

30 January 2023

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Nickel-Copper sulphide drill targets identified at Canobie Nickel-Copper Project
- Native Title Agreement signed at Myall Creek Copper-Gold Project
- NSW Grant awarded to conduct MT survey at Mundi Copper-Gold Project
- Evolution completes targeting review of Cowal Projects

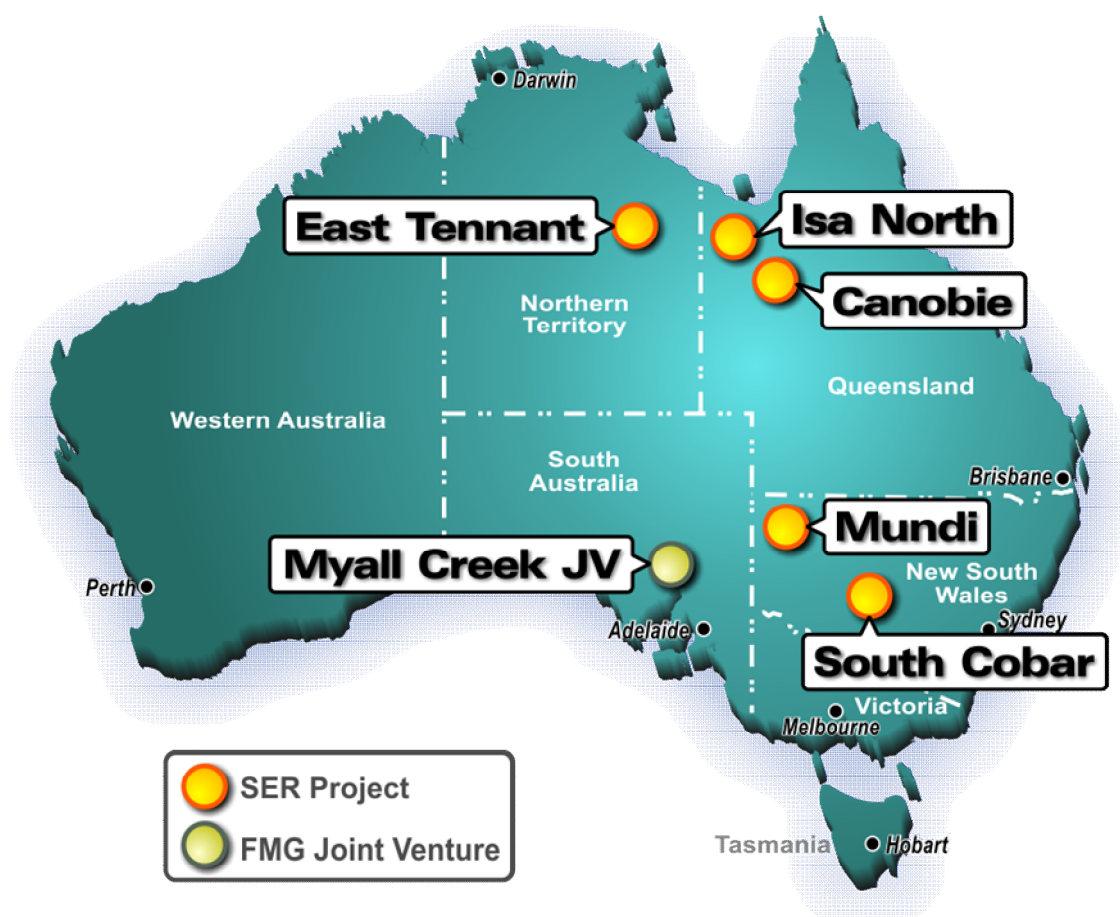


Figure 1: SER Project locations

ISA UNDERCOVER INITIATIVE

QUEENSLAND (SER 100%)

- Gravity inversion modelling defines prospective intrusion geometry at Canobie
- Magnetic remanence study identifies potential massive sulphides within intrusion
- Landholder access agreements continue to advance 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 Project** 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.

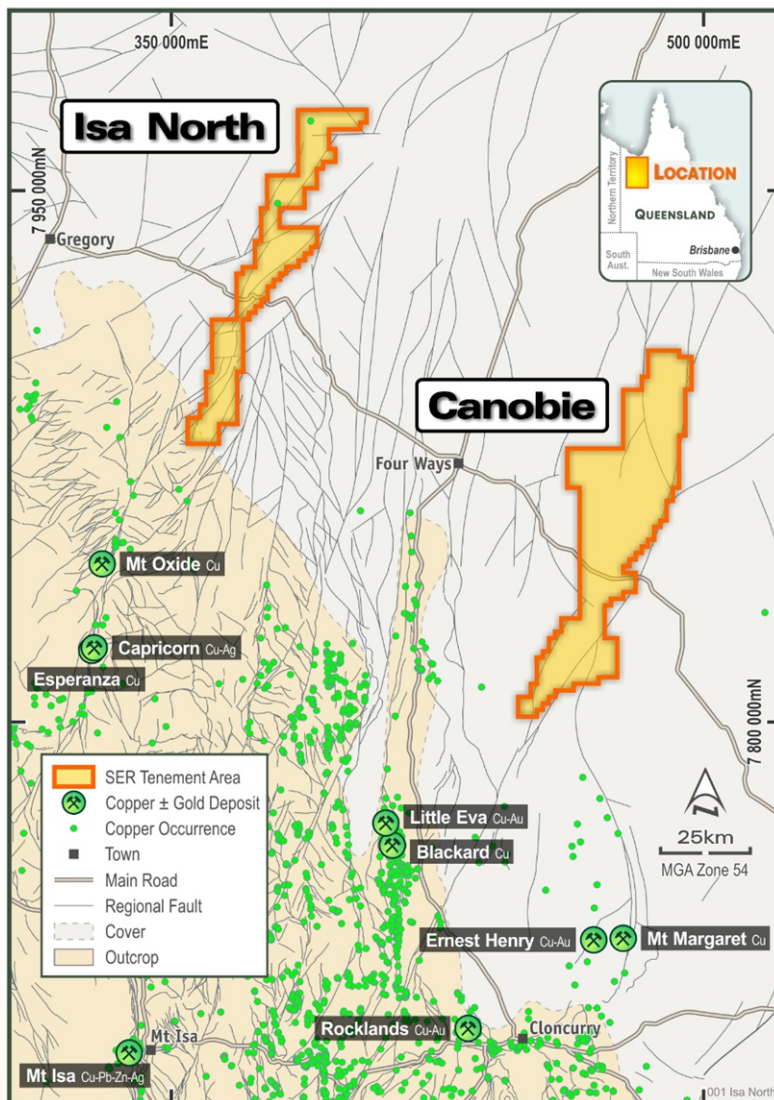


Figure 2: The location of the Canobie Domain and Isa North Projects

During the last quarter at the **Canobie Project**, unconstrained inversion modelling of a detailed ground gravity survey conducted last quarter was completed. Modelling identified a potential north-south striking mafic intrusion, possibly coring a tight fold adjacent to the major Quamby fault. Within this intrusion there appears to be tube-like zones which have sharp steep contacts and appear to be flat lying with an identifiable base (Fig. 3). These geometries are indicative of 'chonoliths', mafic intrusions with sub-horizontal tube geometries where magma and sulphides could be concentrated.

The identification of potential chonoliths is significant, as globally large nickel-copper deposits are known to be hosted within narrow zones (chonoliths) of mafic/ultramafic intrusions. World-class mineral deposits hosted in chonoliths include Noril'sk – Talnakh (Russia), and Nova-Bollinger (Western Australia).

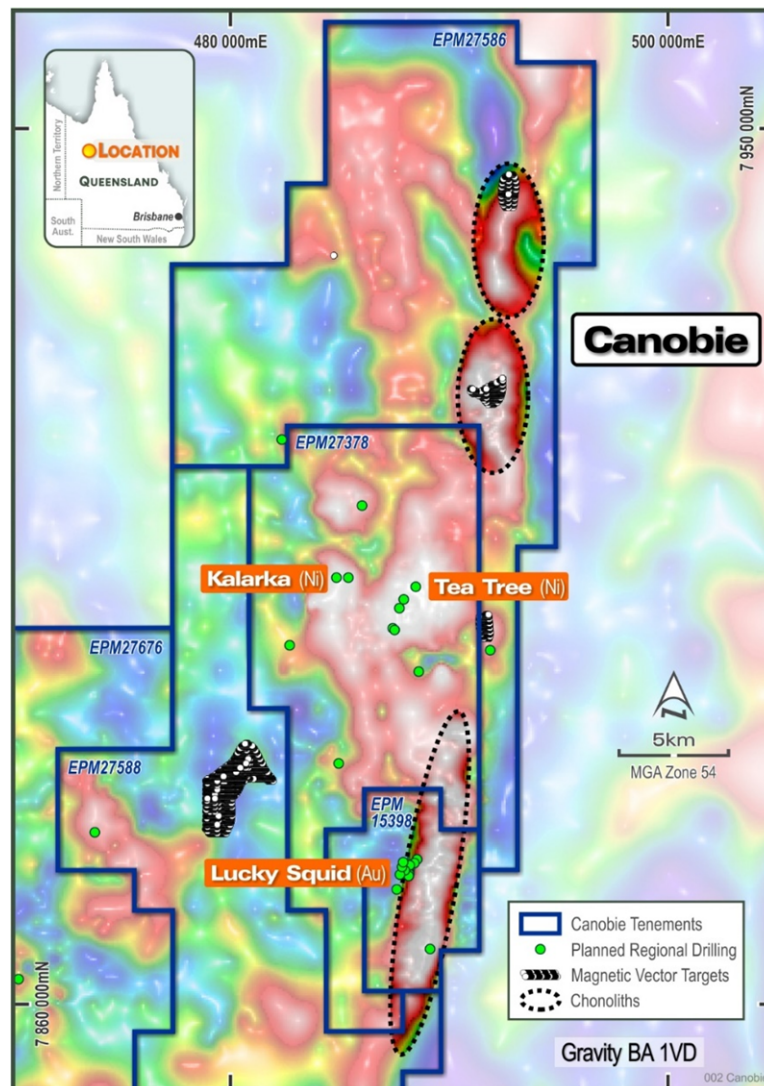


Figure 3: Gravity 1VD grid with potential chonoliths highlighted.

Advanced geophysical modelling of the existing magnetic data was also completed during the quarter to understand the potential sources of the remanent magnetic responses across the Canobie Project area. This involved reprocessing the high quality 100m flight line magnetic survey flown in 2009 at the northern end of the project area. Using this input, different grids of the magnetic data were produced to display the effects of remanent responses, and cluster maps of magnetic and gravity responses were produced to identify distinct remanent vector anomaly targets which could be sourced from a body of massive sulphides.

For personal use only

The study identified numerous clusters of magnetic vector anomalies across the northern end of the Canobie Project. Of greater importance, is these clusters are coincident with interpreted chonoliths modelled in the gravity data as shown in Figure 3.

Magnetic attribute analysis has been successfully applied to open file data over existing deposits globally including the Platreef PGE-Ni-Cu resource in the Bushveld Complex of South Africa¹. Like all targeting processes, not all anomalies are expected to be directly related to mineralised bodies, only when the anomaly is consistent with other data sets, in this case prospective intrusion geometries (chonoliths) from gravity inversions are they deemed high priority targets. SER is advancing plans to drill test identified Nickel-Copper targets, and numerous other IOCG style targets within the Canobie Project.

At the **Isa North Project**, work continues towards securing remaining land access agreements across the entire Project area. These agreements will remove an obstacle to conduct follow-up exploration proximal to drillhole INMD001 drilled by Newcrest which 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. SER continues to advance discussions with major mining companies which now surrounded the Project area (Fig. 4).

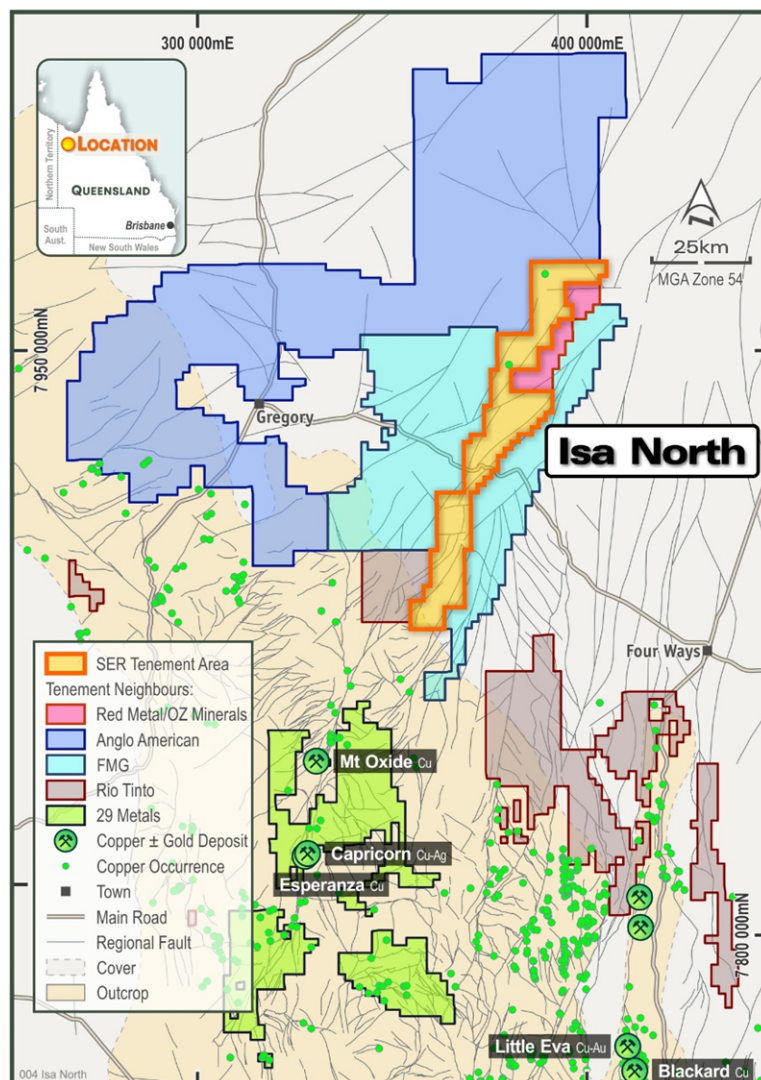


Figure 4: The Isa North Project and surrounding applications.

¹ Williams, N., de Wet, B., Kekana, S., Nielson, S., Broughton, D. 2016, Applying advanced gravity and magnetic inversion methods to expand the Platreef PGE-Ni-Cu resource in the Bushveld Complex ASEG-PESA-AIG, Adelaide, Australia.

MYALL CREEK

SOUTH AUSTRALIA (FMG EARNING-IN)

- Native Title agreement signed paving the way for on ground exploration
- Gravity survey to commence next quarter

The Myall Creek Copper Project is located at the southern end of the Gawler Craton in the Olympic Copper-Gold Province, home to the Olympic Dam, Prominent Hill and Carrapateena mines (Fig. 5). The exploration licence captures a 15km strike length prospective for sediment hosted copper sulphide hosted in the basal units of the Tapley Hill Formation.

In 2019 Fortescue Metals Group (ASX:FMG) entered into a Farm-in and Joint Venture (FJV) covering Myall Creek which requires FMG to fund \$1.5m in exploration including 1,500m of drilling over a five year period. In 2020 a detailed magnetic and radiometric survey was completed, and with a Native Title agreement now in place, a detailed ground gravity survey is expected to be completed in the first quarter of 2023. SER will continue to provide updates as exploration activities progress.

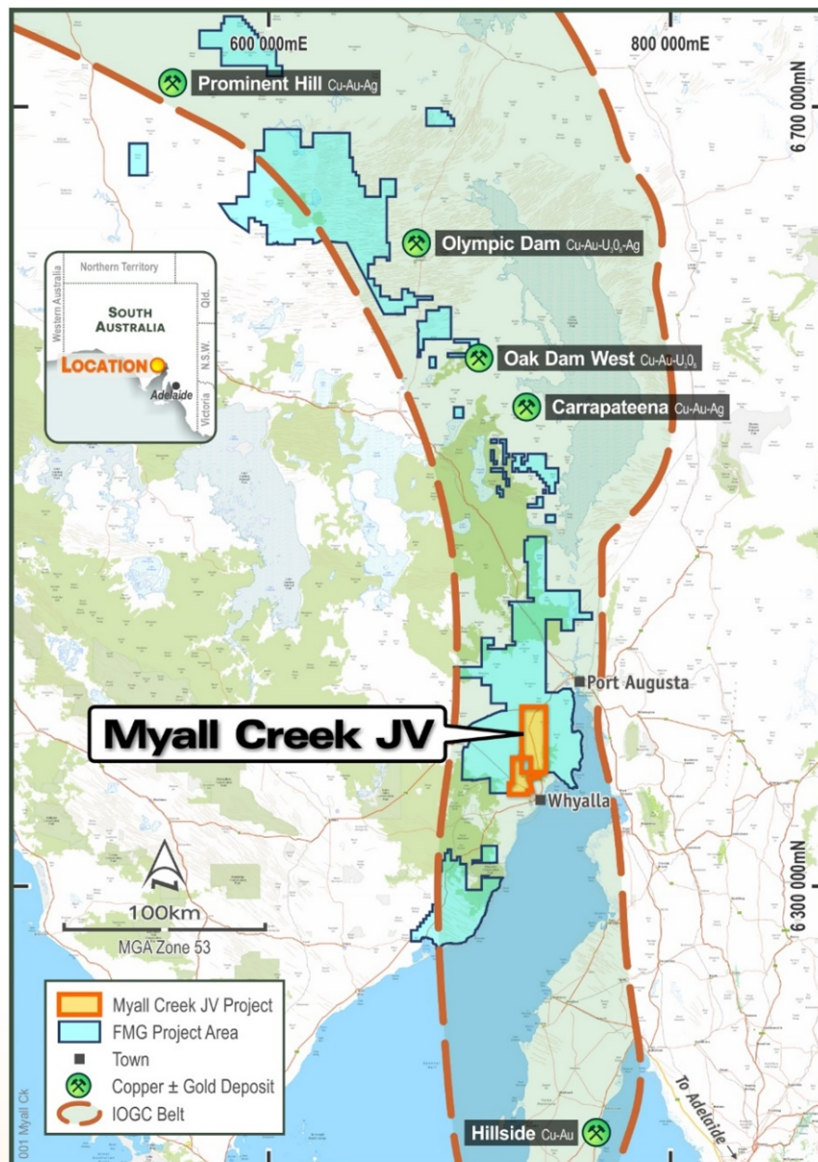


Figure 5: Myall Creek Project

MUNDI

NEW SOUTH WALES (SER 100%)

- NSW Government funding awarded to conduct a Magnetotelluric (MT) survey
- Landholder consultations underway

The Mundi Project covers over 200km² of the Curnamona Province, approximately 155km NNW of Broken Hill within a known IOCG mineral province (Fig. 6). The project area has seen very little previous exploration with no basement outcrop². SER was drawn to the project following the identification of a large crustal conductivity anomaly, which was initially identified in the lower- to middle- crust by the 55km-spaced AusLAMP long period MT survey and further resolved in the upper crust by the 2km- to 4km-spaced Curnamona Crustal broadband MT (CCMT) transect, undertaken in 2017³.

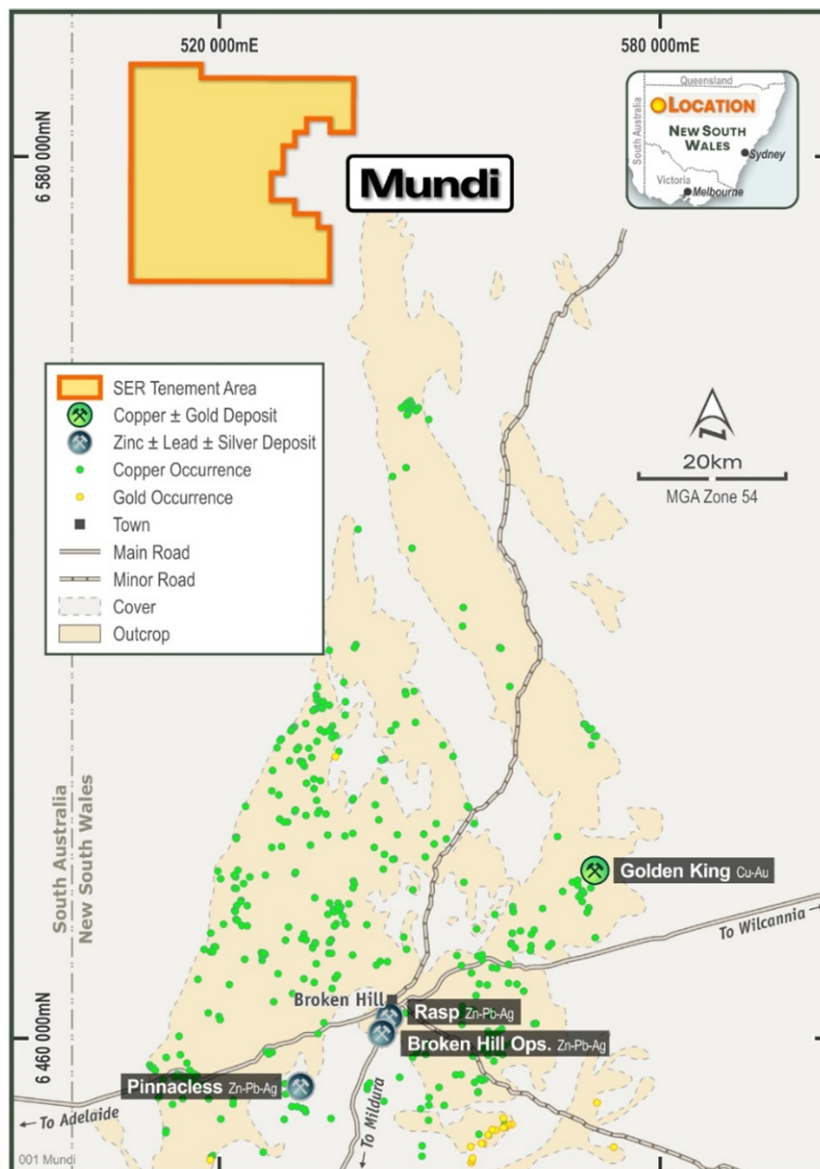


Figure 6: Mundi Project

² See SER January 2022 Announcement

³ Kay, B., Heinson, G., Robertson, K. Thiel, S., 2019, Lithospheric architecture in the Curnamona from MT. In Gilmore, P.J. (compiler), 2019, Uncover Curnamona 2019: Symposium Presentations. Geological Survey of New South Wales Report GS2019/1007.

During the quarter SER was awarded the maximum eligible funding as part of the NSW New Frontiers Geophysics Grant Program. The \$50,000 co-funded grant will be used to acquire 95 broadband MT stations, spaced at 400m, along four east-west orientated lines 4km apart across the shallowest portion of the Curnamona Conductor (CC). All four lines will cross the Stanley fault in an attempt to resolve the relationship between the fault and the conductivity anomaly. Following acquisition and 2D interpretation SER plans to undertake 3D interpretation of the data which is expected to define testable drill targets for structurally-controlled IOCG mineralisation within 500m from surface.

COWAL PROJECTS

NEW SOUTH WALES (SER 100%, EVN 2-year Option to Purchase)

- Evolution Mining progresses targeting review of Cowal Projects
- Planning for on-ground exploration of EL9368 underway
- Evolution withdraws from Option Agreement covering EL9057

The Cowal Project comprise EL9057 and EL9368 which are located within the Cowal Igneous Complex, nearby Evolution's Cowal Gold Mine and Marsden Cu-Au deposit. During the last quarter SER announced the signing of a binding 2-year Option agreement with Evolution Mining to purchase a 100% interest in EL9057 and/or EL9368⁴. The agreement comprised of an initial Option consideration of \$300,000 which was received in the current quarter, with Evolution having two years to exercise the Option to purchase either Tenement for \$1,000,000 cash per tenement.

During the quarter SER was advised that Evolution has progressed desktop targeting reviews of the Cowal Projects whilst the areas have been inaccessible due to weather conditions and subsequently provided notification of withdrawal from the Option Agreement with respect to EL9057.

Evolution continues to progress an assessment of historical datasets covering EL9368 and subject to land access, forward exploration activities in 2023 may include drilling and/or additional geophysics.

SOUTH COBAR

NEW SOUTH WALES (SER 100%)

- Drilling permits approved for a diamond drill program at the Achilles 1 Cu-Au Prospect
- Site preparations delayed due to extreme weather in NSW, drilling planned for early 2023

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.

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. In the previous quarter a drilling permit was approved by the NSW Department and earthwork contractors were identified to drill test the Achilles 1 Cu-Au Prospect. However, due to extreme weather events in the region a planned site visit was not possible and the drilling campaign at Achilles 1 has now been rescheduled 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.

⁴ See SER December 2022 Announcement

CORPORATE AND INVESTMENTS

SER currently holds investments in both listed and unlisted companies. This includes 13,273,778 shares in Resolution Minerals Ltd (ASX: RML) and 87,155,625 shares in Ionic Industries Limited (an unlisted company).

Payments to related parties of the entity and their associates during the quarter were \$142k comprising Director and consulting fees as outlined in the Appendix 5B.

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

- Exploration & Evaluation expenditure - \$401k; and
- Employee, administration and corporate costs - \$150k.

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

For further information please contact:

Investors

Dr David DeTata
Managing Director

T +61 3 9692 7222

E info@strategicenergy.com.au

W www.strategicenergy.com.au

Media

Jonathan van Hazel
Citadel-MAGNUS

T +61 6160 4906

E jvanhazel@citadelmagnus.com

- END -

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	-
EPM28180	Queensland	100%	Application only	-
EPM26439	Queensland	100%	Isa North 1	-
EPM26440	Queensland	100%	Isa North 2	-
EPM26442	Queensland	100%	Isa North 3	-
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	-
EL32809	Northern Territory	100%	East Tennant 4	-
EL32617	Northern Territory	100%	Barkly 1	-
EL32670	Northern Territory	100%	Barkly 2	-
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	Cowal	EVN withdrew from Option Agreement
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	-

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")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(21)	(27)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(31)	(70)
	(e) administration and corporate costs	(119)	(226)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other*	300	300
1.9	Net cash from / (used in) operating activities	131	(20)
<p>* This amount represents the non-refundable consideration received from the Evolution Mining Limited (EVN) for the agreement for a 2-year Option to purchase 100% interest in East (EL9057) and South Cowal tenements (EL9368) as announced on 26 September 2022.</p>			
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	(380)	(603)
	(e) investments	(30)	16
	(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)	(1)	(1)
2.6	Net cash from / (used in) investing activities	(411)	(588)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	204	875
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	204	875
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	948	605
4.2	Net cash from / (used in) operating activities (item 1.9 above)	131	(20)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(411)	(588)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	204	875
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	872	872

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

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	872	948
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)	872	948

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	31
6.2 Aggregate amount of payments to related parties and their associates included in item 2	111

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.

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	131
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(380)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(249)
8.4 Cash and cash equivalents at quarter end (item 4.6)	872
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	872
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.5
<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

- 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: 30 January 2023

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.

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.

For personal use only