

ASX ANNOUNCEMENT

22 January 2015



STRANDLINE
resources limited

ABN 32 090 603 642

Company Facts

Strandline Resources (ASX: STA) - Exposure to major 'construction ready' Coburn Heavy Mineral Sands Project in Western Australia and emerging country-wide exploration play in Tanzania, within a major mineral sands producing corridor

Key projects:

- Coburn Heavy Mineral Sands Project, WA (100%)
- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Mt Gunson Copper Exploration Project, SA (100%)
- Mt Gunson MG14/Windabout Copper-Cobalt-Silver Development Project, SA (100%)
- Fowlers Bay Nickel Project, SA (100%) – Western Areas Earning In

Corporate Structure

Shares on issue 615.5m
Unlisted Options 15.6m

Company Directors

Michael Folwell

Non-Executive Chairman

Richard Hill

Managing Director

Bill Bloking

Non-Executive Director

Didier Murcia

Non-Executive Director

Investor Enquiries

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WESTERN AREAS COMPLETES SUCCESSFUL MAGNETIC SURVEY AT FOWLERS BAY GOLD- BASE METAL JOINT VENTURE

Highlights

- Detailed magnetic survey identifies numerous features likely to represent large mafic – ultramafic intrusions
- Major drilling campaign of key targets to commence mid 2015
- 'First mover' play in a region prospective for large multi-commodity deposits including mafic-ultramafic hosted nickel-copper-PGE's, (e.g. Nova/Bollinger), iron oxide copper gold (IOCG), (e.g. Olympic Dam), and Proterozoic gold deposits (e.g. Tropicana)
- Under the JV, Strandline is free carried for up to \$1.2M of expenditure

Strandline Resources Limited ("Strandline") is pleased to advise that Western Areas Limited (ASX: WSA "Western Areas") has recently completed a detailed magnetic survey over Strandline's 100% owned, 700km² Fowlers Bay Project. This survey represents the first stage of Western Areas' earn in to Fowlers Bay, a key part of a major exploration push in the Western Gawler region of South Australia.

Western Areas has indicated preliminary interpretation of the survey data is extremely encouraging and the high resolution images have highlighted numerous features likely to represent large mafic-ultramafic intrusions, in areas of known gabbroic rocks that are being targeted by the joint venture (see Figure 2).

The data is being further analysed to prioritise targets for a major drill program scheduled for mid-2015, subject to access approvals.

Commenting on the magnetic survey, Strandlines' Managing Director, Richard Hill, said, "This is an exciting start to our joint venture with Western Areas and highlights the major untested potential of the region. We look forward to ongoing exploration and, in particular, drill results throughout the 2015 campaign".

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The airborne magnetic survey comprised a total of 57,477 line kilometres across the region incorporating the Fowlers Bay Project and was designed to enhance the resolution of the existing government magnetic dataset and form the basis of a detailed geological interpretation to be integrated with the historical drilling database.

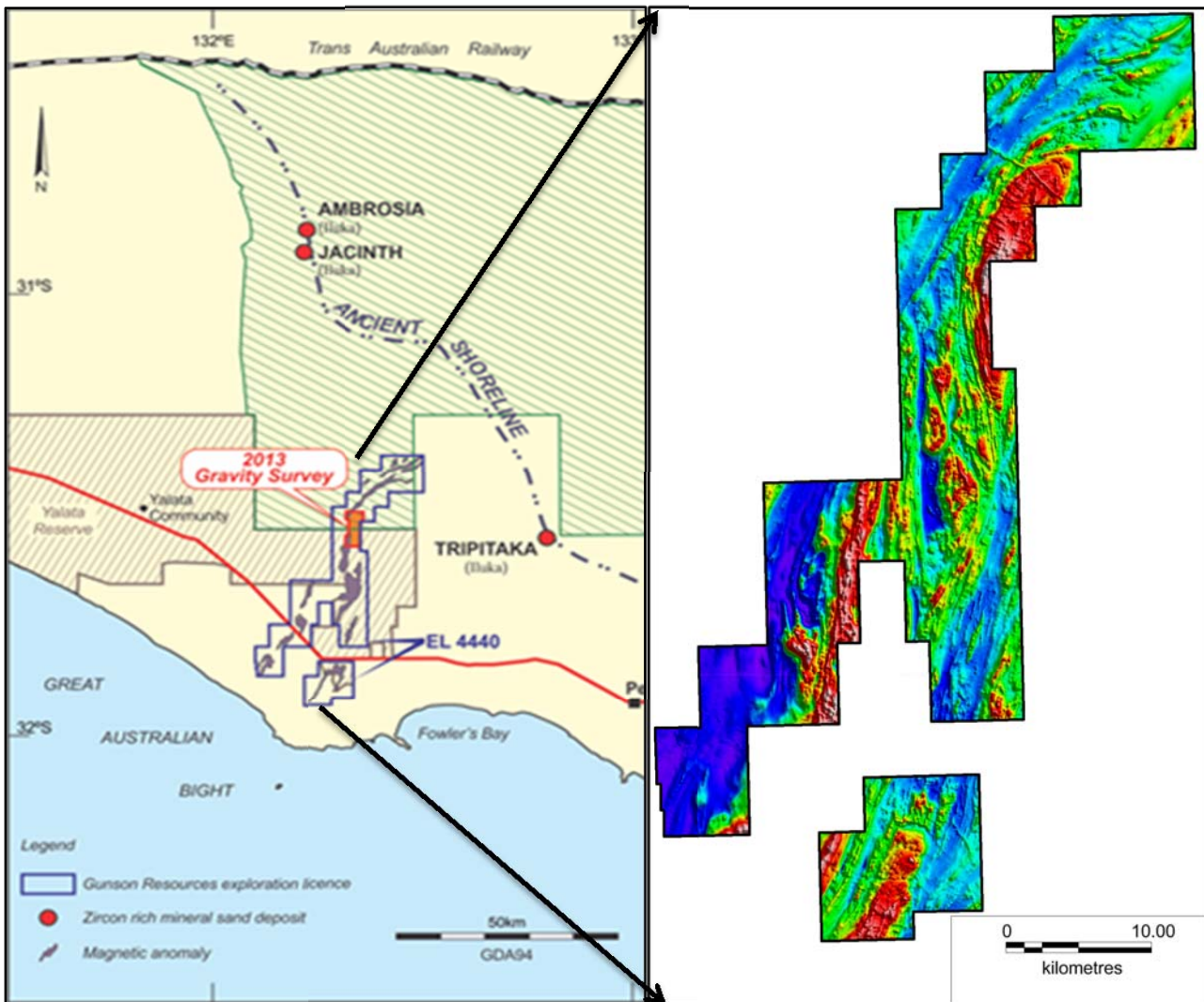


Figure 1. Location of Fowlers Bay Project, South Australia

Figure 2. Detailed magnetic image of Fowlers Bay Project showing strongly magnetic features (red) interpreted to represent large ultramafic intrusions

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The upcoming drill program will be designed to characterise the basement lithology, and to provide a project wide geochemical and geochronological dataset. Additionally, further airborne and surface geophysics will be used in selected areas to provide information on the effectiveness of the various geophysical methods for imaging the covered basement.

As part of the project planning, Western Areas has been closely engaging with the Yalata Group, Aboriginal Land Council (ALT) and Far West Coast (FWC) claimants.

Background to Fowlers Bay Project and Joint Venture

The Fowlers Bay Project comprises a 700 km² exploration licence located approximately 150km west of Ceduna in the Western Gawler region of South Australia, close to existing infrastructure including road and port (see Figure 1).

The tenement package covers an interpreted prospective craton margin containing deep seated structures, with a complex and long lived structural and Proterozoic intrusive history. The area is tectonically related to the Albany-Fraser (Nova/Bollinger) and Musgrave Orogens (Nebo/Babel and Succoth) and has the potential to host mafic-ultramafic intrusive related deposits (such as Eagle, Voisey's Bay, and Tamarack). These styles of deposits are typically large and multi-commodity (nickel, copper and +/-PGEs).

In late 2013, Strandline (formerly Gunson Resources Ltd) completed a gravity survey over a rectangular target area approximately 9km long by 3.5km wide. The results showed good correlation with a north-south trending magnetic zone defined by an earlier aeromagnetic survey. The gravity data suggests that the magnetic zone is comprised of mafic and possibly ultramafic rocks that may contain base metal sulphides.

In early October 2014 Strandline announced that Western Areas had agreed to earn in to the Fowlers Bay Project as a priority target area for their Western Gawler regional exploration strategy. Under the joint venture Western Areas will sole fund up to \$1.2 million of exploration (see ASX Announcement 9 October 2014).

About Western Areas Limited

Western Areas is an ASX 200 listed company and Australia's second largest nickel sulphide producer, with high grade nickel production assets in Australia and base metals exploration projects across Australia, Canada and Finland. Western Areas was built upon the successful discovery of two of the highest grade nickel ore bodies in the world located at Forrestania, Western Australia. The Company has a committed strategy to growth which includes both significant re-investment in exploration at Forrestania and also continued regional exploration programs outside Forrestania and pre-development projects in the base metals space in stable jurisdictions.

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COMPETENT PERSON STATEMENT

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Brendan Cummins, a part-time employee of Strandline. Mr Cummins is a Member of the Australian Institute of Geoscientists 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 release of the matters based on the information in the form and context in which it appears.