

ASX ANNOUNCEMENT

29 September 2015



STRANDLINE
resources limited

ABN 32 090 603 642

WESTERN AREAS TO COMMENCE DRILLING AT FOWLERS BAY NICKEL JOINT VENTURE

Company Facts

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

Key projects:

- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Coburn Heavy Mineral Sands Project, WA (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	628.5m
Unlisted Options	12.5m
Performance Rights	19.2m

Company Directors

Michael Folwell

Non-Executive Chairman

Richard Hill

Managing Director

Didier Murcia

Non-Executive Director

Asimwe Kabunga

Non-Executive Director

Investor Enquiries

Andrew Rowell

Cannings Purple

E: arowell@canningspurple.com.au

T: + 61 8 6314 6300

Highlights

- Reverse Circulation drill programme set to commence in next few weeks as part of major regional exploration push;
- A series of priority geophysical and geological targets across Strandline's JV ground (Fowlers Bay Project) to be tested;
- 'First mover' play in a Belt identified as having geological affinity to the Albany-Fraser Belt;
- Prospective for large multi-commodity deposits including nickel-copper-PGE's (e.g. Nova/Bollinger);
- Recently completed drilling by Western Areas on adjacent ground reinforcing the prospectivity for nickel and copper sulphide mineralisation along the Belt;
- Tenure over prospective Belt now tightly held; and
- Under the JV, Strandline is free carried for up to \$1.2M of expenditure.

Strandline Resources Limited ("Strandline") is pleased to announce that drilling of a series of nickel and copper targets at its 700km² Fowlers Bay Project (Figure 1) by joint venture partner, Western Areas Limited (ASX: WSA)("Western Areas") is set to commence in the next few weeks. This will follow on from a successful 65 drill hole (5,789m) programme recently completed on neighbouring ground immediately to the north and will continue through the December Quarter.

Commenting on the programme, Strandline's Managing Director, Richard Hill, said, ***"This major drilling campaign is another exciting step in our partnership with Western Areas to target the previously untested Western Gawler belt of mafic-ultramafic intrusives. This is particularly exciting given their recent drilling to the north, which is reinforcing the view that these rocks are prospective for nickel and copper sulphide mineralisation."***

"Interestingly, the tenement position of the prospective West Gawler Belt is now tightly held by active, well-funded explorers with Iluka Resources also actively drilling base metal and gold targets in the northern portion of the Belt."

ASX ANNOUNCEMENT

29 September 2015



STRANDLINE
resources limited

ABN 32 090 603 642

This reverse circulation (RC) drill programme follows up a detailed magnetic survey completed over the Project area by Western Areas earlier this year (Figure 2; see WSA March Quarterly, 15 April 2015). Interpretation of the magnetic data, combined with a detailed review of the historical core and previous exploration activity has **revealed numerous features that are indicative of mafic/ultramafic intrusions, many of which are clustered in potential 'camps'**. These features have been ranked and prioritised based on a number of key criteria and will be tested in the upcoming drilling program.

As announced by Western Areas today, the drilling on Strandline's joint venture ground will follow on from a recently completed 65 hole (5,789m) RC drilling programme designed to test prospective mafic-ultramafic intrusive targets along the Belt to the immediate north (See WSA announcement dated 29 September 2015). Initial positive indications of potential for nickel and copper sulphide mineralisation is strong encouragement for the potential of targets on the Strandline ground.

In today's announcement by Western Areas, their Managing Director, Mr Dan Lougher commented that while it is early days, the drilling program is reinforcing the view that this area is thought to be prospective for nickel and copper sulphide mineralisation. This area may eventually prove to be equivalent to the Fraser Range or Musgraves areas in Western Australia.

"Our initial drilling results are providing early indications that our focus area selection and targeting assumptions are well justified. We've highlighted a number of prospective areas and rock types which we will continue to drill and review in a diligent and disciplined manner.

"The success to date highlights that the Western Gawler region in South Australia will continue to be an important part of our medium to long term growth pipeline...." said Mr Lougher.

It is anticipated that drilling activities on Strandline's joint venture ground will continue through the December quarter. Any positive results will be followed up with further drilling and geophysics.

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. These styles of deposits are typically large and multi-commodity (nickel, copper and +/-PGEs).

On 9 October 2014, Strandline announced a Joint Venture with Western Areas, whereby WSA is to earn in to the Fowlers Bay Project as a priority target area for its **Western Gawler** regional exploration strategy. Under the Joint Venture, Western Areas will sole fund up to \$1.2 million of exploration to earn up to 90%.

ASX ANNOUNCEMENT

29 September 2015



STRANDLINE
resources limited

ABN 32 090 603 642

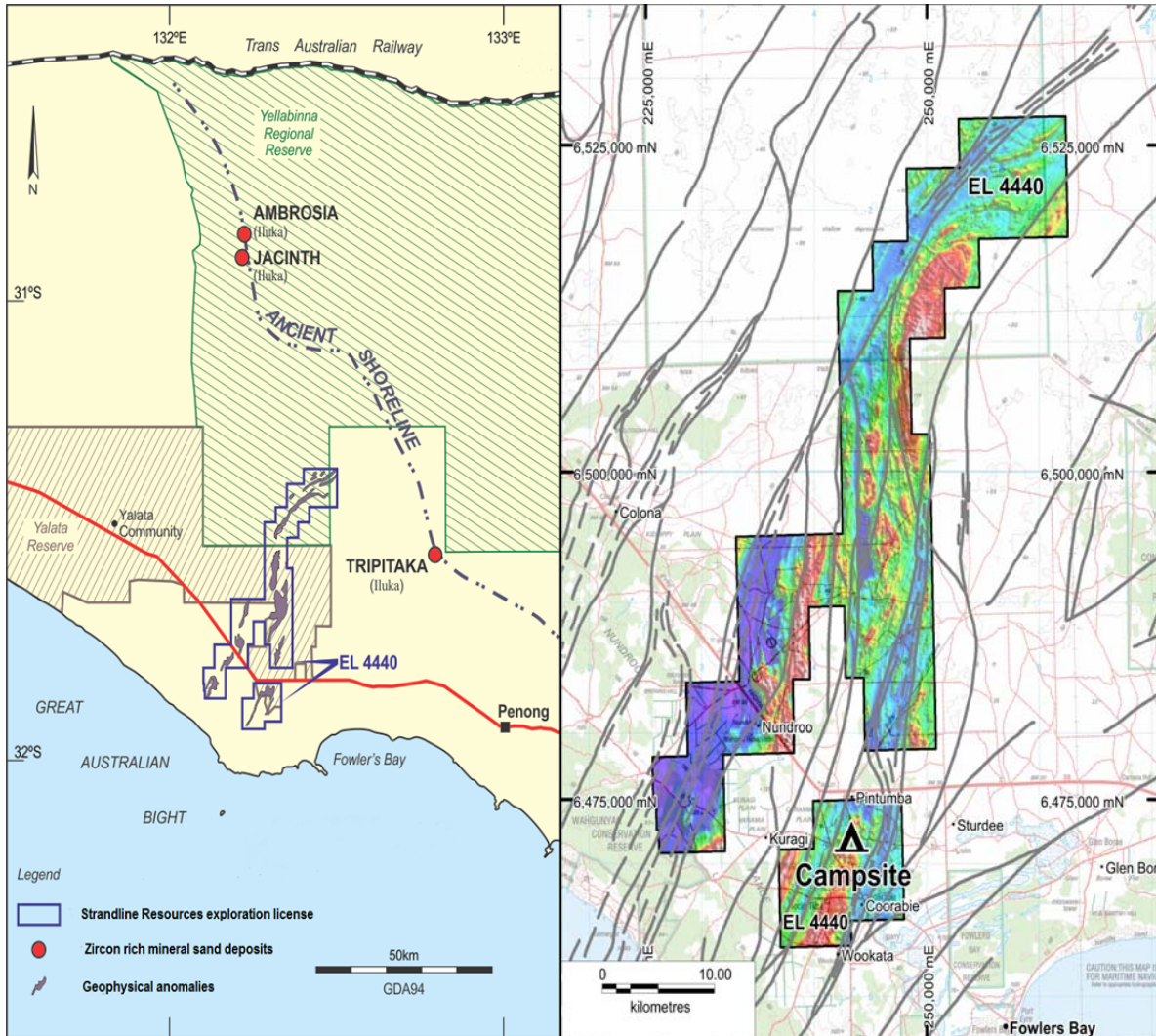


Figure 1. Location of Fowlers Bay Project, South Australia

Figure 2. Detailed magnetic image of Fowlers Bay Project showing strongly magnetic features (red) interpreted to represent large ultramafic-mafic intrusions and structural discontinuities prospective nickel and copper sulphide mineralisation.

ASX ANNOUNCEMENT

29 September 2015



STRANDLINE
resources limited

ABN 32 090 603 642

About Western Areas Limited

Western Areas is an ASX200 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 of 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.

For further enquiries, please contact:

Richard Hill

Managing Director
Strandline Resources Limited
T: +61 8 9226 3130
E: enquiries@strandline.com.au
Website: www.strandline.com.au

Media: Andrew Rowell

Cannings Purple
T: + 61 8 6314 6300
E: arowell@canningspurple.com.au