

ANNUAL REPORT

2023



STRICKLAND
METALS LIMITED

ABN: 20 109 361 195



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.stricklandmetalslimited.com.au

Auditor

BDO Audit Pty Ltd
Level 11, 1 Margaret street
Sydney NSW 2000

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth, Western Australia 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

Corporate Governance

A summary statement which has been approved by the Board together with current policies and charters is available on the Company website.

(Click the following URL) <https://www.stricklandmetals.com.au>



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The Directors present their report on Strickland Metals Limited ("Strickland", "the Company" or "the Group") and the entities it controlled at the end of, or during the Financial Year ended 30 June 2023 ("2023 Financial Year") and the auditor's report thereon.

DIRECTORS

The names of directors who held office during the year:

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

PRINCIPAL ACTIVITIES

The principal activities of the Group during the 2023 Financial Year consisted of mineral exploration.

There were no significant changes in these activities during the 2023 Financial Year.

OPERATIONS REVIEW

Yandal Project Summary

Strickland's Yandal Project covers 75 kilometres of the prospective eastern flank of the Yandal Greenstone Belt in the northeastern Yilgarn of Western Australia. The Project covers 1,780 square kilometres that is currently divided into a number of key Project Areas (Figure 1).

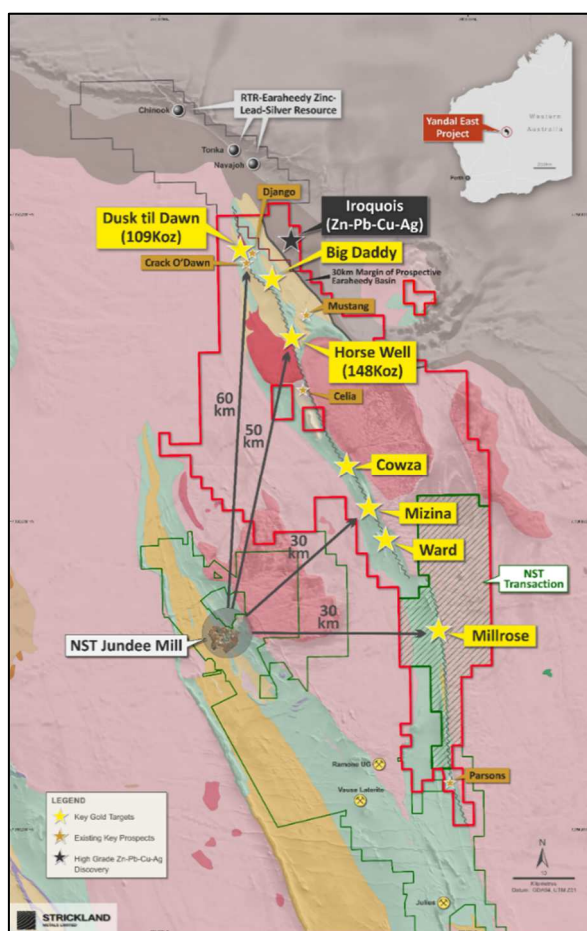


Figure 1: Strickland's Yandal Project, highlighting the key project areas in relation to the key gold and base metal prospects

DIRECTOR'S REPORT

The technical team at Strickland believes that the entire eastern extent of the Yandal Greenstone belt is considerably underexplored, with less than 6 kilometres of the total 75 kilometres (100% Strickland held), Greenstone Belt, having been covered by modern exploration techniques. Based on the knowledge gained from the extensive work completed at the Millrose resource, there are several advanced Millrose look-alike targets (Cowza, Mizina and Ward), which are located 20 kilometres along strike from Millrose, that are considerably underexplored.

The Yandal Project comprises the following:

- 1) Millrose Project;
- 2) Dusk Til Dawn Project;
- 3) Horsewell Project; and
- 4) Yandal East Project.

Millrose Gold Project

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

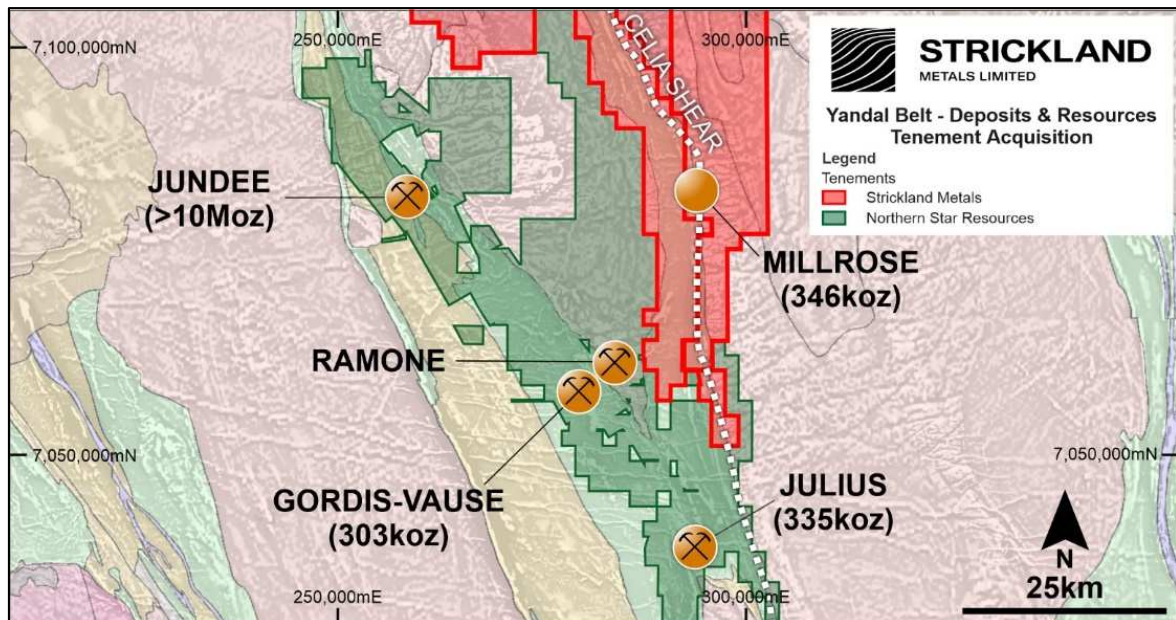


Figure 2: Location of Millrose

The Millrose Project has a current JORC 2012 Indicated and Inferred Mineral Resource comprising 6.0Mt @ 1.8g/t for 346,000 ounces Au (see announcement dated 23 June 2021 for further information on the Millrose Resource).

Sale of Millrose Project to Northern Star Resources

During the 2023 Financial Year, Strickland announced that it had entered into a binding asset sale agreement (Agreement) with Northern Star Resources Limited (ASX:NST) ("NST"), pursuant to which the Company sold its interest in the tenements comprising the Millrose Project ("Transaction").

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

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

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

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

DIRECTOR'S REPORT

As a result of the Transaction, NST acquired the Company's interest in the Millrose Project, including a Mineral Resource comprising 6.0Mt @ 1.8g/t Au for 346,000 ounces (see announcement dated 23 June 2021 for full details of Millrose Mineral Resource) and the Company retains an Inferred Mineral Resource comprising 5.7Mt @ 1.40g/t for 257,000 ounces (see announcement dated 26 August 2019 for full details of Horsewell Mineral Resource).

Exploration at Millrose

Prior to the NST Transaction, the Company conducted significant exploration work across the Millrose Project (Figure 3).

Over the 2023 Financial Year, Strickland completed a total of 34,000 metres of RC drilling and 6,660 metres of diamond drilling that successfully defined several new shallow oxide domains, connected the primary mineralisation at depth and expanded on the high-grade transitional zone to over 3 kilometres in strike. A summary of the work completed during this time can be found within the following ASX releases (in date order):

- | | |
|---------------------|---|
| • 7 July 2022 | Multiple New Gold Zones and High Grade Gold Intersected |
| • 29 August 2022 | Significant New Oxide Mineralisation Discovered at Millrose |
| • 7 September 2022 | New Oxide Gold, New Baxter's Prospect and Native Title Update |
| • 16 September 2022 | Drilling Confirms High Grade Depth Extensions at Millrose |
| • 21 September 2022 | Drilling Confirms New High Grade Lode Discovery at Wanamaker |
| • 17 October 2022 | Bonanza Oxide Fold at Wanamaker – 7m @ 22g/t Au from 72m |
| • 7 November 2022 | Further Excellent High Grade Gold Intersected at Wanamaker |
| • 12 January 2023 | Further Excellent Gold Results from Millrose |

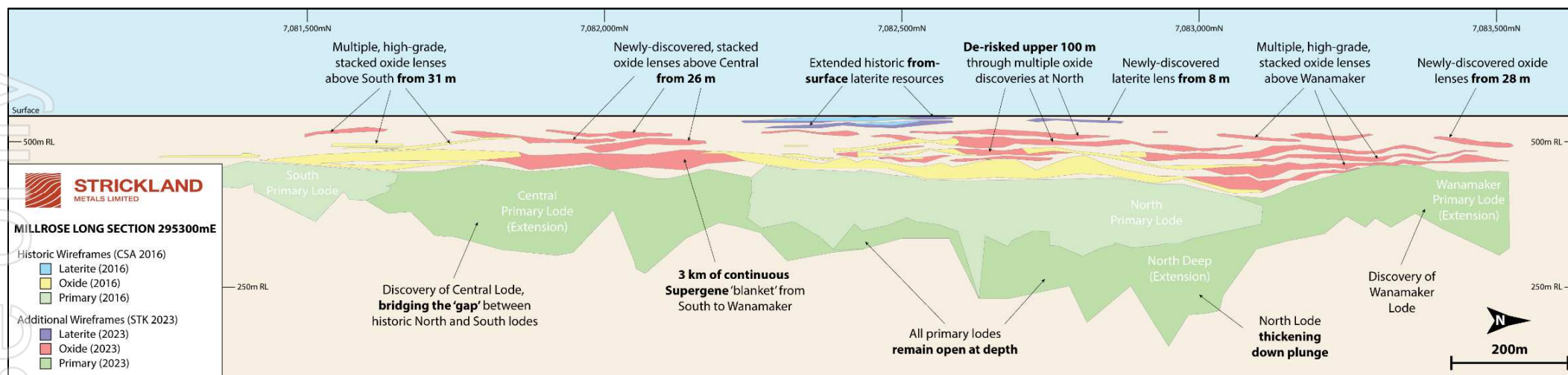


Figure 3: Millrose Long Section – highlighting the historic gold mineralised domains (light blue, yellow and light green) in relation to the increased mineralised footprint (purple, red and dark green) that Strickland defined over the 2022-2023 exploration period.

Horse Well Gold Project

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

The Horse Well Project has a current JORC 2012 Inferred Mineral Resource of 2,2Mt @ 2.1g/t Au for 148,000 oz Au at the more advanced Horse Prospects (refer to ASX release dated 26 August 2019 for full details). Given that the last significant drilling program at Horse Well was carried out by Eagle Mining Corp NL in the 1990's, Strickland believes that there remains significant upside across all existing Horse Well resources with first pass diamond drilling and multi-element geochemistry helping to constrain the structural and lithological controls on gold mineralisation. All deposits remain open at depth and structural controls are poorly defined, with no constraints on plunge.

New Gold Discovery at Horse Well

Subsequent to the 2023 Financial Year, the Company announced results of a spectacular high-grade gold discovery, at the newly defined Marwari trend.

Drilling in the central portion of the Horse Well area intersected significant shearing, silica alteration and veining in air core hole HWAC1472. These assays were selected to be rushed through the laboratory and have returned an exceptional discovery gold result: **31 metres @ 5.6g/t Au from 72 metres (BOH), including 8 metres @ 17.7g/t Au in HWAC1472.**

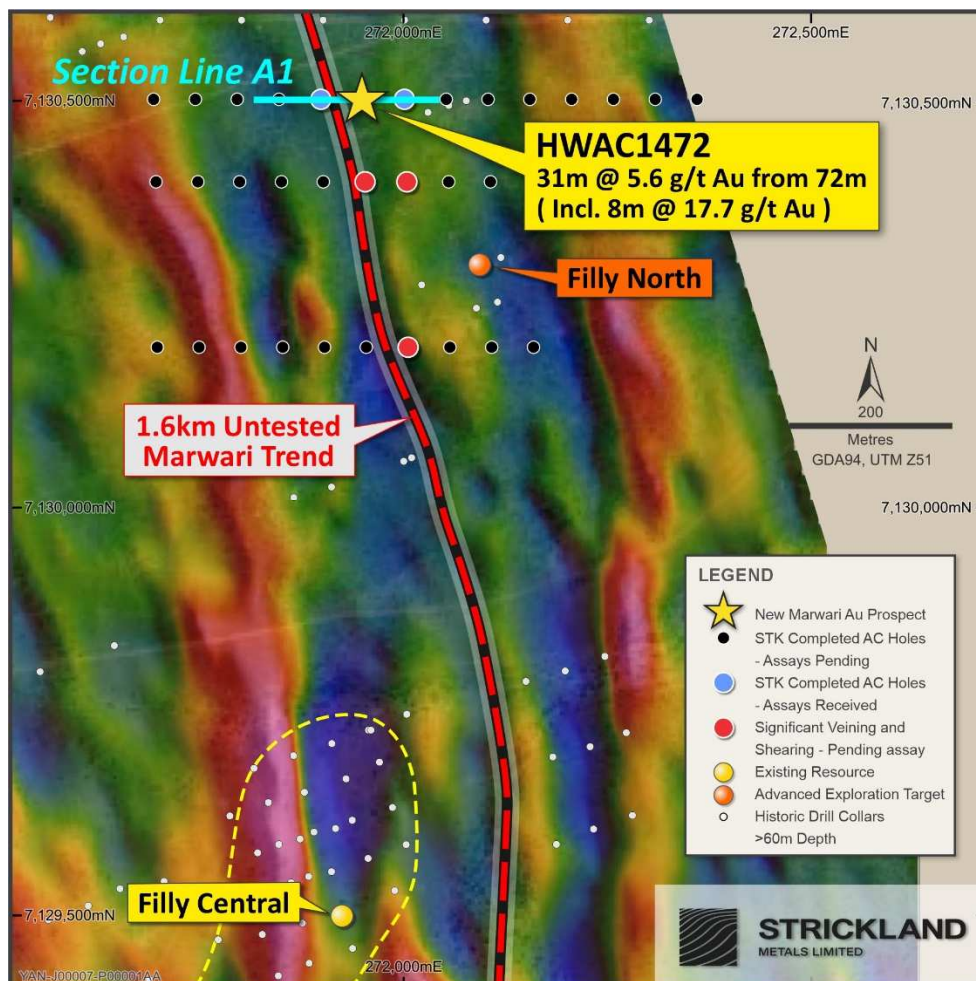


Figure 4: Location of HWAC1472 and showing 1.5km southern extension of the target zone

This result represents an exciting new discovery, termed Marwari, for Strickland in an area that has not been historically drill tested.

DIRECTOR'S REPORT

The mineralisation at Marwari is hosted within a shear zone on the contact between intermediate schist and felsic volcanics. Analogous to the Millrose Gold Deposit, a banded iron formation (BIF) is located within the footwall of the shear zone, which likely created the necessary rheological contrast for intense shearing to develop and allow gold-bearing hydrothermal fluids to deposit the high-grade gold (Figure 5).

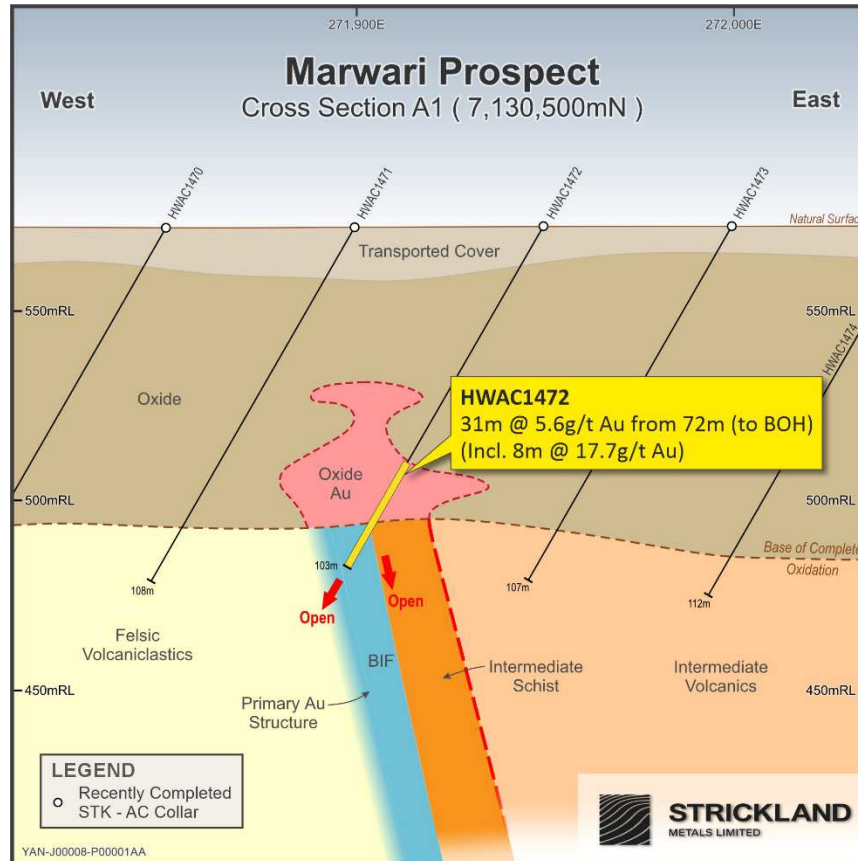


Figure 5: Cross section showing HWAC1472 intersection

This newly identified Marwari trend is traceable in geophysical datasets for 1.5 kilometres south of discovery hole HWAC1472 (Figure 4). Historic exploration has not tested the shear structure. Ongoing air core drilling by Strickland has tested 350 metres of strike across the Marwari trend to date, successfully locating the shear zone, alteration, quartz veining and BIF in multiple holes along strike (assays pending).

Following on from this new discovery, the current drill program is being expanded to accommodate closer spaced air core drilling along this prospective Marwari trend. An RC rig will then undertake immediate follow up drilling in the 2023 calendar year.

DIRECTOR'S REPORT

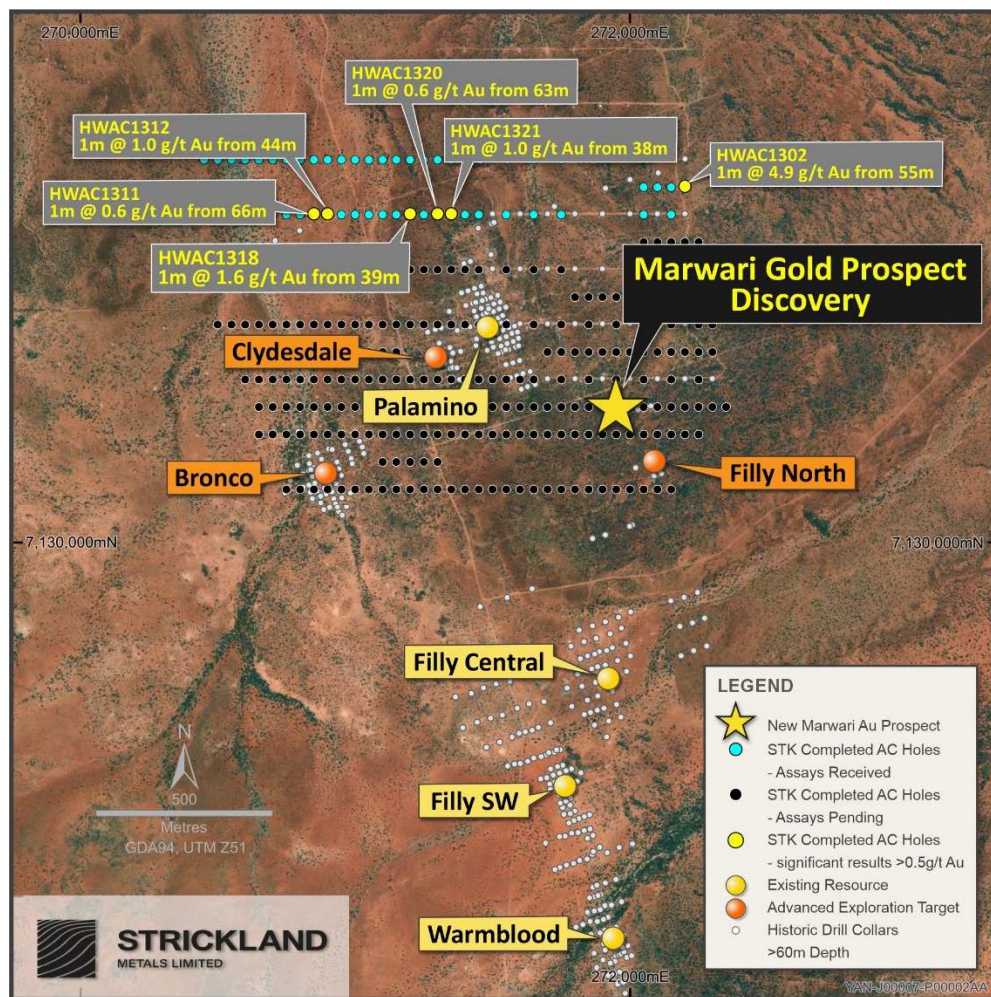


Figure 6: Horse Well resource and prospect map

Dusk til Dawn Project

The Dusk til Dawn has a current JORC 2012 Inferred Mineral Resource of 3.5Mt tonnes @ 1.0g/t for 108,900 oz Au (refer to ASX release dated 26 August 2019 for full details) which is located in the northern part of the Dusk Til Dawn project area, approximately 1 kilometre north-west of the Crack O Dawn exploration prospect.

The previous geological interpretation on the controls on mineralisation of this deposit was based on several north-west trending fault structures, on the margin of a granite intrusive. In 2014, several RC samples were submitted to Mineralium Pty Ltd for characterisation of alteration associated with the gold mineralisation. Results of this work showed that the Dusk til Dawn prospect is interpreted to be a broad, post-peak metamorphic, potassic, hydrothermal alteration zone which consists of the:

- Inner Zone: (gold associated): biotite-calcic plagioclase-K feldspar-quartz-pyrite+/- calcite; and
- Outer Zone: biotite-chlorite-epidote-calcite-(calcic)plagioclase-(K)feldspar+/-pyrite+/- magnetite.

The core biotite-rich potassic alteration zone suggests that the region has experienced significant fluid flow (i.e. potential for a large mineralised system).

Yandal East Project

The Yandal East Gold project area lies immediately to the south of the Company's flagship Horse Well gold project area and contains the Cowza, Mizina and Ward prospects.

The Cowza-Ward trend expresses mineralisation over 31 kilometres, encompassing the poorly defined and shallow drilling at Celia, Cowza, Mizina and Ward. Based on the work completed by Strickland to date, these prospects have similar geological characteristics to the Millrose gold resource which is situated approximately 20 kilometres along strike to the south. All four prospects are considerably under-explored.

DIRECTOR'S REPORT

Previous exploration across this region has mostly been RAB and shallow AC, which were hindered by water incursion. The chips from the Renegade exploration of the trend are held by Strickland and have the same highly-sheared greenstone units (meta-basalts and meta-volcaniclastics) seen at Millrose and Horse Well.

Follow up RC drilling from the first-pass reconnaissance AC were not effective due to drilling mostly away from the mineralised trend and not considering the high angle of the shear zone in this region.

As such, the entire Cowza-Ward trend remains a promising and untested target for primary ore, and further definition of the from-surface oxide and laterite mineralisation is required, with mineralisation open along strike North and South, and at depth.

Iroquois

The Iroquois Project Area is located directly along strike from Rumble Resources Limited's (ASX : RTR) Earraheedy Project Chinook zinc-lead discovery. The project is subject to a joint venture, 80% of which is held by Strickland and a 20% free carried interest held by Gibb River Diamonds Limited (ASX:GIB). Strickland is the Manager of the Joint Venture.

The Earraheedy 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 Earraheedy Project (Figure 7).

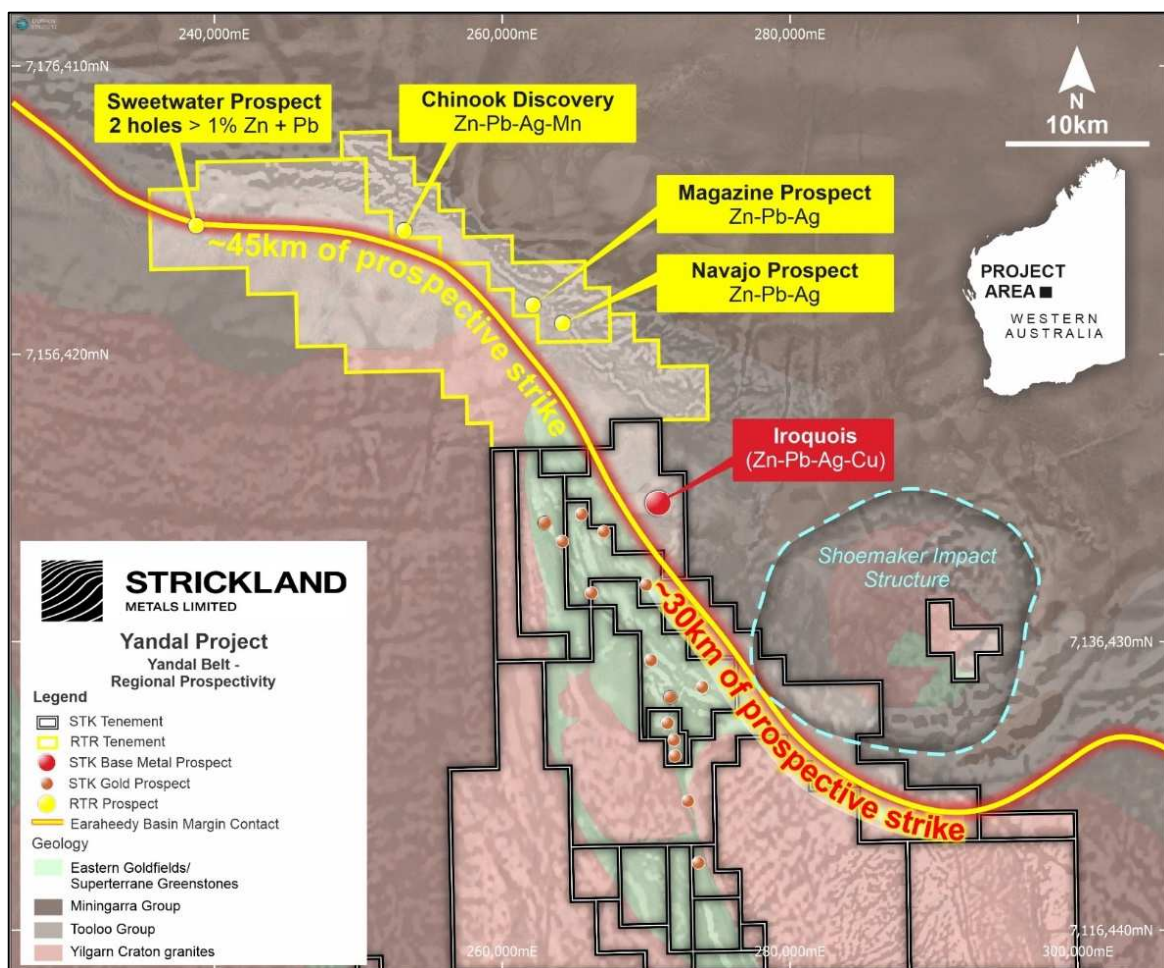


Figure 7: Iroquois Pb-Zn-Ag-Cu project, in relation to Rumble Resources Ltd's flagship Earraheedy Project

DIRECTOR'S REPORT

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

During the reporting period, the Company also reported assay results received from its 2023 Diamond Drilling program conducted at Iroquois (see ASX announcement dated 17 May 2023):

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

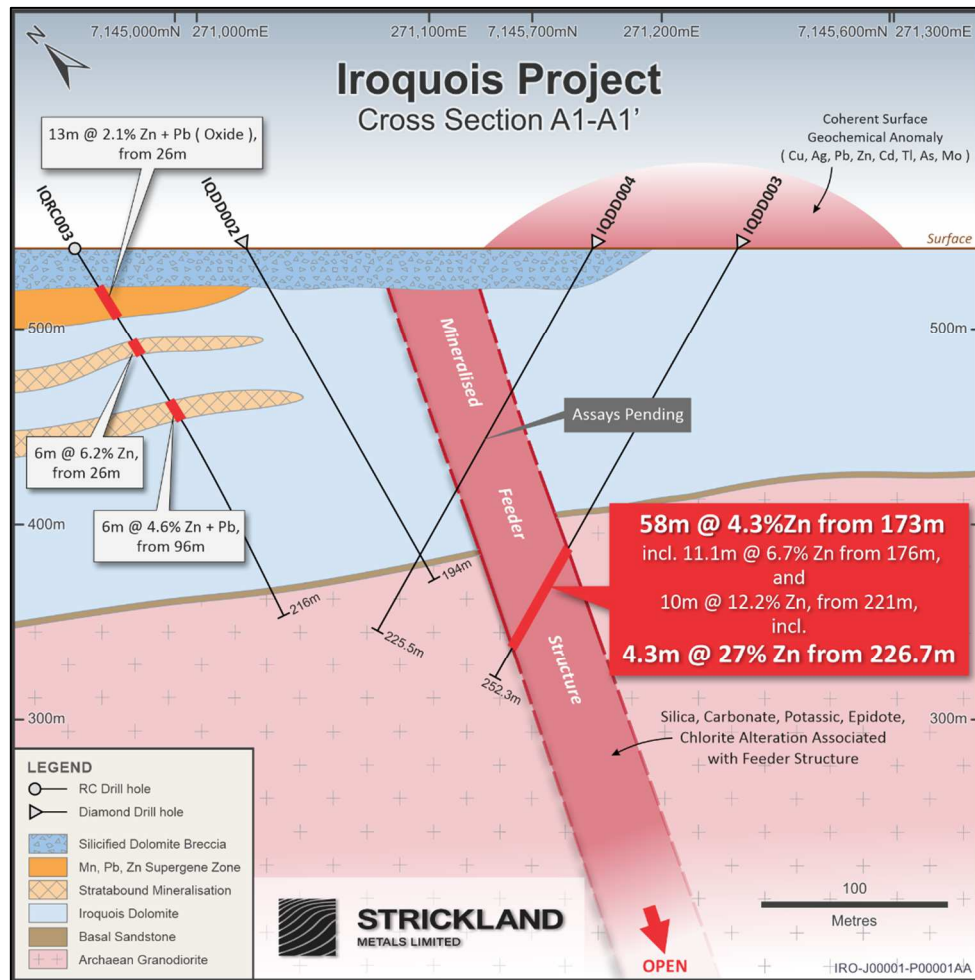


Figure 8: Cross section A1-A1' highlighting the high-grade zinc mineralisation

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

Drillholes IQDD001 and IQDD003 intersected significant polymetallic base metal mineralisation within the granodiorite basement, directly underlying the Iroquois dolomite unit. This mineralisation is characterised by a wide zone of steeply dipping, sulphide dominant veining, comprising a sphalerite > galena > chalcopyrite ore assemblage (Figures 8 and 10). IQDD002 was drilled too far to the west to intersect the structure.

The width and intensity of this mineralisation increased significantly in IQDD003 (towards the intrusion) where, in addition to dense veining, a zone of massive sulphides was intersected (Figure 9), returning values of: **4.3 metres @ 27% Zn, 0.1% Pb & 19.9 g/t Ag from 226.7 metres in IQDD003.**

DIRECTOR'S REPORT

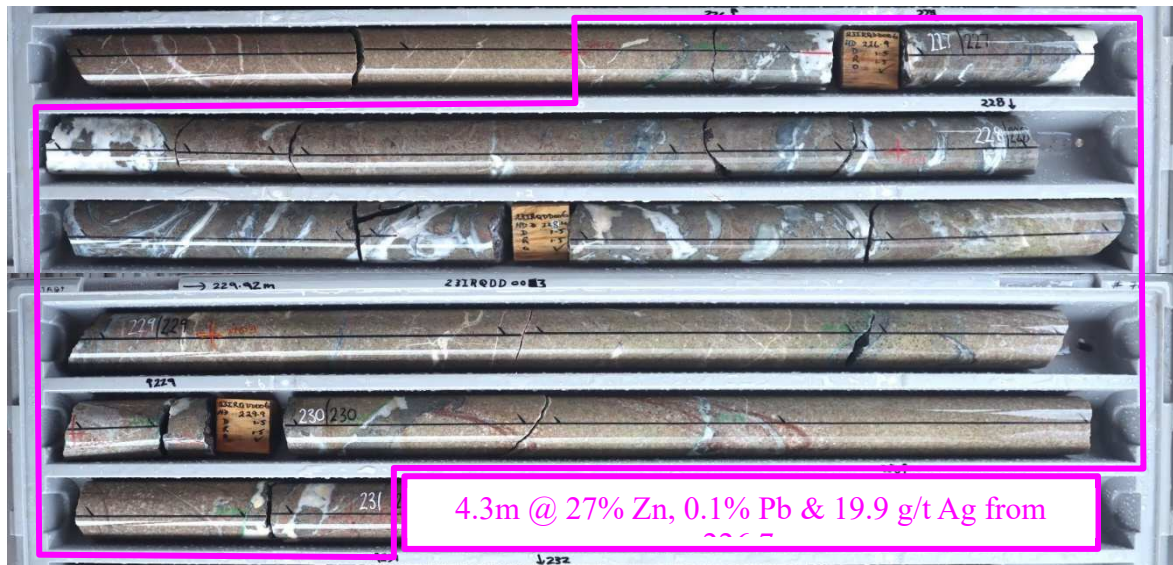


Figure 9: Drill core of massive sulphide intersection in IQDD003

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

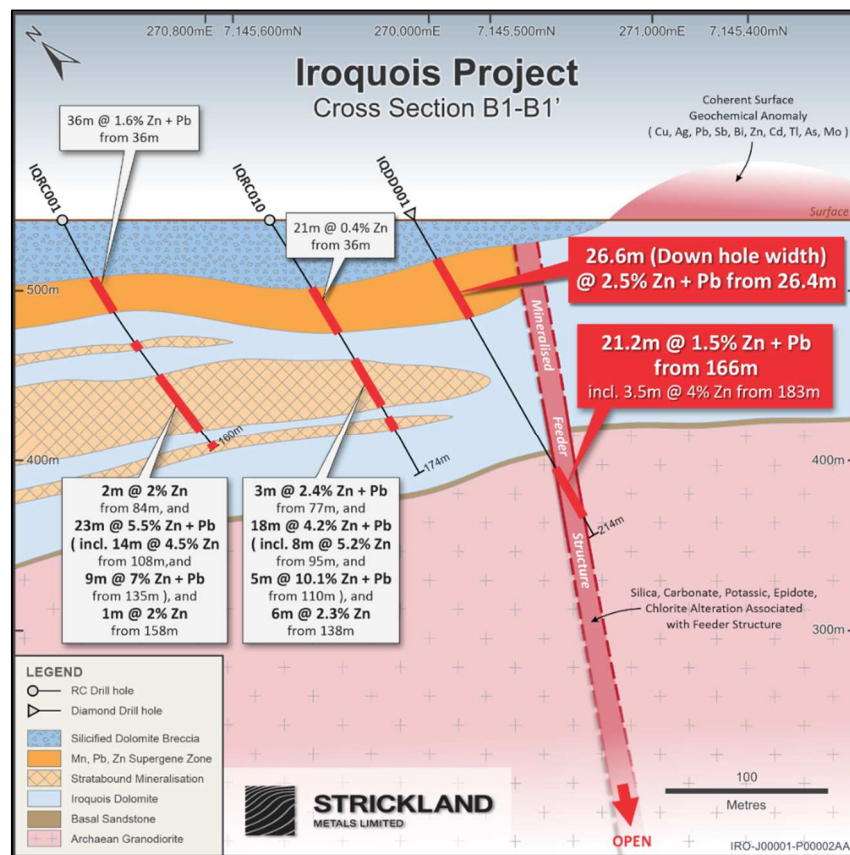


Figure 10: Cross section showing IQDD001

DIRECTOR'S REPORT

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

The presence of the feeder zone structure was inferred from an approximately 1.8 kilometre long coincident Cu, Zn, Pb, As, Bi, Cd, Sb soil anomaly. IQDD001 and IQDD003 were the first drill holes to test this structure and are positioned approximately 300m apart. A close-spaced gravity survey completed last year delineated a large circular feature with intrusion-like geometry. The same soil program that delineated the feeder zone, also highlighted this feature, with coincident As, Bi, Te, Th, U and W surface anomalism, adding further weight to this being a fertile intrusive (deemed the Iroquois Intrusive). This feature is approximately 850m north-east of the recently completed diamond holes (IQDD002, IQDD003 and IQDD004 – Figure 11). Based on the results from this recent drilling, the Company believes that Iroquois is prospective for both skarn-type mineralisation, proximal to the Iroquois Intrusive as well as a Carbonate Replacement Deposit (CRD) style of mineralisation along the Iroquois Feeder structure itself. This is in addition to the previously recognised MVT-style mineralisation discovered by Strickland in 2021.

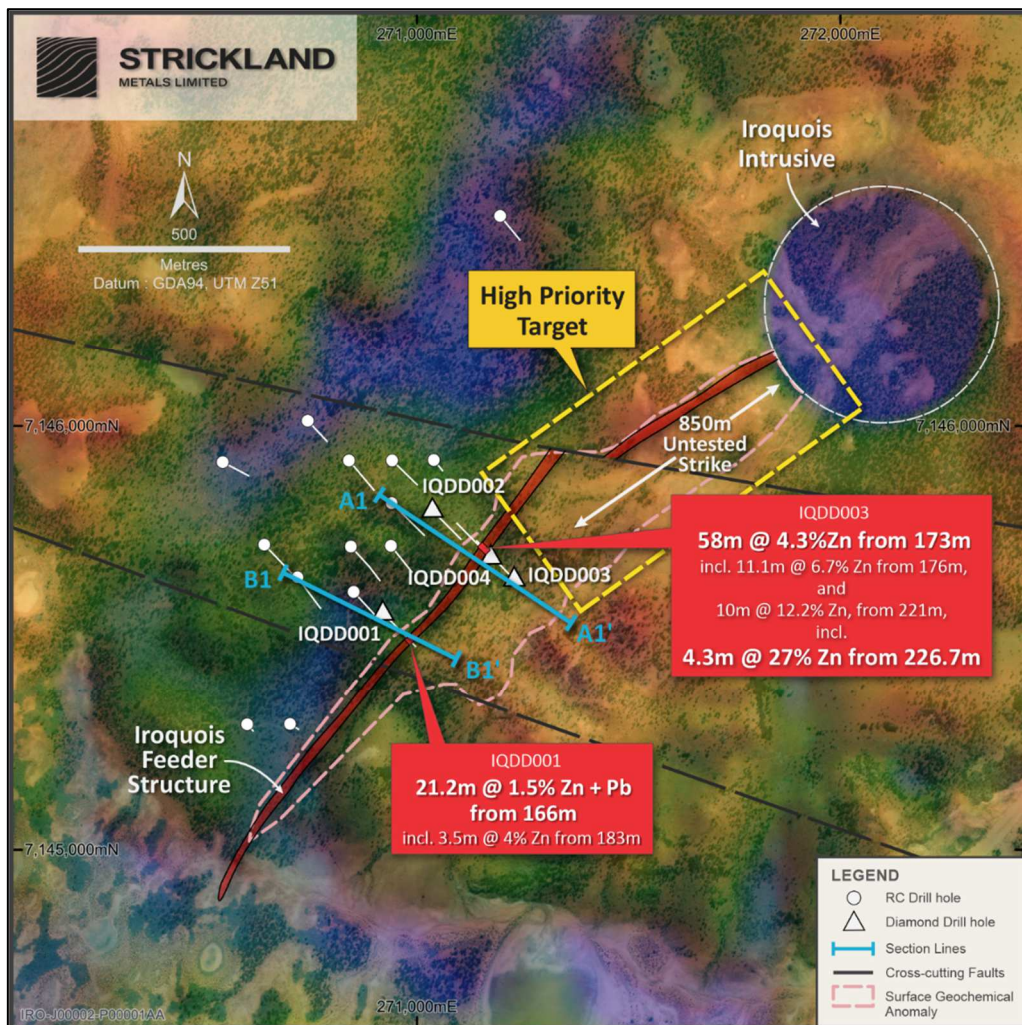


Figure 11: Plan view of Iroquois Feeder Structure in relation to the existing RC and DDH drill traces and the Iroquois intrusion

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

DIRECTOR'S REPORT

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

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

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.

The basin is host to volcanogenic massive sulphide deposits (VMS) of copper and gold formed during early-stage volcanism. 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. Strickland also believes that the Bryah is prospective for Nickel Sulphide mineralisation, that to date has not been properly assessed.

Work completed during the 2023 Financial Year 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.

Paterson Project

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 E45/4807 located in the Paterson region of Western Australia (refer ASX release 18 June 2018).

The terms of 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 were complied with. Rio Tinto could earn a further 15% joint venture interest to 85% by sole funding the next \$1.0 million of joint venture expenditure.

Rio Tinto has now completed the initial earn-in commitment and the subsequent sole funding commitment earning an 85% interest in the tenement.

During the 2023 Financial Year, and pursuant to the Farm-In and Joint Venture Agreement, the Company elected to convert its interest into a 1.25% NSR royalty payable on the first 420,000 ounces of gold (or gold equivalent) production from the tenement.

Intention to Demerge Iroquois Zinc-Lead and Bryah Basin Assets

During the 2023 Financial Year, the Company announced that it intended to pursue a demerger of its Iroquois Zinc-Lead Project located in the Earraheedy Basin in Western Australia (80% Strickland; 20% Gibb River Diamonds Ltd (ASX:GIB)) and its Bryah Basin Project located approximately 80 kilometres north of Meekatharra in the Gascoyne district of Western Australia (100% Strickland), subject to the Company obtaining the necessary shareholder, ASX and regulatory approvals ("Demerger").

The Company subsequently announced that in light of the sale of its interest in the Millrose Project to NST, it will be deferring the Demerger for the time being. In the short term, the Company will continue to advance both projects via continued exploration programs. The Company will, however, assess all options relating to the projects in due course.

DIRECTOR'S REPORT

MINERAL RESOURCES STATEMENT

The Company's Mineral Resource Statement has been compiled and is reported in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (The JORC 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

As at 30 June 2023, the Company's JORC 2012 compliant Mineral Resource estimate is:

| PROJECT | PROSPECT | Indicated | | | Inferred | | | ALL CATEGORIES | | |
|-------------------------|----------------------|------------------|------------------|----------------------|------------------|------------------|----------------------|-------------------|------------------|----------------------|
| | | Tonnes | Gold Grade (g/t) | Contained Metal (oz) | Tonnes | Gold Grade (g/t) | Contained Metal (oz) | Tonnes | Gold Grade (g/t) | Contained Metal (oz) |
| Millrose (WA) | Millrose | 4,300,000 | 1.9 | 264,000 | 1,700,000 | 1.5 | 82,000 | 6,000,000 | 1.8 | 346,000 |
| TOTAL MILLROSE | | 4,300,000 | 1.9 | 264,000 | 1,700,000 | 1.5 | 82,000 | 6,000,000 | 1.8 | 346,000 |
| Horse Well (2019) (WA) | Palomino | | | | 930,400 | 2.3 | 68,300 | 930,400 | 2.3 | 68,300 |
| Horse Well (2019) (WA) | Filly SW | | | | 302,400 | 1.8 | 17,200 | 302,400 | 1.8 | 17,200 |
| Horse Well (2015) (WA) | Filly | | | | 206,000 | 1.3 | 8,700 | 206,000 | 1.3 | 8,700 |
| Horse Well (2019) (WA) | Warmblood | | | | 788,000 | 2.1 | 53,900 | 788,000 | 2.1 | 53,900 |
| Horse Well (2019) (WA) | Dusk til Dawn | | | | 3,495,600 | 1.0 | 108,900 | 3,495,600 | 1. | 108,900 |
| TOTAL HORSE WELL | | | | | 5,722,400 | 1.4 | 257,000 | 5,722,400 | 1.4 | 257,000 |
| TOTAL | All Prospects | 4,300,000 | 1.9 | 264,000 | 7,422,400 | 1.4 | 339,000 | 11,722,400 | 1.6 | 603,000 |

Notes:

- Mineral Resources are based on JORC Code Definitions as defined by the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- For the Millrose Resource Estimate a cut-off grade of 0.5 grams per tonne gold has been applied.
- The cut-off grades for Horse Well 2015 Resources are 0.50 grams per tonne gold for Oxide, 0.75 grams per tonne gold for Transition and 1.00 grams per tonne gold for Fresh weathering classifications.
- The cut-off grades for the Horse Well 2019 Resources is 0.50 grams per tonne gold for all weathering classifications, except Palomino which has a cut-off of 2.0 grams per tonne gold below 100 metres depth.
- The Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions.
- For full detail of the Millrose Mineral Resource Estimate, refer to the Company's ASX release dated 23 June 2021.
- For full detail of the Horse Well Mineral Resource Estimate, refer to the Company's ASX release dated 26 August 2019.

DIRECTOR'S REPORT

Subsequent to the NST Transaction, the Company's JORC 2012 compliant Mineral Resource estimate is:

| PROJECT | PROSPECT | Inferred | | |
|-------------------------|----------------------|------------------|------------------|----------------------|
| | | Tonnes | Gold Grade (g/t) | Contained Metal (oz) |
| Horse Well (2019) (WA) | Palomino | 930,400 | 2.3 | 68,300 |
| Horse Well (2019) (WA) | Filly SW | 302,400 | 1.8 | 17,200 |
| Horse Well (2015) (WA) | Filly | 206,000 | 1.3 | 8,700 |
| Horse Well (2019) (WA) | Warmblood | 788,000 | 2.1 | 53,900 |
| Horse Well (2019) (WA) | Dusk til Dawn | 3,495,600 | 1.0 | 108,900 |
| TOTAL HORSE WELL | | 5,722,400 | 1.4 | 257,000 |
| TOTAL | All Prospects | 5,722,400 | 1.4 | 257,000 |

Notes:

- Mineral Resources are based on JORC Code Definitions as defined by the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for Horse Well 2015 Resources are 0.50 grams per tonne gold for Oxide, 0.75 grams per tonne gold for Transition and 1.00 grams per tonne gold for Fresh weathering classifications.
- The cut-off grades for the Horse Well 2019 Resources is 0.50 grams per tonne gold for all weathering classifications, except Palomino which has a cut-off of 2.0 grams per tonne gold below 100 metres depth.
- The Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions.
- For full detail of the Horse Well Mineral Resource Estimate, refer to the Company's ASX release dated 26 August 2019.

Mineral Resource Estimate Comparison from 2022 Financial Year

As result of the NST Transaction, the Company's Mineral Resource has reduced by 346,000 ounces Au from an Indicated and Inferred 2012 JORC Compliant Mineral Resource of 11.7Mt tonnes @1.6g/t for 603,000 ounces Au to an Inferred 2012 JORC Compliance Mineral Resource of 5.7Mt tonnes @1.4g/t for 257,000 ounces Au which represents an approximately 57% reduction in Au ounces.

Governance and Quality Control

The Company ensures all resource calculations are undertaken and reviewed by independent, internationally recognised industry consultants.

All drill hole data is stored and managed by Mitchell River Group within a commercially available purpose designed database management system and subjected to industry standard validation procedures. Quality control on resource drill programs have been undertaken to industry standards with implementation of appropriate drilling type, survey data collection, assay standards, sample duplicates and repeat analyses.

The Company's Mineral Resources Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

The Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent person named below.



DIRECTOR'S 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.

For personal use only

MINING TENEMENTS

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

| Project | Location | Tenement | Ownership |
|--|----------|----------|-----------------------|
| Yandal | | | |
| Eskay Resources Pty Ltd – Application | WA | M69/147 | 0% [#] |
| Eskay Resources Pty Ltd – Granted | WA | E69/1772 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/1466 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/1471 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E69/2765 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/1924 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E69/2492 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E69/3427 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E69/2820 | 80% ⁺ |
| Strickland Metals Limited – Granted | WA | E53/1548 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/1726 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/1835 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/1970 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/1971 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/2109 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/2265 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E53/2266 | 75% ^{+#} |
| Strickland Metals Limited – Granted | WA | E69/3929 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/2179 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/2177 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/2178 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E53/2180 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E53/1962 | 100% ^{&} |
| Strickland Metals Limited - Granted | WA | E53/1304 | 100% ^{&} |
| Strickland Metals Limited - Granted | WA | E53/2137 | 100% ^{&} |
| Strickland Metals Limited - Granted | WA | E53/2153 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E53/2154 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E53/2155 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E69/3811 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E53/2160 | 100% [#] |
| Strickland Metals Limited - Granted | WA | E53/2161 | 100% ^{&} |
| Strickland Metals Limited - Application | WA | E69/3953 | 0% |
| Strickland Metals Limited - Application | WA | M53/1110 | 0% ^{&} |
| *Gibb River Diamonds Limited retain 20% free carried to BFS | | | |
| ^Wayne Jones NSR | | | |
| #1% Gross Revenue Royalty held by L11 Capital Pty Ltd | | | |
| +25% free carried by Zebina Minerals Pty Ltd as part of Exploration Joint Venture Agreement | | | |
| &Strickland's interest in these tenements sold to Norther Star Resources Limited subsequent to the financial year. | | | |
| Kurnalpi South | | | |
| Strickland Metals Limited – Granted | WA | E28/2599 | 100% [#] |
| Strickland Metals Limited – Granted | WA | E28/2665 | 100% [#] |
| [#] subject to Riversgold farm-in Agreement | | | |
| Bryah Basin | | | |
| 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% |
| Dingo Resources Limited –Application | WA | E52/4224 | 0% |
| Morgan Range | | | |
| Dingo Resources Limited - Application | WA | E69/3400 | 0% |
| Pardu | | | |
| Strickland Metals Limited – Application | WA | E45/5641 | 0% |
| Strickland Metals Limited – Application | WA | E45/5647 | 0% |

DIRECTOR'S REPORT

CORPORATE

August 2022 Placement and Capital Raising

During the 2023 Financial Year, 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 \$4.0 million (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 funds raised by the Placement and SPP (including the SPP Shortfall Placement) were used to prioritise future drilling at Millrose.

Placement of SPP Shortfall

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").

Strickland 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).

February 2023 Placement

On 3 February 2023, the Company announced it had raised \$4million (before costs) via a 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.

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 28,143,821 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$1,013,177.57.

DIRECTOR'S REPORT

RESULTS OF OPERATIONS

The consolidated net loss after income tax for the financial year is \$2,572,763 (2022: Loss \$4,192,022).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

FINANCIAL POSITION

At the end of the financial year the Group had \$1,698,101 (2022: \$4,070,648) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure was \$21,651,882 (2022: \$34,088,653).

Expenditure on exploration and acquisition of tenements during the year was \$13,279,947 (2022: \$23,533,868). Capitalised exploration and evaluation expenditure impairment during the year was \$44,667 (2022: \$87,600).

The Group is a mining exploration entity, and as such does not earn income from the sale of product.

IMPACT OF LEGISLATION AND OTHER EXTERNAL REQUIREMENTS

There has been no impact on the Group as a result of new legislation or other external requirements.

DIRECTORS AND COMPANY SECRETARY

The names and details of the Directors of Strickland Metals Limited and the Company Secretary during the financial year and until the date of this report are:

Anthony McClure – Non-Executive Chairman

Mr McClure has had 35 years technical, management and financial experience in the resource sector worldwide in project management and executive development roles. He has also worked in the financial services sector within the mineral and energy sectors. Mr McClure is currently Managing Director of ASX listed company Silver Mines Limited. He was a past director of Bolnisi Gold NL, Nickel Mines Limited, European Gas Limited and Santana Minerals Limited.

Trent Franklin – Non-Executive Director

Mr Franklin is a qualified geologist with a strong track record of corporate experience. He is currently the Managing Director of Enrizen Financial Group and formerly a director of the Australian Olympic Committee Inc. and Australian Water Polo Inc. He is also an Associate of the Australian Institute of Company Directors. Mr Franklin is currently non-executive director of ASX listed company Gateway Mining Limited and Company Secretary of ASX listed company Silver Mines Limited.

David Morgan – Independent Non-Executive Director

Mr Morgan is a mining engineer and mechanical engineer with 35 years' experience in the mining industry in Australia and Africa. He has previously held a number of executive development and mine operations roles involving project engineering, maintenance and contract earthmoving for companies such as Rio Tinto, Macmahon and WMC Resources. He was General Manager Operations for Equigold in Queensland and was also General Manager Mining and Metallurgy for Sundance Resources Mbalam Iron Ore Project. Mr Morgan is currently non-executive director of DiscovEx Resources Limited.

Mark Cossom – Independent Non-Executive Director

Mr Cossom is a highly regarded geologist and mining executive with a strong background in gold exploration and mining geology, coupled with strong economic evaluation and corporate experience. He played a key part of the team that helped transform Doray Minerals from a junior gold explorer to an ASX-200 gold miner, holding a range of senior positions with the company including as Geology-Development Manager from 2010-2015 and General Manager – Geology and Exploration from 2015 to 2019 (prior to its takeover by Silver Lake Resources). Mark is currently Managing Director of ASX listed company Gateway Mining Limited.

Sleiman Majdoub – Company Secretary

Mr Majdoub is a qualified solicitor with experience in the corporate and commercial sector including experience advising mining exploration companies. Mr Majdoub graduated with a Bachelor of Laws and a Bachelor of Commerce (Hons 1) from Macquarie University. He has significant experience in advising and assisting ASX listed companies with their reporting, company secretarial and compliance requirements along with in house legal support.

DIRECTOR'S REPORT

DIRECTORS' INTERESTS

As at the date of this report the Directors' interests in shares, options and performance rights of the Company are as follows:

| <i>Director</i> | <i>Directors' Interests in Ordinary Shares</i> | <i>Directors' Interests in Unlisted Options (Vested)</i> | <i>Directors' Interests in Unlisted options (Not Vested)</i> | <i>Directors' Interests in listed options</i> | <i>Directors' Interests in performance rights</i> |
|-----------------|--|--|--|---|---|
| Anthony McClure | 8,655,550 | Nil | Nil | 2,777,775 | 9,000,000 |
| David Morgan | 3,119,840 | Nil | Nil | 555,555 | 6,000,000 |
| Mark Cossom | 889,584 | Nil | Nil | Nil | 6,000,000 |
| Trent Franklin | 48,659,965 | Nil | Nil | 11,888,888 | 6,000,000 |

DIRECTORS MEETINGS

The number of meetings of the Company's Directors held during the year ended 30 June 2023 and the number of meetings attended by each Director was:

| Director | Board of Directors' Meetings | |
|-----------------|-------------------------------------|-----------------|
| | Held | Attended |
| Anthony McClure | 14 | 14 |
| David Morgan | 14 | 14 |
| Trent Franklin | 14 | 14 |
| Mark Cossom | 14 | 14 |

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year not otherwise disclosed in this report.

OPTIONS OVER UNISSUED CAPITAL

As at the date of this report unissued ordinary shares of the Company under option are:

| Number of Options Granted | Exercise Price | Expiry Date |
|----------------------------------|-----------------------|--------------------|
| 15,000,000 | \$0.025 | 22/07/2024 |
| 16,500,000 | \$0.04 | 28/08/2024 |
| 2,000,000 | \$0.05 | 28/08/2024 |
| 3,000,000 | \$0.07 | 24/09/2024 |
| 2,000,000 | \$0.085 | 24/09/2024 |
| 2,500,000 | \$0.15 | 12/11/2024 |
| 2,500,000 | \$0.1125 | 12/11/2024 |
| 157,546,804 | \$0.036 | 17/05/2024 |

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options are not entitled to any voting rights until the options are converted into ordinary shares.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Completion of NST Transaction

Subsequent to the 2023 Financial Year, on 25 July 2023, the Company announced that the Transaction with NST had completed.

The Company received the following consideration for the Millrose Project:

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

DIRECTOR'S REPORT

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

Exercise of Options

Subsequent to the 2023 Financial Year, the Company exercised 37,305 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$1,342.98.

Funds Investment

Subsequent to the 2023 Financial Year, the Company invested \$24.5M in a business saver account along with \$5.5M in yielding preference shares.

Other than the above, there has not arisen in the interval between the end of the 2023 Financial Year 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 Company 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group are included elsewhere in the Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

As far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

MATERIAL BUSINESS RISKS

The Board believes that the identification and mitigation of risk is integral to enhancing the efficacy of its operations, safeguarding employee wellbeing, and ensuring that the Company is in the best possible position to achieve its business objectives.

Acknowledging that they evolve over time, the Board regularly evaluates potential uncertainties and issues that may adversely affect the Company's strategy, assets and financial and operational performance. Upon review, measures are implemented or adjusted to minimise these risks accordingly.

Outlined below are the principal risks identified by the Board. The Board recognises that this list should not be considered as exhaustive, as there may be other risks to which the Company is exposed.

Exploration risks

Strickland's financial performance depends on the successful exploration and/or acquisition of resources or reserves and commercial production therefrom. There is no guarantee that further significant mineralisation will be identified and even if identified, that such mineralisation can be successfully developed and economically mined. Exploration and drilling programs are designed to discover new exploration targets for development, as well as improve confidence in existing targets throughout the development stages of exploration projects to feasibility study level. Further, major expenditure may be required to deliver the Company to the point where it is revenue-generating.

Exploration results that include drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics, and economic potential to be classed as a category of mineral resource. The potential quantities and grades of drilling targets are conceptual in nature and, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the targets being delineated as mineral resources.

DIRECTOR'S REPORT

Operational risks

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers, which may affect the financial performance of the Company.

Mineral Resources and Ore Reserve Estimates

The estimation of Mineral Resources and Ore Reserves are expressions of judgement based on knowledge, experience and industry practice. The reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As new information is obtained through additional drilling and analysis, Mineral Resources and Ore Reserve estimates are likely to change. This may result in alterations to exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position. In addition, by their very nature, Mineral Resources and Ore Reserves estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Resource and Reserve estimates may also be impacted by material changes in the gold price, in costs and changes to operations.

Grant and renewal of permits

The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, its ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on it being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

The Company also has tenement applications. There can be no guarantee that the tenement applications will be granted, or if they are granted, that they will be granted in their entirety. If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets or projects of the Company.

Environmental risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. Exploration and development involve significant financial risk and capital investment, and the Company may require further capital to achieve its ultimate strategy of transitioning from explorer to producer.

DIRECTOR'S REPORT

Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its exploration operations.

Minimum expenditure requirements

In order to maintain an interest in the tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted and the obligations of the Company are subject to minimum expenditure commitments required by Australian mining legislation. The extent of work performed on each tenement may vary depending upon the results of the exploration programme which will determine the prospectivity of the relevant area of interest. As at the date of this report, the Company is not in breach of its minimum expenditure commitments. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry, the Company may be required to relinquish part or all of its interests in these licences. Accordingly, whilst there is no guarantee that the Australian authorities will grant the Company an extension of the licences, the Company is not aware of any reason why the tenements would not be renewed upon expiry.

Regulatory risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production, and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties, or other liabilities.

Occupational health and safety

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company. While the Company has a strong commitment to achieving a safe performance on site and will adopt industry appropriate workplace health and safety policies, a serious site safety incident could impact upon the reputation and financial outcomes for the Company. Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs. Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Native title risk

Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the *Native Title Act 1993* (Cth) ("NTA") (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by the Company may be affected by native title claims and procedures.

DIRECTOR'S REPORT

There is a risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement.

Potential acquisitions and investments

The Company may pursue and assess other new business opportunities in the resource sector. These new business opportunities may take the form of direct project acquisitions, investments, joint ventures, farm-ins, acquisition of tenements and permits, and/or direct equity participation. Such transactions (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is undertaken, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new acquisition and business activities will remain.

Heritage and sociological risk

Some of the tenements that the Company proposes to explore and potentially mine may be of significance from a heritage or sociological perspective, including Native Title issues. Some sites of significance may be identified within the tenements and the Company may be hindered by legal and cultural restrictions on exploring or mining those tenements. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Commodity and currency price risk

It is anticipated that any future revenues derived from mining will primarily be derived from the sale of gold and other metals. Consequently, any future earnings are likely to be closely related to the price of gold and other mined commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for metals, forward selling by producers and production cost levels in major metal-producing regions.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. As a result, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets, which could have a material effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

RISK MANAGEMENT

The Group manages the risks listed above, and other day to day risks through an established risk management framework. The Group's risk reporting and control mechanisms are designed to ensure strategic, safety, environment, operational, legal, financial, tax, reputational and other risks are identified, assessed and appropriately managed.

The financial reporting and control mechanisms are reviewed during the year by management, the Board, the internal audit function and the external auditor.

Senior management and the Board regularly review the risk portfolio of the business and the effectiveness of the Group's management of those risks.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited)

The remuneration report is set out under the following main headings:

- (a) Details of key management personnel
- (b) Principles used to determine the nature and amount of remuneration
- (c) Details of remuneration
- (d) Service agreements
- (e) Share-based compensation
- (f) Option holdings of key management personnel
- (g) Shareholdings of key management personnel
- (h) Performance Rights of key management personnel
- (i) Loans made to key management personnel
- (j) Other transactions with key management personnel and their related entities

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and senior executives for the Group.

2022 Annual General Meeting Votes

The Company received 98.25% of yes (based on votes cast) votes on its remuneration report resolution for the 2022 financial year (2021: 99.2% yes vote).

(a) *Details of Key Management Personnel*

Directors

- Anthony McClure Non-Executive Chairman
- Trent Franklin Non-Executive Director
- David Morgan Non-Executive Director
- Mark Cossom Non-Executive Director
- Andrew Bray Chief Executive Officer

(b) *Principles used to determine the nature and amount of remuneration*

The key principles include:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

Non-executive Directors

Non-executive directors' fees not exceeding an aggregate of \$350,000 per annum were approved by the shareholders at an Extraordinary General Meeting held on 30 July 2021.

Executive Pay

The combination of the following comprises the executive's total remuneration:

- Base pay and benefits, including superannuation,
- Short term performance incentives, and
- Long term incentives through participation in the Strickland Metals Limited Incentive Plan.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

Benefits

Executives can salary sacrifice certain benefits including motor vehicle.

Superannuation

Retirement benefits are paid to complying superannuation funds nominated by the executives. During the period ended 30 June 2023 the Company contribution rate was 10.5% of ordinary time earnings.

Long-term incentives

Long term incentives are provided via the Strickland Metals Limited Incentive Plan.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A number of performance rights have been issued to directors, management and employees which are based on positive share price movements and other significant strategic milestones being achieved. Other cash bonus and incentive payments are at the discretion of the Board. Refer to the 'Statement of Consolidated Profit and Loss' including the accompanying notes below for details of the earnings per share for the last two years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

(c) Details of remuneration

Details of the nature and amount of each element of the emoluments of each key management personnel of the Company and the consolidated entity for the year ended 30 June 2023 and 2022 are set out in the following tables:

| 2023 | Short-term | | Post-Employment | Share-based payment | | Long Term | Total | Performance Related | Value of options as proportion of remuneration |
|--------------------------------|--|-----------------------|------------------------------|---------------------|--------------------|----------------------------|------------------|---------------------|--|
| Key Management Personnel | Fees and Salaries (including annual leave) | Non-monetary benefits | Superannuation Contributions | Options | Performance Rights | Long service Leave accrued | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Directors | | | | | | | | | |
| Anthony McClure | 76,018 | - | 7,982 | - | 397,972 | - | 481,972 | - | 82.6 |
| David Morgan | 54,299 | - | 5,701 | - | 265,315 | - | 325,315 | - | 81.6 |
| Mark Cossom | 54,299 | - | 5,701 | - | 265,315 | - | 325,315 | - | 81.6 |
| Trent Franklin | 60,000 | - | - | - | 265,315 | - | 325,315 | - | 81.6 |
| Chief Executive Officer | | | | | | | | | |
| Andrew Bray | 356,935 | - | 33,409 | 114,250 | - | 2,383 | 506,977 | - | 22.5 |
| TOTAL | 601,550 | - | 52,794 | 114,250 | 1,193,916 | 2,383 | 1,964,893 | - | 66.6 |

DIRECTOR'S REPORT

| 2022 | Short-term | | Post-Employment | Share-based payment | | Long Term | Total | Performance Related | Value of options as proportion of remuneration |
|------------------------------------|--|-----------------------|------------------------------|---------------------|--------------------|----------------------------|------------------|---------------------|--|
| Key Management Personnel | Fees and Salaries (including annual leave) | Non-monetary benefits | Superannuation Contributions | Options | Performance Rights | Long service Leave accrued | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Directors | | | | | | | | | |
| Anthony McClure | 72,283 | - | 7,228 | - | 397,972 | - | 477,484 | - | 83.3 |
| David Morgan | 52,283 | - | 5,228 | - | 265,315 | - | 322,826 | - | 82.2 |
| Mark Cossom | 52,283 | - | 5,228 | - | 265,315 | - | 322,826 | - | 82.2 |
| Trent Franklin | 57,500 | - | - | - | 265,315 | - | 322,815 | - | 82.2 |
| | | | | | | | | | |
| Chief Executive Officer | | | | | | | | | |
| Andrew Bray | 234,883 | - | 18,561 | 374,307 | - | 645 | 628,396 | - | 59.6 |
| Former Directors / Officers | | | | | | | | | |
| Paul Skinner ¹ | 43,192 | - | 2,956 | (29,779) | 265,315 | - | 281,684 | - | 83.6 |
| TOTAL | 512,425 | - | 39,201 | 344,528 | 1,459,231 | 645 | 2,356,030 | - | 76.6 |

*** This share based payment outlined above relates to a loan of \$600,000 that is limited recourse in nature ("loan") which was provided to Mr Bray to acquire fully paid ordinary shares in the Company at \$0.018 per share (which was the same issue price as the entitlements issue conducted by the Company as announced 12 April 2021) and on the same terms as the entitlements issue included one free attaching option for every two shares acquired. Under AASB 2 (Share Based Payment) due to the limited recourse nature of the Loan, the arrangement was valued with the inputs of the volatility, the price of the underlying asset, the strike price of the option, the time until expiration of the option, and the risk-free interest rate, which are significant influenced by the movements in the price of shares and options as at the granted date, using the Monte Carlo Simulation method.

¹ Resigned as Director on 21 January 2022.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

(d) Service agreements

Remuneration and other terms of employment for the Chief Executive Officer are formalised in a service agreement. The agreement provides for the provision of performance-related cash bonuses and participation, when eligible, in the Strickland Metals Ltd Incentive Plan ("Incentive Plan"). Other major provisions of the agreements relating to remuneration are set out below:

The contract may be terminated early by either party with notice as set out in the service agreement, subject to termination payments as detailed below.

Andrew Bray, Chief Executive Officer

- Termination notice – 6 months' notice.
- a yearly salary of \$350,000 (inclusive of superannuation); and
- \$600,000 worth of shares in the Company on the same terms as the 12 April 2021 Entitlement Issue (including 1 for 2 attaching STKOA options). A limited recourse loan provided by the Company to facilitate the purchase of \$600,000 worth of shares.

(e) Share-based compensation

Options

Options over shares in Strickland Metals Limited are granted under the Strickland Metals Limited Incentive Plan which was approved by shareholders at an Extraordinary General Meeting of shareholders of the Company held on 30 July 2021.

The Incentive Plan is designed to provide long term incentives for executives, directors, officers, employees and consultants to deliver long term shareholder returns, and participation in the future growth of the Company. Under the Incentive Plan participants are granted either options or performance rights which typically are subject to vesting conditions as determined at the discretion of the Board. The Incentive Plan allows the Company to issue free options or performance rights to an eligible person. The options are exercisable at a fixed price in accordance with the Incentive Plan. The performance rights convert automatically into shares subject to satisfaction of vesting conditions. The options and performance rights of any participant in the Incentive Plan generally lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

The following factors and assumptions were used in determining the fair value of options on grant date:

| Grant Date | Option life | Fair value per option | Exercise price | Price of shares on grant date | Expected volatility | Risk free interest rate | Dividend yield |
|---|-------------|-----------------------|----------------|-------------------------------|---------------------|-------------------------|----------------|
| 5,250,000 Unlisted options (i) 25 Nov 2019 | 3 years | \$0.0017 | \$0.004 | \$0.002 | 175% | 0.595% | 0% |
| 16,500,000 Unlisted Options (ii) 17 Aug 2020 | 4 years | \$0.04073 | \$0.040 | \$0.050 | 125% | 0.365% | 0% |
| 2,000,000 Unlisted Options (ii) 17 Aug 2020 | 4 years | \$0.03962 | \$0.050 | \$0.050 | 125% | 0.365% | 0% |
| 33,333,333 Loan Shares (iii) 12 April 2021 | 5 years | \$0.0186 | \$0.018 | \$0.023 | 125% | 0.699% | 0% |
| 16,666,667 Loan Options (iii) 12 April 2021 | 3.1 years | \$0.0153 | \$0.036 | \$0.023 | 125% | 0.195% | 0% |

- Options based on the number issued prior to the share consolidation in the 30 June 2020 financial year. Options number was reduced to 5,250,000 options as a result of the consolidation. 5,250,000 expired on 30 November 2022 and were subsequently cancelled.
- Options granted to key management personnel. 9,500,000 vested on 26 Nov 2020, 7,500,000 vest on 31 July 2021, 4,500,000 lapsed and 2,000,000 vest on 31 July 2022, 17,000,000 lapsed upon cessation of employment.
- 33,333,333 shares and 16,666,667 options were acquired by Mr Andrew Bray by way of a \$600,000 limited recourse loan provided by the Company. The shares and options acquired and the supporting loan together in substance comprise a share option. 11,111,111 loan shares and 5,555,556 loan options vested on 12 April 2021, 11,111,111 loan shares and 5,555,556 loan options vest on 12 April 2022 and 11,111,111 loan shares and 5,555,555 loan options vested on 12 April 2023.

The Company will only have recourse to the shares and options acquired by Mr Andrew Bray in order to achieve repayment of the loan. Any outstanding balance of the loan will be repayable in full upon the earlier of the 12 April 2026 or the date at which his Executive Service Agreement is terminated.

Under the terms of the agreement, if the agreement is terminated for any reason at any time after 12 April 2023, Mr Bray must repay an amount that is the lesser of the outstanding balance of the loan or the realisable value of 33,333,333 loan shares and 16,666,667 loan options at that time.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date.

Fair values at grant date are determined using option pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person is detailed below:

(f) Option holdings of key management personnel

The numbers of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group are set out below:

| 2023 Name | Balance at start of the year | Granted during the year | Options transferred during the year | Options Exercised | Balance at the end of the year | Vested and exercisable at the end of the year |
|--------------------------------|------------------------------|-------------------------|-------------------------------------|---------------------------|--------------------------------|---|
| Directors | | | | | | |
| Anthony McClure | 2,777,775 | - | - | - | 2,777,775 | 2,777,775 |
| David Morgan | 555,555 | - | - | - | 555,555 | 555,555 |
| Trent Franklin | 23,000,000 | - | - | (11,111,112) ¹ | 11,888,888 | 11,888,888 |
| Mark Cossom | - | - | - | - | - | - |
| Chief Executive Officer | | | | | | |
| Andrew Bray | 16,666,667 ² | - | (16,666,667) | - | - | - |

| 2022 Name | Balance at start of the year | Granted during the year | Options held at date of KMP resignation | Balance at the end of the year | Vested and exercisable at the end of the year |
|--------------------------------|------------------------------|-------------------------|---|--------------------------------|---|
| Directors | | | | | |
| Anthony McClure | 2,777,775 | - | - | 2,777,775 | 2,777,775 |
| David Morgan | 555,555 | - | - | 555,555 | 555,555 |
| Trent Franklin | 8,000,000 | 15,000,000 | - | 23,000,000 | 23,000,000 |
| Mark Cossom | - | - | - | - | - |
| Chief Executive Officer | | | | | |
| Andrew Bray | 16,666,667 ³ | - | - | 16,666,667 | 16,666,667 |
| Former KMPs | | | | | |
| Paul Skinner ² | 6,992,212 | - | (6,992,212) | - | - |

- During the reporting period, 11,111,112 shares were issued on the exercise of options previously granted as compensation.
- Resigned on 21 January 2022.
- Limited recourse non-interest bearing loan was provided to the Andrew Bray to acquire fully paid ordinary shares in the Company at \$0.018 per share, and the options above relate to with a 1 for 2 free attaching options in the same class as the options issued under the Company's Rights Issue announced on 12 April 2021. The shares and options acquired and the supporting loan together in substance comprise a share option.

There were no options exercised by key management personnel during the 30 June 2022 financial year.



DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

Details of the vesting profiles and values of the options issued as compensation during the financial year held by each KMP of the Group are detailed below:

| 2023 | Number of options | Grant date | % vested in year | Financial years in which grant vests | Number vested during year | Total Vested Amount in year \$ |
|-------------|--------------------------|-------------------|-------------------------|---|----------------------------------|---------------------------------------|
| Name | | | | | | |
| KMP | | | | | | |
| Andrew Bray | 16,666,667 | 12 Apr 2021 | 33% | 2021, 2022 & 2023 | 5,555,556 | 85,028 |

The value of options granted in the year is the fair value of the options calculated at grant date. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

| 2022 | Number of options | Grant date | % vested in year | Financial years in which grant vests | Number vested during year | Total Vested Amount in year \$ |
|-------------|--------------------------|-------------------|-------------------------|---|----------------------------------|---------------------------------------|
| Name | | | | | | |
| KMP | | | | | | |
| Andrew Bray | 16,666,667 | 12 Apr 2021 | 66% | 2021, 2022 & 2023 | 11,111,111 | 170,056 |

The value of options granted in the year is the fair value of the options calculated at grant date. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

(g) Shareholdings of key management personnel

The number of shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as remuneration.

| 2023 | | | |
|--------------------------------|------------------------------|-------------------------------|--------------------------------|
| Name | Balance at start of the year | Other changes during the year | Balance at the end of the year |
| Directors | | | |
| Anthony McClure | 8,055,550 | 600,000 | 8,655,550 |
| David Morgan | 2,519,840 | 600,000 | 3,119,840 |
| Trent Franklin | 25,807,187 | 22,852,778 | 48,659,965 |
| Mark Cossom | 500,000 | 389,584 | 889,584 |
| | | | |
| Chief Executive Officer | | | |
| Andrew Bray ¹ | 118,427,694 | 3,115,000 | 121,542,694 |

- 33,333,333 Shares subject to limited recourse loan was provided to the Andrew Bray to acquire 33,333,333 fully paid ordinary shares in the Company at \$0.018 per share as announced 12 April 2021. These loan shares are in substance an option which was granted on 12 April 2021, vest across the 2021, 2022 and 2023 financial years and had a grant date fair value of \$619,764.

| 2022 | | | | |
|--------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| Name | Balance at start of the year | Other changes during the year | Shares held at date of KMP resignation | Balance at the end of the year |
| Directors | | | | |
| Anthony McClure | 5,555,550 | 2,500,000 | - | 8,055,550 |
| David Morgan | 1,111,110 | 1,408,730 | - | 2,519,840 |
| Trent Franklin | 16,000,000 | 9,807,187 | - | 25,807,187 |
| Mark Cossom | - | 500,000 | - | 500,000 |
| | | | | |
| Chief Executive Officer | | | | |
| Andrew Bray ² | 38,833,333 | 79,594,361 | - | 118,427,694 |
| | | | | |
| Former KMPs | | | | |
| Paul Skinner ¹ | 9,961,059 | 3,929,009 | (13,884,068) | - |

- Closing balance of shares at date of resignation being 21 January 2022.
- 33,333,333 Shares subject to limited recourse loan was provided to the Andrew Bray to acquire 33,333,333 fully paid ordinary shares in the Company at \$0.018 per share as announced 12 April 2021. These loan shares are in substance an option which was granted on 12 April 2021, vest across the 2021, 2022 and 2023 financial years and had a grant date fair value of \$619,764.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

(h) Performance Rights of key management personnel

| 2023 | | | |
|--------------------------------|------------------------------|-------------------------------|--------------------------------|
| Name | Balance at start of the year | Other changes during the year | Balance at the end of the year |
| Directors | | | |
| Anthony McClure | 9,000,000 | - | 9,000,000 |
| David Morgan | 6,000,000 | - | 6,000,000 |
| Trent Franklin | 6,000,000 | - | 6,000,000 |
| Mark Cossom | 6,000,000 | - | 6,000,000 |
| | | | |
| Chief Executive Officer | | | |
| Andrew Bray | - | - | - |

| 2022 | | | | |
|--------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| Name | Balance at start of the year | Other changes during the year | Rights held at date of KMP resignation | Balance at the end of the year |
| Directors | | | | |
| Anthony McClure | - | 9,000,000 | - | 9,000,000 |
| David Morgan | - | 6,000,000 | - | 6,000,000 |
| Trent Franklin | - | 6,000,000 | - | 6,000,000 |
| Mark Cossom | - | 6,000,000 | - | 6,000,000 |
| | | | | |
| Chief Executive Officer | | | | |
| Andrew Bray | - | - | - | - |
| | | | | |
| Former KMPs | | | | |
| Paul Skinner ¹ | - | 6,000,000 | 6,000,000 | - |

1. Closing balance of performance rights at date of resignation being 22 January 2022.

(i) Loans made to key management personnel

Other than noted below, no loans were made to a director or key management personnel of Strickland Metals Limited including personally related entities during the financial year.

A \$600,000 limited recourse was provided to the Chief Executive Officer, Mr Andrew Bray to acquire fully paid ordinary shares in the Company at \$0.018 per share, with a 1 for 2 attaching option in the same class as the options issued under the Company's Rights Issue announced on 12 April 2021. The Loan was provided as part of Mr Bray's remuneration on his appointment as Chief Executive Officer. As the loan is limited resource to the shares and options issued, a loan receivable is not recorded in the Statement of Financial Position.

(j) Other transactions with key management personnel and their related parties

Some Directors and Executives hold positions within other entities which cause them to have control or exert significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the financial year. In each instance normal commercial terms and conditions applied. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available, for a similar transaction to unrelated parties on an arms-length basis.

Related parties of Mr Trent Franklin, a non-executive director of the Group including Enrizen Accounting, Enrizen Capital, Enrizen Lawyers, Enrizen Services and Enrizen Pty Ltd. These entities provide corporate advisory, legal, accounting services, company secretarial, business consulting to the Company in the ordinary course of business. The value of the transaction in the financial year ending 30 June 2023 amount to \$119,185 (2022: \$97,500) in Enrizen Accounting, \$313,999 (2022: \$744,439) in Enrizen Capital and \$283,616 (2022: \$192,265) in Enrizen Lawyers, \$60,000 (2022: \$10,400) in Enrizen Services and \$135 (2022: \$230) in Enrizen Pty Ltd. As at 30 June 2023, \$14,348 was payable to Enrizen Accounting Pty Ltd, \$39,500 was payable to Enrizen Capital Pty Ltd and \$15,435 was payable to Enrizen Lawyers Pty Ltd.

DIRECTOR'S REPORT

REMUNERATION REPORT (audited) (continued)

COMPANY PERFORMANCE

The table below shows the performance of the Company as measured by share price and change in market capitalisation.

| 30 June | | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Share price | 0.041 | 0.055 | 0.045 | 0.025 | 0.002 | 0.007 |
| Market capitalisation | 65,180,098 | 70,461,307 | 33,086,364 | 8,384,193 | 3,386,555 | 10,159,343 |
| Profit/(loss) for the year | (3,487,763) | (4,192,022) | (3,863,142) | (663,797) | (1,835,675) | (161,387) |

THIS IS THE END OF THE REMUNERATION REPORT

DIRECTOR'S REPORT

OFFICERS' INDEMNITIES AND INSURANCE

During the 2023 Financial Year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company.

Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance to the extent they are applicable to the company given its size and scale of operations.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act is set out on page 37 and forms part of the director's report for the financial year ended 30 June 2023.

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

DATED at Sydney this 29th day of September 2023.



Anthony McClure
Chairman

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

As lead auditor of Strickland Metals Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

29 September 2023



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | Note | 2023 \$ | 2022 \$ |
|--|------|--------------------|--------------------|
| Royalties | | - | 240,000 |
| Other income | 4 | 42,000 | - |
| Directors' remuneration | | (264,000) | (298,182) |
| Depreciation and amortisation | | (210,835) | (95,053) |
| Occupancy expenses | | (93,632) | (36,557) |
| General and administrative expenses | | (176,852) | (175,801) |
| Employee expenses | | (489,216) | (279,524) |
| Share based payments | 19 | (114,250) | (2,471,698) |
| Motor Vehicle expenses | | (8,097) | (5,928) |
| Interest expenses | | (20,317) | (5,135) |
| Insurance expenses | | (48,679) | (22,796) |
| Other expenses | | (147,305) | (162,901) |
| Professional services expenses | | (842,638) | (803,347) |
| Exploration costs impaired | | (44,667) | (87,600) |
| Results from operating activities | | (2,418,488) | (4,204,522) |
| Finance income | 4 | 26 | 12,500 |
| Loss before income tax | | (2,418,462) | (4,192,022) |
| Income tax expenses | 5 | - | - |
| Loss for the period | | (2,418,462) | (4,192,022) |
| Loss after income tax expense from discontinued operations | 8 | (154,301) | - |
| Total other comprehensive income for the period | | (154,301) | - |
| Total comprehensive loss for the period | | (2,572,763) | (4,192,022) |
| Earnings per share | | | |
| Basic earnings per share (cents) | 29 | (0.18) | (0.36) |
| Diluted earnings per share (cents) | | (0.18) | (0.36) |

The above 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 30 JUNE 2023

| | | 30 June 2023 | 30 June 2022 |
|--|------|-------------------|-------------------|
| | Note | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 1,698,101 | 4,070,648 |
| Trade and other receivables | 7 | 605,276 | 242,666 |
| Current assets classified as held for sale | 8 | 25,672,050 | - |
| Other current assets | 9 | 18,658 | 21,472 |
| TOTAL CURRENT ASSETS | | 27,994,085 | 4,334,786 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 564,712 | 650,818 |
| Exploration and evaluation expenditure | 11 | 21,651,882 | 34,088,653 |
| Right of use assets | 12 | 276,648 | 350,422 |
| Other assets | 13 | 133,496 | 133,469 |
| TOTAL NON-CURRENT ASSETS | | 22,626,738 | 35,223,362 |
| TOTAL ASSETS | | 50,620,823 | 39,558,148 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 3,430,069 | 2,035,208 |
| Lease liabilities | 15 | 63,538 | 57,749 |
| Provisions for employee benefits | 16 | 145,745 | 104,566 |
| TOTAL CURRENT LIABILITIES | | 3,639,352 | 2,197,523 |
| NON-CURRENT LIABILITIES | | | |
| Provision for Make Good | | 26,919 | 26,135 |
| Lease liabilities | 15 | 207,853 | 271,391 |
| Provisions for employee benefits | 16 | 40,150 | 36,324 |
| TOTAL NON-CURRENT LIABILITIES | | 274,922 | 333,850 |
| TOTAL LIABILITIES | | 3,914,274 | 2,531,373 |
| NET ASSETS | | 46,706,549 | 37,026,775 |
| EQUITY | | | |
| Issued capital | 18 | 68,651,094 | 56,257,723 |
| Reserve | | 4,799,507 | 4,940,341 |
| Accumulated profit/(losses) | | (26,744,052) | (24,171,289) |
| TOTAL EQUITY | | 46,706,549 | 37,026,775 |

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



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| Consolidated | Share Capital | Accumulated profits/(losses) | Equity Remuneration Reserve | Total |
|---|----------------------|-------------------------------------|------------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2022 | 56,257,723 | (24,171,289) | 4,940,341 | 37,026,775 |
| Loss for the period | - | (2,572,763) | - | (2,572,763) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | - | (2,572,763) | - | (2,572,763) |
| Transfer from equity remuneration reserve | | | | |
| Transactions with equity holders in their capacity as equity holders: | | | | |
| Issue of shares | 13,118,262 | - | - | 13,118,262 |
| Transaction costs of equity issued | (724,891) | - | - | (724,891) |
| Share based payments | - | - | (140,834) | (140,834) |
| Balance as at 30 June 2023 | 68,651,094 | (26,744,052) | 4,799,507 | 46,706,549 |

| Consolidated | Share Capital | Accumulated profits/(losses) | Equity Remuneration Reserve | Total |
|---|----------------------|-------------------------------------|------------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2021 | 29,741,327 | (19,979,267) | 2,283,868 | 12,045,928 |
| Loss for the period | - | (4,192,022) | - | (4,192,022) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | - | (4,192,022) | - | (4,192,022) |
| Transfer from equity remuneration reserve | | | | |
| Transactions with equity holders in their capacity as equity holders: | | | | |
| Issue of shares | 28,296,701 | - | - | 28,296,701 |
| Transaction costs of equity issued | (1,780,305) | - | - | (1,780,305) |
| Share based payments | - | - | 2,656,473 | 2,656,473 |
| Balance as at 30 June 2022 | 56,257,723 | (24,171,289) | 4,940,341 | 37,026,775 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | 30 June 2023 | 30 June 2022 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (1,997,983) | (1,650,846) |
| Payments for exploration and evaluation | (886) | (34,165) |
| Receipt from customers | - | 240,000 |
| Interest received | - | 12,500 |
| Interest and other finance cost paid | (18,492) | (5,133) |
| Net cash (used in) operating activities | (2,017,361) | (1,437,644) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (39,775) | (557,635) |
| Lease improvement | 98,821 | (105,683) |
| Payments of exploration expenditure | (13,890,554) | (9,518,065) |
| Payments for acquisition of tenements | - | (8,477,508) |
| Proceeds from sale of tenements | 2,000,000 | - |
| Bank guarantee | - | (123,000) |
| Net cash (used in) investing activities | (11,831,508) | (18,781,891) |
| Cash flows from financing activities | | |
| Lease repayments | (56,965) | (13,590) |
| Proceeds from issue of shares | 11,845,000 | 23,976,483 |
| Proceeds from exercise of option | 413,178 | 353,594 |
| Payments for share issue costs | (724,891) | (1,537,930) |
| Net cash provided by financing activities | 11,476,322 | 22,778,557 |
| Net increase in cash held | (2,372,547) | 2,559,022 |
| Cash and cash equivalents at the beginning of the period | 4,070,648 | 1,511,626 |
| Cash and cash equivalents at the end of the period | 1,698,101 | 4,070,648 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies

Strickland Metals Ltd is domiciled in Australia. The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The financial report was authorised for issue by the directors on 28 September 2023.

(a) Basis of preparation

Statement of Compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Standards and Interpretations applicable to 30 June 2023

In the year ended 30 June 2023, 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 annual reporting period.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2023. 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 adopted on the Group.

Going Concern

The Group incurred a loss for the period \$2,572,763. A net \$12,258,178 has been received in cash from the exercise of options or share issues, and cashflow from operations of \$2,017,361 and investing activities of \$11,831,508 were incurred.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group is a going concern on the basis that since the year end the Group has sold its Millrose project for approximately \$61M. As at 31 August 2023, the cash balance is \$38,613,163, with current net assets of \$78,625,585. Planned exploration expenditure is \$13,589,447 from period of Sep 2023 to Aug 2024.

Historical cost convention

These Consolidated Financial Statements have been prepared under the historical cost convention.

Functional and presentation currency

These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the Group.

Critical accounting estimates

The preparation of Consolidated Financial Statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in note 2.

(b) Principles of consolidation

(i) Subsidiary companies

The Consolidated Financial Statements of the subsidiary companies are included in the Consolidated Financial Statements from the date control commences until the date control ceases.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

(ii) Transactions Eliminated on Consolidation

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of directors ("the Board"), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and exploration and evaluation assets.

The Group operates in one segment, identifying, evaluating and exploring for resources.

(d) Revenue recognition and receivables

Goods sold and services rendered

Revenues are recognised at fair value of the consideration received or receivable. Revenue is recognised when a customer obtains control of the goods or services.

(i) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(ii) Royalties

Royalties Income is measured based on consideration received. Income is recognised when the buyer obtains the control and ownership of the royalties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity or other comprehensive income are also recognised directly in equity or other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

(f) Impairment of tangible and intangible assets other than goodwill

The Group assessed at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest the carrying amount exceeds the recoverable amount. Refer note 1(k).

The fair value assessment is based on generally accepted industry market practice for estimating value for exploration assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost.

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Refer note 2(i) above for policy adopted.

(h) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the written down value method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

| | |
|-------------------------------|-----------------------------|
| Office equipment and fittings | 20 – 50% written down value |
| Motor vehicles | 25% written down value |
| Site equipment | 20%- 33% written down value |
| Lease improvement | 20% written down value |

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

(k) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (a) such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- (b) exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generated units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Farm-in expenditure

Any exploration expenditure met by the Farmee under a Farm-in agreement is not recorded by the Group. The Group does not recognise a gain or loss on the basis of the partial disposal of any exploration expenditure that has already been capitalised. Any proceeds received that are not attributable to future expenditure are credited against the carrying amount of any existing exploration asset. To the extent that the proceeds received from the Farmee exceed the carrying amount of any exploration asset that has already been capitalised, the excess is recognised as a gain in profit or loss.

(l) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods or services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services. The amounts are unsecured and are usually paid within 30 days.

(m) Share based payment arrangements

Share based compensation payments are made available to directors and employees pursuant to the Company's Incentive Plan.

Where employees are provided with a limited recourse loan to allow them to acquire shares in the Company, and the loan is secured against the shares and its repayment limited to the value of the shares, this in substance represents an option and is accounted for as a share based payment.

The fair value of these equity settled transactions is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

Where share based payment arrangements are provided in relation to the provision of goods or services or as consideration for the acquisition of assets, the fair value is recognised as an expense, recognised as capital raising costs or capitalised to the exploration and evaluation asset. The fair value is measured at grant date and recognised as the goods or services are received or on completion of the acquisition.

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- i. The grant date fair value of the award;
- ii. The current best estimate of the number of options or rights that will vest, taking into account such factors as the likelihood of market vesting conditions during the vesting period and the likelihood of non-market performance conditions being met; and
- iii. The expired portion of the vesting period.

The charge to the statement of profit and loss and other comprehensive income for the period is cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option or rights, the share price at grant date, expected price volatility of the underlying share, the risk-free rate for the term of the option or rights, and where applicable other relevant terms.

The fair value of the award granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of awards that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(p) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (continued)

(q) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

(r) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Recoverability of mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(k). The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties.

The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include: (i) recent drilling results and reserves and resource estimates (ii) environmental estimates that may impact the underlying tenements (iii) the estimated market value of assets at the review date (iv) independent valuations of underlying assets that may be available (v) fundamental economic factors such as commodity prices, exchange rates, discount rates, and current and anticipated operating costs in the industry (vi) the Group's market capitalisation compared to its net assets.

Share based payment arrangements

The Group's accounting policy is stated at 1(m). Refer to Note 19 for details of share based payment arrangements. The key inputs and areas of estimation and judgement include: (i) grant date (ii) volatility (iii) risk free rate, (iv) dividend yield and (v) expected exercise date.

Note 3 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 principal activities are interrelated and the Group has no revenue from operations.

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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

Note 4 Finance and other income

Finance income

Interest received

Other income

Proceeds of insurance claims

| 2023 \$ | 2022 \$ |
|------------|------------|
| 26 | 12,500 |
| 26 | 12,500 |
| 42,000 | - |
| 42,000 | - |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 5 Income tax

(a) Reconciliation of income tax expense/(benefit) to prima facie tax payable

Loss from continuing operations before income tax expense/(benefit)

2023
\$

2022
\$

(2,572,763)

(4,192,022)

Tax at the Australian rate of 25% (2022 – 25%)

(643,191)

(1,048,006)

Tax effect amount which are not deductible in calculating taxable income:

Interest expense on lease liability - AASB 16

4,623

1,283

Entertainment

27

139

Fines & Penalties

8

8,037

Impairment/Write-off of exploration asset

11,167

21,900

Share base payments

28,563

617,925

Tax losses and temporary differences not recognised

598,804

398,722

Income tax attributable to operating profit/(loss)

-

-

Note 5 Income tax (continued)

2023
\$

2022
\$

(b) Deferred tax – Consolidated Statement of Financial Position

Deferred Tax Liabilities

Prepayments

(4,665)

(5,368)

Property, plant and equipment

(10,341)

(126,646)

Current assets held for sale

(6,418,013)

-

Capitalised Exploration and

(2,491,233)

(5,151,436)

Evaluation expenditure

(8,924,251)

(5,283,450)

Less: Deferred Tax Assets

Accrued expenses

64,408

102,428

Employee's entitlement

46,474

35,222

Deductible equity raising costs

478,782

467,333

Tax losses available to offset against future taxable income

8,334,588

4,678,467

8,924,251

5,283,450

Net Deferred Tax Balance

-

-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 5 Income tax (continued)

Movement

Opening balance
Charged to profit or loss
Charged to equity

| 2023 \$ | 2022 \$ |
|------------|------------|
| - | - |
| (11,451) | (297,410) |
| 11,451 | 297,410 |
| - | - |

(c) Tax losses

The balance of potential deferred tax assets of \$5,841,090 (2022: \$5,470,522) attributable to tax losses carried forward in respect of the Group has not been brought to account because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. Tax loss availability is dependent on the company deriving future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be realised; the Company continuing to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affecting the Company. All unused tax losses were incurred by Australian entities.

Note 6 Cash and cash equivalents

Cash and cash equivalents

| 2023 \$ | 2022 \$ |
|------------|------------|
| 1,698,101 | 4,070,648 |
| 1,698,101 | 4,070,648 |

Cash balances earn interest at 0.1% p.a. (2022: 0.1% p.a.).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 19.

Note 7 Trade and other receivables

Current

GST recoverable
Other receivable

| 2023 \$ | 2022 \$ |
|------------|------------|
| - | 136,984 |
| 605,276 | 105,682 |
| 605,276 | 242,666 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 8 Discontinued operations

Millrose Gold Project

On 26 Jun 2023 the Group entered into a binding asset sale agreement with Northern Star Resources Limited (ASX: NST) ("NST") pursuant to which the Company sold its interest in the tenements comprising the Millrose Project to NST ("Transaction"). The Transaction subsequently completed on 25 July 2023.

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

| | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Revenue | - | - |
| Professional services expenses | (154,301) | - |
| Loss before income tax | (154,301) | - |
| Income tax expense | - | - |
| Profit/(loss) after tax from discontinued operations | (154,301) | - |

The following assets were classified as held for sale in relation to the discontinued operations as at 30 June 2023:

| | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Capitalised mineral exploration and evaluation expenditure | 25,672,050 | - |
| Total assets held for sale | 25,672,050 | - |

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 9 Other current assets

| | 2023 | 2022 |
|----------------|---------------|---------------|
| | \$ | \$ |
| <i>Current</i> | | |
| Prepayment | 18,658 | 21,472 |
| | 18,658 | 21,472 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 10 Plant and equipment

| | 2023 | 2022 |
|--------------------------------|------------------|----------------|
| | \$ | \$ |
| Plant and equipment | 847,107 | 796,152 |
| Less: accumulated depreciation | (282,395) | (145,334) |
| | 564,712 | 650,818 |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated | Office Equipment | Site Equipment | Lease Improvement | Motor Vehicles | Total |
|--------------------------------|-----------------------------|---------------------------|------------------------------|---------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 750 | 59,286 | - | 84,757 | 144,793 |
| Additions | 37,505 | 378,848 | 67,668 | 98,614 | 582,635 |
| Depreciation expense | (2,874) | (53,655) | (2,262) | (17,819) | (76,610) |
| Balance at 30 June 2022 | 35,381 | 384,479 | 65,406 | 165,552 | 650,818 |
| Additions | 5,706 | 34,068 | 11,181 | - | 50,955 |
| Depreciation expense | (13,756) | (77,840) | (13,720) | (31,745) | (137,061) |
| Balance at 30 June 2023 | 27,331 | 340,707 | 62,867 | 133,807 | 564,712 |

Note 11 Capitalised mineral exploration and evaluation expenditure

| | 2023 | 2022 |
|--|---------------------|-------------------|
| | \$ | \$ |
| <i>In the exploration and evaluation phase</i> | | |
| Cost brought forward | 34,088,653 | 10,642,384 |
| Exploration expenditure incurred during the year | 13,277,342 | 11,251,332 |
| Acquisition of tenements: | | |
| - Millrose Gold Projects | 1,160 | 9,575,790 |
| - Renegade Projects | - | 2,706,747 |
| - Pardu Projects | 575 | - |
| - Yandal Projects | 870 | - |
| Less: Non-current assets held for sale (Millrose assets) | (25,672,050) | - |
| Exploration expenditure impaired during the period | (44,667) | (87,600) |
| Cost carried forward | 21,651,882 | 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.

Exploration expenditure impaired during the year of \$44,667 pertained to part of the Ophara Project, Pardu Project and Telfer Project. The impairment related to the surrender and/or expiry of tenements within the Ophara Project, Pardu Projects and Telfer Project where the AASB 6 criteria for carry forward could not be met at year end.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 12 Right of use assets

| | 2023 \$ | 2022 \$ |
|--------------------------------|----------------|----------------|
| Office – right of asset | 368,865 | 368,865 |
| Less: accumulated depreciation | (92,217) | (18,443) |
| | 276,648 | 350,422 |

| | | |
|------------------------|--|----------|
| <i>Movement</i> | | \$ |
| Balance at 1 July 2021 | | - |
| Additions: | | 368,865 |
| Depreciation expense | | (18,443) |

Balance at 30 June 2022 **350,422**

| | | |
|------------------------|--|----------|
| Balance at 1 July 2022 | | 350,422 |
| Additions: | | - |
| Depreciation expense | | (73,774) |

Balance at 30 June 2022 **276,648**

Note 13 Other assets

| | 2023 \$ | 2022 \$ |
|-------------------|----------------|----------------|
| Bank guarantee | 123,000 | 123,000 |
| Security deposits | 10,496 | 10,496 |
| | 133,496 | 133,496 |

Note 14 Trade and other payables

| <i>Current</i> | | |
|--|------------------|------------------|
| | 2023 \$ | 2022 \$ |
| Trade payables and accruals | 1,429,169 | 2,034,308 |
| Money received in advance – option exercised | 900 | 900 |
| Money received in advance – Millrose deposit | 2,000,000 | - |
| | 3,430,069 | 2,035,208 |

Note 15 Lease liabilities

| | 2023 \$ | 2022 \$ |
|---------------------------------|----------------|----------------|
| Lease liabilities (current) | 63,538 | 57,749 |
| Lease liabilities (non-current) | 207,853 | 271,391 |
| | 271,391 | 329,140 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 15 Lease liabilities (continued)

| | 2023 | 2022 |
|-----------------------|-----------------|----------------|
| | \$ | \$ |
| Movements: | | |
| Opening balance | 329,140 | - |
| New lease | - | 342,923 |
| Less: lease repayment | (57,749) | (13,783) |
| Closing balance | 271,391 | 329,140 |

Note 16 Provisions

| <i>Current</i> | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Employee benefits provisions | 145,745 | 104,566 |
| | 145,745 | 104,566 |

| <i>Non-current</i> | 2023 | 2022 |
|------------------------------|---------------|---------------|
| | \$ | \$ |
| Employee benefits provisions | 40,150 | 36,324 |
| | 40,150 | 36,324 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 17 Parent Entity Disclosures

As at, and throughout, the financial year ending 30 June 2023 the parent company of the Group was Strickland Metals Limited.

Result of the parent entity

(Loss) for the year
Other comprehensive income
Total comprehensive loss for the year

Financial position of the parent entity at year end

Total current assets
Total non-current assets
Total assets
Total current liabilities
Total non-current liabilities
Total liabilities
Net Assets

Total equity of the parent entity comprising of:

Issued capital
Accumulated losses
Reserves
Total Equity

| 2023 \$ | 2022 \$ |
|--------------------|--------------------|
| (2,571,061) | (4,233,064) |
| - | - |
| (2,571,061) | (4,233,064) |
| | |
| 27,969,537 | 4,309,869 |
| 22,608,597 | 35,203,610 |
| 50,578,134 | 39,513,479 |
| 3,636,032 | 2,193,924 |
| 274,922 | 333,850 |
| 3,910,954 | 2,527,774 |
| 46,667,180 | 36,985,705 |
| | |
| 68,651,094 | 56,257,723 |
| (26,783,420) | (24,212,359) |
| 4,799,507 | 4,940,341 |
| 46,667,180 | 36,985,705 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 17 Parent Entity Disclosures (continued)

Guarantee entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 18 Contributed equity

a) Share Capital

| | | 30-Jun-23 | | 30-Jun-22 | |
|--|--------------------|---------------|------------|---------------|-------------|
| | | No. | \$ | No. | \$ |
| Issued share capital | | 1,589,758,488 | 68,651,093 | 1,281,114,667 | 56,257,723 |
| <i>Share movements during the year</i> | | | | | |
| | <i>Issue price</i> | | | | |
| | \$ | | | | |
| At the beginning of the year | | 1,281,114,667 | 56,257,723 | 735,252,324 | 29,741,323 |
| Option exercise | 0.036 | 11,477,154 | 413,178 | - | - |
| Option exercise | 0.051 | 16,666,667 | 855,084 | - | - |
| Placement | 0.050 | 92,801,100 | 4,640,055 | - | - |
| Share purchase plan | 0.050 | 59,698,900 | 2,984,945 | - | - |
| Placement | 0.032 | 125,000,000 | 4,000,000 | - | - |
| Placement | 0.075 | 3,000,000 | 225,000 | - | - |
| Error to rectified for discrepancy to share register | | - | - | 210 | - |
| Option exercise | 0.036 | - | - | 1,322,717 | 47,618 |
| 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 |
| Placement | 0.075 | - | - | 157,000,000 | 11,775,000 |
| Option exercise | 0.050 | - | - | 1,000,000 | 50,000 |
| Performance rights exercise | 0.058 | - | - | 1,000,000 | 57,600 |
| Capital raising costs | | | (724,891) | | (1,780,305) |
| | | 1,589,758,488 | 68,651,094 | 1,281,114,667 | 56,257,723 |

* Executive shares relate to the limited recourse loan issued to Andrew Bray and the share grant and supporting loan together in substance comprise a share option.

b) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia on 2 June 2004. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 18 Contributed equity (continued)

c) Options

Information relating to options issued by Strickland Metals Limited is set out in note 18.

Please refer to note 18(c) below for further details on the movement of options.

Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2023 is 201,084,109 (2022: 234,477,930). The terms of these options are as follows:

| <i>Number of Options Granted</i> | <i>Exercise Price</i> | <i>Expiry Date</i> |
|----------------------------------|-----------------------|--------------------|
| 15,000,000 | \$0.025 | 22/07/2024 |
| 16,500,000 | \$0.04 | 28/08/2024 |
| 2,000,000 | \$0.05 | 28/08/2024 |
| 3,000,000 | \$0.07 | 24/09/2024 |
| 2,000,000 | \$0.085 | 24/09/2024 |
| 2,500,000 | \$0.15 | 12/11/2024 |
| 2,500,000 | \$0.1125 | 12/11/2024 |
| 157,584,109 | \$0.036 | 17/05/2024 |

d) Share Option Reserve

The equity remuneration reserve comprises of the share-based payment expense recognised at the fair value of options granted to employees and directors.

There are no current on-market share buy-backs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 19 Share-based payments

Details of the Company's option plan, under which options are issuable to employees, directors and consultants are summarised below. Details of options issued to Directors are set out in the remuneration report.

a) Incentive Plan

The Company has a formal incentive plan for the issue of options and performance rights to employees, directors and consultants, which was approved by shareholders at an extraordinary general meeting of the Company held on 30 July 2021 ("Incentive Plan"). The Incentive Plan replaces the previous Incentive Option Plan which was approved in 2019 ("2019 Incentive Option Plan"). The Company had issued 5,000,000 Options under the 2019 Incentive Option Plan before it was replaced with the Incentive Plan. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Performance rights are granted free of charge and are convertible subject to the satisfaction of set vesting conditions in accordance with the terms of the grant. Options and performance rights over unissued shares are issued under the terms of the Incentive Plan at the discretion of the Board.

b) Number and weighted average exercise prices of share options

| | 2023 Weighted average exercise price (cents) | 2023 Number of options | 2022 Weighted average exercise price (cents) | 2022 Number of options |
|-----------------------------------|--|------------------------------|--|------------------------------|
| Outstanding at 1 July | 3.61 | 234,477,930 | 3.61 | 234,650,647 |
| Granted during the year | - | - | 4.96 | 35,000,000 |
| Exercised Options during the year | 3.60 | (28,143,821) | 2.81 | (12,922,717) |
| Expired Options during the year | 4.00 | (5,250,000) | 4.76 | (22,250,000) |
| Outstanding at 30 June | 3.60 | 201,084,109 | 3.61 | 234,477,930 |
| Exercisable at 30 June | | 197,084,109 | | 230,477,930 |

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 |
|----------------------------------|-------------|-----------------------|----------------|-------------------------------|---------------------|-------------------------|----------------|
| 20,000,000 Unlisted Options (i) | | | | | | | |
| 14 May 2021 | 3 years | \$0.0167 | \$0.036 | \$0.025 | 125% | 0.195% | 0% |
| 10,000,000 Unlisted Options (ii) | | | | | | | |
| 21 May 2021 | 3 years | \$0.0206 | \$0.036 | \$0.0297 | 125% | 0.195% | 0% |
| 33,333,333 Loan Shares (iii) | | | | | | | |
| 12 April 2021 | 5 years | \$0.0186 | \$0.018 | \$0.023 | 125% | 0.699% | 0% |
| 16,666,667 Loan Options (iii) | | | | | | | |
| 12 April 2021 | 3.1 years | \$0.0153 | \$0.036 | \$0.023 | 125% | 0.195% | 0% |
| 2,500,000 Unlisted Options (iv) | | | | | | | |
| 25 Oct 2021 | 3.05 years | \$0.0511 | \$0.11 | \$0.089 | 116% | 0.0679% | 0% |
| 2,500,000 Unlisted Options (v) | | | | | | | |
| 25 Oct 2021 | 3.05 years | \$0.046 | \$0.15 | \$0.089 | 116% | 0.0679% | 0% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 19 Share-based payments (continued)

- (i) Options issued to Enrizen Capital Pty Ltd (a company related to Mr Trent Franklin) in connection with capital raising underwriting services in 2021
- (ii) Options issued to Omni GeoX Pty Ltd in connection with the provision of geological consultancy services in 2021
- (iii) 33,333,333 shares and 16,666,667 options were acquired by Mr Andrew Bray by way of a \$600,000 limited recourse loan provided by the Company in 2021. The shares and options acquired and the supporting loan together in substance comprise a share option. 11,111,111 loan shares and 5,555,556 loan options vested on 12 April 2021, 11,111,111 loan shares and 5,555,556 loan options vest on 12 April 2022 and 11,111,111 loan shares and 5,555,556 loan options vest on 12 April 2023.

The Company will only have recourse to the shares and options acquired by Mr Andrew Bray in order to achieve repayment of the loan. Any outstanding balance of the loan will be repayable in full upon the earlier of the 12 April 2026 or the date at which his Executive Service Agreement is terminated.

Under the terms of the agreement, if the agreement is terminated for any reason:

- (a) prior to or on 12 April 2023, 11,111,111 loan shares and 5,555,555 loan options are forfeited for no value, and repay an amount that is the lesser of the outstanding balance of the loan or the realisable value of 22,222,222 loan shares and 11,111,111 loan options at that time;
- (b) at any time after 12 April 2023, repay an amount that is the lesser of the outstanding balance of the loan or the realisable value of 33,333,333 loan shares and 16,666,667 loan options at that time.

- (iv) Options issued as payment for Lead Manager for November 2021 Capital Raising.
- (v) Options issued as payment for Lead Manager for November 2021 Capital Raising.

c) Number and weighted average exercise prices of performance rights

| | 2023 | 2023 | 2022 | 2022 |
|---|--|--------------------------|--|--------------------------|
| | Weighted average exercise price (cents) | Number of options | Weighted average exercise price (cents) | Number of options |
| Outstanding at 1 July | Nil | 48,200,000 | - | - |
| Granted during the year | Nil | - | - | 49,200,000 |
| Exercised Performance right during the year | Nil | - | - | (1000,000) |
| Expired Performance right during the year | Nil | - | - | - |
| Outstanding at 30 June | Nil | 48,200,000 | - | 48,200,000 |
| Exercisable at 30 June | | 48,200,000 | | 48,200,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 19 Share-based payments (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> |
|--|----------------|--------------------------|-----------------------|--------------------------------------|----------------------------|--------------------------------|-----------------------|
| 19,500,000 Performance Rights (i) 30-Jul-21 | 4.00 years | \$0.046 | Nil | \$0.049 | 123.9% | 0.470% | 0% |
| 19,500,000 Performance Rights (ii) 30-Jul-21 | 4.00 years | \$0.042 | Nil | \$0.049 | 123.9% | 0.470% | 0% |
| 1,000,000 Performance Rights (iii) 4-Aug-21 | 4.00 years | \$0.039 | Nil | \$0.042 | 124.4% | 0.480% | 0% |
| 1,000,000 Performance Rights (iv) 4-Aug-21 | 4.00 years | \$0.029 | Nil | \$0.042 | - | - | 0% |
| 1,000,000 Performance Rights (v) 12-Oct-21 | 3.80 years | \$0.064 | Nil | \$0.072 | 118.9% | 0.840% | 0% |
| 600,000 Performance Rights (vi) 24-Mar-22 | 3.36 years | \$0.041 | Nil | \$0.051 | 94.0% | 2.360% | 0% |
| 600,000 Performance Rights (vii) 24-Mar-22 | 3.36 years | \$0.026 | Nil | \$0.051 | 94.0% | 2.360% | 0% |
| 1,000,000 Performance Rights (viii) 29-Apr-22 | 3.27 years | \$0.044 | Nil | \$0.069 | 92.0% | 2.870% | 0% |
| 1,000,000 Performance Rights (ix) 29-Apr-22 | 3.27 years | \$0.048 | Nil | \$0.069 | - | - | 0% |
| 3,000,000 Performance Rights (x) 29-Apr-22 | 3.27 years | \$0.021 | Nil | \$0.069 | - | - | 0% |

(i) 16,500,000 Performance Rights issued to Related Parties and the remaining 3,000,000 Performance Rights issued to non-related parties vest upon the Company's Shares achieving a 10 day VWAP of \$0.10.

(ii) 16,500,000 Performance Rights issued to Related Parties and the remaining 3,000,000 Performance Rights issued to non-related parties vest upon the Company's Shares achieving a 10 day VWAP of \$0.20

(iii) Performance Rights issued to Geological Consultant of the Company who is not a member of the KMP vest upon the Company's Shares achieving a 10 day VWAP of \$0.10.

(iv) Performance Rights issued to Geological Consultant of the Company who is not a member of the KMP vest upon the Company reporting to the market a JORC compliant resource of 1 million ounces of gold.

(v) Performance Rights issued to a Native Title Consultant of the Company who is not a member of the KMP vest upon the Company's Shares achieving a 10 day VWAP of \$0.20.

(vi) Performance Rights issued vest upon the Company's Shares achieving a 10 day VWAP of \$0.20 at any time before the expiry date

(vii) Performance Rights issued vest upon the Company's Shares achieving a 10 day VWAP of \$0.20 at any time before the expiry date

(viii) Performance Rights issued vest upon the Company's Shares achieving a 10 day VWAP of \$0.20 at any time before the expiry date

(ix) Performance Rights issued vest upon the Company reporting to the market a JORC compliant resource of 1 million ounces of gold

(x) Performance Rights issued vest upon the Company reporting to the market a JORC compliant resource of 2 million ounces of gold

Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2023 is 3.04 years (2022: 3.04 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 20 Financial instruments

Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Cash and cash equivalents

The Group has cash and cash equivalents of \$1,698,101 at 30 June 2023 (2022: \$4,070,648) that are held with financial institution counterparties that are rated AA- based on S&P Global rating.

Trade and other receivables

The Group has recently completed the transaction with Northern Star Resources Limited in relation to the disposal of Millrose Gold tenements, and as a result, the Group received \$56,385,000 (in cash and Northern Star Resources Limited shares) on 25 July 2023 being the date of completion of this transaction (please refer to Note 30 subsequent Event for relevant information). The receivable that the Group does experience through its normal course of business are short term and no risk of recovery.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 20 Financial instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

| Consolidated - 2023 | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|--|----------------------|--------------------------------|--------------------------------|-----------------------|--|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Cash and cash equivalents | - | 1,698,101 | - | - | - | 1,698,101 |
| Trade and other receivables | - | 605,276 | - | - | - | 605,276 |
| Other current assets | - | 18,658 | - | - | - | 18,658 |
| Other assets (Note 12) | - | 123,000 | - | - | - | 123,000 |
| Trade and other payables | - | (3,430,069) | - | - | - | (3,430,069) |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Security deposits (Note 12) | 0.25% | 10,496 | - | - | - | 10,496 |
| Lease liability | 3.00% | (63,538) | (69,746) | (138,107) | - | (271,391) |
| Total non-derivatives | | (1,038,076) | (69,746) | (138,107) | - | (1,245,929) |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 20 Financial instruments (continued)

| | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|---|-------------------------|-----------------------------------|-----------------------------------|-----------------------|--|
| Consolidated - 2022 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Cash and cash equivalents | - | 4,070,648 | - | - | - | 4,070,648 |
| Trade and other receivables | - | 242,666 | - | - | - | 242,666 |
| Other current assets | - | 21,472 | - | - | - | 21,472 |
| Other assets (Note 11) | - | 123,000 | - | - | - | 123,000 |
| Trade and other payables | - | (2,035,208) | - | - | - | (2,035,208) |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Security deposits (Note 11) | 0.25% | 10,469 | - | - | - | 10,469 |
| Lease liability | 3.00% | (57,749) | (63,539) | (207,853) | - | (329,140) |
| Total non-derivatives | | 2,375,298 | (63,539) | (207,853) | - | 2,103,907 |

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

(d) Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows.

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 21 Dividends

No dividends were paid or proposed during the financial year.
The company has no franking credits available as at 30 June 2023.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 22 Related party transactions

(a) Details of Key Management Personnel

Directors

| | |
|-----------------|-------------------------|
| Anthony McClure | Non-Executive Chairman |
| David Morgan | Non-Executive Director |
| Trent Franklin | Non-Executive Director |
| Mark Cossom | Non-Executive Director |
| Andrew Bray | Chief Executive Officer |

(b) Compensation for key management personnel

| | 2023 | 2022 |
|------------------------------|------------------|-------------|
| | \$ | \$ |
| Short-term employee benefits | 601,550 | 512,425 |
| Post-employee benefits | 52,794 | 39,201 |
| Share based payments | 1,308,166 | 1,803,759 |
| Long term benefits | 2,383 | 645 |
| Total compensation | 1,964,893 | 2,356,030 |

(c) Other key management personnel

There were no other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

(d) Related party transactions

During the year, the Group entered into transactions with related parties of Mr Trent Franklin, a non-executive director of the Group including Enrizen Accounting, Enrizen Capital, Enrizen Lawyers, Enrizen Services and Enrizen Pty Ltd. These entities provide corporate advisory, legal, accounting services, company secretarial, business consulting to the Company in the ordinary course of business. The value of the transaction in the financial year ending 30 June 2023 amount to \$119,185 (2022: \$97,500) in Enrizen Accounting, \$313,999 (2022: \$744,439) in Enrizen Capital and \$283,616 (2022: \$192,265) in Enrizen Lawyers, \$60,000 (2022: \$10,400) in Enrizen Services and \$135 (2022: \$230) in Enrizen Pty Ltd. As at 30 June 2023, \$14,348 was payable to Enrizen Accounting Pty Ltd, \$15,435 was payable to Enrizen Lawyers Pty Ltd and \$39,500 was payable to Enrizen Capital Pty Ltd.

Note 23 Remuneration of auditors

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$ | \$ |
| Audit and review of Group's consolidated Financial Statements | | |
| BDO | | |
| Audit and review of books and records | 60,250 | 58,019 |
| Assistance with Dingo Demerger | 31,035 | - |
| KPMG | | |
| Audit and review of books and records | - | 3,290 |
| | 91,285 | 61,309 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 24 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the Consolidated Financial Statements of the Company or Group as at 30 June 2023 or 30 June 2022, other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) Contingent assets

There were no material contingent assets as at 30 June 2023 or 30 June 2022.

Note 25 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the Consolidated Financial Statements and which cover the following twelve-month period amount to \$3,098,800 (2022: \$2,717,300).

(b) Royalty Commitments

Should the Company enter into production in relation to its exploration projects it will be required to pay the following royalties to third parties including:

- 0.5% Net Smelter Return Royalty to Renegade Exploration Limited on a 75% interest of the Yandal East Gold Project, should minerals be extracted from this project;
- 1.0% Gross Revenue Royalty to L11 Capital Pty Ltd in respect of the Yandal Project should minerals be extracted from this project; and
- 2.0% Net Smelter Royalty to Wayne Jones in relation to E69/2492, should minerals be extracted from this tenement.

(c) Contractual Commitment

There are no contracted commitments other than those disclosed above.

Note 26 Controlled entities

| | 2023 | 2022 |
|---------------------------------|-------------|------|
| Eskay Resources Pty Ltd* | 100% | 100% |
| Alloy Minerals Pty Ltd* | 100% | 100% |
| Dingo Resources Ltd* | 100% | 100% |
| Doolgunna Pty Ltd* | 100% | 100% |
| Earaheedy Zinc Pty Ltd* | 100% | 0% |
| Strickland Base Metals Pty Ltd* | 100% | 100% |

*All entities are incorporated in Western Australia

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Note 27 Reconciliation of loss after tax to net cash outflow from operating activities

| | 2023 \$ | 2022 \$ |
|--|--------------------|--------------------|
| Loss after income tax | (2,572,763) | (4,192,022) |
| Depreciation | 210,835 | 95,053 |
| Exploration expenditure impaired | 44,667 | 53,434 |
| Share based payment expense | 114,250 | 2,471,698 |
| <i>Change in operating assets and liabilities:</i> | | |
| (Increase)/decrease in receivables/prepayments | 134,259 | 14,519 |
| Increase/(decrease) in payables | 6,384 | 87,433 |
| Increase/(decrease) in employee provisions | 45,006 | 32,241 |
| Net cash outflow from operating activities | (2,017,361) | (1,437,644) |

Note 28 Non-cash investing and financing activities

| | 2023 \$ | 2022 \$ |
|---|----------------|------------------|
| Additions to the right-of-use assets | - | 368,865 |
| Shares issued under employee share plan | 114,250 | 2,471,698 |
| Shares issued for exploration acquisition | - | 4,500,000 |
| | 114,250 | 7,340,563 |

Note 29 Earnings per share

| | 2023 \$ (Cent) | 2022 \$ (Cent) |
|--|----------------------|----------------------|
| <i>a) Basic earnings per share</i> | | |
| Loss attributable to ordinary equity holders of the company | (0.18) | (0.36) |
| <i>b) Diluted earnings per share</i> | | |
| Loss attributable to ordinary equity holders of the company | (0.18) | (0.36) |
| <i>c) Loss used in calculation of basic and diluted loss per share</i> | | |
| Loss after tax from continuing operations | (2,572,763) | (4,192,022) |
| | 2023 No. | 2022 No. |
| Weighted average number of shares used | 1,453,841,670 | 1,174,445,693 |

Potential ordinary shares are not considered dilutive as their conversion does not show an inferior view of the earnings performance of the company. Accordingly, diluted earnings per share are the same as the basic earnings per share. Number of options so excluded from the calculation is set out in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note 30 Events occurring after the reporting date

Completion of NST Transaction

Subsequent to the 2023 Financial Year on 25 July 2023, the Company announced that the Transaction with NST had completed.

The Company received the following consideration for the Millrose Project:

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

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

Exercise of Options

Subsequent to the 2023 Financial Year, the Company exercised 37,305 listed options into fully paid ordinary shares with a price of \$0.036 per share raising \$1,342.98.

Funds Investment

Subsequent to the 2023 Financial Year, the Company invested \$24.5M in a business saver account along with \$5.5M in yielding preference shares.

Other than the above, there has not arisen in the interval between the end of the 2023 Financial Year 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 Company 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.



DIRECTOR'S DECLARATION

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

- 1 (a) the Consolidated Financial Statements and notes set out on pages 38 to 70 and the remuneration disclosures that are contained in the Remuneration Report in the Directors' report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and any other mandatory requirements.
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a);
 - (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.
-
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the managing director and company secretary for the financial year ended 30 June 2023.

Signed in accordance with a resolution of directors made pursuant to s295(5)(a) of the Corporations Act 2001 (Cth).

On behalf of the directors

Anthony McClure
Chairman

Signed at Sydney on this 29th day of September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Strickland Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strickland Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalisation of exploration and development assets

| <i>Key audit matter</i> | <i>How the matter was addressed in our audit</i> |
|--|---|
| <p>During the financial year, the Group capitalised \$13,277,342 of exploration and development assets.</p> <p>Due to the significance of capitalisation and the potential subjectivity and complexity related to the capitalisation of exploration expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, there is a risk that expenses are capitalised incorrectly. As a result, we have identified the capitalisation of exploration and development assets as a key audit matter.</p> | <p>Our audit procedures for addressing this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Perform detailed substantive testing on a sample basis ensuring amounts capitalised have been recognised appropriately with reference to supporting documentation and in accordance with Australian Accounting Standards • Review capitalisation policies for exploration expenditure to ensure it is in line with accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> |

Impairment of exploration and development assets

| <i>Key audit matter</i> | <i>How the matter was addressed in our audit</i> |
|---|---|
| <p>During the financial year, the Group recognised \$47,323,932 of exploration and development assets of which \$25,672,050 was classified as assets held-for-sale.</p> <p>There is a risk that the carrying amount of the exploration and development asset may exceed its recoverable amount.</p> <p>Given the complexities involved in assessing impairment, this was considered a key audit matter.</p> | <p>Our audit procedures for addressing this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • In accordance with Australian Accounting Standards, determine if any impairment indicators are present; • If indicators are present, then test if there is any impairment required in accordance with Australian Accounting Standards; • If impairment exists, verify asset has been appropriately valued and impairment loss recognised in the financial statements in accordance with Australian Accounting Standards |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Strickland Metals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink that reads 'Leah Russell'.

Leah Russell
Director

Sydney, 29 September 2023



ADDITIONAL ASX INFORMATION

As at 25 September 2023, the Company provides the following information:

a. Voting Rights

The total number of shares on issue is 1,600,240,998.

The total number of shareholders was 3,035 and each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

b. Distribution of Shareholders by Number (Ordinary Shares)

| Holding Ranges | Holders | Total Units | % Issued Share Capital |
|--|--------------|----------------------|------------------------|
| above 0 up to and including 1,000 | 172 | 80,215 | 0.01% |
| above 1,000 up to and including 5,000 | 153 | 456,637 | 0.03% |
| above 5,000 up to and including 10,000 | 292 | 2,454,562 | 0.15% |
| above 10,000 up to and including 100,000 | 1,327 | 54,294,244 | 3.39% |
| above 100,000 | 1,091 | 1,542,955,340 | 96.42% |
| Totals | 3,035 | 1,600,240,998 | 100.00% |

c. Number of shareholdings held in less than marketable parcels is 497 (assumes a share price of \$0.054 being the closing price on 25 September 2023).

d. The substantial shareholders in the Company are as follows:

| Holder Name | Number Held | Percentage |
|---|-------------|------------|
| L11 CAPITAL PTY LTD | 171,251,438 | 10.70% |
| MILLROSE GOLD MINES LIMITED (AND ASSOCIATES) | 85,907,344 | 5.37% |
| MR SHANE BALL (AND ASSOCIATES) | 80,176,625 | 5.01% |



ADDITIONAL ASX INFORMATION

e. 20 largest Shareholders as at 25 September 2023:

| Position | Holder Name | Holding | % IC |
|----------|---|----------------------|----------------|
| 1 | L11 CAPITAL PTY LTD | 171,251,438 | 10.70% |
| 2 | MILLROSE GOLD MINES LIMITED (AND ASSOCIATES) | 85,907,344 | 5.37% |
| 3 | MR SHANE BALL (AND ASSOCIATES) | 80,176,625 | 5.01% |
| 4 | GASCOYNE HOLDINGS PTY LTD <BRAY SUPER FUND PENSION A/C> | 45,720,340 | 2.86% |
| 5 | ENABLE INVESTMENT MANAGER PTY LTD <ENABLE CAPITAL FUND A/C> | 30,220,678 | 1.89% |
| 6 | BNP PARIBAS NOMS PTY LTD <DRP> | 25,040,588 | 1.56% |
| 7 | MR JEREMY NICHOLAS TOLCON & MRS NADINE RUTH TOLCON <JEMINE SUPER FUND A/C> | 22,000,000 | 1.37% |
| 8 | SEND IT NOMINEES PTY LTD <TOOWOO FAMILY A/C> | 20,250,000 | 1.27% |
| 9 | MOTTA PROPERTY INVESTMENTS PTY LTD | 19,500,000 | 1.22% |
| 10 | MRS NADINE RUTH TOLCON | 16,000,000 | 1.00% |
| 11 | SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY SUPERFUND A/C> | 15,818,300 | 0.99% |
| 12 | MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS <SHARPLESS INVESTMENT A/C> | 15,471,385 | 0.97% |
| 13 | MR BRETT ALAN WATKINS | 15,000,000 | 0.94% |
| 14 | NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C> | 14,327,271 | 0.90% |
| 15 | MR PETER HOWELLS | 14,300,000 | 0.89% |
| 16 | FANO PTY LTD <HURLEY SUPER FUND A/C> | 11,735,518 | 0.73% |
| 17 | KINETIC TRADE PTY LTD <THE SKINNER S/F A/C> | 11,429,668 | 0.71% |
| 18 | VENTURA RESOURCES PTY LTD <VENTURA A/C> | 11,428,572 | 0.71% |
| 19 | MR ROBERT ANDREW LEAN | 11,052,435 | 0.69% |
| 20 | MS MEGAN LOUISE CARTER | 10,446,667 | 0.65% |
| | Total | 647,076,829 | 40.44% |
| | Total issued capital - selected security class(es) | 1,600,240,998 | 100.00% |

f. There is no on-market buy back currently being undertaken.

g. There are currently 157,546,804 listed options on issue with an exercise price of \$0.036 expiring on 17 May 2024 ("**Listed Options**"). There are currently 507 holders of the Listed Options. The Listed Options do not carry any voting rights.



ADDITIONAL ASX INFORMATION

h. Distribution of Optionholders by Number (Listed Options)

| Holding Ranges | Holders | Total Units | % Issued Share Capital |
|--|------------|--------------------|------------------------|
| above 0 up to and including 1,000 | 12 | 3,790 | 0.00% |
| above 1,000 up to and including 5,000 | 60 | 175,791 | 0.11% |
| above 5,000 up to and including 10,000 | 50 | 376,920 | 0.24% |
| above 10,000 up to and including 100,000 | 199 | 7,304,674 | 4.64% |
| above 100,000 | 186 | 149,685,629 | 95.01% |
| Totals | 507 | 157,546,804 | 100.00% |

i. 20 largest Optionholders of Listed Options as at 25 September 2023

| Position | Holder Name | Holding | % IC |
|----------|---|------------|-------|
| 1 | OMNI GEOX PTY LTD | 10,694,440 | 6.79% |
| 2 | GASCOYNE HOLDINGS PTY LTD <BRAY SUPER FUND PENSION A/C> | 6,666,665 | 4.23% |
| 3 | MR MICHAEL JOHN KEIL & MRS JOANNE LEE KEIL <THE KEIL A/C> | 6,224,118 | 3.95% |
| 4 | ENABLE INVESTMENT MANAGER PTY LTD <ENABLE CAPITAL FUND A/C> | 5,888,888 | 3.74% |
| 5 | DIVERSIFIED ASSET HOLDINGS PTY LTD | 5,500,000 | 3.49% |
| 6 | SEND IT NOMINEES PTY LTD <TOOWOO FAMILY A/C> | 5,138,335 | 3.26% |
| 7 | VENTURA RESOURCES PTY LTD <VENTURA A/C> | 5,000,000 | 3.17% |
| 8 | MR SHANE TIMOTHY BALL <THE BALL A/C> | 3,510,400 | 2.23% |
| 9 | SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY SUPERFUND A/C> | 3,000,000 | 1.90% |
| 10 | MR BRETT ALAN WATKINS | 2,777,775 | 1.76% |
| 10 | MR ANTHONY MCCLURE | 2,777,775 | 1.76% |
| 11 | KEIL INVESTMENTS PTY LTD <THE KEIL PRIV PEN FUND A/C> | 2,531,949 | 1.61% |
| 12 | SHERKANE PTY LTD | 2,486,593 | 1.58% |
| 13 | KEIL INVESTMENTS PTY LTD <THE KEIL PRIV PEN FUND A/C> | 2,119,000 | 1.35% |
| 14 | MRS REBECCA JANE PEERS & MR MARK LEONARD PEERS | 2,083,330 | 1.32% |
| 14 | MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS <SHARPLESS INVESTMENT A/C> | 2,083,330 | 1.32% |
| 15 | BOSTOCK INVESTMENTS PTY LTD | 2,030,001 | 1.29% |
| 16 | MR PETER HOWELLS | 2,010,000 | 1.28% |
| 17 | STASHCAP PTY LTD <STASH SUPER FUND A/C> | 2,000,000 | 1.27% |
| 17 | ACCRECAP PTY LTD <ACCRECAP A/C> | 2,000,000 | 1.27% |
| 17 | PENKLIN PTY LTD <PENNY FARTHING SMSF A/C> | 2,000,000 | 1.27% |
| 18 | MRS LYNETTE SMITH | 1,638,885 | 1.04% |

ADDITIONAL ASX INFORMATION

| | | | |
|----|---|--------------------|----------------|
| 19 | CROFTBANK PTY LTD <WATTS FAMILY SUPER FUND A/C> | 1,623,508 | 1.03% |
| 20 | MR MICHAEL JOHN KEIL & MRS JOANNE LEE KEIL <THE KEIL A/C> | 1,503,182 | 0.95% |
| | Total | 83,288,174 | 52.87% |
| | Total issued capital - selected security class(es) | 157,546,804 | 100.00% |



ADDITIONAL ASX INFORMATION

- j. The Company has the following unquoted securities on issue comprising a total of 11 holders:

| Number of Options Granted | Exercise Price | Expiry Date | Holders |
|---------------------------|----------------|-------------|---------|
| 15,000,000 | \$0.025 | 22/07/2024 | 1 |
| 16,500,000 | \$0.04 | 28/08/2024 | 6 |
| 2,000,000 | \$0.05 | 28/08/2024 | 1 |
| 1,000,000 | \$0.07 | 24/09/2024 | 1 |
| 2,500,000 | \$0.1125 | 12/11/2024 | 1 |
| 2,500,000 | \$0.15 | 12/11/2024 | 1 |

(Collectively, the **Unlisted Options**).

The Unlisted Options do not carry any voting rights.

- k. Distribution of Optionholders by Number (Unlisted Options)

| Holding Ranges | Holders and Percentage Unlisted Options | | | |
|----------------------|---|--------------------------|---------------------------|-------------------------|
| | Exc \$0.025, Exp 22/7/24 | Exc \$0.04, Exp 28/08/24 | Exc \$0.1125 Exp 12/11/24 | Exc \$0.15 Exp 12/11/24 |
| 1-1,000 | | | | |
| 1,001-5,000 | | | | |
| 5,001-10,000 | | | | |
| 10,0001-100,000 | | | | |
| 100,0001 – and above | 1(100%) | 6 (100%) | 1 (100%) | 1 (100%) |
| Totals | 1(100%) | 6 (100%) | 1 (100%) | 1 (100%) |

| Holding Ranges | Holders and Percentage Unlisted Options | |
|----------------------|---|-------------------------|
| | Exc \$0.05, Exp 28/8/24 | Exc \$0.07, Exp 24/9/24 |
| 1-1,000 | | |
| 1,001-5,000 | | |
| 5,001-10,000 | | |
| 10,0001-100,000 | | |
| 100,0001 – and above | 1 (100%) | 1 (100%) |
| Totals | 1 (100%) | 1 (100%) |

- l. The following persons hold 20% or more of unquoted equity securities (excluding those issued under an employee incentive scheme):

- (a) 15,000,000 unlisted options with an exercise price of \$0.025 and expiring on 22 July 2024:

| Holder Name | Number Held |
|------------------------------------|-------------|
| Diversified Asset Holdings Pty Ltd | 15,000,000 |

ADDITIONAL ASX INFORMATION

(b) 16,500,000 unlisted options exercisable at \$0.04, expiry 28 August 2024:

| Holder Name | Number Held |
|---------------------------|-------------|
| Western Discovery Pty Ltd | 10,000,000 |

(c) 2,000,000 unlisted options exercisable at \$0.05, expiry 28 August 2024:

| Holder Name | Number Held |
|--------------|-------------|
| Paul Skinner | 2,000,000 |

(d) 2,500,000 unlisted options exercisable at \$0.1125, expiry 12 November 2024:

| Holder Name | Number Held |
|---------------------------------|-------------|
| CG Nominees (Australia) Pty Ltd | 2,500,000 |

(e) 2,500,000 unlisted options exercisable at \$0.15, expiry 12 November 2024:

| Holder Name | Number Held |
|---------------------------------|-------------|
| CG Nominees (Australia) Pty Ltd | 2,500,000 |

m. The Company also has the following unlisted Performance Rights on Issue:

| Number of Performance Rights Granted | Vesting Conditions | Expiry Date | Holders |
|--------------------------------------|--|-------------|---------|
| 21,100,000 | 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. | 2/8/2025 | 10 |
| 22,100,000 | Vest upon the Company's Shares achieving a 10-day VWAP of 20 cents (\$0.20) at any time before the Expiry date. | 2/8/2025 | 12 |
| 2,000,000 | Vest upon the Company reporting a JORC compliant resource of 1 million ounces of gold. | 2/8/2025 | 3 |
| 3,000,000 | Vest upon the Company reporting a JORC compliant resource of 2 million ounces of gold. | 2/8/2025 | 4 |

(Collectively, the **Performance Rights**).

The Performance Rights do not carry any voting rights.



ADDITIONAL ASX INFORMATION

n. Distribution of Rights holders by Number (Performance Rights)

| Holding Ranges | Holders and Percentage Performance Rights | | | |
|----------------------|--|--|---|---|
| | Vest upon the Company's Shares achieving a 10-day VWAP of 10 cents (\$0.10) Exp 2/8/25 | Vest upon the Company's Shares achieving a 10-day VWAP of 20 cents (\$0.20) Exp 2/8/25 | Vest upon the Company reporting a JORC compliant resource of 1 million ounces of gold. Exp 2/8/25 | Vest upon the Company reporting a JORC compliant resource of 2 million ounces of gold. Exp 2/8/25 |
| 1-1,000 | | | | |
| 1,001-5,000 | | | | |
| 5,001-10,000 | | | | |
| 10,0001-100,000 | | | | |
| 100,0001 – and above | 10 (100%) | 12 (100%) | 3 (100%) | 4 (100%) |
| Totals | 10 (100%) | 12 (100%) | 3 (100%) | 4 (100%) |

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Directors of Strickland Metals Limited ("Strickland") or the ("Company") support the establishment and ongoing development of good corporate governance for the Company and the Group.

Strickland has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, commensurate with the Company's needs.

The Board has adopted, and endorses The ASX Corporate Governance Council Principles and Recommendations ("4th Edition") as amended from time to time ("ASX Recommendations") and has adopted the ASX Recommendations that are considered appropriate for the Company given its size and the scope of its proposed activities.

Further information about the Company's corporate governance practices is set out on the Company's website at www.stricklandmetals.com.au. In accordance with the recommendations of the ASX, information published on the Company's website includes:

- Board Charter
- Code of Conduct for Directors and Key Executives
- Code of Ethics and Conduct
- Share Trading Policy
- Shareholder Communication Strategy
- Continuous Disclosure Policy
- Diversity Policy
- Risk Management Policy
- Whistleblower Policy
- Anti Bribery and Corruption Policy

This Statement sets out the corporate governance practices in place as at the date of this report and has been approved by the Board of Strickland Metals Limited.

Corporate Governance Council Principle 1 – Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The role of the Board is to build long term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors. The Board approves and monitors expenditure, ensure the integrity of internal controls and monitors and approves financial and other reporting.

The Board is collectively responsible for promoting the success of the Group through its key functions of:

- overseeing the management of the Group;
- providing overall corporate governance of the Group;
- monitoring the financial performance of the Group;
- engaging appropriate management commensurate with the Group's structure and objectives;
- overseeing the Group's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have an effect on the price or value of the entity's securities;
- involvement in the development of corporate strategy and performance objectives;
- monitoring the effectiveness of the Group's governance practices;
- satisfying itself that the Group's remuneration policies are aligned with the purpose, values and objectives of the Group; and
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

CORPORATE GOVERNANCE STATEMENT

Senior executives are responsible for implementing the Group's strategic objectives, operating within the Group's values, code of conduct, budget and risk appetite. Senior executives are also charged with supporting and assisting the managing director in implementing the running of the general operations and financial business of the Group in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Group's materiality thresholds at first instance to the managing director, or, if the matter concerns the managing director, directly to the Chairman, the Board or the independent directors, as appropriate.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Board has adopted a Board Charter which clarifies the respective roles and responsibilities of the Board and management, those matters expressly reserved to the Board, and those delegated to management.

Appointment of Directors

As part of the process for the identification of suitable future candidates for appointment as a director of the Company, the Board takes into consideration the person's character, experience, education, criminal record and bankruptcy history.

Before appointing a director or senior executive, or putting forward to shareholders a director for appointment, the Group undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, potential conflicts of interest and qualifications. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission.

The Group has provided in the Director's Report (in the Annual Report) information about each director that the Board considers necessary for shareholders to make a fully informed decision as to the election of a director. Candidate details, as recommended by the ASX Corporate Governance Principles and Recommendations, are also included in the relevant notice of meeting at which the Company seeks approval from security holders for the election or re-election of an individual as a director of the Company.

Written Agreements

Executive directors and other senior executives of the Company are engaged subject to the terms of written service contracts, key details of which are published in the Company's annual report.

Non-executive directors are required to enter into written agreements for the provision of their services.

The respective executive and non-executive agreements set out the terms of their respective appointments, including but not limited to, duties and responsibilities, remuneration (and where appropriate, any termination provisions) and indemnity and insurance arrangements.

Board Processes

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Chairman and the Company Secretary.

Chief Executive Officer and Chief Financial Officer

The Board requires the Chief Executive Officer and the Chief Financial Officer to provide a written statement that the Consolidated Financial Statements of Strickland present a true and fair view, in all material aspects, of the financial position and operational results. In addition, confirmation is provided that all relevant accounting standards have been appropriately applied.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is accessible to all directors.

The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring compliance of the Board and associated committees with policies and procedures;
- (c) coordinating all Board business;
- (d) retaining independent professional advisors;
- (e) ensuring that the business at Board and committee meetings is accurately minuted; and

CORPORATE GOVERNANCE STATEMENT

(f) assisting with the induction and development of directors.

Evaluation of Senior Executive Performance

The Chairman in consultation with the Board reviews the performance of the Group's senior executives. The current size and structure of the Group allows the Chairman to conduct informal evaluation of the senior executives regularly. Open and regular communication with senior executives allows the Chairman to ensure that senior executives meet their responsibilities as outlined in their contracts with the Group, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review by the remuneration committee.

During the 2023 financial year, the Group conducted an evaluation of certain senior executives within the Group who were employed throughout the period.

Diversity Policy

The Board has implemented a Diversity Policy in line with Corporate Governance guidelines. The Group believes that the promotion of diversity on its Board, in senior management and within the organisation generally is good practice and adds to the strength of the Group.

The policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2023:

| | Proportion of female / total number of persons employed | Percentage |
|---|--|-------------------|
| Females employed in the Company as a whole | 1 / 9 | 11.11% |
| Females employed in the Company in senior positions | 0 / 2 | 0% |
| Females appointed as a Director of the Company | 0 / 4 | 0% |

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The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

| Measurable Objective | Objective Satisfied | Comment |
|--|----------------------------|---|
| Adoption and promotion of a Formal Diversity Policy | Yes | The Company has adopted a formal diversity policy which has been made publicly available via the Company's website. |
| To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy | Yes | The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy. |
| To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees. | Yes | The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements. |
| To implement clear and transparent policies governing reward and recognition practices. | Yes | The Company grants reward and promotion based on merit and responsibility as part of its annual and ongoing review processes. |
| To provide relevant and challenging professional development and training opportunities for all employees. | Yes | The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring. |

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability-based policies currently implemented by the Company. The Group is not a "relevant employer" under the Workplace Gender Equality Act.

The Board will consider the future implementation of gender-based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Evaluation of Board Performance

The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 1.6 and 1.7 of the Corporate Governance Council. The Board is of the opinion that the competitive environment in which the Company operates will effectively provide a measure of the performance of the Directors, in addition the Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.

An evaluation of the performance of the Board and individual directors took place in the 2023 financial period. The evaluation determined that the Board was satisfied with the performance of each Director and itself as a whole.

Corporate Governance Council Principle 2 – Structure the Board to Add Value

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

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The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board is presently comprised of four members, all non-executive.

| Name | Position | Status | Length of Service |
|--------------------|------------------------|-----------------|--------------------------|
| Mr Anthony McClure | Non-executive Chair | Independent | 2 year 5 months |
| Mr David Morgan | Non-executive Director | Independent | 2 year 5 months |
| Mr Trent Franklin | Non-executive Director | Non-Independent | 2 year 5 months |
| Mr Mark Cossom | Non-executive Director | Independent | 2 year 4 months |

When considering the independence of a director, the Board considers whether the director:

- (a) is a substantial shareholder of the Group or an officer of, or otherwise;
- (b) is, represents, or is or has been within the last three years, an officer, employee or professional advisor of a substantial shareholder of the Group;
- (c) is employed, or has previously been employed in an executive capacity by the Group or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (d) has within the last three years been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
- (e) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the Group;
- (f) has close personal ties with any person who falls within any of the categories described above;
- (g) is a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- (h) has been a director of the Group for such a period that their independence from management and substantial holders may have been compromised; or
- (i) has a material contractual relationship with the Group or another group member other than as a director.

The Board has assessed the independence of its non-executive directors according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that the current non-executive Directors, Mr Anthony McClure, Mr David Morgan and Mr Mark Cossom are directors who meet the recommended independence criteria. The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.

As noted above, the Board has a majority of independent directors.

Independent Chairman

The Chairman is an independent director and as such Recommendation 2.5 of the Corporate Governance Council has been complied with.

The roles of Chairman and Chief Executive Officer are exercised by different individuals within the Group.

The Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist the directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice.

Nomination Committee

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The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and the selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making.

Induction program

The Company does not have a formal induction process, however, the Board has a responsibility to ensure all new directors are provided with an induction into the Group and that directors have access to ongoing education relevant to their position in the Group. New Directors appointed to the Board are also provided with written material incorporating Financial, Corporate and Operating information in relation to the Company.

All directors are encouraged to communicate with the Group's employees and make visits to site to further their understanding of key operations.

The Board is in regular communication, as is necessary, with respect to briefing on material developments in laws, regulations and any accounting standards which may affect the Group.

There are procedures in place to enable Directors, in furtherance of their duties, to seek independent advice at the Company's expense, subject to the approval of the Chairman.

Education

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent professional advice and access to information

Each Director has the right to access all relevant information in respect to the Company at the expense of the Company and to make appropriate enquiries of senior management.

Skills and Experience

The Board has considered the key skill sets that would be appropriate for the organisation in its present stage. Skill sets currently on the Company's Board include technical, financial, legal, managerial, corporate, and commercial.

Key skill sets for the Board include:

- geology, mining engineering and technical experience;
- accounting and finance experience; and
- public company management.

The skills, experience and expertise of all Directors is set out in the Directors' details section of the Directors' Report of the 2023 Annual Report.

Corporate Governance Council Principle 3 – Act Ethically and Responsibly

The Board actively promotes ethical and responsible decision making.

Core Values

The Group is committed to providing shareholders with exceptional returns via the acquisition, exploration and development of Gold and base metals projects, maximising leverage to an accretive gold price.

The Group's core values include:

- Excellence and Performance
- Integrity and Accountability
- Safety
- Innovation
- Collaboration
- Sustainability

The Group is committed to working by its core values and creating an environment that is diverse, collaborative, safe, innovative and driven by results.

Code of Conduct

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The Board has adopted a Code of Conduct that applies to Directors and key executives of the Company and as such complies with Recommendation 3.2 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards.

In addition, the Board has adopted a Code of Ethics and Conduct Policy which applies to all employees, consultants and Directors.

The Code of Ethics and Conduct Policy addresses the following:

- Confidential Information;
- Rights of Securityholders;
- Privacy;
- Security Trading;
- Communications;
- Conflicts of Interest;
- Responsibility to Suppliers and Customers;
- Laws and Regulations;
- Employment; and
- Adherence to Policies and Procedures.

Security Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. Further, in keeping with listing rule amendments, additional restrictions are placed on trading by relevant persons including directors, key management personnel and employees. It also provides that notification of intended trading should be given to the Chairman prior to trading.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by directors or their related entities in the Company's securities.

Whistleblower Policy

The Group has established a whistleblower policy to ensure the Group is living up to its values. This policy is available on the Group's website.

The board is informed of any material incident reported under that policy, as soon as practicable following such a report.

Antibribery and Corruption Policy

The Group has established an anti-bribery and corruption policy as part of its Code of Conduct. This policy and the Code of Conduct are available on the Group's website.

Corporate Governance Council Principle 4 – Safeguard Integrity in Corporate Reporting

Audit Committee

The Company does not have a separately constituted audit committee with a composition as suggested by Recommendations 4.1 of the Corporate Governance Council. The Company is not of a size nor are the affairs of a complexity sufficient to warrant the existence of a separate audit committee. The full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report.

External audit recommendations, internal control matters and any other matters arising from the half-year audit review and the annual statutory audit are discussed directly between the Board and the audit engagement partner.

Financial Reporting

The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Chief Executive Officer and Chairman who report to the Board at the scheduled Board Meetings.

Chief Executive Officer and Chief Financial Officer Written Statement

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The Board requires the Chief Executive Officer and the Chief Financial Officer to provide a written statement that the Consolidated Financial Statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporation Act. The Board also requires that the Chief Executive Officer and the Chief Financial Officer provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 4.2 of the Corporate Governance Council.

Periodic Reports

The Group engages an external accounting firm to maintain its financial records and assist with the collation of periodic cash flow reports which are released to the market. Such reports are provided by the Company's accountants to the Group for consideration prior to release, and are finally reviewed and signed off by the Company Secretary and Chief Executive Officer. The completion of periodic reports by external professionals assists the Group to ensure the integrity of its financial reporting.

The Group's activity reports are prepared by employees of the Group in conjunction with external consultants and professional advisers who provide assistance with respect to compliance with ASX Listing Rules and Joint Ore Reserve Committee standards, thus assisting the Group to ensure the integrity of those reports.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. audit partner rotation is as required by the Corporations Act 2001. The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Corporate Governance Council Principle 5 – Make Timely and Balanced disclosure

Timely and balanced disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange Listing Rules. The Company has adopted a Continuous Disclosure Policy designed to ensure compliance with the ASX Listing Rule Requirements in accordance with Recommendation 5.1 of the Corporate Governance Council.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

The Group ensures that all directors receive copies of each market announcement which is sent to the board each time an announcement is published.

The Group ensures that investor or analyst presentation materials are released on the ASX Market Announcements Platform prior to the presentation.

In accordance with ASX Listing Rules the Company Secretary has been appointed as the Company's disclosure officer.

Corporate Governance Council Principle 6 – Respect the Rights of Security Holders

Communications

The Group maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the Group's website.

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings. A formal Shareholder Communications Policy has been adopted and therefore the Company complies with Recommendation 6.2 of the Corporate Governance Council.

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In addition to electronic communication via the ASX web site, the Company publishes all Significant announcements together with all quarterly reports. These documents are available on the company's website. There is also an email address and contact number available to shareholders who have enquiries or are seeking further information. The Group's website allows security holders to receive communications from and send communications to the entity electronically.

The Group provides security holders with the requisite notice before holding security holder meetings, and ensures that they are scheduled to be held in a central, accessible location to enable security holders ample opportunity to attend. The Directors and management encourage security holders to attend and participate in all meetings of security holders and invite attendees to ask questions of the Board.

Additionally, a notice of meeting and related communications are provided to the Company's auditor who, in accordance with the Corporations Act, is required to attend the Company's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative.

All resolutions put to a meeting of security holders are decided by poll rather than by a show of hands. This is to support the principle of "one share, one vote" and also supports the ASX stance on voting at general meetings of security holders.

Corporate Governance Council Principle 7 – Recognise and Manage Risk

Oversight of the risk management system

The Board has not established a formal Audit and Risk Management Committee. However, the Board delegates day-to-day management of risk to the Chief Executive Officer, Chairman and Company Secretary who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed.

Risk management and internal control systems

The Board regularly considers and discusses the risks posed to it and the procedures in place to manage that risk to ensure that the Group is adequately protected against such risks. Annually, the Group receives and reviews recommendations from management and senior executives as to the effectiveness of the management of material business risks.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- assist the Company to achieve its strategic objectives;
- safeguard the assets and interests of the Company and its stakeholders; and
- ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an ongoing basis as follows:

- Business risk management: The Company manages its activities within budgets and operational and strategic plans.
- Internal controls: The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.
- Financial reporting: Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.
- Operations review: Members of the Board from time to time visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations.

The Company's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

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Economic, Environmental and Social Sustainability Risks

The Company is focused on the discovery and exploitation of mineral deposits and operates in diverse physical environments in Western Australia. As a result, there is some potential for material exposure to economic, environmental and social sustainability risks.

The Company is very aware of the potential for risk in this area and is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities.

Strickland's underlying goals relating to environmental sustainability are to minimise any adverse impacts upon the environment resulting from the Company's activities.

The Company's activities are conducted in a manner that minimises its environmental "footprint" as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

Risk Reporting

As the Board has responsibility for the monitoring of risk management, it has not prepared a formal report regarding the material risks and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing monitoring and managing risk in the Company.

Internal audit

The Company does not have an internal audit function. The Board does not consider that the Company's operations are of a size or complexity to require a dedicated internal audit function and that processes and inherent risks are sufficiently transparent as to be identified by board members. The Board may from time to time engage an external auditor to conduct additional reviews of Group processes.

Corporate Governance Council Principle 8 – Remunerate Fairly and Responsibly

The Company's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Disclosure of the details of the nature and amount of each element of directors, including non- executive directors, and executive's remuneration is included in the Consolidated Financial Statements.

Remuneration Committee

The Board does not have a separate Remuneration Committee. Due to the size and operations of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives.

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

The Board ensures that all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participates in any deliberations regarding their own remuneration or related issues.

Distinguish Between Executive and Non-Executive Remuneration

Executive Directors receive salary packages which may include performance-based components, designed to reward and motivate, including the granting of share options, subject to shareholder approval.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings (when required).

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Equity based remuneration

The Company's equity based remuneration scheme does not specifically preclude participants from entering into transactions which limit the economic risk of participating in equity-based schemes and as such the Company is not compliant with Recommendation 8.3 of the Corporate Governance Council. It is noted that the Corporations Act prohibits key management personnel of an ASX listed company of entering into arrangements that have the effect of limiting their exposure to risk relating to an element of their remuneration that is unvested.

Corporate Governance Council Principle 9 – Additional Recommendations

These recommendations are not applicable to the Group.