

STRANDLINE

resources limited

ABN 32 090 603 642

**Notice of Annual General Meeting
and
Explanatory Memorandum**

Date of Meeting

Friday 27 November 2015

Time of Meeting

9.00am (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.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE, VISIT: www.strandline.com.au

Notice of Annual General Meeting

Strandline Resources Limited

ABN 32 090 603 642

The Annual General Meeting of Strandline Resources Limited (**Company**) will be held at the offices of **BDO Australia, 38 Station Street, Subiaco**, Western Australia, on **Friday 27 November 2015 at 9.00am (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 describes the matters to be considered at the AGM.

AGENDA

1. Financial reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of Strandline Resources Limited for the financial year ended 30 June 2015 which are contained within the Annual Report.

Note: This item of business is for discussion only and is not a Resolution.

2. Resolution 1 – Adoption of the Remuneration Report (non-binding resolution)

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

'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company (which is contained in the Directors' Report in the Annual Report) for the financial year ended 30 June 2015 be adopted.'

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

The Company will disregard any votes cast on this Resolution by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member, unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

3. Resolution 2 – Re-election Mr Didier Murcia as a Non-Executive Director

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

'That, for the purpose of clause 58.1 of the Constitution and for all other purposes, Mr Didier Murcia, a Director, who retires by rotation, and being eligible, is re-elected as a Director.'

4. Resolution 3 – Election of Mr Asimwe Kabunga as a Non-Executive Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Asimwe Kabunga, a Director who was appointed on 18 July 2015, is elected as a Director.'

5. Resolution 4 – Election of Mr Tom Eadie as a Non-Executive Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Tom Eadie, a Director who was appointed on 9 October 2015, is elected as a Director.'

6. Resolution 5 – Election of Mr Mark Hanlon as a Non-Executive Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Mark Hanlon, a Director who was appointed on 9 October 2015, is elected as a Director.'

7. Resolution 6 – Approval of Past Placement of Shares

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

'That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 40,507,010 fully paid ordinary shares and 20,253,505 free attaching share options in the Company issued to sophisticated and professional investors within the meaning of section 708 of the Corporations Act on 20 October 2015 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as a 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 Chair 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.

8. Resolution 7 – Approval of Additional Placement of Securities

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

'That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 91,264,373 fully paid ordinary shares and 45,632,186 free attaching share options in the Company to be issued to excluded offerees within the meaning of section 708 of the Corporations Act as soon as practicable following the AGM, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who will participate in the issue and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as a 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 Chair 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.

9. Resolution 8 – Approval of Mr Richard Hill's Participation in Placement

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 4,285,720 fully paid ordinary shares and 2,142,860 free attaching options in the Company to Mr Hill, a Director (or his nominee), on the terms set out in the Explanatory Memorandum, be approved".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Hill (or his nominee) and any of their 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 Chair as proxy for a person who is entitled to vote and the Chair has received express

authority to vote undirected proxies as the Chair sees fit.

10. Resolution 9 – Approval of Mr Asimwe Kabunga’s Participation in Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 7,142,860 fully paid ordinary shares and 3,571,430 free attaching options in the Company to Mr Kabunga, a Director (or his nominee), on the terms set out in the Explanatory Memorandum, be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Kabunga (or his nominee) and any of their 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 Chair as proxy for a person who is entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

11. Resolution 10 – Approval of Mr Tom Eadie’s Participation in Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 11,428,572 fully paid ordinary shares and 5,714,286 free attaching options in the Company to Mr Eadie, a Director (or his nominee), on the terms set out in the Explanatory Memorandum, be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Eadie (or his nominee) and any of their 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 Chair as proxy for a person who is entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

12. Resolution 11 – Approval of Mr Mark Hanlon’s Participation in Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 7,857,150 fully paid ordinary shares and 3,928,575 free attaching options in the Company to Mr Hanlon, a Director (or his nominee), on the terms set out in the Explanatory Memorandum, be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Hanlon (or his nominee) and any of their 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 Chair as proxy for a person who is entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

13. Resolution 12 – Approval of Mr Michael Folwell’s Participation in Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 3,571,430 fully paid ordinary shares and 1,785,715 free attaching options in the Company to Mr Folwell, a Director and Chairman of the Company (or his nominee), on the terms set out in the Explanatory Memorandum, be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Folwell (or his nominee) and any of their 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 Chair as proxy for a person who is entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

14. Resolution 13 – Approval of Additional 10% Placement Facility

To consider, and if thought fit, to pass as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility 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 of their Associates. 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 Chair 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.

Important note: The proposed allottees of any Equity Securities under this 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% Placement Facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

NOTES

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. Required Majorities

All of the Resolutions except Resolution 13 are **ordinary resolutions** and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions in person, by proxy, or by an authorised representative.

Resolution 13 is a **special resolution** and will be passed only if supported by at least 75% of the votes cast by Shareholders entitled to vote on the resolution in person, by proxy, or by an authorised representative.

3. Recommendation

The Board believes Resolutions 1 to 13 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.

4. Voting entitlements

The Directors have determined that, for the purpose of voting at the AGM, Shareholders eligible to vote at the AGM are those persons who are the registered holders of Shares at 9:00am (WST) on 25 November 2015.

5. How to vote

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

6. Voting in person

To vote in person, attend the AGM on the date and at the place set out above. Shareholders are asked to arrive at the venue by 8.45am (WST) so the Company may check their Shareholding against the Company's Share register and note attendances.

7. 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 AGM. 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 9:00am (WST) on 25 November 2015** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

Online: www.investorvote.com.au

By Post: Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile (inside Australia): 1800 783 447

By Facsimile (outside Australia): +61 3 9473 2555

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any proxy form received after 9am (WST) on 25 November 2015 will not be valid for the AGM.

8. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

9. Questions from Shareholders

The Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Mr Phillip Murdoch of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2015 (or his representative), will attend the AGM. The Chair will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the

financial statements; and

- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 9am (WST) on 22 November 2015.

By Post: PO Box 1217
West Perth, Western Australia 6872

By Facsimile: (08) 9485 2070 (within Australia)

By Facsimile: +61 8 9485 2070 (outside Australia)

In person: 35 Richardson Street,
West Perth, Western Australia 6005

As required under section 250PA of the Corporations Act, at the meeting, the Company will make available those questions directed to the auditor received in writing at least 5 business days prior to the AGM, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the annual Financial Report for the year ended 30 June 2015. The Chair will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

10. Annual Report

The Company advises a copy of its Annual Report for the year ended 30 June 2015 is available to download at the website address, <http://www.strandline.com.au>

When you access the Company's Annual Report online, you can view it and print a copy.

Please note if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or sometime in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

11. Enquiries

Shareholders are invited to contact the Company Secretary, Mr Geoff James on +61 8 9226 3130 if they have any queries on the matters set out in these documents.

By order of the board

Date 26 October 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.

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 AGM of the Company to be held on Friday, 27 November 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. Financial Reports

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to section 10 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2015 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements of Key Management Personnel, including the Managing Director, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report, which can be found in the annual report section of the website at <http://www.strandline.com.au>

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chair will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Although voting on the adoption of the Remuneration Report is for advisory purposes only, if there are two consecutive votes at annual general meetings of the Company against the Company's remuneration report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive annual general meeting at which a Strike occurs (**Second Strike**), a resolution must be put to Shareholders to hold another meeting where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by Key Management Personnel (or their Associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chair to vote Shareholders' undirected proxy votes. In this regard, you should specifically note that if you

appoint the Chair as your proxy and you indicate on the Proxy Form you do not wish to specify how the Chair should vote on Resolution 1, the Chair will cast your votes in favour of Resolution 1. **If you wish to appoint the Chair as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.**

3. Resolutions 2 to 5 – Election of Directors

3.1 Background

Clause 58.1 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. A retiring Director is eligible for re-election. Mr Didier Murcia retires in accordance with clause 58.1 of the Constitution and, being eligible, has offered himself for re-election. Mr Richard Hill and Mr Michael Folwell remain as Directors.

Mr Asimwe Kabunga was appointed as a Director by the Board on 18 June 2015 and Mr Tom Eadie and Mr Mark Hanlon were appointed as Directors by the Board on 9 October 2015. In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election. Each of Mr Kabunga, Mr Eadie and Mr Hanlon seek election as a Director.

Subject to Resolutions 2 to 5 being passed, after the AGM the Board will comprise Mr Michael Folwell, Mr Richard Hill, Mr Didier Murcia, Mr Asimwe Kabunga, Mr Tom Eadie and Mr Mark Hanlon.

Details on each of Mr Murcia's, Mr Kabunga's, Mr Eadie's and Mr Hanlon's respective background including experience, knowledge and skills are set out in this Explanatory Memorandum.

The Board considers the mix of executive and non-executive Directors collectively brings the range of skills, knowledge and experience necessary to direct the Company.

3.2 Re-election of Mr Didier Murcia

Mr Didier Murcia was appointed as a Director of the Company on 23 October 2014, a position he has continued to hold. With effect from the conclusion of this AGM, and subject to Resolution 2 being passed, Mr Murcia will remain a Director.

Mr Murcia retires in accordance with clause 58.1 of the Constitution and offers himself for re-election as a Director of the Company.

Mr Murcia is a lawyer with over 25 years' legal and corporate experience in the mining industry. He has been awarded the Order of Australia for services to the international community through support for the provision of medical and educational resources in Tanzania. He is currently Honorary Australian Consul for the United Republic of Tanzania. He is Chairman and founding director of Perth-based legal group MPH Lawyers. He is currently the Chairman of Alicanto Minerals Limited and Centaurus Metals Limited. He is also a non-executive director of Cradle Resources Limited and Gryphon Minerals Limited.

The Board (with the exception of Mr Murcia) recommends Shareholders vote in favour of Resolution 2.

3.3 Election of Mr Asimwe Kabunga

Mr Asimwe Kabunga was appointed as a Director by the Board on 18 June 2015 in accordance with clause 56.1 of the Constitution. In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election.

In accordance with clause 56.2 of the Constitution, Mr Kabunga offers himself for election as a Director.

Mr Kabunga is a Tanzanian-born Australian entrepreneur with over 18 years' experience in the mining industry, including logistics, land access, tenure negotiation and acquisitions. He was instrumental in establishing the Tanzania Community of Western Australia Inc., and served as its first President. He was a founding member of Rafiki Surgical Missions and Safina Foundation Tanzania.

The Board (with the exception of Mr Kabunga) recommends Shareholders vote in favour of Resolution 3.

3.4 Election of Mr Tom Eadie

Mr Tom Eadie was appointed as a Director by the Board on 9 October 2015 in accordance with clause 56.1 of the Constitution. In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election.

In accordance with clause 56.2 of the Constitution, Mr Eadie offers himself for election as a Director.

Mr Eadie is the Executive Chairman of Jacana Minerals Limited (**Jacana**) after leaving his previous role as Non-Executive Chairman of Syrah Resources Limited (**Syrah**). He also serves as the Chairman of Copper Strike Limited, 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. He is a past board member of the Australasian Institute of Mining and Metallurgy and of the Australian Mineral Industry Research Association.

The Board (with the exception of Mr Eadie) recommends Shareholders vote in favour of Resolution 4.

3.5 Election of Mr Mark Hanlon

Mr Mark Hanlon was appointed as a Director by the Board on 9 October 2015 in accordance with clause 56.1 of the Constitution. In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election.

In accordance with clause 56.2 of the Constitution, Mr Hanlon offers himself for election as a Director.

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 he 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 Red River Resources Limited, Copper Strike Limited, Rusina Mining NL and Company Secretary of VU Group Pty Ltd.

The Board (with the exception of Mr Hanlon) recommends Shareholders vote in favour of Resolution 5.

4. Resolution 6 – Approval of Past Placement of Shares

On 14 October 2015, the Company confirmed it had received binding commitments from sophisticated and professional investors to subscribe for a total of \$1.6 million in a placement to issue up to approximately 229 million new Shares and 114.5 million new options (**Placement**).

The options are convertible into one Share, granted on the terms set out in Appendix 1.

- Tranche 1 of the Placement comprises 105,671,460 new Shares and 52,835,730 Free Attaching Options which were allotted and issued on Friday 9 October 2015 pursuant to shareholder permissions obtained at the Extraordinary General Meeting of the Company held on 10 July 2015;
- Tranche 2 of the Placement comprises of up to approximately 41 million new Shares and up to approximately 20.5 million Free Attaching Options and were allotted and issued using the Company's existing 15% placement capacity under Listing Rule 7.1 (**Tranche 2**). Shareholder approval for Tranche 2 is being sought in Resolution 6 of this Notice of Meeting; and
- Tranche 3 comprises of up to approximately 126 million new Shares and up to approximately 63 million Free Attaching Options intended to be issued subject to shareholder approval, which is being sought in Resolutions 7 to 12 of this Notice of Meeting (**Tranche 3**).

Resolution 6 seeks Shareholder approval under Listing Rule 7.4 to ratify this past placement of Shares and Free Attaching Options in Tranche 2. Under Listing Rule 7.1, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval. The Company confirms the issue of the securities the subject of Resolution 6 did not breach Listing Rule 7.1. None of the recipients of those securities was a related party of the Company within the meaning of the Corporations Act and the Listing Rules.

The effect of the approval under Listing Rule 7.4 of the past placement of securities under Tranche 2 will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% Placement limit imposed by Listing Rule 7.1 (i.e. the 15% limit is "renewed" to the extent of the approval).

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) the number, issue price, issue date and recipients of the Shares issued by the Company are as follows:
 - 40,507,010 Shares at 0.7 cents per Share; and
 - 20,253,505 Free Attaching Options exercisable at 1.5 cents on or before 12 October 2018, granted on the basis of one option for every two Shares subscribed for in this past placement,
 - Issued to sophisticated and professional investors who are not related parties of the Company on 20 October 2015;
- (b) the funds raised from the placement above have been, or will be, used for resource drilling and product analysis of existing heavy mineral sands deposits and targeting of new deposits in Tanzania and for working capital;
- (c) all of the Shares issued pursuant to the placement above were fully paid ordinary shares which ranked equally with all other existing Shares from their date of issue; and
- (d) a voting exclusion statement is included in the Notice.

The Directors believe Resolution 6 is in the best interests of the Company and its Shareholders and unanimously recommend Shareholders vote in favour of this Resolution.

5. Resolution 7 – Approval of Additional Placement of Securities

Resolution 7 seeks Shareholder approval under Listing Rule 7.1 for the issue of Shares and Free

Attaching Shares not previously issued under the Placement, being Tranche 3, as referred to in Section 4 of this Explanatory Memorandum above.

Under Listing Rule 7.1, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval. The effect of the approval under Listing Rule 7.1 of the proposed issue of Shares and Free Attaching Options under Tranche 3 (that do not form part of Resolutions 8 to 12) will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% Placement limit imposed by Listing Rule 7.1 (i.e. the 15% limit is "renewed" to the extent of the approval).

Completed applications for Tranche 3 have been received by the Company, but participation has been done on a deferred issue, deferred consideration basis. One of the reasons for this is that the Directors are seeking approval to participate in the Placement (refer to section 6 below), on the same terms and conditions as other participants, and are seeking prior Shareholder approval at the AGM to do so. Some participants in the Placement have requested to participate in Tranche 3 along with the Directors.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) the number, issue price, issue date, and recipients of the Shares issued by the Company are as follows:
 - Up to 91,264,373 Shares at 0.7 cents per Share; and
 - Up to 45,632,186 Free Attaching Options exercisable at 1.5 cents on or before 12 October 2018, granted on the basis of one option for every two Shares subscribed for in this past placement of Shares,
 - Issued to sophisticated and professional investors who are not related parties of the Company no later than 3 months after the date of the AGM;
- (b) the funds raised from the Placement above will be used for resource drilling and product analysis of existing heavy mineral sands deposits and targeting of new deposits in Tanzania and for working capital;
- (c) all of the Shares to be issued pursuant to the placement above are fully paid ordinary shares which rank equally with all other existing Shares from their date of issue; and
- (d) a voting exclusion statement is included in the Notice.

The Directors believe Resolution 7 is in the best interests of the Company and its Shareholders and unanimously recommend Shareholders vote in favour of this Resolution.

6. Resolutions 8 to 12 – Directors' Participation in the Placement

6.1 Background

Each of the following Directors have confirmed their intention to participate in Tranche 3 of the Placement, details of which are provided above under Sections 4 and 5 of this Explanatory Memorandum:

- (a) Mr Richard Hill (to the value of \$30,000);
- (b) Mr Asimwe Kabunga (to the value of \$50,000);
- (c) Mr Tom Eadie (to the value of \$80,000);
- (d) Mr Mark Hanlon (to the value of \$55,000); and
- (e) Mr Michael Folwell (to the value of \$25,000).

Listing Rule 10.11 approval is sought under Resolutions 8 to 12 to enable each relevant Director to participate in Tranche 3 of the Placement. Listing Rule 7.1 approval is not required if Shareholder approval for the issue is obtained under Listing Rule 10.11. Therefore, if Resolutions 8 to 12 are approved, the Placement Shares and Free Attaching Options issued under those Resolutions will not count towards the Company's Listing Rule 7.1 capacity.

6.2 Chapter 2E

Chapter 2E of the Corporations Act prohibits the giving of financial benefits to related parties of a public company (the definition of which includes directors of the public company) unless an exception applies. The issue of securities to a Director or their nominee constitutes the giving of a financial benefit to a related party of the Company for the purposes of Chapter 2E.

The Board has considered the proposed issue of Shares and Free Attaching Options to each participating Director under the Placement and has formed the view the issue to each of those Directors falls within the 'arm's length' exception to the requirement for Shareholder approval under Chapter 2E of the Corporations Act, due to the fact each of those Directors will be participating in the Placement on the same terms and conditions as other eligible participants in the Placement. In forming this view, the Directors in each case have considered a number of factors including the guidance in ASIC Regulatory Guide 76: Related Party Transactions.

Therefore the Company is of the view that it is not required to seek Shareholder approval under Chapter 2E of the Corporations Act as regards Resolutions 8 to 12.

6.3 Technical information provided in accordance with Listing Rule 10.13 as regards Mr Richard Hill's Participation:

- (a) The maximum number of Shares and Free Attaching Options to be issued to Mr Hill under the Placement are 4,285,720 Shares and 2,142,860 Free Attaching Options in the Company.
- (b) The issue price of the Placement Shares will be 0.7 cents per Share.
- (c) The Free Attaching Options are exercisable at 1.5 cents on or before 12 October 2018 and granted on the basis of one option for every two Shares subscribed for in the Placement. The Free Attaching Options are granted on the terms set out in Appendix 1.
- (d) Subject to Shareholder approval, the Placement Shares will be issued within 1 month after the date of the AGM.
- (e) Mr Hill is a related party of the Company by virtue of being a Director.
- (f) The Company intends to use the funds raised from the Placement towards the matters set out at Section 4(b) above.
- (g) A voting exclusion statement is included in the Notice.
- (h) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolution 8.

6.4 Technical information provided in accordance with Listing Rule 10.13 as regards Mr Asimwe Kabunga's Participation:

- (a) The maximum number of Shares and Free Attaching Options to be issued to Mr Kabunga under the Placement are 7,142,860 Shares and 3,571,430 Free Attaching Options in the Company.
- (b) The issue price of the Placement Shares will be 0.7 cents per Share.
- (c) The Free Attaching Options are exercisable at 1.5 cents on or before 12 October 2018 and granted on the basis of one option for every two Shares subscribed for in the Placement. The Free Attaching Options are granted on the terms set out in Appendix 1.
- (d) Subject to Shareholder approval, the Placement Shares will be issued within 1 month after the date of the AGM.
- (e) Mr Kabunga is a related party of the Company by virtue of being a Director.

- (f) The Company intends to use the funds raised from the Placement towards the matters set out at Section 4(b) above.
- (g) A voting exclusion statement is included in the Notice.
- (h) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolution 9.

6.5 Technical information provided in accordance with Listing Rule 10.13 as regards Mr Tom Eadie's Participation:

- (a) The maximum number of Shares and Free Attaching Options to be issued to Mr Eadie under the Placement are 11,428,572 Shares and 5,714,286 Free Attaching Options in the Company.
- (b) The issue price of the Placement Shares will be 0.7 cents per Share.
- (c) The Free Attaching Options are exercisable at 1.5 cents on or before 12 October 2018 and granted on the basis of one option for every two Shares subscribed for in the Placement. The Free Attaching Options are granted on the terms set out in Appendix 1.
- (d) Subject to Shareholder approval, the Placement Shares will be issued within 1 month after the date of the AGM.
- (e) Mr Eadie is a related party of the Company by virtue of being a Director.
- (f) The Company intends to use the funds raised from the Placement towards the matters set out at Section 4(b) above.
- (g) A voting exclusion statement is included in the Notice.
- (h) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolution 10.

6.6 Technical information provided in accordance with Listing Rule 10.13 as regards Mr Mark Hanlon's Participation:

- (a) The maximum numbers of Shares and Free Attaching Options to be issued to Mr Hanlon under the Placement are 7,857,150 Shares and 3,928,575 Free Attaching Options in the Company.
- (b) The issue price of the Placement Shares will be 0.7 cents per Share.
- (c) The Free Attaching Options are exercisable at 1.5 cents on or before 12 October 2018 and granted on the basis of one option for every two Shares subscribed for in the Placement. The Free Attaching Options are granted on the terms set out in Appendix 1.
- (d) Subject to Shareholder approval, the Placement Shares will be issued within 1 month after the date of the AGM.
- (e) Mr Hanlon is a related party of the Company by virtue of being a Director.
- (f) The Company intends to use the funds raised from the Placement towards the matters set out at Section 4(b) above.
- (g) A voting exclusion statement is included in the Notice.
- (h) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolution 11.

6.7 Technical information provided in accordance with Listing Rule 10.13 as regards Mr Michael Folwell's Participation:

- (a) The maximum numbers of Shares and Free Attaching Options to be issued to Mr Folwell under the Placement are 3,571,430 Shares and 1,785,715 Free Attaching Options in the

Company.

- (b) The issue price of the Placement Shares will be 0.7 cents per Share.
- (c) The Free Attaching Options are exercisable at 1.5 cents on or before 12 October 2018 and granted on the basis of one option for every two Shares subscribed for in the Placement. The Free Attaching Options are granted on the terms set out in Appendix 1.
- (d) Subject to Shareholder approval, the Placement Shares will be issued within 1 month after the date of the AGM.
- (e) Mr Folwell is a related party of the Company by virtue of being a Director.
- (f) The Company intends to use the funds raised from the Placement towards the matters set out at Section 4(b) above.
- (g) A voting exclusion statement is included in the Notice.
- (h) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolution 12.

7. Resolution 13 – Approval of Additional 10% Placement Facility

7.1 Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be so at the date of the Annual General Meeting.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 7.2(c) below).

The Company intends to use the consideration from any Shares issued under the 10% Placement Facility to raise funds for the acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

The Board believes the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. Accordingly, the Directors of the Company believe Resolution 13 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of this Resolution.

7.2 Requirements of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being Shares (ASX Code: STA) unlisted options and performance rights.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- (C) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
- (D) less the number of fully paid ordinary shares cancelled in the 12 months.

Note A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 1,245,179,985 Shares. If Resolution 13 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) Equity Securities under Listing Rule 7.1; and
- (ii) Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

7.3 Effect of Resolution 13

The effect of Resolution 13 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 13 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) calculations where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) calculations where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in Issue Price	\$0.008 Current Market/ Issue Price	\$0.012 50% increase in Issue Price
Current Variable A 1,245,179,985 Shares	10% Voting Dilution	124,517,999 shares	124,517,999 shares	124,517,999 shares
	Funds raised	\$498,072	\$996,144	\$1,494,216
50% increase in current Variable A 1,867,769,978 Shares	10% Voting Dilution	186,776,998 shares	186,776,998 shares	186,776,998 shares
	Funds raised	\$747,108	\$1,494,216	\$2,241,324
100% increase in current Variable A 2,490,359,970 Shares	10% Voting Dilution	249,035,997 shares	249,035,997 shares	249,035,997 shares
	Funds raised	\$996,144	\$1,992,288	\$2,988,432

The Table has been prepared on the basis of the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options or performance rights (including any options or performance rights issued under the 10% Placement Facility, or Free Attaching Options) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.008, being the closing price of the Shares on ASX on 20 October 2015.

- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 13 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration to raise funds for the acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital; or
 - (ii) non-cash consideration for acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (i) the methods of raising funds available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (h) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
- (i) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 26 November 2014. Therefore, the following information is provided in accordance with Listing Rule 7.3A.6 regarding the Equity Securities issued in the previous 12 months preceding the date of this Meeting.

Assuming no further issue of securities between the date of this Notice of Meeting and the date of the AGM, the Company will have issued a total of 721,954,092 Equity Securities during the 12 months preceding the date of this Meeting, representing approximately 114% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of this Meeting, being 27 November 2014.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

Issue Date	Number of Equity Securities Issued	Class of Equity Securities Issued	Names of Persons to Whom Issued Equity Securities	Issue Price	Closing Market Price at Issue Date	Discount to Closing Market Price on Issue Date	Cash Consideration
21/01/2015	7,000,000	Ordinary Shares	Note (i)	\$0.010	\$0.007	Premium	nil
29/01/2015	2,375,000	Ordinary Shares	Note (ii)	\$0.015	\$0.009	Premium	\$35,625
25/03/2015	3,666,666	Ordinary Shares	Note (i)	\$0.010	\$0.008	Premium	nil
05/05/2015	12,370,000	Performance Rights	Note (iii)	Nil	N/A	N/A	nil
07/08/2015	6,800,000	Performance Rights	Note (iii)	Nil	N/A	N/A	nil
09/10/2015	461,974,721	Ordinary Shares	Note (iv)	\$0.010	\$0.008	Premium	nil
09/10/2015	8,500,000	Ordinary Shares	Note (v)	\$0.007	\$0.008	12.5%	nil
09/10/2015	105,671,460	Ordinary Shares	Note (vi)	\$0.007	\$0.008	12.5%	\$739,700
09/10/2015	52,835,730	Options	Note (vi)	Nil	N/A	N/A	nil
20/10/2015	40,507,010	Ordinary Shares	Note (vii)	\$0.007	\$0.008	12.5%	\$283,549
20/10/2015	20,253,505	Options	Note (vii)	Nil	N/A	N/A	nil
TOTAL	721,954,092						

Note:

- (i) Issue of Shares to employees. The deemed issue price was \$0.01 per Share, valuing the Shares issued at \$106,667. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 20 October 2015 of \$0.008 per Share, is \$85,333.
- (ii) Issue of Shares to existing shareholders under the Company's Share Purchase Plan.
- (iii) Issue of performance rights to employees.
- (iv) Issue of Shares to Jacana pursuant to Shareholder approval given on 10 July 2015 to acquire Jacana Resources (Tanzania) Limited. The deemed issue price was \$0.01 per Share, valuing the Shares issued at \$4,619,747. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 20 October 2015 of \$0.008 per Share, is \$3,695,798.
- (v) Issue of Shares for payment of corporate services to the Company's appointed broker. The deemed issue price was \$0.007 per Share, valuing the Shares issued at \$59,500. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 20 October 2015 of \$0.008 per Share, is \$68,000.
- (vi) Placement of Shares and Free Attaching Options to sophisticated and professional investors pursuant to Shareholder approval given on 10 July 2015. The cash raised will be used to fund resource drilling and product analysis of existing heavy mineral sands deposits and targeting of new deposits in Tanzania and for working capital as set out in the ASX announcement of 14 October 2015.
- (vii) Placement of Shares and Free Attaching Options to sophisticated and professional investors. The cash raised will be used to fund resource drilling and product analysis of existing heavy mineral sands deposits and targeting of new deposits in Tanzania and for working capital as set out in the ASX announcement of 14 October 2015. Shareholder ratification for the issue of these securities is sought under Resolution 6 in this Notice.
- (j) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

In this document:

AGM means the Annual General Meeting of the Company to be held on 27 November 2015, or any adjournment or postponement of the Annual General Meeting.

Annual Report means the Company's Annual Report for the year ended 30 June 2015 containing the Financial Report, the Directors' Report and the Auditors Report.

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

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

Auditor's Report means the Auditor's Report on the Financial Report.

Board means the Company's Board of Directors.

Chair means the chair of the AGM.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

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

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.

Directors' Report means the annual Directors' Report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

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.

Financial Report means the annual Financial Report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Free Attaching Option means an option convertible into one Share, granted on the terms set out in Appendix 1.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of the ASX.

Notice or **Notice of Meeting** means this notice of Annual General Meeting.

Option means an option to subscribe for and be allotted a Share in the Company.

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

Remuneration Report means the Remuneration Report which is contained in the Directors' Report.

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). **VWAP** means volume weighted average price.

WST means Australian Western Standard Time.


Appendix 1

OPTIONS TERMS

The Free Attaching Options are granted under the following terms and conditions:

- (a) **Entitlement**
Each option entitles the holder to subscribe for one Share upon exercise of each option.
- (b) **Exercise price and end date**
The exercise price for each option is \$0.015 and the end date of each option is 12 October 2018.
- (c) **Exercise period**
Options are exercisable at any time after they are issued and on or prior to their end date.
- (d) **Notice of exercise**
Options may be exercised by notice in writing to the Company ("Notice of Exercise") and payment of the exercise price for each option being exercised. Any Notice of Exercise of an option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.
- (e) **Quotation of options**
At the time that there are more than 50 holders of the options, the Company will use its best endeavours to list the options on the ASX, subject to meeting the relevant requirements of the ASX.
- (f) **Shares issued on exercise**
Shares issued on exercise of the options rank equally with the Shares of the Company.
- (g) **Quotation of Shares on exercise**
Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the options.
- (h) **Timing of issue of Shares**
After an 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 the option:
 - (i) issue and allot the Shares; and
 - (ii) do all such things necessary to obtain the grant of official quotation of the Shares on ASX no later than 5 business days after issuing the Shares.
- (i) **Participation in new issues**
There are no participation rights or entitlements inherent in the 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 10 business days after the issue is announced. This will give the holders of options the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- (j) **Adjustment for bonus issues of Shares**
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 an option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the option before the record date for the bonus issue; and
 - (ii) no change will be made to the exercise price.
- (k) **Adjustments for reorganisation**
If there is any reconstruction of the issued share capital of the Company, the rights of option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) **Options transferable**
Options are transferable provided the transfer of the Options complies with section 707(3) of the Corporations Act.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
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Proxy Form

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Vote and view the annual report 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: 999999

SRN/HIN: I9999999999 PIN: 99999

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 9.00am (WST) Wednesday, 25 November 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 →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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.



I 9999999999

I ND

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 Annual General Meeting of Strandline Resources Limited to be held at the Offices of BDO Australia, 38 Station Street, Subiaco, Western Australia on Friday, 27 November 2015 at 9.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: 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 Resolutions 1 and 8-12 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 8-12 are 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 Resolutions 1 and 8-12 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			For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of Mr Richard Hill's Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election Mr Didier Murcia as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Mr Asimwe Kabunga's Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Asimwe Kabunga as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of Mr Tom Eadie's Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Tom Eadie as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval of Mr Mark Hanlon's Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Mr Mark Hanlon as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval of Mr Michael Folwell's Participation in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Past Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Additional Placement of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____