

JUNE 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Machine Learning Model uncovers hidden targets at Isa Undercover Initiative
- Landholder access secured at Isa North as majors surround SER
- NT Government grant to conduct IP survey across East Tennant Project area
- UltraFine+™ geochemistry survey identifies a significant Au-Cu anomaly at the Achilles Copper-Gold Prospect, South Cobar

Strategic Energy Resources Ltd (ASX Code: SER) is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia

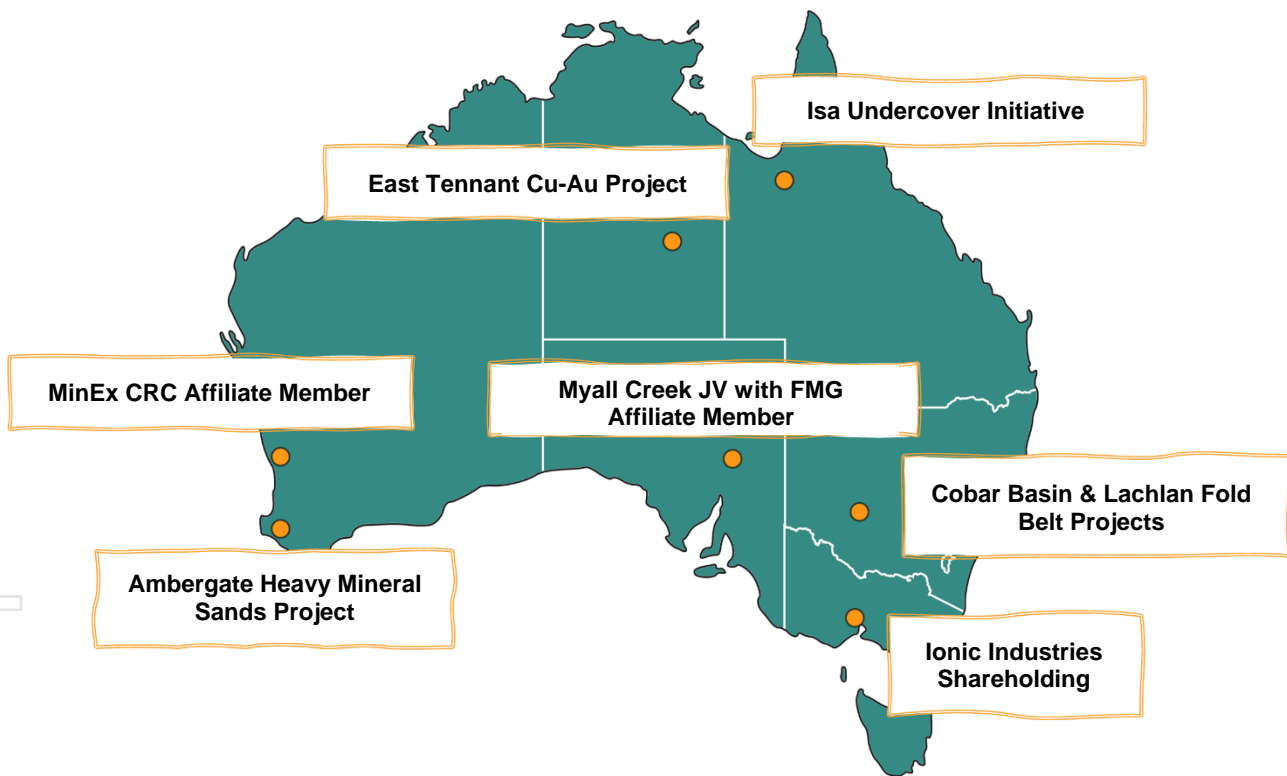


Figure 1: SER Project Locations

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ISA UNDERCOVER INITIATIVE

QUEENSLAND (SER 100%)

- Queensland Government funded Machine Learning Project uncovers hidden targets across Isa Undercover Initiative
- Landholder access secured at Isa North as majors surround SER
- Ni-Cu Sulphide targeting continues following positive drill results at Canobie Domain

The Isa Undercover Initiative consists of two Greenfield Projects located in the undercover extensions of the world-class Mt Isa Province in northwest Queensland (Fig. 2).

The **Canobie Domain** area covers over 1,800km² within the Mt Isa Eastern Succession, bounded to the east by the Quamby fault Zone-Gidyea Suture Zone. The fault system hosts several significant deposits to the south including the giant Evolution owned Ernest Henry Copper-Gold mine as well as significant Cu-Au projects such as the Mount Margaret Mine, Rocklands and Roseby projects, and the Dugald River Ag-Pb-Zn deposit.

The **Isa North Project** covers over 900km² along the projected northern extension of the mineralised Mt Gordon fault, host to several large deposits to the south, including the Mt Isa, Mt Oxide and Gunpowder copper deposits and the Mt Isa, Hilton and George Fisher lead-zinc-silver deposits.

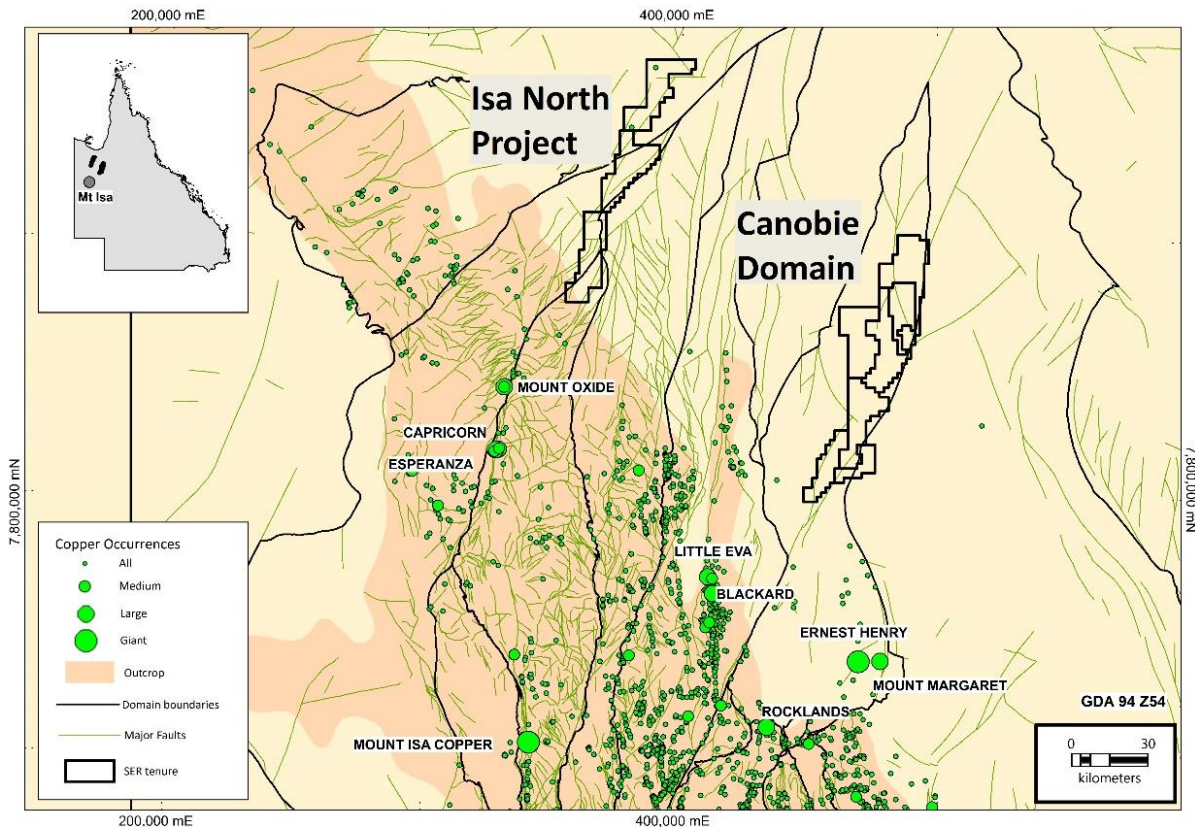


Figure 2: The location of Isa North and Canobie Domain projects within SER's Isa Undercover Initiative.

During the quarter SER deployed a deep learning-based model to interpret basement geology from geophysical data and uncover previously unidentified Iron Oxide Copper-Gold (IOCG) drill targets within the Isa Undercover Initiative region. The model was built by Caldera Analytics (Caldera), a leading Machine Learning and Data Analytics Company based in Melbourne and funded entirely by a Geological Survey of Queensland (GSQ) Collaborative Exploration Initiative (CEI) grant. The images below indicate the identified IOCG drill targets generated free from interpretational bias, some of which are coincident with existing SER targets generated via traditional geoscientific methodologies (Fig. 3). The coming quarter will see the Machine Learning generated targets ranked alongside current targets as preparations are made for future drill testing.

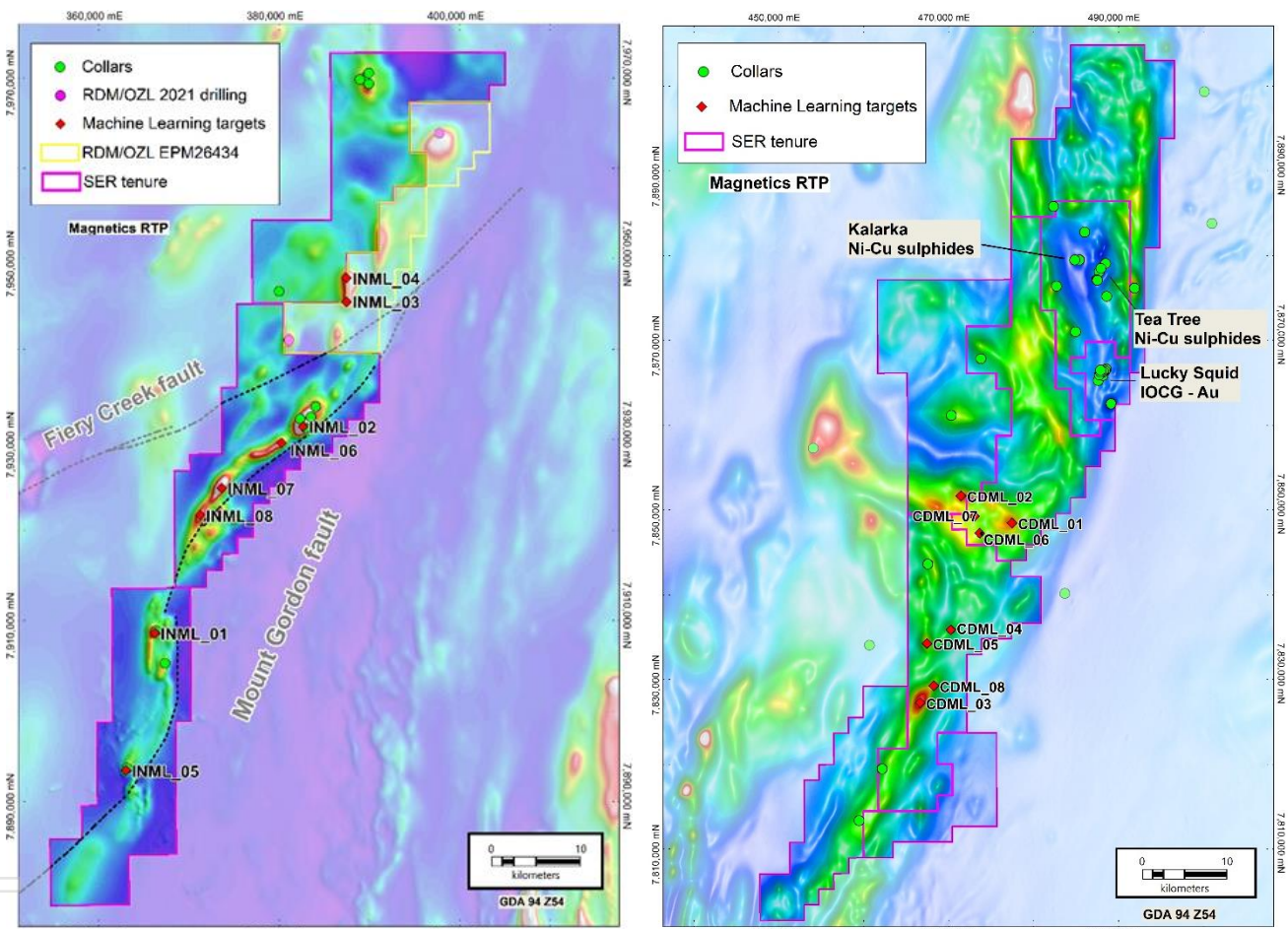


Figure 3: Machine Learning (ML) generated drill targets (red diamonds) over Magnetic Reduced to Pole (RTP) images of the Isa North (left) and Canobie Domain (right) project areas

Early in the quarter SER reported the successful negotiation of a landholder access agreement at **Isa North**, removing an obstacle that had previously limited exploration activities across the project area. This agreement paves the way for SER to begin on ground exploration activities at the Nardoo Prospect (Fig. 4), which was identified as the source of a ‘near-miss’ intersection based on the identification of IOCG alteration and pathfinder elements indicating the outer halo of a potential IOCG system identified in previous drilling (INMD001).

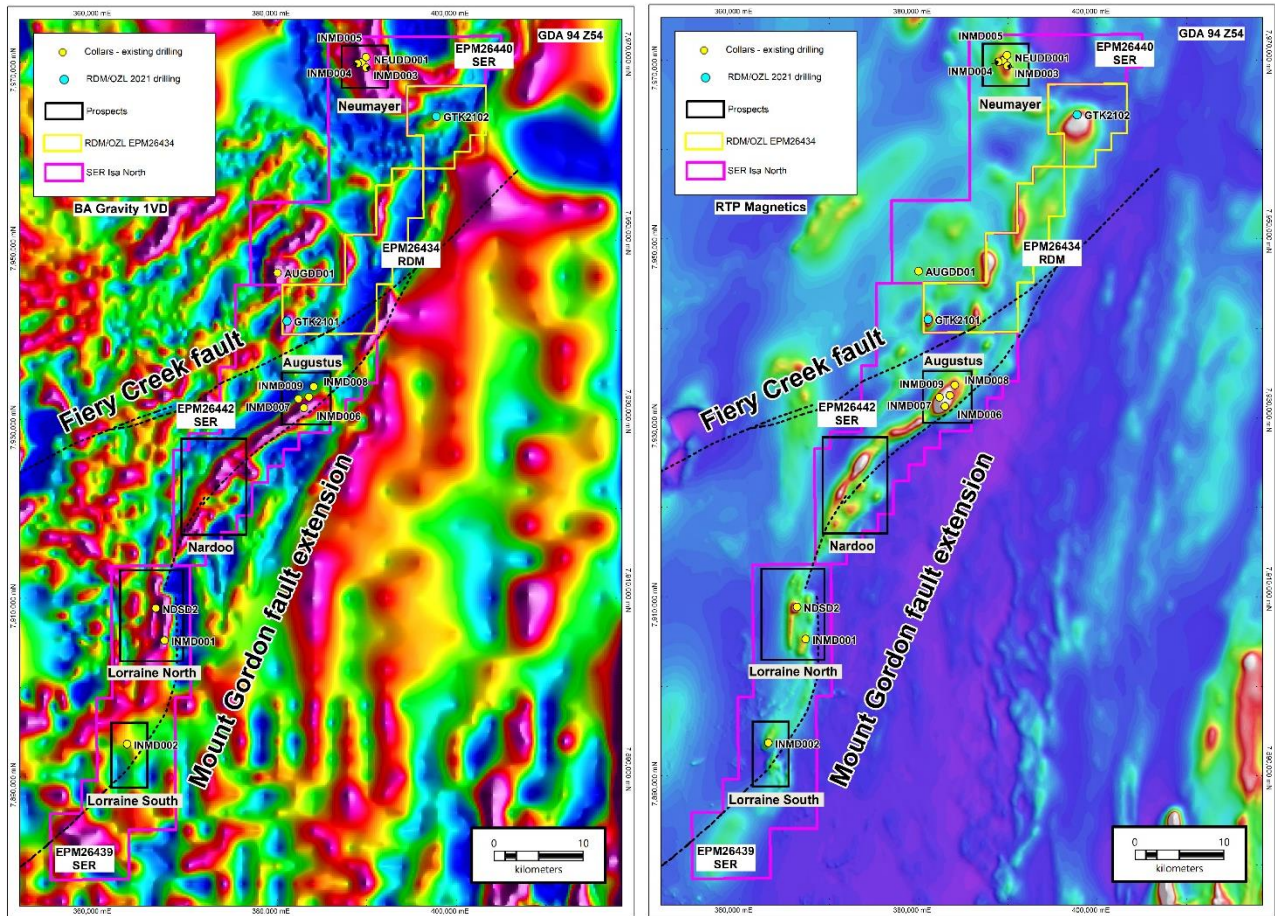


Figure 4: SER's Isa North Project over BA Gravity (left) and RTP magnetics (right) indicating the location of target areas and previous drill holes

Towards the end of the quarter SER was encouraged by actions of three major mining companies in staking large landholdings in the vicinity of the **Isa North Project**. Since SER secured the project in May 2021, Rio Tinto (ASX:RIO) lodged a tenement application to the south of Isa North, Fortescue Metals Group (ASX:FMG) has flanked SER to the east and west while Anglo American (LSE:AAL) has lodged several applications for ground to the north of the project area (Fig 5).

During the quarter work continued at the **Canobie Domain** to assist in vectoring towards areas of potentially higher tenor sulphide mineralisation following the intersection of thick intervals of nickel-elevated ultramafic rock with semi-massive sulphide zones during the two-hole drill program at Kalarka last year. World renowned magmatic nickel expert, Dr Steve Beresford has continued a review of the project and established a low-cost de-risking program of work which includes relogging historical drill core and selected petrological analysis. The review and associated work program will be completed in the coming quarter and will be used to delineate work programs across the project.

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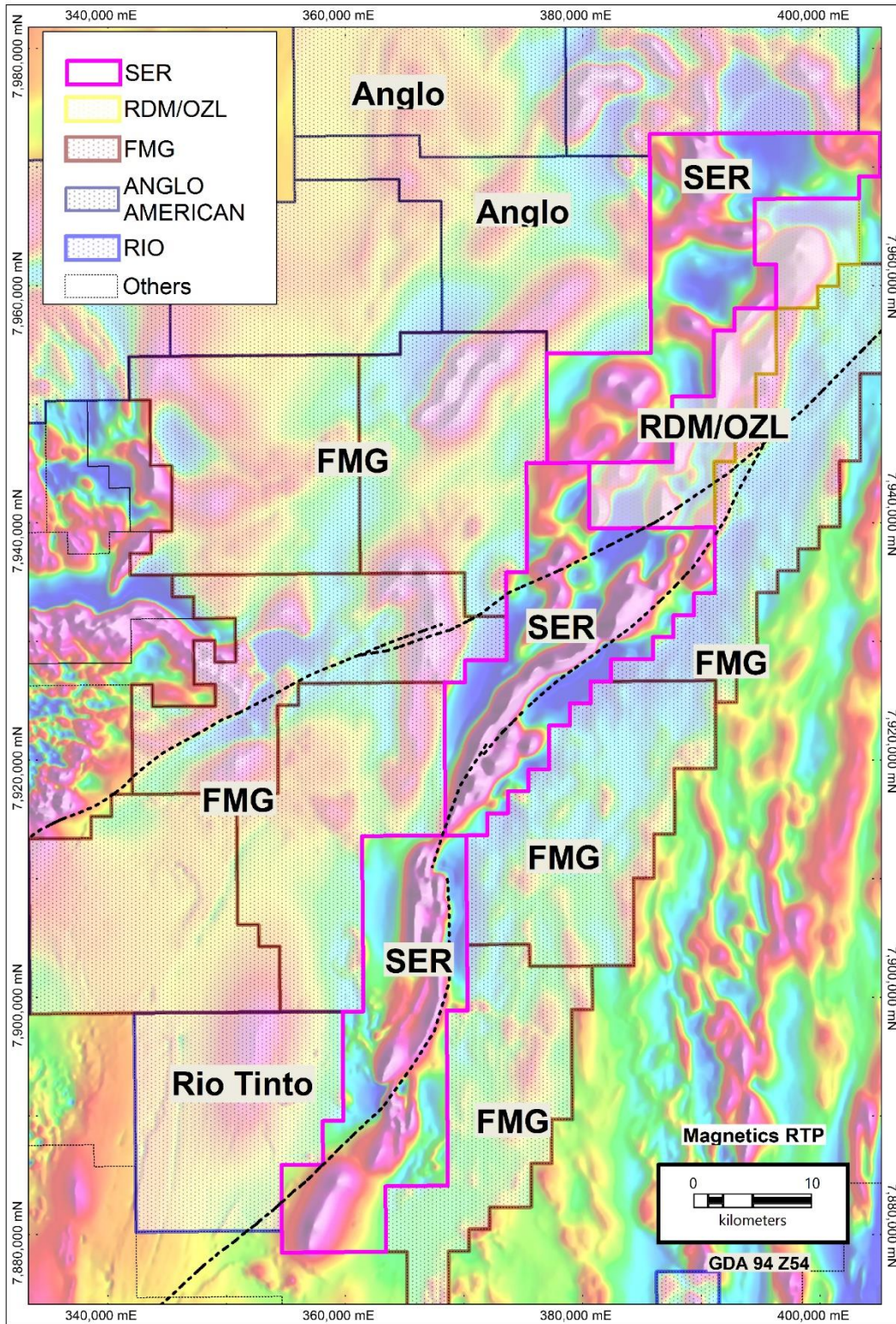


Figure 5: The Isa North Project area indicating the recent exploration licence applications by Rio Tinto, Fortescue Metals Group and Anglo American over Magnetics RTP

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EAST TENNANT PROJECT

NORTHERN TERRITORY (SER 100%)

- SER wins NT Government funding to conduct Induced Polarisation (IP) survey
- Multiple drilling campaigns now underway across the region by nearby explorers

The East Tennant Greenfields project area covers over 1,300km² within the East Tennant Province and covers multiple copper-gold targets (Fig 6.). Last year SER was the first junior explorer to undertake a diamond drill program in the region at the Cottage Prospect targeting a coincident magnetic and gravity anomaly prospective for hematite IOCG mineralisation. The drill hole resolved that the magnetic and gravity anomalies were not sourced from a fertile IOCG system which led SER to conclude that additional geophysical datasets would be required to rank combined gravity and magnetic targets. On this basis SER applied for and won a Northern Territory Geological Survey (NTGS) Geophysics and Drilling Collaborations (GDC) grant. The co-funding grant will be used to complete a detailed Induced Polarisation (IP) survey over several identified combined gravity and magnetic anomalies within SER's tenure. SER expects to update shareholders next quarter on details of the proposed survey.

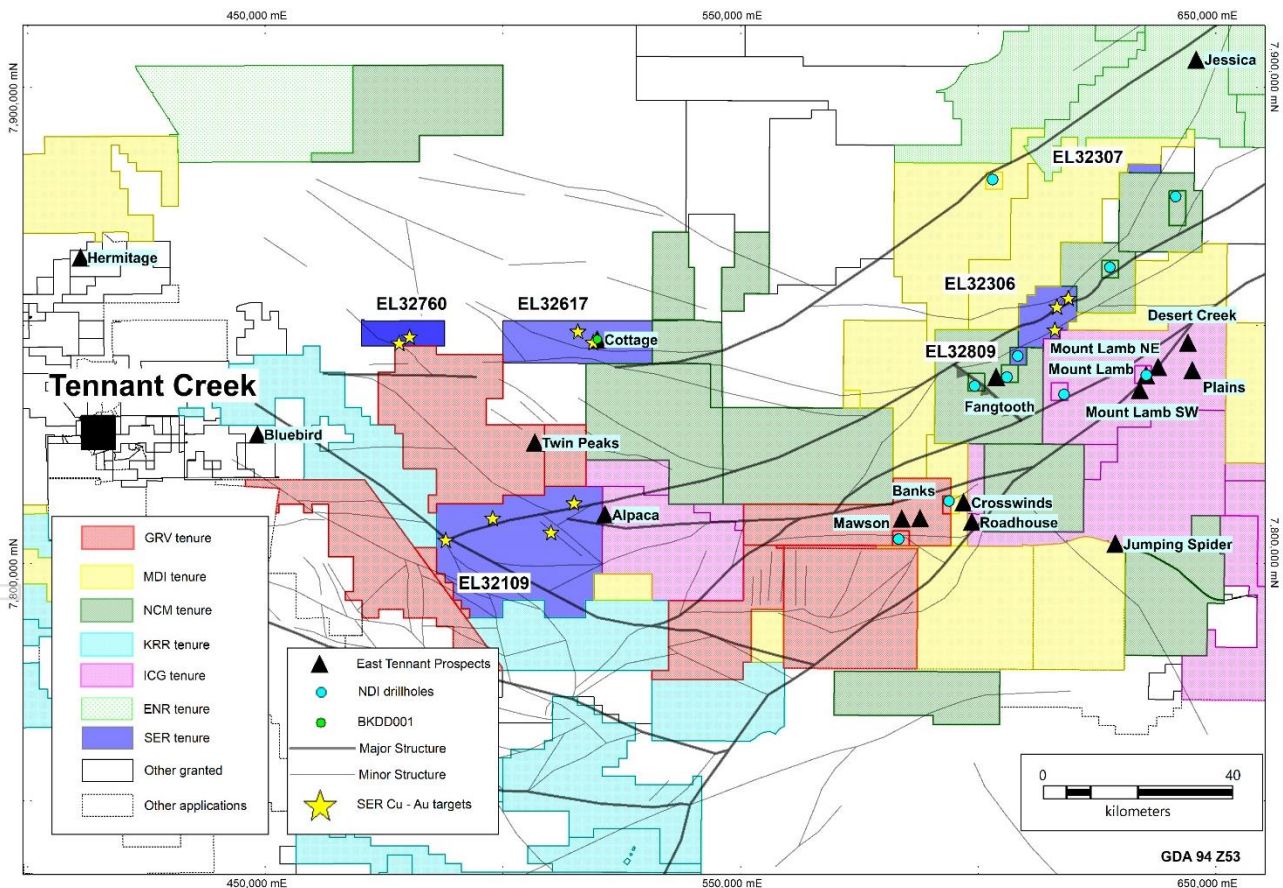


Figure 6: SER's East Tennant Projects and the location of targets for the proposed Induced Polarisation (IP) survey

SER continues to monitor exploration activities by neighbouring companies in the region with drill programs underway by Greenvale Mining (ASX:GRV) at the Twin Peaks, Mawson and Banks Prospect, Inca Minerals (ASX:ICG) at Mount Lamb and Middle Island Resources (ASX: MDI) at the Crosswinds Prospect.

SOUTH COBAR

NEW SOUTH WALES (SER 100%)

- Ultrafine+™ geochemistry survey identifies a significant coincident Au-Cu and multi-element anomaly at the Achilles 1 Prospect
- Site reconnaissance trip to scout drill locations now complete

The South Cobar Project is located along the eastern margin of the Roast Trough at the southern end of the Cobar Basin. The project captures the northern and southern extensions of the Woorara fault, along strike from Eastern Metals' (ASX: EMS) Brown's Reef polymetallic deposit and the Achilles shear zone, hosting Australian Gold & Copper's (ASX: AGC) Achilles 2 & 3 Prospects (Fig. 7).

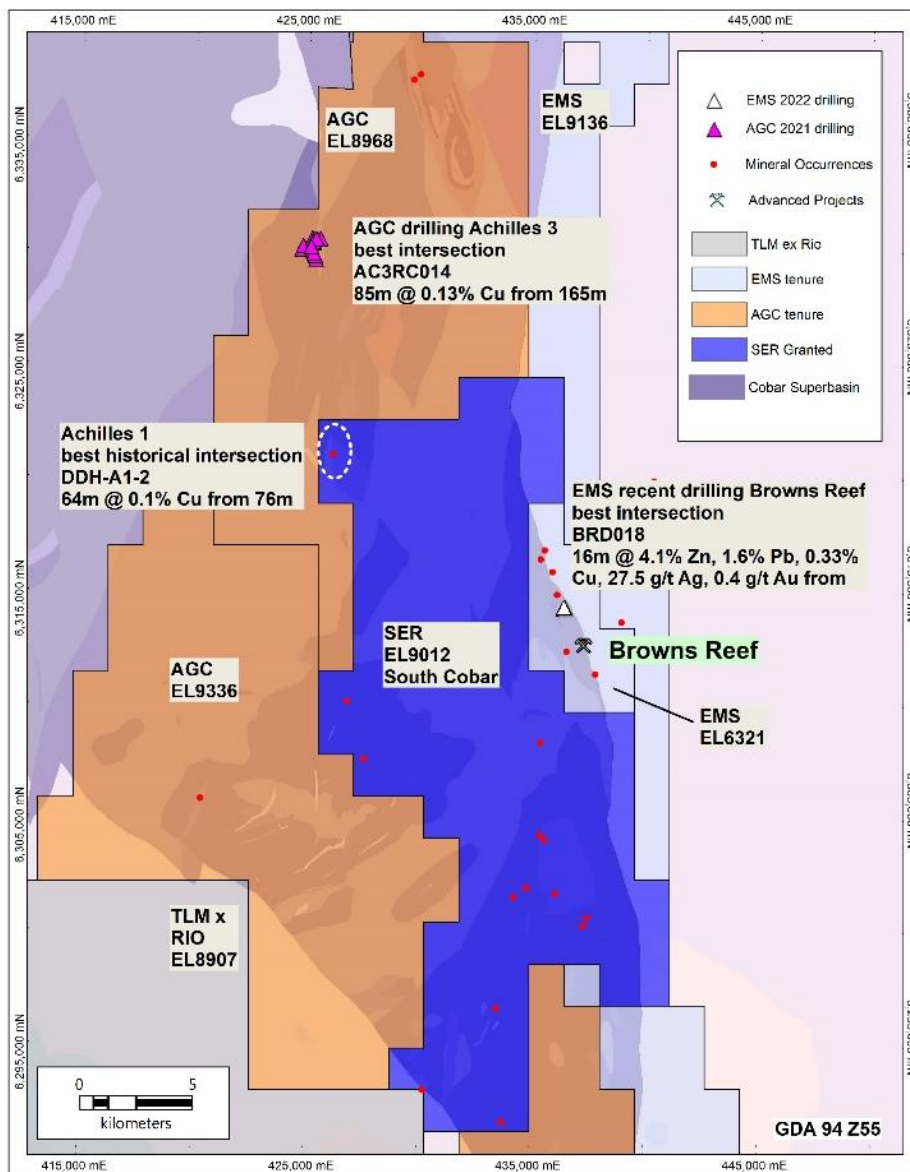


Figure 7: SER's South Cobar Project and nearby explorers

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During the quarter the results from a 250-sample soil geochemical survey covering the Achilles 1 Prospect were announced (22 June 2022). Statistical analysis of the Ultrafine+™ soil geochemistry data revealed an 800m strike extent gold in soils anomaly, with a peak value of 17.4ppb Au. The anomaly lies along the Achilles shear where it is intersected by interpreted NW-trending fault structures and NE-trending magnetic lineaments. The anomaly is also associated with anomalous copper, lead, zinc and silver, as well as anomalous pathfinder chemistry, including arsenic, bismuth, molybdenum and tungsten, strongly suggesting the presence of a Cobar-style structurally controlled polymetallic copper-gold mineralising system.

Preparations are now underway for a drilling campaign in the coming year at the Achilles 1 Prospect with financial assistance already secured as part of an NSW New Frontiers Cooperative Drilling Grant. A site visit was undertaken during the quarter to scout drill locations and discuss drilling activities with landholders.

CORPORATE AND INVESTMENTS

Payments to related parties of the entity and their associates during the quarter were \$109k comprising Director and consulting fees as outlined in the Appendix 5B.

The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - \$219k; and
- Employee, administration and corporate costs - \$124k.

This announcement is authorised by the Strategic Energy Resources Limited Board.

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About Strategic Energy Resources

Strategic Energy Resources is a specialised undercover mineral explorer and project generator focused on discovery in the Greenfield frontiers of Australia. Our science driven, expert technical team leverages collaborations with government and private partners in our search for the next major mineral deposit.

SER is actively exploring our large Greenfield projects in the undercover extensions of the world-class Mt Isa Province in northwest Queensland and the emerging East Tennant region in the Northern Territory, while continuing to generate valuable mineral projects in the Cobar Basin and Lachlan Fold belt of New South Wales.

The information in this report that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG MAusIMM, a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Rechner is a Director and shareholder of Strategic Energy Resources Ltd. Mr Rechner has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rechner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	License Description / Notes	Interest acquired/farm-in or disposed/farm-out during the quarter
EL6140	South Australia	100%	Farm-In Agreement with FMG	-
EL5898	South Australia	100%	Farm-In Agreement with FMG	-
EL6626	South Australia	80%	Mabel Creek	
EPM15398	Queensland	100%	Saxby	-
EPM27378	Queensland	100%	Saxby North	-
EPM27586	Queensland	100%	Canobie 1	-
EPM27587	Queensland	100%	Canobie 2	-
EPM27588	Queensland	100%	Canobie 3	-
EPM27638	Queensland	100%	Canobie 4	-
EPM27676	Queensland	100%	Canobie 5	-
EPM26439	Queensland	100%	Isa North 1	-
EPM26440	Queensland	100%	Isa North 2	-
EPM26442	Queensland	100%	Isa North 3	-
EPM28180	Queensland	100%	Application only	
E70/4793	Western Australia	100%	Ambergate	-
E70/5012	Western Australia	100%	Ambergate West	-
E70/5344	Western Australia	100%	Ambergate Far West	-
E38/3508	Western Australia	100%	Application only	-
E38/3564	Western Australia	100%	Application only	-
EL32109	Northern Territory	100%	East Tennant 1	-
EL32306	Northern Territory	100%	East Tennant 2	-
EL32307	Northern Territory	100%	East Tennant 3	-
EL32617	Northern Territory	100%	Barkly 1	-
EL32670	Northern Territory	100%	Barkly 2	-
EL32809	Northern Territory	100%	Application only	
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	East Cowal	-
EL9367	New South Wales	100%	Garema	-
EL9373	New South Wales	100%	Nymagee	-
EL9368	New South Wales	100%	South Cowal	-
EL9362	New South Wales	100%	Mundi 1	-
EL9388	New South Wales	100%	Mundi 2	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(22)	(92)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(31)	(122)
	(e) administration and corporate costs*	(93)	(333)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	30
1.9	Net cash from / (used in) operating activities	(146)	(517)
*The Company reclassified \$16k from capital raising costs to administration and corporate costs during the quarter.			
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	(4)
	(d) exploration & evaluation	(197)	(2,318)
	(e) investments	123	192
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	-	(81)
2.6	Net cash from / (used in) investing activities	(74)	(2,211)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,320
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities*	-	(63)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Advance from share subscription)	-	-
3.10	Net cash from / (used in) financing activities	-	1,257
<i>*The Company reclassified \$16k from capital raising costs to administration and corporate costs during the quarter.</i>			
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	825	2,076
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(146)	(517)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(74)	(2,211)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,257
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	605	605

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	605	825
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	605	825

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	28
6.2 Aggregate amount of payments to related parties and their associates included in item 2	81
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(146)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(197)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(343)
8.4 Cash and cash equivalents at quarter end (item 4.6)	605
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	605
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.76
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, the Company's cash position will substantially dictate the exploration programmes undertaken in future periods.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company will continue to assess the merits of various fundraising initiatives to ensure it has the financial capacity to progress its exploration program at an appropriate rate. SER has reduced its shareholdings in TSX and ASX companies from historical asset sales for cash during the period and additional sales could be made if required.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, for the following reasons:	
<ul style="list-style-type: none"> • The Company's cash position substantially dictates the quantum of its exploration and evaluation expenditure and the Company has the capacity to control the level of expenditure based on its financial position. • The Company's Board and Management continue to be focussed on meeting its stated objectives and are cognisant of the funding requirements required to meet those objectives. The Company has a track record of successfully raising capital to continue to pursue its exploration programmes. 	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2022

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.