



Quarterly Activities Report June 2023

Highlights

- **Sale of Millrose Project to Northern Star Resources Limited**
- **Significant balance sheet position allowing STK to advance its existing portfolio, and also assess other acquisition opportunities**
- **High Grade Zinc Feeder Zone and Massive Sulphides Intersected at Iroquois**
- **Update on Intention Spin Out Iroquois and Bryah Basin Base Metal Assets**

Sale of Millrose Project for \$61 Million to Northern Star Resources Limited

During the reporting period, Strickland Metals Limited (ASX:STK) (**Strickland** or the **Company**) announced that it had entered into a binding asset sale agreement (**Agreement**) with Northern Star Resources Limited (ASX:NST) (**NST**), pursuant to which the Company sold its interest in the tenements comprising the Millrose Project (**Transaction**).

Subsequent to the reporting period on 25 July 2023, the Company announced that the Transaction had completed.

Terms of the Transaction

The Company received the following consideration (**Consideration**) for the Millrose Project:

- A\$2 million cash deposit paid on execution of the Agreement;
- Cash consideration of A\$39 million paid on completion of the Transaction; and
- 1.5 million fully paid ordinary NST shares issued on completion subject to 12 months escrow.

Following completion the Company's interest in E53/1304, E53/1962, E53/2137, E53/2161, M53/1110, E53/1726 and E53/2109 was transferred to NST.

The Company engaged Longreach Capital to act as corporate advisor to the Company in relation to the Transaction and Hamilton Locke to act as legal advisor.

As a result of the Transaction, NST acquired the Company's interest in the Millrose Project, including a Mineral Resource comprising 6Mt @ 1.80g/t Au for 346,000 ounces (see announcement dated 23 June 2021 for full details of Millrose Mineral Resource) and the Company retains an Inferred Mineral Resource comprising 5.77 Mt @1.40g/t for 257,000 ounces (see announcement dated 26 August 2019 for full details of Horsewell Mineral Resource).

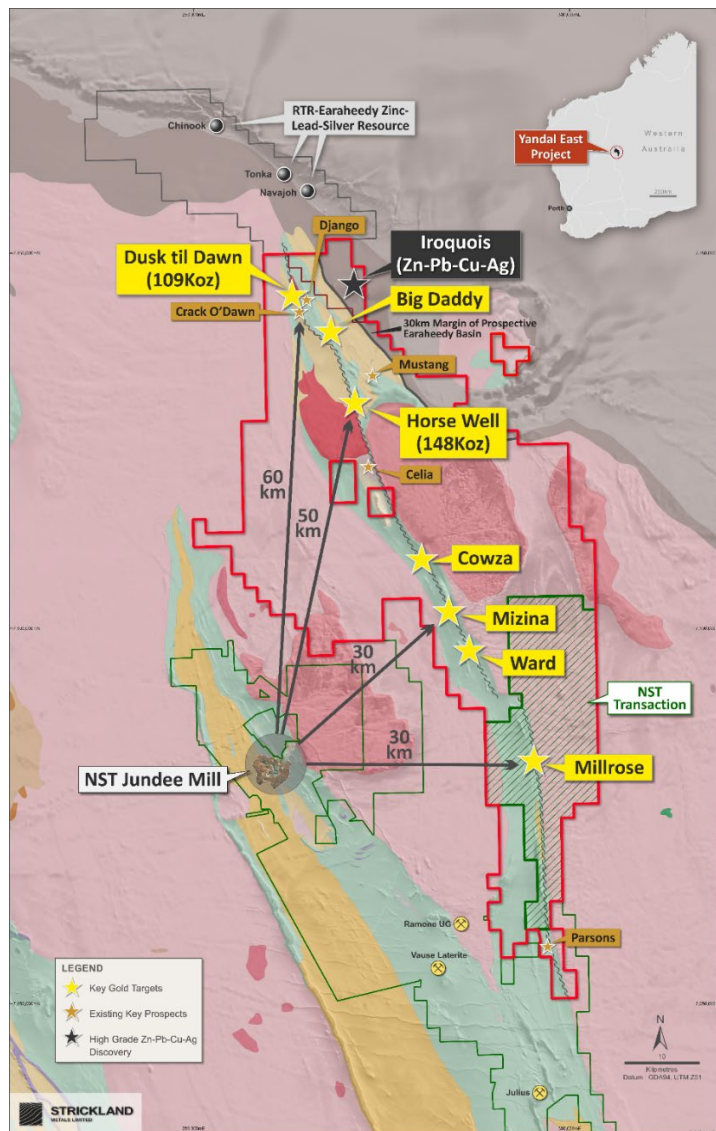


Figure 1: Sale Tenements to Northern Star (green shaded tenure)

Iroquois

High-Grade Zinc Feeder Zone and Massive Sulphides Intersected at Iroquois Base Metals Project

During the reporting period, the Company announced that it had completed four diamond drill holes for 885.6m at the Iroquois base metal discovery. Assays were received for the first two holes and the Company is pleased to report multiple Zn-Pb-Ag intersections, including a very impressive zone of massive sphalerite mineralisation:

- IQDD003: **58m @ 4.3% Zn & 3.7g/t Ag** from 173m, including
 - 11.1m @ 6.7% Zn & 7.4g/t Ag from 176m; and
 - **4.3m @ 27% Zn, 0.1% Pb and 19.9g/t Ag** from 226.7m
- IQDD001: 21.2m @ 1.5% Zn + Pb from 166m, including:
 - 3.5m @ 4.0% Zn from 183m

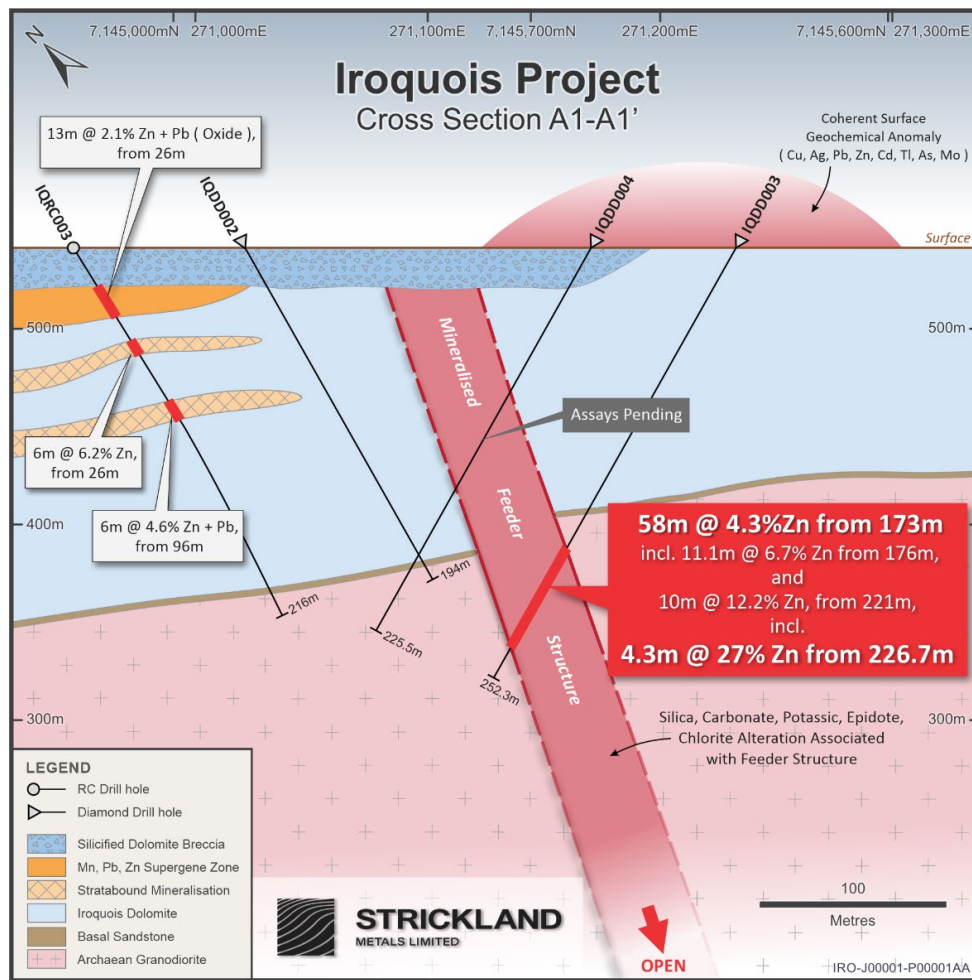


Figure 2: Cross section A1-A1' highlighting the high-grade zinc mineralisation

As announced to the market on 8 March 2023, Strickland's diamond drilling program was designed to test a structural corridor interpreted as a high-grade feeder zone to the previously reported Zn-Pb mineralisation in the Iroquois dolomite unit.

Drillholes IQDD001 and IQDD003 intersected significant polymetallic base metal mineralisation within the granodiorite basement, directly underlying the Iroquois dolomite unit. This mineralisation is characterised by a wide zone of steeply dipping, sulphide dominant veining, comprising a sphalerite > galena > chalcopryrite ore assemblage (Figures 2 and 4). IQDD002 was drilled too far to the west to intersect the structure.

The width and intensity of this mineralisation increased significantly in IQDD003 (towards the intrusion) where, in addition to dense veining, a zone of massive sulphides was intersected (Figure 3), returning values of:

IQDD003: 4.3m @ 27% Zn, 0.1% Pb & 19.9 g/t Ag from 226.7m

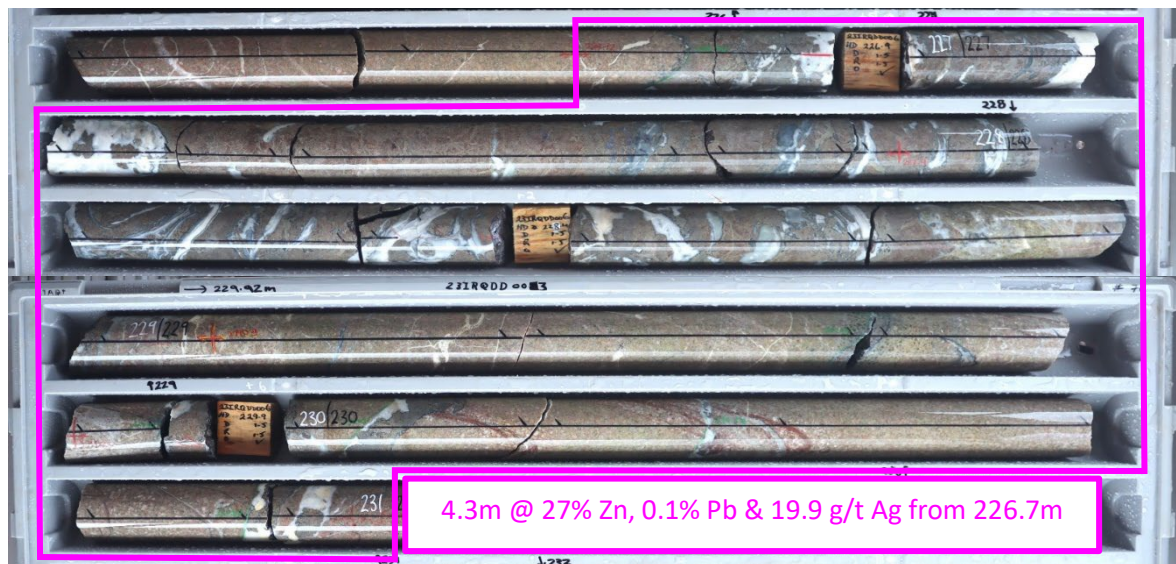


Figure 3: Drill core of massive sulphide intersection in IQDD003

IQDD001 was designed to test for both flat lying extensions to the stratabound mineralisation identified in IQRC001 and IQRC010 as well as the primary Iroquois Feeder Structure. Based on the structural measurements taken on the polymetallic veining across the Iroquois Feeder Structure (general trend of 050°/83° – SE), it was apparent that drilling intersected the veining down dip and did not fully transect the polymetallic veining. Based on this information, IQDD003 was subsequently drilled in the opposite direction to the first diamond hole, and it intersected the entirety of the structure.

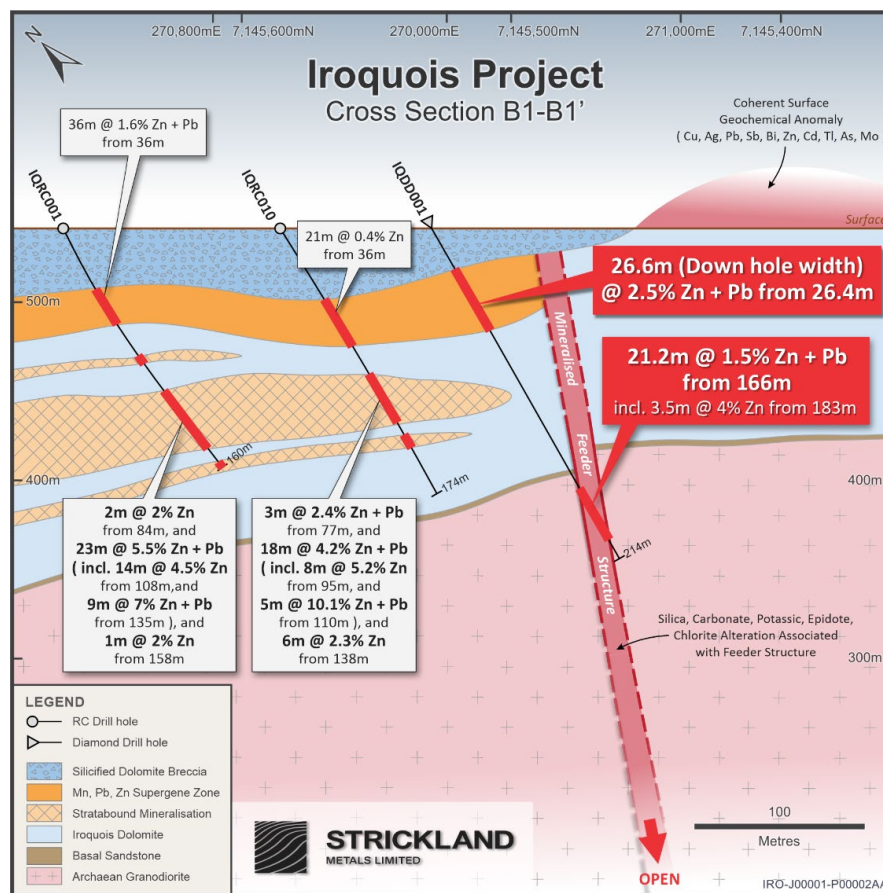


Figure 4: Cross section showing IQDD001

In addition to sulphide mineralisation, intense alteration of the granodiorite wall rock is present, characterised by a variable silica, hematite, epidote, chlorite, carbonate and/or K-feldspar assemblage. This is indicative of a long-lived and high temperature hydrothermal system.

The presence of the feeder zone structure was inferred from an approximately 1.8km long coincident Cu, Zn, Pb, As, Bi, Cd, Sb soil anomaly. IQDD001 and IQDD003 were the first drill holes to test this structure and are positioned approximately 300m apart. A close-spaced gravity survey completed last year delineated a large circular feature with intrusion-like geometry. The same soil program that delineated the feeder zone, also highlighted this feature, with coincident As, Bi, Te, Th, U and W surface anomalism, adding further weight to this being a fertile intrusive (deemed the Iroquois Intrusive). This feature is approximately 850m north-east of the recently completed diamond holes (IQDD002, IQDD003 and IQDD004)(Figure 5). Based on the results from this recent drilling, the Company believes that Iroquois is prospective for both skarn-type mineralisation, proximal to the Iroquois Intrusive as well as a Carbonate Replacement Deposit (CRD) style of mineralisation along the Iroquois Feeder structure itself. This is in addition to the previously recognised MVT-style mineralisation discovered by Strickland in 2021.

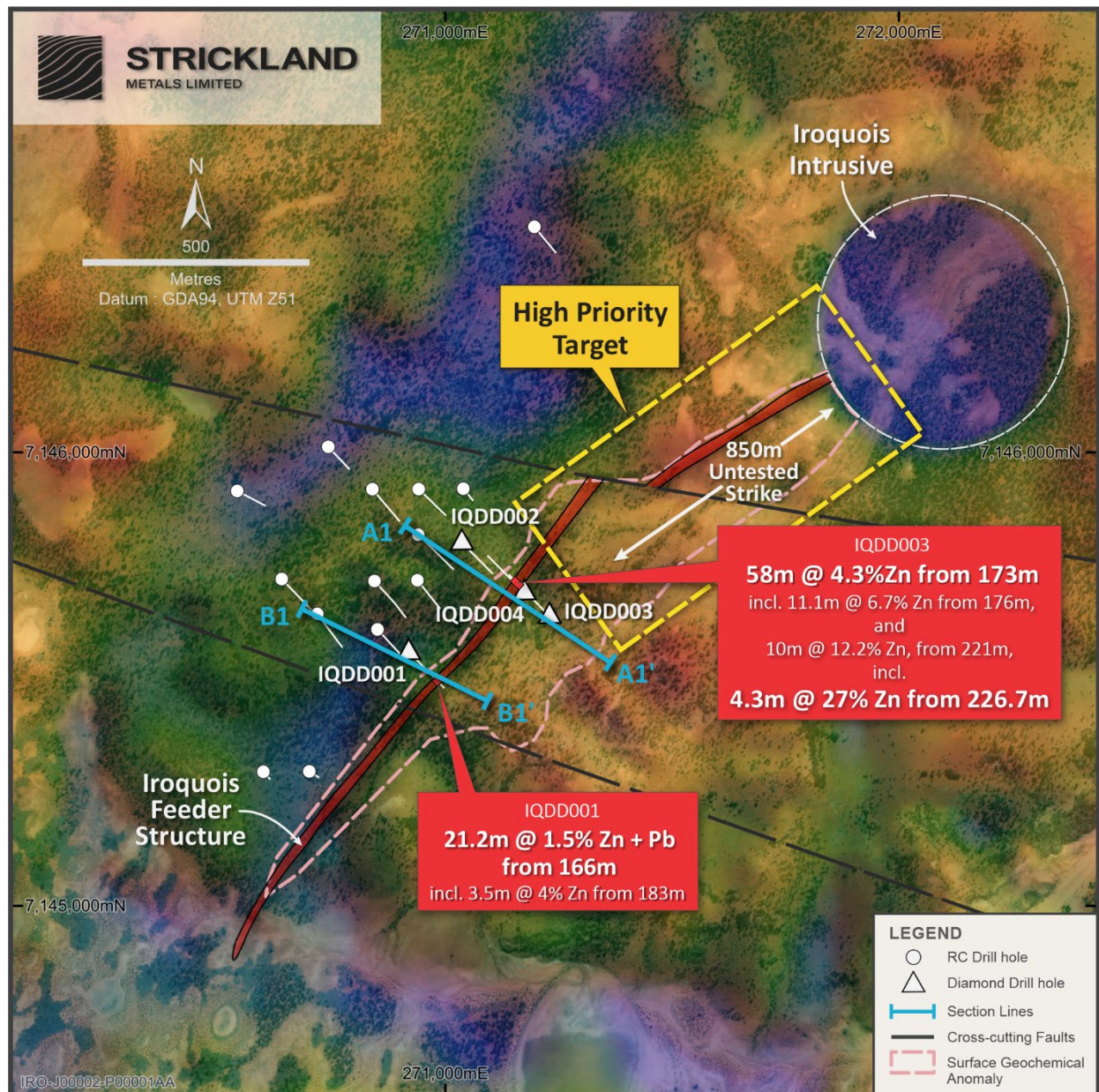


Figure 5: Plan view of Iroquois Feeder Structure in relation to the existing RC and DDH drill traces and the Iroquois intrusion

Skarn and Carbonate Replacement Potential

Skarn-type deposits are developed due to the emplacement, alteration (as observed with the polymetallic veining in both IQDD001 and IQDD003) and contact metasomatism of the surrounding country rocks by a relatively high temperature, ore-bearing hydrothermal fluids adjacent to an intrusive body. Fluids usually infiltrate the host rocks along faults or fractures and cause metasomatic alteration, leading to the formation of the skarn. At Iroquois, the main fluid conduit is interpreted to be the Iroquois Feeder Structure, with a large circular feature identified from our most recent ground gravity survey, being the interpreted Iroquois Intrusive.

Based on micro XRF analysis on both IQDD001 and IQDD003 drill core, Pb-Zn mineralisation is associated with an initial low-temperature event which expresses as MVT-style mineralisation in the Iroquois Dolomite, and fracture-fill and veining in the granite basement. This sequence has been overprinted with a higher-temperature event with associated Cu-Ag mineralisation expressed as disseminated sulphides throughout the core (Figure 6). This later, higher temperature event is also associated with elevated polymetallic trace elements (Cd, Co, Hg, Mn and Sb) with proximal potassic and pervasive epidote alteration. Trace elements in surface geochemistry vector towards the Iroquois Intrusive, which to date is 850 metres along strike to the north-east of our most recent drilling.

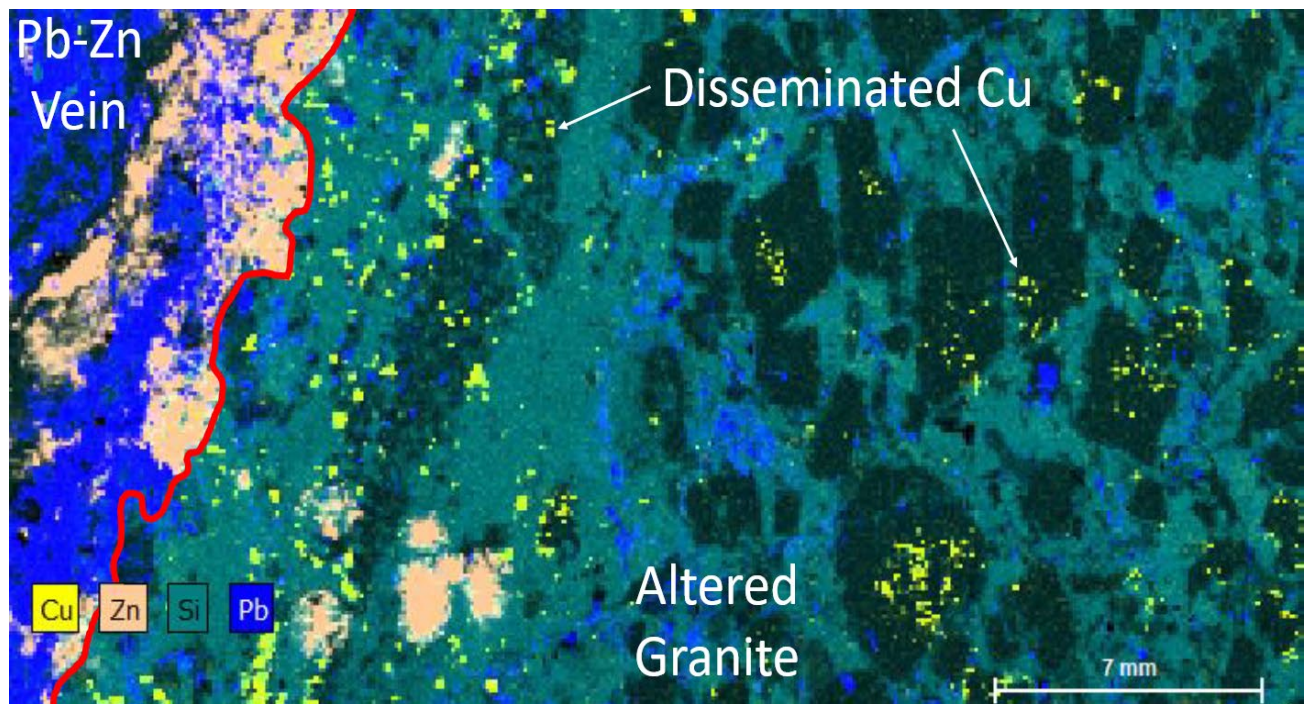


Figure 6: Micro XRF analysis from IQDD001

From this work and the historic work undertaken by RGC on fluid inclusion studies, it suggests the strong potential for skarn type and Carbonate Replacement Deposit style mineralisation, associated with localised circulation of intrusion-related hydrothermal fluids along the previous Pb-Zn mineralised Iroquois Feeder Structure, proximal to the Iroquois Intrusion.

Iroquois Zinc-Lead and Bryah Basin Demerger Update

On 21 October 2022, the Company announced its intention to pursue a demerger of the Iroquois Zinc-Lead Project located in the Earahedy Basin in Western Australia (80% Strickland; 20% Gibb River Diamonds Ltd (ASX:GIB)) and its Bryah Basin Project located approximately 80 kilometres north of Meekatharra in the Gascoyne district of Western Australia (100% Strickland), subject to the Company obtaining the necessary shareholder, ASX and regulatory approvals (**Demerger**).

The Company has decided that, in light of the sale of its interest in the Millrose Project to NST, it will be putting the Demerger on hold for the time being. In the immediate short term, the Company will continue to advance both projects via exploration programs undertaken by the Strickland team. The Company will, however, assess all options relating to the projects in due course.

Corporate

Cash Position and Expenditure

Cash on hand at the end of the quarter amounted to \$1.698million.

Exploration expenditure of \$1.054 million was incurred by the Company for the quarter ended 30 June 2023. This expenditure related predominately to exploration activities conducted at the Company's Yandal Project located in the north-eastern gold fields of Western Australia, and the Earahedy base metal project.

In accordance with ASX Listing Rule 5.3.2 the Company advises that no mining development or production activities were conducted during the quarter.

As set out in the Company's June Quarter Appendix 5B, payments to related parties consisted of remuneration paid to directors of \$83,000, and payments of director related entities for professional services (accounting, company secretarial, insurance and legal) of \$104,133 and office occupancy of \$15,000.

This announcement was authorised for release by the Chief Executive Officer.

For more information contact

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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 or through the ASX website at 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.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Project	Location	Tenement	Held at start of Quarter	Held at end of Quarter
Yandal				
Eskay Resources Pty Ltd – Application	WA	M69/147	0% [#]	0% [#]
Eskay Resources Pty Ltd – Granted	WA	E69/1772	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/1466	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/1471	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E69/2765	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/1924	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E69/2492	100% ^{^#}	100% ^{^#}
Strickland Metals Limited – Granted	WA	E69/3427	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E69/2820	80% [*]	80% [*]
Strickland Metals Limited – Granted	WA	E53/1548	75% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E53/1726	75% ^{+&}	75% ^{+&}
Strickland Metals Limited – Granted	WA	E53/1835	75% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E53/1970	75% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E53/1971	75% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E53/2109	75% ^{+&}	75% ^{+&}
Strickland Metals Limited – Granted	WA	E53/2265	0% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E53/2266	0% ^{+#}	75% ^{+#}
Strickland Metals Limited – Granted	WA	E69/3929	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/2179	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/2177	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/2178	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E53/2180	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E53/1962	100% ^{&}	100% ^{&}
Strickland Metals Limited - Granted	WA	E53/1304	100% ^{&}	100% ^{&}
Strickland Metals Limited - Granted	WA	E53/2137	100% ^{&}	100% ^{&}
Strickland Metals Limited - Granted	WA	E53/2153	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E53/2154	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E53/2155	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E69/3811	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E53/2160	100% [#]	100% [#]
Strickland Metals Limited - Granted	WA	E53/2161	100% ^{&}	100% ^{&}
Strickland Metals Limited – Application	WA	E69/3953	0% [#]	0% [#]
Strickland Metals Limited - Application	WA	M53/1110	0% ^{&}	0% ^{&}
* Gibb River Diamonds Limited retain 20% free carried to BFS				
[^] Wayne Jones NSR				
[#] 1% Gross Revenue Royalty held by L11 Capital Pty Ltd				
+25% free carried by Zebina Minerals Pty Ltd as part of Exploration Joint Venture Agreement				
^{&} Strickland's interest in these tenements sold to Norther Star Resources Limited subsequent to quarter.				
Paterson				
Strickland Metals Limited - Granted	WA	E45/4807	100% [”]	0% [”]
“subject to Rio Tinto Farm-in Agreement				
Kurnalpi South				
Strickland Metals Limited – Granted	WA	E28/2599	100% [#]	100% [#]
Strickland Metals Limited – Granted	WA	E28/2665	100% [#]	100% [#]
[#] subject to Riversgold farm-in Agreement				
Bryah Basin				
Dingo Resources Limited – Granted	WA	E51/1738	100%	100%

Dingo Resources Limited – Granted	WA	E51/1842	100%	100%
Dingo Resources Limited – Granted	WA	E52/3273	100%	100%
Dingo Resources Limited – Granted	WA	E52/3510	100%	100%
Dingo Resources Limited – Granted	WA	E52/3600	100%	100%
Dingo Resources Limited – Application	WA	E52/4224	0%	0%
Morgan Range				
Dingo Resources Limited - Application	WA	E69/3400	0%	0%
Pardu				
Strickland Metals Limited – Application	WA	E45/5641	0%	0%
Strickland Metals Limited – Application	WA	E45/5647	0%	0%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Strickland Metals Limited

ABN

20 109 361 195

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(10)
(b) development	-	-
(c) production	-	-
(d) staff costs	(181)	(657)
(e) administration and corporate costs	(453)	(1,461)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (sale of royalty interest)	-	-
1.9 Net cash from / (used in) operating activities	(634)	(2,129)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(13)	(47)
(d) exploration & evaluation	(1,054)	(13,730)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	2,000	2,000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	(a) Payment for bank guarantee	-	-
2.6	Net cash from / (used in) investing activities	933	(11,777)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	220	11,845
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	402	413
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(725)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (advance received from share issues)	-	-
3.10	Net cash from / (used in) financing activities	617	11,533

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	782	4,071
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(634)	(2,129)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	933	(11,777)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	617	11,533

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,698	1,698

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,698	782
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,698	782

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	202
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(634)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,054)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,688)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,698
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,698
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.01
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company expects net operating cash outflows to be higher in the coming quarter than net operating cash outflows outlined in the June 2023 quarter. Following the Company's announcement on 26 June 2023 of the sale of the Company's Millrose Project to Northern Star Resources Limited for \$41m cash and 1.5m NST shares, which subsequently completed on 25 July 2023, the Company has the required cash available to operate at higher levels of net operating cash outflows.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As noted above on 25 July 2023, the Company completed the sale of the Millrose project for total receipts of \$41m cash and 1.5m NST shares.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects that it will be able to continue operations and to meet its business objectives for the reasons outlined above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2023

Date:

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.