



8 November 2021

## **\$12 MILLION PLACEMENT TO UNDERPIN RESOURCE EXPANSION AND AGGRESSIVE EXPLORATION PROGRAMS AT THE COMPANY'S YANDAL PROJECT**

### **Highlights**

- **Heavily supported capital raising with firm commitments received for a \$12 million placement**
- **Placement very well supported by new institutional and sophisticated investors, as well as existing shareholders**
- **Company is now fully funded for the planned 23,000m Millrose resource drill out to commence January 2022**
- **The strengthened balance sheet also allows for aggressive regional exploration work on the Dusk til Dawn and Big Daddy gold trends, as well as the recent Iroquois Zinc-Lead discovery**
- **Assays are pending from the Yandal Project:**
  - **15,000m aircore program due within three weeks**
  - **8,500m RC program due progressively from late November through to January next year**
- **Current RC drill program remains ongoing with additional rigs to be added in January 2022**

Strickland Metals Limited (ASX:STK) (**Strickland** or **the Company**) is pleased to announce that it has received firm commitments for a placement to institutional and sophisticated investors of 160,000,000 fully paid ordinary shares in the Company (**Placement**) at an issue price of \$0.075 per share to raise approximately \$12 million (before costs). Demand for the Placement was well in excess of the funds raised by the Company.

### **Management Comment**

Andrew Bray, Chief Executive Officer, said, *"We are thrilled to have secured the support of new institutional investors in this latest capital raise, and also thank our existing shareholders for their ongoing support."*

*This capital raise is in many ways transformational for Strickland as it means we are now fully funded for the resource drill out at Millrose, which is the cornerstone of our gold strategy. The northern portion of our ground – host to the Dusk til Dawn and Big Daddy gold trends – is also emerging as a very exciting area, and we're growing increasingly optimistic about the likelihood of further gold discoveries out of the current RC program and next year's planned programs.*

*Additionally, this funding gives us the flexibility to continue progressing the exciting, recently discovered Zn-Pb mineralisation at Iroquois. We'll continue to conduct programs at Iroquois in parallel with our main gold strategy, with drilling expected to recommence there in the first quarter of next year."*

### **Placement Details**

The Placement, which comprises the issue of 160,000,000 shares at an issue price of \$0.075 per share (**New Shares**), was overwhelmingly supported by existing and new investors and includes participation by the Company's Directors (subject to shareholder approval).

Canaccord Genuity acted as the Sole Lead Manager to the Placement (**Lead Manager**) and was supported by JP Equity Partners.

The New Shares issued under the Placement to institutional, professional and sophisticated investors who are not directors or related parties of the Company will be issued using the Company's capacity under ASX Listing rule 7.1 and will not require shareholder approval. The issue of these New Shares is expected to occur on 12 November 2021.

The New Shares issued to Directors and related parties under the Placement will be issued immediately after an Extraordinary Meeting of Shareholders of the Company (subject to shareholder approval).

The New Shares issued under the Placement are fully-paid ordinary shares and will rank equally with the shares currently on issue.

### Use of Funds

#### **Millrose**

The Millrose Mineral Resource is located approximately 30km east of Northern Star Resources Ltd's world class Jundee operation.

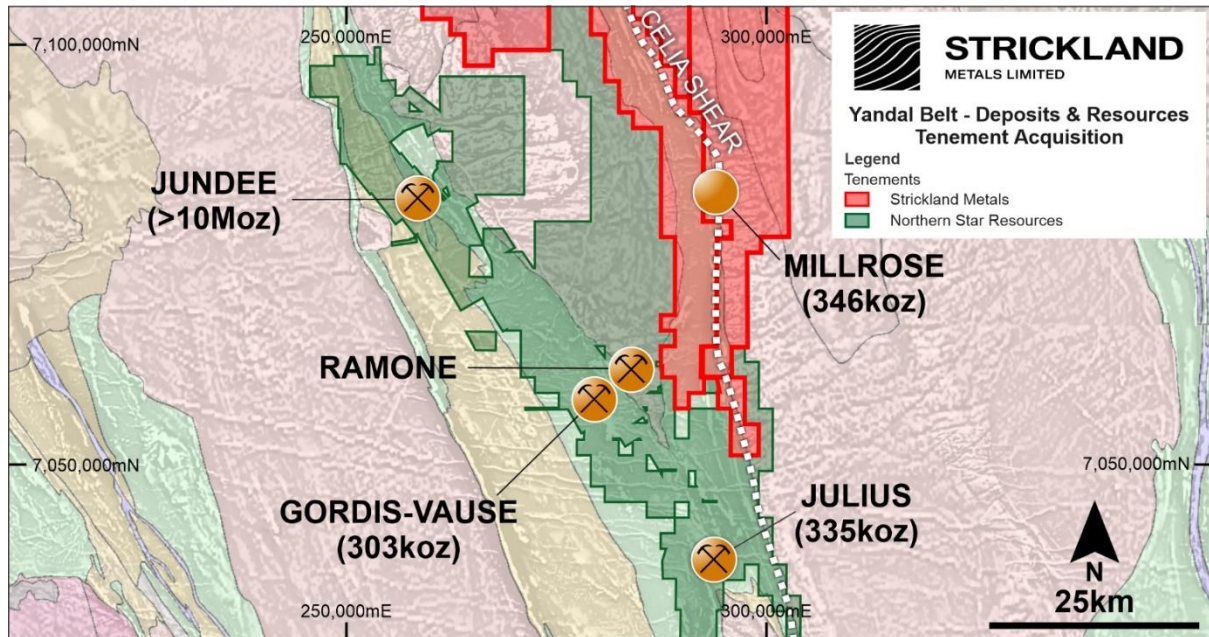


Figure 1: Location of Millrose

The Millrose Gold Deposit currently hosts a reported JORC compliant Mineral Resource of 6Mt @ 1.8g/t Au for 346,000oz contained gold (see ASX announcement dated 23 June 2021 and also Annexure 2 of this announcement).

The reported resource forms part of a large mineralised zone that to date has been defined by RC and limited diamond drilling over a strike length of at least 2,000 metres. The gold mineralisation remains open along strike and at depth (Figures 2 and 3 below).

The trend is well defined and traceable in the available geophysical datasets and limited RC and aircore drilling.

The resource currently consists of a northern and southern zone with the 'gap' in between only defined by aircore drilling that was not included in the resource estimation.

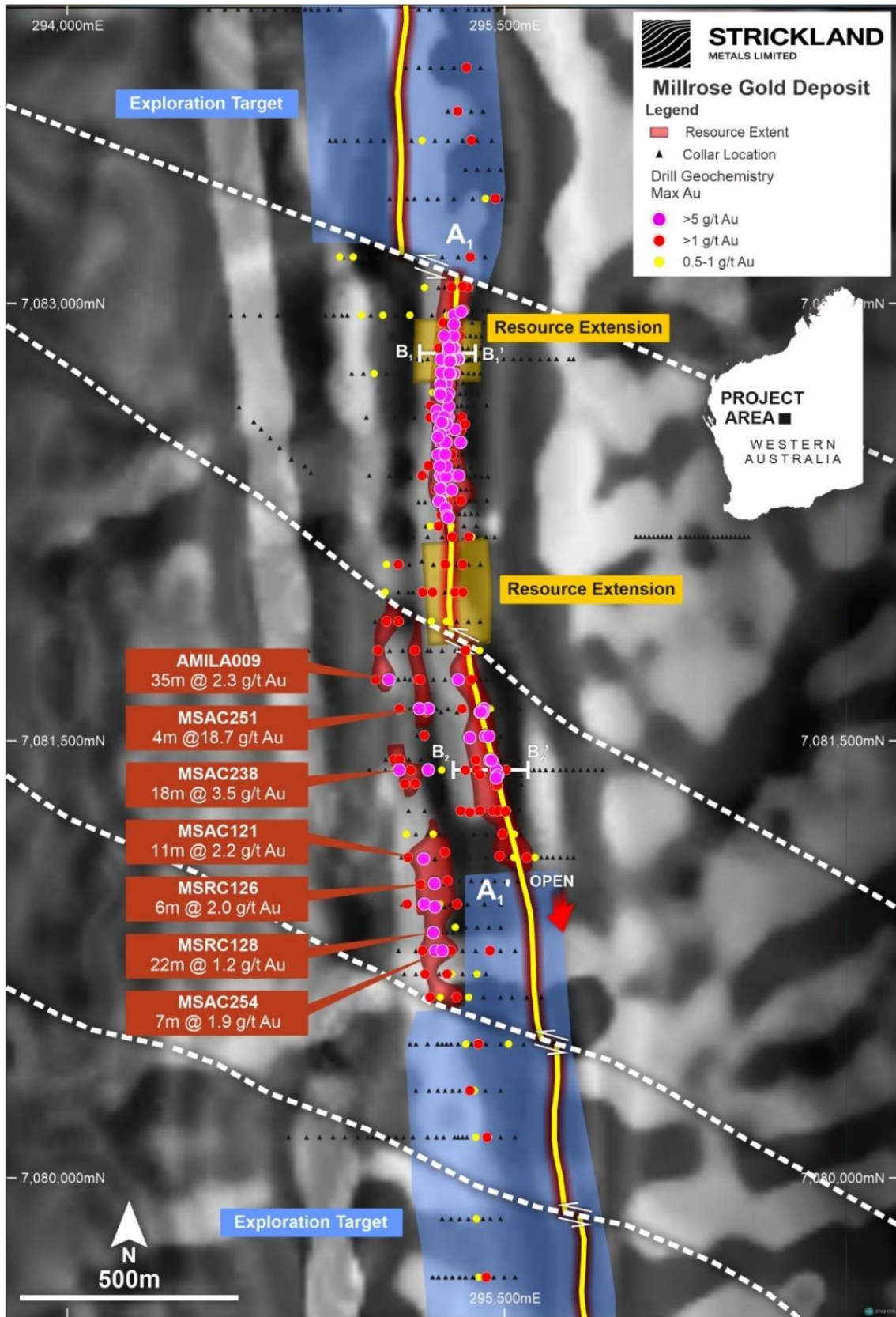
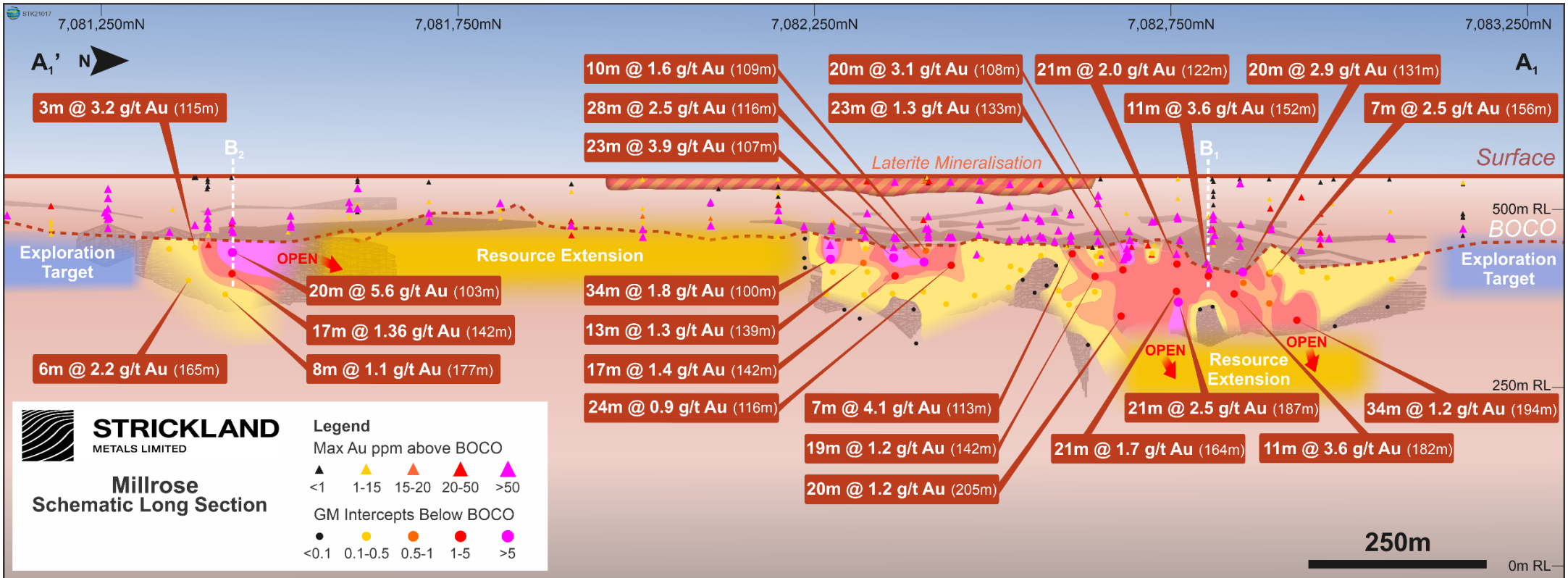


Figure 2: Millrose Plan View





As previously announced, the Millrose resource expansion program will comprise 30,000 metres of aircore drilling, 15,000 metres of RC drilling and 8,000 metres of diamond drilling.

The priority for future drilling at Millrose is as follows:

- Infill drilling of the 'gap' between the southern and northern resource domains with RC drilling. The position is prospective for both supergene and primary gold.
- Along strike extensions to the north and south as identified in the geophysical and geochemical datasets.
- Depth extensions, with a focus on the high-grade domains to understand underground mining potential.
- Further definition of extensive, near-surface laterite mineralisation.
- Parallel trends to the west of the main defined shear zone.

The program will be complemented with a Mineral Resource upgrade which is likely to comprise a significant addition to the current resource. After the resource upgrade, the Company will consider the commencement of a Scoping Study for the development of the resource.

**For further information on the Millrose project, please refer to the Company's ASX announcement on 16 September 2021 'Millrose Gold Project Review'.**

#### **Other Use of Funds**

- Accelerate RC drilling campaigns at the Dusk til Dawn and Big Daddy gold trends;
- Continue exploration drilling at the Iroquois Zn-Pb discovery in the Earraheedy Basin;
- costs associated with the Placement; and
- a portion of the Company's working capital needs.

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 Chief Executive Officer of the Company.

Yours faithfully  
Strickland Metals Limited

**Andrew Bray**  
Chief Executive Officer

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### **Competent Person Statement**

The information in this announcement that relates to Exploration Results and Mineral resources has been extracted from various Strickland ASX announcements and are available to view on the Company's website at [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code "STK").

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

### **ANNEXURE 1 – PROPOSED LEAD MANAGER OPTION TERMS AND CONDITIONS**

The options to be provided to the Lead Manager (**Lead Manager Options**) referred to in the Company's Appendix 3B which was released simultaneously with this announcement entitle the holder to subscribe for fully paid ordinary shares in the Company (**Shares**) on the following terms and conditions:

#### **(a) Entitlement**

Each Lead Manager Option gives the option holder the right to subscribe for one Share. To obtain the right given by each Lead Manager Option, the option holder must exercise the Lead Manager Options in accordance with the term and conditions of the Lead Manager Options.

#### **(b) Exercise Price**

Subject to any variation in share capital, the amount payable upon exercise of Lead Manager Option is as follows:

- (i) 2,500,000 Lead Manager Options will have an exercise price of \$0.1125 for each Lead Manager Option; and
- (ii) 2,500,000 Lead Manager Options will have an exercise price of \$0.15 for each Lead Manager Option.

#### **(c) Expiry Date**

The Lead Manager Options will, except to the extent earlier exercised, expire at 5:00 pm (AEDT) on 12 November 2024 (**Option Expiry Date**). Any Lead Manager Option not exercised before the Option Expiry Date will automatically lapse on the Option Expiry Date.

#### **(d) Exercise Period**

The Lead Manager Options are exercisable at any time on or prior to the Option Expiry Date (**Exercise Period**).

#### **(e) Notice of Exercise**

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

#### **(f) 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 Lead Manager Option being exercised in cleared funds (**Exercise Date**).

#### **(g) Timing of Issue of Shares on exercise**



Within 5 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 Lead Manager 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, or if the Company is unable to issue such a 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 the Shares does not require disclosure to investors; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

If a notice delivered under (g)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after 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 the Shares does not require disclosure to investors.

**(h) Shares issued under exercise**

Shares issued on exercise of the Lead Manager Options rank equally with the then issued Shares of the Company.

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

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Lead Manager Options.

**(j) Variation of Share Capital**

If at any time the issued capital of the Company is reconstructed, the number of Lead Manager Options and the Exercise Price will be adjusted in such a manner as the auditors for the time being of the Company will in writing advise the Directors to be in their opinion fair and reasonable.

**(k) Participation in new issues**

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

**(l) Change in exercise price**

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

**(m) Quotation of Shares issued on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon issue of Shares as a result of that exercise occurring.

**(n) Unquoted**

The Company will not apply for quotation of the Lead Manager Options on ASX.



(o) **Transferability**

The Lead Manager Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**ANNEXURE 2 – MILLROSE JORC RESOURCE SUMMARY**

Category	Tonnes (Mt)	Grade	Contained Metal
		Au (g/t)	Au (oz)
Indicated	4.3	1.9	264,000
Inferred	1.7	1.5	82,000
<b>Total:</b>	<b>6.0</b>	<b>1.8</b>	<b>346,000</b>

1. *Mineral Resources are based on JORC Code Definitions as defined by the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves.*
2. *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*
3. *For the Millrose Resource Estimate a cut-off grade of 0.5g/t gold has been applied.*
4. *The Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions).*
5. *For full detail of the Millrose Mineral Resource Estimate, refer to the Company's ASX release dated 23 June 2021.*