



12 April 2021

Company Announcements Office  
Australian Securities Exchange  
4th Floor, 20 Bridge Street  
Sydney NSW 2000

## **\$5.05 MILLION PRO-RATA RIGHTS ISSUE**

### **Highlights**

- **A two (2) for three (3) non-renounceable pro-rata entitlement offer to raise approximately \$5.05 million**
- **Funds to be used to fund continued exploration at the Company's existing exploration projects and potential project acquisitions, as well as for working capital purposes and Offer costs**
- **Offer fully underwritten by Enrizen Capital Pty Limited**

Strickland Metals Limited (ASX:STK) (**STK** or **Company**) is pleased to announce it has launched a pro-rata entitlements issue to raise up to \$5,053,818 (before costs) (**Rights Issue** or **Offer**).

The Company intends to use the funds raised under the Offer for the purposes of continued exploration of the Company's existing exploration projects in Western Australia and potential project acquisitions, as well as for working capital purposes.

### **Rights Issue Details**

The terms of the Offer are as follows:

- Shareholders who are holders will be offered the ability to subscribe for two (2) fully paid ordinary shares at an issue price of \$0.018 per share (each a **New Share**) for every three (3) existing shares they hold in the Company as at 7.00 p.m. (AEST) on 16 April, 2021 (**Record Date**) (each an **Eligible Shareholder**), to raise \$5,053,818 (including Offer costs);
- Eligible Shareholders will receive one (1) free attaching option for every two New Shares subscribed for (each an **New Option**). The New Options will have an exercise price of \$0.036, with an expiry date which is three years from issue. The Company will make application to the ASX for quotation of the New Options.

Based on the capital structure of the Company as at the date of this announcement, a maximum of 280,767,680 New Shares and 140,383,840 New Options will be issued pursuant to the Offer.

The Company will not be seeking shareholder approval for the Offer as it falls within ASX Listing Rule 7.2 Exception 1, being an issue to holders of ordinary securities made under a pro rata issue.

The Rights Issue is expected to close at 5:00 p.m. (AEST) on, 10 May 2021 (**Closing Date**), unless extended at the discretion of the Board. If the Closing Date or any other date relevant to the Offer is varied, subsequent dates forming part of the timetable for the Rights Issue may also be varied accordingly. The Company will announce any such variation as soon as possible after it has been determined.

Eligible Shareholders include shareholders who are noted in the Share Registry as having an address in Australia or New Zealand as at the Record Date (**Eligible Shareholders**).

The Offer is “non-renounceable”. This means that the entitlement under the Offer of an Eligible Shareholder to subscribe for New Shares and attaching New Options (**Entitlement**), cannot be sold and, if not exercised by the Closing Date, will lapse and be of no further value.

Any New Shares and attaching New Options that are not the subject of a valid Application received by or on behalf of the Company by the Closing Date, will form part of the Shortfall and be regarded as shortfall securities that are the subject of a shortfall offer (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to an offer document that sets out all the terms and conditions of the Offer and Shortfall Offer, as well as information about the New Shares, New Options and the Company (**Offer Document**).

All Eligible Shareholders who have exercised all their Entitlements under the Offer, will be eligible and invited to apply for the shortfall securities under the Shortfall Offer, at the same price as the offer price under the Rights Issue.

With respect to the New Shares and the New Options that are the subject of the Offer:

- (a) the New Shares will be issued without disclosure to investors under Part 6D.2 of the Corporations Act; and
- (b) the New Options will be issued pursuant to a special prospectus under Section 713 of the Corporations Act.

Further details of the Rights Issue including how exercise an Entitlement and if applicable, apply for additional shortfall securities will be set out in the Offer Document which will be lodged shortly with the ASIC and ASX and which will be made available to all Eligible Shareholders in accordance with the indicative timetable set out below.

The Rights Issue will be fully underwritten by Enrizen Capital Pty Ltd (**Underwriter**). In consideration for the services provided by the Underwriter in connection with the Rights Issue, including its underwriting, the Underwriter will be paid:

- an underwriting fee of 6% of the gross amount raised under the Rights Issue; and
- 20 million options to be issued on the same terms and conditions as the New Options.

The Underwriter is a related party of the Company for the purpose of the Corporations Act as the Underwriter is controlled by Trent Franklin, who has been appointed as a non-executive Director of the Company.

The Directors of the Company have committed their support for the Rights Issue.

Mr Paul Skinner who holds Shares in the Company will participate in the Offer taking up his full Entitlement.

Further, Directors of the Company, Anthony McClure, and David Morgan or their nominees (**Sub-Underwriting Directors**) will sub-underwrite the Offer for a collective total of \$120,000. The Sub-Underwriting Directors will not receive any fee for their sub-underwriting commitments.

Any New Shares and New Options issued to the Underwriter and the Sub-Underwriting Directors will be issued pursuant to ASX Listing Rule 10.12 (Exception 2). Accordingly, Shareholder approval is not required for the issue of any New Shares or New Options under the Shortfall Offer. However, the issue of Underwriter Options will be subject to shareholder approval.

### **Indicative Timetable**

The Offer is intended to be conducted in accordance with the following timetable:

<b>Event</b>	<b>Anticipated Date*</b>
Issue of notice under section 708AA(2) of Corporations Act ( <b>Cleansing Notice</b> )	<b>12 April, 2021</b>
Announcement of Offer and lodgement of Appendix 3B and Offer Document with ASX and ASIC	<b>12 April, 2021</b>
Shares quoted on an “ex-rights” basis**	<b>15 April, 2021</b>
Record Date for determining eligibility of Shareholders to participate under the Offer	<b>7.00 p.m. (AEST), 16 April, 2021</b>
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	<b>21 April, 2021</b>
Last date to extend the Closing Date	<b>5 May, 2021</b>
Closing Date	<b>5.00 p.m. (AEST), 10 May, 2021</b>
New Shares and New Options Quoted on a deferred settlement basis	<b>11 May, 2021</b>
ASX notified of Shortfall Shares (if any)	<b>13 May, 2021</b>
Issue date/lodgement of Appendix 2A with ASX	<b>17 May, 2021 (before noon)</b>
Normal trading of New Shares and New Options expected to commence	<b>18 May, 2021</b>
Dispatch of Shareholder holding statements (deferred settlement trading ends).	<b>19 May, 2021</b>

\* The above dates are determined based upon the current expectations of the Directors. The Directors reserve the right to extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. Such extensions would have a consequential effect on subsequent dates.

## Dilution

The maximum number of New Shares and Shortfall Shares which will be issued pursuant to the Offers will be 280,767,680. This will equate to approximately 38.19% of all the issued Shares following completion of the Offers and after the issue of Incentive Shares to Mr Andrew Bray the Company's New Chief Executive Officer. Subject to the extent to which current Shareholders exercise their respective Entitlements, it is possible that the relevant percentage of Shares held by Shareholders will be reduced as a result of the dilutionary effect of the proposed issue of New Shares and New Options.

By way of example, the Company provides below an analysis of the possible dilutionary effect that the Offers may have, on both:

- a wholly undiluted basis – i.e. where it is assumed that no existing Options have been or will be exercised; and
- a fully diluted basis – i.e. where it is assumed that all existing Options, New Options, Incentive Options, Underwriter Options and Consultants Options have been exercised,

and where in each of the above scenarios, it is assumed that none of the Shareholders exercise any of their respective Entitlements.

In respect of those Eligible Shareholders that exercise some (but not all) of their Entitlements, the dilutive effect of the Offer on their respective Interest in the Company will depend on the extent to which they take up their Entitlements.

### (a) On an undiluted basis

Shareholder	Shareholding as at Record Date	% holding at Record Date	% holding post Offers <sup>1</sup>
Shareholder 1	10,000,000	2.37	1.36
Shareholder 2	5,000,000	1.19	0.68
Shareholder 3	1,500,000	0.36	0.20
Shareholder 4	400,000	0.09	0.05
Shareholder 5	50,000	0.01	0.007

1. Assumes full subscription of Offers and includes the issue of Incentive Shares issued to Andrew Bray as detailed further in the Offer Document.

**(b) On a fully diluted basis**

Shareholder	Shareholding as at Record Date	% holding at Record Date	% holding post Offers <sup>1</sup>
Shareholder 1	10,000,000	2.01	1.00
Shareholder 2	5,000,000	1.00	0.50
Shareholder 3	1,500,000	0.30	0.15
Shareholder 4	400,000	0.08	0.04
Shareholder 5	50,000	0.01	0.005

1. Assumes full subscription of Offers and includes the issue of Incentive Shares and Incentive Options issued to Andrew Bray, the issue of Underwriter Options to the Underwriter and the issue of Consultants Options as detailed further in the Offer Document.

Conversely, if an Eligible Shareholder takes up its Entitlement in full and subscribes for additional Shortfall Shares under the Shortfall Offer, the relative percentage Shareholding of that Eligible Shareholder will increase as a result of that subscription under the Shortfall Offer, depending on how many Shortfall Shares are allocated to that Eligible Shareholder.

**Enquiries**

Eligible Shareholders will be sent further details about the Rights Issue in the Offer Document.

Shareholders should read the Offer Document carefully before making any investment decision regarding the Rights Issue.

For further details of the Offer, please see the Company's Offer Document, to be lodged today.

The Company requests that its securities are reinstated to official quotation with immediate effect.

This ASX announcement was approved and authorised for release by the Board of the Company.

Yours faithfully

Strickland Metals Limited

**Sleiman Majdoub**

Company Secretary

For more information contact:

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