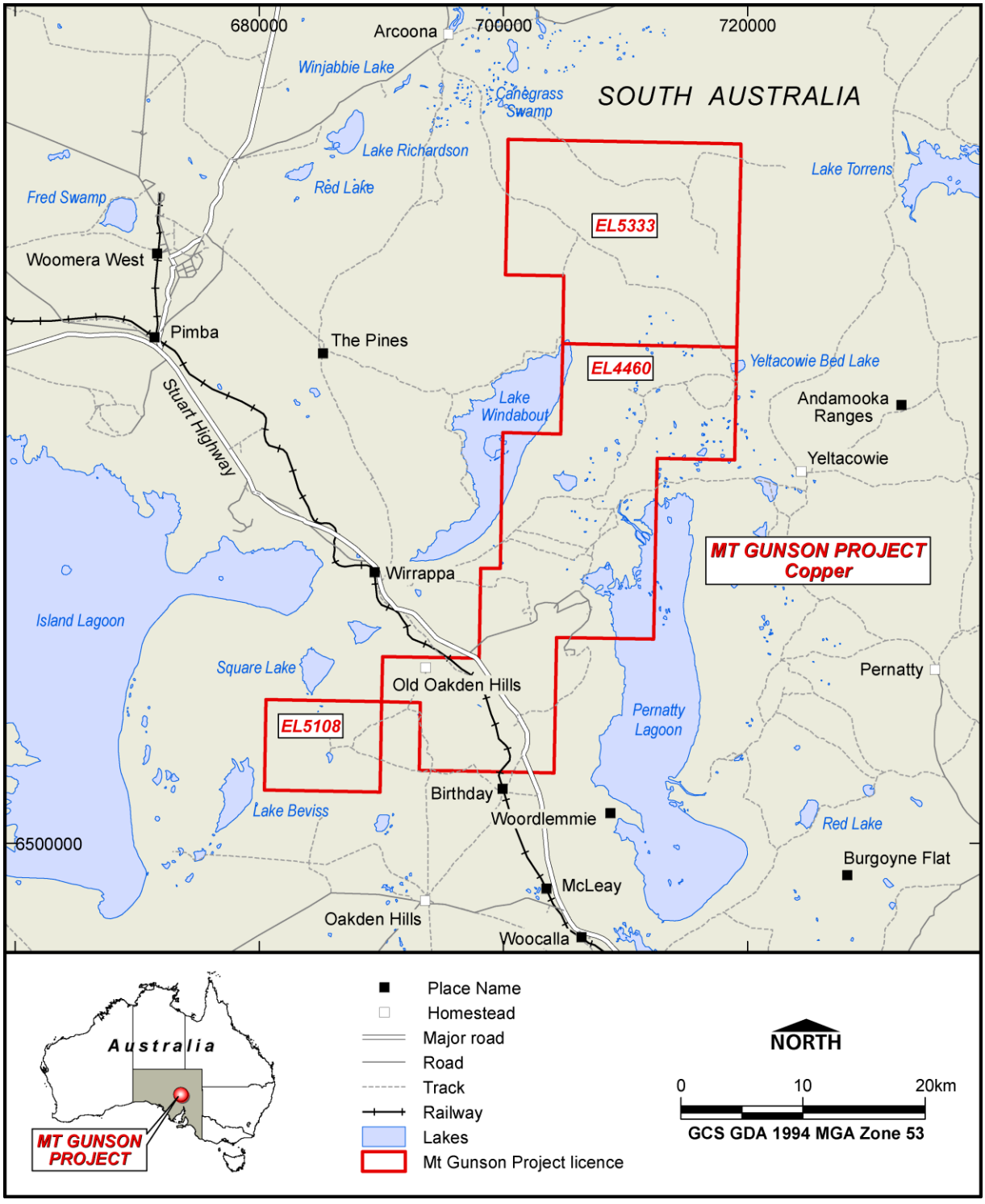

Figure 18. Mount Gunson Project Location

5.1.2 Description of the Mineral Assets

The Mount Gunson Project comprises three Exploration Licences (EL's) as shown in Figure 18 and Table 29. The exploration licences were granted under the provisions of the South Australian Mining Act and Regulation (1971). All are tenements are held by 100% by Strandline.

Table 29: Mount Gunson Mineral Assets

Tenement ID	Tenement Name	Area (km^2).	Grant Date	Expiry Date	Strandline % Ownership
EL 4460[##]	Gunson	463	24-03-2010	23-03-2015	100
EL 5333	Yeltacowie	291	07-10-2013	06-10-2018	100
EL 5108	Mt. Moseley	70	29-10-2012	28-10-2017	100

[##] licence renewal submitted – licence remains current while application processed

Strandline Resources currently holds a 100% interest in all three tenements. Torrens Mining Limited holds, through its wholly owned subsidiary Terrace Mining Pty Ltd (Terrace), the right to earn a 51% interest in the development of the MG14 and Windabout sediment hosted copper-cobalt-silver deposits (to a depth of 250m) within two excised areas encompassing the MG14 and Windabout Resources.

Under the agreement Terrace have 18 months (from 9 February 2015) to deliver a bankable Feasibility Study (BFS) or spend AU$2.5 million on the Project to earn a 51% participating interest in the Project. If Terrace completes the BFS, but its total expenditure is less than $2.5 million at the time of earning its 51% interest, Terrace will continue to sole fund all project expenditure until it has expended $2.5 million, at which time Strandline may elect to (a) contribute pro-rata to the project expenditure, or (b) dilute according to industry standard dilution clauses, or (c) accept a 2% net smelter royalty and transfer its 49% interest to Terrace, or (d) sell its 49% interest, with Terrace having first right of refusal. Terrace may withdraw without penalty on 30 days' notice until a "Decision to Mine" is made by the parties.

EL 4460 was last renewed on 24 March 2013 and expires on 24 March 2015. The tenement is in good standing and is currently under a routine renewal application (submitted 19/12/2014).

CSA Global reviewed the status of the licences using the South Australian Department of State Development South Australian Resources Information Geoserver (SARIG) system on 29th April 2015. The tenements appear to be in good standing, to be on pastoral land and are subject to Native Title claims. The expenditure commitments have been met or exceeded on all licences appear to have had and are on track to do so again in this current year.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

5.1.3 Historical Mining and Exploration

Copper mineralisation was discovered at Mount Gunson in 1873 at the Main Open Cut and West Lagoon deposits, with mining commencing in 1875. A cluster of oxide deposits yielded approximately 1700t of copper and 450kg silver from small-scale open pit mining up to 1943.

Exploration in the 1970's identified two blind orebodies. East Lagoon was discovered beneath 3-5m of lagoon mud along a disconformable contact between the Whyalla Sandstone and Pandurra Formation, while the Cattle Grid ore body has the same geological setting as East Lagoon, but is concealed by dune sand. Between 1974 and 1984 the Cattle Grid Mine produced 127,000t of copper and 62t of silver from 7.2Mt of ore grading approximately 1.9% Cu, from the Cattle Grid and Main Open Cut orebodies. Mixed transitional and sulphide ore was processed by conventional sulphide flotation methods.

The Adelaide Chemical Company subsequently leached the remaining oxide ore at Main Open Cut from 1986 – 1989. Small-scale leaching of chalcopyrite ore left in the Cattle Grid Pit continued post-2000, but production numbers are not known. Total known production from the Mount Gunson Mineral Field is approximately 141,000t Cu and 65t Ag (Table 30)

Table 30: Summary of Mount Gunson historical copper production

Company	Project	Period	Tonnes Mined (Tonnes)	Copper Grade (%)	Copper Production (Tonnes)	Silver Production (Kilograms)
Prospectors	Bornite Workings / West Lagoon	1898-1919	3,250	8-16%	390	
Zinc Corporation	Main Open Cut	1941-1943	32,380	3.5	1,100	452
Pacminex Pty Ltd	East Lagoon	1970-1971	234,000	0.8	1,850	2,800
CSR Limited / EMAC Partnership	Cattle Grid / Main Open Cut	1974-1986	7,500,000	1.9	127,000	62,000
Adelaide Chemical Company Limited	Main Open Cut / House / Gunyot / Cattle Grid	1987-1994	1,200,000	1.2	11,000	
TOTAL			**8,969,630**	**1.6**	**141,340**	**65,252**

5.1.4 Regional Geology

The Mount Gunson Copper Project is located in the central area of the Stuart Shelf Province (, where flat lying Late Proterozoic (Adelaidian) sedimentary successions lay unconformably on metamorphosed Palaeoproterozoic Gawler Craton basement rocks, comprising metamorphosed sediments, volcanics and granites, including Hiltaba Suite granites which host the Olympic Dam Orebody.

The District is known to host both sedimentary (stratiform) copper-cobalt-silver deposits within the Adelaidian sedimentary cover sequences (Cattle Grid, Main Open Cut, East Lagoon), and world-class Olympic Dam-style IOCG mineralisation (Olympic Dam, Carrapateena, Prominent Hill). A schematic diagram of mineralisation styles at Mount Gunson is presented in Figure 19.

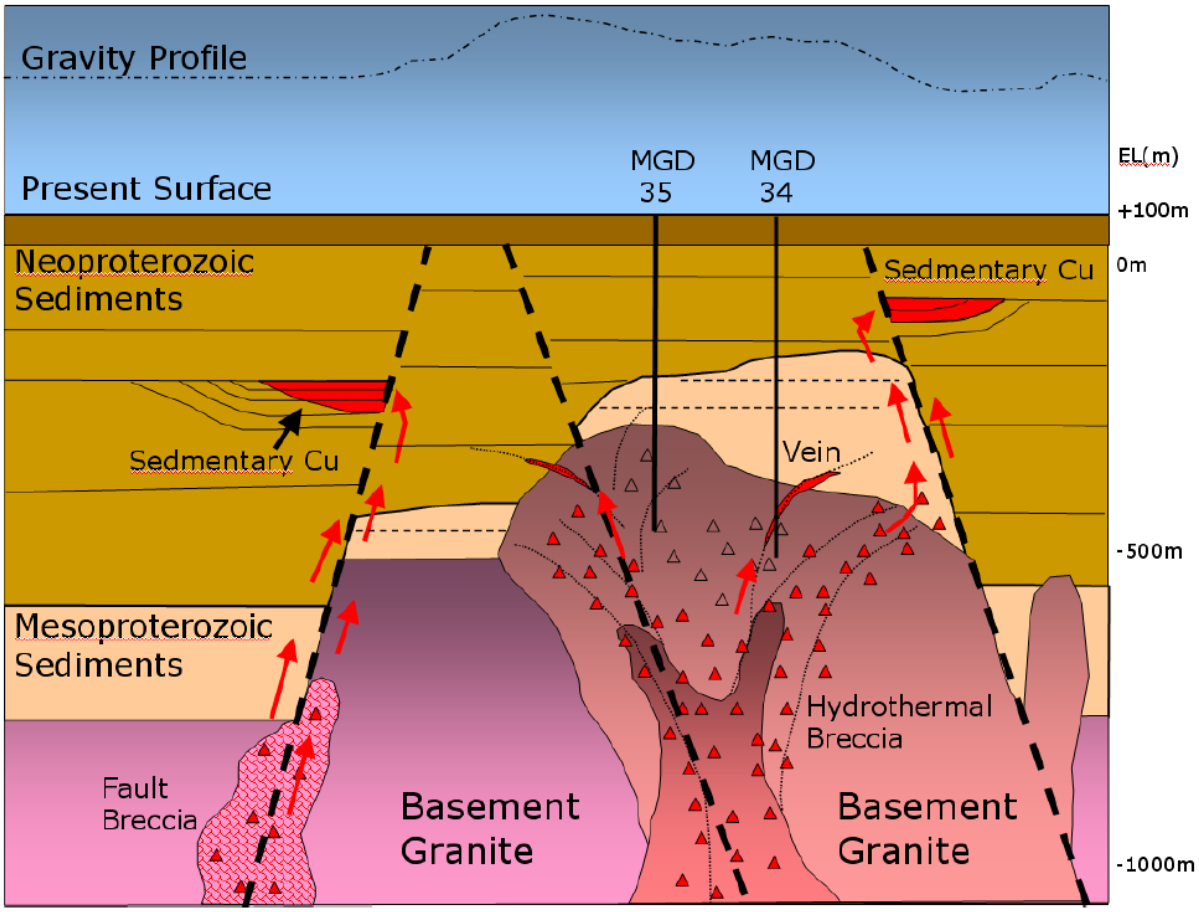

Figure 19: Schematic diagram of IOCG and sedimentary copper mineralisation in the Mount Gunson Area

The Late Proterozoic cover sequence stratigraphy in the Mount Gunson area, which hosts the Sediment-hosted Cu-Co-Ag deposits, comprises (from top to bottom):

- Recent surficial aeolian sand dune deposits
- Tent Hill Formation: a regionally extensive sandstone-shale formation which forms the flat-topped ranges in the Mount Gunson region including the Tregolana (Woomera) Shale.
- Whyalla Sandstone: which caps the mineralised Tapley Hill Formation (THF) and may itself host mineralisation
- Tapley Hill Formation (THF): Black (reduced) calcareous shales which host the MG14 Cu-Co-Ag Resource, Windabout and Emmie Bluff sediment-hosted Cu-Co-Ag mineralisation.
- Pandurra Formation: Oxidised "Red Bed" clastic sediments. The upper contact of the Pandurra Formation is a glacial disconformity with glacial sandstone breccias which host the Cattle Grid sediment hosted Cu-Ag deposit.

Mount Gunson-style stratiform Cu-Co-Ag deposits are totally blind, relatively near-surface, and defined by a well constrained geological model. The host rocks are essentially undeformed, and the stratigraphic location of the horizons that potentially host the mineralisation is predictable, making these types of ore bodies relatively easy and inexpensive to explore. The Mount Gunson region hosts a continuum of sediment hosted mineralisation styles from reduced dolomitic shale (THF) hosted, to brecciated sandstone hosted mineralisation at the disconformity at the top of the Pandurra Formation where THF may or may not be present.

The Proterozoic (Adelaidian) cover sequences are separated from the underlying Palaeoproterozoic basement rocks by a regionally extensive unconformity. Below this unconformity are regionally metamorphosed and deformed crystalline Gawler Graton basement rocks (Figure 19) including: Hutchison Group metasediments (2000-1850 Ma); Donnington Intrusive Suite (1859 Ma) and Wallaroo Group metasediments and volcanics (1760-1740 Ma) all of which were deformed and metamorphosed during the Kimban Orogeny (1730-1710 Ma). Between 1595 and 1575 Ma extensive felsic magmatism occurred in the eastern and central Gawler Craton producing the Hiltaba Suite intrusives and its co-magmatic Gawler Range Volcanics. The Olympic Dam deposit is hosted within intrusives of the Hiltaba Suite and the age of the ore is the same age as the local Roxby Downs Granite member of the Hiltaba Suite.

5.1.5 Mount Gunson Mineral Resources

A JORC 2012 compliant Resource Estimate (Table 31) has been completed for the sediment-hosted MG14 Cu-Co-Ag ore body, which is located in the central portion of the Mount Gunson Project.

Table 31: JORC 2012 Mineral Resource Estimate for the MG14 sediment-hosted Cu-Co-Ag deposit (source: Gunson Resources Limited ASX release 11 June 2013)

	Cu >0.5% cutoff.				Cu >1.0% cutoff.			
Classification	MTonnes	Cu Pct	Co Ppm	Ag Ppm	MTonnes	Cu Pct	Co Ppm	Ag Ppm
Inferred	0.43	0.7	274	10				
Indicated	1.62	1.4	397	14	1.3	1.6	405	16
Total	**2.05**	**1.3**	**371**	**14**	**1.3**	**1.6**	**405**	**16**

The MG14 orebody is a blind deposit (does not outcrop) located approximately 1 km north of the historical Cattle Grid copper mine. MG14 is buried beneath ≈25 m of Whyalla Sandstone, and is hosted by the reduced carbonaceous shales of the Tapley Hill Formation (THF). The orebody comprises a sub-horizontal sheet of Cu-Co-Ag sulphide ore that is on average about 2.5 m thick, ≈800 m long and ≈200 m wide.

A historical (pre-JORC 2004) mineral resource has also been estimated for the Windabout deposit, 5km north of MG14. As this estimation is not JORC compliant it is not discussed in detail here.

5.1.6 Mineral Assemblage, Metallurgical and Processing Aspects

Previous metallurgical studies had highlighted that a conventional sulphide flotation process was not optimal for the MG14 and Windabout ores because the extremely fine grainsize of the metal-bearing sulphides (3-40um) at both MG14 and Windabout resulted in sub-optimal flotation of the sulphides (≈67% Cu recovery), and Co and Ag could not be economically separated from the copper concentrate, reducing the value of these potential credits.

In 2014-15 Torrens Mining Limited, as part of due diligence work, completed scoping study-level metallurgical test work on material from the MG14 and Windabout Deposits, with a view to defining an optimal processing option. It was found that the ores were amenable to hydrometallurgical processing via an agitated sequential cyanide leach and supplementary leach tails flotation process, delivering Cu recoveries >80%, Co recoveries of 80% and Ag recoveries of 30-60%. This processing option is similar to that used on black shale hosted Cu-Ag mineralisation at the White Pine Mine (Michigan, USA). In particular the method:

- efficiently extracts the high-tenor Cu minerals (Chalcocite and bornite) regardless of grainsize
- reduces the amount of comminution required, and could potentially remove the need for a grinding mill
- facilitates “cleaning” of the Co bearing carrollite and Cu-rich chalcopyrite mineral particles for more efficient flotation of those minerals by a separate flotation circuit

- produces Cu products that are potentially saleable at “the mine gate” as “salts” such as Cu oxide, carbonate, sulphate or Cu metal won by solvent extraction and electrowinning (SX-EW)

5.1.7 Advanced Prospects and Exploration Potential

5.1.7.1 Windabout sediment-hosted Cu-Co-Ag Deposit:

Windabout is a previously discovered deposit, located approximately 5km north of MG14 (Figure 20), which has previously been the subject of a pre-JORC resource estimate. The geology, stratigraphic setting, host rocks (THF), mineralisation style and metallurgical characteristics of Windabout are essentially the same as MG14. However, Windabout is a considerably larger system than MG14, comprising two sub-horizontal (5^{o} north-west dipping) sheets of Cu-Co-Ag mineralisation. The Main Zone mineralisation which is a laterally continuous mineralised zone at the upper contact of the THF, is approximately 2-4m thick, 1.3 – 1.7km long and 700-900m wide, buried beneath 50-80m of barren Whyalla Sandstone. The Basal Zone mineralisation, immediately beneath the Main Zone mineralisation at the lower contact of the THF, is generally lower grade <1.0% Cu and laterally discontinuous with only ≈50% of drill holes intersecting Cu grades >0.5% Cu.

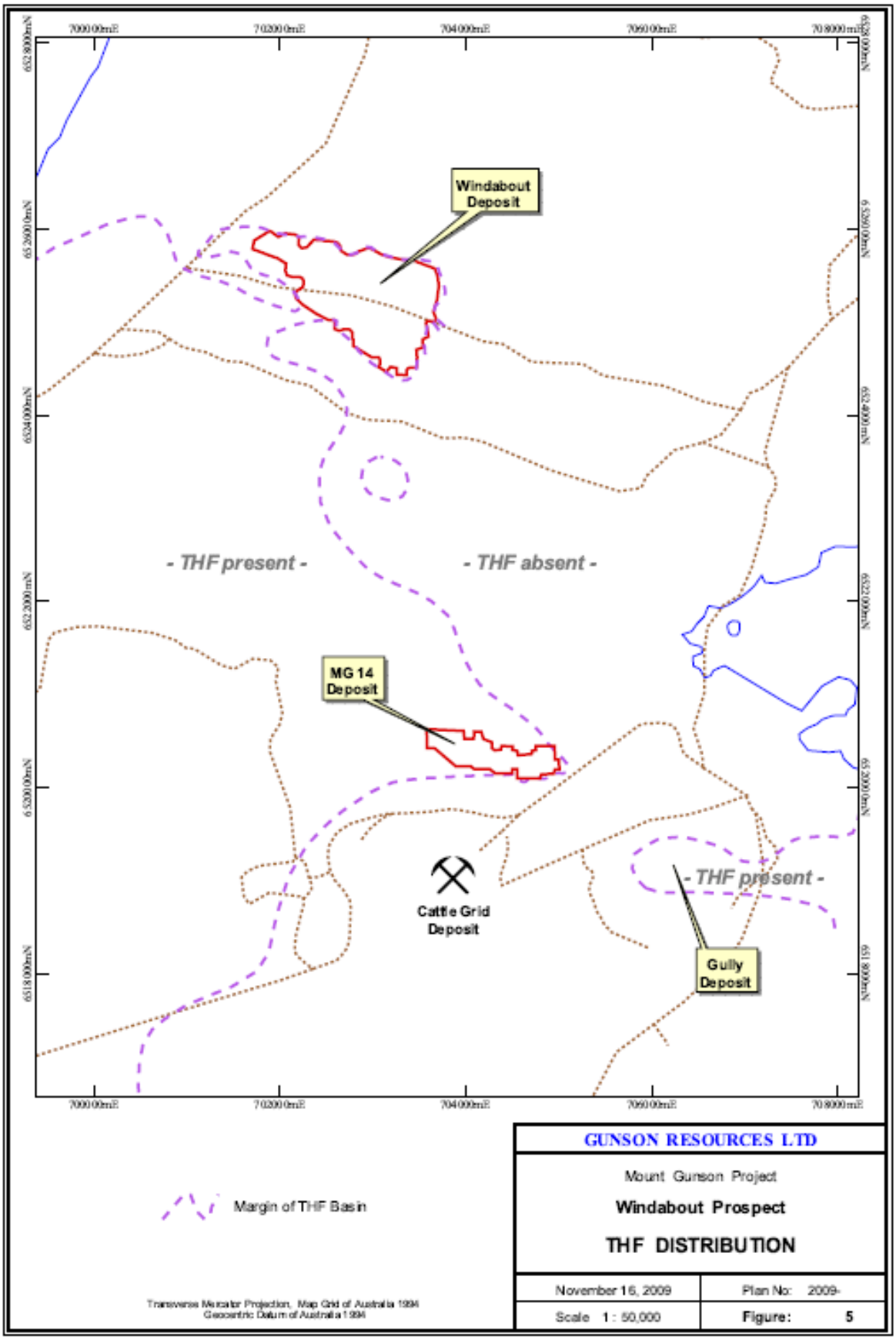

Figure 20. Windabout Deposit location, geometry and relationship to THF, MG14 and the Cattle Grid Mine

5.1.7.2 Emmie Bluff sediment-hosted Cu-Co-Ag Prospect:

Emmie Bluff is both a sediment-hosted and IOCG prospect, located at the far north-western margin of the tenement package. The sediment-hosted Cu-Co-Ag prospect is located at considerable depth below the surface (360-435m depth), and has been partially tested by an irregular pattern of 10 deep drill holes during 1991-1993, and some additional holes sited primarily to target underlying IOCG potential in the basement rocks. Mineralised intercepts range from 1.0m to 6.0m true thickness with intercept grades ranging between 0.41-3.48% Cu, 10-67g/t Ag and 404-2100ppm Co. The geology, stratigraphic setting, host rocks (THF) and mineralisation style of Emmie Bluff are essentially the same as MG14.

5.1.7.3 Additional sediment-hosted Cu-Co-Ag exploration potential

The "blind" nature of these deposit types makes surface-based detection difficult. Geophysical methods can (and have) been used to detect the presence of lenses of Tapley Hill Formation which is known to be a good geochemical host for stratiform mineralisation, particularly near the thinner lateral onlap margins of this carbonaceous sequence. The glacial breccia-hosted mineralisation at the disconformity at the top of the Pandurra Formation (such as the Cattle Grid deposit) is more difficult to predict and detect, and significant blind potential for this style of mineralisation exists. Existing deposits demonstrate the viability of both grade and continuity, the critical constraining factor is depth of burial of these sub-horizontal tabular bodies.

5.1.7.4 IOCG Prospects

The Mount Gunson Project Gawler Craton basement rocks, buried some 200-600m beneath the Late Proterozoic cover sequences containing the sediment-hosted Cu-Co-Ag mineralisation, exhibit many of the key geological features indicative of Olympic Dam-style IOCG mineral systems within the basement sequences:

- Numerous discrete coincident and off-set magnetic and gravity anomalies
- Crustal-scale NE and NW striking fault sets interpreted to be active during the critical 1590 - 1580 Ma Hiltaba/IOCG mineralising period
- Brecciated granitic basement rocks
- Extensive magnetite/iron oxide enrichment and "red rock" alteration
- Known basement Cu occurrences, including drilling intersections of Cu-Au mineralisation hosted by haematitic volcanic breccias and brecciated granites.

The majority of drill holes on the Mount Gunson Project to date have focussed on definition of sediment-hosted Cu and have not penetrated the crystalline basement sequences.

Past IOCG exploration by Gunson Resources and their JV partners (including MIM) have defined several IOCG Exploration Targets largely based on integrated interpretation of magnetic and gravity geophysical datasets.

5.2 Fowlers Bay Nickel Project

5.2.1 Property location, access and Infrastructure

The Fowlers Bay exploration licence (EL 4440) lies in the western third of the Fowler 1:250,000 map sheet, SH53-13.

Access to the licence is along the Eyre Highway west of Ceduna (Figure X), which passes through the southern portion of the Project. Access to the northern portion is best via the Chundaria pastoral lease, the turnoff to which is on the Eyre Highway some 12 km west of the town of Penong.

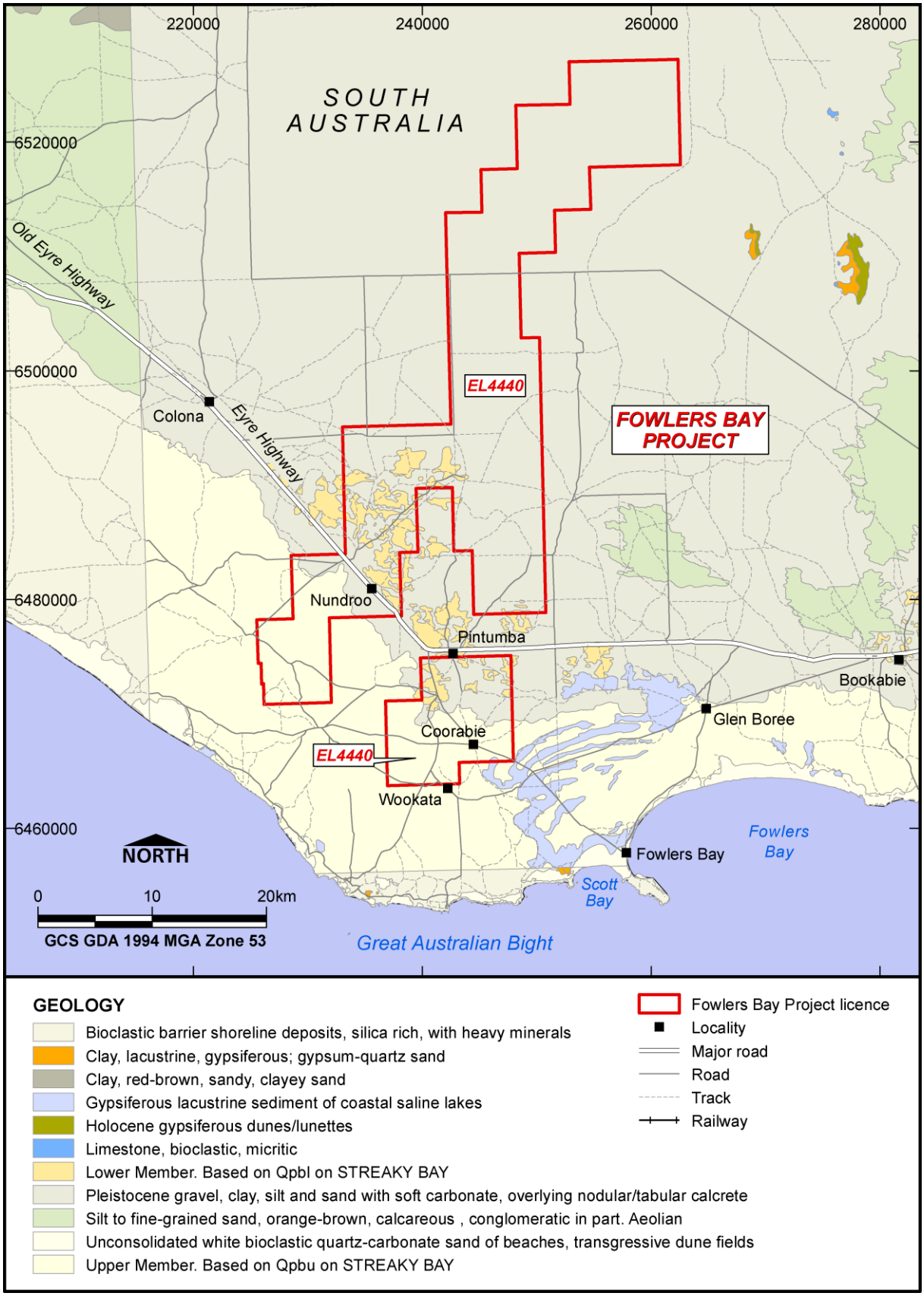

Figure 21. Fowlers Bay Project Location and surface geology map

5.2.2 Description of the Exploration Assets

Exploration Licence EL4440, Fowlers Bay (Figure 21) was granted to Strandline Resources Ltd ("Strandline") on 9 March, 2010, as a replacement for EL 3259 which expired on 10 October 2009. Strandline signed a farm-in and Joint Venture Agreement with Western Areas Limited (Western Areas) on 1 October 2014. Under the Farm-In Agreement, Western Areas will become operator of the Project and earn a participating interest of up to 90% in two stages by sole funding a $1.2 million exploration programme over four years. Western Areas is yet to earn any interest in the property.

CSA Global reviewed the status of the licences using the South Australian Department of State Development South Australian Resources Information Geoserver (SARIG) system on 29th April 2015. The tenements appear to be in good standing, to be on pastoral land and are subject to Native Title claims. The expenditure commitments have been met or exceeded on all licences appear to have had and are on track to do so again in this current year.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

5.2.3 Geology

EL 4440 covers part of the Fowler Domain, a northerly trending high grade metamorphic belt of interpreted Proterozoic age lying near the western margin of the Gawler Craton. Three cratonic subdomains identified from regional geophysical interpretation are present in the Fowlers Bay Project area, separated by major NNE-trending fault zones. The Colona Fault Zone, to the west of EL 4440, separates the Yalata Subdomain from the Nundroo Subdomain, and the Nundroo is separated from the Nuyts-Wilgena Subdomain by the Coorabie Fault. Very little of the crystalline basement geology is exposed, with most of the area covered by 20 to 100 metres of Eucla Basin sediments of Quaternary to Tertiary age. Interpretation of regional geophysical data suggests buried mafic-ultramafic complexes beneath the cover in the tenement area.

5.2.4 Previous Exploration

BHP explored the area in 1995-1996 using a Thompson cratonic margin nickel analogue model. Ground electromagnetic surveys were conducted over interpreted buried mafic intrusives from aeromagnetic data. No conductors were identified. 5 RC holes were drilled but no mafic-ultramafic lithologies were encountered.

Equinox explored the area between 1995 and 1998 for IOCG. They conducted infill airborne magnetics, soil and calcrete sampling and RAB/Aircore drilling at two prospects, intersecting amphibolites and felsic gneisses.

Iluka explored the cover sequence for heavy mineral sands in 2007. They flew a 2km line spaced Tempest airborne EM survey targeted at mapping cover and ignored the crystalline basement geology.

5.2.5 Exploration by Strandline

Strandline commenced exploration of the project in 2009, with two phases of ground EM to follow up conductivity anomalies identified from the Tempest EM survey. They drilled two diamond drill holes (FBD1 and 2) to test conductivity anomalies with downhole EM. No bedrock conductor was drilled and borehole EM suggested the inferred anomaly tested was a bedrock/cover interface

conductivity feature. Additional infill airborne magnetics were also flown, followed by ground gravity to try and delineate discrete mafic-ultramafic intrusives for further follow-up ground EM.

Future planned exploration will consist of RC drill traverses across interpreted buried mafic-ultramafic intrusives from the magnetic and gravity data, to test for bedrock geology favourable for hosting nickel sulphide.

5.2.6 Exploration Potential

This project is at the very earliest of exploration phases with very limited drilling undertaken to date. The project area offers reasonable prospects for nickel exploration.

5.3 Tennant Creek Gold-Copper Project

5.3.1 Property location, access and Infrastructure

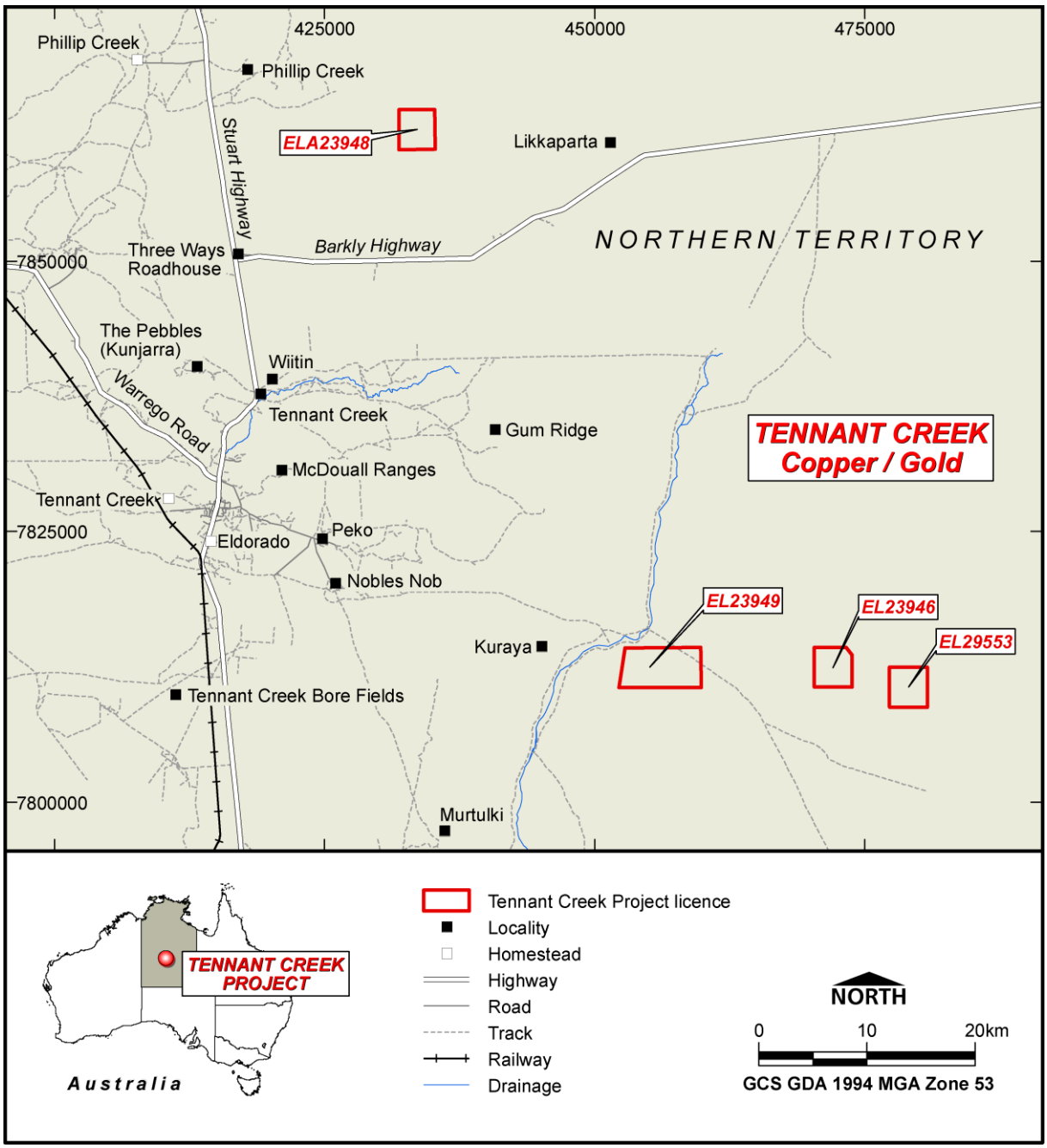

Figure 22. Strandline's Tennant Creek Project ELs

EL 29553 is located some 68 km east of Tennant Creek and approximately 32 km east of the Gosse River (Figure 22). The other two granted Exploration licences are located approximately 5 and 25 kilometres west of this licence. Access from Tennant Creek is via Peko Road, then Black Cat and Gosse River roads to the river crossing near the southern boundary of Tennant Creek Station.

5.3.2 Description of the Exploration Assets

The Project is comprised of three approved exploration licenses and one exploration license application (Table 32) over a combined area of 76.6 km^2 (63.7 km^2 currently granted) in the Tennant Creek district of the Northern Territory.

Table 32: Strandline's Tennant Creek Assets

Tenement ID	Tenement Name	Area (km^2).	Grant/ Application Date	Expiry Date	Strandline % Ownership
EL 23946	Gosse 1	12.9	22/08/2013		100
EL 29553	Gosse 5	19.3	19/02/2013		100
EL 23949	Boon	31.5	22/08/2013		100
ELA 23948	Inn	12.9	25/06/2003		100

5.3.3 Regional Geology and Project Rationale

The tenement lies within the western margin of the Georgina Basin, where the younger, probably Cambrian, sedimentary cover is approximately 90 m thick, overlying much older Palaeoproterozoic basement rocks (Figure 23) which Strandline believes to be potential host units for gold-copper mineralisation.

The Tennant Creek district has yielded some 5 million ounces of gold and 350,000 tonnes of copper since large scale mining began in 1934. Gold-copper ore bodies in the district are typically high grade, averaging 9 g/t gold and 2.1% copper, and are associated with distinctive magnetic anomalies due to the abundance of the magnetic iron oxide, magnetite.

Significantly less exploration has been conducted in the district for non-magnetic gold-copper ore bodies. Such deposits are predicted to occur in the Tennant Creek district, but will not have the usual geophysical characteristics of the known gold-copper ore bodies. They will be associated with discrete gravity anomalies, with either a very weak coincident or adjacent magnetic anomaly, like Oz Minerals' Prominent Hill and BHP Billiton's Olympic Dam deposits in South Australia.

5.3.4 Previous Exploration

Prior to 2004 no mineral exploration is recorded at this locality.

5.3.5 Exploration by Strandline

From 2004 to early 2010, exploration carried out comprised desktop geological and geophysical data analysis and reconnaissance to detailed gravity geophysical surveys.

The Strandline detailed gravity survey revealed a boomerang-shaped residual gravity ridge some 5 km long, with a sharp bend about 3.5 km from its western tip (Figure 2). The bend was selected as a drill target, on the assumption that it may represent a dilatational zone in a hematite-rich ironstone favourable for iron oxide associated copper-gold mineralisation. There was no associated magnetic response.

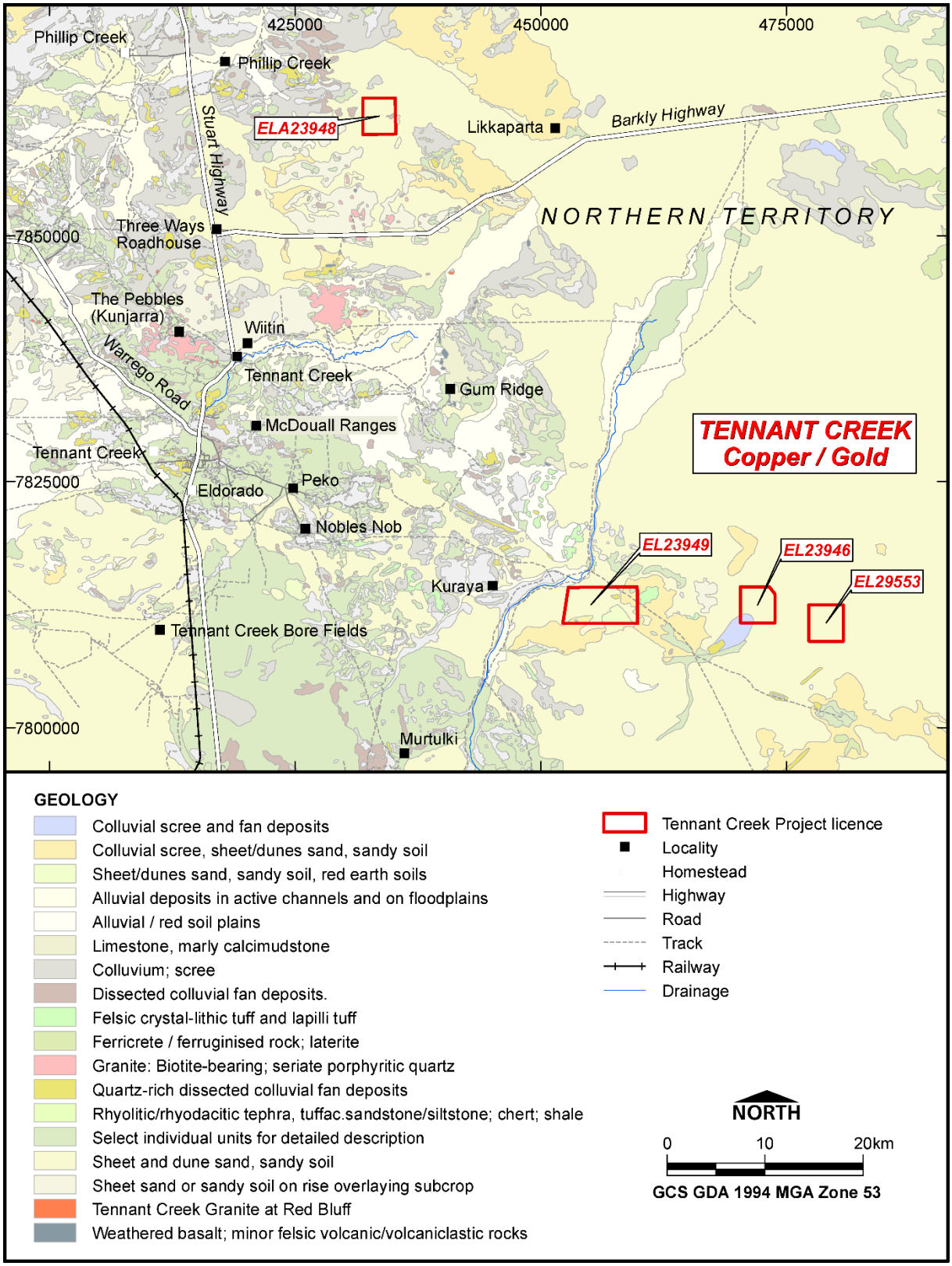

Figure 23. Geology of the Tennant Creek project

Vertical diamond drill hole TCD 1 commenced on 3 May 2010 and was stopped in basement rocks at 330 m on 18 May 2010. Above 93.1 m, the lithologies intersected consisted of clays and silicified limestones interpreted to form part of the Cambrian Gum Creek Formation. From 93.1 m, the lithology consisted of variously altered felsic to more mafic volcanic rocks interpreted to be part of

the Palaeoproterozoic Yungkulungu Formation, a younger rock sequence than the Warramunga Formation, host to all of the significant Tennant Creek iron oxide associated gold-copper deposits (Skirrow, 2000) Minor hematite veining and brecciation of the basement felsic volcanic rocks was noted. There was no explanation for the gravity anomaly in the core and a subsequent review by Strandline's consulting geophysicist concluded that the gravity anomaly may be caused by a basement ridge.

Geochemical and geophysical analysis of the TCD 1 core did not reveal any significant assays or high specific gravity results that would explain the gravity anomaly. However, some spikes in the Pb profile probably reflect sparsely disseminated galena.

5.3.6 Exploration Potential

This project is at the very earliest of exploration phases with very limited drilling undertaken to date. The project area offers reasonable prospects for gold-copper exploration.

Strandline's tenements and tenement application cover weak magnetic anomalies with associated gravity responses in favourable geological settings, where little or no previous exploration has been carried out. The targets in these areas can be tested quickly and cheaply with ground geophysics and shallow drilling.

A new geophysical anomaly on the Gosse 5 exploration license, some 3.5 km to the west of TCD 1, has been chosen for a second phase of drilling because it has been interpreted as a 1.2 km long haematitic ironstone body in the 100-150 m depth range, underlain by a magnetic zone. This geophysical signature matches Strandline's modeled target.

5.3.7 Sources of Information

Information in this section is primarily sourced from a Strandline report titled *EL 29553 Gosse 5 Second Annual Report on Exploration Activities* and dated February 2015. Additional information was sourced from the Strandline 2014 Annual Report.

6 Valuation Methodology and Assumptions

Mineral assets are defined in the VALMIN Code as all property including, but not limited to real property, intellectual property, and/or mining and exploration tenements held or acquired in connection with the exploration, development and/or production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a mineral asset as its Fair Market Value, which is the estimated amount of money or the cash equivalent of some other consideration for which, in the opinion of the expert or specialist reached in accordance with the provisions of the VALMIN Code, the mineral asset should change hands on the valuation date between a willing buyer and a willing seller in an arm's length transaction, wherein each party has acted knowledgeably, prudently and without compulsion.

Fair Market Value usually consists of two components, the underlying or technical value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Fair Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Fair Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for mineral assets are difficult to identify due to the infrequency of transactions involving producing assets and/or resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA has identified what it considers to be comparable transactions that have been used in assessing the values to be attributed to the mineral assets.

CSA's valuations are based on information provided by Strandline, Jacana and public domain information. This information has been supplemented by independent enquiries, but has not been independently verified. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 30th April 2015. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

6.1 Valuation Methods for Exploration Projects

The choice of valuation methodology applied to mineral assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies mineral assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- "**Exploration Areas**" – properties where mineralisation may or may not have been identified, but where a Mineral or Petroleum Resource has not been identified.
- "**Advanced Exploration Areas**" – properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A resource estimate may or may not have been made but sufficient work will have been undertaken on, at least, one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the projects to the resource category.
- "**Pre-Development Projects**" – properties where Mineral or Petroleum Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made.
- "**Development Projects**" – properties for which a decision has been made to proceed with construction and/or production, but which are not yet commissioned or are not yet operating at design levels.
- "**Operating Mines**" - mineral properties, particularly mines and processing plants that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "fair market valuation".

The Fair Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by four general approaches: Cost; Market; Geoscience Factor or Income:

- **Appraised Value or Exploration Expenditure Method** considers the costs and results of historical exploration.

  The Appraised Value Method utilises a Multiple of Exploration Expenditure ("MEE") which involves the allocation of a premium or discount to past expenditure through the use of the Prospectivity Enhancement Multiplier ("PEM"). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

  Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 33**Error! Reference source not found.** lists the PEM factors and criteria used in this report.

Table 33: Prospectivity Enhancement Multiplier (PEM) Factors

PEM Range	Criteria
0.2–0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5–1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0–1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3–1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5–2.0	Scout drilling (RAB, aircore, RCP) has identified interesting intersections of mineralisation
2.0–2.5	Detailed drilling has defined targets with potential economic interest
2.5–3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0–4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Pre-feasibility Study
4.0–5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

- **Market Approach Method or Comparable Transactions** looks at prior transactions for the property and recent arm's length transactions for comparable properties.

  The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

  In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

  Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

  The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any

dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality mineral assets are likely to trade at a premium over the general market. On the other hand exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

- **Geoscience Factor Method** seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

  The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

  Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Kilburn method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

  - Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies:
  - Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued:
  - Number and relative position of anomalies on the property being valued;
  - Geological models appropriate to the property being valued.

  The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 35).

  The Basic Acquisition Cost ("BAC") is an important input to the Kilburn Method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

- **The Rule-of-Thumb (Yardstick) Method** is relevant to exploration properties where some data on tonnage and grade exist may be valued by methods that employ the concept of an arbitrarily ascribed current in-situ net value to any Reserves (or Resources) outlined within the tenement (Lawrence 2001, 2012).

  Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains is in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

  This yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically a range from 0.4–3 per cent is used for base

metals and PGM, whereas for gold and diamonds a range of 2–4.5 per cent is used. The method estimates the in situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

- **The Income Approach** is relevant to exploration properties on which undeveloped Mineral Resources have been identified by drilling. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit and discounting to the present day ("DCF") and determining a Net Present Value ("NPV").

  The Income Approach is not appropriate for properties without Mineral Resources.

  Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

  Table 34 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 34: Valuation Approaches for different Types of Mineral Properties (CIMVAL, 2003)

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Table 35: Geoscientific Factor Ranking

Rating	Address/Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.5	Very little chance of mineralisation; concept unsuitable to the environment	Very little chance of mineralisation; concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology No alteration of interest
1	Exploration model support; Indications of prospectivity Concept validated	Exploration model support; Indications of prospectivity Concept validated	Extensive previous exploration with encouraging results Regional targets	Deep Cover; But generally favourable lithology/alteration (70%)
1.5	Recon (RAB/AC) drilling with some scattered favourable results Minor Workings	Exploratory Sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover Generally favourable lithology/alteration 50-60%
2	Several Old Workings Significant RCP drilling leading to advanced project	Several Old Workings Recon drilling or RCP drilling with encouraging intersections	Several well defined targets supported by recon drilling data	Exposed favourable lithology/alteration
2.5	Abundant Workings Grid drilling with encouraging results on adjacent sections	Abundant Workings Core drilling after RCP with encouragement	Several well defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Res Def. drilling (early stages)	Several significant sub-economic targets No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production Adjacent to known mineralisation at PFS stage	Abundant Workings/mines with significant historical production Mineral Resource areas defined	Several significant sub-economic targets Potential for significant 'size' Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' Well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

7 Technical Valuation of Mineral Assets

7.1 Valuation Approach

A schedule of the tenements valued is provided in Appendix 1. CSA Global considered the exploration/development stage of each project in deciding what valuation methods would be suitable in assessing the value of each project area (Table 36).

Table 36: Exploration Stages and Valuation Methods used for each project

Company	Project	Stage	Tenement Area (km^2)	Contained Resource (HM tonnes or Cu tonnes)	Valuation Method
Strandline	Coburn	Pre-development project	964.25	12,389,000	Resource transactions, Appraised, DCF
	Mtwara	Exploration Area	445.96		Area transactions, Geoscience Rating
	Kilwa-Kiswere	Exploration Area	554.72		Area transactions, Geoscience Rating
	Mafia Island	Exploration Area	263.66		Area transactions, Geoscience Rating
	Bagamoyo West	Exploration Area	890.21		Area transactions, Geoscience Rating
	Kitambula	Exploration Area	243.34		Area transactions, Geoscience Rating
	Fowlers Bay[#]	Advanced Exploration Area	700		Appraised, JV Terms
	Mount Gunson[#]	Advanced Exploration Area	824	195,690	JV Terms, Area Transactions
	Tennant Creek	Exploration Area	76.6		Area Transactions, Appraised
Jacana	Tanga North	Exploration Area	292.38		Area transactions, Geoscience Rating
	Tanga South	Exploration Area	358.44		Area transactions, Geoscience Rating
	Bagamoyo	Exploration Area	414.27		Area transactions, Geoscience Rating
	Fungoni	Advanced Exploration Area	337.85	392,000	Resource transactions, Area transactions, Geoscience Rating
	Chiliogali	Exploration Area	138.06		Area transactions, Geoscience Rating
	Mbinga	Exploration Area	110.69		Area transactions, Geoscience Rating
	Shikula	Exploration Area	196.57		Area transactions, Geoscience Rating

[#] 100% basis

7.2 Previous Valuations

CSA Global is not aware, nor have we been made aware, of any previous valuations completed on the combined tenement portfolio of Strandline and Jacana.

7.3 Market Approach

CSA Global attempted to use at least one Market Approach in assessing the value of each project area (Table 36). For the Coburn and Fungoni Projects, this included assessing the value by using a factor obtained from the analysis of comparative resource transactions. For the Fowler's Bay and Mount Gunson Projects, the implied value from current JV terms was analysed. For all other projects, the value was assessed by using a factor obtained from the analysis of comparative exploration area transactions.

7.3.1 Heavy Mineral Sands Resources

CSA Global considered over a dozen transactions involving heavy mineral sands projects with declared resources that were announced post-January 2010. Sufficient information was available in the public domain for the analysis of six transactions that included heavy mineral sands projects that may be considered as potentially suitable comparatives of the Coburn and Fungoni Projects. Details of the transactions analysed are provided in Appendix 2.

In analysing the transactions, all amounts were converted to US$ at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price.

The transactions were analysed in terms of the implied transaction price in US$/t of contained heavy minerals. This ranged from US$0.34/t to US$70.80/t, with a median of US$5.81/t and a weighted average of US$4.79/t. When the transaction with the implied value of US$70.80/t was removed, the maximum fell to US$9.85/t and the median dropped to US$5.71/t with a weighted average of US$4.30/t.

From this analysis, CSA Global concluded that a suitable valuation range would be based on a low factor of US$0.34/t (based on the Kwale transaction) and a high factor of US$5.92/t (based on POSCO's planned investment in Coburn in August 2012). These fall within the range values discussed above, but are restricted to the lower end of the range, based on current market conditions.

CSA Global chose a preferred valuation factor for Coburn of US$0.75/t, largely based on the Image acquisition of the North Perth Basin Project in March 2011. This represented a project in close geographic proximity to Coburn that was at a similar stage of development. The grade was higher than Coburn's, but Coburn's resource base is much larger.

For the Fungoni Project, CSA Global chose a preferred valuation factor of US$5.71/t, which was based on the Image acquisition of Cooljarloo in July 2011. It represented a project at a similar development stage to Fungoni, with a broadly similar heavy mineral suite. Whilst the Cooljarloo grade is higher than Fungoni, the area of the Fungoni tenements is larger.

Table 37: Summary of Valuations based on Resource Transactions

Project	Contained HM (tonnes)	Low (US$)	Preferred (US$)	High (US$)
Coburn	12,389,000	4,190,000	9,330,000	73,330,000,
Fungoni	392,000	133,000	2,240,000	2,320,000

7.3.2 Tanzanian Exploration Ground

CSA Global considered over seven transactions involving either Australian heavy mineral sands exploration projects or Tanzanian exploration projects of any commodity that were announced post-January 2010. Sufficient information was available in the public domain for the analysis of six transactions that may be considered as potentially suitable comparatives of the Tanzanian exploration projects. Details of the transactions analysed are provided in Appendix 3.

In analysing the transactions, all amounts were converted to US$ at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price.

The transactions were analysed in terms of the implied transaction price in US$/km^2 of granted tenement areas. This ranged from US$1,694.92/km^2 to US$10,831.11/km^2, with a median of US$5,159.94/km^2 and a weighted average of US$2,026.11/km^2. When the two Australian heavy mineral sands transactions were removed, the maximum fell to US$8,097.17/km^2 and the median dropped to US$4,651.47/km^2 with a weighted average of US$2,005.25/km^2.

From this analysis, CSA Global concluded that a suitable preferred valuation factor based on contained tenement area is US$2,026/km^2, with a low factor of US$1,695/km^2 and a high factor of US$5,160/km^2.

Table 38: Summary of Valuations based on Exploration Area Transactions

Project	Area (km^2)	Low (US$)	Preferred (US$)	High (US$)
Mtwara	445.96	756,000	904,000	2,301,000
Kilwa-Kiswere	554.72	940,000	1,124,000	2,862,000
Mafia Island	263.66	447,000	534,000	1,360,000
Bagamoyo West	890.21	1,509,000	1,804,000	4,593,000
Kitambula	243.34	412,000	493,000	1,255,000
Tanga North	292.38	496,000	592,000	1,509,000
Tanga South	358.44	608,000	726,000	1,850,000
Bagamoyo	414.27	731,000	874,000	2,227,000
Fungoni	337.85	573,000	685,000	1,743,000
Chiliogali	138.06	211,000	252,000	641,000
Mbinga	110.69	188,000	398,000	571,000
Shikula	196.57	333,000	252,000	1,014,000

7.3.3 Australian Exploration assets

CSA Global considered four transactions involving exploration projects targeting IOCG mineralisation in South Australia. Two of these transactions were recent enough to be considered as reflecting current market conditions. Details of these transactions are provided in Appendix 4.

These two transactions provided suitable high and low factors for an area-based valuation of IOCG exploration ground in South Australia, and CSA Global's preferred factor is the average of the high and the low factors.

From this analysis, CSA Global concluded that a suitable preferred valuation factor based on contained tenement area is US$2,505/km^2, with a low factor of US$1,216/km^2 and a high factor of US$3,794/km^2.

Table 39: Market-based Exploration Area valuation factors

Project	Area (km^2)	Low (US$)	Preferred (US$)	High (US$)
Mount Gunson	824	1,000,000	2,000,000	3,000,000
Tennant Creek	76.6	93,000	192,000	290,000

7.3.4 JV Terms

Strandline's Fowlers Bay and Mount Gunson Projects are each the subject of current Joint Venture agreements. CSA Global has considered the terms of the Joint Venture agreements in assessing the value of these projects (Table 40). In considering the Fowlers Bay joint venture with Western Areas, CSA Global considered only the first phase of the earn in to 75%, as the second stage culminating in a 90% equity is considered to be optional.

Table 40: Summary of Valuation of JV Terms

Project	Joint Venturer	Final Equity	Earn in Expenditure (A$)	Implied Project Value (A$)
Fowlers Bay	Western Areas Limited	75%	800,000	1,067,000
Mount Gunson	Terrace Mining Pty Ltd	51%	2,500,000	4,902,000

7.4 Cost Approach

CSA Global has considered the cost approach in assessing the value of all projects. Specifically CSA Global used the Appraised Value method for the Coburn, Fowlers Bay and Tennant Creek Projects, and the Geoscience Rating (Kilburn) method for all other projects (Table 36).

7.4.1 Appraised Value Method (Multiples of Exploration Expenditure)

The relevant expenditures considered by CSA Global for each project are indicated in Appendix 5: Coburn Project Expenditure. Relevant Prospectivity Enhancement Multipliers (PEM) were chosen from Table 33 based on the outcomes of the expenditures, and the appraised values were assessed (Table 41).

Note that CSA Global has only included expenditure to the end of 2008 for the Coburn Project, as later expenditure was largely derived from feasibility studies that currently do not add any value to the project.

Table 41: Summary of Appraised Valuation

Project	Relevant Expenditure (A$)	Outcome	Low PEM	High PEM	Low Appraised Value (A$)	High Appraised Value (A$)
Coburn	$15,916,380	Indicated and Measured Resources have been estimated and economic parameters are available for assessment, but development currently marginal, and project stalled	1	1.33	15,916,000	20,668,000
Fowlers Bay	$712,275	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)	1.3	1.5	926,000	1,068,000
Tennant Creek	$392,827	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity	1	1.3	393,000	511,000

7.4.2 Geoscientific Factor Method – 'Kilburn' Method

The Geoscientific Factor Method of valuation requires the consideration of those aspects of a mineral property which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the average Base Acquisition Cost ("BAC") that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

A Base Acquisition Cost ("BAC") for Tanzanian exploration licences has been estimated using the following data:

- Based on a database of 3,742 active Prospecting Licences and Retention Licences in Tanzania as of October 2014 and the Tanzanian mining code, it is determined that the average age of Prospecting Licences in Tanzania is 3 years, and the average size of these licences is approximately 54.3 km^2.
- An average cost to identify an area of interest of US$10,000 was chosen giving a cost of approximately US$184 per km^2 for an average Prospecting Licence.
- An application fee of US$300 and a preparation fee of US$500 per licence is payable.
- The holding cost of the average Tanzanian Prospecting Licence includes a rent of approximately US$100 per km^2 per annum for the initial 4 year period.
- Tanzanian mining law includes a minimum expenditure requirement of US$500 per km^2

Altogether this gives a BAC for the average Tanzanian Prospecting Licence of US$1,993.37 per km^2 for patented active Tanzanian Prospecting Licences, as shown in Table 42.

Table 42: Estimation of the BAC for Tanzanian Prospecting Licences

Statistic	Unit	Value
Average Licence size	km^2	54.3
Average licence age	Years	3
Deemed Cost of Identification of a licence	US$ per PL	10,000
Application fee	US$ per PL	300
Preparation fee	US$ per PL	500
Annual rent	US$ per km^2	100
Expenditure commitment	US$ per km^2	500
BAC of Average PL	US$ per km^2	1,993.37

CSA Global considered the various factors indicated in Table 35 in assessing the Technical Value of each project area. The ratings for each project are indicated in Appendix 6.

A Market Factor of 0.1 was applied in deriving a Fair Market Value from the Technical Value obtained from the rating matrix. This factor was chosen such that the average value for the tenement package considered is consistent with the Preferred Value obtained from the analysis of comparative transactions. CSA Global is of the view that this adequately accounts for market factors on an empirical basis. A Market Factor of 0.4 was applied for the Chiliogali project to account for the perceived improved market appetite for graphite projects.

Table 43: Summary of Geoscience Rating (Kilburn) Method Valuation of Tanzanian projects

Project	Area (km^2)	Low (US$)	Preferred (US$)	High (US$)
Mtwara	445.96	254,000	597,000	940,000
Kilwa-Kiswere	554.72	166,000	457,000	748,000
Mafia Island	263.66	105,000	275,000	445,000
Bagamoyo West	890.21	178,000	389,000	600,000
Kitambula	243.34	427,000	832,000	1,238,000
Tanga North	292.38	307,000	679,000	1,052,000
Tanga South	358.44	710,000	1,327,000	1,944,000
Bagamoyo	414.27	124,000	342,000	559,000
Fungoni	337.85	1,896,000	3,263,000	4,631,000
Chiliogali	138.06	84,000	191,000	298,000
Mbinga	110.69	44,000	115,000	187,000
Shikula	196.57	118,000	177,000	236,000

7.5 Income Approach

CSA Global considers Strandline's Coburn Project to be a Pre-Development project. It is therefore permissible to assess its value using the Income approach. CSA Global has considered a Discounted Cash Flow model of the project.

7.5.1 Discounted Cash Flow (DCF) Method

Strandline has published the results of a Feasibility Study, as well as several updates thereof, concerning the Coburn Project. CSA Global has briefly reviewed Strandline's current Discounted Cash Flow model of the project, the outcomes of which were announced by Strandline in an ASX release dated 9 February 2015. Key financial results using Strandline's Base Case are summarised in Table 44.

Table 44: Key Financial Results of Coburn Project Review

Financial Parameter	Base Case Value
Life-of-Mine Exchange Rate (AUD/USD)	0.75
Total Revenue A$M	2,852
Total Operating Costs (including Royalties) A$M	1,713
Net Operating Margin Pre Tax A$M	1,139
Capital Cost A$M	173
IRR	26.5%
NPV at 8% A$M	306

IRR and NPV are quoted pre-tax
(Strandline ASX release, 9 February 2015)

Note that both the NPV and IRR were quoted on a pre-tax basis. On a post-tax basis, the base case NPV and IRR were A$143M and 21.5% respectively. The financial model was also based on the TZMI long term price forecast as at the 4th Quarter of 2014, and a long-term AUD/USD exchange rate of 0.75.

CSA Global assessed the impact of updating the model to current (April 2015) product pricing and the current exchange rate of 0.8 AUD/USD. This had the impact of dropping the base case NPV to A$49.5M on a pre-tax basis, with a negative after-tax NPV.

CSA Global is therefore of the opinion that the project is marginal at current economic conditions, and that the DCF method does not provide a meaningful value for the project in these conditions.

7.6 Preferred Value

In choosing a Preferred Value and Valuation Range for each project (Table 45 and Table 46), CSA Global considered the valuation ranges and the preferred values from each of the methods considered. The weighting of each method in considering the overall valuation ranges and Preferred Values varied based on the stage of development of the project and CSA Global's view of the applicability of each method to each project. Preferred Values are quoted in Australian dollars (A$), with conversion from US$ where appropriate using the exchange rate of A$/US$ of 0.7993.

Table 45: Valuation Range and Preferred Value of Strandline's project portfolio as at 30 April 2015

Project	Low (A$)	Preferred (A$)	High (A$)
Coburn	3,000,000	6,000,000	18,000,000
Mtwara	750,000	1,100,000	1,500,000
Kilwa-Kiswere	562,000	1,000,000	1,400,000
Mafia Island	350,000	560,000	800,000
Bagamoyo West	1,000,000	1,350,000	2,250,000
Kitambula	500,000	800,000	1,500,000
Fowlers Bay#	925,000	1,000,000	1,100,000
Mount Gunson#	1,250,000	2,500,000	5,000,000
Tennant Creek	255,000	345,000	435,000
TOTALS	**$8,592,000**	**$14,655,000**	**$31,985,000**

#Subject to JV agreements. Valued at 100% interest, as Strandline currently holds 100% interest.

Table 46: Valuation Range and Preferred Value of Jacana's project portfolio as at 30 April 2015

Project	Low (A$)	Preferred (A$)	High (A$)
Tanga North	625,000	875,000	1,250,000
Tanga South	813,000	1,500,000	2,380,000
Bagamoyo	427,000	800,000	1,000,000
Fungoni	2,000,000	3,750,000	5,500,000
Chiliogali	313,000	625,000	938,000
Mbinga	156,000	313,000	626,000
Shikula	250,000	438,000	938,000
TOTALS	**$4,584,000**	**$8,301,000**	**$12,632,000**

There is significant range in the values derived for the mineral assets. CSA Global has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the projects, given the uncertainties inherent in valuing early stage exploration projects.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

7.6.1 Coburn Project

In choosing a Valuation Range and Preferred Value for the Coburn Project, CSA Global considered the outcomes of the assessments carried out using the analysis of resource transactions (market approach), the appraised method (cost approach) and the DCF method (income approach).

Using current pricing and exchange rate conditions, the DCF valuation method does not ascribe any significant value to the project.

However, a mineral resource is known to exist, and is a large-scale resource. The project therefore clearly has a tangible value, as CSA Global believes that the tenements would be taken up should Strandline relinquish them.

CSA Global is of the view that the analysis of resource transactions is suitable for establishing a lower bound for the valuation range, as it considers the value of the project in terms of declared *in situ* resources, without considering the additional value added by the technical studies, permitting, etc. carried out as part of the Feasibility study and its various updates. However, as market conditions for heavy mineral sands projects have deteriorated subsequent to most of the transactions considered (Figure 24 and Figure 25**Error! Reference source not found.**), CSA Global believes that current market conditions dictate that the lower end of the valuation range should represent a discount to the analysed market range.

The value assessed using the Appraised method falls within the range implied by the analysis of resource transactions. CSA Global believes that in the current economic climate, the preferred value from the Appraised Value approach provides a suitable high end of the valuation range, as it appropriately acknowledges the actual effective expenses on the value-adding work carried out.

CSA Global's Preferred Value within the valuation range is largely determined by considerations of current market conditions with respect to heavy mineral sands projects, and by considering the project's recent development history, which suggests that there is currently little market appetite for developing this project.

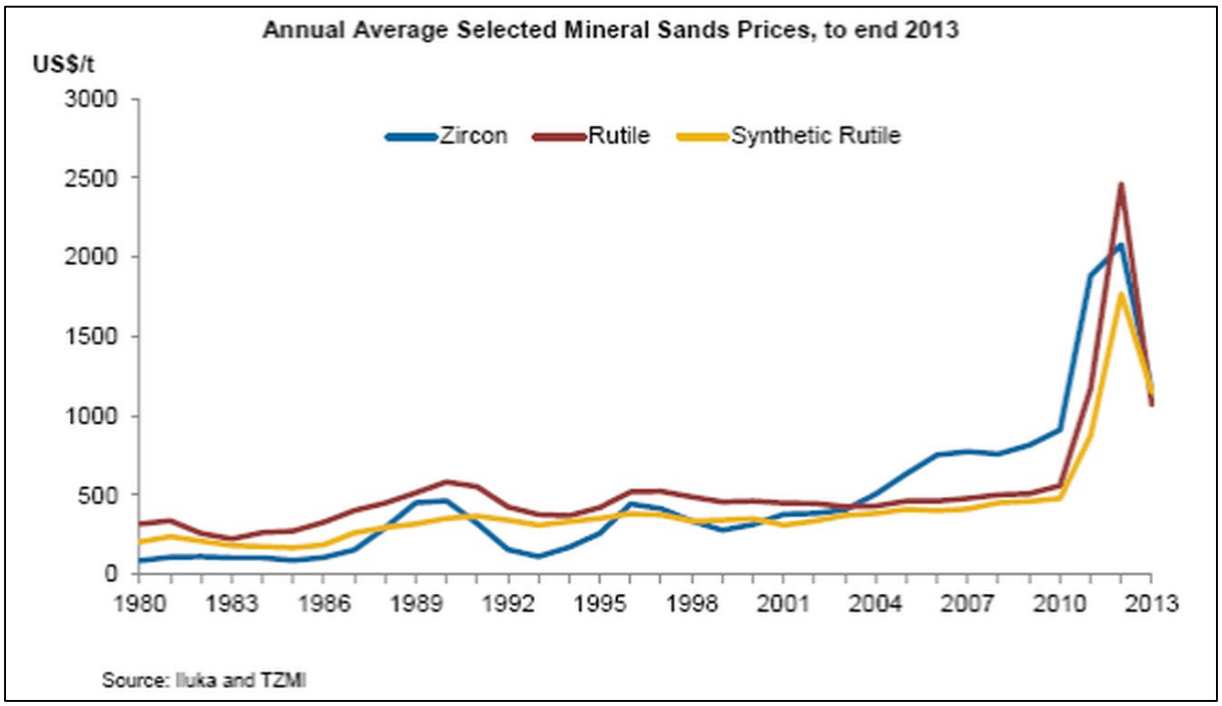

Figure 24. Annual average mineral sands prices to end 2013 (Source Iluka)

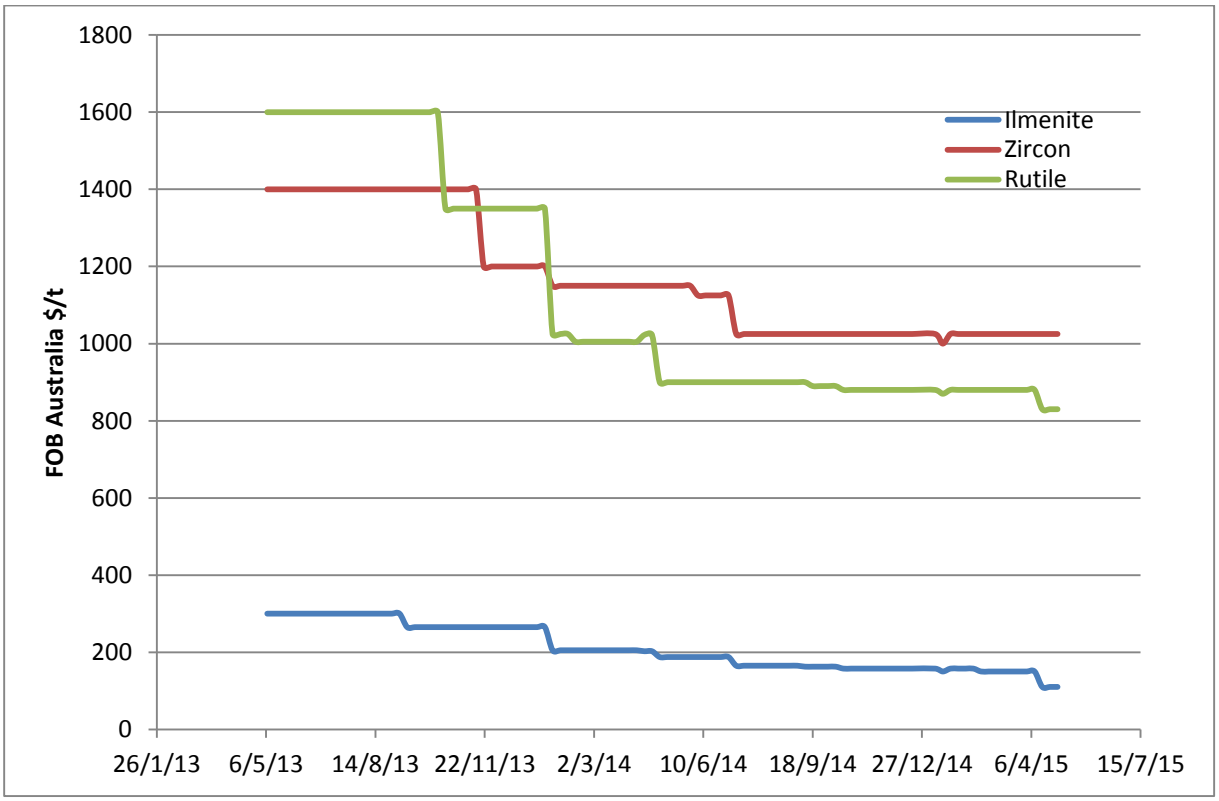

Figure 25. Selected HMS concentrate prices FOB Australia, 2013 to 2015 (Data sourced from Metals Bulletin)

7.6.2 Fungoni Project

The value of the Fungoni Project was assessed using the Geoscience Rating method (a cost approach) as well as by using the factors derived from the analysis of transactions on a resource basis and the factors derived from the analysis of market transactions on an area basis (both market methods).

The lower end of the valuation range was established by the overlap of all three methods, with the upper end of the valuation range established by the Geoscience rating method, which CSA Global believes appropriately acknowledges the exploration potential of the project area. The Preferred Value falls within this range, and is determined by the higher end of the resource valuation range and the preferred value from the Geoscience Rating method, which recognises both the currently declared resources within the project and the exploration potential.

7.6.3 Tanzanian exploration projects

The value of the Tanzanian exploration projects was assessed using the factors derived from the analysis of market transactions on an area basis (market approach) and the Geoscience Rating method (cost approach).

In the case of the Mtwara, Kilwa-Kiswere, Mafia Island, Bagamoyo, and Mbinga Projects, the Geoscience Rating method established a suitable lower bound for the valuation range, reflecting CSA Global's view on their prospectivity. The upper end of the range for Kilwa-Kiswere, Bagamoyo West and Bagamoyo were determined from the area transactions analysis, whereas the upper end of the range for Mtwara and Mafia Island is based on the average high values from the two relevant methods. The high value for Mbinga is most strongly influenced by the high value from the area transactions analysis. The Preferred Value for Mtwara is primarily based on the preferred value from the area transactions analysis, whereas the Preferred Value for Kilwa-Kiswere, Mafia Island, Bagamoyo West, Bagamoyo and Mbinga are based on the overlap of the ranges of the two methods.

In the case of Kitambula and Bagamoyo West, the lower end and the upper end of the valuation range was based on the average lower and upper values from the area transaction analysis and the Geoscience Ratings methods. The Preferred Value was also based on the average preferred values from the two methods.

In the case of the Tanga North and the Tanga South Projects, the lower end of the valuation range is most strongly influenced by the lower end of the area transaction analysis, with both the higher end of the valuation range and the Preferred Values more strongly influenced by the respective values from the Geoscience Rating method, reflecting CSA Global's view on the prospectivity of these projects.

The lower end and the upper end of the valuation range for the Shikula Project was based on the average lower and upper values from the area transaction analysis and the Geoscience Ratings methods. The Preferred Value was also based on the average preferred values from the two methods.

The lower end of the valuation range for Chiliogali was based primarily on the transaction analysis, with the upper end more strongly influenced by the Geoscience Rating method. Note that the Market Factor for this project was increased to 0.4 to account for greater perceived market appetite for graphite projects. The Preferred Value within this range is based on the overlap between the ranges determined by these two methods.

7.6.4 Mount Gunson, Fowlers Bay and Tennant Creek Projects

For the Mount Gunson Project, the Preferred Value and the lower end of the valuation range is based primarily on the range derived from the Area Transactions method, which considered possible values based on recent transactions involving IOCG exploration properties in South Australia. The higher end of the valuation range was primarily determined by the assessment of the implied value derived from the terms of the JV agreement currently in force over the project.

For the Fowlers Bay Project, the valuation range is based primarily on the range derived from the Appraised Value method, which considers actual expenses on the project and the value-add from the outcomes of the exploration activity. The Preferred value was primarily determined by the assessment of the implied value derived from the terms of the JV agreement currently in force over the project.

For the Tennant Creek Project, the valuation range and the Preferred Value were based on the average of the relevant values from the Area Transactions method and the Appraised Value method.

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9 Glossary

The reader is referred to online resources such as Wikipedia for explanations of unfamiliar terms.

Appendix 1: Tenement Schedule

Company	Project	Tenement Number	Name	License Holder	Share	Start date (Grant Date)	Expiry date	License area (km^2, or as indicated)	Commodity	Comments
Jacana	Tanga North	PL 8008/2012	Tanga North	Jacana Resources (Tanzania) Limited	100%	4/06/2012	3/06/2016	292.38	Gold	
	Tanga South	PL 7321/2011	Tanga South	Jacana Resources (Tanzania) Limited	100%	17/11/2011	16/11/2015	137.8	Gold	
		PL 7666/2012	Tanga South	Jacana Resources (Tanzania) Limited	100%	23/02/2012	22/02/2016	66.15	Sand	
		PL 7960/2012	Tanga South	Jacana Resources (Tanzania) Limited	100%	4/06/2012	3/06/2016	116.43	Sand	
		PL 8123/2012	Tanga South	Jacana Resources (Tanzania) Limited	100%	19/07/2012	18/07/2016	38.06	Sand	
	Bagamoyo	PL 7752/2012	Bagamoyo	Jacana Resources (Tanzania) Limited	100%	19/03/2012	18/03/2016	158.95	Sand	
		PL 7753/2012	Bagamoyo	Jacana Resources (Tanzania) Limited	100%	4/04/2012	3/04/2016	191.93	Sand	
		PL 10265/2014	Bagamoyo	Jacana Resources (Tanzania) Limited	100%	25/09/2014	24/09/2018	63.39	Beach Sand	recently granted tenement not in Jacana's prospectus
	Fungoni	PL 7754/2012	Fungoni	Jacana Resources (Tanzania) Limited	100%	4/04/2012	3/04/2016	202.06	Sand	
		PL 7499/2011	Fungoni	Jacana Resources (Tanzania) Limited	100%	22/12/2012	21/12/2015	33.89	Beach Sand	
		PL 9951/2014	Fungoni South	Jacana Resources (Tanzania) Limited	100%	10/07/2014	9/07/2018	101.9	Beach Sand	
	Chiliogali	PL 7471/2011	Chiliogali	Jacana Resources (Tanzania) Limited	90%	14/12/2011	13/12/2015	81.8	Gold	through a deal
		PL 7488/2011	Chiliogali	Jacana Resources (Tanzania) Limited	90%	27/12/2011	26/12/2015	56.26	Copper	through a deal
	Mbinga	PL 9046/2013	Mbinga	Jacana Resources (Tanzania) Limited	100%	11/03/2013	10/03/2017	46.61	Nickel	
		PL 9352/2013	Mbinga	Jacana Resources (Tanzania) Limited	100%	4/10/2013	3/01/2017	28.81	Nickel	
		PL 9778/2014	Mbinga	Jacana Resources (Tanzania) Limited	100%	5/06/2014	4/06/2018	17.67	Nickel	
		PL 9960/2014	Mbinga	Jacana Resources (Tanzania)	100%	10/07/2014	9/07/2018	17.6	Nickel	

Company	Project	Tenement Number	Name	License Holder	Share	Start date (Grant Date)	Expiry date	License area (km^2, or as indicated)	Commodity	Comments
				Limited						
	Shikula	PL 7806/2012	Shikula	Jacana Resources (Tanzania) Limited	100%	4/04/2012	3/04/2016	196.57	All minerals other than building materials or gemstones	
Strandline	Mtwara	PL 9969/2014	Sud	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	218.39	Beach Sand	Granted to Active Resources and license to be collected subject to payment of the first 12 months rent. See Preparation Fee for Grant receipt. Payment Plan.
		PL 9970/2014	Madimba	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	69.19	Beach Sand	Active status and rent duly paid - see receipt
		PL 9978/2014	Mahuranga	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	81.97	Beach Sand	Active status and rent duly paid - see receipt
		PL 10424/2014	Ziwani	Tanzanian Graphite (T) Ltd	100%	2/12/2014	1/12/2018	76.41	Beach Sand	Granted to Tanzanian Graphite and license to be collected subject to payment of the first 12 months rent. Agreement between Tanzanian Graphite and Active Resources
	Kilwa-Kiswere	PL 7940/2012	Kiswere North	Active Resources (T) Ltd	100%	30/04/2012	29/04/2016	193.97	Sand	
		PL 9972/2014	Miteja	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	226.91	Beach Sand	
		PL 9977/2014	Songa	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	92.29	Beach Sand	
		PL 9980/2014	Kiswere South	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	43.55	Beach Sand	Active status and rent duly paid - see receipt
	Mafia Island	PL 8197/2012	Mafia	Active Resources (T) Ltd	100%	22/08/2012	21/08/2016	263.66	Sand	Active status and rent duly paid - see receipt
	Bagamayo West	PL 8134/2012	Bagamoyo West	Active Resources (T) Ltd	100%	7/08/2012	6/08/2016	288.99	Sand	Active status and rent due
		PL 9971/2014	Bagamoyo West	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	80.7	Beach Sand	Granted to Active Resources and license to be collected subject to payment of the first 12 months rent
		PL 8196/2012	Bagamoyo West	Active Resources (T) Ltd	100%	22/08/2012	21/08/2016	224.34	Sand	Active status and rent due
		PL 8185/2012	Bagamoyo West	Active Resources (T) Ltd	100%	22/08/2012	21/08/2016	296.18	Sand	Active status and rent due

Company	Project	Tenement Number	Name	License Holder	Share	Start date (Grant Date)	Expiry date	License area (km^2, or as indicated)	Commodity	Comments
	Kitambula	PL 7588/2012	Kitambula	Active Resources (T) Ltd	100%	3/02/2012	2/02/2016	92.25	Gold	
		PL 9332/2013	Kitambula	Beth Xiang Qianyi	100%	18/10/2013	17/10/2017	22.03	Titanium, Zirconium	(pending transfer to Active Resources); agreement sighted
		PL 9427/2013	Kitambula	Beth Xiang Qianyi	100%	18/10/2013	17/10/2017	15.23	Titanium, Zirconium	(pending transfer to Active Resources) ; agreement sighted
		PL 9976/2014	Tanga	Active Resources (T) Ltd	100%	22/07/2014	21/07/2018	50.43	Beach Sand	Active status and rent duly paid - see receipt
		PL 10429/2014	Pangani South	Active Resources (T) Ltd	100%	24/11/2014	23/11/2018	19.37	Beach Sand	
		PL 10425/2015	Tanga North	Tanzanian Graphite (T) Ltd	100%	2/12/2014	1/12/2018	44.03	Beach Sand	Granted to Tanzanian Graphite and license to be collected subject to payment of the first 12 months rent. Agreement between Tanzanian Graphite and Active Resources
	Coburn	E09/939		STRANDLINE RESOURCES LTD	100%	18/06/1999	17/06/2015	35 BL		
		E09/940		STRANDLINE RESOURCES LTD	100%	18/06/1999	17/06/2015	29 BL		
		L09/21		STRANDLINE RESOURCES LTD	100%	8/01/2007	7/01/2028	955.27 HA		
		L09/43		STRANDLINE RESOURCES LTD	100%	17/01/2013	16/01/2034	69.6807 HA		
		M09/102		STRANDLINE RESOURCES LTD	100%	25/10/2004	24/10/2025	996.2 HA		
		M09/103		STRANDLINE RESOURCES LTD	100%	25/10/2004	24/10/2025	998 HA		
		M09/104		STRANDLINE RESOURCES LTD	100%	25/10/2004	24/10/2025	997.45 HA		
		M09/105		STRANDLINE RESOURCES LTD	100%	25/10/2004	24/10/2025	998.85 HA		
		M09/106		STRANDLINE RESOURCES LTD	100%	25/10/2004	24/10/2025	998.2 HA		
		M09/111		STRANDLINE RESOURCES LTD	100%	19/07/2005	18/07/2026	997.85 HA		
		M09/112		STRANDLINE RESOURCES LTD	100%	19/07/2005	18/07/2026	988.15 HA		
		E09/942		STUART PETROLEUM NL	100%			70 BL		Pending
		E09/943		STUART PETROLEUM NL	100%			22 BL		Pending
		E09/944		STUART PETROLEUM NL	100%			63 BL		Pending
		E09/957		STUART PETROLEUM NL	100%			70 BL		Pending
	Mount Gunson	EL 5108		Strandline Resources Limited	100%	29/10/2012	28/10/2017	70	Silver; Cobalt; Copper	
		EL 4460		Strandline Resources Limited	100%	25/03/2010	24/03/2015	463	Silver; Cobalt;	

Company	Project	Tenement Number	Name	License Holder	Share	Start date (Grant Date)	Expiry date	License area (km^2, or as indicated)	Commodity	Comments
									Gold; Copper	
		EL 5333		Strandline Resources Limited	100%	7/10/2013	6/10/2015	291	Gold; Copper	
	Fowlers Bay	EL4440		Strandline Resources Limited	100%	4/03/2010	3/03/2015	700	Base metals & Nickel	
	Tennant Creek	**EL 23946**	**Gosse 1**	Strandline Resources Limited	100%	22/08/2013	22/08/2019	**12.9**		
		EL 29553	Gosse 5	Strandline Resources Limited	100%	19/02/2013	18/02/2019	19.3		
		EL 23949	Boon	Strandline Resources Limited	100%	22/08/2013	21/08/2019	31.5		
		ELA 23948	Inn	Strandline Resources Limited	100%			12.9		Pending

Appendix 2: Comparative Heavy Mineral Sands Resource Transactions

Transaction							Project								Analysis	
Name	Assets	Date Announced	Buyer	Seller	Equity	Synopsis	Country	Stage	Tonnage	Grade	Contained	Commodity	Primary HM	% above Inferred	Area	Implied US$/t contained	Implied US$/km²
Image acquisition of Cooljarloo	Cooljarloo	Jul-11	Image Resources NL	Metal Sands Pty Ltd	30%	In July 2011, Image acquired the remaining 30% interest in the Cooljarloo Project from JV partner Metal Sands for AUD100,000 cash and 3M shares.	Australia	Advanced Exploration	10,776,000	7.8	844,000	Ilmenite, Zircon, Rutile, HiTi, Leucoxene, Garnet	Ilmenite	100%	150	5.71	32,126
Perpetual investment in Cyclone	Cyclone	Jul-13	Perpetual Mining Holding Limited	Diatreme Resources Limited	6%	In July 2013, Diatreme Resources Limited and Perpetual Mining Holding Limited entered into an LOI, pursuant to which the latter will invest AUD2M on the Cyclone Project to earn an initial 6% interest. The parties announced that a Head of Agreement was being drafted to reflect the conditions of the conduct of the Farm-In and JV.	Australia	Feasibility	136,000,000	2.3	3,100,000	Zircon, Leucoxene, Rutile	Zircon	100%	16	9.85	1,907,814
Image acquisition of North Perth Basin mining leases	North Perth Basin	Mar-11	Image Resources NL	Iluka Resources Limited	100%	Image has acquired four mining leases from Iluka for AUD190,000 cash and 1.2M shares.	Australia	Feasibility	14,300,000	6.7	955,000	Ilmenite, Leucoxene, Zircon, Rutile	Ilmenite	91.6%	11	0.75	65,394
Ozore investment in Urquhart Point	Urquhart Point	Aug-14	Ozore Resources Pty Ltd	Metallica Minerals Limited	50%	Metallica Minerals Limited ("MML") executed a JV agreement with a private Chinese investor, whereby the latter will provide AUD7.5M in funding to develop the Urquhart Point deposit and explore for other heavy mineral sand and bauxite deposits on MML's tenements in the western side of Queensland's Cape York Peninsula.	Australia	Feasibility	3,310,800	5.96	197,275	Ilmenite, Rutile, Zircon	Ilmenite	100%	2500	70.80	5,587
Base acquisition of Kwale	Kwale Mineral Sands Project	Feb-10	Base Iron Limited	Tiomin Resources Inc.	100%	In February 2010, Base agreed to acquire the Kwale Mineral Sands Project, all the intellectual property associated with Tiomin's mineral sands Projects in Africa and an option to acquire Tiomin Kenya Limited. Consideration was US$3 million in cash on closing, and a cash royalty of 1.5% of all product revenue (FOB Mombasa) from Kwale, paid monthly.	Kenya	Feasibility	255,000,000	3.48	8,870,000	Ilmenite, Rutile, Zircon	Ilmenite	100%	56	0.34	53,571
POSCO investment in Coburn	Coburn Zircon Project	Aug-12	POSCO	Gunson Resources Limited	40%	In August 2013 POSCO agreed to invest in a 40% interest in the Coburn zircon Project by making an initial payment of $7 million and then contributing the first $21 million of Gunson's mine development expenditure.	Australia	Feasibility	979,000,000	1.27	12,389,000	Ilmenite, Zircon	Zircon	73%	964	5.92	76,076

Appendix 3: Comparative Tanzanian Exploration Ground Transactions

Name	Assets	Commodity	Date Announced	Buyer	Seller	Equity	Synopsis	Country	Stage	Area (km^2)	Implied US$/$km^2$	Comment
Sheffield acquires Iluka HMS tenements	West Mine North and Ellengail	HMS	Dec-10	Sheffield Resources	Iluka	100%	In December 2010, Sheffield acquired three mining leases and a retention licence located near Eneabba in WA. Consideration was A$150,000 and a 1.5% gross sales royalty.	Australia	Advanced Exploration	13.75	10,831.11	
Sheffield acquires McCalls	McCall's Project	HMS	Aug-10	Sheffield Resources	Unnamed Prospecting Syndicate	100%	As outlined in its prospectus, Sheffield entered into an option agreement in August 2010 to purchase the McCalls project from a prospecting syndicate for A$30,000 in cash and 500,000 Sheffield shares. Sheffield announced in January 2011 that it had exercised the option and acquired the project.	Australia	Advanced Exploration	47.17	2,804.02	Large Exploration Target declared
MMG earns in to Nachingwea Project	Nachingwea Project	Nickel, Graphite, Gold	Sep-13	MMG Limited	IMX Resources	15%	In September 2013, MMG commited to sole funding expenditure of US$10 million over 12 months on IMX's Nachingwea Project in Tanzania in order to earn a 15% JV interest. MMG could earn up to a 60% interest by sole funding a further US$50 million over a further 4 years. MMG was to manage the JV, and focus on high-grade nickel mineralisation at Ntaka Hill. MMG completed the 15% earn in, and decided not to go ahead with further earn in as the deposit did not meet its investment hurdle.	Tanzania	Advanced Exploration	5,900	1,694.92	
Kibaran acquisition of Tanzgraphite	Mahenge and Arusha projects	Graphite	May-12	Kibaran Nickel Limited	Tanzgraphite Pty Ltd	100%	In May 2012 Kibaran agreed to acquire Tanzgraphite, which held options over the Mahenge and Arusha graphite projects. Kibaran agreed to pay the vendors a non-refundable deposit of $25,000 within 5 days of signing the HoA, with a further $225,000 and 7.143 million KNL shares issued at 7c per share payable on completion of the transaction. In addition, the tenements were subject to option payments totalling US$1.64 million.	Tanzania	Grassroots	1,308	1,787.08	
Peak acquisition of Igurubi	Igurubi project	Gold	Apr-10	Peak Resources Ltd	African Eagle Resources plc	75%	In April 2010, Peak acquired a 75% interest in the Igurubi gold project from African Eagle by issuing shares to the value of A$750,000. The agreement includes payment of A$1 in Peak shares per resource ounce on announcement of an audited resource greater than 500,000 ounces, and A$1 million on first commercial production.	Tanzania	Advanced Exploration	111	7,515.86	Advanced gold project, small area with good drill results

Appendix 4: Comparative South Australian IOCG exploration ground Transactions

Name	Assets	Date Announced	Buyer	Seller	Equity	Synopsis	Area (km^2)	Implied US$/$km^2$
Monax-Antofagasta farm-in to Millers Creek	Millers Creek designated project - 4 Els	Feb-15	Monax Mining Limited	Maximus Resources Limited	80%	Monax and its Alliance partner Antofagasta can earn an 80% interest in the Project by spending US$3 million over three years.	2,342	1,215.69
Iluka earn-in to Phar Lap	Phar Lap Project - EL 5132	Mar-15	Iluka Resources Limited	Monax Mining Limited	80%	Iluka can earn 80% of the project by spending A$2M over four years. Iluka must spend A$400,000 within the first two years, and may withdraw at any time after it has incurred $400,000 of expenditure on the project.	283	3,793.95

Appendix 5: Coburn Project Expenditure Summary

Year Reported	Expenditure	Purchase Coburn Station	Legal fees and Purchase of Hamelin Station	Tenements	Main Objectives	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5
1999-2000	$245,726			Tenements EL09/939-941 and 996	exploration	Scout drilling - 124 holes at average of 19m depth	Mapping and geochem soil sampling - 40	Aboriginal Heritage survey		
2000 -2001	$404,591			Tenements EL09/939-941 and 996	exploration and targeting higher grade mineralisation	Drilling - 351 holes, discovered the Amy zone of mineralisation, assemblage and characteristion studies	very high level scoping study, no projects metrics just some recommendations	Aboriginal Heritage survey	Ground magnetic survey used to delineate high grade mineralisation, aerial surveys to define younger mineralised dunes	
2001-2002	$279,084			Tenements EL09/939-941 and 996	exploration and targeting higher grade mineralisation	Drilling - 117 holes for 3789m drilling and a second programme of 250 holes for 8112m to an average depth of 32.4m. Programs used to extend known mineralisation and target magnetic features. Extended the footprint of the mineralisation. Lead to a resource estimate the following year	Detailed low level magnetic survey to delineate new drill targets. Moderately succcesful in defining new mineralised targets			
2002-2003	$379,677			Tenements EL09/939-941 and 996	Growing mineralisation footprint, Resources estimate and Feasibilty studies (most of the expenditure was incurred the following year. Lodged Mining Lease Applications	Resource Estimate using all of the previous years drill data within the Amy Zone. Estimate was inferred and comprised 516mt at 1.4% THM, 2% slimes. Lower cut of 0.8% THM	Wide diameter drilling for bulks samples and 226 hole additional AC drilling extending the Amy zone mineralisation to the south	Completed PFS level study on a number of options but generally had CAPEX around $150m IRR 16% to 20% and NPV $31 to $44m. Also completed a PFS review and concludes a number of changes could enhance the project	Commence BFS study	

Year Reported	Expenditure	Purchase Coburn Station	Legal fees and Purchase of Hamelin Station	Tenements	Main Objectives	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5
2003-2004	$1,898,776			Tenements EL09/939-941 and 996	Growing mineralisation footprint, infill drill and extend known resources, continue the BFS,	Three AC drill programs completed to extend the mineralisation close to the resources, infill known mineralisation and extend the mineralisation further to the south	Bulk sample drilling to improve understanding of the mineralogy, charcteristics, metallurgy etc	Updated Resource Estimate, increased confidence in the resource but remained Inferred. Total was 690mt at 1.4% THM b ut included 133mt of Indicated at Amy Zone South	BFS was continuing but the primary consultants were dismissed after the progress report showed some serious deficiences for this level of study. This was apperently completed late in 2004	Commenced Baseline environmental studies for Flora, Fauna and soils/landforms
2004-2005	$3,041,532	$484,676		Tenements EL09/939-941 and 996 and ML09/102-106	Infill drill programs on the resources, resource update, first Reserve published, completed the BFS and lodged PER for review	Resource definition drilling 1385 holes for 28062m of drilling over three AC drill programs at Amy and Amy South zones	Resources update at elevated cut off comprise Indicated 250mt at 1.4% THM, Inferred 460mt at 1.4% THM for a total of 710mt at 1.4% THM using a higher 0.9% THM cutoff.	Reserves 230Mt at 1.1% THM using a 0.82% cut off grade and strip ratio of 0.3:1 waste:ore	undertook a number of studies in relation to the BFS that included, hydrology, metallurgy, mine optimisation, plant costings and design for MSP, Product specs and marketing. CAPEX around $140m IRR 15.9% and NPV $72.9m using a 8% disc rate.	Lodged the Public Environmental Review
2005-2006	$2,791,795			Tenements EL09/939-941 and 996 and ML09/102-106, ML 09/111-112 and Misc 09/15 and 16	Infill drilling, resource upgrades, continued mining and processing optimisation studies with an aim to complete a DFS	Infill Resource definition drilling	Resource Update: MandI resource for Amy South is 305mt at 1.38% THM, combined with the Inferred Resources the total project Resources stand at 720mt at 1.4% THM	Commenced a DFS utilsing additional value engineering studies completed by various consultants	Environmental approval for a mine also granted	
2006-2007	$4,688,060			Tenements EL09/939-941 and 996, ML 09/111-112, ML09/102-106 and Misc 09/21	Infill drilling, resource upgrades, continued mining and processing optimisation studies with an aim to complete a DFS	Infill Resource definition drilling carried over from previous year plus infill drilling at the Amy Zone to upgrade the resource from Inf to Ind	Resource Update: Mea - 119mt at 1.3% THM, Ind - 300mt at 1.2% THM and Inf - 418mt at 1.4% THM for 837mt at 1.3% THM using a cut off of 0.8% THM	Reserves 124Mt at 1.3% THM and strip ratio of 0.8:1 waste:ore	undertook a number of studies in relation to the DFS that included, hydrology, metallurgy, mine optimisation, plant costings and design for MSP, Product specs and marketing.	received a number of approvals for the project, continued Environmental and heritage surveys

Year Reported	Expenditure	Purchase Coburn Station	Legal fees and Purchase of Hamelin Station	Tenements	Main Objectives	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5
2007-2008	$2,187,139			Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21	Infill drilling, resource upgrades, continued mining and processing optimisation studies. DFS was suspended as talks with the chinese (CTIEC) continued.	Infill Resource definition at the Amy Zone	Resource Update: Mea - 119mt at 1.3% THM, Ind - 599mt at 1.2% THM and Inf - 262mt at 1.4% THM for 980mt at 1.3% THM using a cut off of 0.8% THM	Reserves 306Mt at 1.2% THM	undertook a number of studies in relation to progressing the project that included, hydrology, metallurgy, mine optimisation, plant costings and design for MSP, Product specs and marketing. The DFS was suspended after a Chinese company proposed a turnkey solution	Environmental and approvals continued
2008-2009	$1,271,194			Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21	development talks with CTIEC suspended and tendering process with Australian companies	Negotiations and tenders with various construction and engineering groups. Search for investment partners.	Drafting of the Groundwater management plan requiring approval by the EPA before mining can commence	Sedgman Engineering commenced its study to reduce construction costs		
2009-2010	$1,544,766			Tenements EL09/939-941, 1685, ML09/102-106, ML 09/111-112 and Misc 09/21	Completed DFS and continued mining approvals required for development	Sedgeman completed the DFS. CAPEX around $168m IRR 16.8% and NPV $163m using a 8% disc rate.	Preparation of a Groundwater Operating Strategy and Groundwater Mounding Management Plan, requiring approval by the EPA before mining can commence. Preparation and revision of Non Substantial Change Application Number 2 (NSCA2)	Continued product marketing and investment negotiations		

Year Reported	Expenditure	Purchase Coburn Station	Legal fees and Purchase of Hamelin Station	Tenements	Main Objectives	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5
2010-2011	$1,500,055			Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21	completed some drilling and bulk sampling. Continued approvals and received some approvals from various Government departments	Infill and extensional drilling programme designed to upgrade the inferred resource in the northern third of the project. Drilled 166 holes for 3837m. In addition drilled 60 holes for a bulk sample - 7t of material to make concentrate for offtake partners	Continued product marketing and investment negotiations	Continued to prepare environmental and other applications for statutory approval. Received a number of approvals during the period		
2011-2012	$3,033,896		$77,496	Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21	Technical studies continued which were inputted into the financial model and updated. Statuatory Approvals continued	Reviewed assays from the drill programme that was complted last reporting period. Planned an addition programme for 2013	Metallurgical testwork on the 7t bulk sample to create additional concentrate material. Confirmed the flowsheet and quality of the product.	Continued product marketing and investment negotiations. Signed a non binding agreement with POSCO and offtake agreement with Dupoint	Completed new FEED studies and updated the Financial model CAPEX $180m IRR 28.3% and NPV $223.7m. Using revised commodity pricing from TZMI	Continued to prepare environmental and other applications for statutory approval. Received a number of approvals during the period. Actually commenced the minesite access road
2012-2013	$3,570,762		$64,738	Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21 and 43	Technical studies continued which were inputted into the financial model and updated. Statuatory Approvals continued	Drilling activities postponed due to a lack of funds	Continued technical studies - FEED, OPEX cost review, completed optimisation studies and marketing studies. Agreement with POSCO terminated	Continued to prepare environmental and other applications for statutory approval. Received a number of approvals during the period		
2013-2014	$877,047			Tenements EL09/939-941, ML09/102-106, ML 09/111-112 and Misc 09/21 and 43	Technical studies ceased as the company attempted to find a suitable funding partner.	Drilling activities postponed due to a lack of funds	Continued to prepare environmental and other applications for statutory approval. Received a number of approvals during the period			

Expenditure for Fowlers Bay Project

Expense Code	TOTAL
Consulting Geologist	48,043.34
Exploration Management	106,656.32
Draft and Data Presentation	3,468.60
Geological Maps/Reports	90.19
Data Purchase	1,043.64
Ground Survey	116,348.06
Airborne Survey	109,678.00
Geophysical Interpretation	35,230.00
Routine Assays	4,531.00
Diamond Drilling	210,677.90
Core Tray and Racks consumables	13.64
Water Supplies Logistic Supplies	36,374.80
Site Rehabilitation	480.00
Core Splitting	2,359.00
Core Storage	411.14
Field Vehicle Hire	2,636.56
General Expenses	622.26
Accommodation / Meals	1,378.00
Sample Freight	1,534.32
Airline Flights	4,863.67
Travel and Accommodation	5,832.68
Legal Expenses	13,156.50
Ethnographic Consultants	2,508.18
Sample Storage	4,337.69

Expenditure for Tennant Creek Project

Expense Code	Total
Geological Maps/Reports	148
Draft and Data	1,522
Exploration Management	70,925
Mining Engineer	394
Airline Flights	5,725
Travel and Accomm	2,249
Travel Costs	1,721
Geologist Consult	84,025
Field Tech	421
Ethnographic Consultant	13,449
Aboriginal Guide	9,815
Land Council Fees	34,790
Routine Assays	1,538
Sample Analysis	197
Compensation Payment	20
Ground Survey	39,616
Diamond Drilling	95,470
Mobilisation/Site prep	8,126
Core Tray/Consumables	1,816
Core Storage	551
General Exp	382
Water logisitic	211
Core Splitting	751
Field Vehicle Hire	4,555
Geophysical Interpretation	14,410

Appendix 6: Geoscience Factor Ratings for Tanzanian Exploration Projects

						Off-Property Factor		On-Property Factor		Anomaly Factor		Geology Factor		Kilburn Valuation (US$)		
Project	**Tenement**	**Name**	**Area**	**Expiry Date**	**Equity**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Preferred**
Mtwara	PL 9969/2014	Sudi	218.39	21/07/2018	100%	1	1.5	1.5	2	1	1.5	1.5	2	98,221	392,885	245,553
	PL 9970/2014	Madimba	69.19	21/07/2018	100%	1	1.5	1.5	2	2	2.5	1.5	2	62,237	207,455	134,846
	PL 9978/2014	Mahuranga	81.97	21/07/2018	100%	1	1.5	1.5	2	1	1.5	1	1.5	24,577	110,598	67,588
	PL 10424/2014	Ziwani	76.41	31/11/2018	100%	1	1.5	1.5	2	2	2.5	1.5	2	68,731	229,103	148,917
Kilwa-Kiswere	PL 7940/2012	Kiswere North	191.97	29/04/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	57,559	259,016	158,288
	PL 9972/2014	Miteja	226.91	21/07/2018	100%	1	1.5	1	1.5	1	1.5	1.5	2	68,035	306,159	187,097
	PL 9977/2014	Songa	92.29	21/07/2018	100%	1	1.5	1	1.5	1	1.5	1.5	2	27,672	124,523	76,097

						Off-Property Factor		On-Property Factor		Anomaly Factor		Geology Factor		Kilburn Valuation (US$)		
Project	**Tenement**	**Name**	**Area**	**Expiry Date**	**Equity**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Preferred**
	PL 9980/2014	Kiswere South	43.55	21/07/2018	100%	1	1.5	1	1.5	1	1.5	1.5	2	13,058	58,760	35,909
Mafia Island	PL 8197/2012	Mafia	263.66	21/08/2016	100%	1	1.5	1	1.5	1	1.5	2	2.5	105,406	444,680	275,043
Bagamoyo West	PL 8134/2012	Bagamoyo	288.99	6/08/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	86,649	389,921	238,285
	PL 8196/2012	Bagamoyo	224.34	21/08/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	67,265	302,692	184,978
	PL 8185/2012	Bagamoyo	296.18	21/08/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	88,805	399,622	244,214
	PL 9971/2014	Bagamoyo	80.7	21/07/2018	100%	1	1.5	1	1.5	1	1.5	1.5	2	24,197	108,885	66,541
Kitambula	PL 7588/2012	Kitambula	92.25	2/02/2016	100%	3.5	4	1.5	2	1.5	2	1.5	2	217,820	590,074	403,947
	PL 9332/2013	Kitambula	22.03	17/10/2017	100%	3.5	4	1.5	2	1.5	2	1.5	2	52,017	140,914	96,466
	PL 9427/2013	Kitambula	296.18	17/10/2017	100%	3.5	4	1.5	2	1.5	2	1.5	2	699,339	1,894,505	1,296,922
	PL 10425/2015	Tanga North	44.03	1/12/2018	100%	3.5	4	1	1.5	1	1.5	1.5	2	46,206	158,420	102,313
	PL9976/2014	Tanga	50.43	22/07/2018	100%	3.5	4	1	1.5	1	1.5	1.5	2	52,922	181,448	117,185
	PL 10429/2014	Pangani South	19.37	23/11/2018	100%	2.5	3	1.5	2	1	1.5	1.5	2	21,779	69,693	45,736
Tanga North	PL 8008/2012	Tanga North	292.38	3/06/2016	100%	3.5	4	1	1.5	1	1.5	1.5	2	306,829	1,051,986	679,408
Tanga South	PL 7666/2012	Pangani	66.15	22/02/2016	100%	2.5	3	1.5	2	2	2.5	1.5	2	148,755	396,681	272,718
	PL 7960/2012	Tongani	116.43	29/05/2016	100%	2.5	3	1.5	2	1	1.5	1.5	2	130,911	418,916	274,914
	PL 8123/2012	Tongani	38.06	23/07/2012	100%	2.5	3	1.5	2	1	1.5	1.5	2	42,794	136,940	89,867
	PL 7321/2011	Tajiri	137.8	16/11/2015	100%	2.5	3	1.5	2	2.5	3	1.5	2	387,348	991,612	689,480
Bagamoyo	PL 7752/2012	Bagamoyo	158.95	18/03/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	47,659	214,464	131,061
	PL 7753/2012	Bagamoyo	191.93	3/04/2016	100%	1	1.5	1	1.5	1	1.5	1.5	2	57,547	258,962	158,255
	PL 10265/2014	Bagamoyo	63.39	24/09/2018	100%	1	1.5	1	1.5	1	1.5	1.5	2	19,006	85,529	52,268
Fungoni	PL 7754/2012	Fungoni	158.95	18/03/2016	100%	2.5	3	3	3.5	3.5	4.5	1.5	2	1,251,040	3,002,495	2,126,767
	PL 7499/2011	Fungoni	33.89	21/12/2016	100%	2.5	3	1.5	2	2	2.5	1.5	2	76,210	203,228	139,719
	PL 9951/2014		191.93	3/04/2016	100%	2.5	3	1.5	2	2	2.5	1.5	2	431,604	1,150,944	791,274
Mbinga	PL 9046/2013	Mbinga	46.61	10/03/2017	100%	1	1.5	1	1.5	1	1.5	2	2.5	18,634	78,611	48,622
	PL 9352/2013	Mbinga	28.81	3/10/2017	100%	1	1.5	1	1.5	1	1.5	2	2.5	11,518	48,590	30,054
	PL 9778/2014	Mbinga	17.67	4/06/2018	100%	1	1.5	1	1.5	1	1.5	2	2.5	7,064	29,802	18,433
	PL 9960/2014	Mbinga	17.6	7/09/2018	100%	1	1.5	1	1.5	1	1.5	2	2.5	7,036	29,684	18,360
Shikula	7806/2012		196.57	7/09/2018	100%	2	3	1	1.5	1	1.5	1.5	2	117,877	530,446	324,161

						Off-Property Factor		On-Property Factor		Anomaly Factor		Geology Factor		Kilburn Valuation (US$)		
Project	**Tenement**	**Name**	**Area**	**Expiry Date**	**Equity**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Preferred**
Chiliogali	PL 7471/2011	Chiliogali	81.8	13/12/2015	90%	1.5	2	1.5	2	1.5	2	1	1.5	198,664	706,362	452,513
	PL 7488/2011	Chiliogali	56.26	26/12/2015	90%	1.5	2	1.5	2	1.5	2	1	1.5	136,636	485,818	311,227

BAC: US$1,998.90/km^2, Market Factor 0.1 for all projects except Chiliogali, which had a Market Factor of 0.4

STRANDLINE
resources limited
ABN 32 090 603 642

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Proxy Form

Vote Online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 137825

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (WST) Wednesday, 8 July 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Strandline Resources Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Strandline Resources Limited to be held at the Offices of BDO Australia, 38 Station Street, Subiaco, Western Australia on Friday, 10 July 2015 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 3 (except where I/we have indicated a different voting intention below) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Transaction with Jacana	☐	☐	☐
Resolution 2	Approval to issue Future Placement Shares	☐	☐	☐
Resolution 3	Approval of grant of Performance Rights to Mr Richard Hill	☐	☐	☐
Resolution 4	Approval for Change in Activities	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /