

23 June 2023

FMG RESOURCES PTY LTD FARM-IN TO CANOBIE

HIGHLIGHTS

- Farm-In and Joint Venture Agreement (FJV) executed with Fortescue at Canobie
- Fortescue to spend up to \$8M over 6 years to earn up to 80% joint venture interest; includes up to 6,000m basement drilling
- SER to operate during Farm-in period enabling drilling to commence this year
- FJV targeting IOCG and magmatic Nickel Copper styles of mineralisation

Strategic Energy Resources Limited (“SER” or “the Company”) is pleased to announce the execution of a Farm-In and Joint Venture Agreement with FMG Resources Pty Ltd (“Fortescue”), a wholly owned subsidiary of Fortescue Metals Group Limited to explore the Canobie Project in northwest Queensland. The Canobie Project consisting of EPM 15398, EPM 27378, EPM 27586, EPM 27587, EPM 27588, EPM 27638, EPM 27676, and EPM 28180 covers over 1,800km² within the Mt Isa Eastern Succession and is highly prospective for IOCG and magmatic nickel sulphide given the proximity to major structures the Quamby Fault Zone and Gidyea Suture Zone. These fault systems host several significant copper-gold deposits to the south including the giant Ernest Henry mine and the Mount Margaret, Eloise and Roseby deposits.

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

‘We are excited to partner with Fortescue in the search for copper and nickel across the Canobie Project. SER has already demonstrated the potential for IOCG and magmatic nickel at Canobie, and with Fortescue’s support, together we are now able to systematically test multiple drill targets within the project. Furthermore, appointing SER as Operator shows strong support for SER’s ability to execute work programs and will enable SER to also benefit from Fortescue’s substantial technical and operational capability.

This partnership is aligned with our strategy of generating, de-risking and advancing high quality Greenfields projects through our science driven approach to exploration and sharing risk and reward to ensure the strategy will endure”.

FARM-IN AND JOINT VENTURE TERMS

Significant terms include:

1. FMG may earn a 51% interest in the Canobie Project (**Stage 1 Interest**) by incurring \$4M in expenditure on exploration which will include a minimum of 3,000m of basement drilling within the first three years. This includes a minimum obligation of \$2.5M in expenditure on exploration within the first 2 years.
2. During the Stage 1 Period SER will operate and conduct all exploration activities as directed by the Exploration Committee which will comprise two members from each Party.
3. FMG may earn an additional 29% interest (for a total interest of 80%) (**Stage 2 Interest**) by incurring an additional \$4M in expenditure on exploration over an additional 3 years which shall include a minimum of 3,000m of basement drilling (Stage 2 Period).

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4. Co-contribution to expenditure may occur after FMG earns the Stage 1 Interest (FMG 51%: SER 49%) or the Stage 2 Interest (FMG 80%: SER 20%). If SER elects not to contribute, its JV Interest will be diluted according to industry formula.

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 specialized undercover mineral explorer and project generator focused on discovery in the Greenfield frontiers of Australia. Our science drive, expert technical team leverage collaborations with government and private partners in our search for the next major mineral deposit.