

## **SUPPLEMENTARY OFFER DOCUMENT**

**for**

### **STRICKLAND METALS LIMITED ABN 20 109 361 195 (Company)**

This document is a Supplementary Offer Document to the Company's Offer Document dated 12 April, 2021 (**Original Offer Document**) and is dated, and lodged with Australian Securities and Investments Commission (**ASIC**) on, 3 May, 2021.

This Supplementary Offer Document forms part of the Original Offer Document and is to be read together with the Original Offer Document but subject to each of the amendments and comments set out below. To the extent of any inconsistency between this Supplementary Offer Document and the Original Offer Document, this Supplementary Offer Document prevails.

All capitalised terms used in this Supplementary Offer Document have the same meanings as given to them in the Original Offer Document, other than where expressly stated otherwise in this Supplementary Offer Document.

It is important that you carefully read this document and the Original Offer Document in their entirety before deciding whether or not to participate in the Rights Issue. If necessary, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to participate in the Rights Issue or how to respond to this Supplementary Offer Document or the Original Offer Document.

Neither ASIC nor Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Supplementary Offer Document or the Original Offer Document or the merits of the investment to which this Supplementary Offer Document or the Original Offer Document relate.

**1. Amended of Cover Page of Original Offer Document**

The sentence reading “**The Offer is fully underwritten by Enrizen Capital Pty Ltd**” is replaced with the following:

**“The Offers are underwritten by Enrizen Capital Pty Ltd (see Sections 3, 4.5 and 6.6 for clarification on the extent of the underwriting of the Offers)”**

**2. Amended of Section 2 of Original Offer Document**

The Closing Date of the Offer has been extended from 10 May 2021 to 14 May 2021. The revised Offer timetable is now as follows:

<b>Event</b>	<b>Anticipated Date*</b>
Issue of notice under section 708AA(2) of Corporations Act (Cleansing Notice)	<b>12 April, 2021</b>
Announcement of Offer and lodgement of Appendix 3B and Offer Document with ASX and ASIC	<b>12 April, 2021</b>
Shares quoted on an “ex-rights” basis	<b>15 April, 2021</b>
Record Date for determining eligibility of Shareholders to participate under the Offer	<b>7.00 p.m. (AEST), 16 April, 2021</b>
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	<b>21 April, 2021</b>
Last date to extend the Closing Date	<b>11 May, 2021</b>
Closing Date	<b>5.00 p.m. (AEST), 14 May, 2021</b>
New Shares and New Options Quoted on a deferred settlement basis	<b>17 May, 2021</b>
ASX notified of Shortfall Shares (if any)	<b>19 May, 2021</b>
Issue date/lodgement of Appendix 2A with ASX	<b>(before noon) 21 May, 2021</b>
Normal trading of New Shares and New Options expected to commence	<b>24 May, 2021</b>
Dispatch of Shareholder holding statements	<b>25 May, 2021</b>

\* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary any of the dates relating to the Offer, including extending the Closing Date or accepting Applications after the Closing Date, either generally or in particular cases, in consultation with the Underwriter. However, all Applicants are

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encouraged to submit their Application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of issue, and the date of commencement in trading, of the New Shares and New Options.

Any material changes to the above timetable will be announced by the Company on its ASX announcements platform and the Company's website [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au). The Company's announcements are accessible from ASX's website at [www.asx.com.au](http://www.asx.com.au) under the code "STK".

All references to any of the anticipated dates listed in the Original Offer Document shall be replaced with the anticipated dates set out above.

### 3. Amendment of Section 3 of the Original Offer Document

Under the paragraph headed "**Underwriting of Offer**", the first paragraph is wholly deleted and replaced with the following:

"The Offer is underwritten by Enrizen Capital Pty Ltd.

If 47.63% or more (in number) of all New Shares are allocated to Eligible Shareholders and other Applicants, excluding the Underwriter, then all unallocated New Shares and attaching New Options will be allocated to the Underwriter and the Underwriter will be regarded as having **fully** underwritten the Offer.

However, if less than 47.63% (in number) of all New Shares are allocated to Eligible Shareholders and other Applicants, then as a result of the application of the 20% limitation on the allocation of New Shares to the Underwriter, the Underwriter will be regarded as having **partially** underwritten the Offer. Details of that 20% limitation are provided in Section 6.6 of the Offer Document, and as that section has been further amended by Paragraph 6 the Supplementary Offer Document. In such circumstances, any New Shares that remain unallocated, will be allocated to such other persons as the Company, in consultation with the Underwriter, decides, and on the terms and conditions of the Offers (see further details in Section 6.6, as amended by the Supplementary Offer Document).

As at the date of the Supplementary Offer Document, the Underwriter has already received firm sub-underwriting commitments and other Applications that will ensure that more than 47.63% of all New Shares are allocated to Eligible Shareholders and other Applicants, excluding the Underwriter. For this reason the Directors are confident that all New Shares will be allocated and that the Company will receive the full \$5.054 million being raised under the Offers."

### 4. Amendment of Section 4.5 of the Original Offer Document

Section 4.5 of the Original Offer Document as if it had been originally issued with the following amendments:

- the first paragraph is wholly deleted and replaced with the following:

"The Offer is underwritten by Enrizen Capital Pty Ltd. If 47.63% or more (in number) of all New Shares are allocated to Eligible Shareholders and other Applicants, excluding the Underwriter, then the Underwriter will be regarded as having **fully** underwritten the Offer. However, if less than 47.63% (in number) of all New Shares are allocated to Eligible Shareholders and other Applicants, then as a result of the application of the 20% limitation on the allocation of New Shares to the Underwriter, the Underwriter will be regarded as having **partially** underwritten the Offer. Details of that 20% limitation are provided in Section 6.6 of the Offer Document, and as that section has been further amended by Paragraph 6 below of the Supplementary Offer Document. In such circumstances, any New Shares that remain unallocated, will be allocated to such other persons as the Company, in consultation with the Underwriter, decides, and on the terms and conditions of the Offers (see further details in Section 6.6, as amended by the Supplementary Offer Document).

“As at the date of the Supplementary Offer Document, the Underwriter has already received firm sub-underwriting commitments and other Applications that will ensure that more than 47.63% of all New Shares are allocated to Eligible Shareholders and other Applicants excluding the Underwriter. For this reason the Directors are confident that all New Shares will be allocated and that the Company will receive the full \$5.054 million being raised under the Offers.”;

- in the second paragraph, reference to:
  - “280,767,680 New Shares” is wholly deleted and replaced with “147,050,507 New Shares”; and
  - “140,383,840 attaching New Options” is wholly deleted and replaced with “73,525,253 attaching New Options”;
- at the end of the fifth paragraph of Section 4.5, the following words were included as a new sentence:

“In accordance with the above stated valuation methodology, it is estimated that in such circumstances, the alternative consideration payable to the Underwriter would be \$261,906.”; and
- at the end of Section 4.5, a new and final paragraph is inserted with the following words:

“ In order to address any concern about the appearance of a potential conflict of interests between the Company’s legal advisers – namely Enrizen Lawyers - and the Underwriter, the Company advises that Enrizen Lawyers has not acted for the Company in relation to the Company agreeing to the terms of or entering into the Underwriting Agreement or any related arrangements with the Underwriter. As such the Company considers that there has been no potential for or actual conflict of interest arising between the Underwriter and the Company. Furthermore, if the Company requires further legal advice in relation to the Underwriting Agreement, the Company will:

  - engage legal advisers who are unrelated to any of the Underwriter, Enrizen Lawyers, Trent Franklin or Sleiman Majdoub, to provide that further advice;
  - ensure that both Trent Franklin and Sleiman Majdoub are not present at or participate in any Company board discussions relating to the Underwriting Agreement or such further legal advice; and
  - ensure that Trent Franklin abstains from any Company board decisions in relation to the Underwriting Agreement or such further legal advice.

In addition, the Underwriter has confirmed that David P. Selig will continue to act as the sole legal adviser of the Underwriter in respect of the underwriting of the Offers.”

## **5. Amendment of Section 6.1 of the Original Offer Document**

The table in Section 6.1, and associated footnotes, stating the proposed use of funds raised in the Offers, are wholly replaced with the following table and associated footnotes:

<b>Proposed application of proceeds of the Offers</b>	<b>\$*</b>	<b>%</b>
Funding for exploration of the Company's Horse Well Project, including aircore, reverse circulation and diamond drilling; mapping, compilation and target generation <sup>1</sup>	4,012,447	79.39
Funding for exploration work on the Company's Bryah Basin Project, including airborne magnetic collection and processing; ground gravity collection and processing; mapping, compilation and target generation	255,300	5.05
Working Capital	400,000	7.92
Costs associated with the Offers	386,071	7.64
<b>Total</b>	<b>5,053,818**</b>	<b>100</b>

1. The Company may elect to re-allocate up to \$1,800,000 of this amount in relation to expanding its interest in the immediate region around the Horse Well Project or increasing its level of interest in the Horse Well Project, subject to the Board determining the transaction represents a compelling value proposition for the Company, and is in the best interests of shareholders.

\* All amounts are approximations.

\*\* The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date. As such, in calculating this figure, the Company is assuming that all Shareholders will be Eligible Shareholders as at the Record Date.

The above table is a statement of current intentions as at the date of this Offer Document. Investors should note that the allocation of the funds raised as set out in the table above may change depending on various factors including, but not limited to, the success of the Company's business plan, marketing campaigns, business development, regulatory developments and prevailing and forecast economic factors. The Company reserves the right to alter the purposes and/or the amounts in which any of those funds may be applied."

## **6. Amendment of Section 6.6 of the Original Offer Document**

Section 6.6 of the Original Offer Document as if it had been originally issued with the following amendments:

- At the end of the second paragraph of Section 6.6, the following words were included as a new sentence:  

"Any Shortfall Shares that remain unallocated after the Underwriter has already been allocated Shortfall Shares such that it then holds a relevant interest in 20% of all Shares on issue, will either be allocated to:

  - (a) Sub-Underwriting Directors as referred to in Section 3 (under the heading **Intention of Directors**) and Section 4.5; and/or
  - (b) such other persons (including non-related sub-underwriters of the Underwriter) as the Company, in consultation with the Underwriter, decides,

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on the terms and conditions of the Offer.”

- the table of the Underwriter’s relevant interest in Shares under several scenarios, and associated footnotes, as stated in Section 6.6, are wholly replaced with the following table and associated footnotes:

“The Underwriter’s relevant interest under several scenarios are set out in the table below:

<b>Event</b>	<b>Shares held by Underwriter</b>	<b>Voting power of Underwriter %<sup>1</sup></b>
Date of Offer Document	0	0.0
Fully allocated to Eligible Shareholders and other Applicants, excluding the Underwriter	0	0.0
75% allocated to Eligible Shareholders and other Applicants, excluding the Underwriter	70,191,920	9.55
50% allocated to Eligible Shareholders and other Applicants, excluding the Underwriter	140,383,840	19.09
47.63% allocated to Eligible Shareholders and other Applicants, excluding the Underwriter	147,050,507	20.0

- Assumes Underwriter is permitted to and does subscribe for all Shortfall Shares and no Shortfall Shares are allocated to sub-underwriters or third parties (including to Shareholders in excess of their respective Entitlement).

- Immediately prior to the second last paragraph in Section 6.6, the following paragraph is inserted:

“The Company and the Underwriter will ensure that no person (including the Underwriter and its Associates) will acquire, through participation in the Offers or the Underwriting Agreement, an aggregate relevant interest in, or increase their holding of relevant interests in, an amount in excess of 20.0% of all Shares on issue, on completion of the Offers. In the event that less than 47.63% of all New Shares are subscribed for by Eligible Shareholders and other Applicants, excluding the Underwriter, and the Underwriter has, at that time, a relevant interest in Shares that is 20.0%, the Directors will seek to allocate any unallocated New Shares to such other persons as the Company, in consultation with the Underwriter, decides, on the terms and conditions of the Offer.

The Directors are confident that the Company will be able to allocate all of the unallocated New Shares referred to immediately above, on the terms and conditions of the Offer, and subject to the above limitation that the Underwriter will not acquire an aggregate relevant interest in more than 20% of all Shares, because:

- the Underwriter is obliged and permitted to acquire up to a maximum of 147,050,507 Shares representing an aggregate subscription price of \$2,646,909;
- as at 3 May, 2021, the Company has received Applications for 46,185,677 New Shares with

aggregate Application Monies of \$831,342 – the Directors note that this number of New shares and related amount of Application Monies is likely to increase;

- (c) the Underwriter has already received firm sub-underwriting and other subscription commitments from Eligible Shareholders and other persons who are not related to the Underwriter to subscribe for at least 118,785,003 New Shares that represent \$2,138,130 which is in excess of the entire balance of the New Shares the subject of the Offers, other than those referred to in paragraphs (a) and (b); and
- (d) the Directors are confident that other Eligible Shareholders will submit Applications and the attendant Application Monies for New Shares prior to the Closing Date, thereby decreasing reliance upon the performance of the Underwriter's obligations referred to in paragraph (a) above and/or the sub-underwriting and other subscription commitments referred to in paragraph (c) above."

#### **7. Amendment of Section 8.4 of the Original Offer Document**

Section 8.4 of the Original Offer Document as if it had been originally issued with the following amendments:

- At the end of the first paragraph of Section 8.4, the following words were included as a new (and second) paragraph:

"As noted in Section 4.5, if that Shareholder approval is not given, the Company will be obliged to pay to the Underwriter alternative consideration determined in accordance with the Black Scholes valuation methodology. That amount is estimated to be \$261,906."

#### **8. Amendment of Section 10.1 of the Original Offer Document**

Section 10.1 of the Original Offer Document is amended by inserting the following defined terms, in alphabetical order:

**"Offer Document** means this document and any amendment or replacement of this document by any supplementary or replacement offer document including the Supplementary Offer Document.

**Supplementary Offer Document** means a supplementary offer document dated on or about 3 May 2021 that amends or supplements certain provisions of the Offer Document."

This Supplementary Offer Document is dated, and was lodged with ASIC on 3 May 2021.

This Supplementary Offer Document may be accessed on the Internet at [www.stricklandmetals.com.au](http://www.stricklandmetals.com.au). The Supplementary Offer Document is also available on ASX website, ticker code: STK, at the following link: <https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements>.

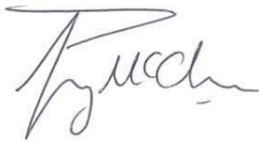
Any person accessing the electronic version of this Supplementary Offer Document for the purposes of participating in the Rights Issue or otherwise investing in the Company must only access this Supplementary Offer Document from within Australia or New Zealand. Investors should read this Supplementary Offer Document and the Original Offer Document in its entirety before submitting an Entitlement and Acceptance Form. During the Offer Period, any person may obtain, without charge, a hard copy of this Supplementary Offer Document by contacting the Company (Attention: Sleiman Majdoub by telephone on (08) 9316 9100 (In Australia) or +618 9316 9100 (Overseas) or by email at [info@stricklanmetals.com.au](mailto:info@stricklanmetals.com.au)).

As the content of this Supplementary Offer Document is not considered by the Company to be adverse to investors, no action needs to be taken by investors who have already subscribed under the Offer Document to the date of this Supplementary Offer Document.

The Company confirms that as at the date of this Supplementary Offer Document, each of the parties that have been named as having consented to being named in the Offer Document have not withdrawn that consent.

This Supplementary Offer Document is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Offer Document with ASIC and has not withdrawn its consent.



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**Anthony McClure**  
**Chairman**  
**For and on behalf of**  
**STRICKLAND METALS LIMITED**