

# STRICKLAND METALS LIMITED

ABN 20 109 361 195

## Offer Document

**Non-Renounceable Pro-Rata Offer of  
2 New Shares for every 3 Shares held as at the Record Date at an issue price  
of \$0.018 per New Share  
and  
1 attaching New Option for every 2 New Shares subscribed  
to  
raise up to a maximum of A\$5,053,818 <sup>(1)</sup> <sup>(2)</sup>**

**The Offer closes by no later than 5.00 p.m. (AEST) on 10 May 2021 (Closing Date)**

**The Offer is fully underwritten by Enrizen Capital Pty Ltd**

**This is an important document and requires your immediate attention.**

**This document contains important information about the Offer and should be read in its entirety before any investment decision is made regarding the New Shares or New Options offered under this document.**

**If after reading this document, you have any questions about the Offer, you should speak to your professional adviser.**

**To the extent that this document relates to the offer of:**

- (i) New Shares, it is not a prospectus and does not necessarily contain all of the information that an investor would find in a prospectus or may require before making an investment decision in relation to the Offer; and**
- (ii) New Options, it is a prospectus that complies with the specific requirements of section 713 of the Corporations Act, in respect of options to acquire continuously quoted securities.**

**The Offer described in this Offer Document is made only to Eligible Shareholders, as that term is defined in Section 10 - Glossary. The Offer is not made to, and not capable of acceptance by, an Ineligible Shareholder, as defined in Section 10 - Glossary.**

**(1) Assuming all Shareholders are Eligible Shareholders as at the date of this Offer Document and before the costs of the Offer**

**(2) Excluding maximum proceeds of \$5,053,818 on exercise of attaching New Options**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA**

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## 1 Important Notice

This Offer Document contains an offer by Strickland Metals Limited ACN 109 361 195 (**Company**) to Eligible Shareholders of 2 New Shares for every 3 Shares held at the Record Date, at the Offer Price and 1 attaching New Option, for no further cash consideration, for every 2 New Shares subscribed for under the Offer.

It is very important that you carefully read this Offer Document in its entirety before deciding whether to invest further in the Company. In particular, you should consider the risk factors set out in **Section 7**, which could affect the financial performance of the Company and the value of the New Shares and/or New Options. You should carefully consider all these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

This Offer Document does not constitute financial product advice and has been prepared without taking into account the financial objectives, financial situation or particular needs (including financial and taxation issues) of any Eligible Shareholder.

This Offer Document has been prepared by the Company and is dated 12 April, 2021.

Subject to the comments below, this Offer Document is not a prospectus and does not contain all the information that an investor would find in a prospectus or may require in order to make an informed investment decision regarding, or in respect of the rights and liabilities attaching to, the New Shares, and has not been lodged with ASIC for that purpose.

However, the Offer Document has been lodged with ASIC due to the fact that it constitutes, for the purpose of the offer of the Options, a special prospectus prepared in accordance with the specific requirements of Section 713 of the Corporations Act.

Neither ASIC nor ASX, nor any of their respective officers or employees, take any responsibility for the contents of this Offer Document, nor do either of them make any statement regarding the merits of the Offers the subject of this Offer Document.

### ***Forward-looking information***

This Offer Document includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. In particular, this Offer Document contains forward-looking statements regarding the Company and its current and disclosed future operations. Any statement describing a forecast, goal, expectation, intention or belief of the Company is a forward-looking statement, the achievement of which is subject to risks and uncertainties that are outside of the control of the Company. Actual events, results and outcomes could differ materially from the expectations described in such forward-looking statements. None of the Company, the Directors or any other person can assure you that any forward looking statement or implied outcome will be achieved.

### ***Disclaimer***

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation in connection with the Offer that is not contained in this Offer Document may not be relied upon as having been authorised by the Company or by any of the Directors. None of the Company, the Directors or any other person warrants the future performance of the Company or the return of capital or income on any investment made under the Offer, or the amount or availability of any income derived from that investment.

In making representations in this Offer Document, the Company has considered that it is a disclosing entity for the purposes of the Corporations Act and the ASX Listing Rules, as well for certain matters that may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

***Restrictions on distribution of this Offer Document***

This Offer Document and the accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares or New Options in any place outside of Australia and New Zealand in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside of Australia and New Zealand may be restricted by the laws applicable in the jurisdiction of the recipient of either or both of those documents. Persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek professional advice in regard to, and observe, those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Offer is not extended to, and no New Shares or New Options will be issued to, any Ineligible Shareholder.

This Offer Document has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia.

It is the personal responsibility of each Applicant to ensure that it has complied with all laws of any country relevant to its Application. The return by an Applicant of a completed Entitlement and Acceptance Form will be taken by the Company to be a representation by that Applicant that it is an Eligible Shareholder and that its Application does not and will not result in a breach of any applicable law.

In particular, neither the Entitlements nor any of the New Shares or New Options have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States of America.

This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America. Accordingly, the Entitlements may not be issued to, purchased by, or taken up or exercised by, and neither the Entitlements nor any of the New Shares or New Options may be offered or sold to any US Person, unless such Entitlement, New Share or New Option has been registered under the Securities Act, or is offered and sold in a transaction that is exempt from, and not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of United States of America. Neither this Offer Document nor any other documents relating to the Offer of Entitlements, New Shares or attaching New Options may be sent to or distributed in the United States of America.

Please also refer to **Sections 4.6** and **Section 4.7** below.

***Application for New Shares***

You may exercise your Entitlement to apply for New Shares at the issue price of A\$0.018 per New Share (with the attaching New Options) by:

- completing and returning to the Share Registry, the personalised Entitlement and Acceptance Form which accompanies this Offer Document; and

- with that completed Entitlement and Acceptance Form, either:
  - send to the Share Registry a cheque for the appropriate Application Money; or
  - make payment of the appropriate Application Money through BPAY® or Electronic Funds Transfer - see **Section 5.3 and Section 5.4** for further details on payments by BPAY® or Electronic Funds Transfer.

In each case, payment of the appropriate Application Money must be made by no later than 5.00 p.m. (AEST) on **10 May, 2021 (Closing Date)**.

For further details of payment obligations, please also see **Section 4.2** and **Section 5**.

If you have not received a personalised Entitlement and Acceptance Form, you can obtain one by telephone or online:

- request a replacement by telephone:
  - 1300 288 664 (toll free within Australia); or
  - +61 2 9698 5414 (outside Australia).
- request a replacement by email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

#### ***Privacy disclosure***

The Company, its officers, employees, agents, contractors and third-party service providers (including the Share Registry) (collectively **Collecting Parties**) have already collected certain personal information from Eligible Shareholders. The Entitlement and Acceptance Form accompanying a hard copy of this Offer Document requires Eligible Shareholders to provide information that may be personal information for the purpose of the *Privacy Act 1988* (Cth) (**Privacy Act**) to the Collecting Parties. If an Eligible Shareholder submits an Application, the Collecting Parties may update personal information already collected or collect additional personal information about the Applicant. The personal information collected may include (but is not limited to) the Applicant's full name, date of birth, addresses and phone numbers.

The collection and management of an Applicant's personal information are conducted in accordance with the Privacy Act, which governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information.

Personal information that the Collecting Parties collect from Applicants through their Entitlement and Acceptance Forms is used to evaluate Applications and in the case of successful Applications, to issue securities in the Company to successful Applicants and provide services and appropriate administration in relation to those Applicants' security holdings in the Company.

The Corporations Act requires that the Company include personal information about Shareholders (including name, address and details of Shares held) in its public register and disclose this personal information to ASIC. The information contained in the Company's public register must remain there even if a person ceases to be a Shareholder or an Optionholder. Information contained in the Company's registers is also used to facilitate corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its Shareholders and Optionholders) and for the purpose of compliance with legal and regulatory requirements.

If the Collecting Parties are obliged to do so by law, an Applicant's personal information will be passed on to other parties strictly in accordance with the applicable legal requirements. Once personal information is no longer needed by the Collecting Parties, the Collecting Parties will destroy, return or de-identify that information.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Collecting Parties may:

- use the personal information provided by the relevant Applicant on and in connection with an Entitlement and Acceptance Form or an Application, for the purposes of the Offers and as otherwise set out above, and may disclose all or any of it for those purposes to the Company and its related bodies corporate, agents, contractors and third party service providers, including the Share Registry, mailing houses and professional advisers and to ASIC and other regulatory authorities; and
- disclose the relevant Applicant's personal information to recipients both in Australia and other jurisdictions for the purposes set out in this privacy disclosure statement, or as otherwise required by law.

If an Applicant does not provide the information required on the Entitlement and Acceptance Form, the Collecting Parties (as relevant) may not accept or process that Applicant's Application.

An Applicant can access, correct and update the personal information that the Company holds about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document. There may be a fee payable for such access.

***Defined terms***

Capitalised terms used in this Offer Document are defined in **Section 10 - Glossary**.

## 2 Timetable

Event	Anticipated Date*
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>(before noon) 17 May, 2021</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>

\* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary any of the dates relating to the Offer, including extending the Closing Date or accepting Applications after the Closing Date, either generally or in particular cases, in consultation with the Underwriter. However, all Applicants are encouraged to submit their Application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of issue, and the date of commencement in trading, of the New Shares and New Options.

Neither the Offer nor the Shortfall Offer requires the approval of Shareholders.

Any material changes to the above timetable will be announced by the Company on its ASX announcements platform and the Company’s website [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au). The Company’s announcements are accessible from ASX’s website at [www.asx.com.au](http://www.asx.com.au) under the code “STK”.

\*\* Shares commence trading without the right to participate in the Offer.

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### 3 Chairman's Letter

Dear Shareholder,

On behalf of the Board, I am pleased to invite those Shareholders who qualify as an "Eligible Shareholder" to participate in a pro-rata non-renounceable rights issue by the Company to raise up to a maximum of \$5,053,818.24 (including associated costs of the Offers) (**Offer**) and excluding any proceeds received as a result of the exercise of any Options.

#### *Details of the Offer*

All Shareholders who are registered with Shareholdings listed on the ASX as at 7.00 p.m. (AEST) on 16 April, 2021 (**Record Date**) and who have a registered address in Australia or New Zealand, will be entitled to subscribe of 2 New Shares for every 3 Shares held as at the Record Date. In addition, for every 2 New Shares subscribed for by an Eligible Shareholder or participant in the Shortfall, that person will be issued with 1 attaching Option, for no further cash consideration (each a **New Option**). The attaching New Options will be Quoted, with an exercise price of \$0.036 and an expiry date being the third anniversary of the date of issue of the New Options.

All Entitlements will be rounded up to the nearest whole New Share.

Eligible Shareholders are further invited to subscribe for Shortfall Shares in addition to their Entitlement of the Shortfall Offer. Subject to the terms of the Shortfall Offer, all Shortfall Shares will be placed at the discretion of the Board in consultation with the Underwriter. Please also refer to **Section 4.3** below.

The offer price payable on application for each New Share (**Offer Price**) is \$0.018, which represents a 14.7% discount to the 5-day volume weighted average closing price (**VWAP**) of Shares Quoted on the ASX up to and including 1 April, 2021 (being the last date Shares and Options traded on ASX), and being \$0.0211 per Share. That discount excludes any value that may be assigned to New Options that will attach to New Shares subscribed for. The exercise price of \$0.036 for each New Option represents a 71% premium to the 5-day VWAP of Shares Quoted on the ASX up to and including 1 April, 2021.

The Offer is currently scheduled to close at 5.00 p.m. (AEST) on 10 May, 2021 for Shareholdings listed on the ASX.

Any variation of the Closing Date will be announced by the Company on the ASX.

The Entitlements being offered under the Offer are non-renounceable. This means that your Entitlement cannot be sold and, if not taken up by the Closing Date, will lapse and thereafter be of no value.

All New Shares issued under this Offer Document (including under the Shortfall Offer) will rank equally with existing Shares (see also **Section 4.11**). The New Options will form a new class of Options in the issued capital of the Company and subject to compliance with the applicable ASX Listing Rules will be Quoted.



### ***Underwriting of Offer***

The Offer is fully underwritten by Enrizen Capital Pty Limited. The essential effect of this is that any Shortfall Shares that are not successfully applied for under the Shortfall Offer by Eligible Shareholders will, subject to the terms and conditions of the underwriting, be subscribed for by the Underwriter on essentially the same terms of the Shortfall Offer.

The terms and conditions of the underwriting are summarised in **Section 8.2(a)**.

### ***Purpose of the Offers***

The primary purpose of the Offers is to raise capital to enable the Company to fund:

- continued exploration of the Company's existing projects in Western Australia and potential project acquisitions;
- costs associated with the Offers; and
- a portion of the Company's working capital needs.

Further information regarding the use of the funds raised under the Offer and Shortfall Offer is set out in **Section 6**.

### ***Intention of Directors***

It is the current intention, as at the date of this Offer Document, that Mr Paul Skinner who holds Shares will exercise all of his Entitlements under the Offer.

Further, the following Directors, Anthony McClure and David Morgan (each a **Sub-Underwriting Director**) have each confirmed, that they or their nominee will sub-underwrite the Offer for a collective total of \$120,000. The Sub-Underwriting Directors will not receive any payment for their commitment to be a Sub-Underwriting Director.

### ***Actions for Shareholders***

I and my fellow Directors encourage Eligible Shareholders to read this Offer Document in its entirety before making any decision as to whether to further invest in the Company. If you have any queries in relation to the Offer or the consequences of subscribing for New Shares and New Options in your particular circumstances, it is strongly recommended that you seek professional investment advice. To also assist with any of general inquiries, you may ring the Share Registry on:

- from within Australia – 1300 288 664; and
- from outside Australia - +61 2 9698 5414.

However, and to be clear, the Company Secretary and the Share Registry will not provide any investment advice in regard to any proposed subscription for New Shares or attaching New Options under the Offer or the Shortfall Offer.



If you decide to participate in the Offers, please ensure that you return your completed Entitlement and Acceptance Form, either:

- with payment of the appropriate Application Money, paid by cheque, to the Share Registry; or
- by making payment of the appropriate Application Money by BPAY® or EFT - in that regard, see **Sections 5.1, 5.2, 5.3 and 5.4**, as well as the terms of your Entitlement and Acceptance Form,

so that they are received on or before the close of the Offer, which is scheduled to occur at 5.00 p.m. (AEST) on 10 May, 2021 for Shareholdings listed on the ASX unless extended at the discretion of the Board, after prior consultation with the Underwriter.

If you:

- are not eligible to participate in the Offer or Shortfall Offer; or
- decide not to exercise all or some of your Entitlement,

it is likely that your current percentage shareholding in the Company will, as a result of the conduct of the Offer and the Shortfall Offer be diluted. The maximum extent of that dilution is estimated to be 42.72%.

For further details on how you can deal with your Entitlement (if any), and the consequences of taking up your Entitlement or otherwise allowing your Entitlement to lapse, please refer to **Section 5**.

On behalf of the Board, I take this opportunity to thank all Shareholders for their support of the Company. The Board looks forward to your continued support in the future.

Yours faithfully,

**Anthony McClure**  
Chairman

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## 4 Details of the Offer and the Shortfall Offer

### 4.1 Overview

Subject to the provisions of this **Section 4**, the Company is making the Offer to all persons that are registered as a Shareholder, and who have a registered address in Australia or New Zealand, as at the Record Date (each an **Eligible Shareholder**).

In addition, Eligible Shareholders who wish to apply for New Shares and attaching New Options in excess of their Entitlement are invited to subscribe for any Shortfall Shares which form part of the Shortfall pursuant to the Shortfall Offer.

The Board reserves the right to issue Shortfall Shares and attaching New Options, at its sole discretion, but in consultation with the Underwriter.

For further details in relation to:

- the Offer, please refer to **Section 4.2**; and
- the Shortfall Offer, please refer to **Section 4.3**.

For details of how to apply under the Offer and the Shortfall Offer, please refer to **Section 5**.

This Offer Document, the Offer and the Shortfall Offer, if applicable and the contracts formed on acceptance of the Offer and, where applicable, the Shortfall Offer, are each governed by the laws applicable in the State of New South Wales, Australia.

### 4.2 Offer

The Company offers for subscription pursuant to a pro-rata non-renounceable entitlement issue to Eligible Shareholders, 2 New Shares for every 3 Shares held as at the Record Date, at an issue price of A\$0.018 per New Share. That Application Money will be payable in full and in cleared and immediately available funds, on submission of an Application.

A New Share will be classified as a fully paid ordinary share in the issued capital of the Company in accordance with the provisions of the Offer and the Constitution.

In addition, for every 2 New Shares subscribed for by an Eligible Shareholder under the Offer, that person will also be issued with 1 attaching Quoted Option (each a **New Option**), with an exercise price of A\$0.036 per New Option, for no further Application Money or any other cash consideration.

No funds will be raised from the issue of the New Options.

All Entitlements will be rounded up to the nearest whole New Share.

The maximum number of New Shares that each Eligible Shareholder is entitled to apply for under the Offer is shown in the personalised Entitlement and Acceptance Form accompanying this Offer Document. Shareholdings on different registers or sub-registers will not be aggregated in calculating Entitlements.

Based on the capital structure of the Company as at the date of this Offer Document and assuming that all Entitlements are taken up in full:

- the maximum aggregate of New Shares and attaching New Options to be issued pursuant to the Offer and the Shortfall Offer to Eligible Shareholders is:
  - 280,767,680 New Shares; and
  - 140,383,840 New Options; and
- the Offer will raise up to a maximum of A\$5,053,818 (before the costs of the Offer and Shortfall Offer, if applicable, and excluding any proceeds received as a result of the exercise of Options).<sup>1</sup>

The purpose of the Offer and the Shortfall Offer, and the intended use of funds raised pursuant to those offers, are set out in **Section 6**.

The Offer is non-renounceable, which means that Entitlements – i.e. the right to subscribe for New Shares and attaching New Options under the Offer and the Shortfall Offer - are unable to be traded.

Eligible Shareholders should take up their Entitlement in whole or in part by no later than the Closing Date, if they wish to participate in the Offers. Otherwise, their Entitlements will lapse. If you wish to apply for New Shares under the Offer, please refer to **Section 5.1**.

The Offer is not conditional and there is no minimum dollar subscription amount.

#### **4.3 Shortfall Offer**

Any New Shares that are not the subject of a valid Application received by or on behalf of the Company on or before the Closing Date, will form part of the Shortfall and be regarded as Shortfall Shares.

The Shortfall Offer is a separate offer to the Offer made pursuant to this document and will remain open for up to the Shortfall Offer Period unless that period is closed earlier.

Only Eligible Shareholders who have exercised all their Entitlements under the Offer will be eligible and invited to apply for Shortfall Shares, and attaching New Options, at the same price as the Offer Price.

There will be no minimum dollar subscription amount of participation in the Shortfall Offer.

However:

- the allocation of Shortfall Shares and attaching New Options to Eligible Shareholders under the Shortfall Offer, in addition to all their Entitlements exercised under the Offer, will be determined at the sole discretion of the Board in consultation with the Underwriter; and
- the Board retains its discretion not to allocate Shortfall Shares and attaching New Options to an Applicant to the extent that doing so would, or in the opinion of the Board is likely to, result in a breach of the Corporations Act (by the Applicant, the Company or otherwise) or any other

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<sup>1</sup> The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date, which is currently scheduled to occur at 7.00 p.m. (AEST) on 16 April, 2021. As such, in calculating this figure, the Company is assuming that all Shareholders will be regarded as Eligible Shareholders as at the date of this Offer Document.

applicable law or would require shareholder or regulatory approval to be obtained.

Subject to the above, if the aggregate number of Shortfall Shares and attaching New Options subscribed for by Applicants is greater than the available number of Shortfall Shares, the allocation and issue of all available Shortfall Shares will be pro-rated amongst those Applicants provided that:

- no Applicant will be allotted more Shortfall Shares and attaching New Options than applied for; and
- in doing so, no breach of the Corporations Act (by the Applicant, the Company or otherwise) or other applicable law occurs or the obtaining of any shareholder or regulatory approval is required to be obtained.

As Eligible Shareholders may apply for New Shares and attaching New Options in excess of their Entitlements pursuant to the Shortfall Offer, some Eligible Shareholders may have the opportunity to increase their relevant interest in a percentage Shareholding up to an aggregate 20.0% (in total) of the total Share capital, if there is a Shortfall. However, if the Board is of the view that any allocation of Shortfall Shares or any attaching New Options to an Applicant would result in that Applicant (and its associates) holding a relevant interest in more than 20% of the total Share capital, it will only make that allocation if in doing so, the Board is of the opinion that the proposed allocation will not consequently oblige the proposed Applicant, under the laws, as primarily found in Chapter 6 of the Corporations Act, to make a takeover bid for all other Shares.

If you wish to apply for Shortfall Shares, please refer to **Section 5.2**.

#### **4.4 Non-Renounceable Offer**

The Offer is non-renounceable. Accordingly, where an Eligible Shareholder does not take up their Entitlement under the Offer, their shareholding will be diluted with no compensating cash payment. Securities not subscribed for by Eligible Shareholders will form part of the Shortfall Offer. Eligible Shareholders are encouraged to apply for any Shortfall Securities.

#### **4.5 Underwriting**

The Offer is fully underwritten by Enrizen Capital Pty Ltd.

The Underwriter has agreed to conditionally underwrite up to a maximum of 280,767,680 New Shares at the Offer Price and 140,383,840 attaching New Options (**Underwritten Securities**).

The Company has agreed to pay the Underwriter an underwriting fee equal to 6% of the total gross amount raised under the Offer. All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter. However, as stated in **Section 3, "Intention of Directors"**, no fees will be payable to any of the Sub-Underwriting Directors for their commitment to participate in the Shortfall Offer.

In addition, the Company will be required under the terms of the Underwriting Agreement, but subject to Shareholder approval being obtained, to grant to the Underwriter 20,000,000 Options on the same terms as the New Options (**Underwriter Options**).

If the Company does not obtain shareholder approval for the grant of the Underwriter Options, it must pay an appropriate alternative consideration to the Underwriter (based upon a Black-Scholes valuation of the Underwriter Options).

The Underwriter may terminate its obligations under the Underwriting Agreement in circumstances typically found in agreements of that nature, as detailed further in **Section 8.2(a)** below. The Underwriting Agreement is otherwise made on terms considered standard for an agreement of its nature.

The Underwriter is not presently a shareholder of the Company.

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

Notwithstanding this relationship between the Company and the Underwriter, the Board considered prior Shareholder approval to the entry into the Underwriting Agreement (which is deemed under the Corporations Act to be the giving of a financial benefit to the Underwriter) was not required on the basis that the terms of the Underwriting Agreement are considered to be on an 'arm's length' basis.

Any Shortfall Securities issued to the Underwriter will be issued pursuant to ASX Listing Rule 10.12 (Exception 2) and accordingly, Shareholder approval will not be required for that issue. However, the issue of Underwriter Options will be subject to Shareholder approval as noted above.

#### **4.6 Overseas Shareholders**

Subject to this **Section 4.6**, neither the Offer and the Shortfall Offer is intended to, and does not, constitute an offer of New Shares or New Options in any jurisdiction outside of Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of most overseas jurisdictions in which Shareholders are located, having regard to the number of overseas Shareholders, the number and value of New Shares, Shortfall Shares, or any attaching New Options, that these Shareholders would otherwise be Entitled to and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, participation in the Offer and the Shortfall Offer is not being extended, and neither any New Shares, Shortfall Shares, nor any attaching New Options, are being offered and will not be issued to, any Shareholders or, as is applicable, any other person, with a registered address which is not located in Australia or New Zealand, as at the Record Date.

Eligible Shareholders holding Shares on behalf of third parties that are resident outside of Australia and New Zealand (including nominees, custodians and trustees):

- are responsible for ensuring that its or their participation under the Offer and the Shortfall Offer, on behalf of any such third party, does not breach the laws and regulations of the jurisdiction in which that third party is resident; and
- should seek independent professional advice and observe any applicable restrictions in relation to making an Application or otherwise participating in the Shortfall Offer.

Return of a completed Entitlement and Acceptance Form or payment by BPAY® or Electronic Funds Transfer will be taken by the Company to constitute a representation that there has been no breach of any applicable foreign laws and regulations.

The Company reserves the right, in its sole discretion, to:

- reject any Application, or participation in the Shortfall Offer, that the Company believes comes from a person who is not an Eligible Shareholder or otherwise permitted to make such an Application or undertake such a participation; and
- reduce the number of New Shares and attaching New Options allocated to Eligible Shareholders, persons claiming to be Eligible Shareholders or claiming to be entitled to participate in the Shortfall Offer, if the Company reasonably considers any such claim to be false, exaggerated or unsubstantiated or likely to result in a person acquiring, through participation in the Offer or the Shortfall Offer, a relevant interest in more than 20% of all Shares on completion of the Offers.

Shareholders and any person intending to participate in the Shortfall Offer who are resident in New Zealand should consult their professional advisers as to whether any governmental or other consent is required, or whether other formalities need to be observed, to enable them to exercise their Entitlements under the Offer or otherwise participate in the Shortfall Offer.

The Offers are being made to Eligible Shareholders resident in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 and the Financial markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand Law and is not required to, and may not, contain all the information that a product disclosure statement under new Zealand law is required to contain.

The distribution of this Offer Document and the Entitlement and Acceptance Form outside Australia and New Zealand may be restricted by law. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **4.7 Restrictions on Offer in Singapore, Hong Kong, the United States of America and Canada**

##### **4.7.1 Singapore**

This Offer Document and any other materials relating to the New Shares, Shortfall Shares or attaching New Options being offered pursuant to this Offer Document have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289 of the Singapore Statutes) (**SFA**). Accordingly, this Offer Document and any other disclosure document, such as a prospectus or other materials in connection with the Offer, the Shortfall Offer or the invitation for subscription of these New Shares, Shortfall Shares or attaching New Options, may not be issued, circulated or distributed, nor may any New Shares, Shortfall Shares or attaching New Options, be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the exemptions in Subdivision (4) of Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been given to you on the basis that you are:

- (i) an “institutional investor” (as defined in section 4A(1)(c) of the SFA);
- (ii) a “relevant person” (as defined in section 275(2) of the SFA); or
- (iii) a person to whom an offer is being made, as referred to in section 275(1A) of the SFA.

Furthermore, by accepting this Offer Document, you represent and warrant that you are an investor falling within the categories set out above and agree to be bound by the disclaimers, limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this Offer Document immediately to the Company or the Share Registry. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to any of the New Shares, Shortfall Shares or attaching New Options, being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares under the Offer, any Shortfall Shares under the Shortfall Offer, or any attaching New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### **4.7.2 Hong Kong**

This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (**SFO**). No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with the Offer and the Shortfall Offer. Accordingly, no New Shares, Shortfall Shares, or attaching New Options, have been and will be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares, Shortfall Shares, or attaching New Options, has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares, Shortfall Shares, or attaching New Options, that are or are intended to be disposed of only to persons outside of Hong Kong or only to professional investors (as defined in the SFO and any rules made under the SFO). No person allotted New Shares or Shortfall Shares under the Offer, Shortfall Offer, or attaching New Options, may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six (6) months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer, and the Shortfall Offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.



#### 4.7.3 *United States of America*

This Offer Document, the Cleansing Statement and any accompanying ASX announcements, and any Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities to any US Person, or in any other jurisdiction in which such an offer would be illegal. Neither this Offer Document, the Cleansing Statement nor any Entitlement and Acceptance Form may be distributed in or released in the USA or to any US Person.

No Entitlement, New Share or Shortfall Share, or attaching New Option, has been or will be registered under the Securities Act or the applicable securities laws of any state or other jurisdiction of USA.

Entitlements may not be exercised or purchased by US Persons. No Entitlement, New Share, Shortfall Share, or attaching New Option, may be:

- offered or sold in USA; or
- resold in the USA,

unless such Entitlement, New Share, Shortfall Share, or attaching New Option, has been registered under the Securities Act or is offered or sold in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act or the applicable securities laws of any state or other jurisdiction of USA.

#### 4.8 **Section 713 of the Corporations Act**

This Offer Document is an offer for continuously quoted securities of the Company and options to acquire continuously quoted securities of the Company. This section has been prepared in accordance with the requirements of section 713 of the Corporations Act.

For information regarding:

- the effect of the Offer on the Company, please refer to **Section 6**; and
- the rights and liabilities attaching to the New Shares and New Options offered under this Offer Document, please refer to **Section 4.11** and **Section 4.12**.

The Company is a disclosing entity under the Corporations Act and therefore is subject to regular reporting and disclosure obligations. Under those obligations, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the ASX Listing Rules. In particular, the Company must comply with the requirement to disclose any information held by the Company which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Section has been included to satisfy the requirements for a “transaction specific prospectus” under section 713 of the Corporations Act. In general terms, a “transaction specific prospectus” is a document which is required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Offer Document is not required to provide information regarding the Company’s assets and liabilities, financial position and performance, profits and losses or prospects. This limitation on the content of this Offer Document that is required to be disclosed in respect of the Offer, is permitted on the condition that, as at the date of this Offer Document, the Company has not withheld from its continuous disclosure reporting, any information about such matters that investors and their professional advisers would reasonably require to make an informed assessment of such matters and expect to find in this Offer Document.

Information that is already in the public domain has not been reported in this Offer Document other than that which is considered necessary to make this Offer Document complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
  - (i) the annual financial report of the Company most recently lodged by the Company with ASIC;
  - (ii) any half-year financial report of the Company lodged with ASIC after lodgement of the annual financial report of the Company and before lodgement of this Offer Document with ASIC; and
  - (iii) any continuous disclosure notices given by the Company to ASIC in accordance with the ASX Listing Rules after the lodgement of the annual financial report of the Company and before the lodgement of this Offer Document with ASIC.

The Company lodged its latest interim financial report with ASX on 16 March, 2021 (relating to the half year ended on 31 December, 2020). Since then and until close of trading on ASX on 9 April, 2021, a list of documents filed with ASX by or concerning the Company is set out in the table immediately below.

Date	Description of Announcement
01/04/2021	Board Appointments and Resignations
06/04/2021	Trading Halt
07/04/2021	Initial Director’s Interest Notice x 2
07/04/2021	Final Director’s Interest Notice x 2
07/04/2021	Securities to be released from voluntary escrow
08/04/2021	Suspension from Official Quotation

#### **4.9 Quotation of New Shares and New Options by ASX**

An application for Official Quotation of the New Shares was lodged with ASX prior to the announcement of this Offer. The Company intends to apply for Official Quotation of the New Options on ASX.

No New Shares or New Options will be issued until ASX grants permission for Quotation of the New Shares subscribed for under this Offer and the Shortfall Offer. The New Shares or New Options issued pursuant to this Offer and the Shortfall Offer, are expected to be allotted and issued in accordance with the timetable in **Section 2**.

The fact that ASX may grant Official Quotation to the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options.

#### **4.10 Allotment and issue of New Shares and New Options**

New Shares or New Options subscribed for under the Offer and the Shortfall Offer will be allotted and issued as soon as practicable after the Closing Date, in accordance with the timetable in **Section 2**.

The Company will allot New Shares and New Options subscribed for under:

- the Offer on the basis of Applications received; and
- the Shortfall Offer on the basis set out in **Section 4.3**.

The Board retains its discretion not to allocate New Shares (including Shortfall Shares), or attaching New Options, to an Applicant to the extent that doing so would result in a breach of the Corporations Act (by the Applicant, the Company or otherwise) or other applicable law or would require shareholder or regulatory approval to be obtained.

Where the number of New Shares and attaching New Options issued to an Applicant is less than the number of New Shares applied for, the Application Money received by the Company in respect of those New Shares applied for but not issued, will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the New Shares and attaching New Options, or the payment of any refunds, all Application Money will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will be entitled to retain all interest that accrues on monies held in that bank account whether or not the issue of New Shares and attaching New Options takes place, and each Applicant waives the right to claim such interest.

#### **4.11 Rights and liabilities attaching to New Shares**

All New Shares issued pursuant to the Offer and the Shortfall Offer will be fully paid ordinary shares in the issued capital of the Company.

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of the rights and liabilities attaching to New Shares are contained in the Company's Constitution, the Corporations Act and the ASX Listing Rules.

**(a) General Meeting**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

**(b) Voting**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

**(c) Dividends**

The New Shares will rank equally with all other issued Shares. The New Shares will participate in any dividends the Directors may determine to distribute out of the Company's profits earned from time to time.

Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them. The Directors may from time to time pay to Shareholders such dividends as, in their judgment, the position of the Company justifies.

**(d) Winding up**

Upon paying the Application Monies for New Shares, a holder of New Shares will have no further liability to make payments to the Company in the event of the Company being wound up.

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the assets of the Company, and may for that purpose set such value as the liquidator considers fair upon any assets to be divided and may determine how the division is to be carried out as between the Shareholders.

**(e) Shareholder liability**

As the New Shares issued will be fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not be liable to forfeiture.

**(f) Power to issue Shares**

Subject to the Corporations Act and the ASX Listing Rules, the Board may issue:

- (i) such number of Shares, in addition to Shares currently issued and the New Shares, as it determines; and
- (ii) Shares that rank, as to voting or distribution rights or both, equally with, or in priority to, any existing Shares, or the New Shares.

**(g) Transfer of Securities**

Generally, the securities in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of

Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

**(h) Increase of capital**

The Company may at any time and from time to time, increase the capital of the Company by the creation of additional Shares or other securities, of such amounts and of such class as it thinks appropriate.

**(i) Sale of non-marketable holdings**

The Company may take steps in respect of non-marketable holdings of Shares to effect an orderly sale of those Shares in the event that holders do not elect to retain their non-marketable holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

For more details of the rights attaching to Shares, investors should refer to the Constitution.

A copy of the Constitution is available for inspection, free of charge, on the Company's website at <https://www.stricklandmetals.com.au>.

#### **4.12 Rights and liabilities attaching to New Options**

The New Options will, subject to compliance with the applicable ASX Listing Rules, be Officially Quoted and will be issued on the following terms and conditions:

- Exercise Price: A\$0.036 per Option;
- Exercise Period: 3 years from date of issue.

The following is a general description of the more significant rights and liabilities attaching to the New Options. This summary is not exhaustive. Full details of the rights and liabilities attaching to New Options are contained in the Company's Constitution, the Corporations Act and the ASX Listing Rules.

For the purposes of any exercise of an Option, any fractional holding of an Option will be rounded up to the nearest whole number.

**(a) Entitlement**

Each Option gives the Option holder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Option holder must exercise the New Options in accordance with the terms and conditions of the New Options.

**(b) Expiry Date**

The New Options will, except to the extent that they are exercised earlier, expire at 5:00 p.m. (AEST) on the third anniversary of the date of issue of the New Options (**Option Expiry Date**). Any New Option not exercised before the Option Expiry Date will automatically lapse on its Option Expiry Date.

(c) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(d) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(e) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (**Cleansing Notice**), or if the Company is unable to issue such a Cleansing Notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act, to ensure that an offer for sale of a Share issued pursuant to the exercise of a New Option does not require disclosure to investors; and
- (iii) if admitted to the Official List at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a Cleansing Notice delivered under sub-paragraph (e)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will, no later than 20 Business Days after first becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of those Shares does not require disclosure to investors.

(f) **Shares issued under exercise**

Shares issued upon exercise of the New Options will rank equally in all respects with the then issued Shares.

(g) **Quotations of Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the New Options.

(h) **Variation of Share Capital**

If at any time the issued capital of the Company is reconstructed, the number of New Options and their Exercise Price shall be adjusted in such a manner as is required under the ASX Listing Rules and as the auditors for the time being of the Company advise the Directors in writing to be, in their opinion, fair and reasonable.

**(i) Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders of the New Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options, without first exercising those New Options.

**(j) Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option may be exercised.

**(k) Quotation**

The Company intends to apply for Official Quotation of the New Options on ASX. If the ASX does not grant Official Quotation of the New Options, the New Options will be unlisted and, as referred to in sub-paragraph (e)(ii) above, the Company will issue a Cleansing Notice that seeks to comply with the applicable provisions of the Corporations Act.

**4.13 Taxation implications**

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of applying for New Shares or attaching New Options, under the Offer or the Shortfall Offer, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual Shareholders.

The Company, its advisers, officers, employees and agents do not accept any responsibility or liability for any taxation consequences arising from subscribing for any New Shares or attaching New Options, pursuant to the Offer or the Shortfall Offer. Shareholders should consult their own professional tax adviser in connection with the taxation implications of acquiring New Shares, Shortfall Shares, or attaching New Options, pursuant to the Offer or the Shortfall Offer, before making a decision as to whether to further invest in the Company.

**4.14 Withdrawal of Offer and/or the Shortfall Offer**

The Company reserves the right not to proceed with the Offer and/or the Shortfall Offer at any time before the issue of New Shares, Shortfall Shares, or attaching New Options to Eligible Shareholders or other Applicants. If the Offer or the Shortfall Offer does not proceed, the Company will return all Application Money, without interest, as soon as practicable after giving notice of its withdrawal.

**4.15 Enquiries**

Shareholders with queries in relation to the Offer and the Shortfall Offer may contact the Share Registry by:

- telephone:
  - from within Australia – 1300 288 664; or
  - from outside Australia - +61 2 9698 5414
- email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

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## 5 Action required by Eligible Shareholders

### 5.1 How to accept the Offer

Your acceptance of the Offer may be made through the personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out in this **Section 5.1**.

Acceptance of the Offer must not exceed your Entitlement as specified on your personalised Entitlement and Acceptance Form. If it does, any acceptance exceeding your Entitlement may be attributed to the Shortfall Offer.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement **in FULL**, complete the Entitlement and Acceptance Form, and:
  - (i) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
  - (ii) make payment of the amount indicated on the Entitlement and Acceptance Form through BPAY® as per the instructions for BPAY® set out in the Entitlement and Acceptance Form; or
  - (iii) make payment of the amount indicated on the Entitlement and Acceptance Form by electronic funds transfer (**EFT**) by using the personal reference number which is required to identify your shareholding and follow the steps on your Entitlement and Acceptance Form; or
- (b) if you only wish to accept your Entitlement **in PART**, complete the Entitlement and Acceptance Form, filling in the details (including the total number of New Shares you wish to accept) in the space provided, and
  - (i) attach your cheque for the appropriate amount of Application Money (at \$0.018 per New Share being applied for); or
  - (ii) make payment of the relevant Application Money through BPAY® as per the instructions for BPAY® set out in the Entitlement and Acceptance Form; or
  - (iii) make payment of the relevant Application Money by EFT by using the personal reference number which is required to identify your shareholding and follow the steps on your Entitlement and Acceptance Form.

If you do **NOT** wish to accept **ANY PART** of your Entitlement, **you are not required to take any further action**. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with under the Shortfall Offer.

The duly completed accompanying Entitlement and Acceptance Form and above mentioned payment must be received by the Company no later than **5.00 p.m. (AEST) on 10 May, 2021**.



## 5.2 Participation in Shortfall Offer

If you wish to take up your Entitlement in full and, in addition, also apply for additional New Shares forming part of the Shortfall, you are required to:

- (a) complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form;
- (b) make payment:
  - (i) by returning the completed Entitlement and Acceptance Form, together with a payment of the Application Money for all of the New Shares that you have applied for under **BOTH** the Offer and the Shortfall Offer; or
  - (ii) make payment of the relevant Application Money through BPAY® or EFT as per the instructions for BPAY®/EFT set out in the Entitlement and Acceptance Form; and
- (c) otherwise comply with the applicable instructions set out in **Section 5.1**.

The duly completed accompanying Entitlement and Acceptance Form and above mentioned payment must be received by the Share Registry no later than **5.00 p.m. (AEST) on 10 May 2021**.

## 5.3 Payment terms

The Offer Price for each New Share, at A\$0.018, must be paid in full as stated in **Section 4.2** and elsewhere in this Offer Document and in immediately available funds. No further cash consideration is payable in regard to the issue of any New Options attaching to New Shares issued under the Offer or Shortfall Shares issued under the Shortfall Offer.

To be valid, all Applications must be received by the Share Registry **no later than 5.00 p.m. (AEST) on 10 May 2021**, or such later date as extended at the discretion of the Board.

### Payments by cheque

All payments made by cheque must be drawn on an Australian Bank, made payable in Australian currency to **“Strickland Metals Limited – Pro Rata Offer”** and crossed **“Not Negotiable”**.

For payments made by cheque, your completed Entitlement and Acceptance Form, together with your cheque must be forwarded by mail to the Share Registry, using the instructions on the Entitlement and Acceptance Form or in the return envelope provided.

### Payments through BPAY®

Those who elect to pay through BPAY® must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form.

**Investors who elect to pay through BPAY® will NOT need to return their completed Entitlement and Acceptance Form.**

Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time referred to above. If you elect to pay through BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, any additional Application Monies received for New Shares in excess of your Entitlement, may be applied to the Shortfall Offer. Please note that a limit may apply on the dollar amount that can be transferred via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY will not exceed that limit.

If you have multiple holdings, you will have multiple BPAY Customer Reference Numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure that you successfully take up your Entitlement in respect of each holding, you must use the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of those holdings.

### **Payment through EFT**

Those who elect to pay through EFT must follow the instructions for EFT set out in the Entitlement and Acceptance Form.

**Investors who elect to pay through EFT will NOT need to return their completed Entitlement and Acceptance Form.**

Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of each Applicant to ensure that funds are submitted through EFT by the date and time referred to above. If you elect to pay through EFT, you must follow the instructions for EFT set out in the Entitlement and Acceptance Form.

If you are paying by EFT, please make sure to use the specific personal reference number which is required to identify your shareholding on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the personal reference number specific to the Entitlement on that form. If you inadvertently use the same personal reference number for more than one of your Entitlements, any additional Application Monies received for New Shares in excess of your Entitlement, may be applied to the Shortfall Offer. Please note that a limit may apply on the dollar amount that can be transferred via EFT. It is your responsibility to check that the amount you wish to pay via EFT will not exceed that limit.

If you have multiple holdings, you will have multiple EFT personal reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the personal reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of those holdings.

In order to make payment by EFT you must be an account holder with an Australian financial institution and ensure that your payment for the appropriate amount that supports EFT transactions is received by the Share Registry before 5:00pm (AEST) on the Closing Date.

#### **5.4 Entitlement and Acceptance Forms, or payment through BPAY® or EFT, are binding**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY® or EFT, constitutes a binding Application to subscribe for that number of New Shares and, if applicable Shortfall Shares, and attaching New Options, specified in the Entitlement and Acceptance Form or which the payment by BPAY® or EFT will pay for in full (as applicable). That Application cannot be withdrawn or varied once lodged or paid, except to the extent permitted or required by law.

If the Entitlement and Acceptance Form is not completed correctly, the Board, in its absolute discretion, can reject it or treat it as valid, either in whole or in part. The Board's decision as to whether to accept or reject an Entitlement and Acceptance Form, either in whole or in part, or how to construe, amend or complete it, is and will remain final and binding. The Entitlement and Acceptance Form does not need to be signed by or on behalf of the Applicant to be binding.

## 6 Purpose and Effect of the Offer

### 6.1 Purpose of the Offer and use of funds

The purpose of the Offer and Shortfall Offer is to raise up to \$5,053,818 (including costs associated with the Offers). No funds will be raised from the issue of New Options or the Underwriter Options.

Assuming that the Offer is fully subscribed, the proceeds of the Offer and the Shortfall Offer, are planned to be used in accordance with the table set out below:

Proposed application of proceeds of the Offers	\$*	%
Funding continued exploration of Company's existing projects in Western Australia and potential project acquisitions	4,267,747	84.44
Working Capital	400,000	7.92
Costs associated with the Offers	386,071	7.64
<b>Total</b>	<b>5,053,818**</b>	<b>100</b>

\* All amounts are approximations.

\*\* The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date. As such, in calculating this figure, the Company is assuming that all Shareholders will be Eligible Shareholders as at the Record Date.

The above table is a statement of current intentions as at the date of this Offer Document. Investors should note that, the allocation of the funds raised as set out in the table above may change depending on various factors including, but not limited to the success of the Company's business plan, marketing campaigns, business development, regulatory developments and economic decisions. The Company reserves the right to alter the purposes and/or the amounts in which any of those funds may be applied.

### 6.2 Effect of the Offers

The principal effect of the Offers, assuming all New Shares and attaching New Options offered under this Offer Document are subscribed for by Eligible Shareholders or the Underwriter, will be to:

- increase the cash reserves of the Company by \$4,667,747 (after deducting the currently estimated expenses of the Offers), immediately after completion of the Offers;
- increase the number of Shares on issue from 421,151,121 as at the date of this Offer Document to a total of 735,252,534 Shares, following completion of the Offers<sup>2</sup>; and
- increase the number of Options on issue from 77,600,000 as at the date of this Offer Document to a total of 264,650,507 Options following completion of the Offers<sup>3</sup>.

<sup>2</sup> Also includes the issue of Incentive Shares as detailed in **Section 6.4.1**.

<sup>3</sup> Also includes issue of Incentive Options, Underwriter Options and Consultant Options detailed in **Section 6.4.2**.

### **6.3 Historical and Pro-forma Consolidated Statement of Financial Position**

Set out below is the Group's historical consolidated statement of financial position as at 31 December 2020 extracted from the Independently Reviewed Strickland Metals Limited Interim Financial Report for the half year ended 31 December 2020 and the pro-forma unaudited consolidated statement of financial position as at 31 December 2020, after taking into account the effect of the Offers.

This pro-forma is not intended to be a statement of the Group's current financial position. The Group's pro-forma consolidated statement of financial position has been prepared assuming all Entitlements are accepted and includes the currently estimated expenses of the Offers.

The Group prepares its financial statements in accordance with the requirements of the Corporations Act, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). The accounting policies upon which the unaudited pro-forma information has been prepared are set out in the Group's consolidated Annual Financial Report for the financial year ended 30 June 2020. A copy of the Group's consolidated annual financial report for the financial year ended 30 June 2020 and Interim Financial Report for the half-year ended 31 December 2020 can be viewed on the ASX platform (ASX Code: STK). The Group's unaudited pro-forma consolidated statement of financial position is presented in abbreviated form and does not contain all of the disclosures that are usually found in financial statements prepared in accordance with the Corporations Act. The information is not represented as being indicative of the Group's current or future financial condition and/or performance.

The Group's unaudited pro-forma consolidated statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Group and pro-forma assets and liabilities of the Group as noted below. The historical and pro-forma consolidated financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

### Historical and Pro Forma Consolidated Statement of Financial Position

	Historical 31-Dec-20	Impact of the Non- Renounceable Pro- Rata Offer	Unaudited Pro- forma (Post Non- Renounceable Pro- Rata Offer)
<b>Current assets</b>	\$	\$	\$
Cash and cash equivalents	1,098,108	4,667,747	5,765,855
Trade and other receivables	42,601		42,601
Other current assets	10,525		10,525
<b>Total current assets</b>	<b>1,151,234</b>	<b>4,667,747</b>	<b>5,818,981</b>
<b>Non- current assets</b>			
Plant and equipment	3,616		3,616
Other financial assets	40,000		40,000
Capitalised mineral exploration and evaluation expenditure	8,795,913		8,795,913
Security deposits	20,458		20,458
<b>Total non-current assets</b>	<b>8,859,987</b>	<b>-</b>	<b>8,859,987</b>
<b>Total assets</b>	<b>10,011,221</b>	<b>4,667,747</b>	<b>14,678,968</b>
<b>Current liabilities</b>			
Trade and other payables	395,440		395,440
Provisions	104,971		104,971
<b>Total current liabilities</b>	<b>500,411</b>	<b>-</b>	<b>500,411</b>
<b>Total liabilities</b>	<b>500,411</b>	<b>-</b>	<b>500,411</b>
<b>Net assets</b>	<b>9,510,810</b>	<b>4,667,747</b>	<b>14,178,557</b>
<b>Equity</b>			
Issued capital	25,439,629	4,667,747	30,107,376
Accumulated losses	(17,342,096)		(17,342,096)
Reserves	1,413,277		1,413,277
<b>Total equity</b>	<b>9,510,810</b>	<b>4,667,747</b>	<b>14,178,557</b>

On 16 March 2021, the Group announced its intention to withdraw from the Doolgunna project Binding Heads of Agreement with Diversified Asset Holdings Pty Ltd. At 31 December 2020, the Group had capitalised mineral exploration and evaluation expenditure of \$1,609,712 relating to this project, which was written off in March 2021. No adjustment has been made to amounts recorded at 31 December 2020 in the Interim Financial Report for the half-year ended 31 December 2020 in relation to this event.

Other than as outlined in the above table, the pro-forma consolidated statement of financial position does not include any adjustments for events occurring subsequent to 31 December 2020. Shareholders and investors should consider announcements released to the market since 31 December 2020 when evaluating the Group's movements in financial position and the effect of the Offers.

## 6.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

### 6.4.1 Shares

The actual effect on the capital structure and relative ownership percentages of Shareholders, of the issue of New Shares under this Offer Document will depend on the exact number of New Shares that are subscribed for and issued under the Offer, and if applicable, the Shortfall Offer. The actual and potential dilutionary effect of the issue of New Shares and New Options on existing Shareholders who do not participate in the Offer and, if applicable, the Shortfall Offer, is (based on the assumptions and qualifications stated) outlined in **Section 6.3**.

Item	No. of Shares	% of issued capital
Shares currently on issue	421,151,521	57.27%
New Shares and Shortfall Shares <sup>1</sup>	280,767,680	38.19%
Incentive Shares <sup>2</sup>	33,333,333	4.54%
<b>Total</b>	<b>735,252,534</b>	<b>100.00%</b>

1. Assumes full subscription under the Offers.
2. The Company has agreed to offer the Chief Executive Officer Andrew Bray a limited recourse loan of \$600,000 to acquire 33,333,333 Shares (**Incentive Shares**) at the Offer Price. The Incentive Shares will have one free attaching option for every two shares subscribed for on the same terms as the New Options (**Incentive Options**).

### 6.4.2 Options

Item	No. of Options
Options currently on issue	77,600,000 <sup>1</sup>
New Options offered pursuant to the Offer (Exercisable at \$0.036 per New Option on or before the third anniversary of the issue date)	140,383,840
Underwriter Options issued to Underwriter (Exercisable at \$0.036 per New Option on or before the third anniversary of the issue date)	20,000,000
Incentive Options	16,666,667
Consultants Options	10,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>264,650,507</b>

1. Options on issue comprise of the following:
  - 6,000,000 unlisted options exercisable at \$0.04 expiring 20/11/2022;
  - 1,000,000 unlisted options exercisable at \$0.05 expiring at 30/11/2021;
  - 10,600,000 unlisted options exercisable at 29/10/2021;

- 15,000,000 unlisted options exercisable at \$0.025 expiring 22/07/2024;
- 9,500,000 unlisted options exercisable at \$0.04 expiring 28/08/2024;
- 11,500,000 unlisted options exercisable at \$0.04 expiring 28/08/2024;
- 19,000,000 unlisted options exercisable at \$0.05 expiring 28/08/2024;
- 1,000,000 unlisted options exercisable at \$0.07 expiring 24/09/2024;
- 2,000,000 unlisted options exercisable at \$0.07 expiring 24/09/2024; and
- 2,000,000 unlisted options exercisable at \$0.085 expiring 24/09/2024.

## 6.5 Dilutive effect on current Shareholdings

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.



(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.

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.

## 6.6 Effect of the Offers on the Control of the Company

The Underwriter is not currently a Shareholder.

Pursuant to the terms of the Offers and the Underwriting Agreement, the Company and the Underwriter will ensure that no person (including the Underwriter and its Associates) will acquire, through participation in the Offers or the Shortfall Offer, a relevant interest in, or increase their holding of relevant interests to, an amount in excess of 20.0% of all Shares on issue on completion of the Offers.

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

Notwithstanding this relationship between the Company and the Underwriter, the Board considered prior Shareholder approval to the entry into the Underwriting Agreement (which is deemed under the Corporations Act to be the giving of a financial benefit to the Underwriter) was not required on the basis that the terms of the agreement are considered to be 'arm's length'.

In order to mitigate the potential control effects of the Underwriting, the Company has included a Shortfall Offer, as described in **Section 4.3** above.

Notwithstanding the potential control effect of Underwriter underwriting the Offer, the Company understands that, other than as disclosed in this Offer Document and previously announced by the Company, the Underwriter has no present intention of making any significant changes to the business of the Company. These intentions are based on information concerning the Company, its business and the business environment which is known to the Underwriter at the date of this Offer Document. These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

The allocation of Shortfall Securities under the Shortfall Offer will be at the sole and absolute discretion of the Company, in consultation with the Underwriter.

Subject to the preceding provisions, the Directors reserve the ultimate right to make allocations of New Shares, New Options and Shortfall Securities, after consultation with the Underwriter.

The Underwriter's relevant interest under several scenarios are set out in the table below:

Event	Shares held by Underwriter	Voting power of Underwriter % <sup>1</sup>
Date of Offer Document	0	0.0
Fully Subscribed	0	0.0
75% Subscribed by Eligible Shareholders	70,191,920	9.55
50% Subscribed	140,383,840	19.09
25% Subscribed	210,575,760	28.64 <sup>2</sup>

1. Assumes Underwriter subscribes for all Shortfall Shares and no Shortfall Shares are allocated to sub-underwriters or third parties (including to Shareholders in excess of their respective Entitlement).
2. The Company and the Underwriter will ensure that no person (including the Underwriter and its Associates) will acquire, through participation in the Offers, the Shortfall Offer or the Underwriting Agreement, a relevant interest in, or increase their holding of relevant interests in, an amount in excess of 20.0% of all Shares on issue, on completion of the Offers.

The Company considers it is unlikely that no Eligible Shareholders will exercise their rights in respect of any part of their respective Entitlements under the Offer or apply for any additional Shortfall Securities under the Shortfall Offer. The voting power of the Underwriter and its associated entities will reduce by an amount that corresponds to the number of New Shares issued under the Offer and number of Shortfall Shares issued under the Shortfall Offer. The Directors believe that the Offer has been priced to encourage Eligible Shareholders to participate in the Offer and the Shortfall Offer, which in turn will enable the Company to achieve the objectives stated in **Section 6.1** of this Offer Document.

The Company considered alternative options for raising capital and resolved that the Offers on the terms detailed in this Offer Document, were the most favourable course open to the Company and its Shareholders, given the Company's strategic objectives and having regard to the relevant circumstances existing at the date of this Offer Document.

The Directors consider, having regard to all available options, that entering into the Underwriting Agreement with the Underwriter provides the Company and the Shareholders with the highest degree of certainty in the time available that the Offer will be successful.

## 6.7 Substantial Shareholders

Based on the Company's share register at the date of this Document, there is no Shareholder that has a relevant interest in Shares or voting power in the Company of 5% or more.

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## **7 Risk Factors**

### **7.1 Introduction**

Any investment carried out under this Offer Document should be considered highly speculative. Due to the nature of the Company's business activities and mineral exploration interests, making or increasing an investment in the Company carries with it risks reasonably expected of an investment in a business of this type. Applicants should read this Offer Document in full, consider all the risk factors described within it (including this **Section 7**) and all other relevant material including the Company's announcements. If an Applicant is in any doubt, or requires clarification or further additional information, that Applicant should contact their stockbroker, accountant, solicitor or other professional adviser before deciding whether to apply for any New Shares.

Additional risks are detailed below. These risk factors should not be taken as being exhaustive of the risks faced by the Company or an investment in the Company. The risk factors described below, and others not specifically referred to below, may, in the future, affect the financial performance of the Company and the value of an investment in the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially and adversely affect the financial performance of the Company and the value of the Securities offered under this Offer Document.

Therefore, no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities is given.

### **7.2 Key Risks and dependencies associated with the Company include:**

#### **(a) Dilution Risk**

Upon completion of the Offers (assuming full subscription) and including the Incentive Shares to be allotted to Andrew Bray, the number of Shares will increase from 421,151,521 currently on issue, to 735,252,534 Shares. This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 42.72%.

The Company also currently has 77,600,000 Options on issue. If the Offer is fully subscribed, the Company will issue an additional 140,383,840 New Options to Applicants under the Offers, 16,666,667 Incentive Options, 10,000,000 Consultants Options and 20,000,000 Underwriter Options. The exercise of some or all of these Options will have a dilutionary effect on a Shareholder's interest in the Company.

#### **(b) Changes in commodity price**

In the event that the Company proceeds to a production scenario, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risk. Commodity prices (including for gold and silver) fluctuate and are affected by many factors beyond the control of the Company and the Board.

The profitability of the Company's operations is significantly affected by changes in the commodity price. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company.

The factors that may affect the Commodity prices include industry factors such as:

- industrial and jewellery demand;
- the level of demand for metals as an investment;
- central bank lending, sales and purchases of metals;
- speculative trading; and
- costs of and levels of global production by producers of the metals.

Commodity prices may also be affected by macroeconomic factors, including:

- expectations of the future rate of inflation;
- the strength of, and confidence in, the United States dollar, the currency in which the price of the metal is generally quoted, and other currencies;
- prevailing and anticipated interest rates and foreign exchange rates; and
- global or regional political or economic uncertainties.

The price of commodities can be subject to volatile and material price movements. Depending on commodity prices, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in commodity prices, revenues from metal sales were to fall below cash operating costs, the Company may determine that it is not economically feasible to continue development and production of some or all of its current projects. This could have an adverse impact on the Company's financial performance and results of operations. The Company may curtail or suspend some or all of its exploration activities – either temporarily or permanently - with the result that depleted reserves are not replaced.

**(c) Operational Risk**

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve predicted mineral grade, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems, changes in operational, capital and sustaining costs, adverse or seasonal weather conditions, adverse geological conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and inability to obtain or maintain any necessary consents or approvals.

**(d) Regulatory Issues**

Mining operations are subject to extensive regulations, including environmental, health and safety and other regulations, as well as the need to manage relationships with local communities.

The Company's exploration activities and any future mining operations are subject to extensive laws and regulations, which include laws and regulations governing, among other things exploration, development, production, exports, taxes, labour standards, mining royalties, price controls, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating, closing and rehabilitating the Company's mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and commonly experienced delays associated with the Company's ability to comply with such laws and regulations could become such that the Company may elect not to proceed with the development of, or continue to operate, a mine.

As part of its normal course of operating and development activities, the Company has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Company's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of the Company's activities and delays in the exploration of and development of its properties.

The Company is required to obtain governmental permits for expansion or advanced exploration activities at its operating and exploration properties. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous agencies and other interested parties. There can be no certainty that these approvals will be granted to the Company in a timely manner, or at all. The duration and success of each permitting effort are contingent upon many variables not within the Company's control. The issue of governmental approvals, licenses and permits are subject to the discretion of the applicable governments or governmental officials, and any exercise of such discretion will typically take into account other parties' interests or rights.

In the context of environmental protection permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits required to operate its businesses in full force and effect or without modification or revocation. The failure to obtain or renew certain permits, or the imposition of extensive conditions upon certain permits, could have a material adverse effect on the Company's business, operations and financial condition.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that the Company has been or will be at all times in complete compliance with all such laws or permits, that the Company's compliance will not be challenged or that the costs of complying, as well as the costs of the consequences of failing to comply, with current and future environmental, health and safety laws and permits will not materially or adversely affect the Company's future cash flow, results of operations and financial condition.

As a consequence of public concern about the perceived ill effects of mining and land development, mining companies such as the Company face increasing public scrutiny of their activities. Criticism of the Company's activities or negative publicity, whether accurate or not, could result in damage to the Company's reputation which could have a material and adverse effect on the Company's share price. The international standards on social responsibility, community relations and sustainability against which the Company benchmarks its operations are becoming increasingly stringent and extensive over time, and adherence to them is increasingly scrutinised by regulatory authorities, citizens groups and environmental groups, as well as by investors and financial institutions.

The Company's mineral exploration and any planned development activities are subject to various federal, provincial and local government laws and regulations governing, among other things, acquisition of mining interests, maintenance of claims, tenure, expropriation, prospecting, development, mining, production, price controls, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, treatment of indigenous peoples, environmental protection and remediation, endangered and protected species, mine safety and other matters. Although the Company's exploration is currently believed by the Company to be carried out in accordance with all applicable laws and regulations, no assurance can be given that new laws and/or regulations will not be enacted or that existing laws and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition and results of operations of the Company. By way of example only, these new laws or regulations could introduce changes to or invalidation of government mining laws and regulations, expropriation or revocation of land or property rights, changes in foreign ownership rights or changes in taxation rates. The Company is subject to changes to the royalty regimes in the jurisdictions in which it operates. The costs and delays associated with obtaining and complying with necessary licences and permits as well as applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project. Any failure to comply with applicable laws, regulations or licensing and permitting requirements, even if inadvertent, may result in enforcement actions thereunder.

**(e) Social Responsibilities**

The Company's operations can also have an impact on local communities. Failure to manage relationships with local communities, governments and non-government organisations may harm the Company's reputation as well as its ability to bring development projects into production. In addition, the costs and management time required to identify and comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have increased substantially and are expected to further increase over time.

**(f) Native Title**

Both the Native Title Act 1993 (Cth), related State Native Title legislation and Aboriginal land rights and Aboriginal heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company.

**(g) Environmental**

The Company's operations sometimes result in the release of hazardous materials into the environment and these releases, whether or not planned, could cause contamination. The Company may be required to investigate and remediate contamination, including at properties it formerly operated, regardless of whether it caused the contamination or whether the activity causing the contamination was legal at the time it occurred. The Company also could be subject to claims by government authorities, individuals, employees or third parties seeking damages for alleged illness, personal injury or property damage resulting from hazardous material contamination or exposure caused by its operations or sites. The Company could be required to establish or substantially increase financial provisions for such obligations or liabilities and, if it fails to accurately predict the amount or timing of such costs, the related impact on its business, financial condition or results of operations could be materially adverse.

**(h) Exploration Risk**

There can be no guarantee that planned exploration programs will lead to positive exploration results and the discovery of a commercial deposit or further, a commercial mining operation. By its nature the business of mineral exploration, which the Company will be undertaking, contains significant risks. By its nature, mineral exploration and production is a speculative endeavour and can be hampered by the unpredictable nature of mineral deposits, particularly with respect to predicted extrapolations to depth from known mineralisation, poor drilling techniques, incorrect grade estimates, unforeseen and adverse ground conditions, flooding, inclement weather, poor equipment availability, force majeure circumstances and cost overruns from unforeseen events. Resource estimates themselves are necessarily imprecise and depend upon interpretations that can prove to be inaccurate. Any future successful mining operation will depend on exploration success, mineral resource calculations, appropriate economic circumstances, ore reserve calculations, successful statutory planning approvals, mine design and the construction of efficient processing facilities, competent operation and management and efficient financial management.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its exploration licences, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of tenements.

**(i) Cost volatility and supply of Inputs**

The Company is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel, concrete and cyanide) and equipment (including parts) to conduct its exploration operations. A shortage of such input commodities or equipment or a significant increase in their cost could have a materially adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, exploration and any future production. The Company is also dependent on access to and supply of water and electricity to carry out its mining operations. Such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements which can be material over short periods of time and are affected by factors that are beyond the Company's control.

An increase in the cost, or decrease in the availability, of input commodities or equipment may adversely affect the timely conduct and cost of the Company's operations. If the costs of certain input commodities consumed or otherwise used in connection with the Company's operations and development projects were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects. Such an outcome could have a materially adverse impact on the Company's financial performance and results of operations.

**(j) Minimum Expenditure Commitment**

Interests in tenements in Western Australia are governed by the Mining Act 1978 (WA) and its related regulations. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

**(k) Mineral Resource estimates**

The Mineral Resource figures of the Company are only estimates and are subject to revision based on developing information.

The figures for Mineral Resources disclosed by the Company, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realised, are only estimates and no assurances can be given as to their ultimate accuracy. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. It may also take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a deposit may change. Resource estimates are materially dependent on prevailing commodity prices and the cost of recovering and processing minerals at the individual mine sites.

Prolonged declines in the market price of gold and/or silver may render resources containing relatively lower grades of mineralisation uneconomic to exploit and could reduce materially the Company's Mineral Resources. Should such reductions occur, material write downs of the Company's investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow.

The estimates of Mineral Resources attributable to a specific property are based on accepted engineering and evaluation principles.

There are numerous uncertainties inherent in estimating quantities of Mineral Resources. The estimates are based on various assumptions relating to commodity prices and exchange rates during the expected life of production, mineralisation of the area to be mined, projected cost of mining and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could have a materially adverse impact on the Company's financial performance and results of operations.



**(l) Hazards and Risks**

The Company is subject to hazards and risks associated with exploration and mining activities and available insurance may be insufficient to cover these risks.

The operations of the Company are subject to the hazards and risks normally incidental to exploration, development, and production activities of precious metals mining properties, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions, depending on the location of operations in which the Company has interests. Hazards and risks, such as unusual or unexpected geological formations, faults and other geologic structures, rock bursts, pressures, cave-ins, flooding, pit wall failures, ground and slope failures and inventory theft, could have an adverse impact on the Company's operations. Severe weather conditions, including those resulting from global climate change, may adversely impact the Company's operations. As a result, production may fall below historic or estimated levels and the Company may incur significant costs or experience significant delays that could have a materially adverse effect on the Company's financial performance, liquidity and results of operations.

Further, delays due to equipment malfunction or inadequacy may adversely affect the Company's results of operations. It is impossible to ensure that the current or proposed exploration programs on properties in which the Company has an interest will result in profitable commercial mining operations.

**(m) Infrastructure**

Mining, processing, development, and exploration activities depend, to a varying but material degree, on adequate and available infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which materially affect capital and operating costs. Lack or inadequacy of such infrastructure, unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Company's operations, financial condition and results of operations.

**(n) Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases, the acquisition of prospective tenements is competitive, in which propriety knowledge or information, and the ability to negotiate satisfactory commercial arrangements with other parties, is often essential.

**(o) Government policy**

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company. The Western Australian Department of Mines, Industry Regulation and Safety conducts reviews from time to time of policies in connection with the granting and administration of mining leases. At present the Company is not aware of any proposed changes to policy that would affect its exploration leases or permits.

Changing attitudes to environmental, land care, cultural heritage and Indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the permits.

**(p) Title**

Interests in mining permits and leases in Australia are governed by the respective State Government legislation and are evidenced by the granting of tenements through the issuing of a lease or permit. Each lease or permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, leases or permits if their conditions are not met or if sufficient funds are not available to meet expenditure commitments.

Any failure to comply with the expenditure conditions, or with the other conditions of the permit or lease, expose it to forfeiture.

**(q) Force Majeure Risk**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**(r) Reliance on Key Personnel**

The Company has a small team of Directors, executives, consultants and senior personnel. It is possible that the estimated timing and cost of the Company's future exploration plans could be dramatically influenced by the loss of existing key personnel or by the failure to retain additional key personnel as the Company's exploration program develops. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of any team member.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Offer Document.

**(s) Liquidity and Volatility**

The Company has a small market capitalisation with a relatively limited number of Shareholders. As a consequence, there may be relatively few buyers or sellers of the securities in its issued capital as Quoted on the ASX at any given time and the market price may be highly volatile (particularly in times of share market turbulence or negative investor sentiment). This may present difficulties for Shareholders seeking to liquidate their holdings and for the Company, when and if seeking to raise any additional capital.

**(t) Contractual Risks**

As in any contractual relationship, the ability for the Company to ultimately be registered as a holder of an interest in the tenements is dependent upon the relevant vendor complying with its contractual obligations to deliver good title. To the extent that such third parties default in their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Such legal action may be costly, time consuming and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

**(u) Financing**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on terms acceptable to the Board or Shareholders, or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and the value of the Securities.

No assurances can be given that the Company will achieve commercial viability through successful exploration and/or mining. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

**(v) Competition**

The mining industry is competitive in all of its phases. The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, metals. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals or general labour. Increased competition could adversely affect the Company's ability to attract necessary capital funding on acceptable terms, or to acquire suitable producing properties or prospects for mineral exploration in the future. Increases in copper, nickel and gold prices have in the past, and could in the future, encourage increases in mining exploration, development and construction activities, which in turn is likely to result in increased demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to co-ordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or attract better or more qualified employees or contractors.

Certain Directors also serve as directors and/or officers of other companies involved in natural resource exploration and development. There is a possibility that such other companies may compete with the Company for the acquisition of assets. Consequently, there exists the possibility for such directors to be in a position of conflict. If any such conflict of interest arises, then a director who has such a conflict must disclose the conflict to a meeting of the directors and must abstain from and will be unable to participate in discussion or decisions pertaining to the matter. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

**(w) Coronavirus (COVID – 19)**

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors continue to monitor the outbreak of COVID-19 closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore unavoidably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to any impact of COVID-19 on the Company. If any of these impacts appear material prior to the close of the Offers, the Company may elect to notify investors under a supplementary prospectus.

### **7.3 General Risks**

A summary of the major general risks are described below:

#### **(a) Share Market Risk**

There are a number of factors (both domestic and international) that may affect the market price of Shares and Options and neither the Company nor its Directors may have control over any such factors. The market price of Securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular.

Neither the Company nor the Directors warrant the future performance of the Company or of any Shares or Options, including any Securities, or any return on an investment in the Company.

#### **(b) Insurance**

Available insurance does not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. As a result, the Company might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons.

#### **(c) Global Financial Conditions**

Global financial conditions have been characterised by increased volatility. Although there has been some recovery, there is no certainty that the disruptions and their effects have ended and will not continue to affect the markets. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms acceptable to the Company or at all. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations and the trading price of the Shares and/or Options, may be materially adversely affected.

Securities of mining companies have experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in the countries where the Company carries on business and globally, and market perceptions of the attractiveness of particular industries.

**(d) General Economic Conditions**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, foreign exchange rates, inflation, supply and demand, industrial disruption, investor sentiment toward particular market sectors, terrorism or other hostilities and other economic factors. The price of commodities and level of activity within the mining industry will also be of particular relevance. These factors are beyond the control of the Company and the Board, and neither the Company nor the Board gives any forecast or prediction, with any degree of certainty, as to how they will impact the Company or any Shares or Options.

**(e) Legislative Change**

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

**(f) Exchange Rate Risk**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation. Whilst the Company currently raises all of its funds in Australian dollars and all services are paid for in Australian dollars, commodities are frequently traded in US dollars or other foreign currencies, on international markets. As such in a production off-take scenario, the Company in the future may be exposed to exchange rate fluctuations.

**(g) Industrial Risk**

Industrial disruptions, work stoppages, safety issues and accidents in the course of the Company's operations could result in losses and delays, which may materially and adversely affect profitability.

**(h) New Options**

The New Options attaching to the New Shares offered under this Document will be Quoted on the ASX. As with all Options, there is a risk that the value of the Shares will not equal or exceed the exercise price of the Options prior to their expiry date, meaning the Options would expire on that date with no value.

**(i) Investment Risk**

The Securities offered pursuant to this Offer Document should be considered highly speculative due to the nature of the Company's business. There is no guarantee as to payment of dividends, return of capital or the market value of any of the Securities. In particular, the prices at which an investor may be able to trade any of the Securities may be above or below the price paid for them.

**(j) No profits to date**

The Company has incurred losses since its inception. It is therefore not possible to evaluate its prospects based on past performance. Since the Company intends to invest in its exploration and development programs, the Directors anticipate making further losses in the foreseeable future. While the Directors have confidence in the future revenue earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

**(k) Litigation**

Legal proceedings may be brought against the Company, its subsidiaries or affiliated entities or their respective officers, directors, employees or agents for example, being litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on the Company's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations. As a result, the Company may be subject to expenses of investigations and defence, and fines or penalties for violations if proven. The Company may also potentially incur cost and expense to remediate, increased operating costs or changes to or cessation of operations, if ordered to do so or required in order to resolve such proceedings. In the event of a dispute arising at the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the Company's preferred choice. The Company's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

**(l) Taxation**

The holding or disposal of the any Securities will have tax consequences which may differ depending on the individual financial affairs of each holder of such Security. All of holders of Securities are urged to obtain independent financial advice about the consequences of holding or disposing of any of those Securities from a taxation viewpoint and generally.

**(m) Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

The above factors, and others not specifically referred to above, may in the future materially and adversely affect the financial performance of the Company and the value of the Securities. Therefore, the Securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

## 8 Additional Information

### 8.1 Share performance

The issue price at which the New Shares are being offered under this Offer Document represents a discount to a range of historical trading prices of the Company's Shares. Further, the quoted discount percentage excludes any value that may be assigned to New Options that will attach to New Shares subscribed for.

Specifically, the Offer Price of \$0.018 per New Share represents a 14.7% discount to the closing price of Shares on the ASX on 1 April, 2021 (being the last date the Company's Shares traded), being the 5-day VWAP of \$0.0211 per Share.

The highest and lowest traded prices of Shares on the ASX in the 12 months prior to the date of this Offer Document are as follows:

	Price	Date
	ASX	ASX
<b>Highest</b>	A\$0.135	22 October 2020
<b>Lowest</b>	A\$0.01	14 April 2020

### 8.2 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the Offer:

#### (a) Underwriting Agreement

In accordance with the provisions of the Underwriting Agreement dated on or about 12 April 2021 between the Company and the Underwriter (**Underwriting Agreement**), the Underwriter has agreed to conditionally underwrite the Offer to Eligible Shareholders to subscribe for 280,767,680 New Shares at the Offer Price and 140,383,840 attaching New Options for no further cash consideration.

The provisions of the Underwriting Agreement evidence that the Company has agreed to:

- pay the Underwriter an underwriting/issue management fee equal to 6% of the total gross dollar amount raised under the Offer. All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter; and
- subject to Shareholder approval being obtained, grant to the Underwriter 20,000,000 Options on the same terms as the New Options (**Underwriter Options**). If the Company does not obtain shareholder approval for the grant of the Underwriter Options, it must pay an appropriate alternative consideration to the Underwriter (based upon the Black-Scholes valuation).

The Company may, subject to Shareholder approval if necessary, pay some or all of the Underwriting Fees in Shares and/or Options effectively on the same terms as the Company is offering to issue New Shares and Shortfall Shares under the Offers. However, the Company confirms that the Underwriting Fees will not be paid in Shares to the Underwriter where the issue of Shares would result in the Underwriter acquiring a relevant interest exceeding 20.0% of the voting power in the Company.

The Company has also agreed to pay all reasonable costs and expenses of the Underwriter incidental to the Offers (including the Underwriter's legal expenses).

The Underwriter may terminate its obligations under the Underwriting Agreement in circumstances typically found in agreements of this nature (in certain of these circumstances including having regard to the materiality of certain events). These circumstances include (but are not limited to), where:

- (a) **(Indices fall):** either of the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement, is at a level that is 5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement and remains at that level for a period of three (3) Business Days or more
- (b) **(Price of Gold):** the price of gold dropping below USD \$1,600 per ounce;
- (c) **(Offer Document):** the Company does not lodge the Offer Document on the Lodgement Date or the Offer Document or the Offer is withdrawn by the Company;
- (d) **(Supplementary Offer Document):**
  - (i) the Underwriter, having elected not to exercise its right to terminate this Agreement as a result of an occurrence as described in sub-paragraph 4.5(p)(v), forms the view on reasonable grounds that a Supplementary Offer Document should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Offer Document in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a Supplementary Offer Document without the prior written agreement of the Underwriter;
- (e) **(Non-compliance with disclosure requirements):** it transpires that the Offer Document does not contain all the information required by the Corporations Act or any other applicable law that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (f) **(Misleading Offer Document):** it transpires that there is a statement in the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Offer Document (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Document is or becomes misleading or deceptive or likely to mislead or deceive;



- (g) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Offer Document, or publicly foreshadows that it may do so;
- (h) **(Unable to Issue Securities)**: the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (i) **(Withdrawal of consent to Offer Document)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Offer Document or to be named in the Offer Document, withdraws that consent;
- (j) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (k) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Offer Document, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (l) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Offer Document to determine if it should make a stop order in relation to the Offer Document or ASIC makes an interim or final stop order in relation to the Offer Document under Section 739 of the Corporations Act;
- (m) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (n) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (o) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (p) **(Termination Events)**: any of the following events occurs:
  - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Vietnam, Indonesia, Japan, Russia, Ukraine, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel, Iran, Syria or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
  - (ii) **(Default)**: material default or material breach by the Company under this Agreement of any material terms, conditions, covenants or undertakings;

- (iii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material and adverse respect;
- (iv) **(Contravention of constitution or Act):** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **(Adverse change):** an event which gives rise to a Material Adverse Effect or any development including a likely Material Adverse Effect after the date of this Agreement, in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Offer Document becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) **(Error in Due Diligence Results):** it transpires that any of the Due Diligence Results or any part of the Verification Materials were, misleading or deceptive, materially false or that there was a material omission from them (if applicable);
- (vii) **(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements):** without the prior approval of the Underwriter, a public statement is made by the Company in relation to the Offer or the Offer Document other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified):** the official quotation is qualified or conditional other than as set out in the Underwriting Agreement;
- (xi) **(Change in Act or policy):** either:
  1. there is introduced, or there is a public announcement of a proposal to introduce into the Parliament of Australia or any of its States or Territories, any Act or prospective Act or budget; or
  2. the Reserve Bank of Australia or any Commonwealth or State authority, adopts or announces a proposal to adopt,

any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy, that has not been publicly disclosed or proposed as at the date of this Agreement;
- (xii) **(Prescribed Occurrence):** a Prescribed Occurrence occurs, other than as disclosed in the Offer Document;
- (xiii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Relevant Company;

- (xv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$50,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company except as disclosed in the Offer Document;
- (xvii) **(Board and senior management composition):** subject to as disclosed in the Offer Document, there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (not to be unreasonably withheld or delayed);
- (xviii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Offer Document or as the result of any actions taken by the Underwriter or any of its Associates) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 5 Business Days, without the written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (xx) **(Force Majeure):** an event of Force Majeure affecting the Company's business or any obligation under the Agreement which lasts in excess of 7 days;
- (xxi) **(Certain resolutions passed):** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (xxii) **(Capital Structure):** any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (xxiii) **(Breach of Material Contracts):** subject to as disclosed in the Offer Document, any of the Contracts is terminated or substantially modified; or
- (xxiv) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement is otherwise made on terms considered standard for an agreement of its nature.

(b) **Terms of Engagement with Andrew Bray**

The Company has agreed to the following terms of engagement with Andrew Bray (**Bray**) relating to his appointment as Chief Executive Officer:

- (i) **(Term)**: from and including 12 April 2021 (**Engagement Commencement Date**) to and including the third anniversary of the Engagement Commencement Date, subject to a mutual 6 month notice period for termination;
- (ii) **(Management Fee)**: a management fee of A\$7,000 per calendar month + GST (A\$84,000 + GST annually);
- (iii) **(Loan)**: a limited recourse interest free loan of A\$600,000 (**Loan**) to be provided by the Company to enable Bray and/or any associate of Bray, to apply all of those Loan funds to acquire fully paid ordinary shares in the Company (each a Share) at \$0.018 per share (**Incentive Shares**), with a 1 for 2 attaching option in the same class as the New Options and for no further cash consideration being payable (each an attaching **Incentive Option**);
- (iv) all Incentive Shares acquired by Bray and/or any associate of Bray with any of the Loan funds will be subject to escrow on the same terms and conditions analogous to those stated in Appendix 9A of the ASX Listing Rules, until the second anniversary of the date of their acquisition by Bray and/or any associate of Bray;
- (v) the Company will only have recourse to the Incentive Shares and the Incentive Options acquired by Bray and/or any associate of Bray with any of the Loan funds, in order to achieve repayment of the Loan; ;'
- (vi) without limitation to sub-paragraph (v) immediately above, the outstanding balance of the Loan will be repayable in full upon the earlier to occur of:
  - A. the fifth anniversary of the Engagement Commencement Date; and
  - B. the date upon which the Engagement is terminated, for whatever reason;
- (vii) without limitation to sub-paragraph (vi) immediately above, if the Engagement is terminated for any reason:
  - A. prior to or on the first anniversary of the Engagement Commencement Date, Bray will be required to:
    - (a) forfeit for no value or consideration, 22,222,222 Incentive Shares and 11,111,111 attaching Incentive Options; and
    - (b) repay that dollar amount of the Loan that is equal to the lesser of the outstanding balance of the Loan at that time and the realisable value at that time of 11,111,111 Incentive Shares and 5,555,555 attaching Incentive Options;
  - B. after the first anniversary of the Engagement Commencement Date but prior to or on the second anniversary of the Engagement Commencement Date, Bray will be required to:

- (a) forfeit for no value or consideration, 11,111,111 Incentive Shares and 5,555,555 attaching Incentive Options; and
  - (b) repay that dollar amount of the Loan that is equal to the lesser of the outstanding balance of the Loan at that time and the realisable value at that time of 22,222,222 Incentive Shares and 11,111,111 attaching Incentive Options;
- C. at any time after the second anniversary of the Engagement Commencement Date, Bray will be required to repay the Loan by paying the Company an amount that is equal to the lesser of the outstanding balance of the Loan and the realisable value at that time of 33,333,333 Incentive Shares and 16,666,667 attaching Incentive Options;
- (viii) the Loan repayment obligations stated above will apply irrespective of whether Bray is recorded as “good leaver” or “bad leaver”;
- (ix) under the terms of the Loan, Bray and any associate of Bray that has acquired any Shares and attaching Incentive Options with any of the Loan funds will authorise and enable the Company to effect the sale of the relevant Incentive Shares and attaching Incentive Options without being required to obtain any further consent or authority from Bray and/or any associate of Bray; and
- (x) Bray is prohibited from being appointed as a director of the Company for a period of at least 6 months after the date upon which Bray and/or any associate of Bray acquires any Incentive Shares and attaching Incentive Options.

(c) **Royalty Agreement**

The Company has agreed to enter into a royalty agreement with L11 Capital Pty Ltd (**L11**), a company controlled by Bray, whereby:

- (i) L11 will purchase a perpetual royalty over 1.0% of the gross revenue (**Royalty**) to which the Company is or will become entitled to receive, as a result of operations located at:
  - A. the Horse Well Project located at the Warburton Mineral Field in Western Australia (**Project**); and
  - B. any other tenements or licences (or any interests in such tenements or licences) granted or acquired within a 30 kilometre radius of the Project’s existing boundary;
- (ii) with respect to tenements of the Project which are subject to any joint venture arrangement (**JV Tenements**), L11 will only be entitled to the Royalty on revenue received from the Company’s participating interest in those JV Tenements; and
- (iii) L11 will be required to pay A\$240,000 in immediately available funds to the Company, within 90 days of 12 April 2021.

### 8.3 Interests of Directors

Other than as set out below and otherwise in this Offer Document, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Offer Document with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) either or both of the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

### Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Offer Document, together with their respective Entitlements, is set out in the table immediately below:

Director	Number of Shares currently held	Number of Options currently held	Entitlement to New Shares	Entitlement to New Options	\$
Paul Skinner	5,976,635 <sup>1,2</sup>	5,000,000	3,984,423	1,992,212	\$71,719.61
Anthony McClure	Nil	Nil	Nil	Nil	Nil
David Morgan	Nil	Nil	Nil	Nil	Nil
Trent Franklin	Nil	Nil	Nil	Nil	Nil

1. 4,359,950 held by Kinetic Trade Pty Ltd a company controlled by Paul Skinner.
2. 1,616,685 held by PCSJPS Pty Ltd a company controlled by Paul Skinner.

### Remuneration

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meetings in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

The current amount has been set at an amount not to exceed \$150,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both the executive and non-executive directors.

Director	FY 30 June 2019	FY 30 June 2020	Proposed FY 30 June 2021
<b>Current directors</b>			
Anthony McClure <sup>1</sup>	Nil	Nil	\$7,500
Paul Skinner <sup>2</sup>	Nil	\$3,750	\$30,000
David Morgan <sup>3</sup>	Nil	Nil	\$7,500
Trent Franklin <sup>4</sup>	Nil	Nil	\$7,500

1. Appointed as a Director 1 April 2021.

2. Appointed as a Director 8 April 2020 – proposed remuneration for the FY 30 June 2021 is based on a monthly fee of \$2,500.

3. Appointed as a Director 1 April 2021 - proposed remuneration for the FY 30 June 2021 is based on a monthly fee of \$2,500.

4. Appointed as a Director 12 April 2021 - proposed remuneration for the FY 30 June 2021 is based on a monthly fee of \$2,500.

## 8.4 Related Party Arrangements

### Underwriting

Enrizen Capital Pty Limited (**Enrizen Capital**) has agreed to act as the Underwriter in relation to the Offers. The Company will be paid fees of approximately a maximum of \$303,229 in consideration of its commitment to underwrite the Offers and place the Underwritten Amount. In addition, the Company must, subject to Shareholder approval being obtained, grant to the Underwriter 20,000,000 Underwriter Options.

During the 24 months preceding lodgement of this Offer Document with ASIC, the Underwriter has not been paid any fees in the form of either cash or securities in the capital of the Company.

Trent Franklin is a director of the Underwriter. The Company considers that the proposed underwriting arrangements (as stated in **section 8.2(a)** above) are on an arm's length basis, and the Company will continue to ensure all future dealings with the Underwriter are similarly entered into and performed on an arm's length basis.

## 8.5 Interests of experts and advisers

Other than as set out elsewhere in this Offer Document, no:

- (a) person named in this Offer Document as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Offer Document as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Offer Document with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

**Enrizen Lawyers Pty Ltd** has acted as a solicitor to the Company in relation to the Offers. The Company estimates it will pay Enrizen Lawyers Pty Ltd \$30,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Offer Document with ASIC, Enrizen Lawyers has not been paid any fees in the form of either cash or securities in the capital of the Company.

**David P. Selig, Lawyer** has acted as a solicitor to the Underwriter in relation to the Offers and the Underwriting Agreement. The Company estimates it will pay David P. Selig \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Offer Document with ASIC, David P. Selig has not been paid any fees in the form of either cash or securities in the capital of the Company.

## 8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any underwriters, persons named in this Offer Document with their consent having made a statement in this Offer Document and persons involved in a contravention in relation to this Offer Document, with regard to misleading and deceptive statements made in this Offer Document. Although the Company bears primary responsibility for this Offer Document, the other parties involved in the preparation of this Offer Document can also be personally responsible for certain statements made in it.



Each of the parties referred to in this **Section 8.6**:

- (a) does not make, or purport to make, any statement in this Offer Document other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Offer Document other than a reference to its name and a statement included in this Offer Document with the consent of that party as specified in this Section.

**Enrizen Capital Pty Ltd** has given its written consent to being named as Underwriter to the Offers in this Offer Document, in the form and context in which it is named and in which it appears in this Offer Document. Enrizen Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Offer Document with ASIC.

**KPMG** has given its written consent to being named as the auditor of the Company in this Offer Document. KPMG has not authorised the issue of this Offer Document. KPMG has not withdrawn its consent prior to the lodgement of this Offer Document with ASIC.

**Enrizen Lawyers Pty Ltd** has given and has not before lodgement of this Offer Document withdrawn its consent to be named in this Offer Document as the Company's legal adviser in the form and context in which it is named. Enrizen Lawyers Pty Ltd has not authorised or caused the issue of this Offer Document. Enrizen Lawyers Pty Ltd has not withdrawn its consent prior to the lodgement of this Offer Document with ASIC.

**David P. Selig, Lawyer** has given and has not before lodgement of this Offer Document withdrawn its consent to be named in this Offer Document as the legal adviser of the Underwriter in the form and context in which it is named. David P. Selig has not authorised or caused the issue of this Offer Document. David P. Selig has not withdrawn its consent prior to the lodgement of this Offer Document with ASIC.

## **8.7 Expenses of the Offers**

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$386,071 (excluding GST) and are expected to be applied towards the items set out in the table below:

ASIC fees	\$3,206
ASX fees	\$14,636
Underwriting Fees	\$303,229
Legal fees of Company	\$30,000
Legal fees of Underwriter	\$20,000
Printing and distribution	\$15,000
<b>Total</b>	<b>\$386,071</b>

## **8.8 Electronic Offer Document**

This Offer Document and Entitlement and Acceptance Form will be issued to Eligible Shareholders in paper form or electronically where Eligible Shareholders have requested to receive notices by email.

If you have received this Offer Document as an electronic Offer Document, please ensure that you have received the entire Offer Document accompanied by the Application Forms.

If you have not, please phone the Share Registry and the Share Registry will send you, for free, either a hard copy or a further electronic copy of this Offer Document, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Offer Document and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8.9 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing certificates for any New Shares or New Options issued under the Offers. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares or Options issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders of Shares or Options if there have been any changes in their Security holding in the Company during the preceding month.

## **8.11 Governing Law**

This Offer Document, the Offers and any transactions created or entered into under the provisions of or as contemplated under this Offer Document or the Offers are subject to the laws of New South Wales, Australia. Any person who partakes in an Offer or any transactions created or entered into under the provisions of or as contemplated under this Offer Document submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

#### **8.12 Cooling Off**

There are no cooling-off rights applicable to a subscription for Securities available under the Offers. Applications for Securities may not be withdrawn once they have been accepted.

#### **8.13 Disclaimer of representations**

No person is authorised to give any information, or make any representation, in connection with the Offers which is not contained in this Offer Document. Any information which is not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Offers. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants the future performance of the Company or the return on any investment made under this Offer Document.

#### **8.14 Modification and withdrawal**

The Company reserves the right to modify or withdraw either or both of the Offers at any time after the publishing of this Offer Document. If the Company modifies or withdraws the Offers, any Application Monies received will be refunded (without interest) if the Securities have not already been issued in accordance with the Corporations Act.

#### **8.15 ASIC declarations and Listing Rules waivers**

The Company has not been granted any waivers, exemptions or modifications by ASIC or ASX in connection with the Offers.

#### **8.16 ASIC Inquiry**

On 16 March, 2021 ASIC issued a notice to the Company seeking a response to inquiries of ASIC in connection with disclosure made by the Company to ASX on 3 December, 2020. The Company and its lawyers have responded to, and in accordance with the requirements of, ASIC's notice. The Company remains committed to co-operating with ASIC in connection with its inquiries. The Directors are confident that this inquiry will be resolved in the near future and without any material adverse effect on the Company.



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## **9 Directors' Authorisation**

This Offer Document is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Offer Document with ASIC.

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**Anthony McClure**  
**Chairman**  
**For and on behalf of**  
**STRICKLAND METALS LIMITED**

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## 10 Glossary

### 10.1 Definitions

In this Offer Document and the Entitlement and Acceptance Form:

**AEST** means Australian Eastern Standard Time.

**Applicant** means an Eligible Shareholder or other person or entity who or that applies for New Shares pursuant to the Offer and the Shortfall Offer.

**Application** means an application for New Shares made by an Eligible Shareholder or other Applicant through completion and return of an Entitlement and Acceptance Form, payment by BPAY®, participation, participation in the Shortfall Offer, or such other method prior approved in writing by the Board.

**Application Money** means, in respect of an Applicant, the total amount payable for the issue of all of the New Shares applied for by that Applicant as specified in its Entitlement and Acceptance Form, at an issue price of A\$0.018 per New Share.

**Associate** has the meaning given to that term in section 12(2) of the Corporations Act.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the Listing Rules of the ASX, as amended from time to time.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day on which trading takes place on the ASX.

**Cleansing Statement** means the notice issued by the Company in accordance with the requirements of section 708AA(7) of the Corporations Act.

**Closing Date** means 5.00 p.m. (AEST) on the closing date of the Offer, being 10 May, 2021 (unless varied by the Company in accordance with the Corporations Act and the ASX Listing Rules).

**Company** or **STK** means Strickland Metals Limited ACN 109 361 195, having ASX Stock Code STK.

**Constitution** means the Company's constitution as at the date of this Offer Document.

**Consultants Options** means 10,000,000 Options to be issued to geological consultants of the Company on the same terms as the New Options, subject to shareholder approval being obtained by the Company.

**Contracts** means all material agreements of the Company as disclosed to ASX together with any other

material agreements described in the Offer Document.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Offer Document.

**Due Diligence Results** means the results of the investigations which make up the due diligence program, as maintained by the Company including but not limited to any reports of the due diligence committee and all supporting documents and work papers to which the due diligence program relates.

**Eligible Shareholder** means any person who is registered as a Shareholder and whose registered address is, as at the Record Date, located in Australia or New Zealand.

**Entitlement** means the entitlement of an Eligible Shareholder under the Offer, being 2 New Shares for every 3 Shares held by that Eligible Shareholder as at the Record Date, together with 1 Option for every 2 New Shares subscribed for under the Offer or Shortfall Offer as the case may be.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Offer Document.

**Event of Insolvency** means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a creditor's scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

**Force Majeure** means any act of God, war, revolution, pandemic, or any other unlawful act against

public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**Group** means the Company and any related body corporate or subsidiary of the Company at any time and from time to time.

**Ineligible Shareholder** means any person who is registered as a Shareholder and whose registered address is, as at the Record Date, not located in Australia or New Zealand.

**Interest** means, in respect of a company, a relevant interest in the voting shares of, and the relevant person's voting power in, that company.

**Material Adverse Effect** means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the New Shares and New Options (including, without limitation, a material adverse effect on a decision of an investor to invest in the New Shares or New Options; or
- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, business or operations of the Company and its subsidiaries taken as a whole.

**New Options** means and Option offered under the Offers.

**New Share** means a share offered by the Company for issue pursuant the Offer, Shortfall Offer as the case may be.

**Offer** means the offer by the Company to Eligible Shareholders of non-renounceable rights to be issued New Shares, with attaching Options, pursuant to the terms set out in this Offer Document.

**Offers** means both the Offer and the Shortfall Offer.

**Offer Period** means the period during which the Offer is open for acceptance, being the period commencing on and including the date of dispatch of this Offer Document and ending on and including the Closing Date.

**Offer Price** means A\$0.018 per New Share.

**Official List** means the official list of entities that ASX has admitted and not removed.

**Official Quotation** or **Quotation** means official quotation on ASX.

**Options** means the right to acquire a Share in accordance with the terms and conditions of issue of that option, and for the sake of clarity, includes the New Options, the Underwriter Options, Incentive Options and Consultants Options.

**Optionholder** means the person registered as the holder of an Option.

**Prescribed Occurrence** means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;

- (c) a Relevant Company:
  - (i) entering into a buy back agreement; or
  - (ii) resolving to approve the terms of a buy back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer or, as set out in the Offer Document or as previously notified to the Underwriter prior to the date of the Underwriter Agreement);
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

**Record Date** means 7.00 p.m. (AEST) on 16 April, 2021.

**related body corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Related Party** has the meaning given in Listing Rule 19.12.

**Relevant Company** means the Company and each subsidiary if applicable.

**relevant interest** has the meaning given to that term in sections 608 and 609 of the Corporations Act.

**Security** means any security offered and issued under an Offer and **Securities** has a corresponding meaning.

**Securities Act** means U.S. Securities Act of 1933 (as amended).

**Share** means a fully paid ordinary share in the issued capital of the Company.

**Shareholder** means a person registered as a holder of one or more Shares, including for the sake of clarity any New Shares, on the register of members of the Company.



**Share Registry** means Automatic Registry Services, the details of which are set out in **Section 11**.

**Shortfall** or **Shortfall Shares** means those New Shares offered under the Offer which have not been validly applied for by Shareholders in exercise of their Entitlement by the Closing Date.

**Shortfall Offer** means the offer described in **Section 4.3**.

**Shortfall Offer Period** means the period of three (3) calendar months following the Closing Date.

**Shortfall Securities** means those New Shares and New Options issued pursuant to the Shortfall Offer.

**subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

**Timetable** means the timetable as included in the Offer Document, as varied from time to time.

**Underwriter** means Enrizen Capital Pty Ltd 169 695 649.

**Underwriting Agreement** means the underwriting agreement dated on or about 12 April 2021 between the Company and the Underwriter.

**US Person** means a person in the United States of America or acting for the account or benefit of a person in the United States of America, and for the avoidance of doubt, does not have the same defined meaning as is ascribed to the term "US Person" in Regulation S of the Securities Act.

**USA** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

**Verification Materials** means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Offer Document, as inspected and approved by the Underwriter immediately before the date of lodgement with ASIC of the Offer Document.

**voting power** has the meaning given to that term in section 610 of the Corporations Act.

## **10.2 Interpretation**

In this Offer Document and the Entitlement and Acceptance Form:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) other grammatical forms of a defined word or expression have a corresponding meaning;
- (c) words and phrases have the same meaning as given to them in the Corporations Act (if any), unless otherwise defined above;
- (d) a reference to a Section is a reference to a section of this Offer Document;
- (e) a reference to a document or agreement, includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws

issued under that statute;

- (g) a reference to A\$, \$A, \$, AUD, dollar or cents is to Australian currency;
- (h) a reference to time is to the time in Sydney, Australia;
- (i) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (j) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (k) the words “include”, “including”, “for example”, “such as” and similar expressions are not used as, nor are they to be interpreted as, words of limitation and, when introducing specific examples, do not limit the meaning of the words to which those examples relate or examples of a similar kind;
- (l) a reference to “Company”, “STK”, “we”, “our” and “us” is to Strickland Metals Limited ACN 20 109 361 195;
- (m) a reference to “you” is to a person to whom the Offer is made;
- (n) headings, boldings, italics and underlines are for convenience only and do not affect the interpretation of this Offer Document;
- (o) all references in this Offer Document to time are to the time in Sydney, New South Wales, Australia, unless expressly stated otherwise; and
- (p) for the sake of clarity, the meaning of the phrase “breach of the Corporations Act” includes any act or omission, the consequence of which, whether or not intended, and whether or not certain or reasonably likely in outcome, is that any person would, or would be reasonably be likely to, be required to commence and effect a takeover bid for all or any of the Shares, Options or any other securities in the issued capital of the Company, in which that person does not already hold a relevant interest.

## 11 Corporate Directory

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### **Board of Directors**

#### **Non-Executive Chairman and Director**

Mr Anthony McClure

#### **Non-Executive Directors**

Mr David Morgan

Mr Paul Skinner

Mr Trent Franklin

#### **Chief Executive Officer**

Mr Andrew Bray

#### **Company Secretary**

Mr Sleiman Majdoub

#### **Registered Office (Australia)**

Suite 6, 7 The Esplanade

Mt Pleasant WA 6153

Phone: +61 8 9316 9100

Email: [info@stricklandmetals.com.au](mailto:info@stricklandmetals.com.au)

Web: [www.stricklandmetas.com.au](http://www.stricklandmetas.com.au)

#### **Listed Security Exchanges:**

##### **Australian Securities Exchange**

ASX Code: STK

### **Share Registry\***

Automatic Registry Services  
 Level 5, 126 Phillip Street  
 Sydney NSW 2000

Telephone: 1300 288 664

### **Underwriter**

Enrizen Capital Pty Ltd  
 Level 11, 52 Phillip Street  
 Sydney NSW 2000

### **Auditor**

KPMG  
[www.kpmg.com.au](http://www.kpmg.com.au)

### **Legal Adviser of Company**

Enrizen Lawyers Pty Ltd  
 Level 11, 52 Phillip Street  
 Sydney NSW 2000  
 Phone: +61 2 8316 3950

### **Legal Adviser of Underwriter**

David P. Selig, Lawyer  
 Level 11, 52 Phillip Street  
 Sydney NSW 2000  
 Phone: +61 2 8316 3953  
 Email: [dpselig@dpslawyers.com.au](mailto:dpselig@dpslawyers.com.au)

\*This entity is included for information purposes only. It has not been involved in the preparation of this Offer Document nor has it consented to being named in this Offer Document.