



6 January 2021

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 30 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 increase in the price of in STK's securities and increased trading volumes on both Friday, 11 December 2020 and Monday 14 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 discovers copper" announcement which was released to ASX on 14 December 2020 to be material, noting that drill hole DGDD002 was the second drill hole in a proposed five drill hole program had intersected a narrow zone of visible copper mineralisation and that the program was curtailed pending completion of data analysis and a review of results from the first two holes.

- 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 increase in the price of STK's securities and increase in volume of STK securities traded on Monday, 14 December 2020**

Not applicable.

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

The Executive Chairman of the Company was on site from Monday morning 7th December until midday on Wednesday 9th December 2020. Drilling had progressed past the interpreted target depth of 250-300 metres on the evening of Sunday 6th December. On-site core review and field mapping during Monday 7 and Tuesday 8 December 2020 came to a consensus that the main gossan target was likely to be at the base of the shale horizon and it was agreed with the site Senior Geologist that drilling should proceed to a minimum depth of 500 metres or until the hole definitely passed through the shales and intersected the lower sandstone units. Surface geochemistry reviews had suggested that a stronger copper zone may exist at the base of the shales.

Daily reports were received until the hole was terminated at 555.3 metres at 3.30 pm on Saturday 12th December. Geological observations had been made on Thursday 10th and reported on the morning of the Friday 11th December that indicated that the copper metal chalcopyrite had been observed over a narrow zone within different geological units now being intersected below the shale/siltstone units. This observation, whilst encouraging was not regarded as being material since drilling was continuing and the target depth of the drill hole had not been completed and there was potential for further mineralisation to be intersected further down-hole.

The final decision to finish the second hole DGDD002 and to not proceed with further drilling was not made until Saturday afternoon on the 12th December 2020. Whilst some mineralisation had been intersected the Company decided that the geological understanding and significance was not strong enough to warrant continuing drilling the remaining drill holes of the program. It was resolved that core sample analysis, and in particular, down-hole electromagnetic surveying would be required to better understand the mineralisation intercepted so far and to better target the next phase of drilling.

- 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.**

As the program was not going to proceed, and this fact would become general knowledge once contractors and other personnel demobilised from site, it was decided that an announcement on the Monday morning 14 December 2020 was required to keep the market informed of this decision and of the mineralisation that had been observed in the second drill hole.

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 obtained. The ASX release was finalised and announced at 7.35 am on Monday 14 December 2020.

The Company was not in a position to make an announcement prior to this time because the Company did not have all the final geological information, the drill hole was not yet completed and the decision was not yet made to postpone further drilling, until after market close on Friday 11 December.

Whilst noting the increase in trading volumes and variation in the price of STK's securities, the Company had no reason to believe that the geological information or plans for the program 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



30 December 2020

Reference: 29243

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 \$0.049 at the close of trade on Thursday, 10 December 2020 to an intraday high of \$0.066 on Friday, 11 December 2020 representing a 34.6% increase.
- B. The significant increase in the volume of STK's securities traded on Friday, 11 December 2020.
- C. STK's announcement entitled "Doolgunna drilling discovers copper" lodged on the ASX Market Announcements Platform and released at 10:34 AM AEST on 14 December 2020 ('Announcement'), disclosing that STK had observed copper mineralisation following completion of the second diamond drill hole at STK's Doolgunna Project ('Information').
- D. The change in the price of STK's securities from \$0.066 at the close of trade on Friday, 11 December 2020 to an intra day high of \$0.085 on Monday 14 December, representing an increase of 28.7%.
- E. The significant increase in the volume of STK's securities traded on Friday, 11 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*

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- *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 increase in the price of in STK’s securities and increased trading volumes on both Friday, 11 December 2020 and Monday 14 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 increase in the price of STK’s securities and increase in volume of STK securities traded on Monday, 14 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 Wednesday, 6 January 2021**. 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)