

# Appendix 3B

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

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

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

Name of entity

**STRANDLINE RESOURCES LIMITED**

ABN

**32 090 603 642**

We (the entity) give ASX the following information.

### Part 1 - All issues

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

- |   |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                           |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued                                                                                                                                                                                                  | Ordinary Shares<br>Unlisted Options                                                                                                                                                                                                       |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued                                                                                                                                                 | 857,125,894 ordinary shares under a pro-rata renounceable issue of 1 New Share for every 2 Shares held on the record date ( <b>Rights Issue</b> )<br><br>857,125,894 free attaching unlisted options under the Rights Issue               |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares fully paid<br>Unlisted options: <ul style="list-style-type: none"><li>• 428,562,947 exercisable at \$0.01 on or before 30 June 2018; and</li><li>• 428,562,947 exercisable at \$0.015 on or before 30 June 2019</li></ul> |

+ See chapter 19 for defined terms.

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Ordinary shares rank equally with existing ordinary shares</p> <p>Unlisted options will rank equally with existing fully paid ordinary shares upon exercise</p>
<p>5 Issue price or consideration</p>	<p>Ordinary shares \$0.005 per share  Unlisted options \$nil</p>
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The shares and options have been issued under the Rights Issue and the funds raised will be used as follows:</p> <ul style="list-style-type: none"> <li>• Moving towards development at the 100% owned Fungoni Project in Tanzania;</li> <li>• Extending high-grade, rutile-rich mineralisation at the Tajiri deposit in Tanzania;</li> <li>• Exploration drilling across selected targets within the Company's portfolio of Tanzanian mineral sands assets, including at Tanga North, Madimba, Sudi Bay, Kiswere and Bagamoyo;</li> <li>• General working capital and administrative expenses; and</li> <li>• Costs of the Rights Issue.</li> </ul>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2015</p>

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<sup>+</sup> See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	857,125,894 ordinary shares 857,125,894 unlisted options
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 – 128,568,884 LR 7.1A – 85,712,589
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	15 July 2016

+ See chapter 19 for defined terms.

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	Number	+Class
8	2,571,379,620	Fully paid ordinary shares

	Number	+Class
9	10,000,000	Unlisted options expiring on 3/11/17, exercisable at 3 cents per share.
	136,366,924	Unlisted options expiring on 12/10/18, exercisable at 1.5 cents per share.
	428,562,947	Unlisted options expiring 30/06/18, exercisable at 1 cent per share
	428,562,947	Unlisted options expiring 30/06/19, exercisable at 1.5 cents per share
	4,782,000	Unlisted performance rights expiring on or before 31 December 2016, vesting on satisfaction of performance conditions.

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

11	Is security holder approval required?	No
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+ See chapter 19 for defined terms.

12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 New Share for every 2 Shares held plus free attaching options as follows: <ul style="list-style-type: none"> <li>• 1 New Option for each 2 New Shares subscribed for exercisable at \$0.01 on or before 30 June 2018, and</li> <li>• 1 New Option for each 2 New Shares subscribed for exercisable at \$0.015 on or before 30 June 2019</li> </ul>
14	+Class of +securities to which the offer relates	Ordinary shares Unlisted options
15	+Record date to determine entitlements	27 June 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded down to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.</small>  <small>Cross reference: rule 7.7.</small>	All countries other than Australia, New Zealand, Greece and the Netherlands
19	Closing date for receipt of acceptances or renunciations	8 July 2016
20	Names of any underwriters	Underwriter: Euroz Securities Limited Sub-underwriter: Ndovu Capital VII B.V.
21	Amount of any underwriting fee or commission	<ul style="list-style-type: none"> <li>• 1.5% of the total value of Shares offered pursuant to the Rights Issue; plus</li> <li>• 3% of the Underwritten Amount which is Sub-Underwritten, excluding the value of Shares issued to the sub-underwriter for Entitlements accepted under the Rights Issue.</li> </ul>
22	Names of any brokers to the issue	N/A

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23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Nil
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	29 June 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	22 June 2016
28	Date rights trading will begin (if applicable)	24 June 2016
29	Date rights trading will end (if applicable)	1 July 2016
30	How do security holders sell their entitlements in full through a broker?	By instructing the Stockbroker personally and provide the details as requested which appear overleaf on the Entitlement and Acceptance form which accompanies the Prospectus
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	By instructing the Stockbroker personally and provide the details as requested which appear overleaf on the Entitlement and Acceptance form which accompanies the Prospectus; AND Send the payment slip to the Company's share registry with a cheque or bank draft payment OR Make payment using BPAY, in order to take up the balance of the Entitlement rights.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from a Stockbroker or the Company's share registry, Computershare Investor Services Pty Limited.
33	+Issue date	15 July 2016

+ See chapter 19 for defined terms.

### Part 3 - Quotation of securities

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

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1 (**Shares only**)

(b)  All other <sup>+</sup>securities

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

#### Entities that have ticked box 34(a)

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

*Tick to indicate you are providing the information or documents*

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

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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

*Questions 38 to 42 are not applicable*

#### Quotation agreement

1 <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.

2 We warrant the following to ASX.

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<sup>+</sup> See chapter 19 for defined terms.

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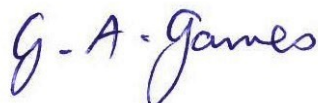
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- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue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

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Print name: Geoff James  
Chief Financial Officer and Company Secretary

Date: 15 July 2016

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+ See chapter 19 for defined terms.



# Appendix 3B – Annexure 1

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

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

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue	628,526,794
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid *ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p><u>461,974,721</u> fully paid ordinary shares issued on 9 October 2015 pursuant to the Jacana acquisition approved by shareholders on 10 July 2015.</p> <p><u>105,671,460</u> fully paid ordinary shares issued on 9 October 2015 by a placement as approved by shareholders on 10 July 2015.</p> <p><u>40,507,010</u> fully paid ordinary shares issued on 20 October 2015 by a placement as approved by shareholders on 27 November 2015.</p> <p><u>49,428,592</u> fully paid ordinary shares issued on 23 December 2015 by a placement as approved by shareholders on 27 November 2015.</p> <p><u>1,082,000</u> fully paid ordinary shares issued on 23 December 2015 pursuant to vesting of performance rights under the Company’s Long Term Incentive Plan - Exception 9 of LR 7.2.</p> <p><u>76,121,513</u> fully paid ordinary shares issued on 11 January 2016 by a placement as approved by shareholders on 27 November 2015</p> <p><u>8,493,000</u> fully paid ordinary shares issued on 10 May 2016 pursuant to vesting of performance rights under the Company’s Long Term Incentive Plan - Exception 9 of LR 7.2.</p> <p><u>857,125,894</u> fully paid ordinary shares issued on 15 July 2016 pursuant to completion of a pro-rata renounceable issue of 1 New Share for every 2 Shares – Exception 1 &amp; 2 of LR 7.2 (<i>The subject of this Appendix 3B</i>)</p>

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<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	2,228,930,984

**Step 2: Calculate 15% of “A”**

<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A”</b> by 0.15	334,339,648

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

<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p><u>8,500,000</u> fully paid ordinary shares issued on 9 October 2015 for payment of corporate advisor services.</p> <p><u>1,005,273</u> fully paid ordinary shares and <u>502,637</u> unquoted free attaching options issued on 11 January 2016 for payment of corporate advisor services.</p> <p><u>195,762,854</u> fully paid ordinary shares issued on 7 June 2016 by a placement pursuant to the Strategic Relationship and Subscription Agreement entered into with Tembo Capital.</p>
<b>“C”</b>	205,770,764

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

<b>“A”</b> x 0.15 <i>Note: number must be same as shown in Step 2</i>	334,339,648
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	205,770,764
<b>Total</b> [“A” x 0.15] – “C”	128,568,884 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,228,930,984
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	222,893,098
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of *equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<u>137,180,509</u> fully paid ordinary shares issued on 7 June 2016 by a placement pursuant to the Strategic Relationship and Subscription Agreement entered into with Tembo Capital.
<b>“E”</b>	137,180,509

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	222,893,098
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	137,180,509
<b>Total</b> ["A" x 0.10] – "E"	85,712,589 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>

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