

16 May 2023

SALE OF EAST TENNANT PROJECT

HIGHLIGHTS

- East Tennant Project sold to Middle Island Resources Limited (ASX:MDI)
- Transaction provides ongoing exposure to broader East Tennant region

Strategic Energy Resources Limited (“SER” or “the Company”) is pleased to announce the signing of a binding Sale and Purchase Agreement (“SPA”) with ASX-listed Middle Island Resources Limited (ASX:MDI; **MDI** or **Middle Island**) for the sale of SER’s East Tennant Project. The sale includes EL32109, EL32306, EL32307, EL32617, EL32760 and EL32809 which are located near to Middle Island’s existing exploration projects.

Commenting on the signing of the Agreement, SER Managing Director Dr David DeTata said;

“The East Tennant region remains highly prospective for the discovery of copper and gold and SER has assembled a portfolio of high priority targets which demand drill testing. The sale of the East Tennant Project to MDI, which has a considerable land position in the region, is a sensible consolidation that ensures SER’s targets will be tested and increases SER’s exposure to exploration success across the region.”

“This transaction is aligned with SER’s corporate strategy: generate high quality Greenfields projects, add value through science-driven exploration, and share risk and reward ensuring the strategy can continue”.

Transaction Details:

- Middle Island to purchase 100% of SER’s East Tennant Projects for 18,240,000 fully paid ordinary MDI shares, for a deemed issue price of \$0.035 (3.5 cents), to be issued within 5 business days following satisfaction of completion conditions in SPA. No cash consideration is payable.
- Completion will be subject to fulfilment of the following key conditions:
 - MDI completing due diligence within 60 days, in its absolute discretion, in respect of the Mining Property and being satisfied with its findings, observations and conclusions in respect thereof and therefrom in its absolute discretion;
 - Obtaining any consent required under the Mining Act for any of the dealings with the Tenements under the SPA; and
 - No event occurring prior to completion which materially and adversely affects the rights or interests proposed to be acquired by MDI.
- MDI will be issuing the consideration shares to SER out of its existing placement capacity under Listing Rule 7.1. The shares issued to SER will be subject to 12-month escrow restriction.
- The sale is expected to be completed following the completion of the due diligence, subject to extensions and approval under the Mining Act.

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

For further information please contact:

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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 approach, and expert technical team leverages collaborations with government and private partners in our search for the next major mineral deposit.

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