

STRANDLINE RESOURCES LIMITED

EL 29553 Gosse 5

Partial Relinquishment on Exploration Activities

for the period

19 February 2013 to 13 March 2015

Distribution:

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**B CUMMINS
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1 SUMMARY

Exploration Licence 29553 was granted to the Company effective 19 February 2013, to replace EL 23947, which had expired on 12 May 2012. Exploration Licence 29553 was reduced from six blocks to 4 blocks on 13 March 2015.

The 2 blocks given up were:

- SE533274P
- SE533274U.

2 INTRODUCTION

EL 29553 is located some 68 km east of Tennant Creek and approximately 32 km east of the Gosse River (Figure 1). Access from Tennant Creek is via Peko Road, then Black Cat and Gosse River roads to the river crossing near the southern boundary of Tennant Creek Station. Once across the river, a track along the southern side of the east-west trending southern boundary fence of Tennant Creek Station is followed for a distance of 15 km, before heading south for 3.7 km, then ESE for another 7.5 km to the western side of the tenement.

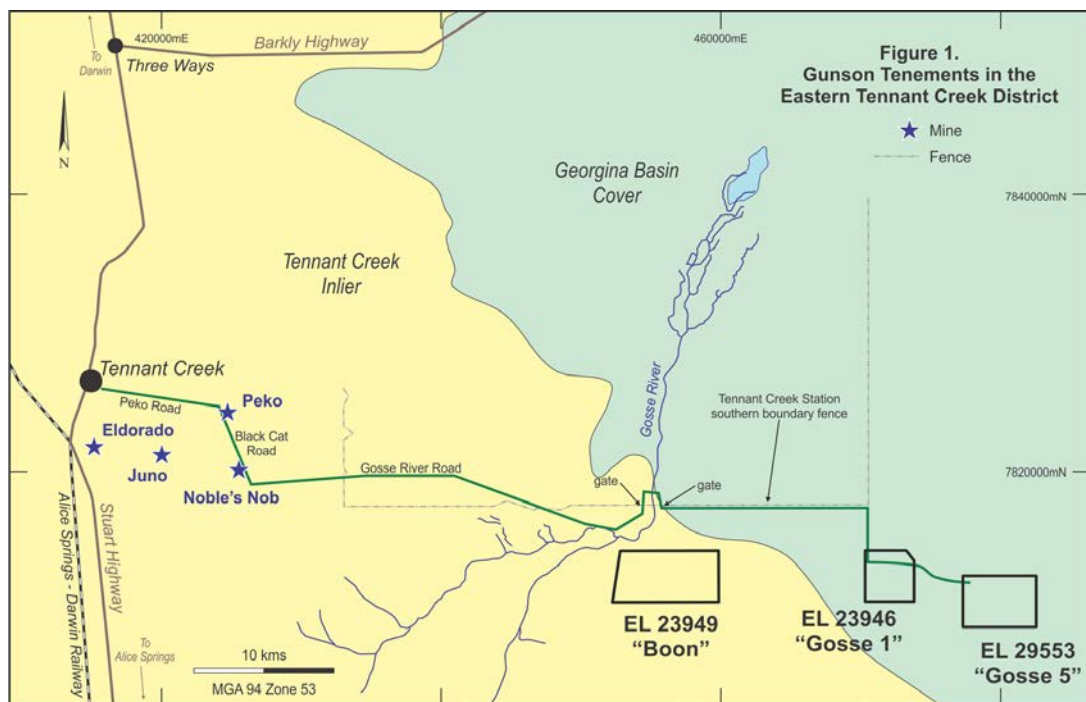


Figure 1 Strandline Tenements in the Eastern Tennant Creek District

3 REGIONAL SETTING

The tenement lies within the western margin of the Georgina Basin (Figure 1), where the younger, probably Cambrian, sedimentary cover is approximately 90 metres thick, overlying much older Paleoproterozoic basement rocks which the Company believes to be potential host units for gold-copper mineralisation. No outcrops of the target Paleoproterozoic rocks which underlie the Georgina Basin cover occur on EL 29553, although a vertical diamond drill hole, TCD 1, drilled on previous EL 23947 granted to the Company in May 2004, intersected Paleoproterozoic basement from 93.1 m in May 2010 (Figure 2). The basement in hole TCD 1 is believed to be part of the Volcanic Lithofacies of the Yungkulungu Formation, which unconformably overlies the Warramunga Formation, host to all the known gold-copper deposits in the Tennant Creek district.

4 EXPLORATION RATIONALE

Prior to 2004 no mineral exploration is recorded at this locality. From 2004 to early 2010, exploration carried out comprised desktop geological and geophysical data analysis and reconnaissance to detailed gravity geophysical surveys.

The emphasis on gravity is based on the Company's exploration model, which is a variation of the model for Tennant Creek style iron oxide associated gold-copper deposits where the dominant iron oxide host is hematite rather than magnetite. This means that, as in the Stuart Shelf geological province of South Australia, the magnetic expression of the deposit may be weak.

The Strandline detailed gravity survey revealed a boomerang-shaped residual gravity ridge some 5 km long, with a sharp bend about 3.5 km from its western tip (Figure 2). The bend was selected as a drill target, on the assumption that it may represent a dilatational zone in a hematite-rich ironstone favourable for iron oxide associated copper-gold mineralisation. There was no associated magnetic response.

Vertical diamond drill hole TCD 1 commenced on 3 May 2010 and was stopped in basement rocks at 330 m on 18 May 2010. Above 93.1 m, the lithologies intersected consisted of clays and silicified limestones interpreted to form part of the Cambrian Gum Creek Formation. From 93.1 m, the lithology consisted of variously altered felsic to more mafic volcanic rocks interpreted to be part of the Palaeoproterozoic Yungkulungu Formation, a younger rock sequence than the Warramunga Formation, host to all of the significant Tennant Creek iron oxide associated gold-copper deposits (Skirrow, 2000) Minor hematite veining and brecciation of the basement felsic volcanic rocks was noted. There was no explanation for the gravity anomaly in the core and a subsequent review by the Company's consulting geophysicist concluded that the gravity anomaly may be caused by a basement ridge..

Geochemical and geophysical analysis of the TCD 1 core did not reveal any significant assays or high specific gravity results that would explain the gravity anomaly. However, some spikes in the Pb profile probably reflect sparsely disseminated galena.

5 REASON FOR SURRENDER

Hole TCD1 was drilled without success and due to the lack of finance the 2 blocks SE533274P and SE533274U were surrendered, effective 13 March 2015.

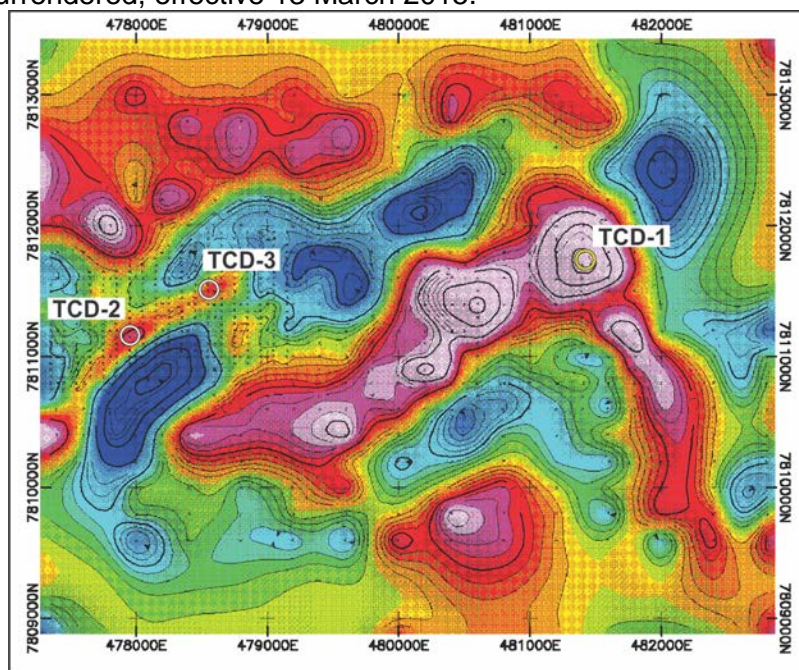


Figure 2. Residual Gravity Map of EL 29553 with Previous (TCD-1) and Proposed Drilling (TCD-2 and TCD-3)