

26 October 2022

SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Detailed ground gravity survey completed at Canobie Nickel-Copper Project
- Option Agreement signed with Evolution Mining to sell Cowal Projects
- Drill approvals received to test Achilles 1 Copper-Gold Prospect at South Cobar
- Share Placement limited to existing shareholders raises \$875,000

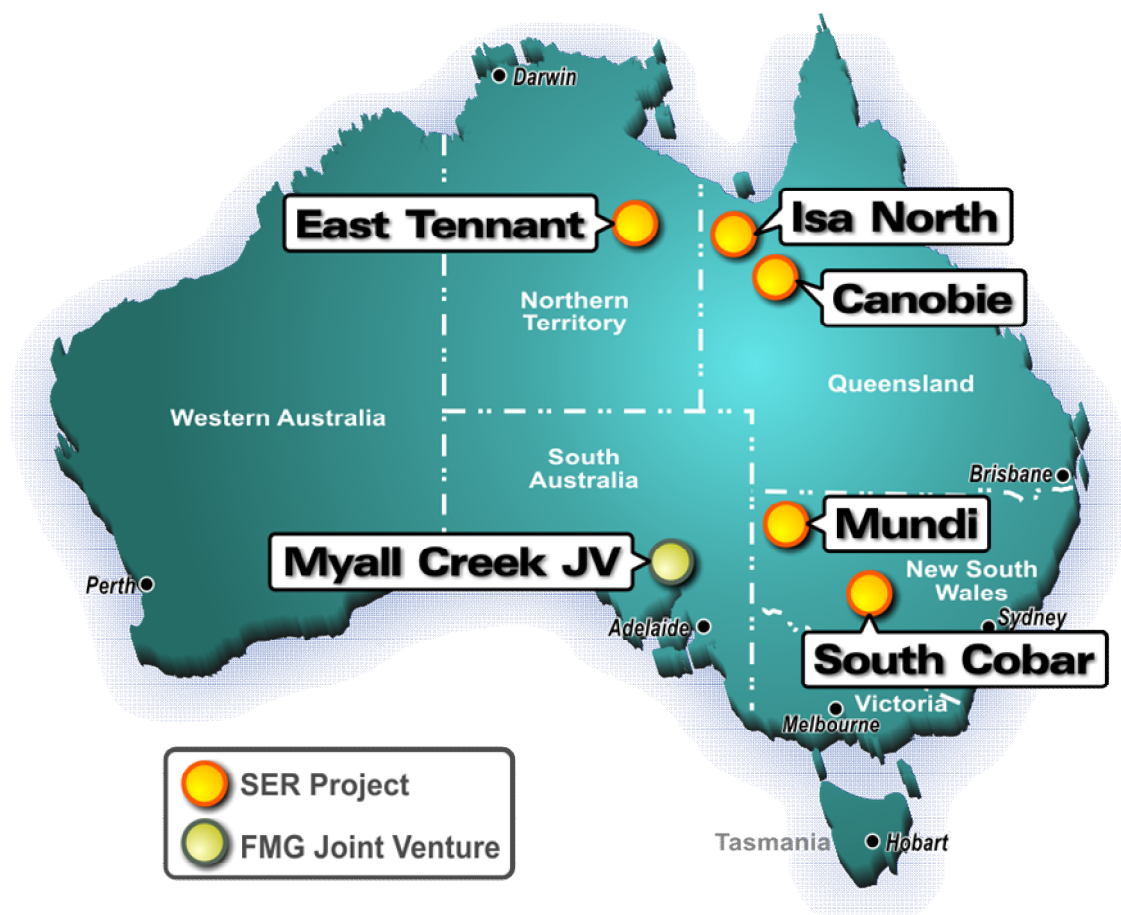


Figure 1: SER Project locations

ISA UNDERCOVER INITIATIVE

QUEENSLAND (SER 100%)

- Detailed ground gravity survey completed at Canobie Nickel-Copper Project
- Gravity inversions to reveal next generation of drill targets
- Additional landholder access agreements under negotiation at Isa North

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** 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 Cu-Au 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 Pb-Zn deposits.

During the quarter a detailed ground gravity survey was conducted over the northern section of the Canobie Domain. Gravity is a key dataset in our search for significant Ni-Cu sulphide mineralisation at Canobie following SER drilling intersecting a wide interval of ultramafics with disseminated sulphides, plus narrow nickel-bearing semi massive sulphides at the Kalarka Prospect last year¹.

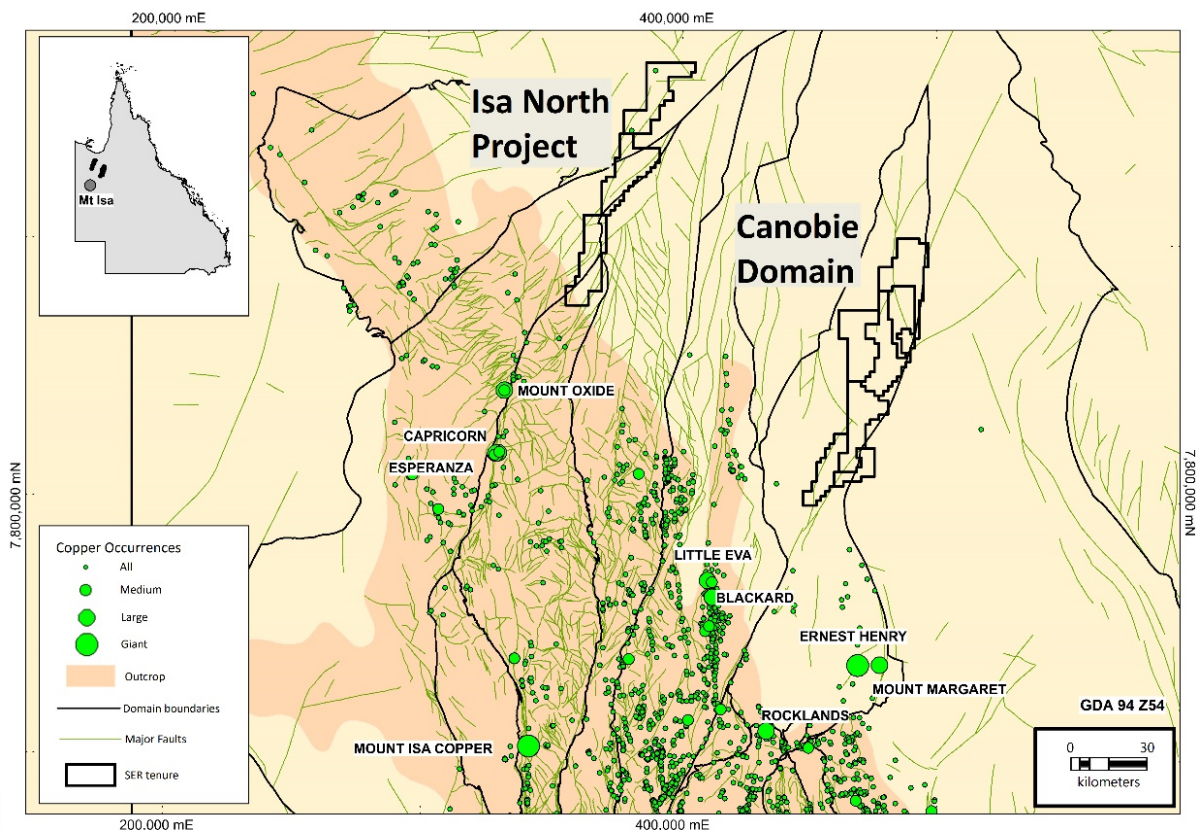


Figure 2: The location of the Canobie Domain and Isa North Projects which form the Isa Undercover Initiative

¹See SER 20 December 2021 Announcement

The gravity survey encapsulated the northern end of the mapped intrusion (density high), increasing the resolution of gravity from 2km spacing to 1km x 500m with zones of 250m infill over key targets, and further infilling to the south (Fig. 3). The improved gravity data and related inversion products are critical in mapping the geometry of mafic intrusions (density highs) and identifying confined zones within the host intrusion known as "chonoliths". A detailed review of the project including intrusion modelling, a magnetic remanence study and results of relogging historical drill core will be released in the coming quarter.

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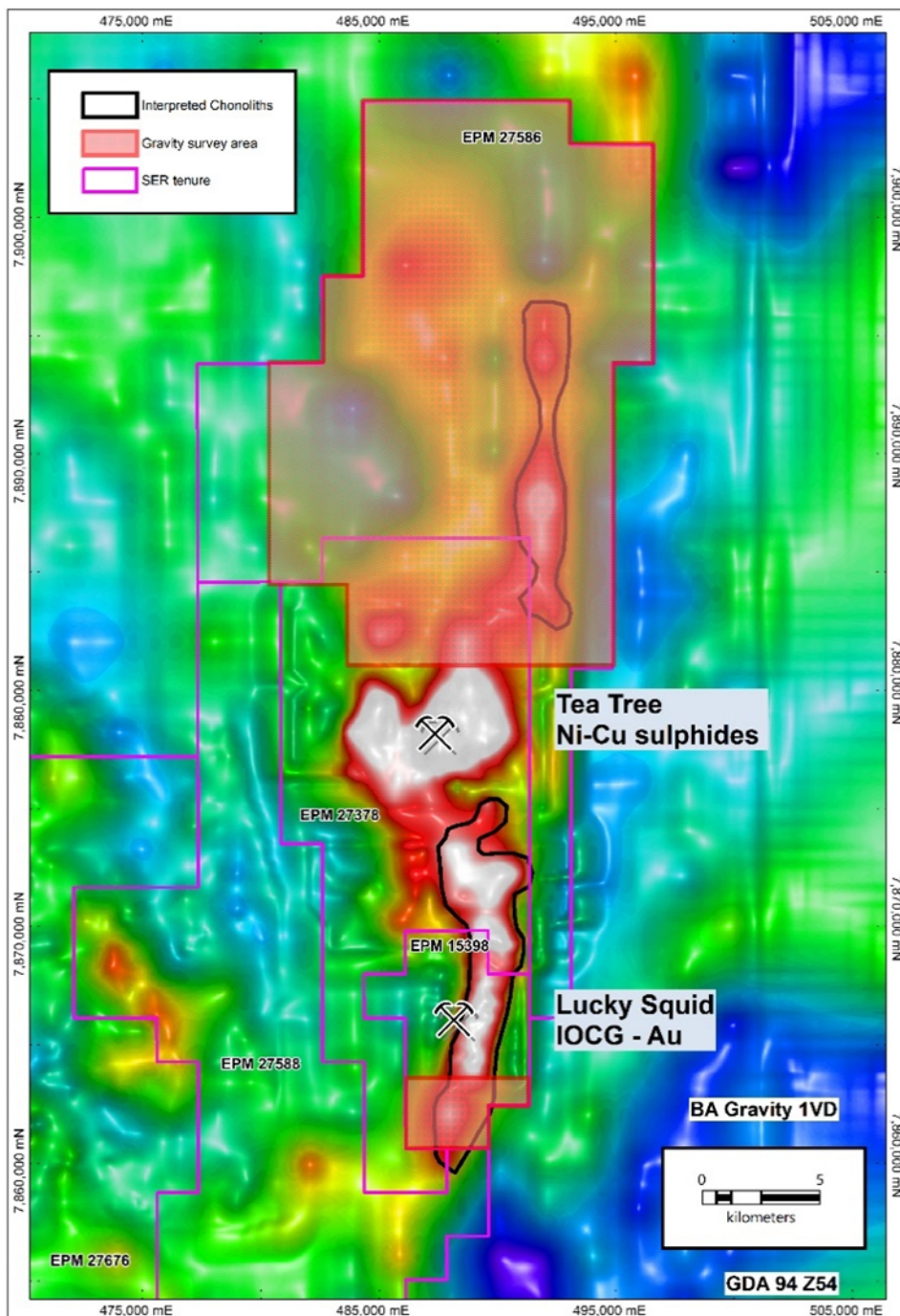


Figure 3: Gravity survey areas over existing 1VD Bouguer gravity image

In the last quarter, SER reported the successful negotiation of a landholder access agreement covering the Nardoo Prospects at **Isa North**. This agreement removes an obstacle to conduct follow-up exploration proximal to drillhole INMD001 drilled by Newcrest. This intersection, located on nearby Lorraine Station, was identified as a 'near-miss' based on the identification of IOCG alteration and pathfinder elements indicating the outer halo of a potential IOCG system. During the quarter, SER continued to undertake additional landholder negotiations with various landholders across the Isa North Project in preparation for a comprehensive on-ground exploration program to commence next year.

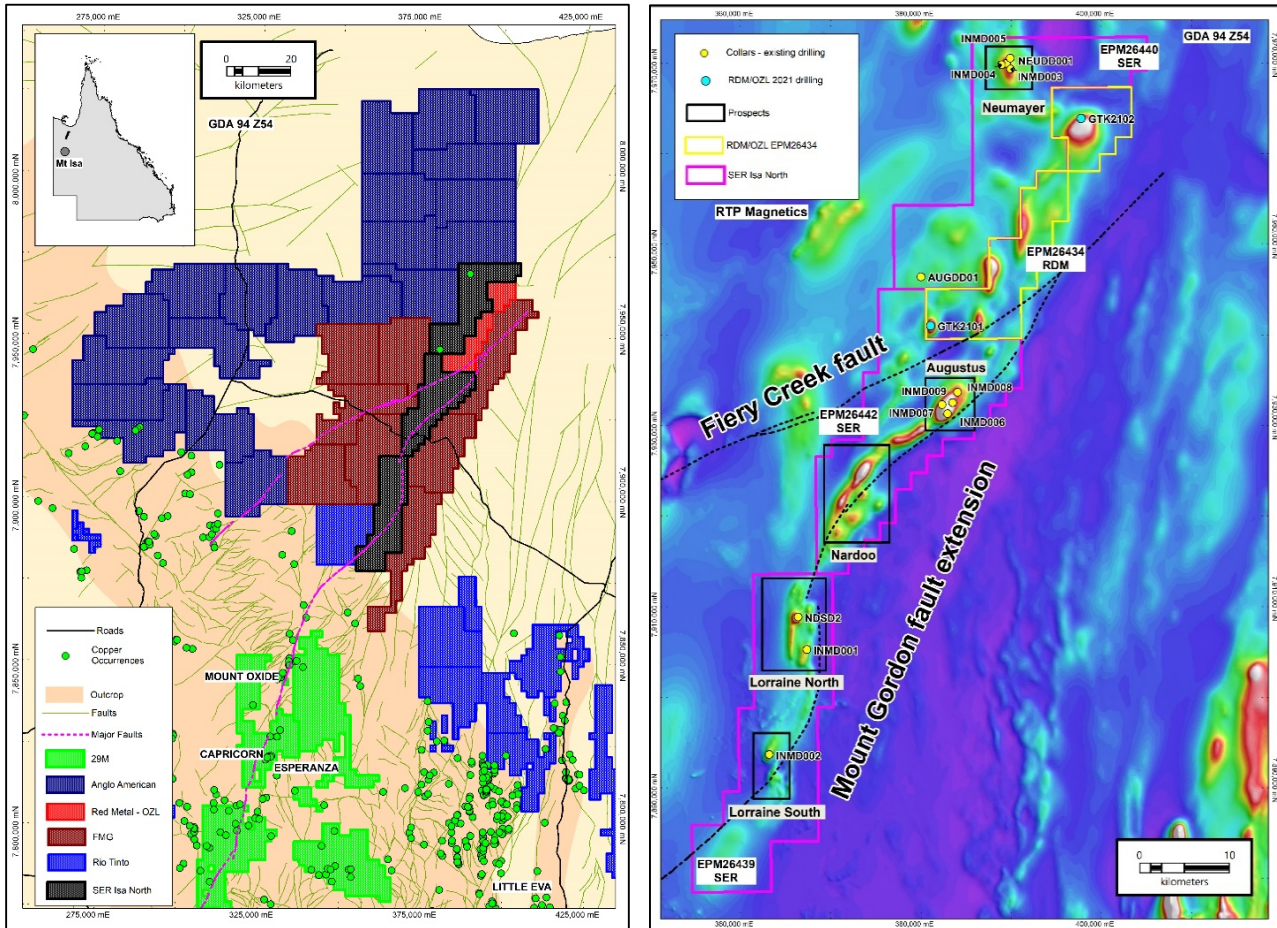


Figure 4: Left: The Isa North Project area (SER tenure in black) indicating the recent exploration licence applications by Rio Tinto, Fortescue Metals Group and Anglo American and Right: SER's Isa North Project over RTP magnetics indicating the location of target areas and previous drill holes

SOUTH COBAR

NEW SOUTH WALES (SER 100%)

- Drilling permits approved for a diamond drill program at the Achilles 1 Cu-Au Prospect
- Site preparations underway with drilling set to commence next year given extreme weather in NSW

The South Cobar Project is located along the eastern margin of the Rast 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 and Copper's (ASX: AGC) Achilles 2 & 3 Prospects (Fig. 5).

The most advanced Prospect at South Cobar is the Achilles 1 Cu-Au Prospect which was previously drilled by Western Plains Gold (WPG) in 2005. Drillhole DDH-A1-2 intersected a broad zone of intense hydrothermal alteration, with blebs of chalcopyrite and minor chalcocite, returning peak values of 0.33% Cu from 90m to

92m, within a **64m zone averaging 0.10% Cu**, from 76m to 140m proximal to target. The second drill hole was abandoned at 184.1m and failed to reach basement².

Earlier this year SER completed a follow-up 250-sample soil geochemical survey covering the Achilles 1 Prospect which 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.

During the quarter a drill permit was lodged with (and subsequently approved by) the NSW Department and earthwork contractors were identified. In the coming quarter a site visit will be conducted to assess the recent damage to access tracks from the extreme weather events in the region which has delayed on ground access and pushed back the planned drilling campaign at Achilles 1 to early 2023. Financial assistance has already been secured as part of an NSW New Frontiers Cooperative Drilling Grant to drill the Achilles 1 Prospect.

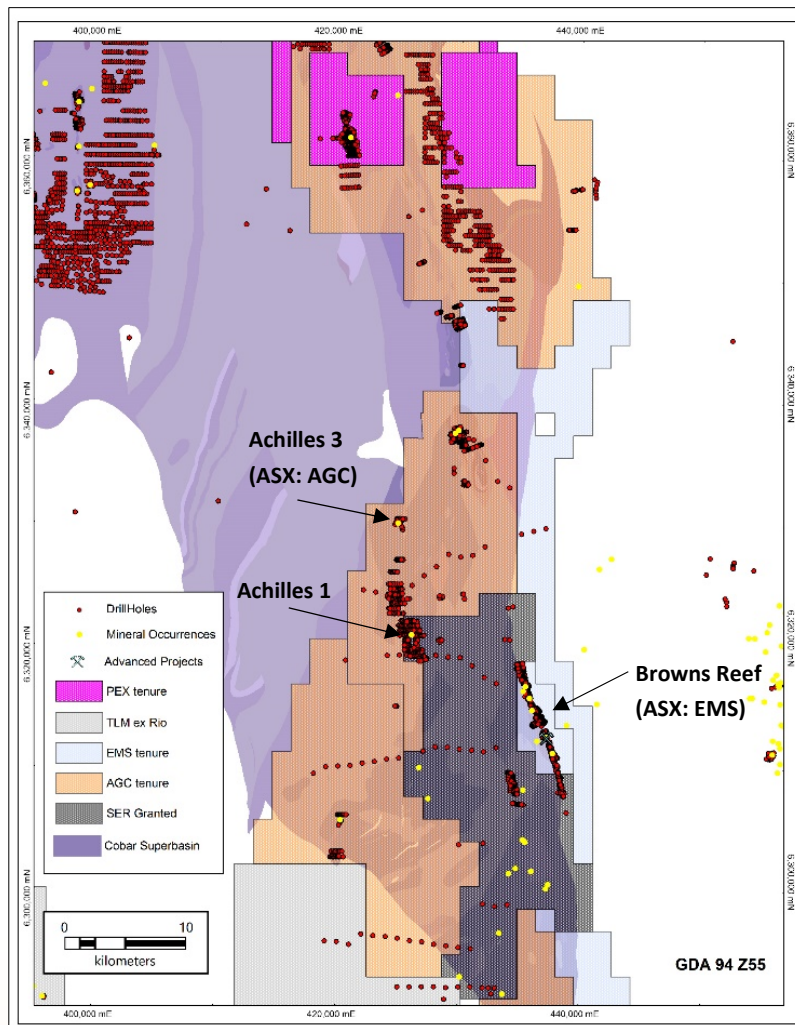


Figure 5: South Cobar Project and nearby explorers

² See SER June 2021 Announcement

COWAL PROJECTS

NEW SOUTH WALES (SER 100%)

- Option agreement with Evolution Mining (ASX: EVN) for a 2-year Option to purchase Cowal Projects
- Option fee of \$300,000 received with a further \$1M cash per tenement upon exercise of the Option

During the quarter EVN signed a binding Option agreement to purchase a 100% interest in EL9057 and/or EL9368. The initial Option consideration of \$300,000 was received post the end of this quarter and EVN has two years to exercise the Option to purchase either Tenement for \$1,000,000 cash per tenement.

The Option agreement covering two early-stage exploration assets represents a strong return on investment and enables SER to offset the cost of pursuing our Greenfield exploration Projects.

CORPORATE AND INVESTMENTS

During the quarter SER raised \$875,000 by way of a Share Placement of 51,470,589 fully paid ordinary shares at \$0.017 (1.7 cents) per share to professional, sophisticated and other exempt investors; all of whom are existing shareholders.

The Directors supported the Placement and will subscribe for 12,000,000 Shares totaling \$204,000 for which shareholder approval will be sought at an upcoming shareholder meeting.

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 - \$229k; and
- Employee, administration and corporate costs - \$146k.

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.

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% | East Tennant 4 | - |
| EL9012 | New South Wales | 100% | South Cobar | - |
| EL9057 | New South Wales | 100% | Option Agreement for sale with EVN* | - |
| EL9367 | New South Wales | 100% | Garema | - |
| EL9373 | New South Wales | 100% | Nymagee | - |
| EL9368 | New South Wales | 100% | Option Agreement for sale with EVN* | - |
| EL9362 | New South Wales | 100% | Mundi 1 | - |
| EL9388 | New South Wales | 100% | Mundi 2 | - |

*As mentioned in the body of this activities report the Company entered into a binding Option agreement with Evolution Minerals Limited (ASX: EVN) for EVN to purchase a 100% interest in EL9057 and/or EL9368.

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 September 2022

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (6) | (6) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (39) | (39) |
| | (e) administration and corporate costs | (107) | (107) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | 1 | 1 |
| 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) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (151) | (151) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (223) | (223) |
| | (e) investments | 46 | 46 |
| | (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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (177) | (177) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 671 | 671 |
| 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* | - | - |
| 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 | 671 | 671 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 605 | 605 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (151) | (151) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (177) | (177) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 671 | 671 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 948 | 948 |

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 | 948 | 605 |
| 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) | 948 | 605 |

| 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) | (151) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (223) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (374) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 948 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 948 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 2.53 |
| <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: N/A | |
| 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: N/A | |
| 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: N/A | |
| <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

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

Date: 26 October 2022

Authorised by: The Board

Notes

- 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.
- 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.

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

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