



3 December 2020

ASX: STK

ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Attention: Dale Allen

Response to Aware Query

Dear Dale

Strickland Metals Limited ('STK' or the 'Company') refers to ASX's Aware Query letter dated 1 December 2020 and responds to the specific queries in that letter as set out below. Terms which are defined in ASX's Aware Query have the same meaning where used in this letter, unless the context requires otherwise.

- 1. Noting the decrease in the price of in STK's securities and increased trading volumes on both Monday 30 November 2020 and today, Tuesday 1 December 2020, does STK consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

STK does consider the Doolgunna Drilling Progress Report which was released to ASX on 1 December 2020 to be material, noting that drill hole DGDD001 is the first drill hole in a proposed 5 drill hole program.

- 2. If the answer to question 1 is "no", please advise the basis for that view, commenting on the fact that STK marked the Announcement as sensitive, and the decrease in the price of STK's securities and increase in volume of STK securities traded today Tuesday, 1 December 2020**

Not applicable.

- 3. When did STK first become aware of the Information?**

The Directors of the Company were on site on Friday afternoon 27th November and Saturday 28th November before leaving by car for Perth at 6 am on Sunday 29th November 2020. Drilling had progressed past the interpreted target depth of 350-400 metres to 442.2 metres on the Saturday evening. General consensus was that the gossan target had not been intersected and it was agreed with the site Senior Geologist that drilling should proceed to a minimum depth of 500 metres. The possibility of the northern end of the mapped gossan being at a depth of 600 – 650 metres down-hole was discussed but it was considered not to be worth the additional expense and risk to continue below 500m – but this also meant that the hole could encounter mineralisation below the current depth of 440 metres.

On Monday morning an email with a daily report for Sunday 29th November was received at 7.18am. This email was not viewed until approximately 9.30am. No geology summary had been included in the daily report which noted that the hole had been completed at

502.2 metres. The Senior Geologist had left site that morning and was in transit to Perth and attempts made by the Company's representatives to speak with the site geologist were frustrated by poor satellite communication. The Senior Geologist responded to phone calls at 3.18pm (after market close) when he confirmed the geology at the bottom of the hole and no new mineralisation had been intersected. Post this call, discussion was also had with the Company's consulting geophysicist to assist with the assessment and interpretation of the drilling information that was available and its materiality.

- 4. If STK first became aware of the Information before the release of the Announcement, did STK make any announcement prior to the release of the Announcement that disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe STK was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps STK took to ensure that the information was released promptly and without delay.**

Once the relevant information had been reviewed and considered, a draft ASX release was prepared in accordance with Company's usual procedures and approval for release by the Board of STK was given at 10.12 pm on Monday 30 November. The ASX release was made prior to the commencement of trading on Tuesday 1 December 2020.

The Company was not in a position to make an announcement prior to this time because the Company did not have the requisite geological information reviewed and confirmed until after market close on Monday 30 November.

Whilst noting the increase in trading volumes and decrease in the price of STK's securities during the course of the day of 30 November, the Company had no reason to believe that the geological information had ceased to be confidential prior to its release.

- 5. Please confirm that STK is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms that it is and remains in compliance with the Listing Rules and in particular, Listing Rule 3.1.

- 6. Please confirm that STK's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of STK with delegated authority from the board to respond to ASX on disclosure matters.**

STK confirms that its responses to the questions above have been authorised and approved for release by the Board of Directors.

Yours faithfully



Kevin Hart
Company Secretary

Phone: +61 (8) 9316 9100

stricklandmetals.com.au





1 December 2020

Reference: 28516

Mr Kevin Hart
Company Secretary
Strickland Metals Limited

By email: kevinh@endeavourcorp.com.au

Dear Mr Hart

Strickland Metals Limited ('STK'): Aware Query

ASX refers to the following:

- A. The change in the price of STK's securities from \$0.11 at the close of trade on Friday, 27 November 2020 to an intraday low of \$0.085 on Monday, 30 November 2020 representing a 22.7% decrease.
- B. The significant increase in the volume of STK's securities traded yesterday, Monday, 30 November 2020.
- C. STK's announcement entitled "Doolgunna Drilling Progress Report" lodged on the ASX Market Announcements Platform and released at 9:58 AM AEST on 1 December 2020 ('Announcement'), disclosing that STK had completed the first hole of a five-hole program and the initial hole had not intersected the mapped gossan which contains anomalous copper and zinc values at surface ('Information').
- D. The change in the price of STK's securities from \$0.09 at the close of trade on Monday, 30 November 2020 to a low of \$0.0052 at the time of writing today, Tuesday 1 December, representing a decrease of 42.2%.
- E. The significant increase in the volume of STK's securities traded at the time of writing today, Tuesday 1 December 2020.
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

-
- The information is generated for the internal management purposes of the entity; or
 - The information is a trade secret; and
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- 3.1A.3 A reasonable person would not expect the information to be disclosed.”
- I. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Request for information

Having regard to the above, ASX asks STK to respond separately to each of the following questions and requests for information:

1. Noting the decrease in the price of in STK’s securities and increased trading volumes on both Monday 30 November 2020 and today, Tuesday 1 December 2020, does STK consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view, commenting on the fact that STK marked the Announcement as sensitive, and the decrease in the price of STK’s securities and increase in volume of STK securities traded today Tuesday, 1 December 2020.
3. When did STK first become aware of the Information?
4. If STK first became aware of the Information before the release of the Announcement, did STK make any announcement prior to the release of the Announcement that disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe STK was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps STK took to ensure that the information was released promptly and without delay.
5. Please confirm that STK is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that STK’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of STK with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Thursday, 3 December 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, STK’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require STK to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that

it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in STK's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in STK's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to STK's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that STK's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Dale Allen

Principal Adviser, Listings Compliance (Perth)