

ASX ANNOUNCEMENT

13 July 2016



STRANDLINE
resources limited

ABN 32 090 603 642

RENOUNCEABLE RIGHTS ISSUE COMPLETED

Strandline Resources Limited (**Company**) (ASX: STA) is pleased to announce that the fully underwritten renounceable Rights Issue of one new share ("Rights Issue Share") for every two shares held at the record date at a price of 0.5 cents per Rights Issue Share, closed on Friday 8 July 2016 following high levels of shareholder participation.

Under the terms of the Rights Issue, a total of 857,125,894 new shares were offered, of which 528,495,458 shares were accepted by Eligible Shareholders pursuant to the Rights Issue and a further 145,819,766 additional shares were applied for by Eligible Shareholders as shortfall shares.

In accordance with clause 1.11 of the Prospectus lodged with ASIC on 22 June 2016, the Directors have resolved to scale back the applications for shortfall shares and will grant shortfall applications to each relevant Eligible Shareholder equal to or up to that shareholder's original entitlement under the Rights Issue. Under the scale back, shareholders will be allocated a further 76,232,298 shares in total. Refund cheques will be issued as soon as practicable for scaled back applications.

The balance of the shortfall shares (252,398,138 shares) will now be placed to Ndovu Capital VII B.V. ("Ndovu") in accordance with its agreement to fully sub-underwrite the Rights Issue. Following the allotment and issue of the Rights Issue Shares, Ndovu will hold a 29.24% interest in the Company.

Eligible Shareholders participating in the Rights Issue (including the shortfall) 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 forms part of a broader capital raising of approximately \$6.6 million which has now been secured by the Company to advance its key Tanzanian mineral sands projects.

The securities to be issued pursuant to the Rights Issue, including the associated shortfall and underwriting, are expected to be allotted and issued on Friday 15 July.

For and on behalf of the Board,

A handwritten signature in blue ink that reads "G. A. James".

Geoff James
CFO and Company Secretary
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