



23 June 2021

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

\$12 MILLION CAPITAL RAISING TO UNDERPIN PURCHASE OF MILLROSE GOLD PROJECT AND EXPLORATION

Highlights

- **Firm commitments received for a conditional placement to raise \$8 million (before costs)**
- **A one (1) for seven (7) fully underwritten non-renounceable pro-rata entitlement offer to raise approximately \$4.20 million**
- **Placement well supported by CEO and Directors**
- **Funds to be used to acquire the Millrose Gold Project (announced 23 June 2021), continued exploration at the Company's existing exploration and newly acquired WA projects, as well as for working capital purposes and costs**
- **Pro-rata offer fully underwritten by Enrizen Capital Pty Limited**

Strickland Metals Limited (ASX:STK) (**STK** or **Company**) is pleased to announce that it has received firm commitments for a conditional placement to eligible institutional and sophisticated investors of 200,000,000 fully paid ordinary shares in the Company (**Placement**) at an issue price of \$0.04 per share to raise approximately \$8 million (before costs). Enrizen Capital Pty Ltd acted as lead manager for the Placement which was supported by JP Equity Partners.

The Company is also offering Eligible Shareholders the opportunity to acquire fully paid ordinary shares through a fully underwritten pro-rata non-renounceable entitlement issue of one (1) share for every seven (7) shares (**Rights Issue** or **Offer**) held by Eligible Shareholders on the Record Date, which under the indicative timetable is Monday, 28 June 2021 at an issue price of \$0.04 per share (being the same price as the Placement) to raise approximately \$4,201,443 (before costs).

The Company's major shareholder L11 Capital Pty Ltd (**L11 Capital**) an entity controlled by the Company's CEO, Mr Andrew Bray, has agreed to cornerstone the Placement by investing \$1 million into the Placement. L11 Capital has also confirmed its intention to the Company to take up its full Entitlement under the Rights Issue.

The Directors have committed their support for the Placement. Trent Franklin, Mark Cossom, Anthony McClure, Paul Skinner and David Morgan (and or their nominees) have subject to shareholder approval agreed to invest a collective total of \$663,397 under the Placement being 16,584,920 New Shares (subject to rounding).

The Placement will be subject to shareholder approval, for the purposes of Listing Rule 7.1, Listing Rule 10.11 and for all other purposes, at an extraordinary general meeting of shareholders (**General Meeting**) to be held as soon as reasonably practicable. The New Shares issued under the Placement will be issued the day after the General Meeting, should approval be obtained.

The Placement and the Rights Issue are together referred to as the **Capital Raising**.

The Capital Raising price of \$0.04 per New Share represents a 13.5% discount to the 5-day volume weighted average closing price of Shares Quoted on the ASX up to and including 17 June, 2021 (being the last date Shares and Options traded on ASX), and being \$0.0454 per Share.

Use of Funds

The proceeds of the Capital Raising will be used to funds:

- the acquisition of the Millrose Gold project from Millrose Gold Ltd and Golden Eagle Mining Pty Ltd (as announced to the market on 23 June 2021);
- continued exploration of the Company's existing and newly acquired projects in Western Australia;
- costs associated with the Capital Raising; and
- a portion of the Company's working capital needs.

Rights Issue Details

Shareholders who are holders will be offered the ability to subscribe for one (1) fully paid ordinary share at an issue price of \$0.04 per share (each a **New Share**) for every seven (7) existing shares they hold in the Company as at 7.00 p.m. (AEST) on 28 June, 2021 (**Record Date**) (each an **Eligible Shareholder**), to raise \$4,201,443 (including Offer costs).

Based on the capital structure of the Company as at the date of this announcement, a maximum of 105,036,077 New Shares will be issued pursuant to the Offer.

The Company will not be seeking shareholder approval for the Offer as it falls within ASX Listing Rule 7.2 Exception 1 and ASX Listing Rule 10.12 Exception 1, being an issue to holders of ordinary securities made under a pro rata issue.

The Rights Issue is expected to close at 5:00 p.m. (AEST) on, 26 July 2021 (**Closing Date**), unless extended at the discretion of the Board. If the Closing Date or any other date relevant to the Offer is varied, subsequent dates forming part of the timetable for the Rights Issue may also be varied accordingly. The Company will announce any such variation as soon as possible after it has been determined.

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

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

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

The Rights Issue Offer Booklet sets out all the terms and conditions of the Offer and Shortfall Offer, as well as information about the New Shares, and the Company (**Offer Booklet**).

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

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth).

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

The Rights Issue will be fully underwritten by Enrizen Capital Pty Ltd (**Underwriter**). In consideration for the services provided by the Underwriter in connection with the Rights Issue, including its underwriting, the Underwriter will be paid an underwriting fee of 6% of the gross amount raised under the Rights Issue.

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

All Board members who are Eligible Shareholders have committed to taking up their full rights under the Rights Issue.

Any New Shares issued to the Underwriter will be issued pursuant to ASX Listing Rule 10.12 (Exception 2). Accordingly, Shareholder approval is not required for the issue of any New Shares under the Shortfall Offer.

Indicative Timetable

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

Event	Anticipated Date*
Issue of notice under section 708AA(2) of Corporations Act (Cleansing Notice)	23 June, 2021
Announcement of Offer and lodgement of Appendix 3B with ASX	23 June, 2021
Shares quoted on an “ex-rights” basis**	25 June, 2021
Record Date for determining eligibility of Shareholders to participate under the Offer	7.00 p.m. (AEST), 28 June, 2021
Offer Booklet and Entitlement and Acceptance Form dispatched to Eligible Shareholders	1 July, 2021
Last date to extend the Closing Date	21 July, 2021
Closing Date	5.00 p.m. (AEST), 26 July, 2021
New Shares Quoted on a deferred settlement basis	27 July, 2021
Issue date/lodgement of Appendix 2A with ASX	(before noon) 2 August, 2021

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

Dilution

The maximum number of New Shares and Shortfall Shares which will be issued pursuant to the Offers will be 105,036,077. This will equate to approximately 10.10% of all the issued Shares following completion of the Offers and completion of the Placement. 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.

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 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 ¹
Shareholder 1	25,000,000	3.40	2.40
Shareholder 2	10,000,000	1.36	0.96
Shareholder 3	5,000,000	0.68	0.48
Shareholder 4	1,500,000	0.20	0.14
Shareholder 5	400,000	0.05	0.04

1. Assumes full subscription of Offers and includes the issue of Shares under the Placement.

(b) On a fully diluted basis

Shareholder	Shareholding as at Record Date	% holding at Record Date	% holding post Offers ²
Shareholder 1	25,000,000	2.58	1.96
Shareholder 2	10,000,000	1.03	0.78
Shareholder 3	5,000,000	0.52	0.39
Shareholder 4	1,500,000	0.16	0.12
Shareholder 5	400,000	0.04	0.03

2. Assumes full subscription of Offers and includes the issue of Shares under the Placement.

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

Enquiries

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

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

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

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

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

Yours faithfully

Strickland Metals Limited

Sleiman Majdoub

Company Secretary

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