



5 May 2021

STRICKLAND CONSOLIDATES MAJOR ADVANCED GOLD PROJECT

ACQUISITION OF HORSE WELL JV INTEREST FROM SILVER LAKE RESOURCES LTD

Key Points

- **Strickland Metals Limited consolidates Horse Well Project to 100% ownership.**
- **Acquisition of Silver Lake Resources Limited's minority 37% interest in the Horse Well Joint Venture.**
- **Project covers ~1,000km² of highly prospective Archean Greenstone Belt and is host to JORC compliant Inferred Mineral Resources of 5.7 Mt @ 1.4 g/t Au for 257,000oz (refer Table 1).**

Summary

Strickland Metals Limited (ASX:STK) (Strickland or the Company) is pleased to announce Silver Lake Resources Limited (Silver Lake) (ASX:SLR) has accepted the Company's binding offer for the purchase of its 37% interest in the Horse Well Joint Venture for total cash consideration of AUD1,750,000 (Transaction). As a consequence of the Transaction, Strickland will become the 100% owner of the Horse Well tenement package¹ (see tenement list in Schedule 1).

Horse Well Background

The Horse Well Gold Project is an advanced gold exploration project previously operated under a joint venture agreement with Silver Lake (Horse Well Joint Venture). It comprises 1,000km² of highly prospective terrain covering the Yandal/Millrose Greenstone Belt in the north-eastern Western Australia Goldfields (see Schedule 2 for project location).

It has a current JORC Inferred Mineral Resource of 5.7 Mt @ 1.4 g/t Au for 257,000 ounces (>0.5 g/t Au) at the more advanced Horse and Dusk til Dawn Prospects (Table 1). The project lies approximately 30km to the east of Northern Star Resources Limited's Jundee operation.

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

During the period 2013-2019, significant exploration funding was allocated to Horse Well, including over 75,000m of aircore drilling and 10,000m of RC drilling. Substantial progress

¹ With the exception of E69/2820 where Phosphate Australia Limited holds a 20% free carried interest to completion of a definitive feasibility study.

was made in developing a stronger understanding of the project, however due to funding constraints, minimal work has been conducted since 2019.

Key Terms of the Transaction

As consideration for acquiring Silver Lake's 37% interest in the Horse Well Joint Venture, Strickland will provide AUD1,750,000 on completion in cash in immediately available funds (Consideration). The Company has paid a non-refundable deposit of AUD\$20,000 (Deposit). The Deposit will be deducted from the Consideration at completion.

Completion of the Transaction is subject to the following conditions:

- Completion of the Company's existing pro-rata right Issue, as announced to ASX on 12 April 2021;
- The parties entering into a termination deed, terminating the Horse Well Joint Venture; and
- Each party obtaining any such approvals as may be required to give effect to the transaction or as may be required by law, the ASX Listing Rules, the terms of any statutory licence, regulatory body or constitution or other arrangement.

On completion, the Horse Well Joint Venture will be terminated.

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

Both parties expect the Transaction to be completed within 60 days of Silver Lake's acceptance of the Company's offer.

PCF Capital advised the Company on the Transaction.

Management Comment

Andrew Bray, Chief Executive Officer, said: *"We are tremendously excited to have secured a pathway towards 100% ownership in Horse Well. In our view, it represents a very substantial gold system, particularly around the major Big Daddy Prospect and untested granite intrusives where we have some new concepts to apply. We are looking forward to commencing exploration as soon as possible."*

Since the new management and board were appointed, one of our key focuses has been on evaluating Horse Well and designing exploration programs for the coming periods. Going forward, Horse Well will be the Company's flagship project, and we're particularly excited to begin drilling. There are a number of, in our opinion, 'walk up' targets which we plan to test as soon as possible, as well major structures and systems which will be subject to more systematic work.

Upon conclusion of this geological review work, the Company will provide a further update on its specific exploration program and strategy."

This ASX announcement was approved and authorised for release by the Chairman of the Company.

For more information contact

Andrew Bray

Chief Executive Officer

Phone: +61 (8) 9316 9100

info@stricklandmetals.com.au

stricklandmetals.com.au

Competent Person Statement

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

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1: Combined Horse Well Inferred Mineral Resources as at August 2019

(Refer to ASX release dated 26 August 2019)

Year	Area	Category	Tonnes	Grade (g/t)	Ounces
2015	Filly	Inferred	206,000	1.3	8,700
2019	Warmblood	Inferred	788,000	2.1	53,900
	Palomino	Inferred	930,400	2.3	68,300
	Filly SW	Inferred	302,400	1.8	17,200
	Dusk til Dawn	Inferred	3,495,600	1.0	108,900
COMBINED TOTAL		Inferred	5,722,400	1.4	257,000

Notes:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for 2015 Resources are 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.
- The cut-off grades for 2019 Resources is 0.50 g/t for all weathering classifications, except Palomino which has a cut-off of 2 g/t Au below 100 metres depth.
- The Inferred Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions).

Schedule 1 – Project Tenements

Project	Location	Tenement
Horse Well JV	WA	M69/147
Horse Well JV	WA	E69/1772
Horse Well JV	WA	E53/1466
Horse Well JV	WA	E53/1471
Horse Well JV	WA	E69/2765
Horse Well JV	WA	E53/1924
Horse Well JV	WA	E69/2492^
Horse Well JV	WA	E69/3427
Horse Well JV	WA	E69/2820*

*Phosphate Australia retain 20% free carried to BFS

^Wayne Jones NSR

Schedule 2 – Project Location Tenement Locations and Resources and Prospects



