

**STRICKLAND**  
METALS LIMITED

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# **Strickland Metals Limited**

**ABN: 20 109 361 195**

**Interim Financial Report  
For six months ended 31 December  
2021**



## Corporate Directory

### Directors

Mr Anthony McClure	Non-Executive Chairman
Mr Trent Franklin	Non-Executive Director
Mr David Morgan	Non-Executive Director
Mr Mark Cossom	Non-Executive Director

### Chief Executive Officer

Mr Andrew Bray

### Company Secretary

Mr Sleiman Majdoub

### Principal Office

Suite 14, 7 The Esplanade  
Mt Pleasant, Western Australia 6153

### Registered Office

Suite 8, 7 The Esplanade  
Mt Pleasant, Western Australia 6153  
Telephone: (02) 8316 3991  
Website: [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au)

### Auditor

BDO Australia Pty Ltd  
Level 11, 1 Margaret Street  
Sydney NSW 2000

### Share Registry

Automic Group  
Level 2, 267 St Georges Tce  
Perth WA 6000  
Telephone: (02) 8072 1400

### Stock Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange.  
The Home Exchange is Perth, Western Australia.

### ASX Code

STK – Ordinary shares

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## Directors' Report

The Directors present their report on Strickland Metals Limited ("Strickland" or the "Company") and the entities it controlled (Collectively, the "Group") at the end of, or during the half-year ended 31 December 2021 and the review report thereon.

### Directors

The following persons were directors of the Company during the entire half-year and up to the date of this report:

Mr Anthony McClure  
Mr Trent Franklin  
Mr David Morgan  
Mr Mark Cossom  
Mr Paul Skinner (resigned 21 January 2022)

### Results of Operations

The consolidated net loss after income tax for the half-year year was \$2,664,282 (31 December 2020: \$1,225,971) which includes project evaluation and generation and exploration costs expensed of \$220,516 (31 December 2020: \$42,896) and share based payments expense of \$1,634,747 (31 December 2020: \$805,664).

### Financial Position

At the end of the period the Group had \$12,242,102 (30 June 2021: \$1,511,626) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure asset is \$26,608,849 (30 June 2021: \$10,642,384).

### Review of Exploration

#### Milrose Gold Project – 100%

The Millrose Gold Project is the Company's flagship asset and primary focus of exploration programs.

On 23 June 2021, the Company announced it had entered into a binding term sheet ("Binding Term Sheet") with Millrose Gold Mines Limited and Golden Eagle Mining Pty Ltd (collectively "the Vendors") to acquire the Millrose Gold Project ("Millrose Transaction").

During the reporting period on 17 December 2021, the Company announced it had completed the Millrose Transaction.

#### Completion

Under the Terms of the Millrose Transaction, Strickland agreed to pay the following consideration to the Vendors:

1. \$1,000,000 cash upon signing the binding term sheet ("Initial Payment") (paid);
2. \$5,000,000 cash within three months of the Initial Payment ("Second Payment") (paid);
3. \$4,000,000 within three months ("Third Payment Date") of the Second Payment; ("Third Payment") (paid);
4. The Third Payment can be structured as either:
  - a. \$4,000,000 cash; or
  - b. \$2,000,000 cash and \$2,000,000 in fully paid ordinary shares in Strickland which are freely tradable ("Shares"). The share price for the Tranche 3 Shares will be calculated based on a volume weighted average price of the shares at close of trading on the 20 trading days immediately prior to the Third Payment Date; at the Company's election.

With respect to the Third Payment, Strickland elected to pay the Vendors \$2,000,000 in cash and \$2,000,000 in Shares. Based on the formula above a total of 28,050,491 Shares were issued at an issue price of \$0.0713 (which represents the 20 day VWAP). The Company obtained shareholder approval to issue the Shares at its Annual General Meeting held on 30 November 2021.

Directors' Report

About the Millrose Gold Project

The Transaction increases the Company's resource base to over 600,000 ozs Au (11.72Mt @1.60g/t Au for 603,000 Au). Strickland's JORC 2012 compliant Mineral Resource Estimate is now as follows:

Table 1: Strickland Metals JORC Resource Estimate

PROJECT	PROSPECT	Indicated			Inferred			ALL CATEGORIES		
		TONNES	GRADE (g/t)	Contained Metal (oz)	TONNES	GRADE (g/t)	Contained Metal (oz)	TONNES	GRADE (g/t)	Contained Metal (oz)
Millrose	Millrose	4,300,000	1.90	264,000	1,700,000	1.50	82,000	6,000,000	1.80	346,000
<b>TOTAL MILLROSE</b>		<b>4,300,000</b>	<b>1.90</b>	<b>264,000</b>	<b>1,700,000</b>	<b>1.50</b>	<b>82,000</b>	<b>6,000,000</b>	<b>1.80</b>	<b>346,000</b>
Horse Well (2019)	Palomino				930,400	2.30	68,300	930,400	2.30	68,300
Horse Well (2019)	Filly SW				302,400	1.80	17,200	302,400	1.80	17,200
Horse Well (2015)	Filly				206,000	1.30	8,700	206,000	1.30	8,700
Horse Well (2019)	Warmblood				788,000	2.1	53,900	788,000	2.1	53,900
Horse Well (2019)	Dusk til Dawn				3,495,600	1.0	108,900	3,495,600	1.0	108,900
<b>TOTAL HORSE WELL<sup>1</sup></b>					<b>5,722,400</b>	<b>1.40</b>	<b>257,000</b>	<b>5,722,400</b>	<b>1.40</b>	<b>257,000</b>
<b>TOTAL</b>	<b>All Prospects</b>	<b>4,300,000</b>	<b>1.90</b>	<b>264,000</b>	<b>7,422,400</b>	<b>1.42</b>	<b>339,000</b>	<b>11,722,400</b>	<b>1.60</b>	<b>603,000</b>

Notes:

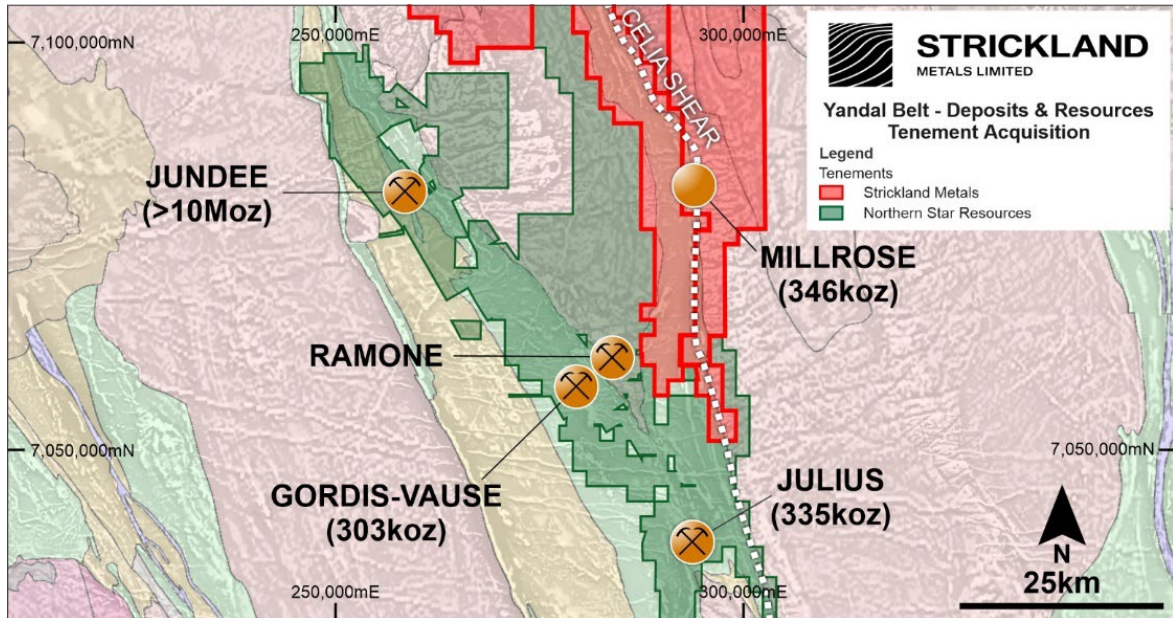
1. Mineral Resources are based on JORC Code Definitions as defined by the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves.
2. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
3. For the Millrose Resource Estimate a cut-off grade of 0.5g/t gold has been applied.
4. The cut-off grades for Horse Well 2015 Resources are 0.50 g/t for oxide, 0.75 g/t for transition and 1.00 g/t for fresh weathering classifications.
5. The cut-off grades for the Horse Well 2019 Resources is 0.50 g/t for all weathering classifications, except Palomino which has a cut-off of 2 g/t Au below 100 metres depth.
6. The Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions.
7. For full detail of the Millrose Mineral Resource Estimate, refer to the Company's ASX release dated 23 June 2021.
8. For full detail of the Horse Well Mineral Resource Estimate, refer to the Company's ASX release dated 26 August 2019.

The Millrose Gold Project is located in the north-eastern domain of the highly gold endowed Yandal Greenstone Belt, WA (see Figure 1). The Millrose Gold Project is approximately 600km<sup>2</sup> in size and lies roughly 30km due east of Northern Star Resources Limited's circa 10 million ounce gold Jundee operation.

<sup>1</sup> Refer to ASX release dated 26 August 2019 for full details regarding Horse Well Mineral Resource estimate.

Directors' Report

Figure 1: Location of Millrose



Resource Extension

The reported Mineral 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 (Figure 2). The trend is well defined and traceable in the available geophysical datasets and limited RC and aircore drilling.

The Mineral 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.

The Company is currently undertaking a systematic RC program in this 'gap' area, the results of which will likely feed into a resource expansion.

Directors' Report

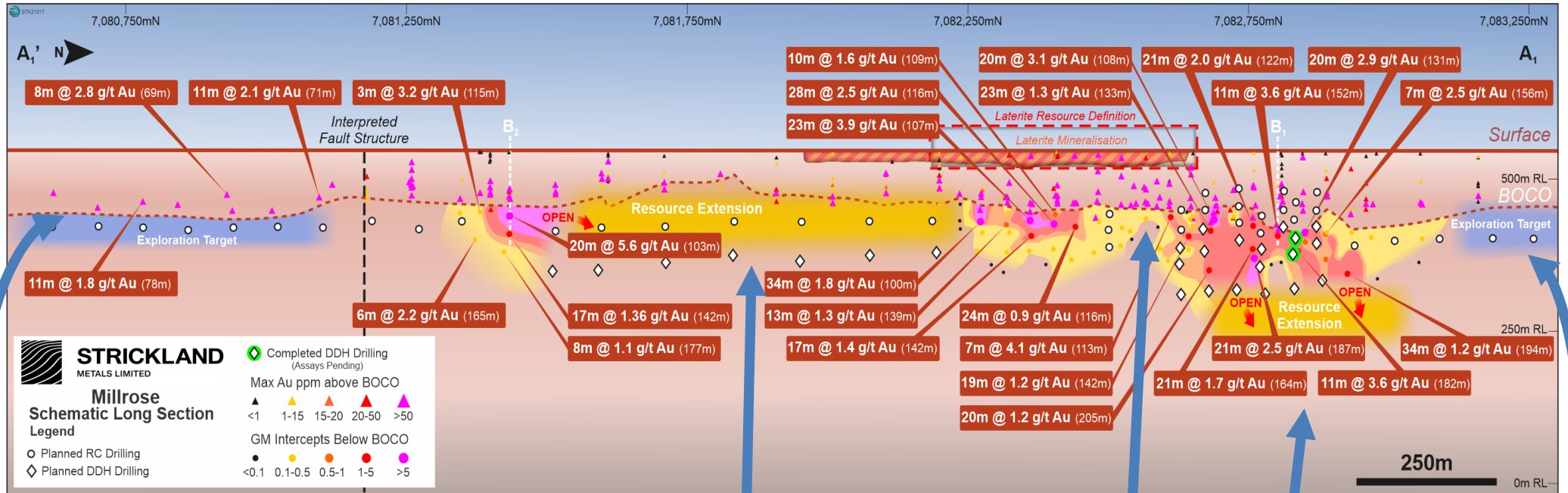


Figure 2: Millrose Long Section with planned drill holes

Southerly extension target (RC drilling)

'Gap' in between resources (no historic RC drilling) – planned RC with diamond follow up

Laterite gold zone (RC drilling)

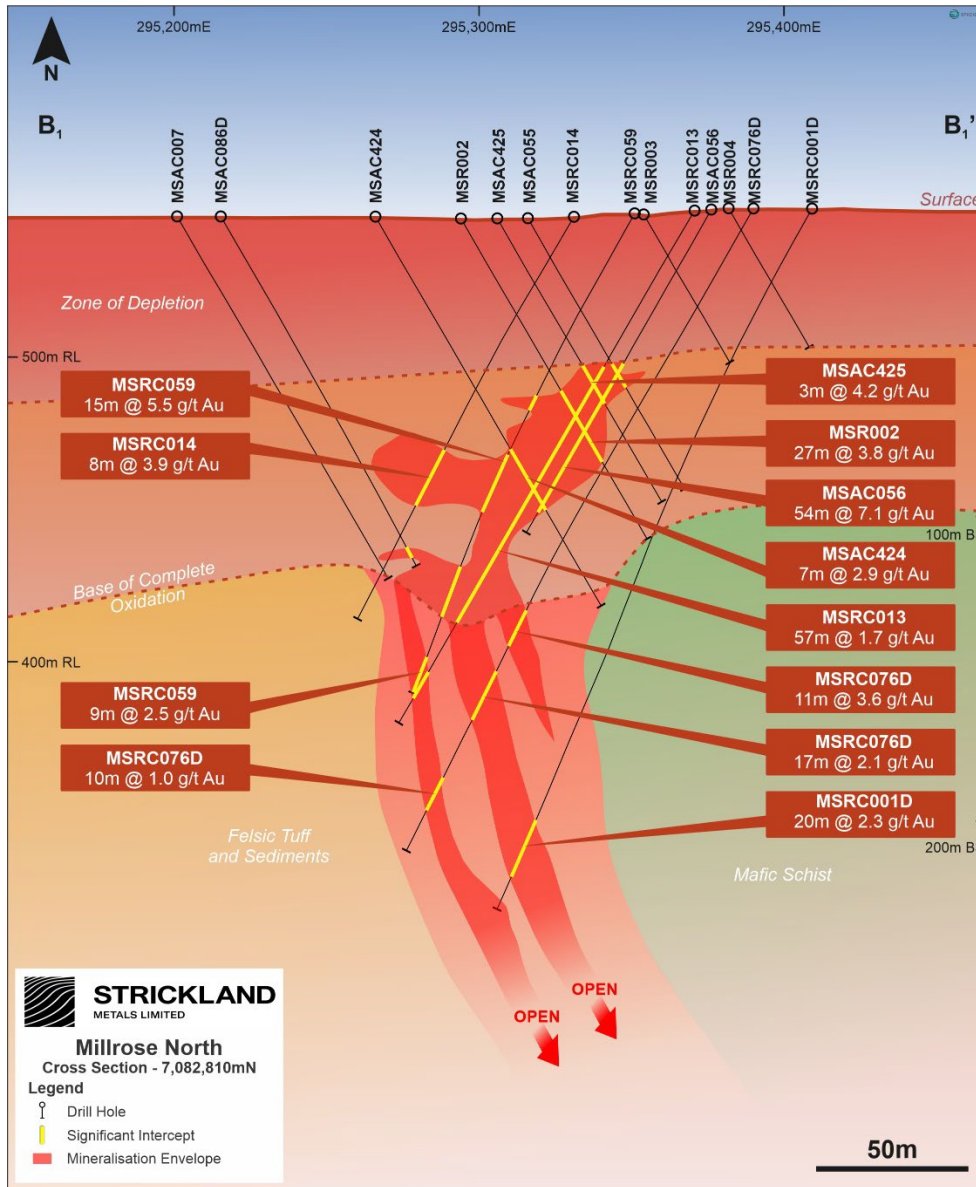
Millrose North diamond program

Northerly extension target (RC drilling)

**Directors' Report**

The Millrose gold deposit is controlled by a sub-vertical major shear zone up to 100 metres wide on the contact between a sequence of mafic schists and a felsic volcano-sedimentary package (Figures 3 & 4). Within this broad mineralised corridor there are three defined higher-grade structures with widths up to ~20 metres. Importantly, a well-developed high-grade supergene gold blanket has developed in the oxide zone above the primary mineralisation.

Despite there being a zone of depletion above the supergene mineralisation, a well-developed zone of near surface laterite gold mineralisation has been intersected (Figure 3). This has been intersected in drilling over a strike length of approximately 700 metres.



**Figure 3: Millrose Cross Section**

The gold mineralisation at Millrose remains completely open at depth. As part of the Company's resource expansion program, a combination of RC and diamond drilling will be undertaken to test for depth extensions.



Directors' Report

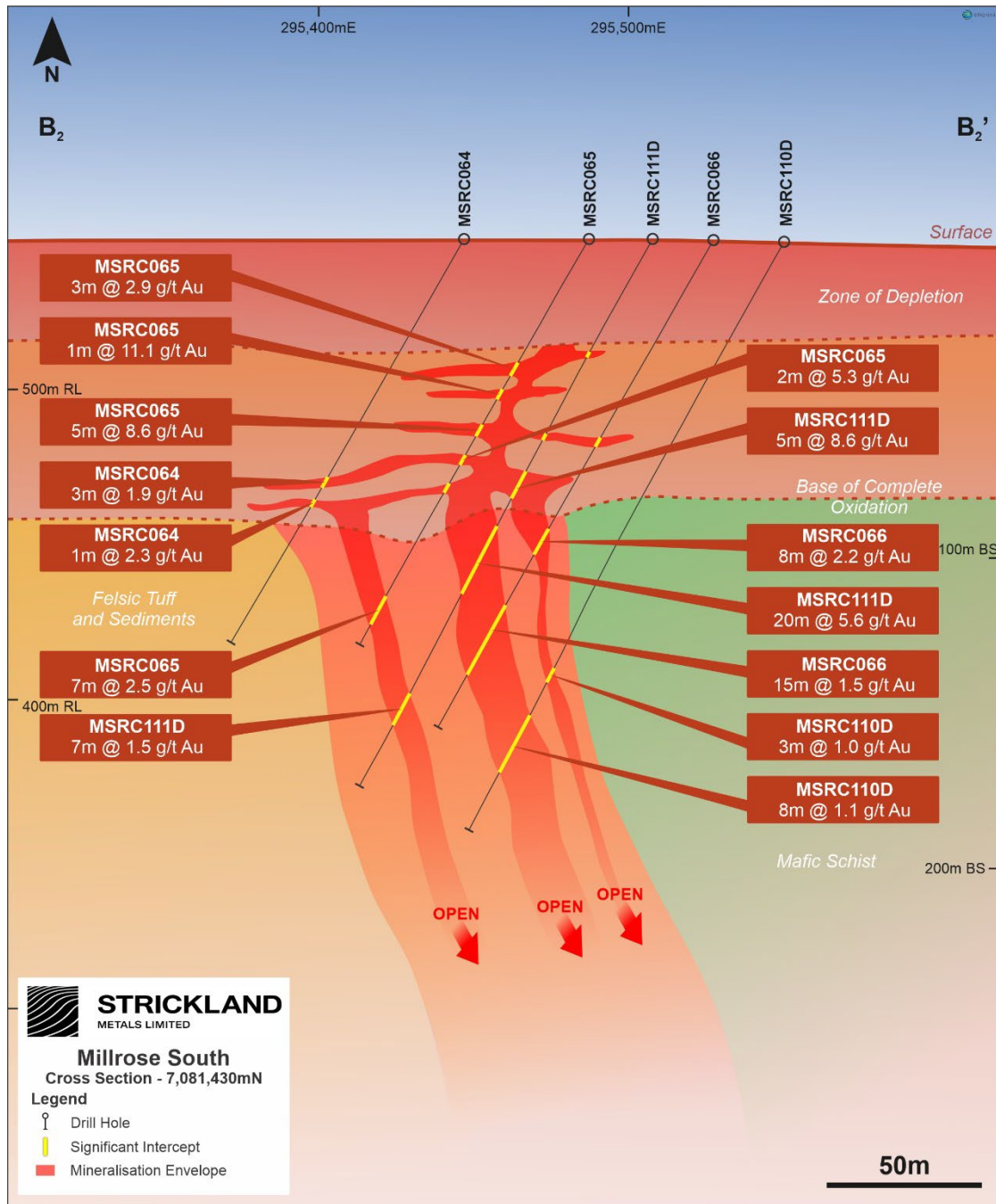


Figure 4: Millrose Cross Section

Exploration Targets

There are approximately 3,000 metres of prospective strike immediately to the north and south of the existing Mineral Resource. Historic aircore drilling has intersected significant gold mineralisation in shallow drilling, demonstrating the continuity of the main mineralising structures.

Directors' Report

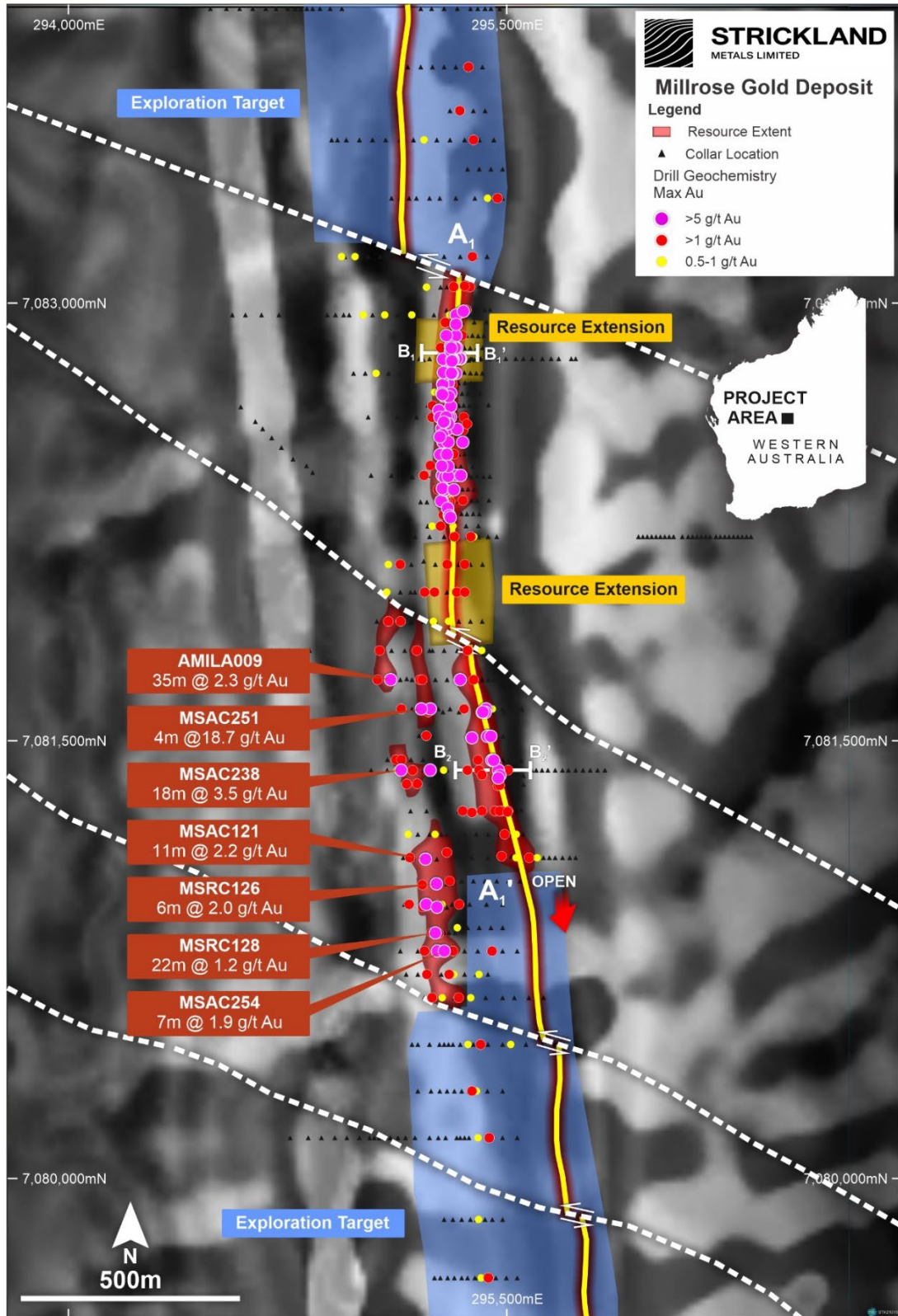


Figure 5: Millrose Plan View

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## **Directors' Report**

The results from the recently acquired gravity survey in conjunction with existing airborne magnetic data show several north-west trending structures (Figure 5) which are considered to control the gold mineralisation along this shear structure.

From a broader perspective, the sub-vertical shear zone extends over 30 kilometres south from the Millrose Gold Deposit, with the only drilling completed to date being, shallow, vertical RAB drilling, which has been conducted at 1.6 kilometre spacings (N-S) and 250 metre spacings (E-W). Given the shallow depth of historic drilling and the level of depletion seen at Millrose, it is believed that this entire structure has not been adequately tested.

### Diamond program – Millrose North

Initial diamond drilling is currently underway at Millrose North. Mineralisation in this is of a consistently higher grade tenor, and is open at depth. Approximately 18 diamond holes for 3,500 metres have been designed to:

- Enhance the understanding of the mineralisation controls, specifically the elevated grade displayed at the currently interpreted weathered-to-fresh boundary;
- Reduce the drill density to 20m x 20m within zones of elevated mineralisation;
- Enable the modelling of both structural and weathering controls on the mineralisation distribution;
- Carry out bulk density testwork to improve confidence in tonnage and contained metal conversions; and
- Assess the historical data quality with twinned holes.

These are all critical steps in advancing the Mineral Resource through to a development scenario.

Structural analysis on the historic diamond core was undertaken by Mines and Resources Australia in 1999. The geological observations recorded noted that the mineralisation is constrained to highly silicified areas, following foliation planes, in a relatively narrow zone of intense deformation. Structural measurements on the lineation orientation of these foliation planes suggest that mineralisation is plunging at about 40° to 50° towards the North. Several of the planned, deeper diamond holes have been designed to test this plunge for extensions to higher grade zones of mineralisation.

### Laterite Gold Zone – RC Drill Out

Historic drilling across the Millrose Gold Deposit intersected a coherent zone of +1g/t Au shallow, laterite gold mineralisation that has been defined over at least 300 metres in strike (Figure 6). Given that this mineralisation is near-surface, high grade and open along strike, any potential laterite gold resource estimate will provide Strickland with quick, upfront cash-flow for the wider Millrose Mineral Resource in a development scenario.

An initial, shallow RC program, consisting of 84 holes for 1,700 metres has been completed on a 40 metres (north-south) by 20 metres (east-west) grid, to define the extents of this mineralised laterite horizon. Once the results are reviewed, a second phase of RC drilling, to define a 20 by 20 metre grid will be completed to assist with a first pass laterite gold mineral resource.

Directors' Report

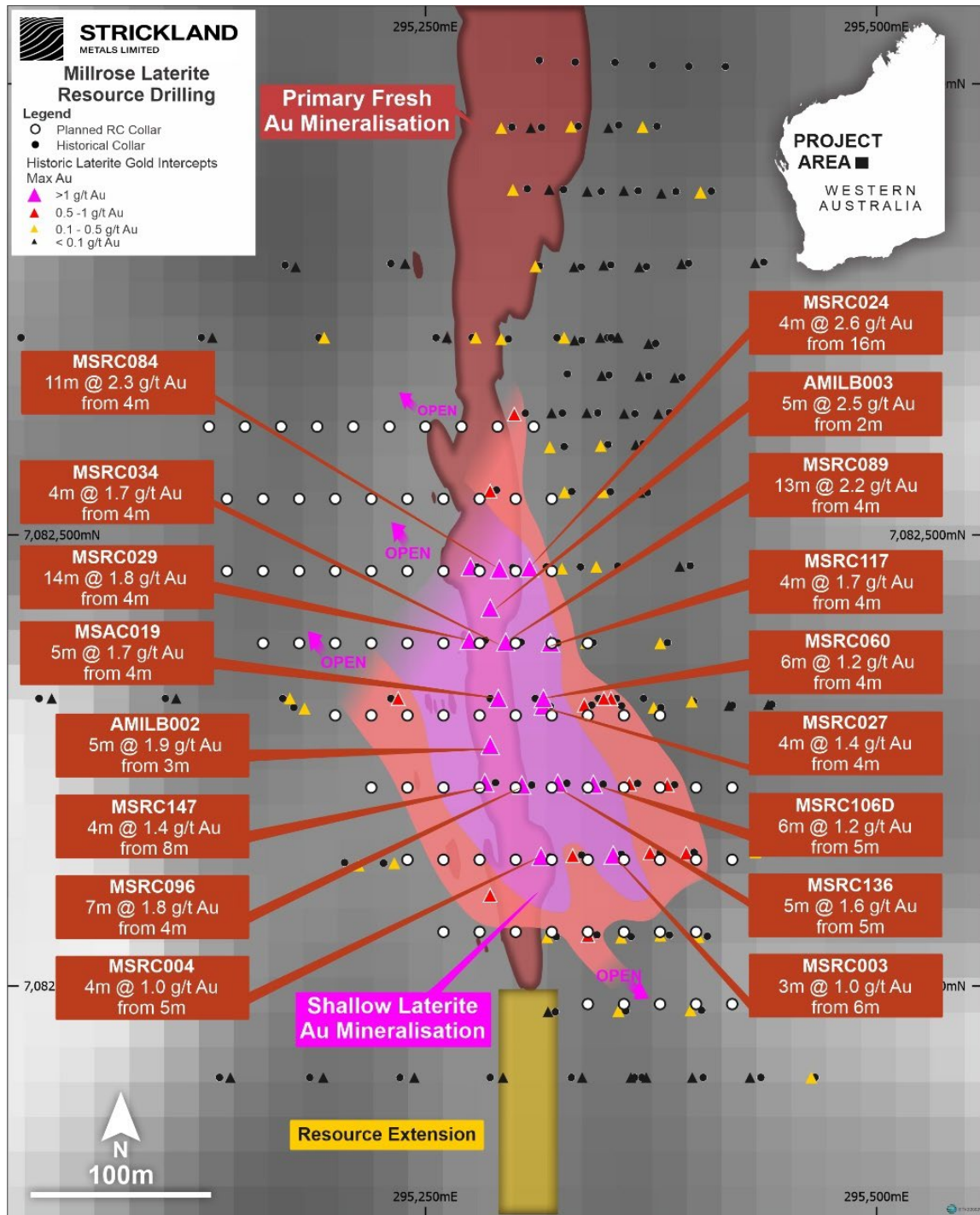


Figure 6: Millrose Laterite Resource Drilling

North and Southern Extensional RC Drilling

There are approximately 3 kilometres of prospective strike to the north and south of the existing Mineral Resource. Historic aircore drilling has intersected significant gold mineralisation in shallow drilling (Figure 7), demonstrating the continuity of the main controlling mineralising structures. A program of approximately 14 RC holes, for a total of 3,000 metres have been planned to test these primary mineralised structures (Figures 2 and 7). This program is designed on 90 metre (north-south) spacings, with infill and extensional RC and diamond drilling being undertaken, pending these initial results.

Directors' Report

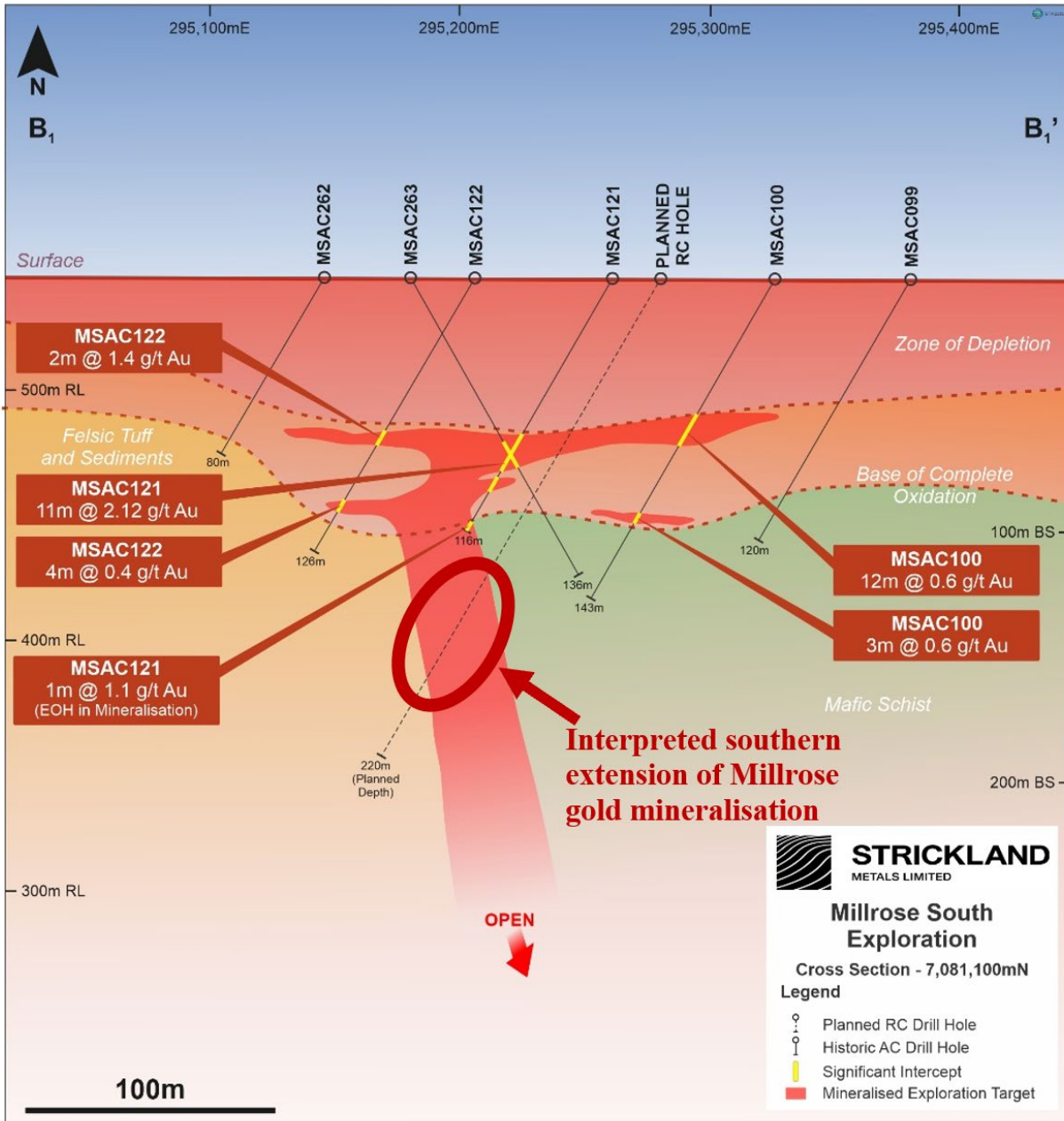


Figure 7: Cross Section of interpreted southern extension of fresh rock mineralisation

## Directors' Report

### Horse Well Gold Project – 100%

The Horse Well Gold Project ("Project") comprises 1,000 square kilometres of highly prospective terrain covering the Yandal/Millrose Greenstone Belt in the north-eastern Western Australian Goldfields.

The Project has a current JORC 2012 Inferred Mineral Resource of 5.7 million tonnes @ 1.4 grams per tonne gold for 257,000 ounces (>0.5 grams per tonne gold) at the more advanced Horse and Dusk til Dawn Prospects (Refer to ASX release dated 26 August 2019 for full details).

The Project covers at least a 50 kilometres strike length of the regionally significant Celia Shear Zone and has a strong demonstrated gold endowment with numerous exploration targets requiring additional programs of work.

#### High Grade Gold Intersected at Dusk Till Dawn Yandal Project

During the reporting period, the Company reported results received from its first drilling at Dusk til Dawn prospect. 14 Reverse Circulation (RC) holes were drilled for a total of 3,980 metres. Results included:

- DTDR001: **33 metres @ 3.6g/t Au** from 61 metres;
- DTDR007: **12 metres @ 2.5g/t Au** within 24 metres @ 1.6g/t Au from 196 metres;
- DTDR002: **10 metres @ 1.9g/t Au** within 32 metres @ 1.2g/t Au from 120 metres;
- DTDR003: **11 metres @ 2.0g/t Au** from 157 metres;
- DTDR005: **6 metres @ 2.4g/t Au** within 9 metres @ 1.8g/t Au from 179 metres;
- DTDR010: **7 metres @ 2.2g/t Au** from 212 metres;
- DTDR004: **10 metres @ 1.6g/t Au** from 117 metres; and
- DTDR006: **7 metres @ 1.6g/t Au** from 218 metres.

Subsequent to the reporting period on 19 January 2022, the Company reported the balance of results from its drilling at Dusk til Dawn which included:

- DTDR014: **10 metres @ 3.1g/t Au** from 314 metres;
- DTDR011: **11m @ 2.0g/t Au (incl 5m @ 3.2 g/t Au)** from 249m;
- DTDR012: **5m @ 1.0g/t Au** from 255m; and
- DTDR013: **6m @ 1.3g/t Au** from 262m.

Directors' Report

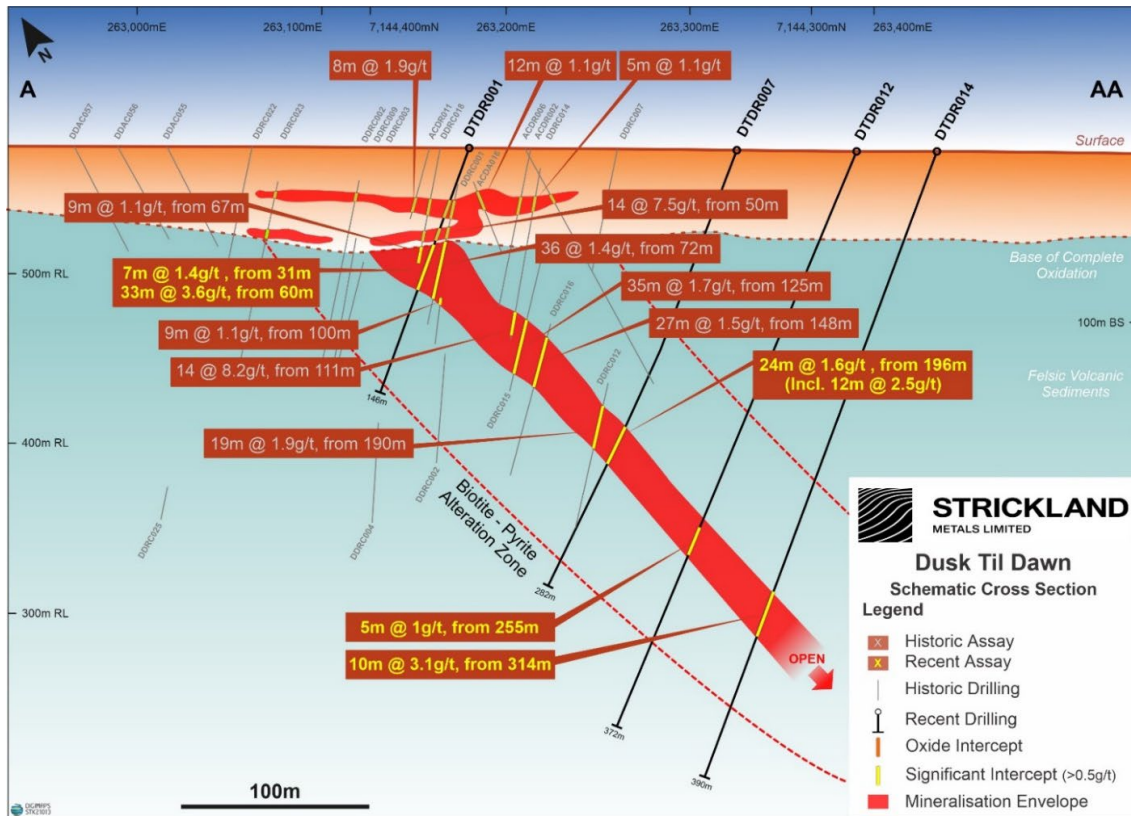


Figure 8: Cross Section of Dusk til Dawn

The results confirm the Company's new interpretation of the mineralised plunge at Dusk til Dawn.

All holes intersected the modelled alteration zone where predicted. This developing understanding bodes very well for further discoveries in the surrounding terrain given the effectiveness of the current set of geophysical and geochemical techniques used at Dusk til Dawn.

Updated Mineral Resource

Work is ongoing for the remodelling of the Dusk til Dawn Mineral Resource. The existing resource stands at 3,495,600 tonnes at 1.0g/t Au for 108,900 ozs Au. The Company believes that correctly orientating the mineralised plunge will potentially lead to a material increase in both grade and tonnage.

The results of this remodelling should demonstrate the excellent potential to build a substantial mineralised inventory in the immediate surrounding region should the nearby 'look-a-like' targets also be mineralised.

Directors' Report

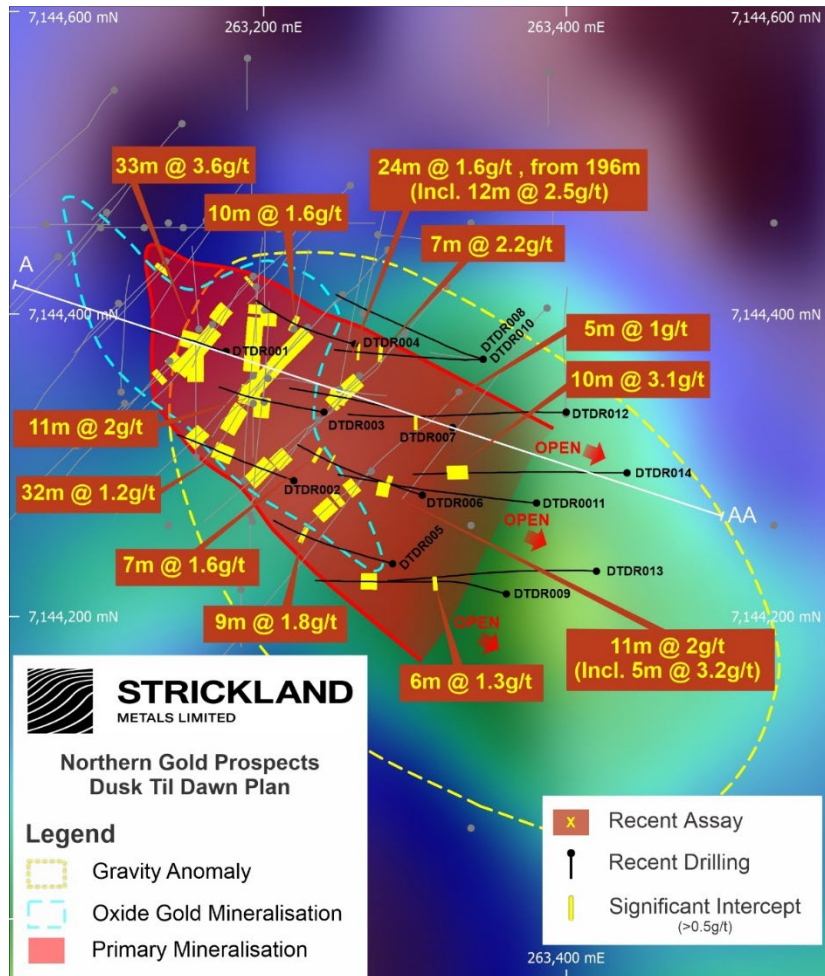


Figure 9: Plan view of Dusk til Dawn

Nearby Exploration

A total of six holes for 1,464 metres were drilled to test six regional geophysical 'look-a-like' targets prior to the RC program concluding on 19 December 2021. All holes intersected varying degrees of potassic alteration, suggesting strong potential for repeats of the Dusk til Dawn gold mineralisation.

Confirmation of our new understanding of the Dusk til Dawn gold mineralisation opens up a tremendously exciting part of the northern Yandal gold belt region.

Strickland re-logged the historic drilling in the area and identified a large alteration corridor to the north and south of Dusk til Dawn. A similar alteration corridor has also been identified on the parallel Big Daddy trend to the east (see Figure 10).

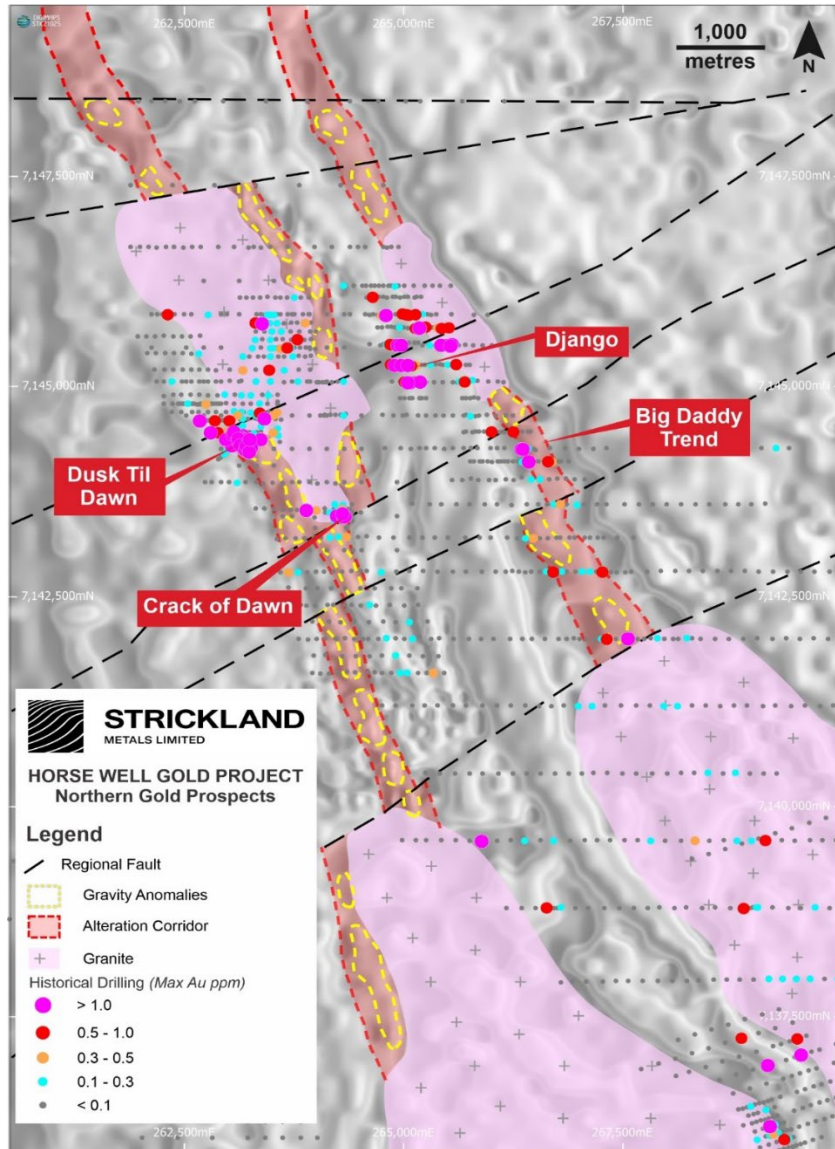
As announced to the ASX on 4 August 2021, a project wide gravity survey highlighted a series of clear, related gravity features at the Dusk til Dawn prospect. The Company was of the view that the pyrite content (which has a very close association with the gold mineralisation) was generating the subtle gravity high feature. The shape of the gravity feature at Dusk til Dawn also complimented the revised modelled plunge in alteration/mineralisation.

Furthermore, an external alteration study was conducted on the first 6 historic RC holes (ACDR001 to ACDR006) drilled across the Dusk til Dawn prospect. This work concluded that the prospect is a broad, post-peak metamorphic, potassic, hydrothermal alteration zone, with a core inner zone (gold associated) of biotite-calcic plagioclase-K feldspar-quartz-pyrite. The core biotite-rich potassic alteration zone is broad and suggests there was significant fluid flow (i.e. potential for a very large mineralisation system). This 'core' zone has been repeatedly intersected where predicted during the recent Dusk til Dawn drilling.



**Directors' Report**

Within the newly identified alteration corridors, there are up to twenty 'look-a-like' gravity features which the Company now believes could be suggestive of areas of more intense alteration. If the Dusk til Dawn model repeats throughout both corridors, it is potentially a significant discovery and demonstrates a project with large scale potential.



**Figure 10: Regional 'look a like' gravity features within the highlighted alteration corridors**

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Directors' Report

Horse North

Significant Anomalies Identified from Aircore Drilling

During the reporting period, the Company provided the results received from its 14,000m aircore program at the Horse North area. Results from the program returned significant gold mineralisation across 4 metre composite samples. Significant gold intercepts include:

- HNAC152: 8 metres @ 3.3g/t Au (incl 4m @ 6.3g/t Au) from 40m
- HNAC154: 12 metres @ 2.0g/t Au (incl 4m @ 4.8g/t Au) from 44m
- HNAC059: 8 metres @ 2.2 g/t Au from 28m
- HNAC002: 4 metres @ 1.5g/t Au from 72m

Wide spaced aircore drilling (100 metres east-west and 200 metres north-south) targeted extensions to the Celia Shear zone, identified from both magnetic and ground gravity survey datasets. In addition to the high-grade results, drilling successfully delineated a shallow, 1.3km long gold anomaly (>0.2g/t Au across 4 metre composites), which remains open along strike to the north and at depth. This trend is hosted entirely within the shear structure itself.

This style of gold mineralisation is analagous to the Millrose Mineral Resource to the south, which also shares similar geological setting, with it being on the contact between mafic volcanics to the east, and felsic sediments to the west.

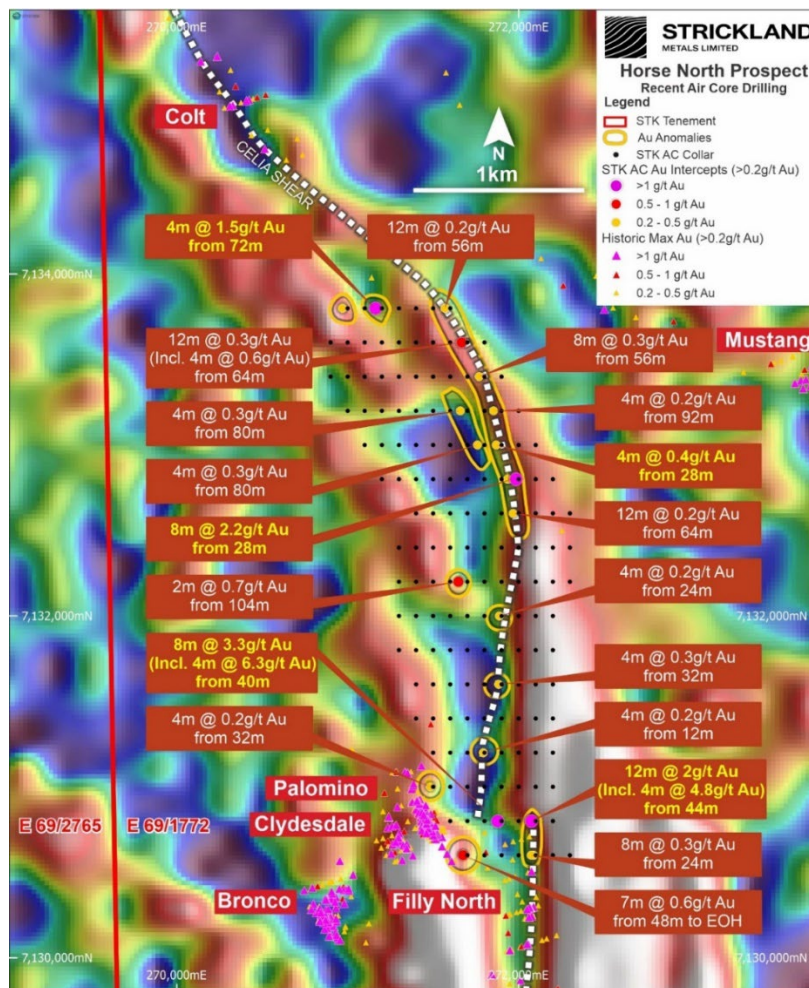


Figure 11: Gold anomalous trends and key aircore results, with gravity underlay

## Directors' Report

The Company identified this area from gravity surveying conducted during the year. The survey highlighted a target area which had not been adequately tested by previous drilling. Historic drilling was either too shallow, too wide spaced or too sporadic to have effectively tested this key mineralised structure.

The shear structure is clearly defined from geophysical datasets, and there are several north-west secondary structures, as well as areas of dilation which are ideal targets for gold mineralisation.

The significant gold intercepts are along strike from the existing Horse Well inferred Mineral Resource and provides an excellent opportunity to add to this resource inventory.

Bottom of hole multi-element analysis from these holes are due in the coming weeks, and will assist with a full interpretation of these results. A reverse circulation drilling program is currently being designed and planned occur during the Company's exploration programs for the 2022 calendar year. The focus of the program will be primarily to determine the source of the mineralisation on the 1.3km gold trend, and subsequently follow up other higher grade secondary structure intercepts.

### **Yandal East Gold Project – 75%**

On 9 June 2021, the Company announced it had entered into a binding agreement with Renegade Exploration Limited ("Renegade") to acquire Renegade's interest in the tenements that comprise the Yandal East Gold Project. ("Renegade Transaction").

The Yandal East Gold project lies immediately to the south of the Company's flagship Horse Well gold project. It is approximately 320km<sup>2</sup> in size.

The acquisition extends the Company's tenure of strike over the geologically significant Celia Shear zone to more than 100 kilometres.

The tenements the subject of the Renegade Transaction remain subject to a Joint Venture with Zebina Minerals Pty Ltd ("Zebina"), whereby Renegade holds a 75% interest in the tenements, with Zebina holding the residual interest. Zebina's interest is free carried until mine development.

#### Key Transaction terms

The Company will pay the following consideration to Renegade:

1. Issue of 40,000,000 fully paid ordinary shares in the Company at an issue price of \$0.03, subject to voluntary escrow for twelve (12) months;
2. Payment of \$400,000 at completion of the transaction;
3. Payment of \$400,000 six (6) months after the completion payment and
4. At completion, the Company will grant Renegade a 0.5% Net Smelter Return over its ownership interest in the tenements.

Completion of the Renegade Transaction was subject to each party obtaining any such approvals as may be required to give effect to the transaction, including, shareholder approval or as may be required by law, the ASX Listings Rules, the terms of any licence, qualification, governing body, constitution, agreement or other arrangement.

The parties agreed to enter into and execute a more detailed Sale and Purchase Agreement on the terms and conditions stated above.

During the reporting period, on 16 July 2021, the Company announced that the parties executed a formal sale and purchase agreement in relation to the Transaction, and that all conditions precedent and completion obligations in relation to the Transaction had been satisfied.

## Directors' Report

### Iroquois

#### High Grade MVT Zinc-Lead Discovery in Earaaheedy Basin

During the reporting period, the Company announced a high grade zinc-lead discovery at its Iroquois prospect (80% Strickland; 20% Gibb River Diamonds Ltd (ASX:GIB)).

The Company completed five Reverse Circulation (**RC**) holes for 940 metres as an initial first pass drilling program at the Iroquois zinc-lead prospect. All five holes intersected visible zinc-lead mineralisation. Initial assays for two holes have been received, highlighting broad zones of mineralisation in the fresh rock, containing both a Zn-rich upper zone and a Zn + Pb rich lower zone

- IQRC001: **23m @ 5.5% Zn + Pb** from 108m (combined), including;  
**14m @ 4.5% Zn** from 108m (true depth 90m) and **9m @ 7.0% Zn + Pb** from 135m (true depth 110m)
- IQRC003: **12m @ 5.4% Zn + Pb** from 58m (combined), including;  
**6m @ 6.2% Zn** from 58m (true depth 50m) and **6m @ 4.6% Zn + Pb** from 96m (true depth 80m)

In addition, both holes returned broad, lower grade Zn + Pb mineralisation within the oxide zone, including:

- IQRC001: **5m @ 2.9% Zn + Pb** from 23m; and **22m @ 2.2% Zn + Pb** from 37m
- IQRC003: **13m @ 2.1% Zn + Pb** from 24m.

Subsequent to the reporting period, the Company reported further mineralisation from its 2021 drilling campaign:

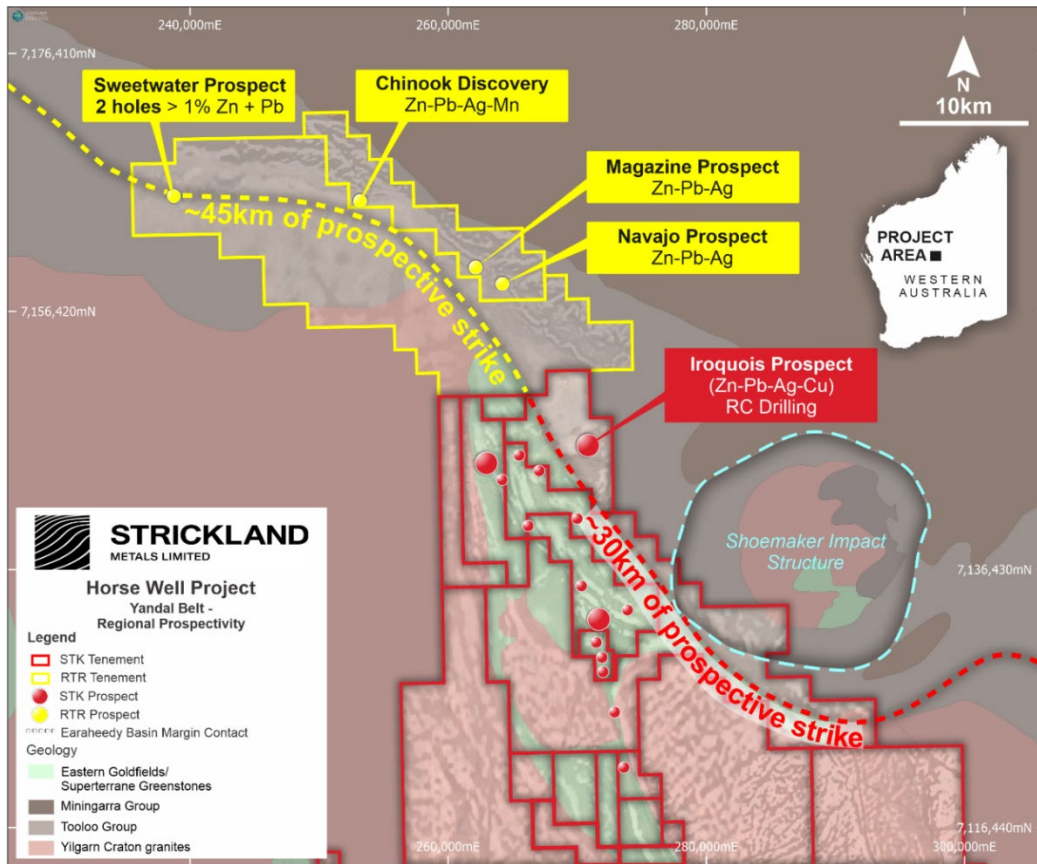
- **IQRC010: 8m @ 5.2% Zn from 95m; and 5m @ 10.1% Zn + Pb from 110 m (within a broader zone of 18m @ 4.2% Zn + Pb)**
- IQRC004: **3m @ 7.6% Zn** from 65m (within a broader **14m @ 2.2% Zn**)
- IQRC005: **10m @ 3.7% Zn** from 123m (within a broader **20m @ 2.4% Zn**)

Further Zn + Pb intersections were also intersected:

- IQRC002: **23m @ 1.9% Zn + Pb** from 18m;
- IQRC004: **15m @ 1.4% Zn + Pb** from 21m;
- IQRC005: **9m @ 1.7% Zn + Pb** from 55m;
- IQRC006: **7 metres @ 0.7% Zn + Pb** from 58 metres;
- IQRC007: **13 metres @ 0.4% Zn + Pb** from 43 metres; and
- IQRC011: **23 metres @ 1.6% Zn + Pb** from 26 metres (oxide), within a broader halo of **54m @ 0.9% Zn + Pb**.

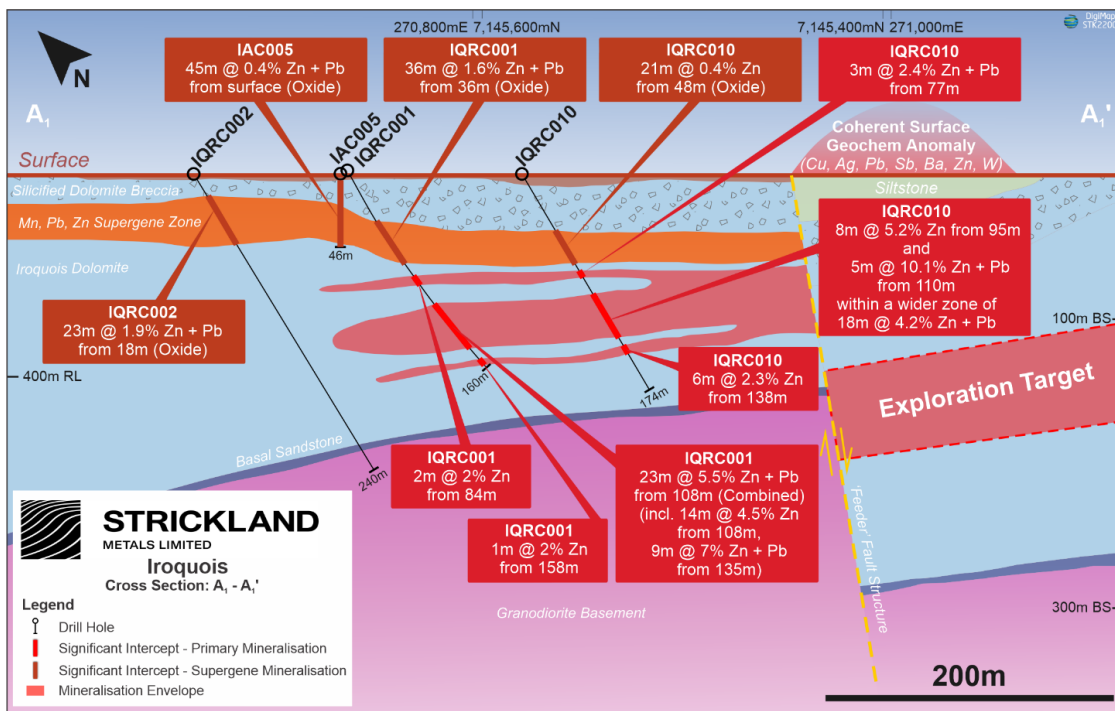
The discovery is located directly along strike from Rumble Resources Limited's (ASX:RTR) Earaaheedy Project Chinook zinc-lead discovery. Both discoveries suggest the Earaaheedy Basin margin is emerging as a significant new mineralised province and is highly prospective for further zinc-lead discoveries. Strickland controls approximately 30 kilometres of strike extending from the Rumble Resources Earaaheedy Project (Figure 12).

**Directors' Report**



**Figure 12: Project location compared to RTR's Chinook discovery**

Drilling intersected two distinct mineralised zones: an upper Zn-rich zone, and a lower Zn + Pb zone (Figure 13).



**Figure 13: Cross section of Iroquois mineralisation**



Directors' Report

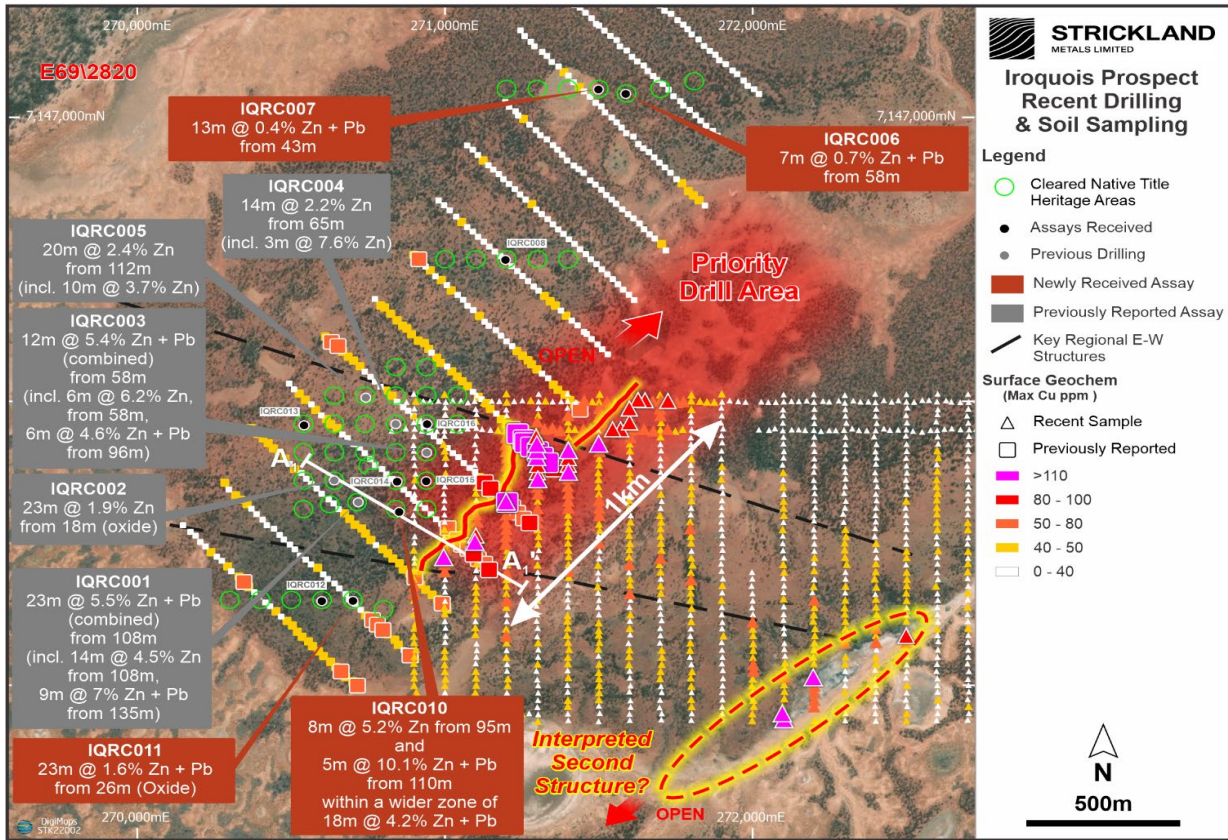


Figure 14: Plan view of mineralisation and key target areas

The drilling to date indicates strong continuity of mineralisation and highlights a substantial potentially mineralised zone which requires further drilling along strike.

The Company is continuing to develop a stronger understanding of the Iroquois mineralisation. The result in IQRC010 correlates perfectly with Strickland's emerging view of the prospect (see announcement dated 28 February 2022), namely that the mineralising structure is trending north-east (Figure 14), with mineralisation expected to be strongest in areas proximal to 'feeder zone' structures.

IQRC010 was drilled 100 metres to the east of discovery hole IQRC001 towards the interpreted 'feeder zone' structure, lending further credence to this model.

Importantly, it appears as though elevated copper soil anomalism is an effective marker of possible 'feeder zones', with a potential second one having been located to the south east of this mineralisation (Figure 14).

The shallow nature of the mineralisation intersected to date also indicates it could potentially be amenable to open cut mining scenarios.

## Directors' Report

### Bryah Basin – 100%

The Bryah Basin Project is located approximately 80 kilometres north of Meekatharra in the Gascoyne district of Western Australia and can be accessed from the Great Northern Highway and then local shire roads and station tracks. The project comprises five early stage Exploration Licences covering 260 square kilometres.

Geologically, the project is located in the central southern part of the Bryah Basin itself, which is a Paleoproterozoic basin formed during the break-up of the older Archaean Yilgarn and Pilbara cratons.

The basin is host to volcanogenic massive sulphide deposits ("VMS") of copper and gold formed during early stage volcanism, such as the Horseshoe Lights deposit and the more recently discovered Degruessa and Monty deposits currently being mined by Sandfire Resources Limited. Sandfire is actively exploring in the area and holds tenements and joint ventures that completely surround the Project.

The basin also hosts significant structurally controlled orogenic gold deposits associated with the Capricorn Orogen which occurred after the VMS deposits were formed. The Fortnum Gold deposits located in the north of the basin, are currently being mined by Westgold Resources Ltd.

Work completed during the reporting period was focused on collation, review and interpretation of the data received from field activities. Two base metal targets have been defined at the Dead Horse and Narracoota prospects and a gold target has been defined at the Dolerite Prospect. The Company also announced it is planning a gravity survey to be conducted across the project.

### Paterson Project – 30%

The Company entered into a Farm-In and Joint Venture Agreement with Rio Tinto Limited subsidiary, Rio Tinto Exploration Pty Limited ("Rio Tinto"), in June 2018 whereby Rio Tinto may explore and earn a majority interest in the Company's Exploration Licence E 45/4807 located in the Paterson region of Western Australia (refer ASX release 18 June 2018).

Rio Tinto is completing the initial earn-in commitment whereby it may earn a 70% interest in the tenement by spending \$500,000 and completing at least 500 metres of drilling within 3 years.

An initial drill program at the "Frostini" target area in the southeast of the tenement was completed between mid-May and early June 2021. This consisted of 4 combined aircore (AC) / reverse circulation (RC) drill holes to a downhole depth of 120-150 metres for a total of 524 metres drilled. The drill program targeted copper-gold mineralisation hosted within Proterozoic aged metasediments under more recent sediment cover. No mineralisation was observed with assays expected in the 2022 Financial Year.

Rio Tinto has now completed the initial earn-in commitment whereby earning a 70% interest in the tenement.

The Company now has a right to elect whether to:

- (i) form a 30%:70% joint venture with Rio Tinto and commence contributing to 30% of joint venture expenditure;
- (ii) form a 30%:70% joint venture and to not commence contributing, in which case Rio Tinto will earn a further 15% joint venture interest (to 85%) by sole funding the next \$1 million of joint venture expenditure; or
- (iii) convert its interest into a 1.25% NSR royalty.

Strickland will make its election after receipt of assays from the recent drilling and of a program and budget from Rio Tinto for the year ahead.

## Directors' Report

### **Morgan Range – 100%**

The Morgan Range Project is located in the West Musgrave belt of Western Australia. The project encompasses similar geology to the large Nebo-Babel and Succoth nickel-copper deposits, located some 50 kilometres to the south west, which have been the subject of a recently completed Pre-feasibility Study by Oz Minerals in joint venture with Cassini Resources. Nebo-Babel is the largest undeveloped Nickel-Copper deposit in Australia.

The principal target is a strong historical aerial electro-magnetic anomaly ('TEM') selected by Rio Tinto for pegging, which has now been purchased from Rio Tinto by the Company's 100% subsidiary Dingo Resources Limited (see ASX releases 18 February and 15 May 2020).

The attraction to the Company is the discrete nature of the target which has already been defined and is now able to be drilled relatively quickly, meaning it is a low-cost / high-reward discovery opportunity.

The Group has had engagement with the Ngaanyatjarra Council relating to E69/3400 during the reporting period with further discussions pending with the Tradition Owners.

### **Competent Person Statement**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr Peter Langworthy who is a consultant to Strickland Metals Limited and is a current Member of the Australian Institute of Mining and Metallurgy. Mr Peter Langworthy has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

### **Exploration Results and Mineral Resources**

The information in this report that relates to Exploration Results and Mineral Resources has been extracted from various Strickland Metals Limited's 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).

The Company confirms that it is not aware of any new information that materially affects the information included in the relevant ASX releases and the form and content of the announcements have not been materially modified. In the case of estimates of Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the relevant market announcement, continue to apply and have not materially changed.



Directors' Report

**Mining Tenements**

The consolidated tenement holdings of the Group held during the reporting period are as follows:

Project	Location	Tenement	Ownership
<b>Yandal</b>			
Eskay Resources Pty Ltd – Application	WA	M69/147	0% <sup>#</sup>
Eskay Resources Pty Ltd – Granted	WA	E69/1772	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/1466	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/1471	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E69/2765	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/1924	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E69/2492	100% <sup>^#</sup>
Strickland Metals Limited – Granted	WA	E69/3427	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E69/2820	80% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/1548	75% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/1726	75% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/1835	75% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/1970	75% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/1971	75% <sup>+#</sup>
Strickland Metals Limited – Granted	WA	E53/2109	75% <sup>+#</sup>
Strickland Metals Limited – Application	WA	E69/3929	0% <sup>#</sup>
Strickland Metals Limited – Application	WA	E53/2179	0% <sup>#</sup>
Strickland Metals Limited – Application	WA	E53/2177	0% <sup>#</sup>
Strickland Metals Limited – Application	WA	E53/2178	0% <sup>#</sup>
Strickland Metals Limited – Application	WA	E53/2180	0% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/1962	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/1304	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2137	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2153	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2154	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2155	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E69/3811	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2160	100% <sup>#</sup>
Strickland Metals Limited - Granted	WA	E53/2161	100% <sup>#</sup>
Strickland Metals Limited - Application	WA	M53/1110	0% <sup>#</sup>
* 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			
<b>Paterson</b>			
Strickland Metals Limited - Granted	WA	E45/4807	100% <sup>*</sup>
"subject to Rio Tinto Farm-in Agreement			
<b>Kurnalpi South</b>			
Strickland Metals Limited – Granted	WA	E28/2599	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E28/2665	100% <sup>#</sup>
#subject to Riversgold farm-in Agreement			
<b>Bryah Basin</b>			
Dingo Resources Limited – Granted	WA	E51/1738	100%
Dingo Resources Limited – Granted	WA	E51/1842	100%
Dingo Resources Limited – Granted	WA	E52/3273	100%
Dingo Resources Limited – Granted	WA	E52/3510	100%
Dingo Resources Limited – Granted	WA	E52/3600	100%
<b>Morgan Range</b>			
Dingo Resources Limited - Application	WA	E69/3400	0%
<b>Pardu</b>			
Strickland Metals Limited – Application	WA	E45/5633	0%
Strickland Metals Limited – Application	WA	E45/5641	0%
Strickland Metals Limited – Application	WA	E45/5644	0%
Strickland Metals Limited – Application	WA	E45/5647	0%
<b>Doolgunna</b>			
Doolgunna Minerals Pty Ltd	WA	E52/3866	100%

**Directors' Report**

**CORPORATE**

**June 2021 Placement and Pro-Rata Rights Issue**

On 23 June 2021, the Company announced that it 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).

The Company also offered 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") raising \$4,201,443 (before costs).

Enrizen Capital Pty Ltd acted as lead manager for the Placement which was supported by JP Equity Partners.

The Placement was subject to shareholder approval, which was obtained at an extraordinary general meeting of shareholders held on 30 July 2021.

On 2 August 2021, the Company announced the completion of the capital raising via placement and rights issue to raise a combined total of \$12.2 million (before costs).

**November 2021 Placement**

During the reporting period, the Company announced it had completed a capital raising of \$12 million (before costs) via the issue of 160,000,000 fully paid ordinary shares in the Company to institutional and sophisticated investors at an issue price of \$0.075 per share ("Placement"). Demand for the Placement was well in excess of the funds raised by the Company.

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

As part consideration for acting as Lead Manager in the Placement, Canaccord was issued 5,000,000 unquoted options in Strickland, whereby, 2,500,000 of the options will have an exercise price of \$0.1125 and 2,500,000 of the options will have an exercise price of \$0.15 ("Lead Manager Options"). The Lead Manager Options will expire on the third anniversary date of their issue.

**Issue of Performance Rights to KMP and consultants**

During the reporting period, the following Performance Rights were issued to directors who are part of Key Management Personnel under the Company's Incentive Plan:

	<b>First Vesting Performance Rights</b>	<b>Second Vesting Performance Rights</b>
<b>Vesting conditions</b>	Vest upon the Company's Shares achieving a 10 day volume weighted average price ( <b>VWAP</b> ) of 10 cents (\$0.10) at any time before the Expiry date.	Vest upon the Company's Shares achieving a 10 day volume weighted average price ( <b>VWAP</b> ) of 20 cents (\$0.20) at any time before the Expiry date.
<b>Expiry Date</b>	2/08/2025	2/08/2025
	<b>No.</b>	<b>No.</b>
<b>Anthony McClure</b>	4,500,000	4,500,000
<b>David Morgan</b>	3,000,000	3,000,000
<b>Trent Franklin</b>	3,000,000	3,000,000
<b>Paul Skinner</b>	3,000,000	3,000,000
<b>Mark Cossom</b>	3,000,000	3,000,000

## Directors' Report

The Performance Rights issued to directors under the Incentive Scheme were issued on 2 August 2021 pursuant to the Shareholder Approval at a general meeting of shareholders of the Company on 30 July 2021 pursuant to ASX Listing Rule 10.14.

Also during the reporting period, the following Performance Rights were issued to Company employees who are not part of Key Management Personnel under the Company's Employee Incentive Plan:

Item	First Vesting Performance Rights	Second Vesting Performance rights	Third Vesting Performance rights	Fourth Vesting Performance Rights
Amount	4,000,000	4,000,000	1,000,000	1,000,000
Vesting conditions	Vest upon the Company's Shares achieving a 10 day volume weighted average price (VWAP) of 10 cents (\$0.10) at any time before the Expiry date.	Vest upon the Company's Shares achieving a 10 day volume weighted average price (VWAP) of 20 cents (\$0.20) at any time before the Expiry date.	Vest upon the Company reporting a JORC compliant resource of 1 million ounces of gold.	Vest upon the Company completing 10,000m of Reverse Circulation Drilling within newly cleared areas with respect to Native Title within the Millrose and Iroquois projects which must be completed by 31 December 2022.
Expiry date	2 August 2025	2 August 2025	2 August 2025	2 August 2025

### Cancellation of Securities

During the reporting period, the Company cancelled 22,250,000 unlisted options. These Options were cancelled as the vesting conditions were no longer capable of being satisfied as the individuals to which these options were issued no longer work for the Company.

### Exercise of Options

During the reporting period, the Company exercised the following options:

- 825,034 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$29,701.23;
- 10,600,000 unlisted options into fully paid ordinary shares with a price of \$0.025 per share raising \$265,000; and
- 1,000,000 unlisted options into fully paid ordinary shares with a price of \$0.05 per share raising \$50,000.

### Matters subsequent to the end of the financial period

#### Native Title Heritage Clearance

Subsequent to the reporting period, the Company announced that it had received heritage clearance from TMPAC for almost all planned exploration throughout 2022.

The survey was conducted between 22 and 29 November 2021 at the Company's flagship Yandal project. It began at the southernmost end of the project tenure and worked northwards throughout the survey period.

Importantly, clearance was obtained for the planned resource extensional drilling at Millrose. Numerous other 'look-alike' targets around Dusk til Dawn and within the Big Daddy Trend were also cleared.

Obtaining heritage clearance was the final critical step towards commencing exploration.

Unfortunately due to time constraints, a survey was not able to be completed at Iroquois. The Company will shortly request a further survey from TMPAC that includes Iroquois and several other priority prospect areas.

## Directors' Report

### Resignation of Director

Subsequent to the reporting period, the Company announced that Mr Paul Skinner had resigned as a non-executive director of the Company due to personal reasons.

### Exercise of Options

Subsequent to the reporting period, the Company exercised 222,516 listed options to fully paid ordinary shares with an exercise price of \$0.036 per option, raising \$8,010.58.

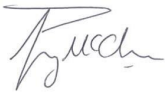
Other than the above, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

### Auditors Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Sydney this 14th day of March 2022.



Anthony McClure  
**Chairman**

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF STRICKLAND METALS LIMITED

As lead auditor for the review of Strickland Metals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Company Name and the entities it controlled during the period.



Leah Russell  
Director

BDO Audit Pty Ltd

Sydney, 14 March 2022

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2021**

	NOTE	31 December 2021 \$	31 December 2020 \$
Royalties		240,000	-
Other income		-	36,527
Directors' remuneration		(176,712)	(20,287)
Depreciation and amortisation		(29,485)	(1,395)
Occupancy expenses		(9,030)	(9,337)
Accounting and administrative expenses		(669,045)	(216,812)
Employee expenses		(1,991)	(88,363)
Share based payments		(1,634,747)	(805,664)
Motor Vehicle expenses		(2,968)	-
Interest expenses		(2)	-
Insurance expenses		(12,461)	(11,043)
Other expenses		(157,228)	(46,982)
Fair value adjustment of financial assets		-	(15,000)
Loss on disposal of tenements		-	(4,833)
Exploration costs expensed	3	(220,516)	(42,896)
<b>Results from operating activities</b>		<b>(2,674,185)</b>	<b>(1,226,085)</b>
Finance and other income		9,903	114
<b>Loss before income tax</b>		<b>(2,664,282)</b>	<b>(1,225,971)</b>
Income tax expenses		-	-
<b>Loss for the period</b>		<b>(2,664,282)</b>	<b>(1,225,971)</b>
Other comprehensive income for the period		-	-
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(2,664,282)</b>	<b>(1,225,971)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		(0.49)	(0.30)
Diluted earnings per share (cents)		(0.49)	(0.30)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position  
 As at 31 December 2021

	NOTE	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		12,242,102	1,511,626
Trade and other receivables		630,809	172,593
Other current assets		23,536	16,803
<b>TOTAL CURRENT ASSETS</b>		<b>12,896,447</b>	<b>1,701,022</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		260,954	144,793
Exploration and evaluation expenditure	3	26,608,849	10,642,384
Other assets		10,443	10,356
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26,880,246</b>	<b>10,797,533</b>
<b>TOTAL ASSETS</b>		<b>39,776,693</b>	<b>12,498,554</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,509,900	343,978
Provisions for employee benefits		110,640	108,649
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,620,540</b>	<b>452,627</b>
<b>TOTAL LIABILITIES</b>		<b>1,620,540</b>	<b>452,627</b>
<b>NET ASSETS</b>		<b>38,156,153</b>	<b>12,045,927</b>
<b>EQUITY</b>			
Issued capital	4	56,146,470	29,741,327
Reserve		4,653,232	2,283,868
Accumulated losses		(22,643,549)	(19,979,267)
<b>TOTAL EQUITY</b>		<b>38,156,153</b>	<b>12,045,928</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity  
 For the half-year ended 31 December 2021**

Consolidated	Share Capital	Accumulated losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>	<b>29,741,325</b>	<b>(19,979,267)</b>	<b>2,283,868</b>	<b>12,045,926</b>
Loss for the period	-	<b>(2,664,282)</b>	-	<b>(2,664,282)</b>
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	<b>(2,664,282)</b>	-	<b>(2,664,282)</b>
Transfer from equity remuneration reserve				
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	<b>28,221,184</b>	-	-	<b>28,221,184</b>
Transaction costs of equity issued	<b>(1,816,039)</b>	-	-	<b>(1,816,039)</b>
Share based payments	-	-	<b>2,369,364</b>	<b>2,369,364</b>
<b>Balance as at 31 December 2021</b>	<b>56,146,470</b>	<b>(22,643,549)</b>	<b>4,653,232</b>	<b>38,156,153</b>

Consolidated	Share Capital	Accumulated losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2020</b>	<b>23,016,475</b>	<b>(16,116,125)</b>	<b>297,824</b>	<b>7,198,174</b>
Loss for the period	-	<b>(1,225,971)</b>	-	<b>(1,225,971)</b>
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	<b>(1,225,971)</b>	-	<b>(1,225,971)</b>
Transfer from equity remuneration reserve				
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	<b>2,491,507</b>	-	-	<b>2,491,507</b>
Transaction costs of equity issued	<b>(68,353)</b>	-	-	<b>(68,353)</b>
Share based payments	-	-	<b>1,115,453</b>	<b>1,115,453</b>
<b>Balance as at 31 December 2020</b>	<b>25,439,629</b>	<b>(17,342,096)</b>	<b>1,413,277</b>	<b>9,510,810</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



**Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2021**

	31 December 2021 \$	31 December 2021 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(750,757)	(400,734)
Receipt from customers	240,000	-
Covid cashflow boost received	-	36,527
Interest received	9,815	114
<b>Net cash (used in) operating activities</b>	<b>(500,942)</b>	<b>(364,093)</b>
<b>Cash flows from investing activities</b>		
Purchase of tenement	(7,979,243)	-
Purchase of property, plant and equipment	(145,646)	-
Payment for exploration and evaluation	(3,419,218)	(1,102,915)
<b>Net cash (used in) investing activities</b>	<b>(11,544,107)</b>	<b>(1,102,915)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	23,976,483	2,101,509
Proceeds from exercise of option	335,677	-
Payments for share issue costs	(1,536,635)	(65,560)
<b>Net cash provided by financing activities</b>	<b>22,775,525</b>	<b>2,035,949</b>
<b>Net increase in cash held</b>	<b>10,730,476</b>	<b>568,941</b>
Cash and cash equivalents at the beginning of the period	1,511,626	529,167
<b>Cash and cash equivalents at the end of ther period</b>	<b>12,242,102</b>	<b>1,098,108</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2021**

**Note 1 Summary of significant accounting policies**

**(a) Reporting entity**

Strickland Metals Limited (the "Company") is a Company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the half year ended 31 December 2021 comprises the Company and its subsidiaries (together referred to as the "consolidated entity" or "Group").

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2021 is available upon request from the Company's registered office at Suite 8, 7 The Esplanade, Mt Pleasant, Perth or at [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au).

**(b) Statement of compliance**

The condensed consolidated interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as complete an understanding of the financial performance, financial position and cash flows of the Group as the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The condensed consolidated interim financial report was approved by the Board of Directors on 14th March 2022.

**(c) Going concern**

The Group incurred a loss for the period of \$2,664,282. A net \$22,775,525 has been received in cash from the exercise of options or share issues, and cash outflow from operations of \$500,942 and investing activities of \$11,544,107 were incurred.

A net \$22,775,525 has been received in cash from the exercise of options or share issues, and cash outflow from operations of \$500,942 and investing activities of \$11,544,107 were incurred.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity to continue its exploration program as forecast.

These events and conditions create a material uncertainty in relation to going concern that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether the Group will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statement.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to raise additional capital or curtail expenditure. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months but is able to curtail expenditure to preserve available cash reserves, if required.

The going concern basis of preparation is also dependent on:

- The ability of the Group to raise the additional capital, for which it has a successful history in doing so; and
- the ability of the Group to reduce operating and exploration costs.

The Directors believe the above will extend the Company's cash flow runway.

**Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2021**

**Note 1 Summary of significant accounting policies (continued)**

At this time, the Board are of the opinion that no assets is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2021. No adjustments have been made to the financial report relating to the recoverability and classification of the assets carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**(d) Significant accounting policies**

Except as described below, the accounting policies applied by the Group in the condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2021.

**(e) Estimates**

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2021.

**(f) Adoption of New and Revised Standards**

***New Standards and Interpretations applicable for the half year ended 31 December 2021***

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that, with the exception below, there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

***Standards and Interpretations in issue not yet effective***

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.

**Note 2 Dividends**

No dividends were paid or proposed during the half year ended 31 December 2021.  
The Group has no franking credits available as at 31 December 2021.

**Notes to the Consolidated Financial Statement  
 For the half-year ended 31 December 2021**

**Note 3 Capitalised mineral exploration and evaluation expenditure**

	<b>31 December 2021</b>	30 June 2021
<i>In the exploration and evaluation phase</i>	<b>\$</b>	<b>\$</b>
Cost brought forward	<b>10,642,384</b>	7,031,646
Exploration expenditure incurred during the year	<b>3,969,739</b>	1,855,780
Acquisition of tenements:		
- Dingo Project	<b>37,999</b>	1,750,000
- Millrose Gold Projects	<b>9,575,651</b>	1,000,000
- Renegade Projects	<b>2,603,593</b>	-
- Doolgunna Projects		778,117
Exploration expenditure impaired during the period	<b>(220,516)</b>	(1,773,159))
Cost carried forward	<b>26,608,849</b>	10,642,384

The recoverability of the carrying amount of the capitalised exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the respective areas of interest

Where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the expenditure has been impaired down to its recoverable amount.

Refer to Note 7 – Events occurring after the balance sheet date

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Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2021

Note 4 Contributed equity

(a) Share Capital

		31 December 2021		31 December 2020	
		No.	\$	No.	\$
Issued share capital		1,279,616,984	55,546,470	421,151,521	25,439,629
<i>Share movements during the year</i>					
	<i>Issue price \$</i>				
At the beginning of the year		735,252,324	29,741,327	335,367,945	23,016,475
Error to rectified for discrepancy to share register		210	-	-	-
Option exercise	0.036	825,034	29,701	-	-
Payment for tenement					
- Renegade Project	0.045	40,000,000	1,800,000	-	-
- Millrose Gold Project	0.071	28,050,491	2,000,000	-	-
Placement	0.040	200,000,000	8,000,000	-	-
Right issues	0.040	105,037,073	4,201,483	-	-
Option exercise	0.025	10,600,000	265,000	-	-
TMPAC community benefits		1,851,852	100,000	-	-
Placement	0.075	157,000,000	11,775,000	-	-
Option exercise	0.050	1,000,000	50,000	-	-
Payment for tenement option agreement				15,000,000	390,000
Placement	0.030	-	-	19,716,934	591,508
Share purchase plan	0.030	-	-	46,666,642	1,399,999
Option exercise	0.025	-	-	4,400,000	110,000
Placement	0.002	-	-	-	-
Entitlement issue	0.002	-	-	-	-
Capital raising costs		-	(1,816,041)	-	(68,353)
At the end of the year		1,279,616,984	56,146,470	421,151,521	25,439,629

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**Notes to the Consolidated Financial Statement  
 For the half-year ended 31 December 2021**

**Note 4 Contributed equity (continued)**

**(b) Options**

During the period, shareholders approved the granting of a total of 5,000,000 unlisted options to Canaccord,

The following factors and assumptions were used in determining the fair value of options issued during the year

Grant Date	Option life	Fair value per option	Exercise price	Price of shares on grant date	Expected volatility	Risk free interest rate	Dividend yield
2,500,000 Unlisted Options (i)							
25 October 2021	3.04 years	\$0.06	\$0.11	\$0.09	116%	0.07%	0%
2,500,000 Unlisted Options (ii)							
25 October 2021	3.04 years	\$0.05	\$0.15	\$0.09	116%	0.07%	0%

- (i) Options issued as part proceeds to Lead Manager for capital raising services under the Placement
- (ii) Options issued as part proceeds to Lead Manager for capital raising services raised under the Placement

As at 31 December 2021, the Group had the following options on issue:

- 186,225,613 listed options exercisable at \$0.036 each expiring on 17 May 2024;
- 15,000,000 unlisted options exercisable at \$0.025 each on or before 22 July 2024;
- 5,250,000 unlisted options exercisable by payment of various exercise price each on or before various dates;
- 2,500,000 unlisted options exercisable at \$0.1125 each on or before 12 November 2024,
- 2,500,000 unlisted options exercisable at \$0.15 each on or before 12 November 2024,
- 16,500,000 unlisted options exercisable at \$0.04 each on or before 28 August 2024,
- 2,000,000 unlisted options exercisable at \$0.05 each on or before 28 August 2024.
- 3,000,000 unlisted options exercisable at \$0.07 each on or before 24 September 2024.
- 2,000,000 unlisted options exercisable at \$0.085 each on or before 24 September 2024.

**(c) Performance Rights (PR)**

Grant Date	PR life	Fair value per PR	Exercise price	Price of shares on grant date	Expected volatility	Risk free interest rate	Dividend yield
19,500,000 Performance Right (i)							
30 July 2021	4.00 years	\$0.046	Nil	\$0.049	123.9%	0.47%	0%
19,500,000 Performance Right (ii)							
30 July 2021	3.04 years	\$0.042	Nil	\$0.049	123.9%	0.47%	0%

**Notes to the Consolidated Financial Statement  
 For the half-year ended 31 December 2021**

**Note 4 Contributed equity (continued)**

<i>Grant Date</i>	<i>PR life</i>	<i>Fair value per PR</i>	<i>Exercise price</i>	<i>Price of shares on grant date</i>	<i>Expected volatility</i>	<i>Risk free interest rate</i>	<i>Dividend yield</i>
1,000,000 Performance Right (iii) 04 August 2021	4.00 years	\$0.039	Nil	\$0.042	124.4%	0.48%	0%
1,000,000 Performance Right (iv) 04 August 2021	4.00 years	\$0.029	Nil	\$0.042	-	-	0%
1,000,000 Performance Right (v) 12 October 2021	3.08 years	\$0.064	Nil	\$0.072	118.9%	0.84%	0%
1,000,000 Performance Right (vi) 12 October 2021	3.08 years	\$0.058	Nil	\$0.072	-	-	0%

- (i) Performance Rights issued under employee incentive scheme, 16,500,000 issued to members who are members of KMP and 3,000,000 who are not members of KMP.
- (ii) Performance Rights issued under employee incentive scheme 16,500,000 issued to members who are members of KMP and 3,000,000 who are not members of KMP.
- (iii) Performance Rights issued to Consultant of the Company who is not a member of the KMP under the Company's Incentive Plan
- (iv) Performance Rights issued to Consultant of the Company who is not a member of the KMP under the Company's Incentive Plan
- (v) Performance Rights issued to Consultant of the Company who is not a member of the KMP under the Company's Incentive Plan
- (vi) Performance Rights issued to Consultant of the Company who is not a member of the KMP under the Company's Incentive Plan

As at 31 December 2021, the Group had the following performance rights on issue:

- 43,000,000 Performance Rights expiring on 02 August 2025

**Note 5 Segment information**

The Group has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the appropriate allocation of the Group's resources. The Group also has had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Group is organised into one operating segment, which involves mineral exploration and development in Australia. The Group's principle activities are interrelated and the Group has revenue from a farm-in on the Group's main exploration asset.

All significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

**Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2021**

**Note 6 Related Parties Transactions**

**(a) Directors and Key Management Personnel**

<b>Key management Person</b>	<b>Position</b>
Mr Anthony McClure	Non-Executive Chairman
Mr Trent Franklin	Non-Executive Director
Mr David Morgan	Non-Executive Director
Mr Mark Cossom	Non-Executive Director
Mr Paul Skinner	Non-Executive Director
Mr Andrew Bray	Chief Executive Officer

**(b) Directors Loans**

No directors or any key personnel have received any loans from the Group.

**(c) Other**

During the period the significant new transactions with related parties were:

An entity associated with Paul Skinner, Non-Executive Director of the Group, The Skinner Discretionary Trust trading as PCS Consulting received \$18,600 (December 2020: \$Nil) for exploration related consultancy services.

Entities associated with Trent Franklin, Non-Executive Director of the Group including Enrizen Capital Pty Ltd received \$743,189 (December 2020: \$Nil) for capital raising services; Enrizen Lawyers Pty Ltd received \$111,250 (December 2020: \$Nil) for company secretarial and legal services; Enrizen Accounting Pty Ltd received \$51,012 (December 2020: \$Nil) for accounting services.

An entity associated with Andrew Bray, Chief Executive Officer, L11 Capital Pty Ltd ATF Gascoyne Family Trust completed the purchase of the royalty from the Group for \$240,000 (see announcement dated 12 April 2021 for further details).

**Note 7 Events occurring after the balance sheet date**

**Native Title Heritage Clearance**

Subsequent to the reporting period, the Company announced that it had received heritage clearance from TMPAC for almost all planned exploration throughout 2022.

The survey was conducted between 22 and 29 November 2021 at the Company's flagship Yandal project. It began at the southernmost end of the project tenure and worked northwards throughout the survey period.

Importantly, clearance was obtained for the planned resource extensional drilling at Millrose. Numerous other 'look-a-like' targets around Dusk til Dawn and within the Big Daddy Trend were also cleared.

Obtaining heritage clearance was the final critical step towards commencing exploration.

Unfortunately due to time constraints, a survey was not able to be completed at Iroquois. The Company will shortly request a further survey from TMPAC that includes Iroquois and several other priority prospect areas.





**Notes to the Consolidated Financial Statement**  
**For the half-year ended 31 December 2021**

**Note 7 Events occurring after the balance sheet date (continued)**

**Resignation of Director**

Subsequent to the reporting period, the Company announced that Mr Paul Skinner had resigned as a non-executive director of the Company.

Mr Skinner resigned due to personal reasons.

Mr Skinner has provided a significant and valuable contribution to the Company over his tenure since his appointment in 2020, supporting the recent Strickland consolidation strategy and growth pathway the Company is now embarking on.

**Exercise of Options**

Subsequent to the reporting period, the Company exercised 222,516 listed options to fully paid ordinary shares with an exercise price of \$0.036 per option, raising \$8,010.58.

Other than the above, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

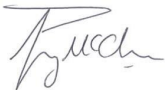
**Directors' Declaration**

On the opinion of the Directors of Strickland Metals Limited ("the Company")

- (a) the financial statements and notes set out on pages 28 to 39 are in accordance with the Corporations Act 2001, including:
- (i) complying with the Corporations Regulations 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting, and
  - (ii) giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance, for the half-year ended on that date; and
- (b) as set out in Note 1(c) there are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed at Sydney this 14<sup>th</sup> day of March 2022.



Anthony McClure  
**Chairman**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strickland Metals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Strickland Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

*BDO*

*Leah Russell*

Leah Russell  
Director

Sydney, 14 March 2022

Director

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