A low-risk and high-potential gold miner

Metals & Mining

We initiate coverage on Strickland Metals Ltd. (ASX: STK) with a 12-month target price of A$0.282, representing a 257% upside from the current price of A$0.079. STK is a developing gold and base metals exploration company with an inferred resource base of ~5.7Moz AuEq across the highly prospective and favourable mining jurisdictions of Serbia and Western Australia. The company owns 100% of its assets, the flagship being the Rogozna project (Serbia) and the Yandal project (WA). The regional geological settings enhance the attractiveness of STK as an investment opportunity.

Rogozna's potential is enhanced by the emergence of new prospects

The Rogozna Project is strategically located in Serbia's highly prospective geological region, which is recognised as a Tier-1 active mining and exploration jurisdiction. The project contains several unexplored prospects, encompassing an area of ~184km^2. The JORC-compliant inferred resources are derived from just two of the four drilled deposits. >100,000m of diamond drilling and study of the region's geophysical data has provided STK with a pipeline of >20 deposit targets. The region's multiple mineralisation systems suggest significant resource upgrade potential. Recent high-grade deposit hits (best Au-deposit hit by a junior ASX-listed miner in ~two years) indicate a ***strong probability of doubling the resource base***. Additionally, the region's well-developed infrastructure, the availability of a skilled workforce, and lower corporate tax rates (around 15%) further support investment in STK.

Balance sheet strength should drive aggressive exploration target

After selling the Millrose Gold project to Northern Star Resources, STK holds 1.5m fully paid shares of ASX-listed Northern Star Resources. Consequently, ~A$41m of liquid funds can be deployed immediately. On the back of these funds, the company management has set an aggressive programme to achieve up to 80,000m of combined drilling across its two projects by late 2025. With four diamond rigs already at the site in Rogozna, we believe that significantly high cash on books allows the management to achieve its exploration target without disruption. The ***strength of the balance sheet should reassure shareholders about the pace of project development***.

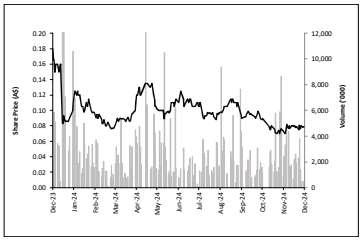
Valuation range of A$0.258–0.306 per share implies a significant upside

Using a SOTP-driven asset base comparable valuation methodology, we have valued STK at A$0.258 per share in a base-case scenario and A$0.306 per share in a bull-case scenario. Our mid-point target price of A$0.282 represents a Price/NAV of 0.28x, indicating a significant valuation upside potential to the current share price. ***We anticipate Strickland will undergo re-rating with the announcement of an upgraded mineral resource estimate for the Rogozna project***. Significant value unlocking is also possible amidst further drilling from the Yandal project. Any M&A activity by the management will be value-accretive. ***The downside risk to the stock is highly limited***. Key risks to our investment thesis include project execution delays, geological risks, and commodity cycle risks.

Strickland Metals Limited Valuation (A$m)	Base Case	Bull Case
Rogozna Gold Project Value	535.76	628.62
Yandal Project Value	26.58	47.32
Net Cash and Other adjustments	40.87	40.87
Total Value	603.21	716.82
Implied Price (A$)	**0.258**	**0.306**

Date	4 Dec 2024
Share Price (A$)	0.079
Target Price (A$)	0.258-0.306
Price / NAV (x)	0.28x
Market Cap (A$m)	174.4
52-week L/H (A$)	0.200 / 0.066
Free Float (%)	51.9%
Bloomberg	STK AU
Reuters	STK.AX

Price Performance (in A$)



Business description

Strickland Metals Limited (ASX: STK) is a Western Australia-based gold exploration and mining company. It focuses on gold and other base metals, including copper, zinc and lead. STK's flagship project, the Rogozna Project, is a 100%-owned, high-grade gold and base metal project in the Tethyan Metallogenic Belt of Serbia. It possesses four exploration licences and a JORC-compliant inferred resource base of 5.4Moz AuEq. In addition, STK also has the Yandal Project in the North-Eastern Goldfields of WA. Located near Northern Star's 220koz per annum Jundee Operation, Yandal offers significant resource upside potential.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

Strickland Metals Ltd. (ASX: STK) is a gold exploration company that owns ***two 100% owned high-quality strategic assets – Rogozna Gold and Base Metals Project (Rogozna)*** located in the Raška District of southern Serbia and the ***Yandal Gold Project (Yandal)*** in Western Australia (WA). The ***company's strategic focus is upgrading mineral resource estimates for Rogozna and Yandal through 2025***. In addition, Strickland has two non-core assets in WA – the Iroquois Project and the Bryah Basin Project.

Rogozna is located in a favourable mining jurisdiction providing comfort to potential investors

Strickland's flagship asset, the Rogozna project, covers an area of ~184km^2, comprising four key deposits – Shanac, Copper Canyon, Medenovac and Gradina, and several unexplored prospects. ***The project is situated in the Western Tethyan Belt in Southern Serbia, which is host to multiple world-class gold and base metal deposits.*** Serbia has an established mining industry with major mining companies operating in the country (i.e. big boys like BHP, Rio Tinto, Vale and Zijin), adding to the project's attractiveness for further exploration and development. Additionally, the project area is well connected by regional highways and has well-maintained roads within the project zone, ensuring continuity in the exploration activities.

Moreover, Rogozna is home to a massive mineral system featuring skarn-based Au-Cu (+/- Zn, Ag and Pb) mineralisation, suggesting multiple valuable ore types, increasing the significant exploration upside of the project. Currently, the project features a JORC-compliant Inferred Mineral Resource of 5.4 million ounces (Moz) of gold equivalent (AuEq[1]) from just two of the four drilled-defined prospects of Shanac and Copper Canyon.

STK has two high-quality assets, Rogozna and Yandal, located in highly favorable mining jurisdictions, offering significant exploration upside potential

Yandal project offers complimentary strategic advantages

The Yandal project encompasses a large area of ~1,780km^2 and is located in the Warburton Mineral Field of WA. This project is strategically situated within the ***Yandal Greenstone Belt, a highly prospective region that hosts several multi-million-ounce gold deposits***. The drilling activities have recognised the Horse Well prospect, located in the northern part of the Yandal Greenstone belt, as an emerging gold camp, further boosting the upside potential of the Yandal project. Yandal's proximity to an operating mine like the Jundee Gold Mine further validates its significant upside potential.

Both Rogozna and Yandal benefit from being located in favourable mining jurisdictions in Serbia and WA, offering substantial exploration and development potential.

Significant high-grade discoveries further substantiate STK's exploration strategy

Strickland's recent drilling activities at the Rogozna project have led to a significant new discovery of gold and base metal mineralisation, such as 40.3m @ 2.6g/t Au, including 12.0m @ 5.7g/t Au at the Kotlovi prospect, located ~350m from the Medenovac deposit. These ***latest discoveries are the best Au hits made by any junior ASX-listed miner in ~2 years' time***.

The discovery at Kotlovi and high-grade results at Medenovac further strengthen Rogozna's project resource potential. ***The ongoing success of the drilling activities across newer under-drilled prospects further enhances the project's attractiveness.***

At Yandal, the latest assays from the 2024 drilling campaign continue to build the picture of a camp-scale gold system with exciting growth potential at Horse Well. An updated MRE for Yandal is expected in Q2 25, with an additional ~20,000m of discovery and growth-focused drilling planned for 2025 to support further resource expansion.

[1] AuEq (g/t) = Au (g/t) + 1.78 x Cu(%) + 0.014 x Ag (g/t) +0.391 x Pb(%) + 0.533 x Zn(%).

With a fully funded 80,000m resource and discovery-focused drilling programme underway, multiple resource upgrades across both projects to be delivered throughout 2025

Strickland is advancing a fully funded 80,000m resource and discovery-focused drilling programme at the Rogozna and Yandal projects. This comprehensive drilling campaign aims to expand existing resources and discover new high-grade mineralised zones. Consequently, the company expects to deliver multiple resource upgrades throughout 2025. We believe these resource upgrades will be crucial in advancing the projects and increasing their economic potential.

Balance sheet strength ensures financial stability for investors

STK holds one of the strongest balance sheets (~A$41m in cash liquidity) in the junior exploration space, providing potential investors with much-needed assurance on the pace of project development. With A$17.1m cash and 1.5m shares of ASX-listed Northern Star Resources, the company has enough dry powder to aggressively execute its targeted drilling through late 2025. In addition, the company aims to initiate the scoping study by 2025. With enough funds in place, achieving this target looks highly probable.

We believe STK presents a rare investment opportunity in which the primary discussion point is not the project's feasibility or financing but rather the timeline of the scoping study and the extent of resource upgrading.

With enough funds in place, the only question that remains to be answered is the extent of resource upgradation. Given the recent hits across new prospects, potential investors can be assured of that too.

Gold: We maintain positive long-term outlook on demand and prices

Gold has long been recognised as a global safe-haven asset in times of economic uncertainty and has a variety of industrial applications. Amidst geopolitical shifts, rising inflation, and currency fluctuations, the outlook for gold remains exceedingly positive. The demand (and prices) for gold remains resilient, as central banks have intensified their acquisition of gold to protect from inflationary pressures and currency devaluation.

WA has strengthened its position as one of the world's leading gold producers, benefiting from extensive resources and a supportive regulatory framework. Australia's gold production outlook remains positive, with an estimated CAGR of 2.0% from 2024 to 2030, ensuring Australia's continued role as a major player in global gold production. In parallel, Serbia has strengthened its financial security through strategic gold accumulation, as gold reserves reached a record high of US$3.9bn as of September 2024.

Given Gold's high demand and limited supply, Strickland's Rogozna and Yandal projects are important to secure future supplies of this precious metal. Being a junior gold mining company, we believe Strickland presents an attractive investment opportunity because of its location in a top-tier global mining jurisdiction and the discovery of high-grade mineralisation.

SOTP-based comparable valuation highlights Strickland's undervaluation

While management believes there is a greater possibility of a 2x increase in total resources, we have modeled a 50-60% resource jump at Rogozna across our two valuation scenarios

Considering the location, quality, and growth potential of the Rogozna and Yandal Gold projects and management's proactive efforts to advance drilling and de-risk these key assets through resource upgrades, we believe Strickland's downside risk is completely hedged. The stock should not be trading at a substantial discount to its intrinsic value.

With the management planning to conduct more aggressive exploration and drilling activities throughout 2025, encouraged by high-grade recent hits across newer prospects, there is a high probability of significant MRE upgrades in the near term.

With limited downside risk, our Sum-of-The-Parts (SOTP) valuation methodology yields a mid-point 12-month target price of A$0.282. This reflects a Price-to-Net Asset Value (NAV) of 0.28x, indicating an upside headroom of 256.7% to the current share price.

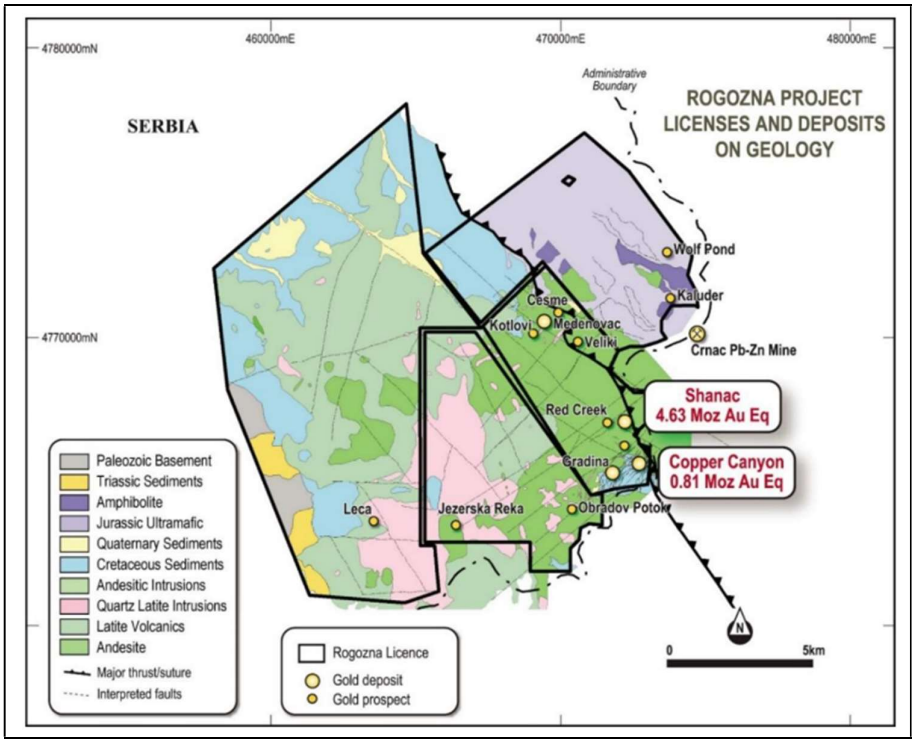
The key risks to our investment thesis are commodity price risk, Funding risk, execution risk, and geological risk.

Rogozna Project – Strickland's flagship asset

The Rogozna Gold & Base Metals (Rogozna) Project is located in the Raška District of the southern Republic of Serbia. Encompassing an area of approximately 184km^2, the project includes four exploration licences, comprising four key deposits – Shanac, Copper Canyon, Medenovac and Gradina, as well as several unexplored prospects (Figure 1).

The Rogozna Project is an exciting new addition to Strickland Metals' portfolio, offering an extensive pipeline of more than 20 exploration targets

Figure 1: Rogozna project's deposits and prospects



Source: Company

The project contains a large-scale gold-base metal system located within the Western Tethyan Belt (WTB), which is a globally significant metallogenic belt[2] that is host to multiple world-class gold and base metal deposits.

The project features a JORC-compliant Inferred Mineral Resource of 5.4Moz of AuEq across two deposits. The Shanac resource is estimated at 130 million tonnes (Mt) with an average grade of 1.1 g/t AuEq, totalling 4.63Moz of AuEq. This includes 2.63Moz of gold (Au), 130kt of copper (Cu), 21.3Moz of silver (Ag), 260kt of lead (Pb), and 364kt of zinc (Zn). In addition, the Copper Canyon deposit consists of 28Mt at an average grade of 0.4 g/t Au and 0.3% Cu, totalling 360koz Au and 84kt Cu. ***We believe both deposits demonstrate the significant value and polymetallic potential of the Rogozna Project, with substantial quantities of Au, Cu, silver (Ag), lead (Pb), and zinc (Zn).***

A brief background of the Rogozna project

In July 2024, Strickland completed the acquisition of all the issued capital of Betoota Holdings Ltd. Betoota is the owner of Zlatna Reka Resources (ZRR), which owns 100% of the Rogozna Project. Exploration at Rogozna has a long history, dating back to the Roman era. Between 1950 and 1961, exploration activities were carried out by the Trepca mining complex, a large conglomerate of mines and factories, and Geozavod, a state-run exploration enterprise. Exploration continued

[2] A metallogenic belt is a predictive for undiscovered deposits.

from 2004 to 2019, with various geological investigations, including mapping, geochemical rock chip and soil surveys, geophysical surveys, drilling, and preliminary metallurgical testing.

In 2020 and 2021, ZRR completed two main phases of diamond drilling, followed by one additional hole drilled in 2023. Two more holes were drilled at the Medenovac Prospect in early 2024. ZRR has also conducted geological mapping, geochemical stream and soil sediment surveys, and geophysical surveys.

Drilling at Rogozna spans several decades, totalling 182 diamond drill holes for a combined length of 100,848m. Since 2020, ZRR has drilled 33 holes, l 22,674m, to validate previous results and provide extensional and infill drilling to support Mineral Resource estimation. ***We think this long history of exploration provides a solid foundation of geological data and resource estimates, reducing exploration risks and enhancing the overall project's credibility.***

The project's geological framework supports various styles of mineralisation, including epithermal deposits (which form close to the surface) and porphyry-hosted Cu-Au deposits (which form deeper in the Earth and are often large deposits). ***In our view, these different types of mineralisation make the project very promising for further exploration and discovery.***

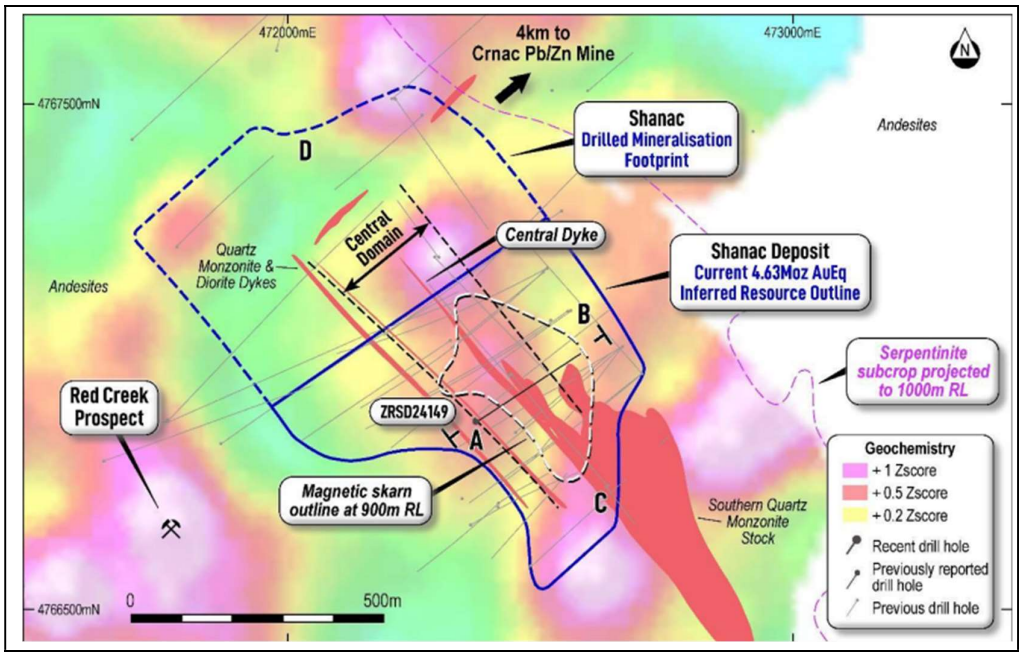
Rogozna is a Tier-1 asset with multiple existing and emerging deposits

The Rogozna project hosts four key deposits – Shanac, Copper Canyon, Medenovac, and Gradina – along with several unexplored gold prospects, including Kotlovi, Veliki, Cesme, Jezerska Reka, Red Creek, and others (Figure 2).

1. Shanac: Bulk scale deposit with high-grade zones

Shanac is an Au-Cu (± Zn, Pb, and Ag) skarn deposit, with drill-defined mineralisation covering 1,000m strike length, a width of around 650m, and a vertical extent of about 650m starting at a depth of roughly 80m below the surface. Mineralisation of the deposit is open along strike and at depth.

Figure 2: Shanac plan view map



Source: Company

The deposit has been actively explored since 2005 and currently has the second-highest drill coverage of all the deposits, with a total of 49 diamond drill holes totalling approximately 32,500m.

Figure 3: Shanac's Inferred Mineral Resource Estimate (April 2023)

Tonnes (Mt)	Au Eq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Pb (%)	Zn (%)	Au Eq (Moz)	Au (Moz)	Cu (kt)	Ag (Moz)	Pb (kt)	Zn (kt)
130	1.1	0.63	0.1	5.1	0.2	0.28	4.63	2.63	130	21.3	260	364

Source: Company

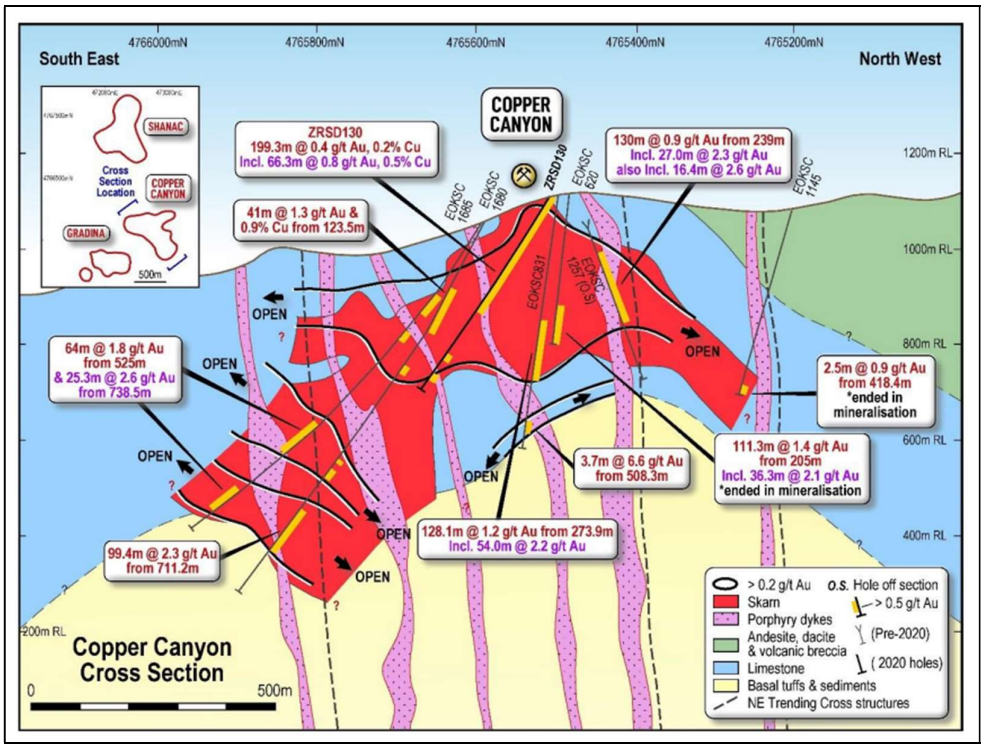
An initial Inferred Mineral Resource was prepared and reported in 2021, followed by an updated Inferred Mineral Resource in April 2023. The Shanac resource is estimated at 130Mt with an average grade of 1.1 g/t AuEq, totalling 4.63Moz of AuEq. This includes 2.63Moz of gold (Au), 130kt of copper (Cu), 21.3Moz of silver (Ag), 260kt of lead (Pb), and 364kt of zinc (Zn) (Figure 3).

***Shanac is the most advanced part of the Rogozna project**. The high-grade core, extends from ~150m to 450m depth and comprises about 30% of the total endowment, averages an impressive 14,000 AuEq oz per vertical metre— with certain sections reaching as high as 20,000 AuEq oz per vertical metre. Drilling at Shanac aims to further delineate this high-grade core, with the results to be incorporated into ongoing mining studies.*

2. Copper Canyon: The greatest drill coverage of all the deposits

Copper Canyon is an Au-Cu skarn deposit that outcrops at the surface, with high-grade, distal gold-only mineralisation at depth in the southern part of the deposit. The defined mineralisation extends approximately 750m along strike, 570m in width, and reaches a depth of 220m below the surface. Mineralisation of the deposit remains open along strike and at depth (Figure 4).

Figure 4: Copper Canyon schematic geology cross-section



Source: Company

The Copper Canyon deposit has been actively explored since the late 1950s and, of the four main deposits, has the greatest drill coverage, with a total of 70 diamond drill holes totalling 30,000m. An Inferred Mineral Resource was prepared and reported in 2021. The deposit is estimated to consist of 28Mt at an average grade of 0.4 g/t Au and 0.3% Cu, totalling 360koz Au and 84kt Cu (Figure 5).

Figure 5: Copper Canyon's Inferred Mineral Resource Estimate

Tonnes (Mt)	Au Eq (g/t)	Au (g/t)	Cu (%)	Au Eq (Moz)	Au (Moz)	Cu (kt)
28	0.9	0.4	0.3	0.81	0.36	84

Source: Company

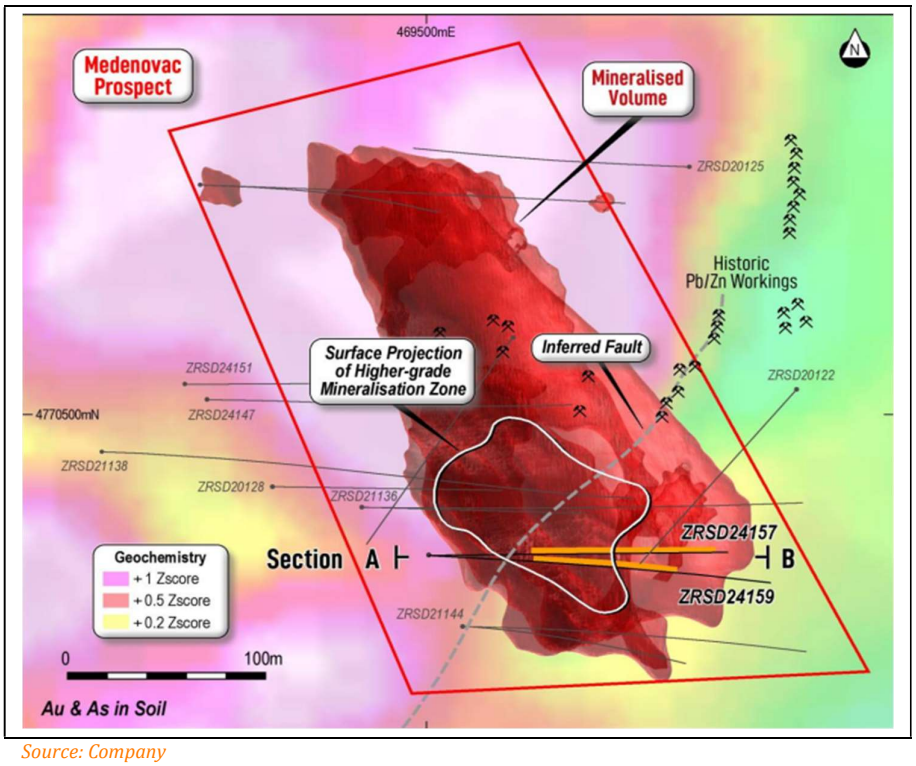
3. Medenovac deposit: A relatively recent discovery with significant scale

Medenovac is a Zn-Cu-Au skarn deposit, hosted within an anticline[3] structural setting. The mineralisation is characterised by strong hematite alteration, indicative of an oxidised system. The surrounding area is also defined by strongly altered volcanic rocks, which outcrop at the surface, providing significant geological context.

The Medenovac deposit is a relatively recent discovery within the Rogozna Project, identified in 2020 through the innovative application of 3D inversions of geophysical data. This discovery underscores the potential for further exploration and discoveries within the project area.

Recent drilling activities at Medenovac has discovered high-grade mineralisation, including 43.4m @ 4.6g/t AuEq within 223m at 1.7g/t AuEq

Figure 6: Medenovac plan view map



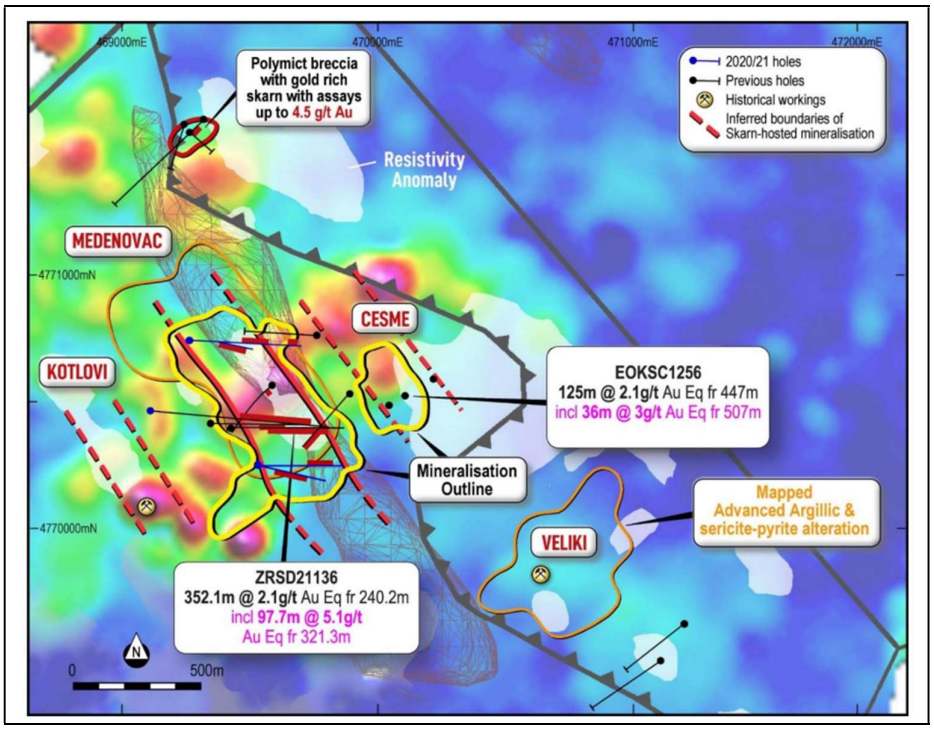
Source: Company

The currently defined mineralisation extends approximately 600m along strike, 500m in width, and has a vertical extent of 400m, ranging from 200m to 600m below the surface. Notably, the mineralisation at Medenovac remains open along strike and at depth, positioning it as a high-priority target for substantial near-term resource growth.

[3] An anticline is a structural trap created through the folding of rock strata into an arch-like shape.

Medenovac has been actively explored since the late 1950s and has drill coverage of a total of 38 diamond drillholes for ~18,100m, with most of the historical drilling focussed on testing shallow Pb-Zn mineralisation that sits above the recently discovered skarn-hosted deposit.

Figure 7: Medenovac along with two parallel zones of mineralisation



Source: Company

The Medenovac deposit hosts two parallel zones of mineralisation (Figure 7):

- **Cesme**: Intersected in drillhole EOKSC1256, where mineralisation was encountered as 36m at 3.0 g/t AuEq from a depth of 507m.
- **Kotlovi**: Defined by resistivity/IP anomalies and historical workings. Recently, assays were received and reported from the first two exploration holes, which are expected to provide further insight into the potential of this zone.

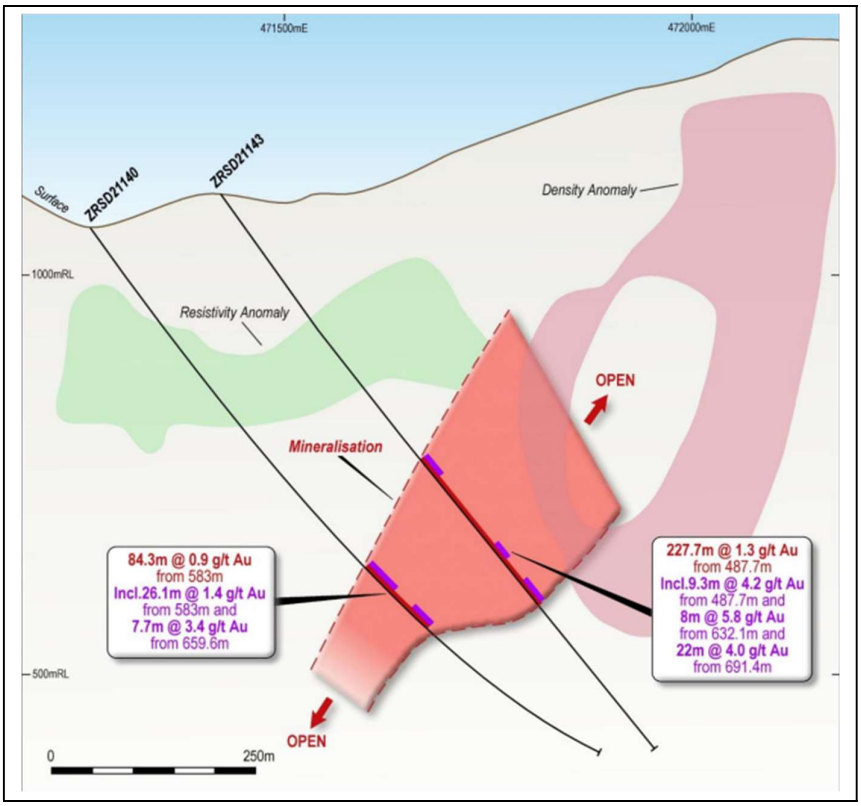
In our view, these zones, along with the ongoing exploration efforts, highlight the strong prospectivity of the area for additional mineralisation.

4. Gradina: Defined by multiple high-grade gold lodes

Gradina is a high-grade Au ± Zn skarn deposit that is made up of a set of sub-vertical parallel zones of mineralisation. The extent of defined mineralisation is ~1,000m along the strike, 200m across the strike with an average width of 85m, to a vertical extent of 600m between 200m and 800m below the surface.

Gradina exhibits coincident gravity, magnetic, and resistivity anomalies, which are closely associated with the mineralisation. A significant 1.2-km-long gravity anomaly suggests the potential for skarn mineralisation and alteration along this trend.

Figure 8: Gradina schematic geology cross-section



Source: Company

Step-out drilling by ZRR has intersected strong mineralisation at the Gradina North target, providing evidence that the mineralisation continues along strike to the north. The deposit is characterised by strong pyrrhotite alteration, which is commonly associated with the mineralisation. It remains open along strike, up-dip towards the surface, and down-dip at depth, indicating significant potential for further resource expansion in multiple directions.

Multitude of strategic advantages enhances the attractiveness of Rogozna

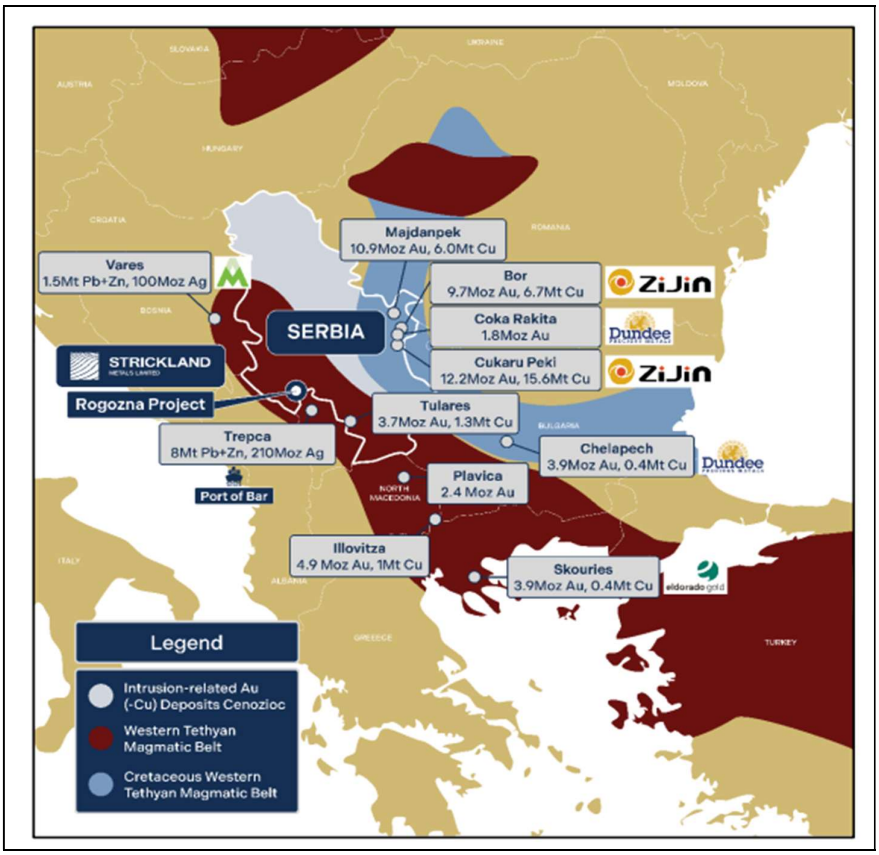
Rogozna is in Serbia, which has an established mining industry with major mining companies operating in the country. The region also boasts of a favourable fiscal regime, skilled workforce, and advanced infrastructure

The Rogozna project offers several strategic advantages, making it a highly promising asset for exploration and development:

I. Located in a tier-1 mining jurisdiction in Serbia

The Rogozna Project is situated in the Raška District of southern Serbia, ~10km from the regional centre of Novi Pazar and about 300km south of the capital, Belgrade. Serbia has a well-established mining industry with a rich history of large-scale production and is currently Europe's second-largest copper producer. The country is home to several major mining companies, including BHP, Vale, Zijin Mining, Kinross Gold, Dundee Precious Metals, and Rio Tinto, all of which are actively involved in the Serbian mining sector (Figure 9).

Figure 9: Rogozna's strategic location in the world-class mining region of Serbia



Source: Company

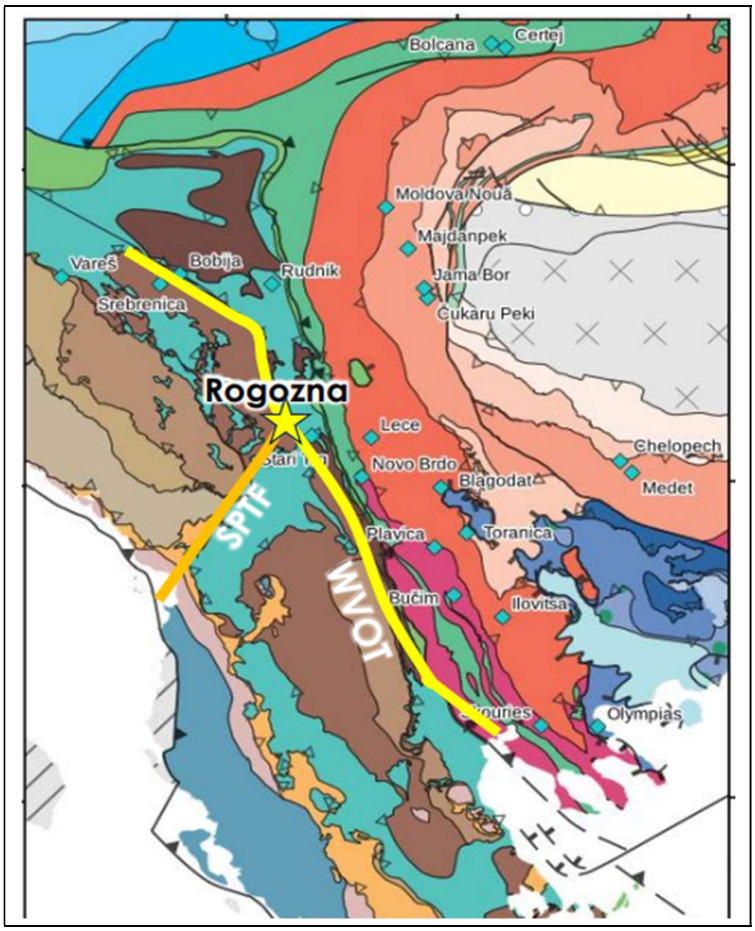
The region also benefits from a favourable fiscal regime—15% Corporate Tax, skilled workforce, and advanced infrastructure. In our view, these factors not only reduce the cost of doing business but also increase Serbia's attractiveness as a favourable mining destination.

II. Rogozna has a highly prospective geology

The Rogozna Project is located within the western magmatic belt, strategically positioned at the intersection of the West Vardar Ophiolite Thrust (WVOT) and the Skadar-Peć Transform Fault (SPTF) (Figure 10). This unique tectonic setting provides an ideal geological framework for forming world-class mineral systems, making Rogozna a highly prospective area for discovering significant mineral deposits.

The geological framework of Rogozna is diverse, supporting various styles of mineralisation, including epithermal and porphyry-hosted Cu-Au deposits. Both styles of mineralisation—epithermal and porphyry—can coexist in the same region, creating an attractive geological environment for discovering multiple ore types. The combination of these two systems at Rogozna suggests significant exploration upside, with the potential for high-grade, near-surface epithermal deposits and large porphyry deposits, both of which could contribute to a major mineral resource.

Figure 10: Geology of the Rogozna project is quite attractive



Source: Company

The geological framework of Rogozna supports various styles of mineralisation, including epithermal and porphyry-hosted Cu-Au deposits, making it a highly prospective area for discovery of significant mineral deposits

III. The project is home to a massive mineral system

The mineralisation of Rogozna represents a large-scale magmatic-hydrothermal[4] system which hosts a skarn-based[5] Au-Cu (+/- Zn, Ag and Pb) mineralised system. Most of the mineralisation is associated with retrograde skarn development in spatial association with quartz latite dykes. Higher-grade skarn-hosted mineralisation occurs at the Gradina, Gradina North, and Copper Canyon South projects.

Figure 11: Rogozna Inferred Mineral Resource Estimates

Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (Moz)	Au (Moz)	Cu (kt)	Ag (Moz)	Pb (kt)	Zn (kt)
130	1.1	0.63	0.10	5.1	0.20	0.28	4.63	2.63	130	21.3	260	364

Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (Moz)	Au (Moz)	Cu (kt)	Ag (Moz)	Pb (kt)	Zn (kt)
28	0.9	0.4	0.3	-	-	-	0.81	0.36	84	-	-	-

Source: Company and East Coast Research

[4] Magmatic-hydrothermal fluids play a key role in a variety of geological processes, including volcanic eruptions and the formation of ore deposits whose metal content is derived from magmas and transported to the site of ore deposition by means of hydrothermal fluids.

[5] Skarns are hard, coarse-grained metamorphic rocks that are chemically and mineralogically altered by hot chemically active fluids and known as the metasomatism process.

Rogozna represents a world-class mineral system, with an existing JORC-compliant Inferred Mineral Resource of 5.4Moz of AuEq, all from just two of the four drill-defined deposits within the project area. The Shanac resource is estimated at 130Mt with an average grade of 1.1 g/t AuEq, totalling 4.63Moz of AuEq, and the Copper Canyon deposit consists of 28Mt at an average grade of 0.4 g/t Au and 0.3% Cu, totalling 360koz Au and 84kt Cu (Figure 11). This demonstrates a substantial, high-value mineral base, positioning the project as a significant resource base with strong economic potential.

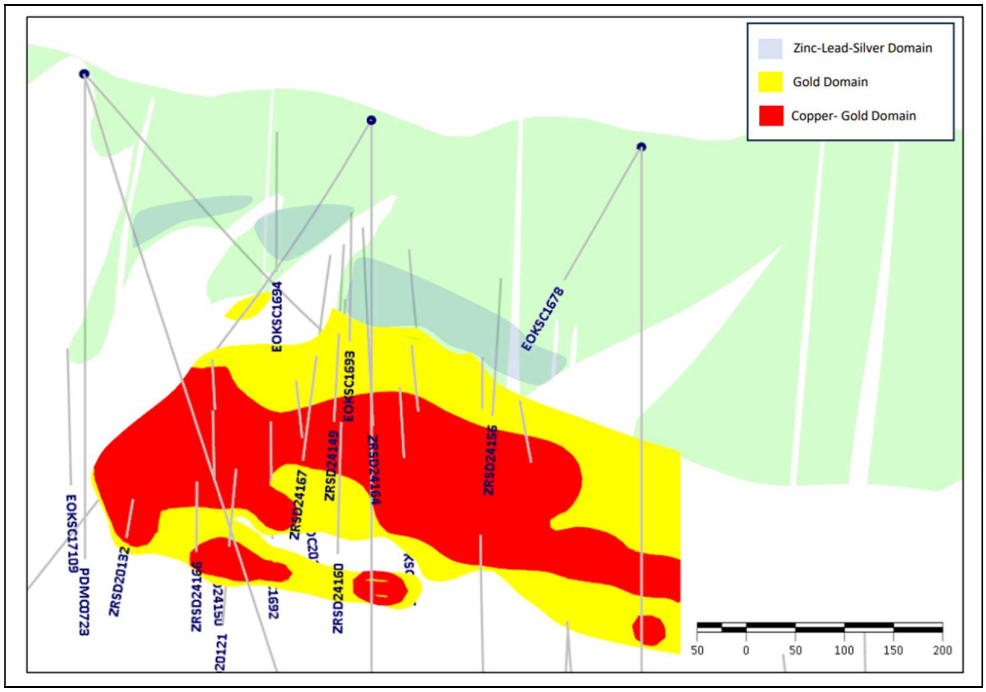
Moreover, the project is located in the Trepča Mineral District, one of Europe's largest base metal mining hubs, and is associated with a 28-million-year-old magmatic mineralisation event. This makes it an exceptional exploration and development opportunity. We believe, with further drilling and resource expansion, Rogozna has the potential to evolve into a world-class, multi-metal mining project.

IV. Commencement of phase two metallurgical testwork to enhance metal recoveries

Recently, in November 2024, the company commenced the second phase of metallurgical testwork for the 4.6Moz AuEq Shanac Deposit. A ~400kg bulk sample, comprising quarter HQ core of selected Shanac mineralisation from recently completed holes, ZRSD24149 and ZRSD24150, has been sent to carry a second phase of metallurgical testwork. This testwork is designed to build on the positive results of the initial programme that was carried out in 2021.

STK has recently commenced the sample selection process for metallurgical testwork of the Zn-Cu-Au mineralisation hosted at Medenovac

Figure 12: Long section view through the Shanac Deposit, showing geometallurgical domains and drill-hole traces



Source: Company

Following the completion of additional drilling at Shanac in 2024, the company has an improved understanding of the spatial variability of metals within the deposit. Based on this, the deposit can broadly be subdivided into the following geometallurgical domains (Figure 12):

- **Au-only mineralisation** (hosted in skarn and breccias) – such as the mineralisation encountered in ZRSD24149 (Figure 12): 89.7m @ 4.0 g/t Au from 244.5m.

- **Cu-Au mineralisation** (skarn-hosted) – such as the mineralisation encountered in ZRSD24150: 125.2m @ 1.2g/t Au and 0.3% Cu from 299.4m.
- **Zn-Pb-Ag-rich mineralisation** (skarn, breccia and volcanic-hosted) – such as the mineralisation encountered in ZRSD24150: 61.3m @ 3.7% Zn, 2.1% Pb and 20.6g/t Ag from 470.9m.

The phase two metallurgical testwork programme is expected to be completed by mid-2025. The results will be incorporated into ongoing mine development studies, with the goal of delivering an initial Scoping Study for the Rogozna Project by late 2025.

V. Strong multi-metal potential further enhances the project economics

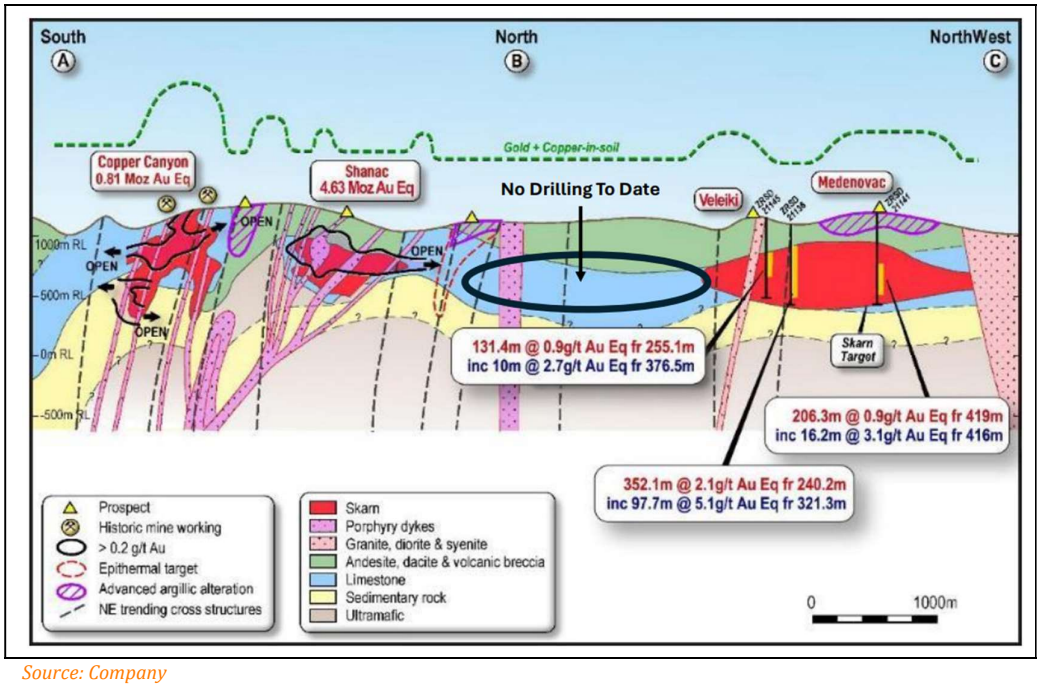
In addition to gold and copper, the Rogozna project contains significant amounts of silver, zinc, and lead, adding value and diversification to the mineral portfolio. This multi-metal nature enhances the overall project economics by providing multiple revenue streams from different commodities.

Additionally, having a variety of by-products such as silver, zinc, and lead, alongside gold and copper, can allow the project to optimise operations by using advanced extraction technologies and shared infrastructure. This can reduce the operating costs per unit of production, improving margins for all of the metals extracted.

VI. Substantial exploration upside potential at Rogozna

The project encompasses an area of 184km^2 with multiple high-potential exploration targets, including certain areas at Shanac, Copper Canyon, Medenovac, and Gradina prospects which are yet to be drilled (Figure 13). The planned 60,000m of drilling between 2024 and 2025 will further expand and test these zones, providing opportunities for new discoveries and resource growth.

Figure 13: Long-section through Shanac showing significant opportunity at depth



Source: Company

In addition to the unexplored areas at the four deposits, Strickland is also exploring untapped potential at:

- Target areas with significant mineralised drill intercepts from previous drilling – Copper Canyon South, Cesme, Jezerska Reka;

- Targets occurring in proximity to existing deposits with limited or no previous drilling – Kotlovi, Red Creek;
- Recently defined target areas with no previous drilling – Obradov Potok;
- Porphyry Cu-Au targets – strong geophysical anomalies with associated pathfinder geochemical anomalism.

With a pipeline of exploration targets and ongoing drilling campaigns, Strickland has ample opportunity to expand the resource base. We believe Rogozna is well-positioned for further growth, with the potential for new discoveries and the development of high-grade zones, which could ultimately support the project's long-term viability and profitability.

A three-pronged comprehensive exploration strategy in place for Rogozna

In June 2024, Strickland launched a comprehensive drilling campaign at the Rogozna Project, with a total of 60,000m of diamond drilling planned till the end of 2025. Of this, ~35,000m will be dedicated to resource definition, focussing on the Shanac and Copper Canyon deposits—both of which already have established Mineral Resources—as well as the Medenovac and Gradina prospects, where the company aims to deliver maiden Mineral Resource Estimates (MREs) by mid-2025. The remaining ~25,000m will be focused on targeting an extensive pipeline of exploration prospects across the project area (Figure 14).

Figure 14: A three-pronged exploration strategy to boost growth

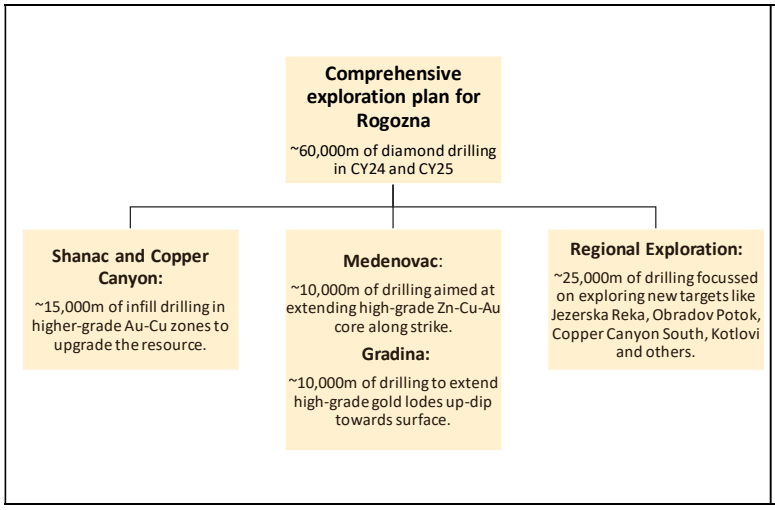
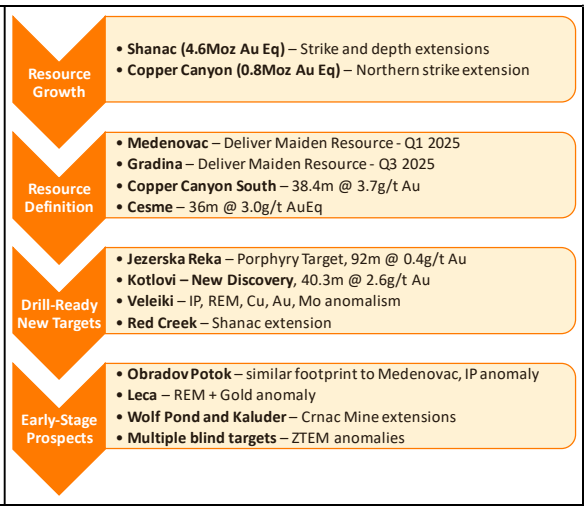


Figure 15: A clearly defined pathway for Rogozna



Source: Company and East Coast Research

The planned drilling campaign of ~60,000m will focus on three key objectives:

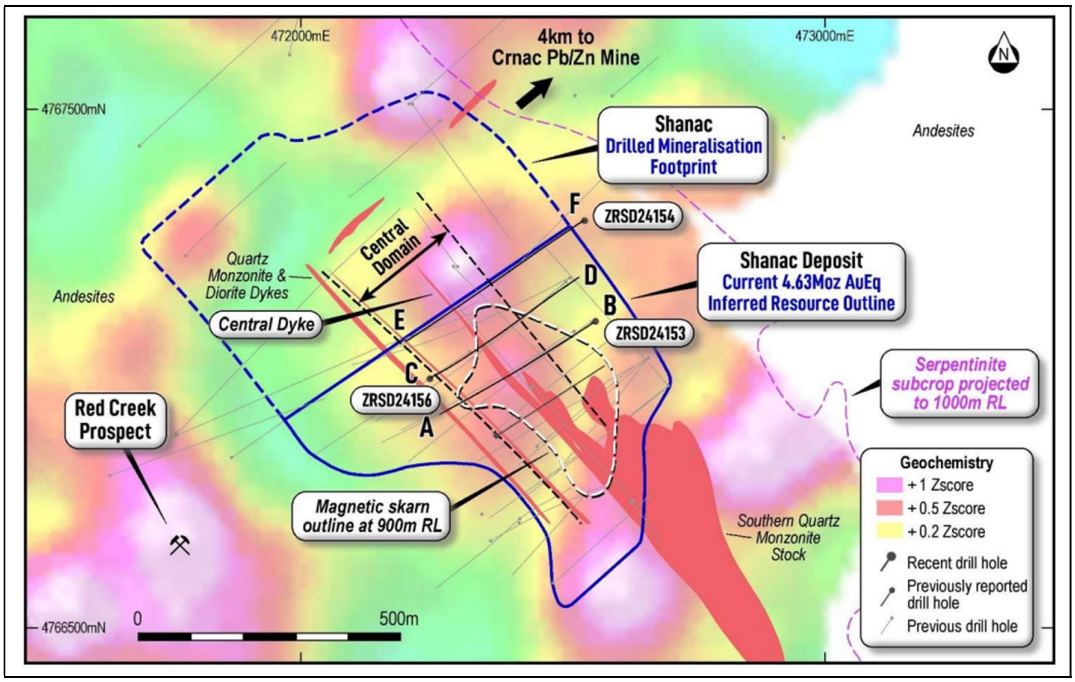
Resource expansion and exploration drilling has commenced, with four diamond drill rigs on site at Rogozna

1. Expanding and upgrading the Mineral Resources at Shanac and Copper Canyon

Strickland intends to drill ~15,000m at Shanac and Copper Canyon, focussing on infill drilling of higher-grade gold-copper zones to upgrade the resource of both the deposits.

In June 2024, Strickland commenced its drilling campaign with the deployment of the first two diamond rigs at the Shanac deposit. Approximately 7,000m of drilling has been planned to infill the current Mineral Resource area – the aim is to reduce drill spacing and better define the higher-grade mineralisation zones. This will enable the updated resource model to incorporate a subset of higher-grade material, which is the focus of the ongoing mining studies.

Figure 16: Plan view map of Shanac showing drill-hole traces and resource outline



Source: Company

The high-grade core at Shanac, which spans ~150m to 450m vertical depth, averages a remarkable 14,000 AuEq ounces per vertical metre, with some sections reaching up to 20,000 AuEq ounces per vertical metre. Drilling on the deposit is focussed on further delineating this high-grade core. An additional 3,000m of drilling has been planned to test extensions of the deposit, particularly to the highly prospective north and east, where limited drill data or isolated mineralisation intersections require follow-up exploration.

During the quarter ended September 2024, the company announced significant results from the Shanac Prospect. Drill holes, ZRSD24149 and ZRSD24150 were drilled from the southern end of the deposit, targeting a zone of strong Au and Cu mineralisation hosted within magnetite skarn defined by previous drilling. The drillholes encountered multiple, geologically distinctive zones of Au and associated base metal mineralisation throughout its length, including the following significant intercepts – **293.9m @ 2.5g/t AuEq from 162.3m (ZRSD24149), including 89.7m @ 4.0g/t Au from 244.5m (the strongest Au mineralisation ever encountered at the deposit) and 308.4m @ 1.9g/t AuEq from 299.4m (ZRSD24150).**

The Rogozna Project continues to deliver exceptional results, with further remarkable assays returned in October 2024 from the Shanac deposit

The assay results for three new diamond drill-holes, ZRSD24153, ZRSD24154 and ZRSD24156 (Figure 16) were received recently in October 2024. All the three holes were drilled towards the northern end of the current drill-defined deposit footprint, targeting the central domain, where there was relatively limited previous drilling coverage (Figure 16).

The recent significant new intercepts – **545.7m @ 1.1g/t AuEq from 108.2m from ZRSD24153** – demonstrate that the mineralisation remains completely open at the northern end of the currently defined deposit. ***In our view, this highlights the significant potential for rapid resource expansion at the Shanac deposit.***

2. Defining maiden Mineral Resources at Medenovac and Gradina

Strickland plans to drill ~10,000m at Medenovac, with the goal of extending the high-grade Zn-Cu-Au core along strike, and another 10,000m at Gradina, aimed at expanding high-grade Au lodes up-dip towards surface. The company is advancing towards delivering maiden inferred resource estimates for both the deposits.

- At Medenovac, recent diamond drilling has intersected an extensive zone of high-grade Au and associated base metal mineralisation in drill hole ZRSD24157 – 365.8m @ 2.0g/t AuEq from 198.4m, including 50m @ 5.6g/t AuEq from 271.5m (Figure 17) – **the intercept equates to an impressive 728 grams per metre (AuEq), making it the third-best hole ever drilled at Rogozna.** This hole has successfully extended the Medenovac "high-grade core" by an additional 60m along strike to the southeast from the discovery section, with the high-grade mineralised zone now spanning ~150m along strike at Medenovac.

  A second hole, ZRSD24159 was recently completed on this drill section in October 2024, targeting an up-dip extension of the mineralisation, closer to the surface and to the east of this intersection. The high-grade intercepts from ZRSD24159 – 223m @ 1.7g/t AuEq from 179.6m, including 43.4m @ 4.6g/t AuEq from 357.2m, has confirmed continuity on the ZRSD24157 – ZRSD24159 drill section, located south-east from the discovery section. A third hole will be drilled on this section, targeting a down-dip extension to the west of this intercept.

Figure 17: Medenovac cross-section view showing drill-holes ZRSD24157 and ZRSD24159

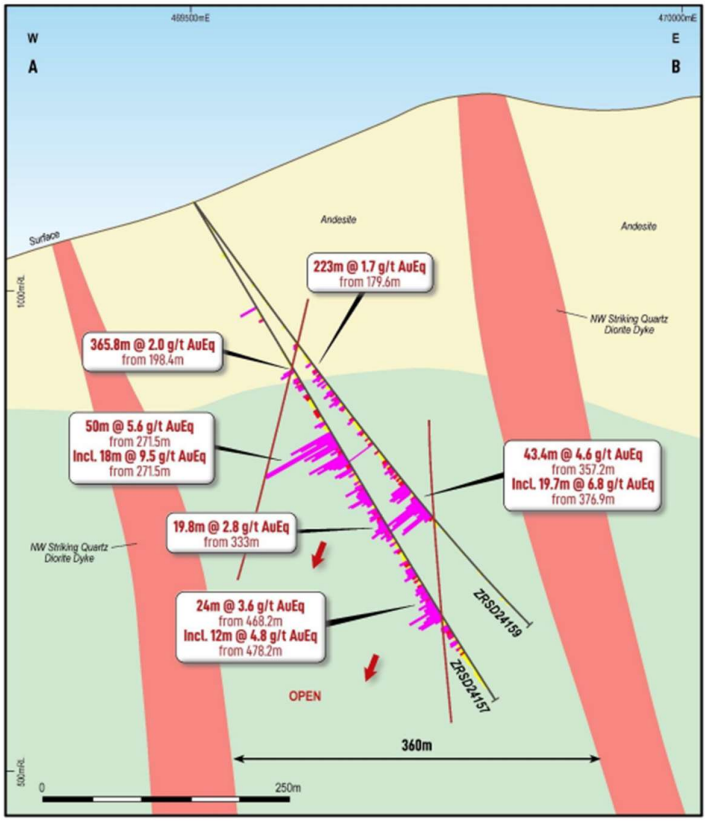
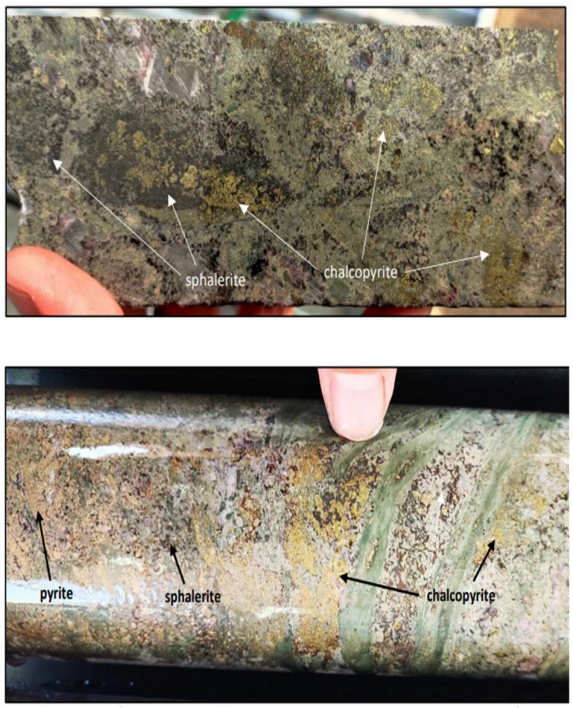


Figure 18: Au-Cu-Zn mineralisation containing chalcopyrite, pyrite and sphalerite from ZRSD24159



Source: Company

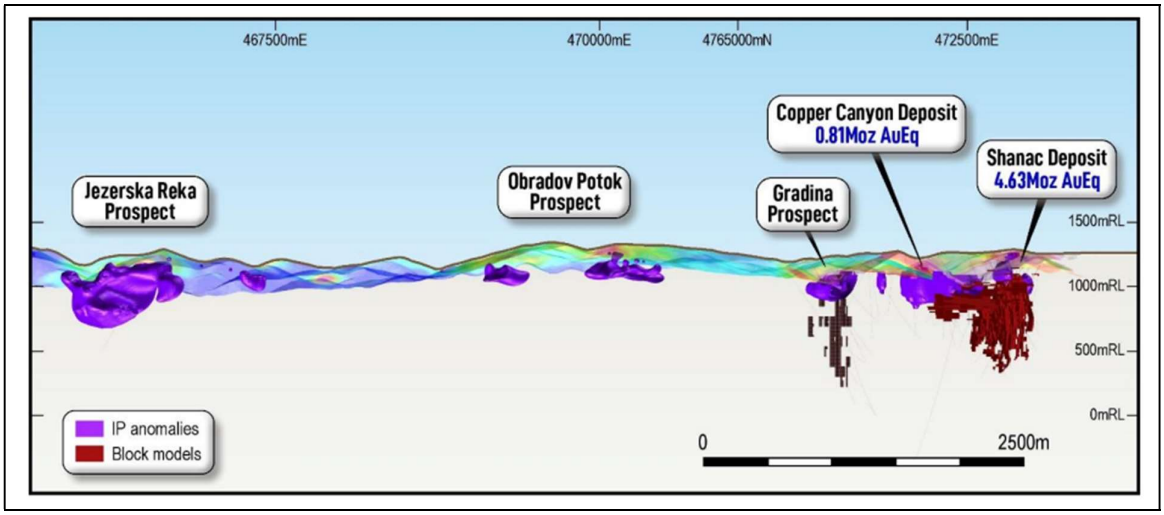
- In October 2024, a 10,000m diamond drilling programme commenced at the Gradina, enabled by a newly completed access track that allows for the first-time testing of shallower Au mineralisation at the deposit. High-grade Au has been delineated at Gradina over ~1km of strike and vertical depths ranging from 200m to 1,000m below surface, with around 21,000m of previous drilling yielding significant intercepts. Based on geophysical and geochemical data, this thick high-grade mineralisation is expected to extend to near-surface depths, potentially making it the shallowest deposit at Rogozna,

alongside the outcropping Copper Canyon. ***Given the extensive high-grade mineralisation defined to date, Gradina represents a high-priority gold target for the delineation of a significant initial MRE, due in Q3 25.***

3. Exploring a range of high-priority targets within the project area

Strickland has outlined a ~25,000m drilling programme aimed at exploring key discovery opportunities, including Jezerska Reka, Obradov Potok, Red Creek, Copper Canyon South, Cesme and Kotlovi. The first exploration commenced at Copper Canyon South in July 2024, where limited previous drilling encountered thick, high-grade gold mineralisation at depth, including 38m @ 3.7g/t Au from 760m in EOKSC16802.

Figure 19: Long Section view of the Rogozna Project, from Jezerska Reka through to Shanac



Source: Company

A recent review of the historical drilling at Jezerska Reka has identified porphyry-related alteration and veining, confirming it as a high-priority target for porphyry-hosted Cu-Au mineralisation

In October 2024, a recent IP geophysical survey identified significant and extensive chargeability anomalies within the Jezerska Reka and Obradov Potok target areas (Figure 19). At Jezerska Reka, a large, roughly circular anomaly measuring ~600m by 900m in plan view, with a depth extent of ~400m (the survey's depth limit), was detected based on a 50mV/V IP response. At Obradov Potok, six distinct IP chargeability anomalies were identified, with the largest extending ~1,200m in length and up to 400m in width, trending northwest. This anomaly starts at a depth of ~60m, with the strongest portion extending to ~120m in depth.

Notably, the strength of the IP chargeability responses at both Jezerska Reka and Obradov Potok is particularly significant, with responses of up to 60mV/V within large zones exceeding 20mV/V. For comparison, the IP anomalies associated with mineralisation at the Shanac, Copper Canyon, and Gradina deposits typically range from 15–20mV/V, highlighting that the newly identified anomalies are approximately three times stronger in magnitude.

The newly identified anomalies are not only larger in size but also show notably stronger chargeability responses compared to those seen at the Shanac and Copper Canyon deposits (Figure 19). ***We believe, this underscores the potential of the Jezerska Reka and Obradov Potok areas, confirming the presence of several high-priority targets within the project. This further validate the immense untapped potential of the project and highlight there are opportunities for further exploration and resource expansion at Rogozna.***

Emergence of new prospects – a geologist's paradise

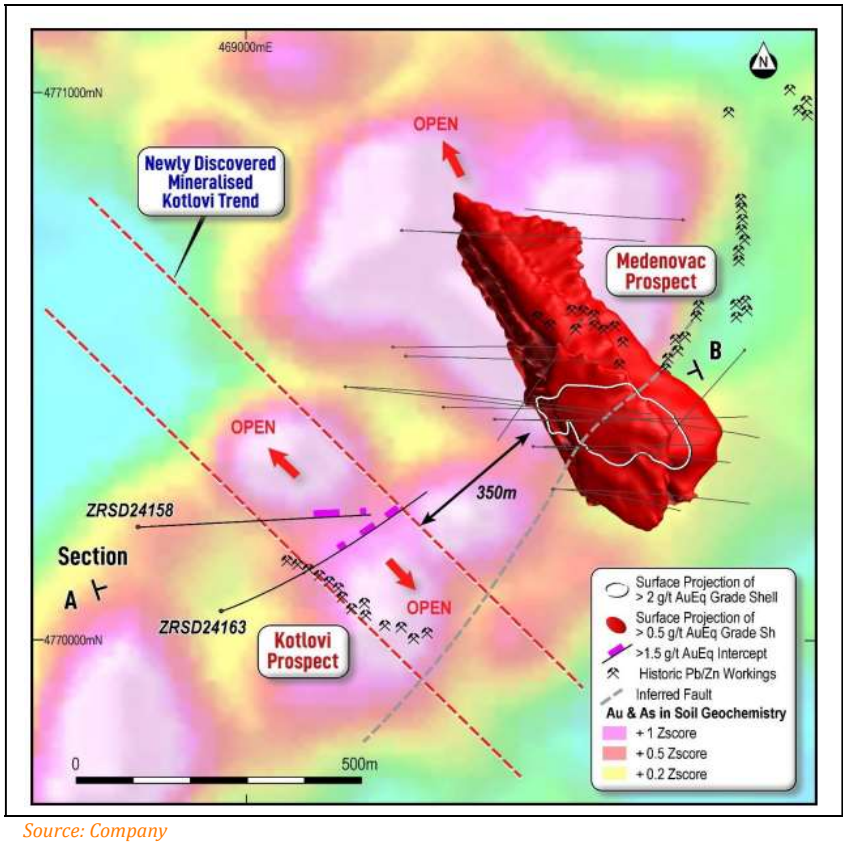
STK has discovered multiple high-grade mineralised deposits in the last few weeks. The company has ***hit a new discovery of 40.3m @ 2.6g/t Au, including 12.0m @ 5.7g/t Au***. These discoveries were made in the two scout exploration holes at the Kotlovi prospect, lying ~350m away from the high-grade zone of the Medenovac deposit. This is the third major discovery at Rogozna in the last four years, highlighting the project's extensive mineralisation potential.

These new discoveries, just days after the massive thick, high-grade mineralisation discovery at Medenovac Prospect, are significant because they fall outside the existing strike of the 5.4Moz deposit. The mineralisation at Kotlovi, including skarn and breccia-hosted styles, shares geological traits with Medenovac, suggesting potential connectivity between the deposits.

The high-grade Au mineralisation hosted in an intrusion at the Kotlovi prospect has been achieved over a very large vertical area of >500m. This area system is quite big and active. The mineralisation is observed to be open in all directions, including towards the surface, where extended limestone suggests significant potential for shallow mineralisation.

Available datasets indicate that the dimensions of the Kotlovi target volume are ~500m long x ~200m wide x ~700m vertical

Figure 20: Medenovac plan view map along with the Kotlovi prospect



Source: Company

According to the management, it took drilling of ~10 holes at the Shanac prospect to strike anything meaningful. However, at these new prospects, the massive hit was achieved within the first couple of holes. Considered a geologist's paradise, multiple styles of mineralisation were discovered. Within the first two holes at Kotlovi, massive sulphide class mineralisation was also seen, suggesting an enormous sulphide body down on the earth.

Along with Jezerska Reka, Obradov Potok, and Medenovac prospects, the mineralisation hit on Kotlovi prospect is considered "***one of the best hits of Au deposit by an ASX-listed junior miner in the last ~two years***".

STK is expected to execute additional drilling at the Kotlovi prospect to outline the scale and geology of the mineralised body. This is expected to lay the foundation for resource upgrades.

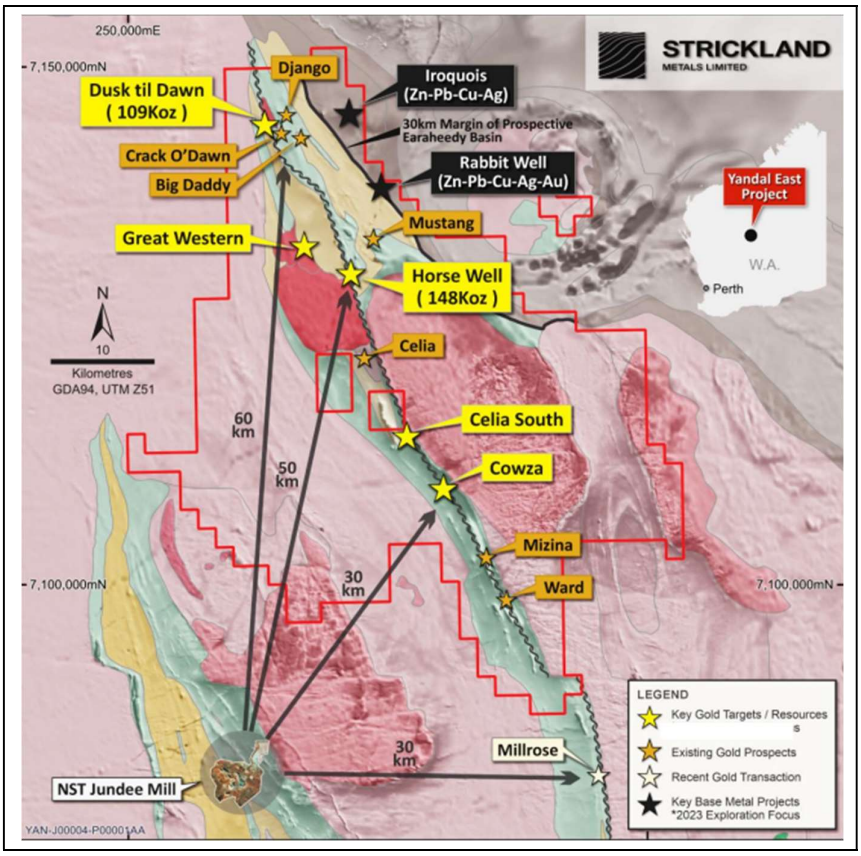
Given the current understanding of geophysics, geochemistry and limited drilling, the disposable target area (~500m long and ~700m vertical) indicates the possibility of massive resource upgrade.

Yandal: Strickland's another high-potential asset

The Yandal Gold Project (Yandal) encompasses an area of ~1,780km^2 and is located in the Warburton Mineral Field of WA. The project is situated on the highly prospective eastern flank of the Yandal Greenstone Belt in the northeastern Yilgarn of WA. The project indicates a substantial gold system spanning the Celia Shear zone. The key targets at Yandal comprises of Horse Well, Dusk til Dawn, Celia South, as well as advanced exploration targets at Cowza, Mizina, and Ward (Figure 21).

The Yandal project is within 50km of Northern Star's Jundee Operation, which produces 220,000 ounces p.a. The project also benefits from excellent regional and local infrastructure

Figure 21: Yandal Project plan view map



Source: Company

The Company believes that the entire eastern portion of the Yandal Greenstone Belt remains significantly underexplored, with less than 6km of the total 75km (100% Strickland held) having been assessed using modern exploration techniques. ***In our view, this presents a huge untapped opportunity for both resource expansion and further exploration, with considerable potential to uncover new discoveries across this largely unexplored area.***

The JORC 2012 Inferred Mineral Resource Estimate at Yandal currently stands at 5.7Mt at 1.4 g/t, equating to 257koz Au (Figure 22), all from just two targets – Horse Well and Dusk til Dawn.

Figure 22: Yandal Inferred Mineral Resource Estimates

	Inferred		
Prospect	Tonnes	Gold Grade (g/t)	Contained Metal (oz)
Palomino	930,400	2.3	68,300
Filly SW	302,400	1.8	17,200
Filly	206,000	1.3	8,700
Warmblood	788,000	2.1	53,900
Dusk til Dawn	3,495,600	1.0	108,900
	5,722,400	**1.4**	**257,000**

Source: Company and East Coast Research

An updated MRE for Yandal is expected in Q225, with ~20,000m of discovery and growth-focused drilling planned for next year to support further resource expansion.

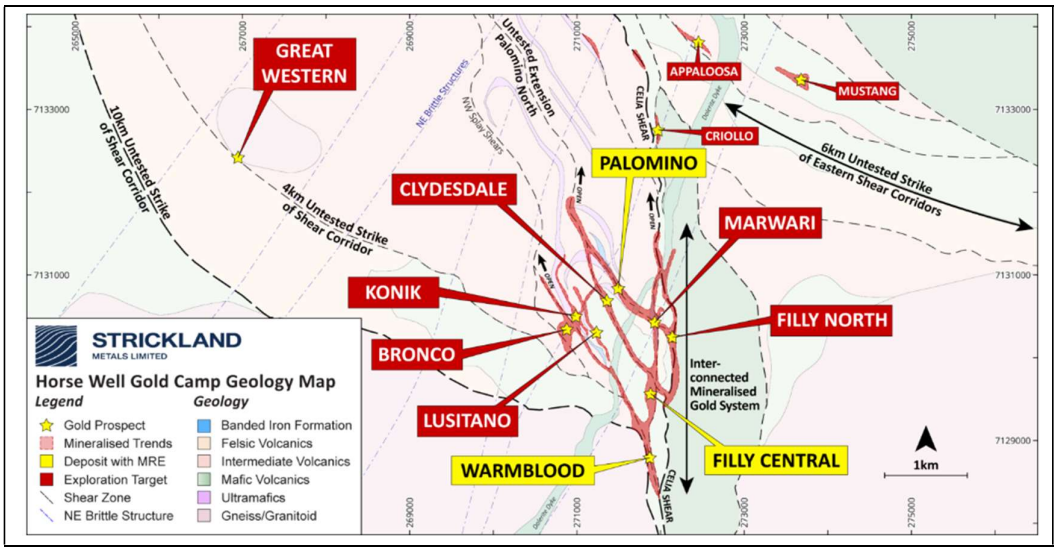
Horse Well Project: A major emerging gold camp with multiple prospects

Of all the targets at Yandal, the Horse Well Gold (Horse Well) Project is the most advanced. It encompasses an area of 1,000km^2 and is located in the Warburton Mineral Field of WA, approximately 85km northeast of the town of Wiluna. Horse Well is situated in the northern most part of the highly prospective Yandal/Millrose Greenstone belt that hosts a number of multi-million-ounce gold projects, such as Jundee, Bronzewing, and Darlot-Centenary gold mines.

The 100% owned project is well-mineralised and currently hosts a JORC 2012 Inferred Mineral Resource of 2.2Mt @ 2.1g/t Au for 148koz Au. The project spans a 45km strike along the greenstone belt and contains several prospects, with the most advanced being Warmblood and Palomino. In addition to these, Horse Well features a number of promising exploration targets, including Marwari, Bronco, Konik, and others (Figure 23).

The Warmblood and Palomino gold deposits are currently the most advanced prospects within the broader Horse Well project

Figure 23: Schematic geological interpretation of Horse Well showing deposits and targets



Source: Company

Exploration update on the project

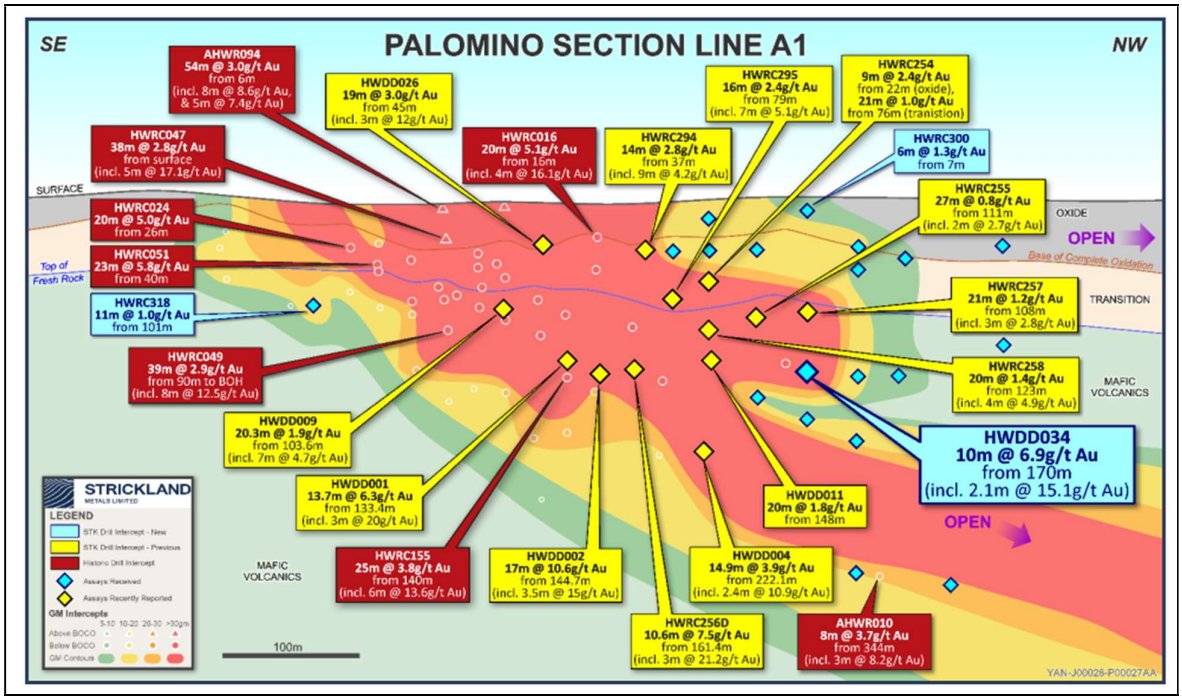
Historically, exploration at Horse Well focussed primarily on the outcropping regions, leading to the discovery of the Palomino, Warmblood, and Filly prospects. However, recent exploration by Strickland as demonstrated that these prospects are part of a larger, highly mineralised, and

interconnected gold system. This multi-structure system spans over 10km of strike length highlighting its significant potential for further discovery and resource expansion (Figure 23).

Strickland has completed ~20,000m of focused RC and diamond drilling at Horse Well during 2024. The latest assays from the 2024 drilling campaign continue to build the picture of a camp-scale gold system with exciting growth potential at Horse Well.

- **Palomino** – The prospect has significant potential to expand the mineralised footprint, with the main mineralised shear structure being interpreted to continue for at least 400m to the north outside of the existing Mineral Resource.

Figure 24: Palomino Long Section highlighting significant gold mineralisation intersected till date



Source: Company

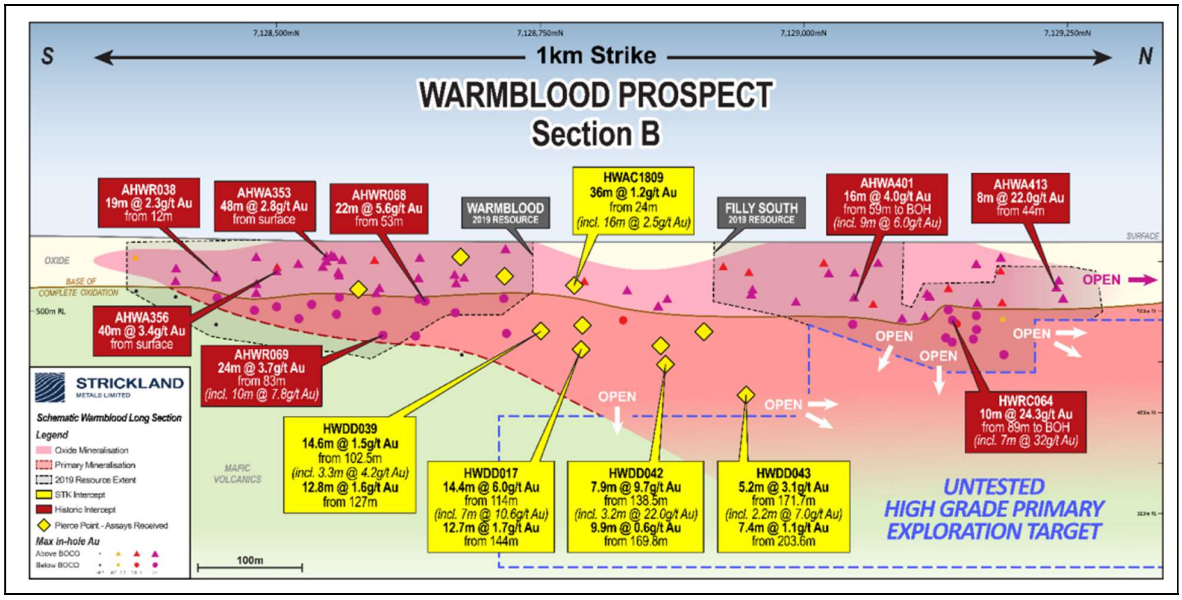
During the quarter ended September 2024, a number of significant assays were announced at the Palomino prospect including HWDD004 – 14.9m @ 3.9g/t Au from 222.1m (including 2.4m @ 10.9g/t Au from 222.1m and 3.7m @ 5.9g/t Au from 230.8m); HWDD026 – 19m @ 3g/t Au from 45m (including 3m @ 12g/t Au from 58m) and others (Figure 24).

- **Warmblood** – The mineralisation at Warmblood remains open at depth and down-plunge to the north, with the ***deepest intercept in HWDD043 – 5.2m @ 3.1g/t Au from 171.7m (including 2.2m @ 7.0g/t Au), and 7.4m @ 1.1g/t Au from 203.6m***.

  Previous drilling by Strickland successfully delineated high-grade north-plunging mineralised lodes within the Warmblood deposit and additionally extended mineralisation across the 'Filly Gap', connecting the Warmblood and Filly South prospects into a continuous deposit with a strike of 1km (Figure 25).

  In October 2024, additional shallow drilling along strike to the north of the Warmblood-Filly system has recently been completed, targeting extensions to mineralisation below transported cover and identifying a continuation of pathfinder mineralisation over a strike length of 1.4kms. ***Significant results include HWRC349 – 2m @ 1.5g/t Au from 94m, and 5m @ 1.9g/t Au from 150m; and HWRC356 – 4m @ 1.7g/t Au from surface*** (300m north of Filly South).

Figure 25: Warmblood Long Section highlighting extensional drilling across the 'Filly Gap' between the historic resources at Warmblood and Filly South



Source: Company

- **Marwari –** The prospect was initially discovered in 2023 by Strickland through aircore drilling across the Horse Well Project. Following initial RC and diamond drilling, the company completed structural analysis of the drill core to delineate the controls on mineralisation within the deposit.

  Recent RC drilling tested the revised interpretation of gold mineralisation at the Marwari deposit and successfully intersected a down-plunge extension to the primary mineralised lode, HWRC283 – 12.0 m @ 5.4g/t Au from 108m (including 4.0m @ 8.0g/t Au). Step-out drilling also intersected significant mineralisation 260m north-east along strike from Marwari, HWRC287 – 28.0m @ 1.0g/t Au from 16m (including 4.0m @ 3.8g/t Au).

  The mineralised Marwari Trend now exceeds a strike length of 1.6kms and remains open at depth and along strike to the north (Figure 26). ***Notably, over half of the Marwari Trend remains untested by RC and diamond drilling, representing a significant mineralised trend for future exploration and additional gold discoveries within the Horse Well Project.***

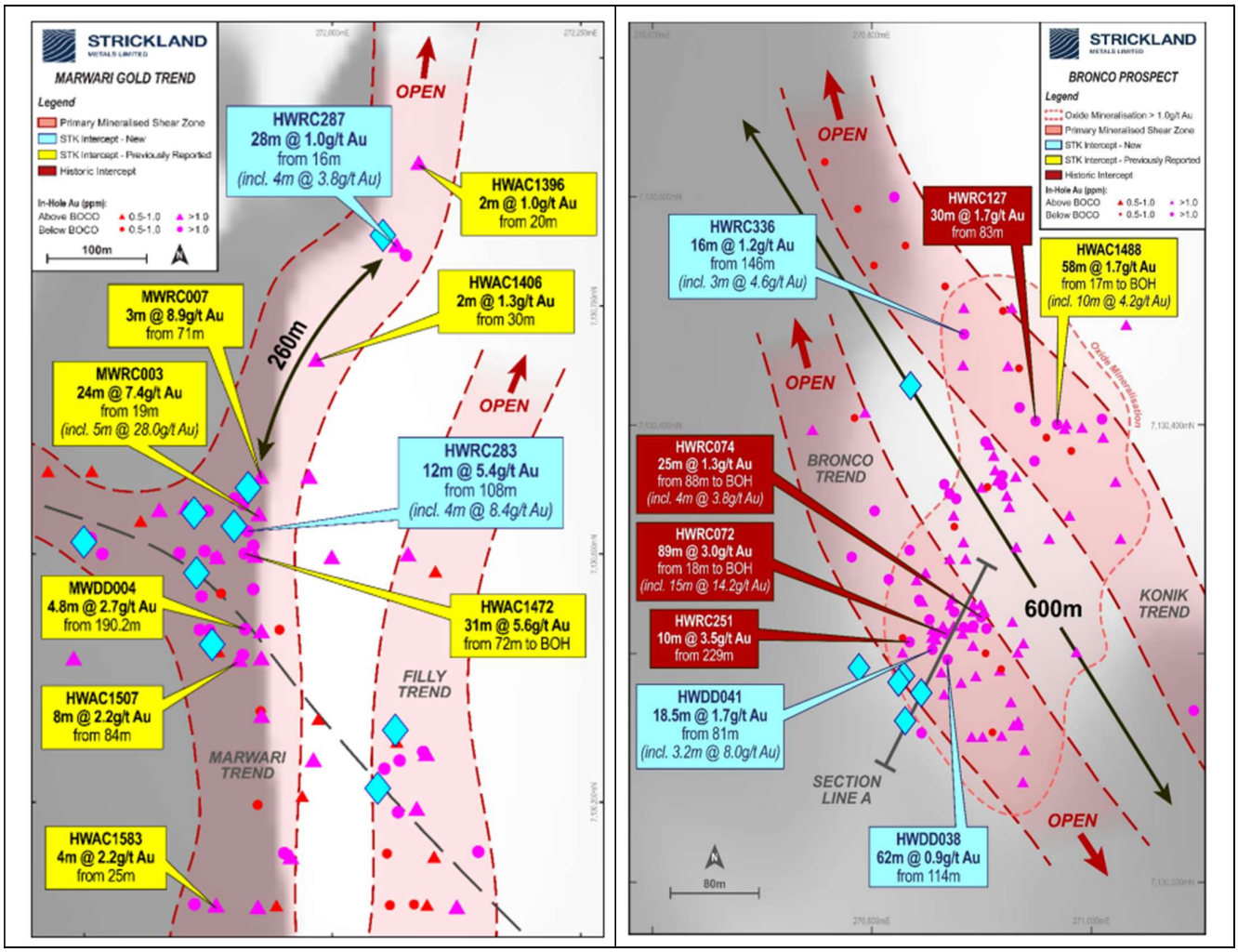
- **Bronco –** The primary mineralisation at Bronco has a north-west trend (300 degrees), southwest dip and northerly plunge. Two main structures were identified from the first ever diamond drilling at the prospect – the Konik primary mineralised structure to the east and the Bronco primary mineralised structure to the west.

  Recent drilling at Bronco has focused on delineating high-grade plunging lodes, similar in style to those present at the Warmblood and Palomino prospects. From this drilling, Strickland has defined two high-grade zones within the broad mineralised shear zone, with the highest grades present along western margin of the shear zone at the contact with felsic volcanics (Figure 27), HWDD041 – 18.5m @ 1.7g/t Au from 81m (including 3.2m @ 8.0g/t Au). ***Drilling at depth further supports the interpretation that Bronco remains a promising bulk-tonnage target below the exceptionally high-grade oxide mineralisation.*** Mineralisation remains open at depth, HWDD038 – 62.3m @ 0.9g/t Au from 114m (including 3.1m @ 3.0g/t Au).

Additional RC drilling at Konik has successfully intersected the mineralised lode a further 100m north-west, along strike from the original Konik Discovery hole, HWRC336 – 16.0m @ 1.2g/t Au from 146m (including 3.0m @ 4.6g/t Au).

Figure 26: Marwari Trend topographic image displaying recent exploration drill holes and the parallel Filly Trend

Figure 27: Bronco-Konik topographic image highlighting the extensive >1g/t Au oxide gold blanket



Source: Company

The company is accelerating exploration at the Horse Well Gold Project to expand its Mineral Resource Base and assess the economic potential for development. Following the recent Marwari discovery, Strickland has identified an additional 3kms of strike length along the offset and untested northern extension of the Marwari Trend, which has been termed the Pegasus prospect. Strickland has planned systematic regional exploration programmes across the entire Horse Well region, aimed at delineating new prospects and uncovering further economic potential. ***We believe the promising results from the recent drilling programme reinforce the significant potential of the Horse Well Project, as well as the broader Yandal Project, positioning it as an exciting opportunity for growth and value creation.***

Other significant projects at Yandal

In addition to Horse Well, the other key projects at Yandal comprises of:

- **Dusk til Dawn Project**

The Dusk til Dawn has an Inferred Mineral Resource of 3.5Mt @ 1.0g/t Au for 108.9koz Au. The previous geological interpretation of the controls on mineralisation of this deposit was based on several northwest-trending fault structures on the margin of a granite intrusive.

During FY24, Strickland undertook a programme of air-core drilling to map the up-dip extension of a northwest, southeast striking mineralised structure proximal to the existing resource. The results from this work successfully defined a coherent 750m target corridor.

The discovery of this new primary mineralised trend demonstrates the potential for multiple stacked and parallel mineralised lodes, which would significantly increase the existing resource base. Both Dusk til Dawn and this newly defined mineralised structure remain open down dip and plunge, offering both depth extensions and potentially thicker gold intercepts where these shear zones converge. Additional drilling is expected to provide further insight into this new structure's thickness and grade distribution. This drilling will be integrated into the broader drill programme planned across the Horse Well project area, aiming to enhance the understanding of the project's full potential.

- **Yandal East Project**

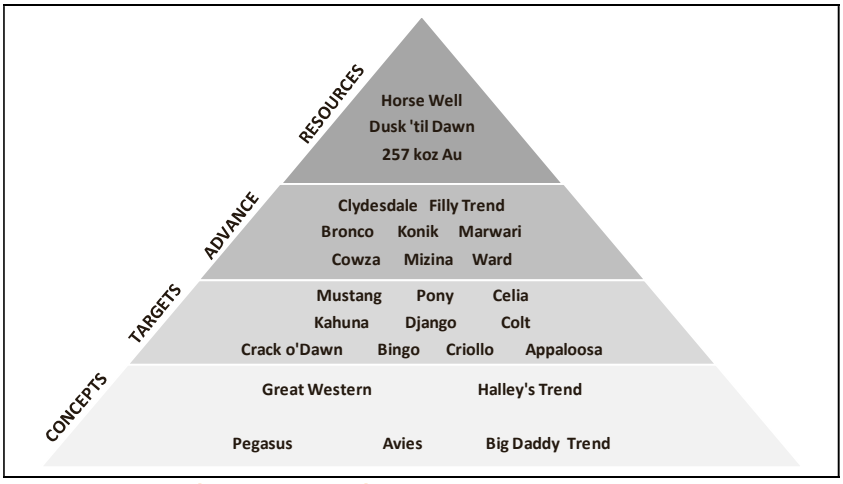
  The Yandal East project area is located immediately south of the company's flagship Horse Well project and includes several promising prospects, including Cowza, Mizina, and Ward.

  The Cowza-Ward trend hosts mineralisation over a 31km strike length, incorporating the poorly defined and shallow drilling at Celia, Cowza, Mizina, and Ward. Based on the exploration work completed by Strickland to date, these prospects exhibit geological characteristics similar to those of the Millrose gold resource. Despite their potential, all four prospects remain significantly underexplored, presenting substantial opportunities for future growth.

Next-steps for Yandal

The company intends to upgrade the high-grade Mineral Resource Base within the Yandal project and explore near-term development opportunities. It will leverage current gold prices to support trucking and toll milling operations or standalone mining operations.

Figure 28: Horse Well prospects



Source: Company and East Coast Research

Future resource development will prioritise Horse Well, focusing on upgrading existing deposits and adding new prospects to the resource base. Additionally, Strickland will continue its systematic exploration programme across the Yandal project, with a particular focus on the Horse

Well area and the Cowza-Ward trend within the Celia Shear Zone, to further delineate and expand the project's gold potential.

STK's other Western Australian assets

In addition to STK's flagship project, the company targets other commodities across its other two WA assets. We have explained them in detail below:

1. The Iroquois Project in Earaheedy Basin, WA

The Iroquois Project is located within the highly prospective Earaheedy Basin in WA, a rapidly emerging region for zinc-lead discoveries

The Iroquois Project, held under a joint venture with Strickland Metals owning 80% and Gibb River Diamonds Ltd. (ASX: GIB) holding a 20% free-carried interest, is located within WA's highly prospective Earaheedy Basin. The project is strategically situated directly along strike from Rumble Resources' Earaheedy Project, home to the Chinook zinc-lead discovery. STK also manages the project.

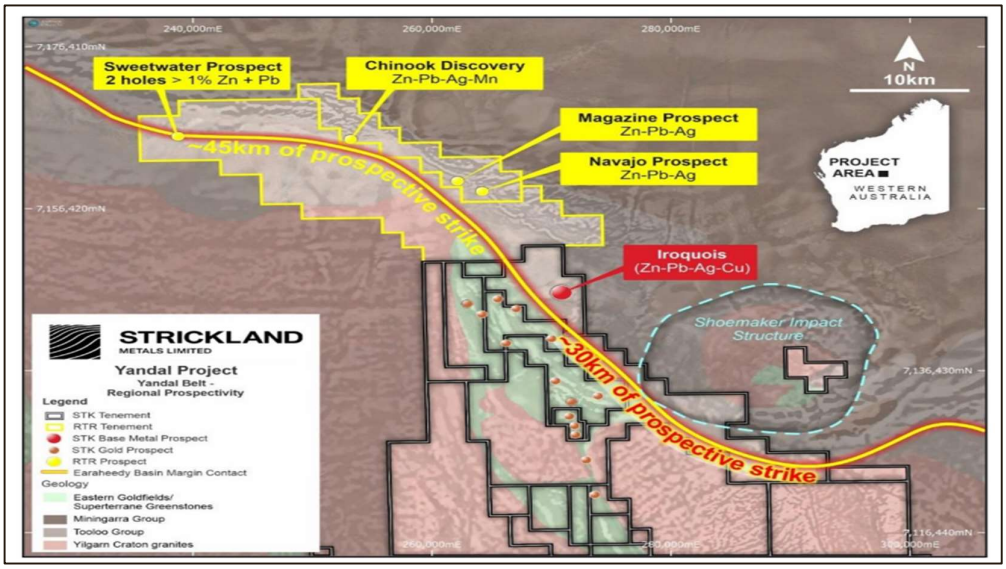
Geological features of the project

The Iroquois Project lies in the Earaheedy Basin margin, a rapidly emerging region for zinc-lead discoveries. STK controls approximately 30km of strike in this area, extending from Rumble Resources' Earaheedy Project. The project showcases multiple styles of mineralisation, including early strata-bound low-temperature MVT-style zinc-lead mineralisation, along with higher-temperature carbonate-replacement (CRD) and skarn polymetallic mineralisation associated with feeder structures.

Exploration update

Recent exploration at the Iroquois Project has delivered significant results. In 2021, reverse circulation (RC) drilling returned 23m @ 5.5% Zn + Pb from 108m, including 9m @ 7% Zn + Pb. Follow-up diamond drilling in 2023 intercepted deeper mineralisation with results like 58m @ 4.3% Zn and 3.7g/t Ag from 173m, along with high-grade intervals of 11.1m @ 6.7% Zn and 4.3m @ 27.0% Zn. These findings reinforce the Earaheedy Basin as a high-potential zinc-lead region. Ongoing airborne magnetic and 3D-induced polarisation surveys are refining drill targeting, with the shallow mineralisation suggesting open-pit mining potential. The project shows substantial upside for further resource expansion.

Figure 29: Iroquois Pb-Zn-Ag-Cu project, in relation to Rumble's flagship Earaheedy Project



Source: Company

2. The Bryah Basin Project in Meekatharra, WA

The Bryah Basin Project is located approximately 80km north of Meekatharra in the Gascoyne district of WA. It spans five early-stage exploration licenses over 260km^2. The project is positioned within a geologically significant region hosting both copper-gold volcanogenic massive sulphide (VMS) deposits and structurally controlled orogenic gold deposits. Westgold Resources' Fortnum Gold deposits, currently under operation, and Sandfire Resources' DeGrussa Project underscore the area's mineral potential.

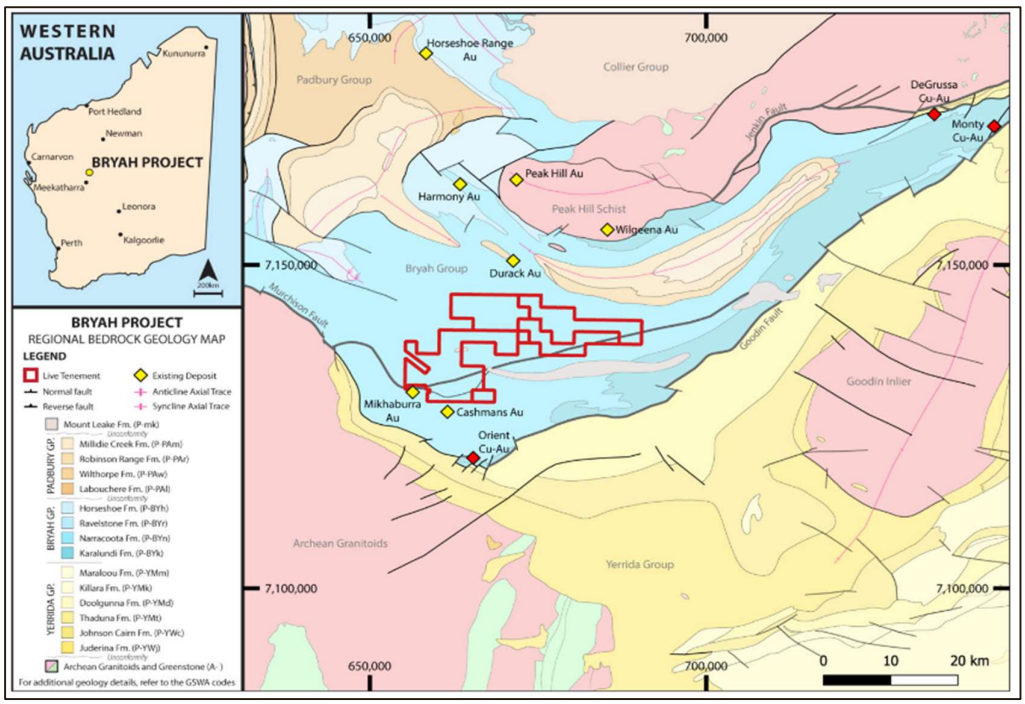
Geological features

The Bryah Basin is prospective for high-grade copper-gold and nickel sulphide mineralisation. Historical data indicates untapped potential due to the area's extensive transported cover. Recent re-mapping by STK highlights favourable geology, including the presence of ortho cumulates and komatiites indicative of nickel potential. Target areas like Dead Horse and Narracoota are identified for base metals, while the Dolerite Prospect is promising for gold.

Exploration Activities

During the 2024 fiscal year, STK focused on reviewing historical data and undertaking geophysical assessments across the project. Follow-up activities include field mapping, soil sampling, and air-core drilling to refine and test priority targets. The project-wide evaluation completed in the September quarter further enhances the project's outlook, with recommendations for more profound, targeted drilling to unlock its total resource potential.

Figure 30: Bryah Basin Project location in relation to regional deposits underpinned by regional geology



Source: Company

In October 2022, STK management highlighted their intention to demerge the Iroquois and Bryan projects into a standalone base metals exploration company. However, with the acquisition of Rogozna, management's bandwidth has been stretched too thin to focus on this agenda. ***We believe that any action on demerging these non-core assets will be incremental from an overall valuation perspective.***

STK's balance sheet strength is quite remarkable

STK is a rare ASX-listed junior gold mining company with substantial cash liquidity. The company acquired 1.5m fully paid shares of Northern Star Resources (ASX: NST) as part of the package for selling the Millrose Gold Project. At A$16.90 per share (as of November 19, 2024), the total value of these shares stands at A$25.4m. Coupled with the net cash of A$17.1 million (as of September 30, 2024), STK holds one of the strongest balance sheets in the junior exploration space, putting the company in a highly enviable position. As an ASX-listed entity, NST shares have enough liquidity, allowing STK to encash them whenever required.

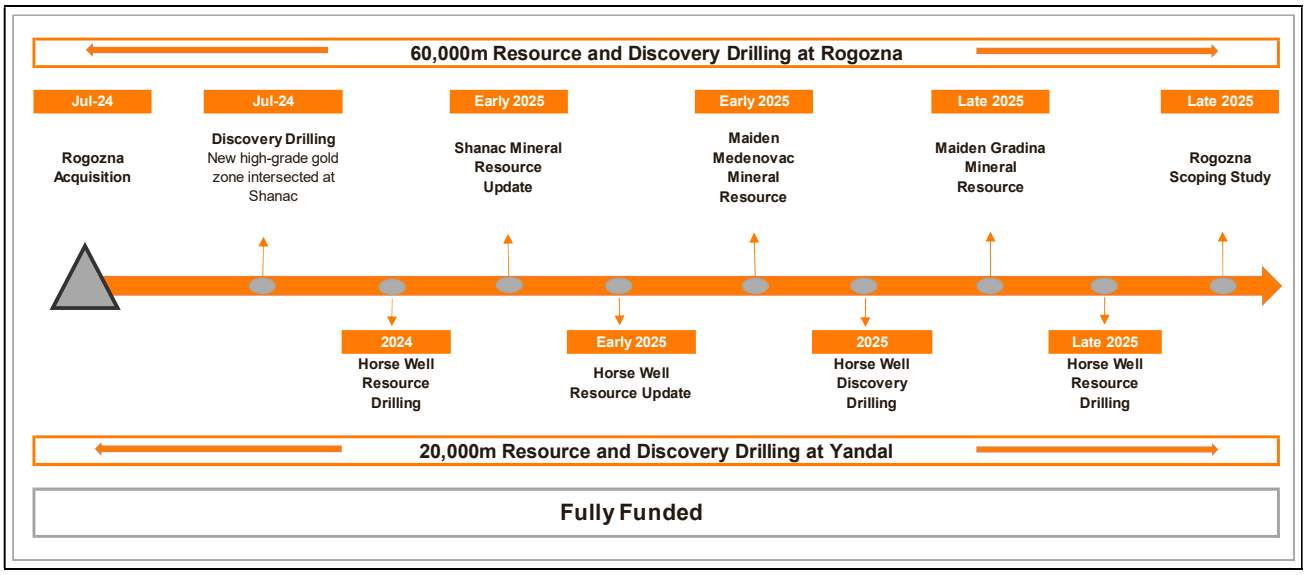
Sale of Millrose project has provided STK with enough liquidity to strategically upgrade its portfolio of gold reserves at a faster pace

Management has highlighted that several one-off transactions were incurred during the acquisition of the Rogozna project, which will not recur. As a result, the company expects significantly lower net cash outflows from operating activities moving forward. With ~A$41m in cash and liquid investments available, STK is well-positioned to continue its drilling activities without disruption. ***The company has deployed four diamond drill rigs, a strategy expected to strengthen exploration and drilling efforts further into 2025*** (Figure 31).

The strength of the balance sheet should reassure shareholders about the pace of project development. ***We believe STK presents a rare investment opportunity in which the primary discussion point is not the project's feasibility or financing but rather the timeline of the scoping study and the extent of resource upgrading.***

We believe the company's management is taking a measured approach to maintaining the project's favourable economics, working deliberately, and ensuring enough drilling to maximise resource upgrading.

Figure 31: STK's next steps in the near term



Source: Company and East Coast Research

Gold: a scarce resource in high demand

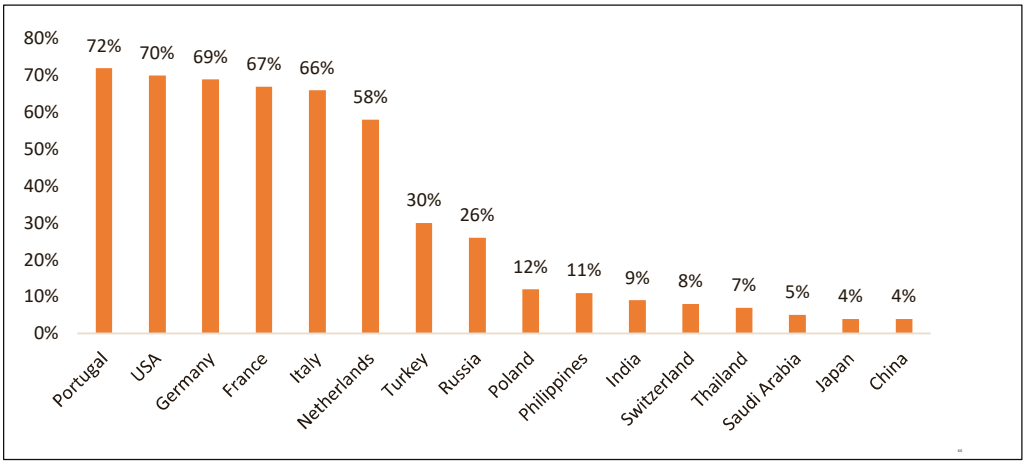
Gold, widely regarded as a "financial cornerstone," has consistently demonstrated its unique role as a global safe haven during economic and political upheaval. Over the decades, this precious metal has evolved beyond a valuable commodity to an essential component in central banks and private investors' reserve portfolios. With its well-established capacity to hedge against inflation, currency depreciation, and financial instability, gold has proven invaluable in preserving wealth amidst global uncertainties. The recent surge in gold prices underscores these dynamics and highlights a significant shift in the behaviour of central banks and investors as they adapt to the evolving economic landscape.

Central bank reserves and gold's strategic importance

In response to increasing economic and geopolitical volatility, central banks worldwide have intensified their acquisition of gold to reduce reliance on traditional fiat currencies, particularly the US dollar. According to the World Gold Council, central banks in emerging markets have been incredibly proactive in bolstering their gold reserves. This focus reflects an awareness of gold's unique ability to protect against currency devaluation and inflationary pressures, positioning it as more than just a hedge - rather, as a vehicle for enhanced economic sovereignty.

In recent years, China has emerged as a prominent player in the global gold market, establishing itself as the largest official buyer of gold in 2023. However, with a rapid increase in gold prices in 2024, the People's Bank of China (PBOC) temporarily halted its purchases, illustrating the fine line between price sensitivity and the strategic imperatives of reserve management. Despite this pause, China's reserves remained substantial, holding 72.8Moz as of September 2024. This significant reserve, which rose in value from US$182.9bn in August to US$191.5bn in September, underscores the critical role gold has in China's economic strategy. The PBOC is expected to resume purchasing once prices stabilise, reinforcing gold's long-term strategic importance for the country.

Figure 32: Gold as a percentage of total reserve holdings among select central banks in 2024



Source: World Gold Council, IMF, J.P. Morgan Commodities Research and East Coast Research

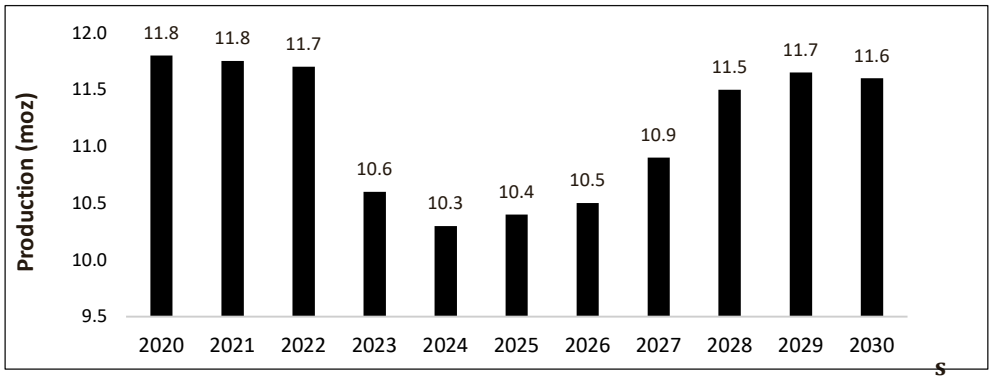
The strategic role of gold in WA and Serbia

WA has solidified its position as one of the world's leading gold producers, benefiting from extensive resources and a supportive regulatory framework. In 2023, gold production became the state's second-most valuable export, generating A$20bn in annual sales and a total output of 211.22 tonnes. However, Australian gold production is forecasted to decline by 2.6% to 10.3mn ounces in 2024, primarily due to declining ore grades at key mines like Cadia, Boddington, Telfer, and Fosterville. The rising operational costs have added to these challenges, prompting the temporary closure of several facilities.

Despite these headwinds, new mining projects, such as Bellevue, Paulsens Restart, and Leonora, are expected to launch in 2024. This might help mitigate some of the anticipated declines. Over the long term, the outlook for Australia's gold production remains positive, with an estimated CAGR of 2.0% from 2024 to 2030 is indicative of Australia's continued role as a major player in global gold production.

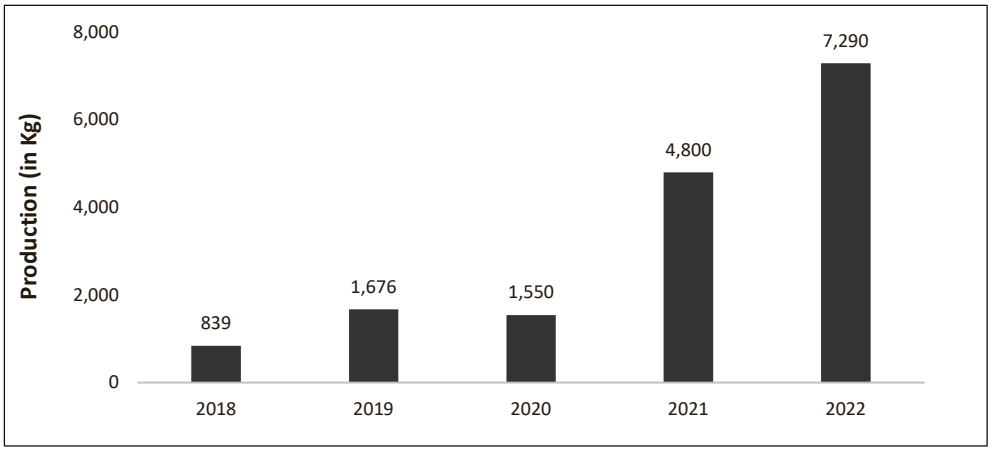
Serbia has been strengthening its financial security through strategic gold accumulation. As of September 2024, Serbia's gold reserves reached a record high of US$3.9bn, up from US$3.8bn in August. Physically, gold reserves grew to 40.67 tonnes in Q1 2024, up from 39.95 tonnes in Q4 2023. Since 2000, with an average holding of 19.16 tonnes, Serbia has steadily increased its reserves (from a low of 9.80 tonnes in 2002). This strategic accumulation underscores gold's critical role in bolstering Serbia's economic resilience and independence.

Figure 33: Australia's gold production forecast from 2020 to 2030



Source: Global Data, Australian Department of Industry, Science and Resources and East Coast Research

Figure 34: Serbia's gold production from 2018 to 2022



Source: US Geological Survey and East Coast Research

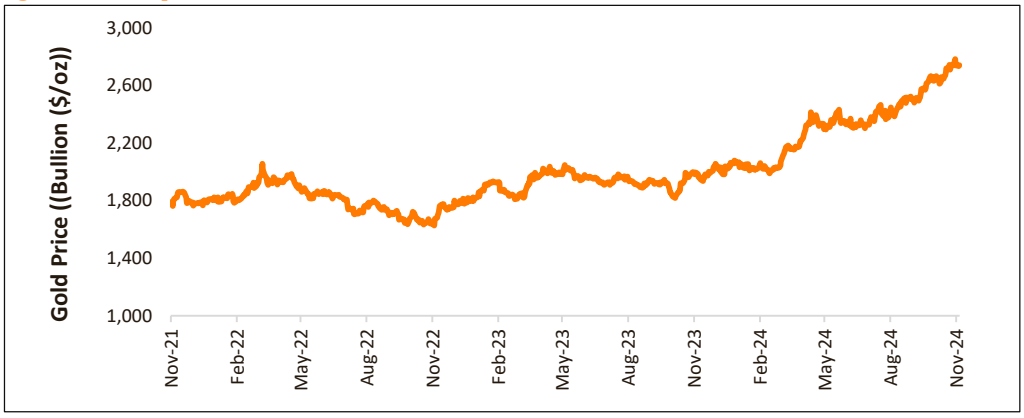
2024: A pivotal year for gold prices

Central banks globally have raised gold purchases by 6% in Q2 2024, reaching a total of 183 tonnes

The year 2024 marked a historic surge in gold prices, with a 28% increase - the highest growth seen since 2010. This rise reflects a period characterised by heightened economic uncertainties, inflationary pressures, and geopolitical conflicts. Although gold's price surge has made central banks more cautious, the demand for gold remains robust. Central banks collectively increased their purchases by 6% in the second quarter of 2024, totalling 183 tonnes. However, due to continued price volatility, the WGC predicts a slight decline in central bank purchases overall for the year, estimating a potential reduction of around 150 tonnes from 2023 levels.

Despite this projected dip, demand for gold remains resilient, especially among central banks seeking protection against inflation and currency devaluation. Institutions like the Central Bank of Mongolia and the Czech National Bank, which recently highlighted their perspectives at the London Bullion Market Association (LBMA) conference, continue prioritising gold within their reserve management frameworks to safeguard national wealth.

Figure 35: Gold price from November 2021 to November 2024

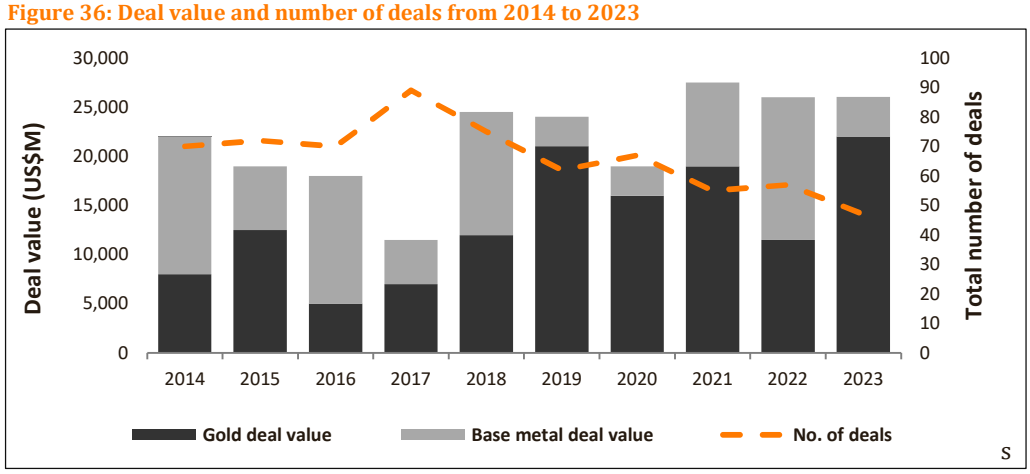


Source: S&P Global and East Coast Research

Gold M&A Surge: Junior miners as key targets

In 2023, mergers and acquisitions in the metals and mining sector saw a significant shift towards gold, focusing on acquiring junior gold miners. A key driver of this surge in activity was the rise in gold acquisition values, which doubled from 2022 to 2023, primarily driven by the US$17bn Newmont-Newcrest merger. This landmark deal alone contributed over 60% of the total gold reserves and resources transacted that year. The gold sector also saw a slight increase in deals, with 30 gold-focused transactions in 2023, compared to 29 in 2022. While the overall value of gold M&A activity soared, this megadeal heavily influenced it; without it, 2023's gold M&A performance would have been one of the lowest of the past decade.

Figure 36: Deal value and number of deals from 2014 to 2023



Source: S&P Global Market Intelligence and East Coast Research

The surge in gold-focused M&A activity can be attributed to several key factors. First, gold's role as a stable, safe-haven asset during uncertain economic conditions made it more attractive than other metals, particularly base metals like copper, which saw declining interest in 2023. As interest rates remained high, gold's stability allowed it to command premium valuations, with

some acquisitions seeing price-per-ounce increases of over 600% compared to 2022. This heightened interest in gold assets was driven by the metal's ability to retain value in a volatile global market.

While gold M&A activity in 2023 reached US$26.4bn, it was largely driven by the US$17bn Newmont-Newcrest merger. Without this deal, gold M&A would have been among the lowest in the past decade.

Another critical reason for the increased focus on junior gold miners was the strategic value of acquiring their high-grade reserves. **Junior miners typically hold undeveloped or partially developed gold resources, which is highly attractive to larger companies looking to expand their portfolios without the risks and costs associated with greenfield exploration**. Major miners can quickly bolster their resource base and reduce operational costs by acquiring these juniors. In addition, the demand for gold in emerging technologies, such as electric vehicles and renewable energy infrastructure, further strengthens its appeal, ensuring steady long-term prices.

Figure 37: Recent M&A references

Acquirer	Target	Stage	Date	Deal Value (A$m)	EV/oz (A$/oz)	Total Resource (koz)
Northern Star Resources Limited	Strickland Minerals Limited	Resource Development	Jun-23	61.0	176.0	346.0
Ramelius Resources Limited	Musgrave Minerals Limited	Pre-Feasibility Study	Jul-23	201.0	217.0	927.0
Beacon Minerals	Ora Banda Mining	Pre-Feasibility Study	Mar-23	12.5	39.0	318.0
Ramelius Resources Limited	Breaker Resources NL	Resource Development	Mar-23	55.7	33.0	1684.0
Catalyst Metals Limited	Vango Mining Limited	Definitive Feasibility Study	Jan-23	66.0	66.0	1002.0
St Barbara Limited	Bardoc Gold Limited	Definitive Feasibility Study	Dec-21	148.2	48.0	3073.0
Gascoyne Resources Limited	Firefly Resources Limited	Resource Development	Nov-21	44.6	226.0	197.0
Ramelius Resources Limited	Spectrum Metals Limited	Resource Development	Feb-20	338.5	951.0	356.0
Aurenne	Alt Resources Limited	Pre-Feasibility Study	Aug-20	32.1	56.0	571.0
Median				**61.0**	**272.0**	**571.0**
Average				**106.6**	**571.4**	**941.6**

Source: Respective ASX disclosures are per the listed release date in the above table and East Coast Research

Note: All projects located in WA were at the pre-development stage at the transaction time.

We believe ***STK should not look for any sell-off activity at this stage of project development. Given its balance sheet strength, high-grade discovery across newer under-drilled prospects, massive resource upgrade probability in the near term,*** and initiation of a scoping study very soon, the economic value of STK might multiply in the near-to-medium term.

Key factors fuelling central bank demand for gold

Geopolitical tensions and financial sanctions

Gold's role as a strategic asset has intensified since 2022 when sanctions imposed by the West led to the freezing of Russia's central bank assets. This action underscored the risks of holding reserves in foreign currencies, particularly the USD. As per Goldman Sachs, financial sanctions and the pursuit of greater economic autonomy have become primary motivators for central banks – especially in Asia and Eastern Europe – to expand their gold reserves. For these regions, gold represents a politically neutral asset, less vulnerable to sanctions or diplomatic disputes, and therefore offers a critical layer of protection against external economic coercion.

US interest rates and the impact on the dollar

Traditionally, gold prices and US interest rates move inversely: higher interest rates usually diminish gold's appeal, as gold does not yield interest. However, the recent wave of demand for gold from the central bank has disrupted this long-standing relationship. According to Goldman Sachs, geopolitical factors are now dominant, compelling central banks to prioritise gold even amidst varying interest rate conditions. Goldman Sachs estimates that every additional 100 tonnes of central bank demand could increase global gold prices by approximately 2.4%. This illustrates how central bank acquisitions have become a central driver of gold's value, independent of traditional interest rate effects.

Long-term price projections and investment implications

Goldman Sachs projects that strong central bank demand, inflation pressures, and investor interest could drive gold prices to $3,000 per ounce by 2025

Gold reached new record highs in 2024, with projections indicating that this upward trend will continue. Sustained demand from central banks, rising inflationary pressures, and increased investor interest suggest that prices could reach as high as $3,000 per ounce by 2025, according to Goldman Sachs. This projection reflects gold's enduring appeal as a hedge against inflation and as a countermeasure to the depreciation of major currencies, particularly the dollar.

Private investors have also contributed to increased demand, primarily through exchange-traded funds (ETFs), as rising US debt levels fuel concerns about potential inflationary pressures. With interest rates expected to decline in the coming years, renewed growth in ETF investments is anticipated, consistent with past trends of increased demand during periods of low interest rates.

The influence of the BRICS+ nations on the gold market

The BRICS+ alliance – comprising Brazil, Russia, India, China, South Africa – and other emerging economies have significantly influenced global gold reserves in the last few years. These nations view gold as an instrument for achieving greater economic independence, particularly in reducing reliance on the US dollar. China and Russia have made notable efforts to accumulate gold reserves, aligning with a broader global movement toward de-dollarisation. Goldman Sachs indicates that the BRICS+ countries' collective strategy is to establish a multipolar reserve system that is less vulnerable to the economic policies and political fluctuations originating from the US and Europe.

As the BRICS+ countries prioritise gold accumulation, they reinforce its status as a critical counterweight to the USD's dominance. This strategy and a constrained global gold supply will likely support sustained price growth, particularly as these nations seek to fortify their reserves against currency volatility and external economic pressures.

Shifting US policies and their implications for gold

Following President Donald Trump's recent re-election, gold futures temporarily declined, dropping prices by 3% to $2,673 per ounce. Trump's policy proposals, particularly those concerning tariffs and immigration, generated optimism around the dollar and US bond yields, reducing immediate demand for gold. However, it must be noted that Trump's economic policies could lead to increased federal deficits, potentially fuelling inflation over the long term. If inflation rises, gold could regain its appeal as a hedge against currency depreciation, which would likely drive renewed demand.

Gold's lasting relevance and prospects

The outlook for gold remains exceedingly positive. Central banks, private investors, and emerging economies continue to rely on this precious metal to safeguard against economic uncertainty, inflation, and currency fluctuations. Amidst the ongoing geopolitical shifts, rising inflation, and heightened financial instability, gold is expected to remain a stabilising asset within reserve portfolios.

Goldman Sachs' ambitious projection of $3,000 per troy ounce by 2025 underscores the potential impact of central bank and investor demand on gold's price trajectory. This forecast is not merely aspirational but reflective of the deepening global reliance on gold as a hedge against economic and political risks. As emerging economies assert their independence and inflationary pressures potentially rise, gold's role within global reserves is likely to expand further.

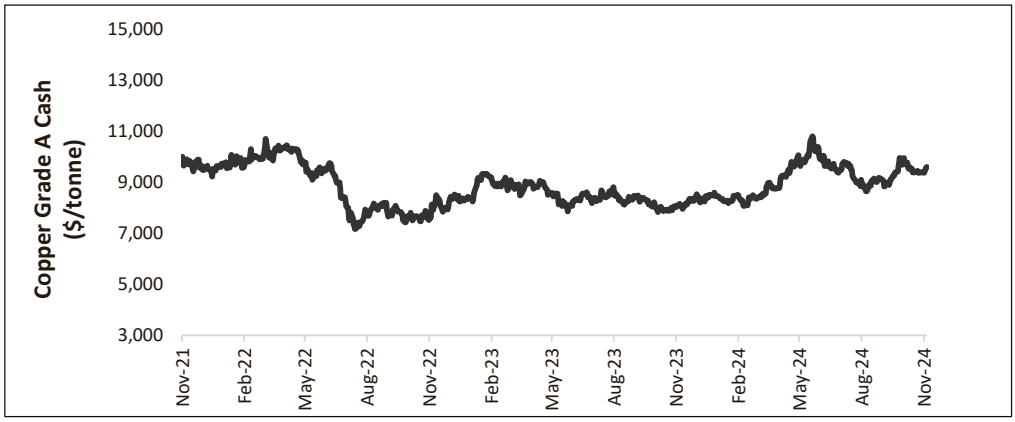
Copper: A critical metal fuelling modern industries and green transition

Copper is a cornerstone of modern industry with its reddish-brown hue and superb conductivity. Highly malleable and ductile, it is crucial for electrical wiring, electronics, construction, and heat exchange systems. As the third most used metal globally, copper underpins sectors like power, transportation, and consumer goods. Its role is expanding with the global shift toward decarbonisation, as renewable energy technologies and electric vehicles increasingly depend on copper. Copper's recyclability and efficiency also make it central to sustainable development, indicating a robust demand trajectory and underscoring its significance in a greener, connected future.

Global copper market trends

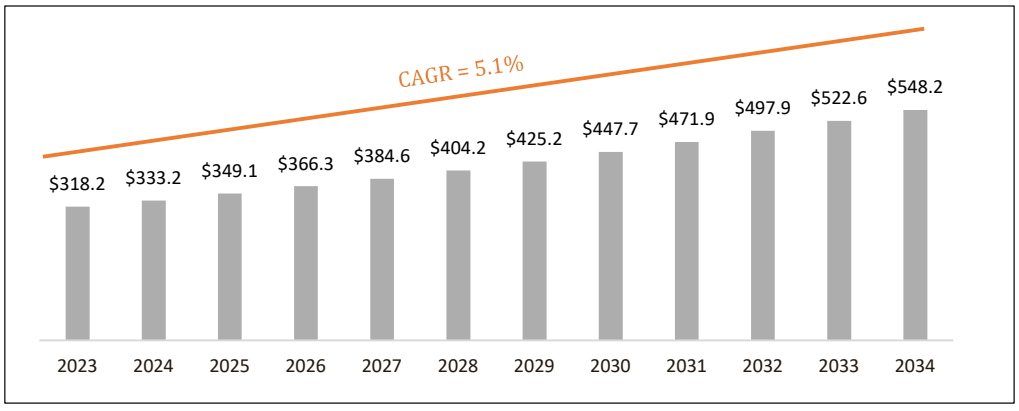
In October 2024, Goldman Sachs adjusted its 2025 copper price forecast upwards to $10,160 per ton, highlighting increased demand potential due to recent economic stimulus measures in China. This revision from an earlier forecast of $10,100 underscores China's significant influence on global copper demand. Accounting for over half of the world's copper consumption, China's demand plays a crucial role in setting copper prices, even more than other major resources like oil or coal. Just a month prior, however, Goldman Sachs had lowered its forecast from $15,000 to $10,100 per ton due to slower-than-expected economic recovery in China, particularly in manufacturing and property sectors. These fluctuations reveal the complexity of copper's market, heavily impacted by multiple drivers, from China's economic shifts to the global push toward renewable energy.

Figure 38: Copper price from November 2021 to November 2024



Source: S&P Global and East Coast Research

Figure 39: Copper market size forecast from 2023 to 2034 (US$bn)



Source: Precedence Research and East Coast Research

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Key drivers affecting copper demand

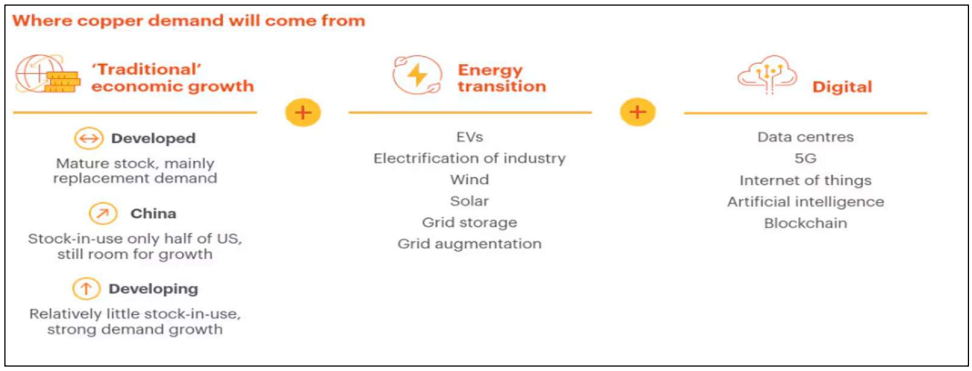
China's influence on copper demand

As the world's largest copper consumer, China is responsible for approximately 55% of global copper use, with about 30% of this demand stemming from its building and construction sector. The country's economic health is pivotal to global copper prices. Periods of strong Chinese demand have historically driven up prices, while downturns, particularly in real estate, often lead to price drops. For instance, copper prices fell in 2023 as China's property market struggled. Additionally, as the leading copper smelter worldwide, China's role in processing and consuming copper reinforces its impact on global copper markets.

The energy transition and copper demand

The global shift to renewable energy and electric vehicles (EVs) has sharply increased copper demand. Fully electric vehicles use up to 80 kg of copper each—much more than conventional cars—and renewable technologies like solar panels and wind turbines also rely heavily on copper infrastructure. This green technology shift could nearly double annual copper demand by 2035, making copper essential to the energy transition. Currently, copper demand is split roughly 92% for traditional uses, 7% for energy transition, and 1% for digital tech, but by 2050, these proportions are expected to shift to 71%, 23%, and 6%, respectively.

Figure 40: Sources of future copper demand



Source: BHP Insights

Supply constraints in copper mining

Copper supply remains tight due to multiple challenges in mine production, including labour strikes, extreme weather, and political instability, particularly in key regions such as Chile, Peru, and the Democratic Republic of Congo. For instance, the 2023 closure of the Cobre Panama mine removed 4mn tonnes of copper from the global market, adding pressure to already constrained supply. Although production has doubled over the past 30 years to around 22mn tonnes annually - largely driven by Latin America, the Asia-Pacific region, and Africa - future supply faces limitations. This growth relied on greenfield investments and the leach-solvent extraction-electrowinning (SxEw) process, which enabled extraction from low-grade oxide ores and now accounts for 20% of supply. Looking ahead, while Latin America, Africa, and the Asia-Pacific region are expected to lead supply increases, limited new investments and declining ore grades could hinder substantial expansion, with Africa expected to show the highest growth rate and Latin America contributing the most in absolute terms.

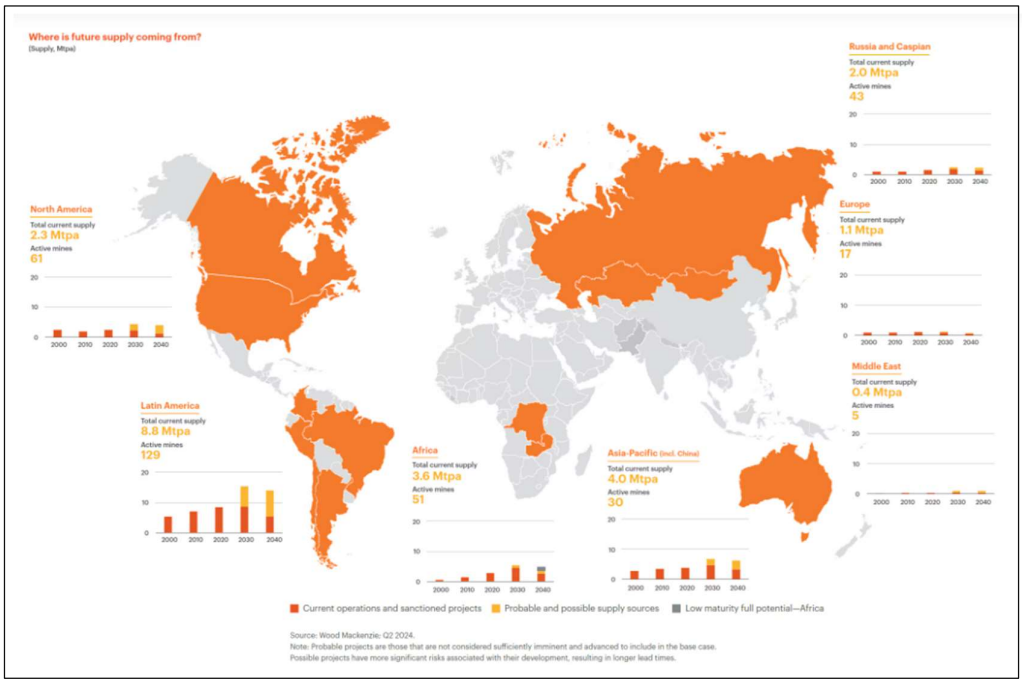
Inventory Levels and Market Dynamics

Copper inventory levels play a critical role in market dynamics. Declining inventories, particularly in major hubs like the Shanghai Futures Exchange and the London Metal Exchange, historically correlate with price increases. Recently, however, Chinese copper stockpiles have increased, which has placed downward pressure on prices, reflecting a slower-than-expected recovery in China's manufacturing and property sectors.

Outlook for Copper Prices

Despite recent fluctuations, the long-term outlook for copper prices remains strong, driven by the energy transition and ongoing supply constraints. Although 2024 has been marked by mixed signals from China's variable economic performance, the market is expected to tighten as global demand for copper in EVs, renewable energy, and green technologies grows. While short-term volatility may arise from supply challenges, geopolitical tensions, and economic uncertainties, copper's critical role in modern industry supports a bullish long-term price trend.

Figure 41: Future sources of copper supply



Source: BHP Insights

Zinc

Zinc is a bluish-white, lustrous metal that is hard and crystalline at normal temperatures but becomes malleable and ductile when heated. It reacts with oxygen and acids to release hydrogen. Over half of its production is zinc, which is used in galvanising steel. Zinc also contributes to various alloys. Additionally, it is used in roofing, gutters, die-castings for the automotive and electronics industries, and other essential applications.

The global zinc market faces a significant supply deficit in 2024, primarily driven by a squeeze in raw material availability, leading to reduced smelter production. Initially, the International Lead and Zinc Study Group projected a supply surplus, but this forecast has now shifted to a 164,000-ton deficit. Global mine production is expected to decline by 1.4%, marking the third consecutive year of falling output. The reduction is particularly notable in Europe, where mine suspensions like Tara in Ireland and Aljustrel in Portugal have caused production to slump.

China, the world's largest smelting hub, is also feeling the pressure. Refined zinc output has been declining, with estimates suggesting a 3.4% drop in 2024 compared to 2023. This decline is exacerbated by negative smelter treatment charges, indicating a mismatch between demand and raw material availability. While demand remains stable, with a 1.8% expected growth in 2024, zinc's exposure to China's struggling property sector, a major consumer of galvanized steel, limits the overall growth potential.

Looking ahead, the market may see a recovery in 2025, with a projected 148,000-ton surplus due to improved prices and the reactivation of production facilities. However, the outlook remains volatile, as disruptions like the downgrade in Ivanhoe Mines' Kipushi project further complicate the situation. Technological advances in zinc recycling and the circular economy will also play a

crucial role in stabilizing supply and reducing dependency on mined zinc, supporting long-term market growth.

Zinc's market is projected to grow at a CAGR of 2.4%, reaching 21.7mn tons by 2030, driven by key applications like galvanizing and die casting.

Silver

Silver, a lustrous white metal, is prized for its high conductivity and malleability, making it essential in various industries. It plays a crucial role in electronics, solar panels, electric vehicles, and is also widely used in jewellery and as an investment.

In 2024, silver has experienced a remarkable 42% increase, outperforming gold and other asset classes. Currently trading around $34.50 per ounce, further price gains are anticipated, with projections suggesting a rise to $40 to $42 per ounce in the next 6-12 months. This surge is driven by a persistent supply deficit, with a forecasted shortage of 215mn ounces in 2024, marking the fourth consecutive year of supply shortfall.

Industrial demand is a major factor in this deficit, with the photovoltaic sector alone consuming a record 232Moz of silver this year. Silver's essential role in the production of electronic devices, electric vehicles, and solar panels further drives its demand. Additionally, investment demand, particularly from high-net-worth individuals and institutional investors, is rising. Although investment demand in Western markets remains relatively weak, countries like India and China have shown robust interest. Silver imports in India have hit record levels, driven by its use in jewellery, industrial applications, and as an investment asset.

The combination of strong industrial demand, especially in renewable energy and electric vehicles, and increased investment interest in markets like India, has propelled silver prices to their highest in over a decade. With the supply-demand gap expected to persist, silver prices are poised for continued growth in the coming months.

Lead

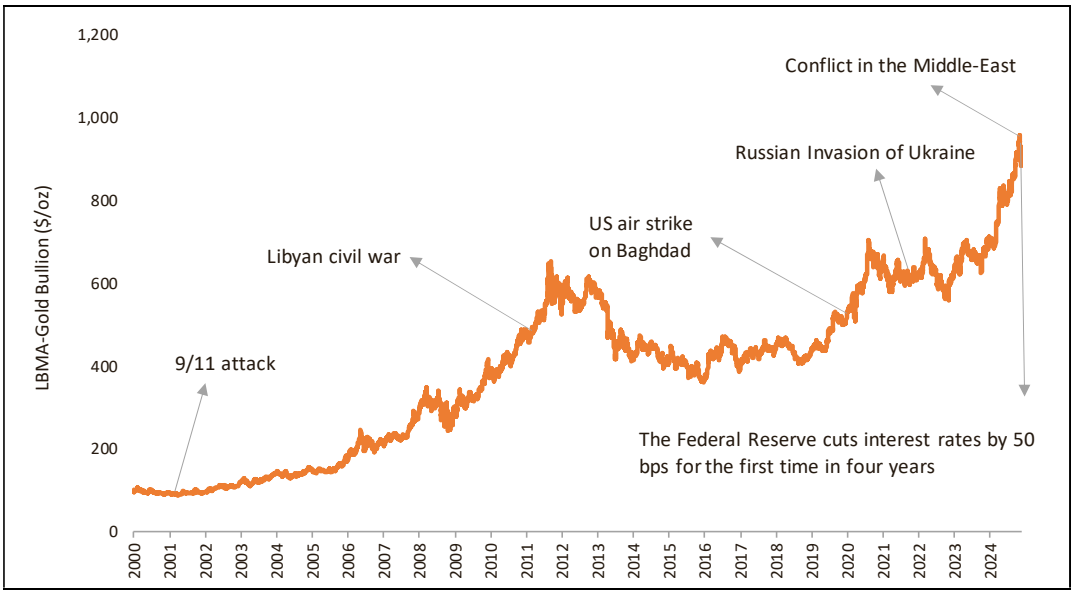
Lead is a dense metal with numerous industrial applications, particularly in lead-acid batteries, radiation shielding, and various sectors like construction and manufacturing. Due to its toxicity, lead has been subject to increasing regulations aimed at mitigating its environmental and health risks.

In 2024, global refined lead metal supply is expected to exceed demand by 40,000 tonnes, according to the International Lead and Zinc Study Group. Demand for lead is forecast to rise by nearly 2% this year, reaching over 13mn tonnes. In the US, apparent lead usage is projected to recover by 0.7% after a 4% decline in 2023. European demand, which grew nearly 7% last year due to increased automotive production, is anticipated to rise by 1% in 2024. Chinese demand is also expected to grow by 1.6% after a 2% increase in 2023, with additional growth forecast in India, Japan, South Korea, and Mexico.

On the supply side, global lead mine production is expected to increase by nearly 2%, reaching over 4mn tonnes, driven by gains in Australia, Bosnia and Herzegovina, Bulgaria, and Mexico. Production in China is projected to rise by 1%. Refined lead metal output is forecast to grow by 1.4%, with significant contributions from Australia, China, India, Japan, South Korea, and the UAE. However, production in the US and Canada is expected to fall.

Despite a 2% drop in refined lead metal usage in early 2024, primarily due to reductions in Europe, Thailand, Turkey, and the US, demand has risen in Japan, South Korea, and Mexico. Chinese imports of lead concentrates fell by 18%, while net exports of refined lead declined significantly. The surplus in refined lead metal continues, as the battery sector remains the primary consumer of lead.

Figure 42: Geopolitical events and gold price trends



Note: Gold prices indexed to 100 starting from 3 January 2000
Source: S&P Global and East Coast Research

Valuation: SOTP-based resource-driven approach indicates significant upside potential

Given that Strickland has yet to initiate the studies for the Rogozna project, we have found it best to use a peer-multiples-driven resource-based valuation approach to determine a medium-term price target. Currently, the company does not generate free cash flows, and the scoping study for its Rogozna project is ~12 months away (with further drilling and resource updates planned for 2025). Therefore, a SOTP-based resource-driven valuation approach (based on peer multiples) is best suited at this stage.

Figure 43: Strickland Metals Peer Set

Company Name	Ticker	Market Cap* (A$m)	EV* (A$m)	Mineral Resource Estimate^ (Mt)	Au / AuEq Grade (g/t)	AuEq (Moz)	EV / AuEq (A$/oz)
Pantoro Limited	ASX:PNR	626.04	584.04	35.93	3.14	3.61	161.7
Catalyst Metals Limited	ASX:CYL	592.07	579.35	34.50	2.87	3.17	182.6
Santana Minerals Limited	ASX:SMI	319.96	286.95	27.90	2.21	1.97	145.4
Magnetic Resources NL	ASX:MAU	312.09	303.13	26.16	1.77	1.48	204.7
Black Cat Syndicate Limited	ASX:BC8	382.14	377.60	19.78	3.01	1.90	198.4
Turaco Gold Limited	ASX:TCG	263.38	243.85	54.55	1.17	2.05	118.9
Astral Resources NL	ASX:AAR	174.17	168.52	32.00	1.10	1.13	149.6
Median		**319.96**	**303.13**	**32.00**	**2.21**	**1.97**	**161.67**
Average		**381.41**	**363.35**	**32.97**	**2.18**	**2.19**	**165.90**
Strickland Metals Limited	ASX:STK	172.18	147.88	81.86	1.08	2.82	52.4

*Note: ^Mineral Resource Estimate is calculated as 100% for Measured and Indicated and 50% of Inferred resource; *as of 2 December 2024*
Source: S&P Capital IQ and East Coast Research

To arrive at our target valuation, ***we applied a 20% discount to the peer group EV/average resource multiple for valuing the Rogozna Gold project in the base case. The discount was applied to mitigate any perceived jurisdictional risks***, as the same number of ounces are valued higher in Australia than overseas by capital market participants here (with Canada being an exception). We have assessed A$EV/Moz of AuEq resource multiples for ASX-listed gold miners, including Pantoro Limited (ASX: PNR), Catalyst Metals Limited (ASX: CYL), Santana Minerals Limited (ASX: SMI), Magnetic Resources NL (ASX: MAU), Black Cat Syndicate Limited (ASX: BC8), Turaco Gold Limited (ASX: TCG) and Astral Resources NL (ASX: AAR). All the companies are the closest peers to Strickland regarding resource estimates and gold-dominant projects (Figure 43).

To adjust for any perceived jurisdiction risk, we have applied a discount to the peer group average EV/Average resource multiple to value the Rogozna Project

Strickland trades at A$52.4/oz AuEq, a ~68% discount to its peer average. Given that the recent discoveries of high-grade intercepts at Rogozna demonstrate a clear upside from the recent drilling and exploration of new target areas, it is surprising that market participants value Strickland at such a deep discount to its peers.

Considering the high probability of an increase in the resource base following the recent high-grade hits from the drillings at the new under-drilled prospects, we have assumed a 50-60% jump in the Rogozna project resource base across our two valuation scenarios. Furthermore, as the project is fully funded, the metallurgical test work programme has commenced, and the mineral resource update and scoping study are planned to be announced in the next 12 months, we anticipate further increases in the total resource base of the Rogozna project, providing additional upside potential for investors. ***Our investment thesis aligns with management's priority of delivering a mineral resource update and a Scoping Study by the end of 2025. The ultimate near-term goal is to establish an accurate economic value for Rogozna***.

In our optimistic 'Bull' case scenario, we have applied a 10% premium to the average base case EV/ Resource multiple for the Rogozna project. We believe current valuations of ~A$146/oz of AuEq are close to the base levels. This is based on our assumption that gold prices should continue to remain resilient in 2024 and 2025, with a long-term uptrend due to institutional investment growth.

To value the Yandal project, we have ***used the peer group EV/Average resource multiple of A$165.9/oz of AuEq across both the base case and the bull case scenario. We have additionally applied a premium of 25% to the peer multiple to account for the probability of Yandal being a high-value M&A prospect***. Notably, a year back, the Millrose asset (one of the main deposits within the Yandal tenement) deal was done at an EV of ~A$170/oz of gold. The premium stands justified, given the 30% jump in gold metal prices over the last year.

We believe that many market participants have not yet recognised the M&A potential of the Yandal project, specifically the high probability of it being sold to a larger player. This oversight is unfairly contributing to Strickland's current lower valuation

We have kept the multiple lower than that to account for the lower number of drillings compared to the JORC requirements for reporting Inferred Resource Estimates, leaving enough room for further upside. ***To accommodate the recent drilling results at Yandal, we feel the optimistic case for Yandal should encompass a gold resource at least 100koz higher.***

The ongoing drilling activities in 2024 recognised the potential that Horse Well in the Yandal tenement may be a major emerging gold camp. STK's strategy has been to accelerate the testing of the potential of Yandal by way of conducting expansive step out drillings at Horse Well. When the company follows this up with more infill drilling next year, it is likely, based on the mineralogical results found thus far, that a ***material part of the inferred resources will become indicated***, leading to an increase in the valuation for Yandal from what we have shown here. The historical drilling failed to recognise the true potential of the project.

Our methodology, which includes only 50% of the Inferred Resources in the Total Mineral Resource estimates, works for most companies. However, in cases where a company's entire MRE is inferred and there is credible evidence of successful drilling—such as with Yandal—applying such a heavy discount could potentially undervalue them, particularly if the drilling results are promising. It is imperative to note that, according to the management, ***Horse Well's MRE doubled in the past year***. Therefore, applying a premium to the peer average for valuing Yandal project seems rationalistic.

Most market participants have not recognised Yandal's true value ***due to a lack of available data, contributing to Strickland's lower current valuation***. We believe Yandal is a highly prospective asset near multi-million-ounce gold projects that could significantly enhance Strickland's valuation and should not be overlooked. ***Yandal has the potential to offer a multi-fold upside for investors***.

We have not included the impact of timely completion of scoping studies in our valuation calculation; any related news over the next 12-18 months could have a multiplier effect on Strickland's share price. In addition to the Rogozna and the Yandal projects, Strickland's project portfolio includes the Iroquois and the Bryan Basin projects in WA. Though these projects are at an early exploration stage, any resource estimates provided by the company could further uplift Strickland's share price.

Strickland is undervalued due to its limited drilling and testing and, therefore, lacks a larger JORC-compliant gold MRE (Mineral Resource Estimate) at the Rogozna and Yandal projects. We believe that, supported by a massive cash balance, the management will embark on aggressive exploration and drilling activities in 2025. The currently planned 60,000m and 20,000m resource and discovery drilling at Rogozna and Yandal are expected to significantly upgrade the existing MRE for their gold projects.

We have arrived at an implied EV of A$562.3m in the base case and A$675.9m in the bull case scenario (Figure 44). Our SOTP-based methodology yields a valuation range of A$0.258 in the base case and A$0.306 per share in the bull case scenario. **The mid-point target price of A$0.282 represents a Price/NAV of 0.28x, *indicating a substantial valuation headroom of 256.7% to the current share price of A$0.079***.

Figure 44: EV/Resource-based comparable valuation calculation for Strickland Metals

Strickland Metals Valuation (A$m)	Base Case	Bull Case	Remarks
STK Resources (Moz AuEq)	2.69	2.69	
~Incremental resource (Moz AuEq)	1.346	1.615	50-60% jump for recent high-grade hits
Sector Average (A$/oz AuEq)	132.72	145.99	20% jurisdiction risk discount
Rogozna Gold Project Value	535.76	628.62	
STK Resources (Moz AuEq)	0.13	0.23	Positive recent drilling results
Sector Average (A$/oz AuEq)	165.90	165.90	
Premium/Discount to peer average	25.0%	25.0%	Strong M&A prospect and historically high valuation of the tenement
Yandal Project Value	26.58	47.32	
Implied EV	**562.34**	**675.94**	
Cash & cash equivalent^	41.30	41.30	
Provisions and Liabilities*	-0.42	-0.42	
Total value	**603.21**	**716.82**	
Number of shares (m)^^	2,342.5	2,342.5	Post dilution ^^
Implied price (A$)	**0.258**	**0.306**	
Current price (A$)	0.079	0.079	
Upside (%)	*226.0%*	*287.3%*	
Mid-point Target Price (A$)	**0.282**		
Price / NAV (X)	**0.28x**		

Note: ^as of the end of September 2024; includes cash holding of 1.5m shares of Northern Star (valued as of 2 December 2024);
^^ Total diluted shares include ordinary shares on issue, unquoted share options and performance shares options.
Source: East Coast Research

Additional Share Issue

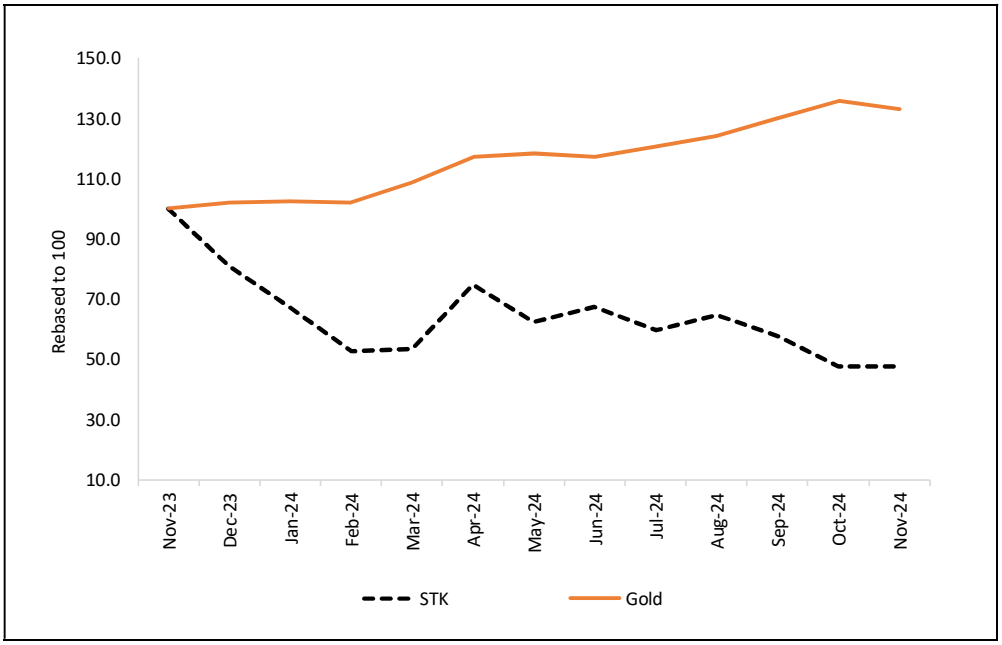
It is important to note that we have assumed a higher number of shares than are currently on issue. The company currently has 2,207.4m shares outstanding, in addition to 56.5m unlisted options. There are also 78.6m performance rights options, which are set to expire in late 2024 or beyond. This brings the total share count to 2,342.5m, which is used in our implied price calculation.

Share Price Performance

Strickland shares have delivered ~84% returns over the past year and a half, including a ~65% return in the last two years' time. This performance has largely been driven by the surge in gold prices and strong gold discovery results at the Yandal project. However, despite recent key announcements—high-grade gold discoveries and the commencement of metallurgical test work at the Rogozna project—the shares have not yet rebounded to their 52-week high of A$0.20. This is primarily due to capital market participants' scepticism about Serbia as a mining jurisdiction and doubts regarding the long-term potential of the Rogozna project. Additionally, the market has been underestimating the value of newer prospects within the Rogozna project area.

We believe that as potential investors better understand Serbia as a mining jurisdiction (which remains relatively unknown to Australian investors), Strickland's share price will re-rate. ***The discovery of extremely high-grade gold in recent diamond drilling at the Medenovac and Kotlovi prospects (within the same vicinity) could serve as a catalyst for multiplying the company's resource base***. A resource upgrade is expected to be completed by the end of 2025, along with the initiation of a scoping study, which should further support this turnaround.

Figure 45: STK share price and gold price performance



Source: S&P Capital IQ, Argus Metals and East Coast Research

Gold prices surged in 2024, driven by heightened economic uncertainties, inflationary pressures, and geopolitical conflicts. Gold continues to see consistent demand as a store of value and an industrial asset, which underpins its high price. Furthermore, the growing demand for gold in emerging technologies—such as electric vehicles and renewable energy infrastructure—supports the long-term outlook for gold prices.

While current market conditions are challenging, we expect a reversal of fortunes as management provides more detailed information about the Rogozna and Yandal projects. Serbia has historically reported strong gold recovery rates, which gives us confidence in the Rogozna project's commercial potential. As resource-related news flows continue in the coming months, this will likely reveal a clearer pathway for future growth, leading to increased investor confidence and upward momentum in Strickland's share price.

Catalysts for the re-rating of STK

We have identified several potential catalysts that could help close the gap between Strickland's current share price and our 12-month target price

Strickland is currently trading significantly below our mid-point target valuation. Meeting the following milestones can enable a re-rating on the stock, thereby increasing shareholder value:

- **This is an announcement of an MRE update on the Rogozna project.** Strickland's Rogozna project resource and discovery drilling programme with the scoping study is planned for 2025. The successful completion of the drilling and study can potentially lead to an update in MRE, significantly enhancing the project's resource base and valuation.
- **Announcement of the MRE update at the Yandal project will help investors** value Strickland more appropriately.
- Any news on additional projects, such as the Iroquois and the Bryan Basin projects, will significantly impact the company's share price.
- Any further **rise in gold prices** will directly impact the valuation of the assets and, therefore, the company's share price.

Key Risks

Despite STK being a lucrative investment opportunity, there still exist a few critical risks to our investment thesis:

- **Commodity price risk—**Strickland's valuation is highly sensitive to fluctuations in gold prices and exchange rates. These variables fluctuate due to macro factors, and any unexpected changes will impact our investment thesis.

The key risks to our investment thesis are commodity price risk, Funding risk, execution risk and geological risk

- **Regulatory Risks—**Any changes in the Serbian government's policies or permissions to operate the mines will broadly impact the company's mining and exploration activities.
- **Execution Risks**—Strickland's gold mining projects are at an exploration stage. If the drilling fails to deliver new discoveries, it may impact investor sentiment.
- **Funding Risk—**The company will require further financing in the future, in addition to the funds raised currently, as the projects are still at an exploration stage. The company might face challenges in the future in raising funds on favourable terms for commercialisation.
- **Geological Risk—**For a mining company such as Strickland, there exists a potential risk of downward estimates of reserve figures. There also exists a risk of re-categorising a percentage of indicated resources to inferred resources in further studies. Any such incident will negatively impact the NAV of the projects and, therefore, the company's valuation.

Appendix I: STK's SWOT Analysis

Figure 46: SWOT analysis

Strengths	Weakness
(1) STK holds two 100% owned strategic projects, Rogozna in Serbia and Yandal in WA, both projects are located in established mining regions with great operational advantages. (2) Combined, these projects contain an extensive resource base of approximately 5.7Moz of AuEq, making STK one of the more resource-rich junior miners in the market. (3) Significant mineralisation potential exists outside of current resources at both projects, supported by an 80,000m drilling programme planned through 2025 to expand resources. (4) With A$48.7m in cash and liquid assets, STK has the financial stability to pursue extensive exploration and development without immediate reliance on external funding. (5) STK's exploration costs are highly competitive, with a discovery cost of around A$10 per ounce, demonstrating efficient resource identification. (6) STK's management team has a proven track record in successful project discovery and development, instilling confidence in their ability to advance these assets effectively.	(1) STK's projects are currently at the inferred resource stage, which introduces the risk of potential downgrades or delays in resource estimation, impacting future valuations. (2) The company's ambitious 80,000m drilling programme requires substantial financial outlays, which could strain finances over time if not effectively managed, even though STK is well-funded for now. (3) Future growth and valuation depend heavily on the success of the ongoing drilling and resource upgrade programmes, making them critical to STK's long-term performance and market position.
Opportunities	**Threats**
(1) Rogozna has over 20 drill targets with notable intercepts (e.g., 97.7m @ 5.1g/t AuEq), offering significant exploration upside. (2) Rogozna's location near major miners like Zijin and Rio Tinto opens doors for potential partnerships or acquisitions. (3) Yandal's proximity to Northern Star's Jundee Mine in WA facilitates operational synergies and value. (4) High gold prices positions STK to capitalize on its growing resources, potentially boosting shareholder value.	(1) STK is exposed to gold price fluctuations, which adds a level of risk, especially if market conditions change adversely. (2) As a junior miner, STK faces the challenge of competing with larger, more established players for market share, which may limit its ability to attract capital or recognition. (3) Operating in both Serbia and Australia exposes STK to varying regulatory environments. Changes in mining or environmental policies, especially in foreign markets like Serbia, could impact project timelines and increase costs.

Source: East Coast Research

Appendix II: Leadership team with extensive experience

STK's leadership team has extensive experience across global resource exploration, project management, corporate governance, and financial services within the mining, commodities, and investment sectors (Figure 47).

Figure 47: STK's leadership team

Name and Designation	Profile
Mr. Anthony McClure **Non-Executive Chairman**	• Mr. McClure has 35 years of technical, management, and financial experience in the global resource sector, including roles in project management and financial services within the mineral and energy industries. • Most recently, he was the Managing Director of Silver Mines Ltd. until his retirement in December 2023. • Previously, he served as a director for several companies, including Silver Mines Ltd., Bolnisi Gold NL, Nickel Mines, European Gas, and Santana Minerals. • He graduated with a Bachelor of Science degree in Geology from Macquarie University.
Mr. Paul L'Herpiniere **Managing Director**	• Mr. L'Herpiniere is an Exploration Geologist with over 20 years of experience in project generation and exploration management. • He is the Founder and General Partner at Ibaera Capital and a Non-Executive Director of ASX-listed Austin Metals Limited since October 2023. • He previously served as Manager of Exploration at Fortescue Metals Group, overseeing one of Australia's largest exploration teams, and has managed the Rogozna Project in Serbia since 2019.
Mr. Richard Pugh **Executive Technical Director, Western Australia**	• Mr. Pugh has over 18 years of industry experience and has been the Company's Geology Manager since 2022, playing a key role in the exploration growth at the Yandal Project in Western Australia. • He is also a member of the Australian Institute of Geoscientists (AIG). • He previously served as a Senior Consulting Geologist and Exploration Manager for Auris Minerals Ltd.
Mr. Peter Langworthy **Non-Executive Director**	• Mr. Langworthy has over 34 years of experience in mineral exploration and project development, currently serving as the Non-Executive Chairman of ASX-listed Gateway Mining since May 2024 and as a technical adviser to the Company since 2021. • He is also a Director of OMNI GeoX, a specialist exploration group. • Previously, he was a founding Director of ASX-listed Northern Star Resources and Capricorn Metals. • He has also served as a Non-Executive Director for Syndicated Metals, Talisman Mining,
Dr. Jonathan Hronsky **Non-Executive Director**	• Dr. Hronsky OAM has over 40 years of experience in global mineral exploration, focusing on project generation and technical innovation. • He has consulted internationally for 17 years and received the Order of Australia Medal in January 2019 for his contributions to the industry. • Currently, he is a General Partner - Global Targeting and Research at Ibaera Capital and has been involved in the Rogozna Project in Serbia since 2019. • He also serves as a Non-Executive Director for Encounter Resources, Caspin Resources,

Mr. Trent Franklin **Non-Executive Director**	• Mr. Franklin is a qualified geologist with extensive corporate experience, currently serving as Managing Director of Enrizen Financial Group and an Australian Institute of Company Directors Associate. • He also serves as a Non-Executive Director of ASX-listed Gateway Mining Ltd. and is the Company Secretary for ASX-listed Silver Mines Ltd.. • He has held Director roles with the Australian Olympic Committee Inc. and Australian Water Polo Inc. • He has held director roles with the Australian Olympic Committee Inc. and Australian

Source: East Coast Research

Appendix III: Analyst's Qualifications

Rahul Tiwari, the analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

• Rahul has a bachelor's and master's degree in Applied Finance from Macquarie University, a master's in Accounting from UNSW, and an MBA from Cornell University in the USA.

• Rahul has several years of experience across wealth management and investments, infrastructure project finance, private equity and high tech.

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