

ASX ANNOUNCEMENT

Despatch of Prospectus



STRANDLINE
resources limited

6 March 2020

Non-Renounceable Rights Issue - Despatch of Prospectus and Entitlement and Acceptance Form

Strandline Resources (**ASX: STA**) is pleased to advise that the Prospectus and accompanying Entitlement and Acceptance forms have been despatched to Eligible Shareholders today for the fully underwritten pro rata non-renounceable Rights Issue of one new share for every ten shares held at the record date at a price of \$0.12 per share.

The Rights Issue will raise up to \$4.5 million and is underwritten by Morgans Corporate Limited and sub-underwritten by specialist mining fund Tembo Capital, which currently has a 31.7 per cent stake in Strandline. The proceeds, along with the share placement of \$2 million completed on 4 March 2020, will be used primarily to accelerate preparations for the development of the Coburn Minerals Sands Project in Western Australia.

As previously announced on 26 February 2020, the key dates for the Rights Issue are outlined in the timetable below.

Event	Date
Announcement of Rights Issue and Placement	Wednesday 26 February 2020
Lodgement of Prospectus with ASIC	Wednesday 26 February 2020
Lodgement of Prospectus and Appendix 3B with ASX	Wednesday 26 February 2020
“Ex” date	Monday 2 March 2020
Record date for determining Entitlements (5.00pm WST)	Tuesday 3 March 2020
Prospectus & Notices despatched to Eligible Shareholders/Opening Date and Company announces this has been completed	Friday 6 March 2020
Last day to extend the Closing Date	Friday 13 March 2020
Closing Date	Wednesday 18 March 2020
Deferred settlement trading occurs	Thursday 19 March 2020
Notify ASX of Shortfall	Monday 23 March 2020
Issue Date – deferred settlement trading ends	Wednesday 25 March 2020
Commencement of trading of New Shares	Thursday 26 March 2020

The above timetable is indicative only and is subject to change. The Company reserves the right consistent with the Corporations Act and the ASX Listing Rules to amend this indicative timetable. A notice to eligible and ineligible shareholders have also been sent out (copies of which are attached).

This announcement is authorised for release by Luke Graham, Managing Director and CEO.

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands (**HMS**) developer with a growing portfolio of 100%-owned development assets located in Western Australia and within the world's major zircon and titanium producing corridor in South East Africa.

Strandline's strategy is to develop and operate high margin, expandable mining assets with market differentiation and global relevance.

Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, 'development ready' projects, being the Fungoni Project in Tanzania and the large Coburn Project in Western Australia, as well as a series of titanium dominated exploration targets spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.

Authorised for release by:

Luke Graham

CEO and Managing Director

Strandline Resources Limited

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6 March 2020

Dear Shareholder

Notice to Shareholders of Pro-Rata Non-Renounceable Rights Issue

On 26 February 2020, Strandline Resources Limited (ACN 090 603 642) (**Strandline** or the **Company**) announced that the Company would be conducting a pro-rata non-renounceable rights issue offer of up to 37,282,082 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one 1 New Share for every 10 Shares held at 5.00pm (WST) on 3 March 2020 (**Record Date**) at an issue price of \$0.12 per New Share to raise up to approximately \$4,500,000 (before issue costs) (**Rights Issue**).

The Rights Issue is being made pursuant to a Prospectus which was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 26 February 2020 (**Prospectus**). The Prospectus is available on the Company's and ASX's website.

The Offer is fully underwritten by Morgans Corporate Limited (**Underwriter**) and fully sub-underwritten by Ndovu Capital VII B.V (part of the Tembo Capital mining fund). The Company must pay the Underwriter the fees set out in the Prospectus.

The Rights Issue is open to shareholders who hold Shares as at 5pm (WST) on the Record Date and have a registered address in Australia, New Zealand, Greece, Hong Kong, Singapore, United Kingdom or the Netherlands (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Offer and will be notified by the Company separately (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to subscribe for New Shares under the Rights Issue.

Where fractions arise in the calculation of entitlements, they will be rounded down to the nearest whole number of New Shares. Eligible Shareholders may also apply for additional New Shares in excess of their entitlement on the terms set out in the Prospectus. However, the Company does not represent that Eligible Shareholders who apply for additional New Shares in excess of their entitlement will be allotted all, or any, of such New Shares. Further details of how the Company intends to deal with applications for additional New Shares are set out in the Prospectus.

Any entitlement not taken up pursuant to the Rights Issue will first be available to other Eligible Shareholders to satisfy applications for additional New Shares. Any New Shares still available after that will form part of the shortfall, and the Sub-underwriter will apply for those securities in accordance with the underwriting agreement and the sub-underwriting agreement.

The Company will adhere to the policy stated in the Prospectus with respect to the allocation and issuing of additional New Shares but otherwise reserves the right to allocate additional New Shares to Eligible Shareholders in its absolute discretion.

The New Shares will rank equally with the existing ordinary Shares from the date of issue.

Following completion of the Rights Issue (assuming that all Eligible Shareholders take up their entitlements in full), the Company will have issued up to 37,282,082 New Shares, resulting in total Shares on issue of up to 410,102,903.

The Company currently has 18,938,796 performance rights on issue with various performance hurdles and expiry dates. Those performance rights do not entitle performance right holders to participate in the Rights Issue. The number of performance rights on issue will remain unchanged as a result of the Rights Issue.

The Rights Issue is non-renounceable. This means the entitlement of Eligible Shareholders to subscribe for New Shares is not transferable as set out in the terms of the Prospectus.

No shareholder approval for the Rights Issue is required.

The indicative timetable for the Offer is as follows:

Event	Date
Announcement of Rights Issue	Wednesday 26 February 2020
Lodgement of Prospectus with ASIC	Wednesday 26 February 2020
Lodgement of Prospectus and Appendix 3B with ASX	Wednesday 26 February 2020
"Ex" date	Monday 2 March 2020
Record date for determining Entitlements (5.00pm WST)	Tuesday 3 March 2020
Prospectus despatched to Eligible Shareholders/Opening Date and Company announces this has been completed	Friday 6 March 2020
Last day to extend the Closing Date	Friday 13 March 2020
Closing Date	Wednesday 18 March 2020
Deferred settlement trading occurs	Thursday 19 March 2020
Notify ASX of Shortfall	Monday 23 March 2020
Issue Date – deferred settlement trading ends	Wednesday 25 March 2020
Commencement of trading of New Shares	Thursday 26 March 2020

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.

Before making a decision whether to apply for New Shares, please read the Prospectus carefully in its entirety. The Rights Issue is scheduled to close at 5:00pm (WST) on 18 March 2020.

Should you have any queries please contact the Company Secretary on +61 8 9226 3130.

Yours faithfully,

STRANDLINE RESOURCES LIMITED



Flavio Garofalo
Company Secretary



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ACN 090 603 642

6 March 2020

Dear Shareholder

Notice to Ineligible Shareholders of Pro-Rata Renounceable Rights Issue

On 26 February 2020, Strandline Resources Limited (ACN 090 603 642) (**Strandline** or the **Company**) announced that the Company would be conducting a pro-rata non-renounceable entitlement offer (**Rights Issue**) of up to 37,282,082 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one New Share for every 10 Shares held at 5.00pm (WST) on 3 March 2020 (**Record Date**) at an issue price of \$0.12 per New Share, to raise up to approximately \$4,500,000 (before issue costs) (**Entitlements**).

The Rights Issue is fully underwritten by Morgans Capital Limited (**Morgans**) and fully sub-underwritten by Ndovu Capital VII B.V (part of the Tembo mining fund). The Company will pay an underwriting commission to the Underwriter and the Sub-underwriter.

The Company has sought approval from ASIC to appoint Morgans as nominee for the purposes of section 615 of the Corporations Act 2001 (Cth). Morgans will not be paid a fee in respect of its role as nominee.

The Rights Issue is being made pursuant to a Prospectus which was lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange (**ASX**) on 26 February 2020 (**Prospectus**). The Prospectus is available on the websites of the Company and the ASX.

In accordance with ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act 2001 (Cth), the Company has considered the number of shareholders with registered addresses outside of Australia and New Zealand and the size and value of the shareholdings held by those shareholders. Taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities with respect to offers of securities in foreign jurisdictions, the Company has formed the view that it is unreasonable to extend the Rights Issue to shareholders with registered addresses *outside of* Australia, New Zealand, Greece, Hong Kong, Singapore, United Kingdom and the Netherlands. Shareholders with registered addresses outside of those countries are **Ineligible Shareholders** for the purposes of the Rights Issue.

According to our records you are an Ineligible Shareholder and the Company will not be offering Entitlements to you pursuant to the Rights Offer. The Company will therefore not be sending you a copy of the Prospectus.

You do not have to take any action in relation to the Rights Offer. Should you have any queries please contact the Company Secretary on +61 8 9226 3130.

Yours faithfully,

STRANDLINE RESOURCES LIMITED

Flavio Garofalo
Company Secretary