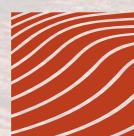


# Strickland Metals Limited

ABN: 20 109 361 195

## Interim Financial Report For six months ended 31 December 2022



**STRICKLAND**  
METALS LIMITED



## **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**

Level 4, 15 Ogilvie Road  
Mt Pleasant, Western Australia 6153

### **Registered Office**

Level 4, 15 Ogilvie Road  
Mt Pleasant, Western Australia 6153  
Telephone: (08) 6317 9875  
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 5, 191 St Georges Tce  
Perth WA 6000  
Telephone: 1300 288 664

### **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 2022 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

### Results of Operations

The consolidated net loss after income tax for the half-year year was \$1,151,517 (31 December 2021: 2,664,282) which includes project evaluation and generation and exploration costs expensed of \$311 (31 December 2021: \$30,621) and share based payments expense of \$57,125 (31 December 2021: \$1,824,642).

### Financial Position

At the end of the period the Group had \$499,663 (30 June 2022: \$4,070,648) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure asset is \$41,384,978 (30 June 2022: \$34,088,653).

## Review of Exploration

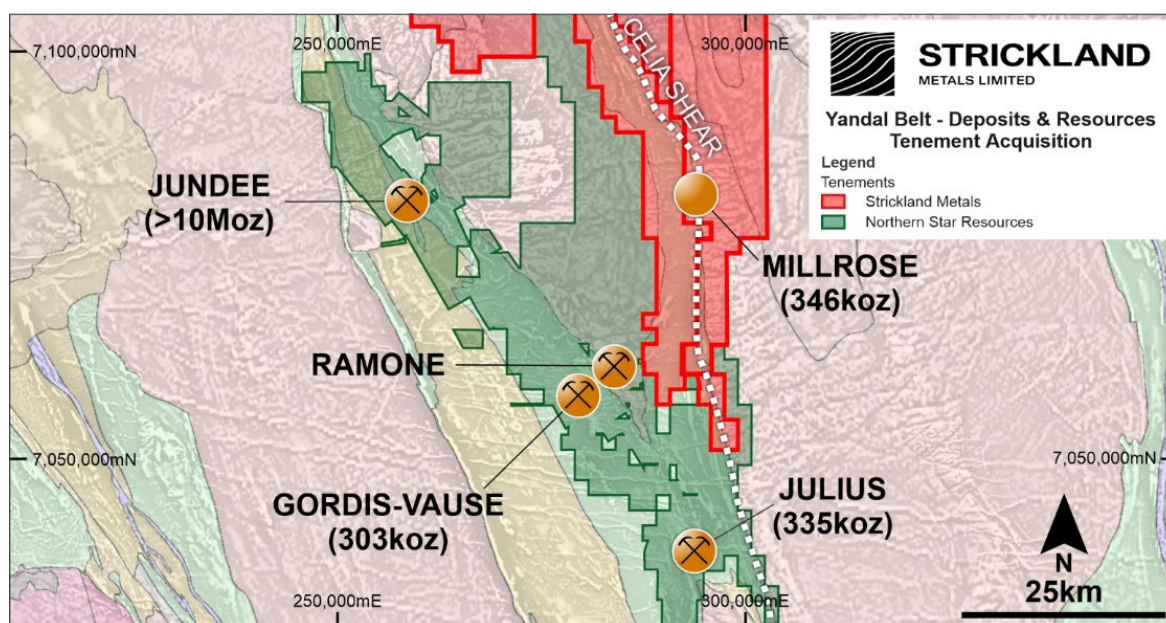
### Yandal Project

#### Millrose Gold Project

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

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.

**Figure 1: Location of Millrose**



## Directors' Report

Strickland's JORC 2012 compliant Mineral Resource Estimate is 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</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.

## **Directors' Report**

### Resource Extension

The reported Mineral Resource at Millrose forms part of a large, mineralised zone that prior to Strickland's involvement had been defined by RC and limited diamond drilling over a strike length of at least 2,000 metres with gold mineralisation open along strike and at depth. In addition to these lateral and depth extensions, the current reported Mineral Resource consisted of a northern and southern zone, with limited drilling between the two. Given that the laterite and oxide mineralised domains were also poorly constrained, this provided an opportunity for Strickland to add valuable gold ounces to the overall mineralisation inventory at a relatively attractive discovery cost per ounce.

Prior to undertaking any drilling, Strickland engaged with Honey Mining and Resources Pty Ltd to complete a review of the existing database and provide recommendations for an initial phase of drilling at the Millrose gold deposit. An initial program of 30 holes were designed at the northern resource (deemed Millrose North) to allow for:

- Enhanced understanding of the mineralisation controls, specifically the elevated grade displayed at the currently interpreted weathered-to-fresh boundary.
- A reduced drill density of 20m by 20m, specifically within zones of elevated mineralisation.
- Modelling of structural and weathering controls on mineralisation distribution.
- Bulk density testwork to improve confidence in tonnage and contained metal conversions.
- Assessment of historical data quality with twinned drill holes.

During the reporting period, the Company announced a number of significant results from its Millrose Gold Project.

Following on from the shallow laterite drilling, exploration focussed on the oxide potential at Millrose North, as well as targeting fresh rock intersections between and along strike from the existing resource.

Key intercepts from this phase of drilling (please refer to ASX announcements 7 July 2022 and 7 September 2022) include:

- MRRC140: 5m @ 11.5g/t Au from 68m; and  
65m @ 4.4g/t Au from 95m incl 3m @ 20.2g/t Au and 3m @ 33.5g/t Au
- MRRC142: 10m @ 13g/t Au from 66m
- MRRC130: 8m @ 4g/t Au from 104m
- MRRC141: 7m @ 2.4g/t Au from 68m
- MRRC138: 17m @ 1.7g/t Au from 98m
- MRRC113D: 12m @ 1.9g/t Au from 68m
- MRRC139: 3m @ 14.8 g/t from 8m
- MRRC090: 7m @ 1 g/t Au from 4m
- MRRC009: 11m @ 2.4 g/t Au from 58m (incl 2m @ 8.6g/t Au from 65m)
- MRRC144: 2m @ 1.2 g/t from 43m – extends current wireframe by 20m west
- MRRC145: 5m @ 3.4 g/t from 82m

These drill results demonstrated the continuity of grade in the oxide throughout this area, outside of the existing resource.

Further to these oxide gold intercepts, wide-spaced step out RC and diamond drilling (targeting primary mineralisation along strike from the existing Millrose resource) delineated three new zones of high-grade mineralisation, including:

- |                            |   |
|----------------------------|---|
| • Millrose Central         | MRRC093D: 25m @ 1.0g/t Au from 61m; and |
|                            | MRRC095: 46m @ 1.0g/t Au from 104m      |
| • Millrose North Extension | MRRC130: 8m @ 4.0 g/t Au from 104m      |
| • Millrose South           | MRRC128: 21m @ 1.0g/t Au from 86m       |

Given the 120 metre distance between the drill intercepts at Millrose Central, coupled with the historic drill intercepts of 37m @ 3.6g/t Au from 86 m (MSRC111D) and 35m @ 1.5g/t Au from 63m (MSRC058), there is excellent potential for a similar grade profile to that of Millrose North and further drilling is required across both Millrose Central and Millrose South to fully evaluate the grade continuity and overall economic potential.



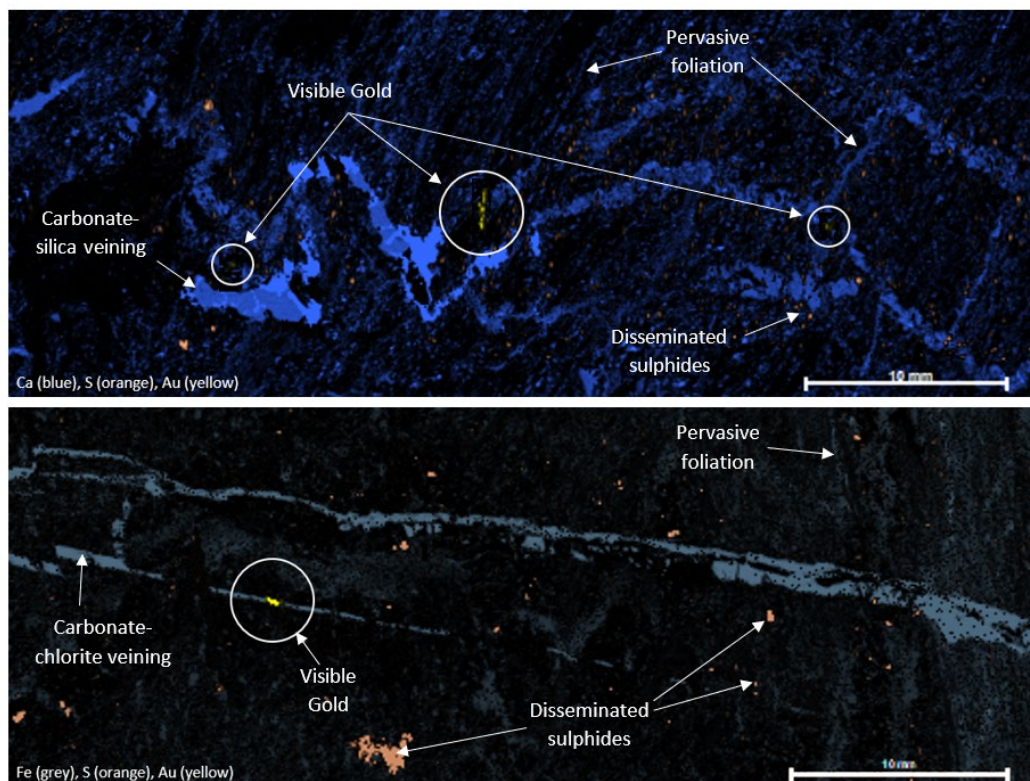
## Directors' Report

From the commencement of drilling, the Strickland exploration and resource development team have been focussed on collecting valuable datasets to assist with the overall geological and mineralisation model. These datasets include (but are not limited to):

- Magsus: to categorise the footwall BIF unit and to assist with overall drill planning and execution.
- Portable XRF analysis: taken across each drill sample, to categorise the lithogeochemistry. This data is being used to generate an accurate geological model (including distinct weathering domains) and assist with geological domaining for resource estimation purposes.
- REFLEX IQ-logger: used to scan drill core, to provide a large quantity of real-time, accurate structural measurements, in which to determine the overall structural controls on mineralisation, as well as the broader structural geology of the overall project itself.
- Micro-XRF: To assist with understanding the main controls on gold mineralisation, Strickland undertook micro-XRF scanning of core samples (courtesy of Portable Spectral Services) across Millrose to map the relationship between gold, alteration, structure, and geochemistry (Figure 2). This technique scanned 4cm by 2cm wide pieces of core to map the various elements present. Several samples from diamond holes MRDD002 and MRDD008 (Millrose North) and several samples from MRDD011 (Millrose Central) were analysed as part of this process.

Preliminary results show that gold is present in multiple styles, spanning both shearing events:

- Quartz-carbonate and Chlorite-carbonate veining with the same orientation as the NE-SW cross-cutting shears (D3 structures);
- Pervasive carbonate and sodic alteration; and
- Gold does not appear to be associated with any of the sulphides, confirming the non-refractory nature of the ore.



**Figure 2: Micro-XRF elemental imagery showing free gold associated with NE-trending (D3) veining, while sulphides are disseminated throughout. MRDD008 (Top): gold hosted in silica-carbonate veins. MRDD011 (bottom): gold hosted in chlorite-carbonate vein.**

## **Directors' Report**

Previous interpretations on the controls of gold mineralisation were thought to be associated with sulphide content. However, the recent Micro-XRF work has shown that this is not the case and instead this work demonstrates that the high-grade mineralisation is structurally controlled in late D3 vein sets. From this work, (coupled with the structural measurements taken on the core), there are two clear sets of shear structures, with a later NE-SW (D3) shearing cross-cutting and offsetting the pre-dated North-South shear zone, creating high grade zones of dilation.

The north-south shear is denoted by pervasive eastward-dipping foliation, associated silica-sulphide flooding, and the development of a mylonite unit. The north-trending shear forms the bulk of the wide, high-grade deposit at Millrose North and the overall > 3 km mineralised trend.

NE-striking shearing has further deformed the deposit, leading to dilation zones along the ore body and subsequent higher-grade lodes. The shearing event is characterised by:

- Brecciation of the mylonite;
- Chlorite-carbonate and quartz-carbonate veining;
- Hematite-silica and sodic alteration; and
- NE-trending cleavage.



Directors' Report

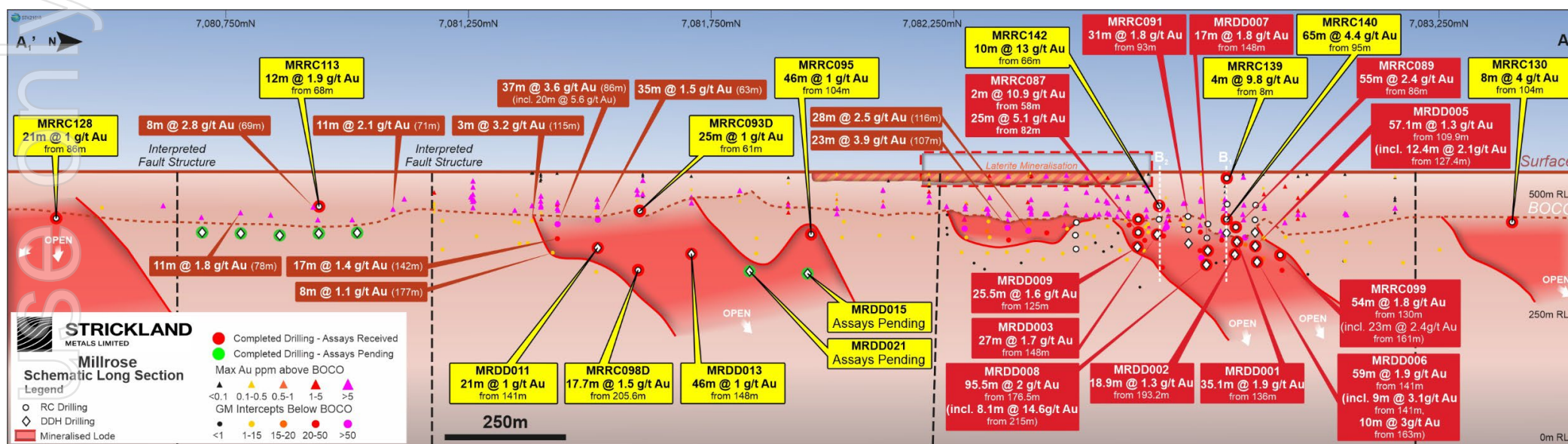
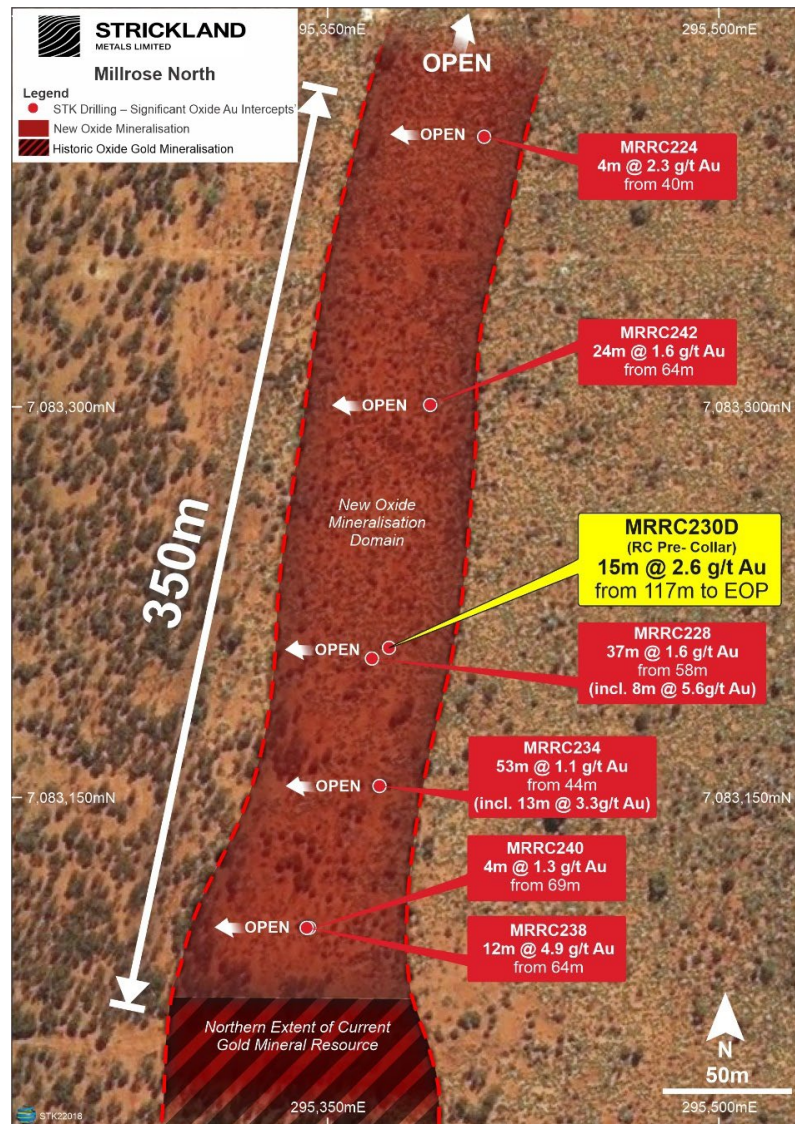


Figure 3: Long section of Millrose gold project showing the high-grade north plunging lodes (red polygons)

## Directors' Report

This revised structural interpretation of the controls on mineralisation meant that the high-grade mineralisation remained open down plunge at Millrose North, as well as along strike from the existing resource area. Systematic RC drilling, north and south of the existing resource was carried out to test for further high-grade primary zones of mineralisation and extensions to the oxide mineralisation. Results from the initial wide-spaced drilling north of the Millrose Mineral Resource yielded an exciting new oxide gold discovery (please refer to ASX announcement 29 August 2022). These results are above the high-grade, north-plunging primary Millrose ore zone, and extend mineralisation at least 350m to the north. Mineralisation is also entirely open to the west where the mineralisation is interpreted to be intersected up-dip from these results (i.e. closer to surface). Results include:

- MRRC233: 28m @ 3.7g/t from 54m (incl 6m @ 12.1 g/t)
- MRRC242: 24m @ 1.6 g/t from 64m
- MRRC228: 37m @ 1.6 g/t from 58m, including 9m @ 5.6 g/t from 86m (incl. 3m @ 12.3 g/t from 86m)
- MRRC234: 53m @ 1.1 g/t from 44m (incl. 13m @ 3.3 g/t from 84m)
- MRRC238: 12m @ 4.9 g/t from 64m (incl. 4m @ 13.6 g/t from 68m)
- MRRC224: 4m @ 2.3 g/t from 40m
- MRRC240: 4m @ 1.3 g/t from 69m
- MRRC230D: 19m @ 2.4g/t Au from 117 (please refer to ASX announcement 21 September 2022).



**Figure 4: New oxide gold mineralisation north of the existing Millrose resource**



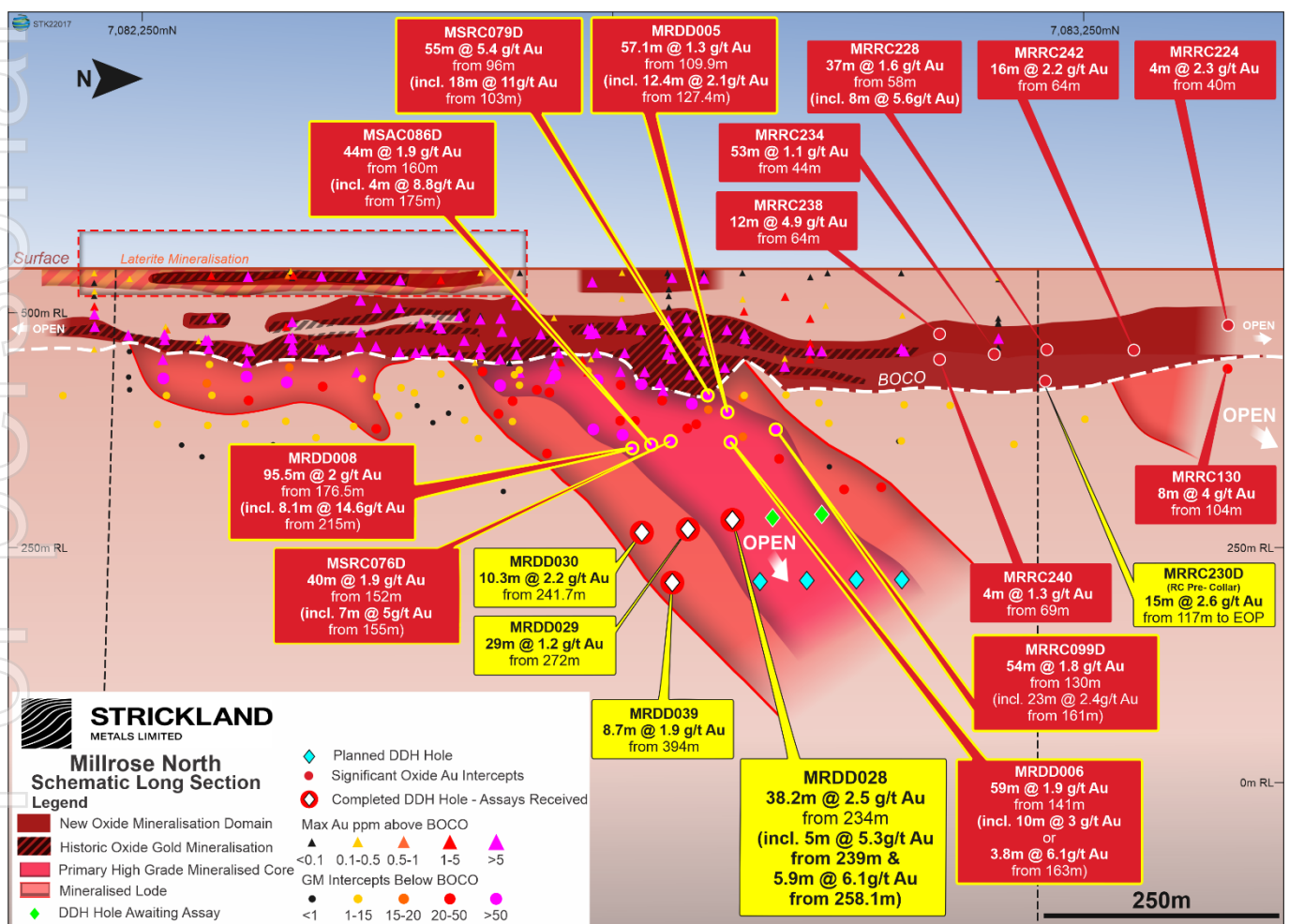
## Directors' Report

In order to test the high-grade depth extensions at Millrose North, four diamond holes were drilled directly below the high-grade intercept of 8.1 metres @ 14.6g/t Au from 215 metres in MRDD008 (Figure 5). These deeper diamond holes successfully intersected the continuation of the primary high-grade, north plunging mineralised lode (please refer to ASX announcement 16 September 2022), with two high grade intercepts from MRDD028 returning:

- MRDD028: 38.2m @ 2.5g/t Au from 234m, including 5m @ 5.3g/t Au from 239m and 5.9m @ 6.1g/t Au from 258m

A clear high-grade core has been identified at Millrose. This is delineated by previous up-dip results including:

- MSRC079D: 55m @ 5.4g/t Au from 96m (including 18m @ 11g/t Au from 103m)
- MRDD005: 57.1m @ 1.3g/t Au from 109m (including 12.4m @ 2.1g/t Au from 127.4m)
- MRDD008: 95.5m @ 2.0g/t Au from 176.5m (including 8.1m @ 14.6g/t Au from 215m)
- MRRC099: 54m @ 1.8g/t Au from 130m (including 23m @ 2.4g/t Au from 161m)
- MSRC076D: 40m @ 1.9g/t Au from 152m (including 7m @ 5.0g/t Au from 155m)
- MSAC086D: 44m @ 1.9g/t Au from 160m (including 4m @ 8.8g/t Au from 175m)
- MRDD006: 59m @ 1.9g/t Au from 141m (including 10m @ 3g/t Au from 163m)





## Directors' Report

### Wanamaker Discovery

RC drilling successfully intersected continuation of high-grade oxide gold mineralisation:

- MRRC329: 7m @ 22.2g/t Au from 72m
- MRRC347: 5m @ 14.5g/t Au from 67m and 5m @ 1.4g/t Au from 79m
- MRRC339: 5m @ 6.6g/t Au from 83m and 6m @ 1.6g/t Au from 55m
- MRRC335: 2m @ 11.3g/t Au from 86m

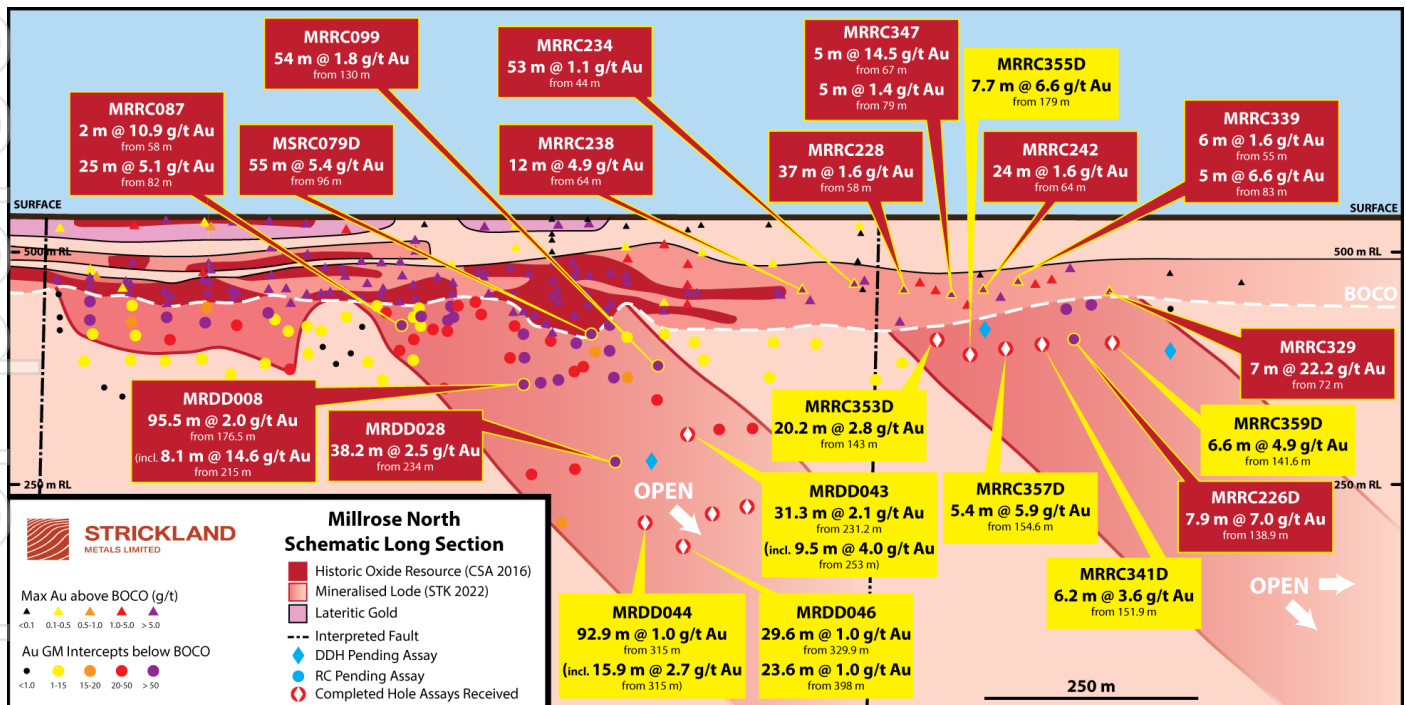
In conjunction with the diamond drilling at Millrose North, several holes were drilled to delineate the primary mineralised intercept of 8 metres @ 4g/t Au from 104 metres from MRRC130, which at the time was the northernmost intercept across Millrose (Figure 5). Diamond drilling successfully intersected a new primary high grade mineralised lode (Wanamaker), which remains open at depth and returned the following significant intercepts:

- MRRC355D: 7.7m @ 6.6g/t Au from 179m
- MRRC353D: 20.2m @ 2.8g/t Au from 143m
- MRRC357D: 5.4m @ 5.9g/t Au from 154.6m
- MRRC359D: 6.6m @ 4.9g/t Au from 141.6m
- MRRC341D: 6.2m @ 3.6g/t Au from 151.9m

The holes were designed to test for primary mineralisation on 50m step-outs running north-south, defining Wanamaker now as ~300m in length and being entirely open at depth.

These holes follow the initial discovery holes of

- MRRC130: 8m @ 4.0g/t Au from 104m
- MRRC226D: 7.9m @ 7.0g/t Au from 138.9m



**Figure 6: Long section of Millrose and Wanamaker**

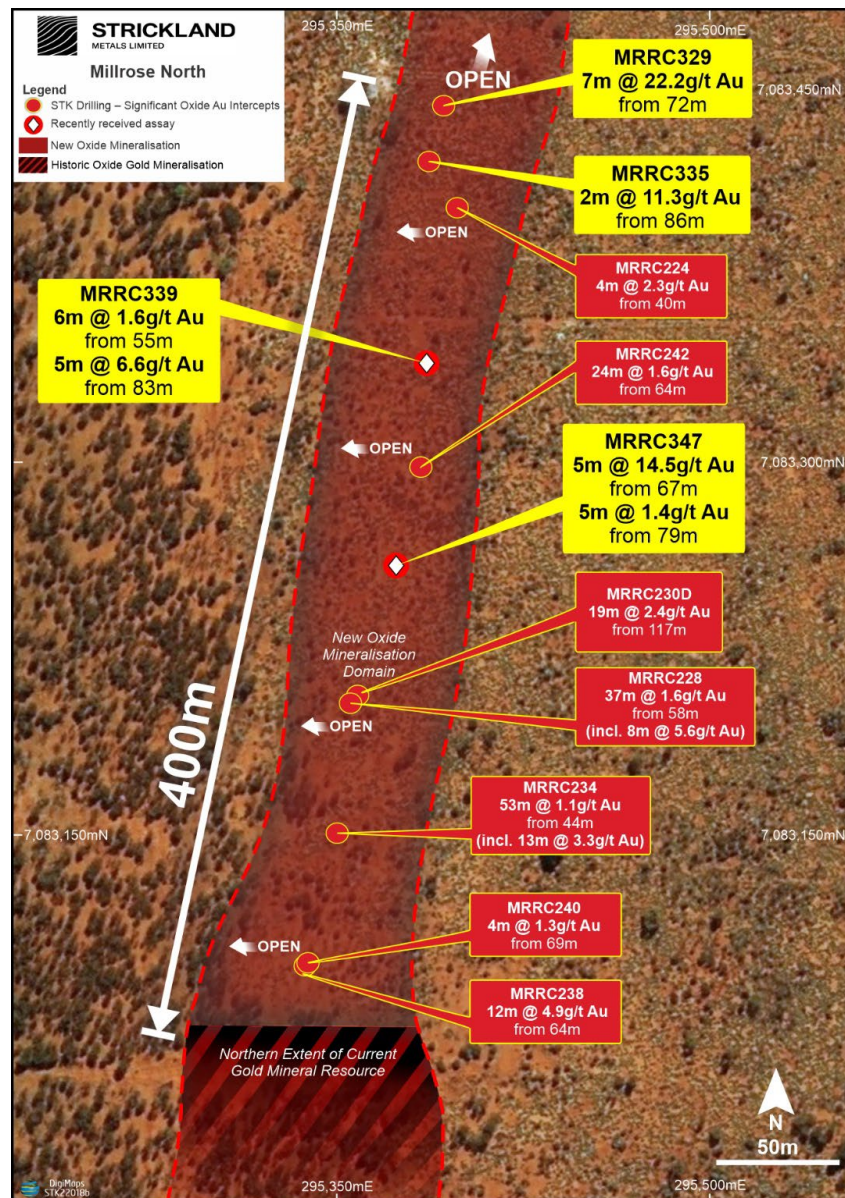
The Wanamaker discovery is a distinct primary high-grade mineralised lode, consisting of Silica-Chlorite alteration, as opposed to the silica-carbonate alteration observed at Millrose North, and the Hematite-Carbonate-Silica alteration present at Millrose Central. The presence of lamprophyre intrusives, associated with the high-grade gold mineralisation, is a unique geological characteristic associated with Wanamaker.

## Directors' Report

Millrose North, Millrose Central and the Wanamaker lodes are all interpreted to be north-plunging lode, associated with the NE-striking cross-cutting shear structures. Primary gold mineralisation across all three domains remains open at depth.

These most recent assays continue the excellent results returned from previous proximal oxide intersections, as announced to the market on 29 August 2022, 7 September 2022 and 21 September 2022:

- MRRC230D: 19m @ 2.4g/t Au from 117m
- MRRC228: 37m @ 1.6 g/t Au from 58m, including 9m @ 5.6 g/t from 86m
- MRRC242: 24m @ 1.6g/t Au from 64m
- MRRC234: 53m @ 1.1 g/t Au from 44m (incl. 13m @ 3.3 g/t Au from 84m)
- MRRC238: 12m @ 4.9 g/t Au from 64m (incl. 4m @ 13.6 g/t Au from 68m)
- MRRC224: 4m @ 2.3 g/t Au from 40m
- MRRC240: 4m @ 1.3 g/t Au from 69m



**Figure 7: Topographic map highlighting additional Wanamaker high-grade oxide intercepts**

## **Directors' Report**

The drilling completed by Strickland over the last 12 months has successfully expanded the oxide gold mineralisation at Millrose, which is now defined over 3.2km in length (and remains open to the north).

In addition to this oxide mineralisation, Strickland has also been successful in defining three high grade primary lodes, in the form of Millrose Central, Millrose North and Wanamaker (south to north).

Both the newly defined primary and extensive oxide mineralisation will feed into an updated Mineral Resource, which the Company plans to release to the market later this year.

### Millrose Deep Drilling

Further results have been received from the deeper diamond drilling undertaken at Millrose beneath the current Mineral Resource. Assays include:

- MRDD043: 31.3m @ 2.1g/t Au from 231.2m (incl. 9.5m @ 4.0g/t Au from 253m)
- MRDD044: 92.9m @ 1.0g/t Au from 315m (incl. 15.9m @ 2.7g/t Au from 315m)
- MRDD046: 29.6m @ 1.0g/t Au from 329.9m, and 23.6m @ 1.0g/t Au from 398m
- MRDD047: 11.3m @ 1.2g/t Au from 298.2m (incl. 5.6m @ 2g/t Au from 298.2m), and 5.3m @ 1.7g/t Au from 326.2m
- MRDD048: 34m @ 1.4g/t Au from 292m

These results build on previously announced STK intercepts below the historic Millrose North Resource:

- MRDD028: 38.2m @ 2.5g/t Au from 234m (incl. 5m @ 5.3g/t Au from 239m, and 5.9m @ 6.1g/t Au from 258m)
- MRDD029: 29m @ 1.2g/t Au from 272m
- MRDD030: 10.3m @ 2.2g/t Au from 241.7m
- MRDD039: 8.7m @ 1.9g/t Au from 394m
- MRRC101D: 27.7m @ 1.82g/t Au from 234.3m
- MRRC103D: 23.8m @ 1.77g/t Au from 246m

Drilling below Millrose North was conducted on 50m step-outs (north-south), testing for primary mineralisation across the modelled plunging ore body and at depths of up to 100m below the historic mineral resource estimate. All holes successfully intercepted the mineralised shear zone, testing across the high-grade inner core and outer lower-grade mineralisation halo, characteristic of the Millrose North lode.

### **Further Excellent Gold Results from Millrose**

Subsequent to the reporting period, Strickland announced further excellent primary gold mineralisation assays received from Millrose west, Millrose Central, Millrose North and Wanamaker (Figures 8 & 9).

#### Millrose Central:

Assays from Millrose Central include:

- MRRC393D: 14m @ 3.0g/t Au from 79m, within a broader 32m @ 1.8g/t Au from 66m
- MRRC389D: 12m @ 3.3g/t Au from 158m
- MRRC247: 6m @ 3.8g/t Au from 94m, within a broader 40m @ 1.1g/t Au from 87m
- MRRC387D: 14m @ 1.5g/t Au from 171m

Mineralisation at Millrose Central is associated with North-trending shearing of hanging wall felsic volcanoclastics, with associated Hematite-Carbonate-Silica alteration. The first sighting of visible gold was observed in MRDD011 at Millrose Central (please refer to ASX announcement 19 April 2022), hosted within the carbonate-chlorite veining related to the cross-cutting NE-striking shear structures.

#### Millrose North:

Assays from Millrose North include:

- MRRC417: 5m @ 8.0g/t Au from 101m
- MRRC420: 6m @ 6.4g/t Au from 56m



## **Directors' Report**

- MRRC381D: 6.4m @ 3.1g/t Au from 64.6m
- MRRC146W: 9m @ 2.0g/t Au from 39m and 21m @ 2.0g/t Au from 168m
- MRRC419: 9m @ 2.1g/t Au from 84m
- MRRC144D: 7m @ 2.1g/t Au from 94m
- MRRC422: 4m @ 3.4g/t Au from 123m, within a broader 17m @ 1.6g/t Au from 114m

Mineralisation at Millrose North is dominated by disseminated free gold throughout the intensely sheared, silica-carbonate-altered hanging wall volcanoclastics, with significant visible gold present throughout the primary shear fabric (MRDD008), as well as being hosted within the cross-cutting NE-striking carbonate-silica vein sets. High-grade mineralisation occurs in multiple stacked shears within an overall 100m-thick mineralised envelope.

Well-developed, thick oxide gold is present above the Millrose North deposit, which has been successfully linked to the high-grade oxide gold present at Wanamaker and Central, giving a total strike length of 3.2km oxide mineralisation for the Millrose gold deposit.

### Wanamaker:

Assays from Wanamaker include:

- MRRC129W: 6.7m @ 4.6g/t Au from 130.3m
- MRRC343: 4m @ 2.9g/t Au from 88m
- MRRC365: 21m @ 2.2g/t Au from 95m
- MRRC363: 7m @ 2.3g/t Au from 56m
- MRRC367D: 12m @ 1.6g/t Au from 83m

The Wanamaker discovery is a distinct primary high-grade mineralised lode, consisting of Silica-Chlorite alteration. The presence of lamprophyre intrusives (confirmed by recent petrology analysis), associated with the high-grade gold mineralisation, is a unique geological characteristic associated with Wanamaker.

High grade gold mineralisation is open at depth across all three primary mineralised lodes.

### Millrose West Assays

Two holes drilled at Millrose West returned excellent results:

- MRRC317: 5m @ 8.7g/t Au from 89m, within a broader 19m @ 2.9g/t Au from 76m
- MRRC313: 13m @ 2.1g/t Au from 83m

These results were following up historic shallow aircore anomalism approximately 200m west of the main Millrose structure, including:

- AMILA058: 4m @ 902.0g/t Au from 40m
- MSAC091: 4m @ 18.7g/t Au from 54m and 6m @ 3.1g/t Au from 94m
- AMILA009: 16m @ 4.3g/t Au from 60m

Strickland's RC drilling intersected a secondary sub-parallel shear to the main structure hosting the Millrose Mineral Resource. Multiple NE-trending and conjugate NW-trending cross-cutting faults link the mineralisation at Millrose and Millrose West.

NE-trending structures are critical to the controls on gold mineralisation throughout the Yandal Greenstone Belt in Western Australia. At Millrose, two main fault structures – the Wanamaker fault and the Central fault – are integral to the controls on the high-grade gold mineralisation discovered to date. A third NE trending structure, the South-West Fault, has also been identified from the drone magnetic data, which to date has been poorly drill tested.

The results in MRRC313 and MRRC315 are located at the intersection of this new western shear structure and the Central fault (Figure 9). The mineralisation intersected is oxide and transition hosted, meaning that there is very strong potential for further fresh rock primary mineralisation at depth. Historic drilling was limited to shallow aircore holes, meaning that no drilling has occurred along strike targeting either the transition or primary mineralisation.

## **Directors' Report**

Further, the intersection of the NE-trending Wanamaker fault with this new western shear structure remains entirely untested. No historic aircore drilling has occurred within proximity of this high-priority target zone, making it an extremely exciting drill target for upcoming drilling.

In addition to these two new priority drill target areas, a third NE-trending structure (the South-West Fault) has been identified from the recently acquired drone magnetic survey, which appears to truncate the mineralisation at the southern end of the main Millrose mineralised trend (Figure 9). This NE trending South-West Fault transects the newly identified western shear structure at this position and provides a third high priority target in which to drill test (see generally the blue ovals in Figure 9). Overall, this western shear structure is traceable over approximately 5km in existing geophysical datasets. By way of analogy, the main Millrose shear structure is traceable over approximately 3.2km, thus demonstrating the strong potential for a secondary mineralised system highly analogous to Millrose.

Directors' Report

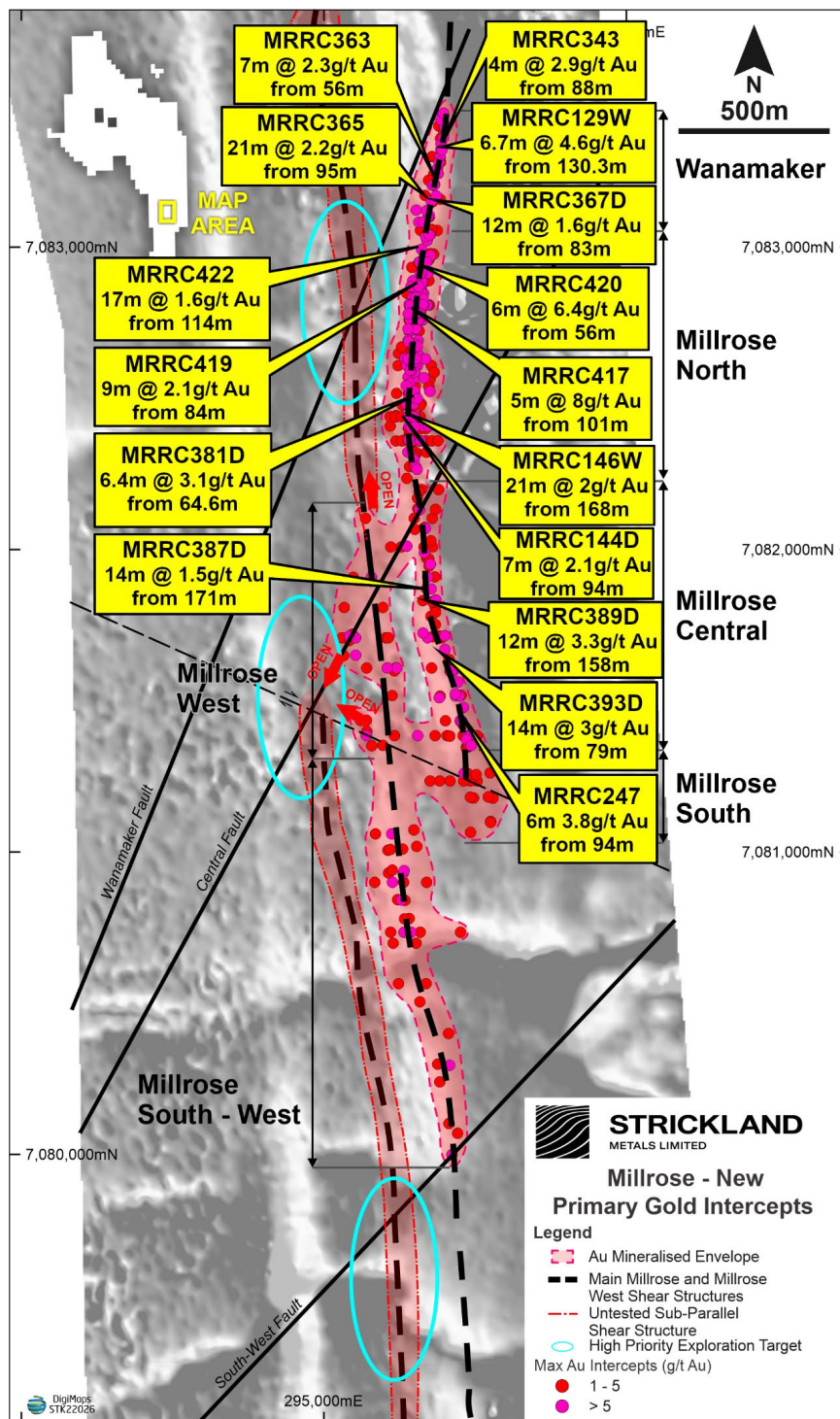


Figure 8: New Primary Mineralisation Gold Results from Millrose Central, North and Wanamaker. Drone magnetic TMI RTP 1VD image underlay



Directors' Report

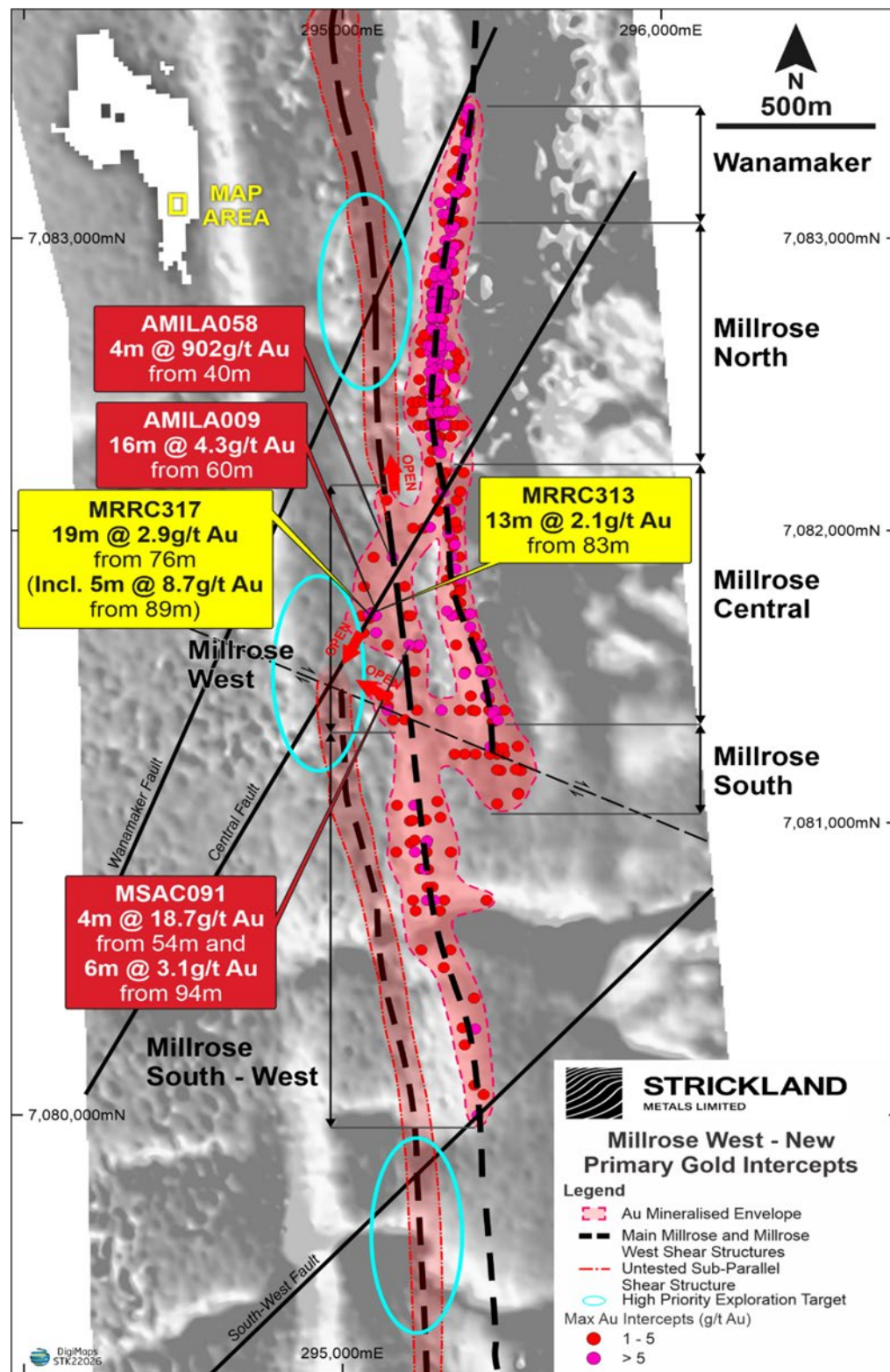


Figure 9: New sub-parallel Millrose West Shear Structure in relation to significant Au intercepts. Drone magnetic TMI RTP 1VD image underlay

## **Directors' Report**

### Baxter's Prospect

Since the acquisition of Renegade's Yandal tenement package, Strickland has completed a thorough review of all historic data. During the reporting period, a base metal target to the south-west of the project area has been identified as a very promising base metal target.

The Company engaged Terra Resources to reprocess the historic EM data. The results of this work highlighted that:

- The anomaly is well defined and of good conductance (1095 Siemens), typical of a potential base metal source.
- The highest peak of conductivity is well constrained to a 375 metre (long) by 330 metre (deep) conductive body, dipping approximately 65 degrees to the southeast. The up-dip projection of this modelled plate coincides with a 500 metre long, coherent Cu-Pb-Zn anomaly, as defined by an historic (pXRF) soil sample program.

In addition to the geophysical re-modelling, the Baxter's area has been subsequently geologically mapped by Strickland personnel, with the up-dip projection of the conductor coinciding with an outcropping gossan near the contact between a basalt unit to the west and siltstones to the east. Given the presence of the outcropping gossan, the elevated pathfinder element values (from surface geochemistry), the outcropping exhalative cherts and the overall geological setting, this prospect has all the classic characteristics of a Besshi-Type Volcanogenic Massive Sulphide target.

Historic drilling in the area has been limited to relatively wide spaced, vertical, shallow RAB drilling, which was only analysed for gold. This target is yet to be drill tested, however upon heritage clearance the Company will drill test the EM conductor.

### **Iroquois**

During the reporting period, the Company announced that it and Gibb River Diamonds had entered a formal Joint Venture Agreement which supersedes a historical Option Agreement of September 2012. Strickland is the Manager of the Joint Venture.

#### Multiple New Targets Generated at Iroquois and Malecite

During the reporting period, Strickland announced that following the recent success of utilising surface geochemistry to identify key interpreted 'feeder structures' at both Iroquois and Malecite (please refer to ASX announcements 28 February 2022 and 8 August 2022), a wider, more extensive soil sample program was undertaken across the northern part of E69/2820 (Figure 10). This work was designed to highlight additional fertile structures that could connect the initial Iroquois discovery (IQRC001: 23 metres @ 5.5% Zn + Pb from 108m<sup>1</sup>) to Rumble Resources Ltd's (ASX:RTR) flagship Earraheedy Project.

A total of 2,510 samples, at a spacing of 200 metres (north-south) by 50 metres (east-west), were collected as part of this wider geochemical program. Preliminary pXRF analysis of these soil samples has successfully highlighted several zones of coherent Cu-Pb-Zn anomalism that are consistent with the surface geochemical expressions at both Iroquois and Malecite.

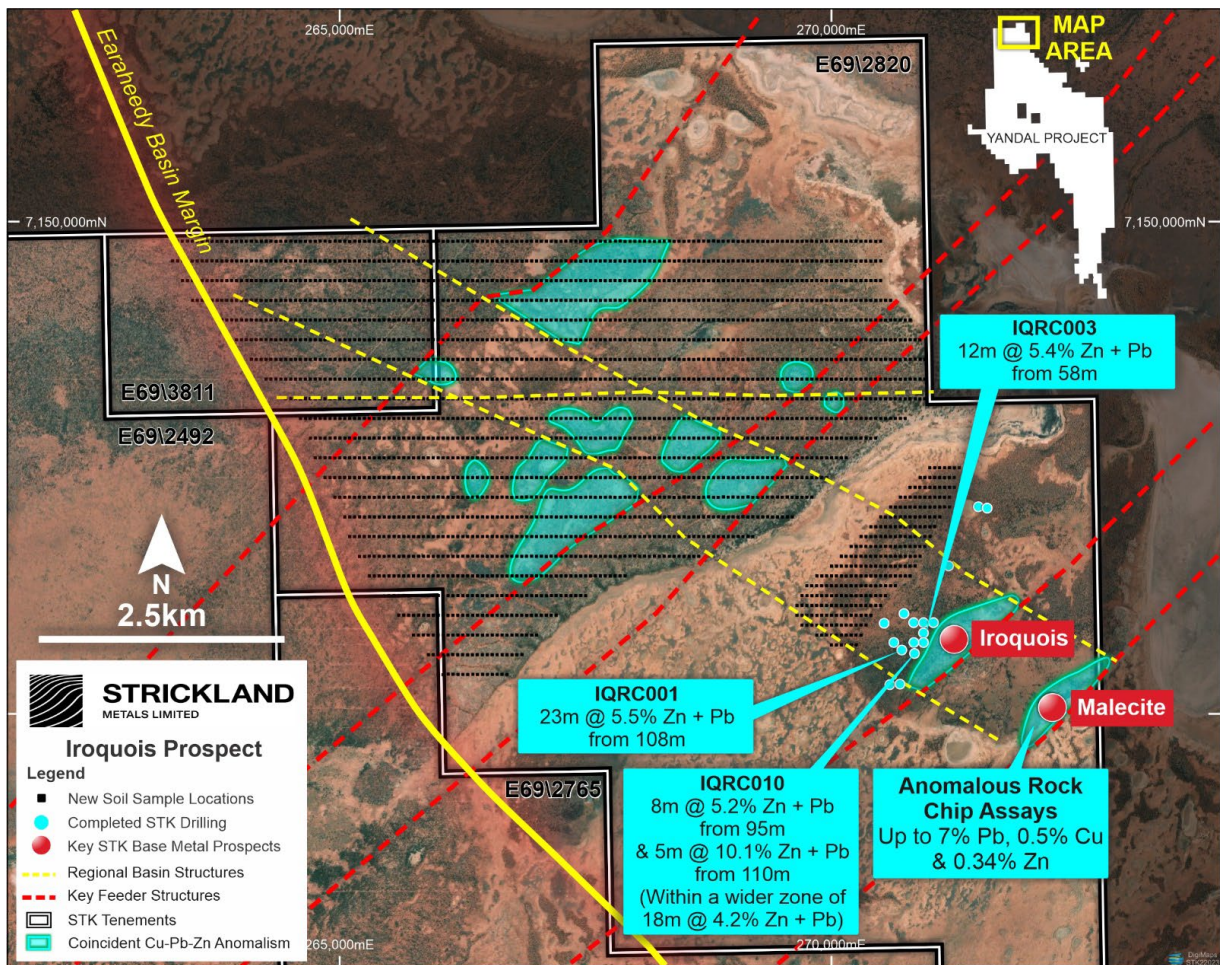
Subsequent ground truthing of these anomalies has found that much of this area is under shallow cover. However, isolated patches of exposed chloritic siltstone (the unit which lies above the host Iroquois dolomite unit and is outcropping to the east of Iroquois) suggests that there are repetitions in the sequence of stratigraphy, moving from east to west. This repetition in stratigraphy further enhances the geological model of this being a regional graben structure, with the 'feeder structures' marking the original basin architecture.

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<sup>1</sup> Please refer to ASX announcement 14 October 2021.



## Directors' Report



**Figure 10: Newly defined, coherent Cu-Pb-Zn surface geochemical anomalies in relation to STK's existing base metal prospects**

### Intention to Demerge Iroquois Zinc-Lead and Bryah Basin Assets

During the reporting period, the Company announced that it intends to pursue a demerger of its 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 Demerger will create a dedicated, Western Australia focused base metals exploration company with a focused management team and resources to unlock the value of these assets ("DemergerCo"). The Demerger will enable Strickland to focus its resources on developing its flagship Yandal Gold Project.

### Demerger Process

The decision follows a strategic review of Strickland's portfolio which concluded that a demerger of the Company's Iroquois Zinc-Lead Project and Bryah Basin Project is likely to be the optimal structure to maximise value for Strickland shareholders. Strickland believes that both the Iroquois and Bryah Basin Projects are undervalued within the current company structure.

If the Demerger conditions are satisfied, Strickland shareholders are expected to receive a pro-rata allocation of fully paid ordinary shares in DemergerCo via an in-specie distribution on a record date to be determined by the Strickland Board, with further details to be provided in due course. In conjunction with the Demerger, DemergerCo will undertake an initial public offering ("IPO"), apply for admission to the official list of the Australian Securities Exchange ("ASX").



## **Directors' Report**

Accordingly, the Demerger would aim to deliver Strickland shareholders a standalone, listed, Western Australian focused base metals exploration company with a strong balance sheet to target tier-1 base metal discoveries. Strickland expects the Demerger process to be completed in the first half of 2023, conditional on all necessary approvals having been obtained which will include among others, shareholder, ASX and regulatory approvals.

Strickland will apply for a class ruling from the Australian Tax Office to confirm that demerger relief is available pursuant to the *Income Tax Assessment Act 1997* (Cth) among other matters.

The Demerger is also subject to final approval from Strickland's board. Strickland reserves the right to vary the proposed terms of, or not proceed with, the Demerger in its absolute discretion.

Subsequent to the reporting table, the Company provided an update in relation to its Demerger. The Company appointed the following advisors to the process:

- Legal Advisors – Hamilton Locke
- Lead Broker – JP Equity
- Investigative Accountants Report – BDO
- Tax Advisors – Crowe
- Geological Consultant – OMNI GeoX

The main outstanding lead time item being obtaining Demerger Relief from the Australian Taxation Office is expected to be lodged in the current quarter.

Of significant importance to the demerger process was the Company obtaining Heritage clearance for the proposed drill programs at Iroquois and some of the surrounding targets. This clearance will permit the DemergerCo to immediately undertake substantial drill programs at Iroquois upon completion of the IPO.

Work is also advanced on the composition of the proposed new Board and Management team. A further update will be provided to the market once a final decision has been made.

Further updates and information on the Demerger will be provided by Strickland in due course.

## **Directors' Report**

### **Bryah Basin**

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.

As noted above, the Company announced that it intends to pursue a demerger of its Bryah Basin Project. The Demerger will create a dedicated, Western Australia focused base metals exploration company with a focused management team and resources to unlock the value of these assets.

## **Directors' Report**

### **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 Richard Pugh who is the Strickland Metals Limited Geology Manager and is a current Member of the Australian Institute of Geoscientists (AIG). Mr Richard Pugh 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 Pugh 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	Percentage
<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 – Granted	WA	E69/3929	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/2179	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/2177	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/2178	100% <sup>#</sup>
Strickland Metals Limited – Granted	WA	E53/2180	100% <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	E53/2234	0% <sup>+#</sup>
Strickland Metals Limited – Application	WA	E53/2235	0% <sup>+#</sup>
Strickland Metals Limited – Application	WA	E69/3953	0% <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%



**Directors' Report**

Dingo Resources Limited – Granted	WA	E52/3510	100%
Dingo Resources Limited – Granted	WA	E52/3600	100%
Dingo Resources Limited – Application	WA	E52/4224	0%
<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%

## **Directors' Report**

### **CORPORATE**

#### **August 2022 Placement and Capital Raising**

During the reporting period, the Company completed an equity raising through a placement to institutional and sophisticated investors of 80,000,000 fully paid ordinary shares in the Company ("New Shares") at an issue price of \$0.05 per share to raise approximately \$4million (before costs) ("August Placement").

JP Equity Partners acted as the Lead Manager to the August Placement.

Along with funds from the Placement, Strickland announced it would also be conducting a Share Purchase Plan to secure a further \$3million ("SPP").

The SPP provided eligible shareholders with the opportunity to subscribe for up to \$30,000 of new fully paid ordinary shares at \$0.05 per share, being the same price paid by participants in the Placement.

New Shares under the SPP had the same price as shares in the Placement.

The Company received applications for 24,500,000 new fully paid ordinary shares ("SPP Shares") under the SPP, raising approximately \$1,225,000, with a shortfall of approximately \$1,775,000 ("SPP Shortfall"). The SPP Shares were issued on 16 September 2022.

The Company announced it was also raising up to approximately \$1,775,000 by the issue of approximately 35,500,000 SPP Shortfall Placement shares to sophisticated and professional investors at the same price as the SPP Shares ("Shortfall Shares").

The funds raised by the Placement and SPP (including the SPP Shortfall Placement) were used to prioritise future drilling at Millrose.

#### **Placement of SPP Shortfall**

During the reporting period, Strickland announced that it had raised \$2.4 million (before costs) via an issue of 48,000,000 fully paid ordinary shares in the Company ("New Shares") at an issue price of \$0.05 per share, pursuant to the SPP shortfall announced on 16 September 2022 ("Shortfall Placement").

The Company advised that it received applications from sophisticated and professional investors for the entire Shortfall Shares.

Due to significant demand for the Shortfall Shares, the Company decided to accept applications for an additional 12,500,000 fully paid ordinary shares ("Additional Placement Shares") to raise a further \$625,000 (before costs).

#### **Expiry of Options**

During the reporting period, a total 5,250,000 unlisted options expired unexercised.

#### **Exercise of Options**

During the reporting period, the Company exercised 287,335 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$10,344.06.

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

##### February 2023 Placement

Subsequent to the reporting period, on 3 February 2023, the Company announced it had raised \$4million (before costs) via an placement to institutional and sophisticated investors of 125,000,000 fully paid ordinary shares in the Company at an issue price of \$0.032 per share.

The proceeds of the Placement underpin the next phase of drilling and resource growth at the Company's flagship Yandal Project and regional projects. The proceeds will also go towards costs associated with the Placement and for the Company's working capital needs.



## **Directors' Report**

### Exercise of Options

Subsequent to the reporting period, the Company exercised 58,008 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$2,088.28.

### Demerger Update

Subsequent to the reporting period, the Company provided an update on its proposed Demerger. The Company has appointed the following as advisors to the process:

- Legal Advisors – Hamilton Locke;
- Lead Broker – JP Equity;
- Investigative Accountants Report – BDO;
- Tax Advisors – Crowe;
- Geological Consultant – OMNI GeoX

Drafting of the prospectus is well advanced, with the main outstanding lead time item being obtaining Demerger Relief from the Australian Taxation Office. It is expected the application for Demerger Relief will be lodged during the March 2023 quarter. The IPO is expected to be completed during the current half-year period.

Of significant importance to the demerger process was the Company obtaining Heritage clearance for the proposed drill programs at Iroquois and some of the surrounding targets. This clearance will permit the DemergerCo to immediately undertake substantial drill programs at Iroquois upon completion of the IPO.

Work is also advanced on the composition of the proposed new Board and Management team.

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 16th day of March 2023.



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 2022, 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 Strickland Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Leah Russell'.

Leah Russell  
Director

BDO Audit Pty Ltd

Sydney, 16 March 2023

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2022**

	NOTE	31 December 2022 \$	31 December 2021 \$
Royalties		-	240,000
Other income		42,000	-
Directors' remuneration		(132,000)	(176,712)
Depreciation and amortisation		(108,102)	(29,485)
Occupancy expenses		(42,465)	(9,030)
General and administrative expenses		(128,742)	(113,819)
Employee expenses		(264,298)	(1,991)
Share based payments		(57,125)	(1,824,642)
Motor Vehicle expenses		(3,224)	(2,968)
Interest expenses		(9,698)	(2)
Insurance expenses		(21,733)	(12,461)
Other expenses		(94,609)	(43,584)
Professional services expenses		(294,819)	(668,870)
Exploration costs expensed	3	(311)	(30,621)
<b>Results from operating activities</b>		<b>(1,115,126)</b>	<b>(2,674,185)</b>
Finance and other income		-	9,903
<b>Loss before income tax</b>		<b>(1,115,126)</b>	<b>(2,664,282)</b>
Income tax expenses		-	-
<b>Loss for the period</b>		<b>(1,115,126)</b>	<b>(2,664,282)</b>
Other comprehensive income for the period		-	-
Loss after income tax expense from discontinued operations		(36,391)	-
<b>Total other comprehensive income for the period</b>		<b>(36,391)</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(1,151,517)</b>	<b>(2,664,282)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		(0.08)	(0.49)
Diluted earnings per share (cents)		(0.08)	(0.49)

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 2022**

	NOTE	31 December 2022 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		499,663	4,070,648
Trade and other receivables		87,686	242,666
Current assets classified as held for sale	5	3,331,831	-
Other current assets		41,209	21,472
<b>TOTAL CURRENT ASSETS</b>		<b>3,960,389</b>	<b>4,334,786</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		613,866	650,818
Exploration and evaluation expenditure	3	41,384,978	34,088,653
Right of use assets		313,535	350,422
Other assets		133,469	133,469
<b>TOTAL NON-CURRENT ASSETS</b>		<b>42,445,848</b>	<b>35,223,362</b>
<b>TOTAL ASSETS</b>		<b>46,406,237</b>	<b>39,558,148</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,581,741	2,035,208
Lease Liability		29,574	57,749
Provisions		127,554	104,566
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,738,869</b>	<b>2,197,523</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Make Good		26,524	26,135
Lease Liability		271,391	271,391
Provisions for employee benefits		37,580	36,324
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>335,495</b>	<b>333,850</b>
<b>TOTAL LIABILITIES</b>		<b>3,074,364</b>	<b>2,531,373</b>
<b>NET ASSETS</b>		<b>43,331,873</b>	<b>37,026,775</b>
<b>EQUITY</b>			
Issued capital	4	63,657,213	56,257,723
Reserve		4,997,466	4,940,341
Accumulated losses		(25,322,806)	(24,171,289)
<b>TOTAL EQUITY</b>		<b>43,331,873</b>	<b>37,026,775</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 2022**

<b>Consolidated</b>	<b>Share Capital</b>	<b>Accumulated losses</b>	<b>Equity Remuneration Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance as at 1 July 2022</b>	<b>56,257,723</b>	<b>(24,171,289)</b>	<b>4,940,341</b>	<b>37,026,775</b>
Loss for the period	-	(1,151,517)	-	(1,151,517)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(1,151,517)	-	(1,151,517)
Transfer from equity remuneration reserve				
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	7,860,344	-	-	7,860,344
Transaction costs of equity issued	(460,854)	-	-	(460,854)
Share based payments	-	-	57,125	57,125
<b>Balance as at 31 December 2022</b>	<b>63,657,213</b>	<b>(25,322,806)</b>	<b>4,997,466</b>	<b>43,331,873</b>

<b>Consolidated</b>	<b>Share Capital</b>	<b>Accumulated losses</b>	<b>Equity Remuneration Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<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	-	(2,664,282)	-	(2,664,282)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(2,664,282)	-	(2,664,282)
Transfer from equity remuneration reserve				
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	28,221,184	-	-	28,221,184
Transaction costs of equity issued	(1,816,039)	-	-	(1,816,039)
Share based payments	-	-	2,369,364	2,369,364
<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>

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 2022**

	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(877,580)	(750,757)
Receipt from customers	-	240,000
Interest received	-	9,815
<b>Net cash (used in) operating activities</b>	<b>(877,580)</b>	<b>(500,942)</b>
<b>Cash flows from investing activities</b>		
Purchase of tenement	-	(7,979,243)
Purchase of property, plant and equipment	(34,263)	(145,646)
Payment for exploration and evaluation	(10,030,847)	(3,419,218)
<b>Net cash (used in) investing activities</b>	<b>(10,065,110)</b>	<b>(11,544,107)</b>
<b>Cash flows from financing activities</b>		
Lease repayments	(27,786)	-
Proceeds from issue of shares	7,850,000	23,976,483
Proceeds from exercise of option	10,344	335,677
Payments for share issue costs	(460,853)	(1,536,635)
<b>Net cash provided by financing activities</b>	<b>7,371,705</b>	<b>22,775,525</b>
<b>Net increase in cash held</b>	<b>(3,570,985)</b>	<b>10,730,476</b>
Cash and cash equivalents at the beginning of the period	<b>4,070,648</b>	<b>1,511,626</b>
<b>Cash and cash equivalents at the end of ther period</b>	<b>499,663</b>	<b>12,242,102</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 2022**

**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 2022 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 2022 is available upon request from the Company's registered office at Level 4, 15 Ogilvie Road, 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 2022 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 16th March 2023.

**(c) Going concern**

The Group incurred a loss for the period of \$1,151,517. A net \$7,399,491 has been received in cash from the exercise of options or share issues, and cash outflow from operations of \$877,580 and investing activities of \$10,065,110 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.
- Shares raised post year end of \$4m on 3 February 2023 (as per subsequent event note)
- Completing of the proposed demerger (see Operations Report for further details)

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 2022**

**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 2022. 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 2022.

**(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 2022.

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

***New Standards and Interpretations applicable for the half year ended 31 December 2022***

In the period ended 31 December 2022, 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 2022. 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 2022.  
The Group has no franking credits available as at 31 December 2022.

**Notes to the Consolidated Financial Statement**  
**For the half-year ended 31 December 2022**

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

	<b>31 December 2022</b>	<b>30 June 2022</b>
<i>In the exploration and evaluation phase</i>	<b>\$</b>	<b>\$</b>
Cost brought forward	<b>34,088,653</b>	10,642,384
Exploration expenditure incurred during the year	<b>10,626,437</b>	11,251,332
Acquisition of tenements:		
- Millrose Gold Projects	<b>1,160</b>	9,575,790
- Renegade Projects	<b>-</b>	2,706,747
- Yandal Projects	<b>870</b>	-
Less:		
- Transfer to non-assets held for sale (Note 5)	<b>(3,331,831)</b>	-
Exploration expenditure impaired during the period	<b>(311)</b>	(87,600)
Cost carried forward	<b>41,384,978</b>	34,088,653

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.

**Note 4 Contributed equity**

**(a) Share Capital**

		<b>31-Dec-22</b>		<b>31-Dec-21</b>	
		<b>No.</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Issued share capital		<b>1,436,902,002</b>	<b>63,657,213</b>	1,279,616,984	56,146,470
<i>Share movements during the year</i>	<i>Issue price</i>				
	<b>\$</b>				
At the beginning of the year		<b>1,281,114,667</b>	<b>56,257,723</b>	735,252,324	29,741,327
Placement	0.05	<b>92,801,100</b>	<b>4,640,055</b>		
SPP	0.05	<b>59,698,900</b>	<b>2,984,945</b>		
Error to rectified for discrepancy to share register		<b>-</b>	<b>-</b>	210	-
Option exercise	0.036	<b>287,335</b>	<b>10,344</b>	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	0.054			1,851,852	100,000



**Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2022**

**(a) Share Capital (continued)**

		31-Dec-22		31-Dec-21	
		No.	\$	\$	\$
<i>Share movements during the year</i>	<i>Issue price</i>				
	\$				
Placement	0.075	3,000,000	225,000	157,000,000	11,775,000
Option exercise	0.050			1,000,000	50,000
Capital raising costs		-	(460,854)	-	(1,816,041)
At the end of the year		1,436,902,002	63,657,213	1,279,616,984	56,146,470

**Note 5. Discontinued operations**

On 21 October 2022 the Group proposed a demerger of its Iroquois Zinc-Lead Project located in the Earaheedy Basin in Western Australia and its Bryah Basin Project located approximately 80 kilometres north of Meekatharra in the Gascoyne district of Western Australia. This leads to Current assets held for sale \$3,331,831. The proposal remains subject to the Group obtaining the necessary shareholder, ASX and regulatory approvals (Demerger). The Demerger will create a dedicated, Western Australia focused base metals exploration company. The Demerger will enable Strickland to focus its resources on developing its flagship Yandal Gold Project.

The (loss) from discontinued operations presented in the statement of profit or loss and other comprehensive income relate to:

	Dec-22 \$	Jun-22 \$
Revenue	-	-
Professional services expenses	(36,391)	-
Loss before income tax	(36,391)	-
Income tax expense	-	-
Loss after tax from discontinued operations	(36,391)	-

The following assets were classified as held for sale in relation to the discontinued operations as at 31 December 2022

	Dec-22 \$	Jun-22 \$
Capitalised mineral exploration and evaluation expenditure	3,331,831	-
Total assets held for sale	3,331,831	-

**Notes to the Consolidated Financial Statement  
For the half-year ended 31 December 2022**

**Note 5. Discontinued operations (continued)**

**Accounting policy for non-current assets or disposal groups classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal.

For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

Non-current assets classified as held for sale are presented separately on the face of the statement of the financial position in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position in current liabilities.

**Note 7 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 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 transactions with related parties were:

Entities associated with Trent Franklin, Non-Executive Director of the Group including Enrizen Accounting, Enrizen Capital, Enrizen Lawyers and Enrizen Services. These entities provide corporate advisory, legal, accounting services, company secretarial, business consulting and renting office space to the Company in the ordinary course of business. The value of the transaction for the period ending 31 December 2022 amount to \$110,403 (December 2021: \$743,189) in Enrizen Capital; \$120,416 (December 2021: \$111,250) in Enrizen Lawyers, \$49,000 (December 2021: \$51,012) in Enrizen Accounting and \$30,000 (December 2021: \$Nil) in Enrizen Services.

**Note 8 Events occurring after the balance sheet date**

**February 2023 Placement**

Subsequent to the reporting period, on 3 February 2023, the Company announced it had raised \$4million (before costs) via an placement to institutional and sophisticated investors of 125,000,000 fully paid ordinary shares in the Company at an issue price of \$0.032 per share.

The proceeds of the Placement underpin the next phase of drilling and resource growth at the Company's flagship Yandal Project and regional projects. The proceeds will also go towards costs associated with the Placement and for the Company's working capital needs.

**Exercise of Options**

Subsequent to the reporting period, the Company exercised 58,008 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$2,088.28.

**Notes to the Consolidated Financial Statement**  
**For the half-year ended 31 December 2022**

**Note 8 Events occurring after the balance sheet date (continued)**

Demerger Update

Subsequent to the reporting period, the Company provided an update on its proposed Demerger. The Company has appointed the following as advisors to the process:

- Legal Advisors – Hamilton Locke;
- Lead Broker – JP Equity;
- Investigative Accountants Report – BDO;
- Tax Advisors – Crowe;
- Geological Consultant – OMNI GeoX

Drafting of the prospectus is well advanced, with the main outstanding lead time item being obtaining Demerger Relief from the Australian Taxation Office. It is expected the application for Demerger Relief will be lodged during the March 2023 quarter. The IPO is expected to be completed during the current half-year period.

Of significant importance to the demerger process was the Company obtaining Heritage clearance for the proposed drill programs at Iroquois and some of the surrounding targets. This clearance will permit the DemergerCo to immediately undertake substantial drill programs at Iroquois upon completion of the IPO.

Work is also advanced on the composition of the proposed new Board and Management team.

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**

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

- (a) the financial statements and notes set out on pages 27 to 36 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 2022 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 16<sup>th</sup> day of March 2023.

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 2022, 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 2022 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.

#### 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 2022 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*

*L Russell*  
Leah Russell  
Director

Sydney, 16 March 2023