



12 April 2021

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

FURTHER BOARD AND MANAGEMENT APPOINTMENTS

Highlights

- Appointment of Mr Andrew Bray as Chief Executive Officer
- Appointment of Mr Trent Franklin as Non-Executive Director
- Appointment of Mr Peter Langworthy as Technical Advisor
- Sale of Royalty to L11 Capital Ltd

Summary

Strickland Metals Limited (ASX:STK) (**Strickland** or the **Company**) is pleased to announce further appointments to enhance the Company's management and technical capabilities. These further appointments represent the beginning of a strategy to revitalise and refocus the Company.

Chief Executive Officer appointment

Mr Andrew Bray has been appointed Chief Executive Officer of Strickland effective immediately. Mr Bray has over a decade of experience in the formation, financing and development of natural resource companies, including with Gateway Mining Limited, Silver Mines Limited and Futura Resources Limited, amongst others. He holds a Bachelor of Economics and Bachelor of Laws (Hons I) from the University of Sydney.

Mr Bray's key remuneration terms are:

- a monthly management fee of \$7,000 (\$84,000 per annum); and
- Mr Bray will purchase \$600,000 shares in the Company on the same terms as the Entitlement Issue (including 1 for 2 attaching options) announced today on 12 April 2021. A limited recourse loan will be provided by the Company to facilitate the purchase.

Further details of Mr Bray's remuneration are provided in Schedule 1 of this announcement.

Non Executive Chairman, Mr Anthony McClure, said *"Having worked with Andrew on creating Silver Mines Limited and building it into an All Ords Index company, I'm delighted he has agreed to be a key part of the Strickland management team going forward. Andrew is a highly capable and talented mining executive, and the Board is very much looking forward to working with him to drive growth in the Company."*

The Board is also very appreciative of the remuneration structure Andrew has agreed to. It creates a structure whereby he is completely aligned with shareholder outcomes, and well incentivised to create significant shareholder value. Further, the significantly reduced management fee helps with preservation of cash in the Company, allowing maximum funds to be directed towards exploration."

Appointment of Non-Executive Director

Mr Trent Franklin has been appointed Non-Executive Director of the Company. Mr Franklin is a qualified geologist with extensive corporate experience. He is currently Managing Director of Enrizen Financial Group and formerly a director of the Australian Olympic Committee Inc and Australian Water Polo Inc. He is also a Fellow of the Australian Institute of Company Directors. He is currently a Non-Executive Director of Gateway Mining Limited and Futura Resources Limited.

Appointment of Technical Advisor

Mr Peter Langworthy, through OMNI GeoX Pty Ltd (OMNI GeoX), has been appointed Technical Advisor to the Company. Mr Langworthy is an accomplished geologist and mining executive with a career spanning more than 32 years in mineral exploration and project development in Australia and internationally.

His industry experience includes senior management roles with WMC Resources Limited, PacMin Mining Limited and Jubilee Mines NL, where he led the exploration team that was responsible for several major discoveries which led to its eventual \$3.3 billion acquisition by Xstrata.

Mr Langworthy is currently Executive Chairman of Gateway Mining Limited and Non-Executive Director of Silver Mines Limited. He previously held non-executive directorships with Capricorn Metals Limited, Northern Star Resources Limited, Talisman Mining Limited, Falcon Minerals Limited and Pioneer Resources Limited.

In conjunction with the engagement of Mr Langworthy, the Company will, subject to shareholder approval, issue 10 million options in the Company to OMNI GeoX or its nominee on the same terms as the New Options proposed to be issued under the Entitlement Issue announced by the Company today on 12 April 2021.

Sale of Royalty to L11 Capital

The Company has also agreed to sell a 1.0% Gross Revenue Royalty (**Royalty**) to L11 Capital Pty Ltd (**L11**) over its interest in the Horse Well Project (**Horse Well**) and any other tenement interests acquired or granted within 30 kilometres of the Horse Well boundary. L11 will pay total consideration of AUD240,000 for the Royalty. L11 is a company associated with Mr Andrew Bray.

Further details of the Royalty terms are provided in Schedule 2 of this announcement.

Management Comment

Non-Executive Chairman, Mr Anthony McClure, said *"We are making swift and substantial progress with revitalising Strickland. These appointments are a strong step forward in enhancing the management and technical capabilities of the Company. Coupled with completion of the Entitlement Issue, Strickland will be extremely well positioned to embark on a strategy of unlocking value in the Company's current portfolio of assets. We look forward to providing further updates in due course."*

Following this announcement, the structure of the Board, its officers and executives will be as follows:

- Anthony McClure – Non-Executive Chairman
- David Morgan – Non-Executive Director
- Paul Skinner – Non-Executive Director,

- Trent Franklin – Non-Executive Director;
- Andrew Bray - Chief Executive Officer;
- Sleiman Majdoub – Company Secretary

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

Yours faithfully
Strickland Metals Limited

Anthony McClure
Non-Executive Chairman

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Schedule 1 – Andrew Bray Remuneration

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.
- (xi) The Incentive Shares and Incentive Options will be issued using the Company’s existing Listing Rule 7.1 capacity and will be issued at the same time as shares issued to the Company’s shareholders under the Entitlements Issue announced by the Company on 12 April 2021.

Schedule 2 – Royalty Terms

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

- (ii) 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 km radius of the Project’s existing boundary;
- (iii) 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
- (iv) L11 will be required to pay AUD240,000 in immediately available funds to the Company, within 90 days of 12 April 2021.