

ASX ANNOUNCEMENT

21 March 2017



STRANDLINE
resources limited

MOUNT GUNSON COPPER-COBALT PROJECT

Strandline Resources Limited (Strandline or the Company) (ASX: STA) refers to the announcement made by Gindalbie Metals Ltd (Gindalbie) on 17 March 2017 whereby Gindalbie informed the market that Terrace Mining Pty Ltd (Terrace), a wholly owned subsidiary of Torrens Mining Ltd (Torrens) has executed a farm-in and joint venture agreement with Gindalbie for the Mount Gunson Copper-Cobalt Project, located 135km north of Port Augusta in South Australia (Project) (the Farm-out). Gindalbie's ASX announcement can be accessed on their website http://www.gindalbie.com.au/investor_media_centre/asx_announcements.phtml

Strandline is a substantial shareholder in Torrens (8.6%) following the sale of the Project to Torrens in 2016 (the Contract). Pursuant to the Contract, Strandline is eligible to receive a deferred cash payment of \$1,000,000 once a formal decision to mine in connection with the Project is made. 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).

In accordance with the Contract, Strandline has been requested to consent to the Farm-out. Provided Strandline's interests under the Contract are protected and all conditions of the Contract are met, including Gindalbie entering into a deed of assumption and assignment in favour of Strandline, the Company sees no reason why it would not consent to the Farm-out.

Strandline's Managing Director Luke Graham commented – "We are pleased to see progress on the Project. Strandline is a major shareholder in Torrens, following the sale of the Mount Gunson Project to Torrens in 2016, and we look forward to continued progress through to a potential decision to mine the copper-cobalt mineral assets in time."

For further enquiries, please contact:

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