

ASX ANNOUNCEMENT

15 December 2015



STRANDLINE
resources limited
ABN 32 090 603 642

Company Facts

Strandline Resources (ASX: STA) – Rapidly emerging country-wide mineral sands play in Tanzania, within one of the world’s major producing corridors

Key projects:

- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Coburn Heavy Mineral Sands Project, WA (100%)
- Fowlers Bay Base Metal-Gold Project, SA (100%) – Western Areas Earning In

Company Directors

Michael Folwell
Non-Executive Chairman

Richard Hill
Managing Director

Didier Murcia
Non-Executive Director

Asimwe Kabunga
Non-Executive Director

Tom Eadie
Non-Executive Director

Mark Hanlon
Non-Executive Director

Investor Enquiries

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SALE OF MT GUNSON PROJECT

Highlights

- Strandline has accepted a Binding Offer to sell the Mt Gunson Copper Project in South Australia to Torrens Mining Limited (“Torrens”);
- The transaction delivers to Strandline:
 - Cash Consideration of up to \$1,200,000 (\$1,000,000 deferred); and
 - 4,000,000 Ordinary shares in Torrens leaving Strandline with a significant retained interest in the Project;
- The transaction also has the benefit of allowing a specialist management team to focus on the Mt Gunson Project; and
- Strandline will use the cash consideration received from the sale to fund ongoing exploration and development activities in Tanzania.

Tanzanian-focussed mineral sands explorer, Strandline Resources Limited (“Strandline” or “Company”) is pleased to announce that it has entered into binding arrangements to sell its 100% interest in the Mt Gunson Copper Project (“Project”) to Torrens Mining Limited (“Torrens”).

Torrens is a privately-funded unlisted entity, which is currently earning a 51% interest in the *MG14* and *Windabout* copper-cobalt-silver deposits located within the Mt Gunson Project. Torrens is managed by experienced mining specialists. As announced by the Company over the past 18 months, Torrens through its ‘game changing’ metallurgical and mining studies, has demonstrated the potential for significantly improved economics on the Mt Gunson deposits.

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The Mt Gunson Project comprises exploration licences 5636, 5108, 5333 (the Licences), which include the *MG14* and *Windabout* copper-cobalt deposits as well as several regional exploration prospects (see Figures 1 & 2).

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 \$1,000,000 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 satisfactory legal due diligence by Torrens (to be conducted over the next 5 business days) and Strandline receiving Ministerial consent to the transfer of the Licences within 3 months from the South Australian Minister for State Development. Strandline estimates that Ministerial consent should be forthcoming by February 2016.

Commenting on the sale, Strandline's Managing Director, Richard Hill, said, *"Pleasingly, this agreement delivers some upfront cash on completion and allows our management team to focus on our core business of advancing our highly prized Tanzanian mineral sands assets, while retaining exposure to the emerging Mt Gunson copper-cobalt production story. Torrens has the demonstrated expertise and commitment to advance the significant work they have already undertaken on the project to production status and we look forward to following and benefitting from their progress."*

For further enquiries, please contact:

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Managing Director

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For Torrens Mining enquiries, please contact:

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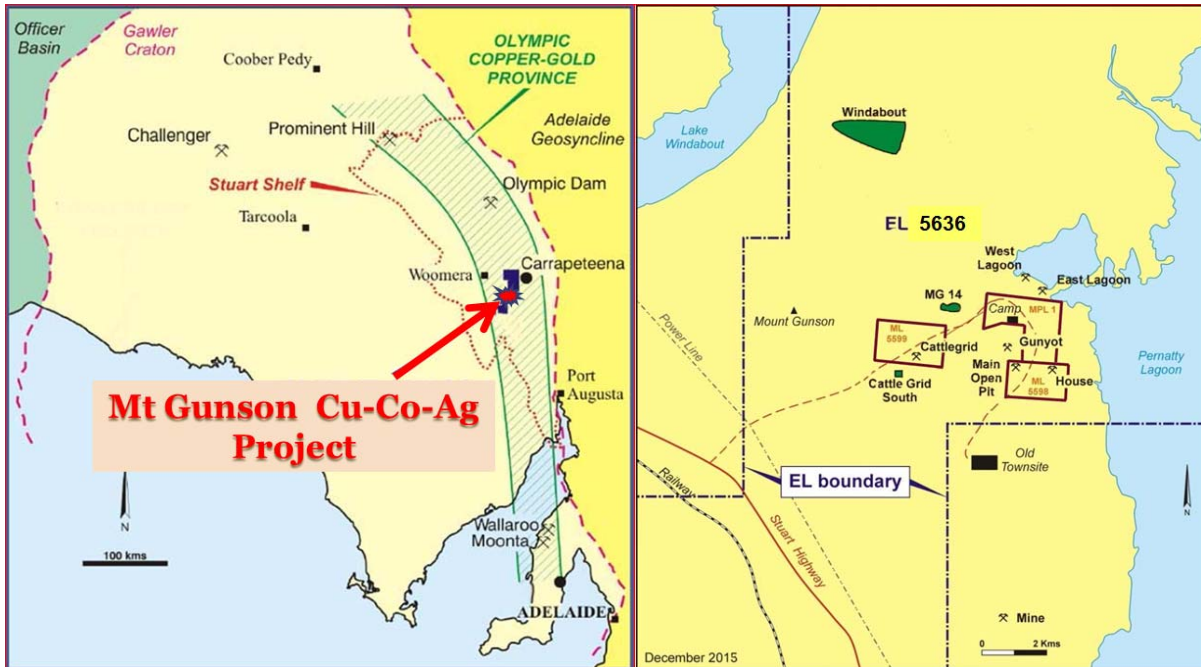


Figure 1: Location of Mt Gunson Copper Project, Sth Australia

Figure 2: Location of Windabout and MG14 deposits