

# ASX ANNOUNCEMENT



9 June 2016

**STRANDLINE**  
resources limited  
ABN 32 090 603 642

## SUCCESSFUL COMPLETION OF \$2.3M PLACEMENT AND UPDATE ON RIGHTS ISSUE

### Highlights

- Placement of shares to Ndovu Capital BV VII, a part of the Tembo Capital private equity group (“**Tembo**”), to raise approximately \$2.3 million successfully completed.
- Tembo representative John Hodder, an experienced geologist, resources company director and financier, has now joined the Strandline Board as a Non-Executive Director.
- Strandline to proceed with a fully underwritten pro-rata renounceable 1 for 2 Rights Issue to raise up to a further \$4.3 million (“**Rights Issue**”).
- A number of the Company’s substantial shareholders, in addition to members of the Board and management who hold shares, have indicated their intention to participate in the Rights Issue.
- Successful completion of the Rights Issue will see the Company well-funded to further unlock the potential of its highly prospective and strategic portfolio of Tanzanian mineral sands tenements.

Further to the announcement released on 24 May 2016, Tanzanian focussed mineral sands developer Strandline Resources Limited (“**Strandline**”, “**STA**”, or “**the Company**”) announces the successful completion of a placement to Tembo of 332,943,363 new fully paid Ordinary Strandline shares at 0.7c each, resulting in the receipt by the Company of approximately \$2.3 million in equity funding (“**Placement**”).

As a result of the Placement, Tembo, a mining-focussed private equity fund group that specialises in supporting emerging resource companies in developing countries, has become a 19.4% shareholder in Strandline. Consistent with Tembo’s desire to provide strategic and financial support to the Company, Tembo representative John Hodder has also been appointed to the Board as a Non-Executive Director.

Speaking today in relation to the Placement and Tembo’s investment in Strandline, Mr Hodder said:

*“We are delighted to have completed this initial stage of what we hope and expect to be a long-term and mutually beneficial relationship between Tembo and Strandline. We are excited about the possibilities that the Company’s Tanzanian projects hold and look forward to working with the Strandline team to unlock the obvious potential which exists in what is essentially the last underexplored piece of the south-east African coastline”.*

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## Fully Underwritten Pro-Rata Renounceable Rights Issue

Having successfully completed the Placement, Strandline's Board has now resolved to proceed with a 1 for 2 renounceable Rights Issue, at an offer price of 0.5 cents per share, representing a discount of approximately 29% as compared with shares issued under the Placement, to raise \$4.3 million.

Eligible shareholders participating in the Rights Issue will, for every 2 new shares they take up, also be entitled to receive 1 option exercisable at 1 cent on or before 30 June 2018 and 1 option exercisable at 1.5 cents on or before 30 June 2019.

The Rights Issue will proceed fully Underwritten (subject to execution of formal underwriting and sub-underwriting agreements) and Tembo has also agreed to support the Rights Issue in the role of sub-underwriter. The relevant underwriting arrangements will be executed prior to lodgement of the Rights Issue prospectus with ASX and ASIC in due course.

Following the successful completion of the Rights Issue, Strandline will have a cash balance of approximately \$6.7 million before deduction of expenses and will be well-funded to progress the development of its Tanzanian mineral sands projects. In particular, the funds raised as a result of the Placement and Rights Issue will be applied towards the following:

- Fast tracked development of the high grade Fungoni deposit;
- Undertaking extensional drilling and feasibility studies of the high grade Resources delineated at Tajiri (see ASX announcement dated 4 April 2016);
- Continued exploration and discovery drilling across Strandline's high value Tanzanian mineral sands portfolio; and
- General working capital purposes.

### Timetable

It is proposed that the Rights Issue will be conducted in accordance with the following timetable:

|   |              |
|---|--------------|
| Lodgement of the prospectus with ASX and ASIC               | 17 June 2016 |
| Notice of Rights Issue sent to Optionholders                | 17 June 2016 |
| Notice of Rights Issue sent to Shareholders                 | 20 June 2016 |
| Ex-date for Rights Issue and commencement of rights trading | 21 June 2016 |
| Record Date   | 22 June 2016 |
| Prospectus despatched to Shareholders                       | 24 June 2016 |
| Rights trading ends   | 28 June 2016 |
| Shares quoted on a deferred settlement basis                | 29 June 2016 |
| Closing date  | 5 July 2016  |
| Notify ASX of shortfall                                     | 8 July 2016  |
| Issue date – deferred settlement trading ends               | 12 July 2016 |
| Commencement of trading of New Shares                       | 13 July 2016 |

The above timetable is indicative only and is subject to change. The Company reserves the right consistent with the *Corporations Act 2001* (Cth) and the ASX Listing Rules to amend this indicative timetable.

## Prospectus

The Company expects to lodge a prospectus in connection with the Rights Issue (“**Prospectus**”) with the Australian Securities and Investments Commission on 17 June 2016, which will set out the material information in connection with the Rights Issue. A copy of the Prospectus and an Appendix 3B in relation to the Rights Issue will be released to ASX. The Prospectus, together with an entitlement and acceptance form, will be despatched to eligible shareholders in accordance with the timetable above.

## Management comment

Strandline’s Managing Director, Tom Eadie, said, *“The funding injection received from the Placement and Rights Issue will provide Strandline with a huge advantage in these difficult markets and will enable the Company to make significant progress towards realising the potential of our dominant Tanzanian mineral sands portfolio.*

*“As announced earlier this year, results to date have been both significant and encouraging, and we look forward to accelerating further exploration and development work at our key projects, bolstered by the added expertise and support that Tembo brings.*

*“These are exciting times for the Company and I encourage all shareholders to consider joining with the Board, management and key shareholders in participating in the Rights Issue”.*

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## COMPETENT PERSON’S STATEMENT

The information in this report that relates to mineral exploration is based upon information compiled by Mr Tom Eadie, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Eadie, who is Managing Director of Strandline Resources, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Eadie consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

## FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.