



STRANDLINE
resources limited

Strandline Resources Limited ABN 32 090 603 642

and its controlled entities

Financial report for the half-year ended 31 December 2015

Corporate directory

Board of Directors

Didier Murcia	Non-Executive Chairman
Tom Eadie	Managing Director
Richard Hill	Non-Executive Director
Asimwe Kabunga	Non-Executive Director

Company Secretary

Geoff James

Registered and Principal Office

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Postal Address

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Website

Website: www.strandline.com.au

Country of Incorporation

Strandline Resources Limited is domiciled
and incorporated in Australia

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
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Home Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

ASX Code: STA

Financial report for the half-year ended 31 December 2015

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Directors' report

The Directors of Strandline Resources Limited ("Strandline" or "the Company") submit the financial report on the Consolidated Entity ("Group") consisting of Strandline Resources Limited and the entities it controlled at the end of, or during, for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Names of Directors

The names of the Directors of the Company during or since the end of the half-year are:

Mr Didier Murcia (appointed 23 October 2014)
 Mr Tom Eadie (appointed 9 October 2015)
 Mr Richard Hill (appointed 23 October 2014)
 Mr Asimwe Kabunga (appointed 18 June 2015)
 Mr Mark Hanlon (appointed 9 October 2015, resigned 1 March 2016)
 Mr Keith M Folwell (resigned 1 March 2016)

Review of operations

Highlights of the Group's activities in the second half of calendar 2015 were as follows:

- **Acquisition of Jacana**

The Company acquired 100% of the shares in Jacana Resources (Tanzania) Limited ("JRT") in an all-scrip transaction. Shareholder approval for the transaction was received at a General Meeting of shareholders held on 10 July 2015 and the transaction was formally completed on 9 October 2015.

JRT's assets included 100% working interests in 16 granted exploration tenements, covering more than 1,700 square kilometres in Tanzania.

The Company issued 461.97 million ordinary shares to JRT's shareholder, Jacana Minerals Limited ("Jacana"). The majority of the shares issued were distributed in-specie to Jacana's shareholders. The consideration payable was valued at \$4.6197 million.

In parallel with completion of the acquisition, the Company commenced a capital raising in the form of a share placement and issued in total 267.6 million shares to sophisticated and professional investors at an issue price of 0.7 cents per share raising \$1.9 million (before costs). The share placement included a 1 for 2 free attaching option, exercisable at 1.5 cents per option on or before 12 October 2018. The final tranche of the capital raising was completed in January 2016.

Following the completion of the acquisition, Messrs Tom Eadie and Mark Hanlon were appointed to the Board. Mr Eadie replaced Mr Hill as Managing Director effective from the 1st of January 2016. Mr Hill remained on the Board as a Non-Executive Director.

- **Tanzanian Heavy Mineral Sands Projects (100%) - Tanzania**

Following the acquisition of Jacana Resources (Tanzania) Limited, the Group completed a maiden aircore drilling programme at the Tanga South Project (Tajiri and Tajiri North Prospects). In addition, a maiden aircore drilling programme was commenced at the Madimba Project and this programme was completed in February 2016. Refer to the ASX announcements dated 17 December 2015 and 9 February 2016 for full details of the exploration results received from these programmes.

- **Coburn Heavy Mineral Sands Project (100%) - Western Australia**

The Group continued to seek a strategic partner to take an interest in the Project and is actively targeting potential investors.

- **Fowlers Bay Gold-Base Metal Project (100%) – South Australia**

Exploration activities, being funded by joint venture partner Western Areas Limited continued over Strandline's 100% owned, 700km² Fowlers Bay Project. Western Areas commenced an RC drilling programme of 25-30 Reverse Circulation holes, targeting specific magnetic features that may represent prospective mafic-ultramafic intrusions. The programme is expected to be completed in the 1st quarter of 2016.

- **Mount Gunson Copper Exploration Project (100%) - South Australia**

The Group announced to the ASX on 15 December 2015 the sale of the Mount Gunson Project to Torrens Mining Limited ("Torrens"). Upon completion of the sale of the Project, Strandline will receive a cash payment of \$200,000 and 4,000,000 ordinary Torrens shares (having a value of a further \$200,000), as well as becoming eligible to receive a further deferred cash payment of \$1 million once Torrens makes a formal decision to mine in connection with the Project. If, prior to a decision to mine, the Project assets become listed on the Australian Securities Exchange (whether via an IPO of Torrens or a sale into a listed vehicle), or the Project assets are otherwise sold to a third party, then \$250,000 of the deferred cash consideration will become payable within 60 days and the remaining amount of the deferred cash consideration will convert to a 2% net smelter royalty (capped at \$1.25M).

The sale of the Project is only conditional upon Strandline receiving Ministerial consent to the transfer of the exploration licences comprising the Project. Strandline estimates that Ministerial consent should be forthcoming during the 1st quarter of 2016.

Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Brendan Cummins, a part-time employee of Strandline. Mr Cummins is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 Cummins consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Results of operations

The Group incurred a loss after tax for the half-year of \$843,972 (2014: \$708,741). The results are comparable with the previous prior half-year.

Financial position of the Company

The Group had \$240,363 in cash at 31 December 2015, comparable to the cash position at 30 June 2015 of \$167,759. The Group's cash reserves benefited from the receipt of \$1.3 million from the issue of shares which were used to fund corporate, exploration and evaluation activities.

The consolidated financial statements have been prepared on the going concern basis as the Directors believe, amongst other things, that they will continue to be successful in securing additional funds through issue of shares, the disposal of assets and/or farm-outs. As in prior years the Group's auditor, BDO Audit (WA) Pty Ltd, has included an emphasis of matter in the review report relating to the going concern basis. This is not a qualification.

The Group has higher current assets at \$309,914 (30 June 2015: \$219,326) reflecting a higher cash balance. Non-current assets at 31 December 2015 were higher at \$15,046,642 (30 June 2015: \$9,829,973), relating to the acquisition and expenditure on mineral sands projects in Tanzania.

Total liabilities were higher at 31 December 2015 at \$377,453 (30 June 2015: \$342,131) reflecting higher levels of expenditure activities in Tanzania.

Net assets increased to \$14,979,103 as at 31 December 2015 (30 June 2015: \$9,707,168) as a result of raising \$1.37 million in equity and the \$4.6 million acquisition of Jacana Resources (Tanzania) Limited.

Subsequent events

On the 11th of January 2016, the Company issued 77,126,786 fully paid ordinary shares and 38,563,393 unquoted options to complete the share placement previously announced to the ASX on 14 October 2015. The shares were issued at a price of 0.7 cents per share. The final tranche of the share placement raised over \$0.5 million, bringing the total amount raised from the share placement to \$1.87 million.

On the 1st of March 2016, Messrs Folwell and Hanlon resigned as Non-Executive Directors and Mr Murcia was appointed as Non-Executive Chairman.

Other than the above, there has not been any matter or circumstance, that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 4 and forms part of the Directors' Report for the half- year ended 31 December 2015.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read 'Tom Eadie', is positioned above the printed name and title.

Tom Eadie

Managing Director

15 March 2016

Perth, Western Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF STRANDLINE RESOURCES LIMITED

As lead auditor for the review of Strandline Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Strandline Resources Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 15 March 2016

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2015

		31 Dec 2015	31 Dec 2014
	Note	\$	\$
Revenue from continuing operations		2,003	10,469
Employee benefits expense		(225,083)	(114,796)
Depreciation and amortisation expense		(14,331)	(4,465)
Share based payment expense	4	(82,190)	(7,513)
Impairment of exploration and evaluation expenditure	2	-	(64,065)
Exploration costs for Coburn Project		(275,453)	-
Administration expenses		(248,918)	(528,370)
Loss before income tax		(843,972)	(708,741)
Income tax benefit		-	-
Loss for the period		(843,972)	(708,741)
Other comprehensive income			
<i>Items that will be re-classified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		65,334	6,417
Other comprehensive income for the period, net of income tax		65,334	6,417
Total comprehensive loss for the period		(778,638)	(702,324)
Loss attributable to:			
Owners of Strandline Resources Limited		(778,638)	(702,324)
Loss per share:			
Basic and Diluted (cents per share)		(0.09)	(0.17)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2015

	Note	31 Dec 2015 \$	30 Jun 2015 \$
Current assets			
Cash and cash equivalents		240,363	167,759
Trade and other receivables		69,551	51,567
Total current assets		309,914	219,326
Non-current assets			
Property, plant and equipment		60,602	4,911
Exploration and evaluation expenditure	2	14,986,040	9,708,344
Other receivable		-	116,718
Total non-current assets		15,046,642	9,829,973
Total assets		15,356,556	10,049,299
Current liabilities			
Trade and other payables		327,368	278,652
Provisions		50,085	63,479
Total current liabilities		377,453	342,131
Total liabilities		377,453	342,131
Net assets		14,979,103	9,707,168
Equity			
Contributed equity	3	52,323,276	46,344,073
Reserves	4	2,215,750	2,079,046
Accumulated losses		(39,559,923)	(38,715,951)
Total equity		14,979,103	9,707,168

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the half-year ended 31 December 2015

	Issued Capital	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2015	46,344,073	1,683,623	395,423	(38,715,951)	9,707,168
Comprehensive income for the year					
Loss for the period	-	-	-	(843,972)	(843,972)
Foreign currency translation difference for foreign operation	-	-	65,334	-	65,334
Total comprehensive loss for the half-year	-	-	65,334	(843,972)	(778,638)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	6,059,316	-	-	-	6,059,316
Share issue costs	(80,113)	-	-	-	(80,113)
Recognition of share-based payments	-	82,190	-	-	82,190
Performance rights vested into shares	-	(10,820)	-	-	(10,820)
Balance at 31 December 2015	52,323,276	1,754,993	460,757	(39,559,923)	14,979,103
Balance at 1 July 2014	41,676,538	1,604,553	-	(16,774,269)	26,506,822
Comprehensive income for the year					
Loss for the period	-	-	-	(708,741)	(708,741)
Foreign currency translation difference for foreign operation	-	-	6,417	-	6,417
Total comprehensive loss for the half-year	-	-	6,417	(708,741)	(702,324)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	4,877,000	-	-	-	4,877,000
Share issue costs	(348,529)	-	-	-	(348,529)
Recognition of share-based payments	-	75,292	-	-	75,292
Balance at 31 December 2014	46,205,009	1,679,845	6,417	(17,483,010)	30,408,261

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows for the half-year ended 31 December 2015

	31 Dec 2015 \$	31 Dec 2014 \$
Cash flows from operating activities		
Payments for exploration and evaluation	(309,973)	-
Payments to suppliers and employees	(387,609)	(643,894)
Interest received	2,003	11,942
Interest paid	-	-
Net cash used in operating activities	(695,579)	(631,952)
Cash flows from investing activities		
Payments for exploration and evaluation	(815,196)	(741,121)
Cash acquired from acquisition of subsidiary	15,123	2,201
Advance of loan funds from Jacana Minerals Limited prior to completion of acquisition of Jacana Resources (Tanzania) Limited	250,000	-
Research and development tax refund received	19,744	-
Payments for property, plant and equipment	(961)	-
Net cash (used in)/provided by investing activities	(531,290)	(738,920)
Cash flows from financing activities		
Proceeds from issues of shares	1,320,086	2,319,000
Payment for share issue costs	(20,613)	(280,750)
Net cash (used in)/provided by financing activities	1,299,473	2,038,250
Net (decrease)/ increase in cash and cash equivalents	72,604	667,378
Cash and cash equivalents at the beginning of the period	167,759	557,021
Cash and cash equivalents at the end of the period	240,363	1,224,399

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements for the half-year ended 31 December 2015

1. Significant Accounting Policies

(a) Reporting Entity

Strandline Resources Limited is a company domiciled in Australia. These consolidated half-year financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration and development of heavy mineral sands resources.

(b) Statement of compliance

The consolidated half-year financial statements are a general purpose financial statement prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Strandline Resources Limited during the half-year period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the Directors on 15 March 2016.

(c) Basis of preparation

The consolidated financial statements have been prepared on the basis of the historical cost convention, except for the revaluation of financial assets and liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2015. These accounting policies comply with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies, aside from additional presentation requirements.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(e) Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2015.

(f) Exploration and evaluation expenditure

The Group allocates exploration and evaluation expenditure on an area of interest method. From 1 July 2015 the Group changed its accounting policy prospectively in regards to the area of interest for the Coburn Heavy Mineral Sands Project. A valuation was undertaken on the Coburn Heavy Mineral Sands Project that resulted

in the asset being written down to \$6,000,000 at 30 June 2015. From 1 July 2015 the Group no longer capitalises exploration and evaluation expenditure on this project. This decision has been made to enhance the alignment of the treatment for the Coburn Heavy Mineral Sands Project with the IFRS framework to provide more relevant and reliable information. Further to this the Group is no longer undertaking further exploration on the Mt Gunson Copper Project and all costs associated with this project have been expensed. There has been no other change to the accounting policy.

(g) Going concern

As at 31 December 2015, the Group had negative working capital of \$67,539 (current assets less current liabilities) and had cash on hand of \$240,363.

The Group also has exploration expenditure commitments. The operating commitments of the Group will require further funding in the next twelve months.

The Group has recently met its working capital commitments by successfully issuing additional shares in January 2016 and raising over \$0.5 million (before costs). The Group has announced the sale of the Mount Gunson Copper Project upon which it will receive consideration in the form of cash and shares. An initial cash payment of \$0.2 million is due to be paid upon the Group receiving Ministerial consent to the transfer of the exploration licences comprising the Project. The Group estimates that Ministerial consent should be forthcoming during the first quarter of 2016. In addition, the board of Strandline has deferred paying Directors' salaries and fees to assist the Group to meet its working capital commitments until further funding is secured.

The Directors have assessed the possible outcomes for the Group for the next twelve months and have reasonable grounds to believe the Group will continue to operate as a going concern by raising further funds as required. This view is based upon the Group's ability to continue to manage its working capital and the Group's ability in the past to raise capital as required.

However, there are a number of inherent uncertainties about the achievement of the Group's future plans including but not limited to:

- finalisation of a strategic partner for the Coburn Heavy Mineral Sands Project;
- farm out or divestment of other projects;
- managing the Company's working capital requirements;
- raising additional funds via debt or equity as and when required; and
- instability in the debt and equity markets.

Should the Group not be able to manage the inherent uncertainties referred to above, including sourcing additional working capital as and when required, there would be material uncertainty which may cast significant doubt as to whether the Group would be able to meet its debts as and when they fall due and thus continue as a going concern. The Directors have reasonable grounds to believe that they will be able to complete any required future fund raising.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

2. Exploration and Evaluation Expenditure

	31 Dec 2015	30 Jun 2015
	\$	\$
Brought forward exploration and evaluation expenditure	9,708,344	26,311,147
Capitalised during the period	466,187	1,271,346
Acquisition of Tanzanian tenements	4,766,300	2,776,645
Research and development tax offset	-	(377,715)
Foreign exchange movement	45,209	391,619
Impairment of exploration and evaluation expenditure (i)	-	(20,664,698)
Carried forward exploration and evaluation expenditure	14,986,040	9,708,344

The carrying value of exploration and evaluation expenditure as at 31 December 2015 for the Coburn Heavy Mineral Sands Project was \$6,000,000 which is based upon an independent technical valuation dated 30 April 2015. The Company continues to seek a suitable strategic partner who will take a significant equity interest in the Coburn Project and may also be able to assist the Company in obtaining debt and equity financing.

(i) An impairment of \$nil relating to the Coburn and Mount Gunson Copper Projects has been recognised for the half year ended 31 December 2015 (30 June 2015: \$20,664,698).

3. Issued Capital

Fully paid ordinary shares

Issued capital as at 31 December 2015 amounted to \$52,323,276 (1,295,690,577 fully paid ordinary shares).

Fully paid ordinary shares	31 December 2015		30 June 2015	
	Number of shares	\$	Number of shares	\$
Balance at beginning of period	628,526,794	46,344,073	291,551,793	41,676,538
Acquisition of Jacana Resources (Tanzania) Limited, shares issued at 1.0 cent per share on 9 October 2015	461,974,721	4,619,747	-	-
Share issue at 0.7 cents per share for payment of corporate services rendered on 9 October 2015	8,500,000	59,500	-	-
Share issue at 0.7 cents per share on 9 October 2015 as part of a share placement	105,671,460	739,700	-	-
Share issue at 0.7 cents per share on 20 October 2015 as part of a share placement	40,507,010	283,549	-	-
Share issue at 0.7 cents per share on 23 December 2015 as part of a share placement	49,428,592	346,000	-	-
Share issue at 1.0 cent per share upon vesting of performance rights on 23 December 2015	1,082,000	10,820	-	-
Share issue at 2.4 cents per share on 19 August 2014	-	-	2,000,000	48,000
Acquisition of Strandline Resources Pty Ltd, shares issued at 1.5 cents per share on 23 October 2014	-	-	166,666,667	2,500,000
Share placement issued at 1.5 cents per share on 24 October 2014	-	-	146,666,668	2,200,000
Share purchase plan at 1.5 cents per share on 27 November 2014	-	-	8,600,000	129,000

Share issue at 1.0 cent per share on 21 January 2015	-	-	7,000,000	70,000
Share purchase plan shortfall issue at 1.5 cents per share on 29 January 2015	-	-	2,375,000	35,625
Share issue at 1.0 cent per share on 25 March 2015	-	-	3,666,666	36,666
Share issue costs	-	(80,113)	-	(351,756)
Balance at the end of period	1,295,690,577	52,323,276	628,526,794	46,344,073

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Share options and performance rights on issue

Share options and performance rights issued by the Company carry no rights to dividends and no voting rights.

As at 31 December 2015, the Company had 107,803,531 share options on issue (30 June 2015: 12,500,000) exercisable on a 1:1 basis for 107,803,531 shares (30 June 2015: 12,500,000) at various exercise prices. During the period 97,803,531 options were granted (30 June 2015: 10,000,000), no options were converted into shares (30 June 2015: nil) and 2,500,000 options expired (30 June 2015: 5,600,000).

As at 31 December 2015, the Company had 18,088,000 performance rights on issue (30 June 2015: 12,370,000) exercisable on a 1:1 basis for 18,088,000 shares (30 June 2015: 12,370,000). During the period 6,800,000 performance rights were granted (30 June 2015: 12,370,000) and 1,082,000 performance rights were converted into shares (2014: nil). The Company has made an assessment that it is probable the performance conditions will be met for the performance rights on issue.

The options granted during the half year were free-attaching options as part of a share placement. The options were issued on a 1 for 2 basis with an exercise price of \$0.015 per option. The expiry date of the options is 12 October 2018.

The performance rights granted during the half year were issued to Mr Richard Hill, a director of the Company. The performance rights will only vest if the performance conditions are satisfied before the expiry date. The fair value of the performance rights is \$0.01 per right.

The key terms and conditions of the performance rights issued to Mr Hill are as follows:

Tranche	Performance Condition	Service Period Start Date	Expiry Date	Number of Rights
Tranche 1:	VWAP remaining at or above \$0.025 per share for a period of at least 20 trading days	5/05/2015	30/06/2016	680,000
Tranche 2:	VWAP remaining at or above \$0.04 per share for a period of at least 20 trading days	5/05/2015	30/06/2016	680,000
Tranche 3:	Announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM in relation to any existing or new projects of the Company	5/05/2015	30/06/2016	1,360,000
Tranche 4:	Announcement of a JORC Inferred Mineral Resource >100Mt of >3%HM in relation to any existing or new projects of the Company	5/05/2015	31/12/2016	1,020,000
Tranche 5:	Announcement of a JORC Inferred Mineral Resource >150Mt of >3%HM in relation to any existing or new projects of the Company or announcement of a JORC Inferred Mineral Resource >50Mt of >3%HM for a second project	5/05/2015	31/12/2016	680,000
Tranche 6:	Completion of a scoping or pre-feasibility study on a project with a positive economic outcome, resulting in the Board making a decision to move	5/05/2015	31/12/2016	1,020,000

	to a full feasibility study			
Tranche 7:	Introduction and securing of a new project that becomes a priority project for the Company and is likely to add significant value to the market capitalisation of the Company	5/05/2015	31/12/2016	680,000
Tranche 8:	Completion of a material transaction or transactions that lead to financing of the expected capital development cost of any existing or new project of the Company or the divestment of a project to an external third party or parties (not associated with the Company) as approved by the Board	5/05/2015	30/06/2017	680,000
TOTAL				6,800,000

Tranche 7 of the performance rights issued to Mr Hill vested into shares during the half year.

4. Reserves

Share-Based Payments Reserve

Balance at beginning of period

Recognition of share-based payments (i)

Performance rights vested into shares

Balance at end of period

31 Dec 2015	30 Jun 2015
\$	\$
1,683,623	1,604,553
82,190	79,070
(10,820)	-
1,754,993	1,683,623

Foreign Currency Translation Reserve

Balance at beginning of period

Foreign currency translation difference for foreign operation

Balance at end of period

31 Dec 2015	30 Jun 2015
\$	\$
395,423	-
65,334	395,423
460,757	395,423

The share-based payments reserve arises on the grant of share options and performance rights to executives, employees, consultants and advisors. Amounts are transferred out of the reserve and into issued capital when the options and performance rights are exercised.

(i) Total expenses arising from share-based payment transactions recognised during the half-year ended 31 December 2015 as part of employee benefit expense was \$82,190 (30 June 2015: \$11,290).

5. Segment Information

The Group operates in one business segment, namely the mineral exploration industry. AASB 8 '*Operating Segments*' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. Strandline Resources Limited has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income.

The Group has exploration and evaluation assets in Australia and Tanzania and geographical segment information is shown below:

Geographical Segment Information	31 Dec 2015 Revenue \$	31 Dec 2015 Non-Current Assets \$	31 December 2014 Revenue \$	30 June 2015 Non-Current Assets \$
Australia	-	6,005,080	-	6,004,911
Tanzania	-	9,041,562	-	3,825,062
Total	-	15,046,642	-	9,829,973

6. Fair Value Measurement of Financial Instruments

(a) Fair value of financial instruments

The fair value of the Group's financial assets and financial liabilities as at 31 December 2015 approximates their carrying amounts.

(b) Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of three levels.

During the half year ended 31 December 2015, the Group had no financial assets or financial liabilities recognised at fair value, and as a consequence the fair value hierarchy is not applicable.

7. Contingencies and Commitments

There has been no significant change in commitments and contingent liabilities since the last annual report, please refer to the 30 June 2015 annual financial report.

8. Related Party Transactions

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2015 annual financial report.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share-based payments.

There were several changes to key management personnel during or since the end of the half-year. In regards to Directors, the following changes have occurred:

Mr Tom Eadie (appointed as a Non-Executive Director on 9 October 2015 and appointed as Managing Director on 1 January 2016)

Mr Mark Hanlon (appointed 9 October 2015, resigned 1 March 2016)

Mr Keith M Folwell (resigned 1 March 2016)

Mr Murcia, Non-Executive Chairman, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling \$121,205 were paid to Murcia Pestell Hillard for work completed on the acquisition of Jacana Resources (Tanzania) Limited.

9. Dividends

No dividends were paid or declared for the half-year ended 31 December 2015 and the Directors have not recommended the payment of a dividend.

10. Asset Acquisition

On 9 October 2015, the Company acquired 100% of the shares in Jacana Resources (Tanzania) Limited ("JRT") in an all-scrip transaction. The Company issued 461.97 million ordinary shares to JRT shareholders. With a deemed price of 1.0 cent for each share issued based on the fair value of the asset, the consideration payable was \$4.6 million. Acquisition costs of \$230,588 were also incurred resulting in total costs of \$4,850,335.

Details of the fair value of the assets acquired as at 9 October 2015 (in Australian dollars) as at the date of purchase are as follows:

	9 October 2015 \$
<i>Purchase Consideration</i>	
Shares issued	4,619,747
Acquisition costs	230,588
Total	<u>4,850,335</u>
<i>Net Assets Acquired</i>	
Cash	15,123
Property, plant and equipment	68,912
Deferred exploration and evaluation expenditure	4,766,300
Total	<u>4,850,335</u>

11. Subsequent Events

On the 11th of January 2016, the Company issued 77,126,786 fully paid ordinary shares and 38,563,393 unquoted options to complete the share placement previously announced to the ASX on 14 October 2015. The shares were issued at a price of 0.7 cents per share. The final tranche of the share placement raised over \$0.5 million, bringing the total amount raised from the share placement to \$1.87 million.

On the 1st of March 2016, Messrs Folwell and Hanlon resigned as Non-Executive Directors and Mr Murcia was appointed as Non-Executive Chairman.

Apart from this matter, there has not been any matter or circumstance, that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

In the Directors' opinion:

- (a) the consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Tom Eadie
Managing Director
15 March 2016
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strandline Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strandline Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strandline Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Strandline Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Strandline Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(g) in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding. This condition, along with the other matters as set out in Note 1(g), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 15 March 2016