

21 August 2023

## CANOBIE PROJECT UPDATE

### HIGHLIGHTS

- Drill testing of new targets to commence in September
- 4000m diamond drill program will test one magmatic Nickel Copper sulphide target and three Ernest Henry-type Iron Oxide Copper-Gold<sup>1</sup> (IOCG) targets
- Native Title clearances complete, drilling contract signed and earthworks underway
- Farm-in tenure recently expanded by 500km<sup>2</sup> capturing new geophysical targets
- Exploration program fully funded under Farm-In and Joint Venture Agreement with Fortescue

**Strategic Energy Resources Limited** (“SER” or “the Company”) is pleased to release an update on the Canobie Project in northwest Queensland under Farm-in and Joint Venture Agreement (**Agreement**) with FMG Resources Pty Ltd (“Fortescue”), a subsidiary of Fortescue Metals Group Limited.

SER and Fortescue are targeting both IOCG and nickel-copper sulphide mineralisation west of the Gidyea Suture Zone, a crustal-scale fault system that hosts several significant copper-gold deposits to the south including the giant Ernest Henry mine and the Mount Margaret (E1), Eloise and Roseby deposits.

**Commenting on the upcoming drill program, SER Managing Director, Dr David DeTata said:**

*‘In the two months since signing the Agreement, we have completed targeting, secured land access and are ready to undertake a 4-hole diamond drill program.*

*The first drill hole is designed to test the northern end of an elongate gravity feature interpreted as a ribbon-like chonolith intrusion. This part of the intrusion is a favourable setting for sulphide mineralisation with potential to host higher tenor nickel-copper mineralisation. The hole is proximal to the Kalarka Prospect, which intersected thick intervals of nickel-elevated ultramafic rock with semi-massive sulphide zones in 2021.*

*The rig will then test three new compelling Ernest Henry-type magnetite IOCG targets, one at the northern end of the project and two at the southern end to complete the drill program scheduled for this field season’.*

### MAGMATIC NICKEL-COPPER TARGET

The Wondoola Prospect is located at the northern end of the project area and is proximal to the Kalarka Prospect drilled in 2021 (CNDD001A) that intersected 132m of ultramafic peridotite with elevated nickel (0.1% Nickel) from 507m including a basal massive sulphide zone grading 2m @ 0.68% Nickel, 0.17% Copper from 635m<sup>2</sup>. This follow-up drill hole is partly funded through a \$275,000 Queensland Government Collaborative Exploration Initiative (CEI) grant and is designed to test a modelled chonolith intrusion, a favourable setting for higher tenor sulphide mineralisation.

<sup>1</sup> See Evolution Mining website (<https://evolutionmining.com.au/ernest-henry/>)

<sup>2</sup> SER ASX Announcement 20 December 2021

## ERNEST HENRY TYPE MAGNETITE IOCG TARGETS

The next three drill holes are designed to test a range of magnetic anomalies across the project area targeting Ernest Henry-type IOCG deposits<sup>1</sup>. The targets were selected based on modelled geophysical characteristics considered prospective for hosting IOCG mineralisation. The targets are spread across the tenure to provide evidence for the development of IOCG style mineralisation and validate the exploration model.

The first drill target, the Sundance Prospect, is located at the northern end of the project and appears as an isolated bullseye magnetic feature that is remanently magnetised. The Apollo Bore Prospect is a stand-out, high amplitude, large magnetic anomaly modelled as an elliptical pipe. The final drill target, Alcala, is a strong north/south oriented magnetic anomaly that models as a near vertical body and is semi-coincident with a broad gravity response.

Native Title clearance surveys have been completed and earthworks are near complete. A drill contract has been signed to complete all four holes and a drill rig has been scheduled to arrive on site this month.

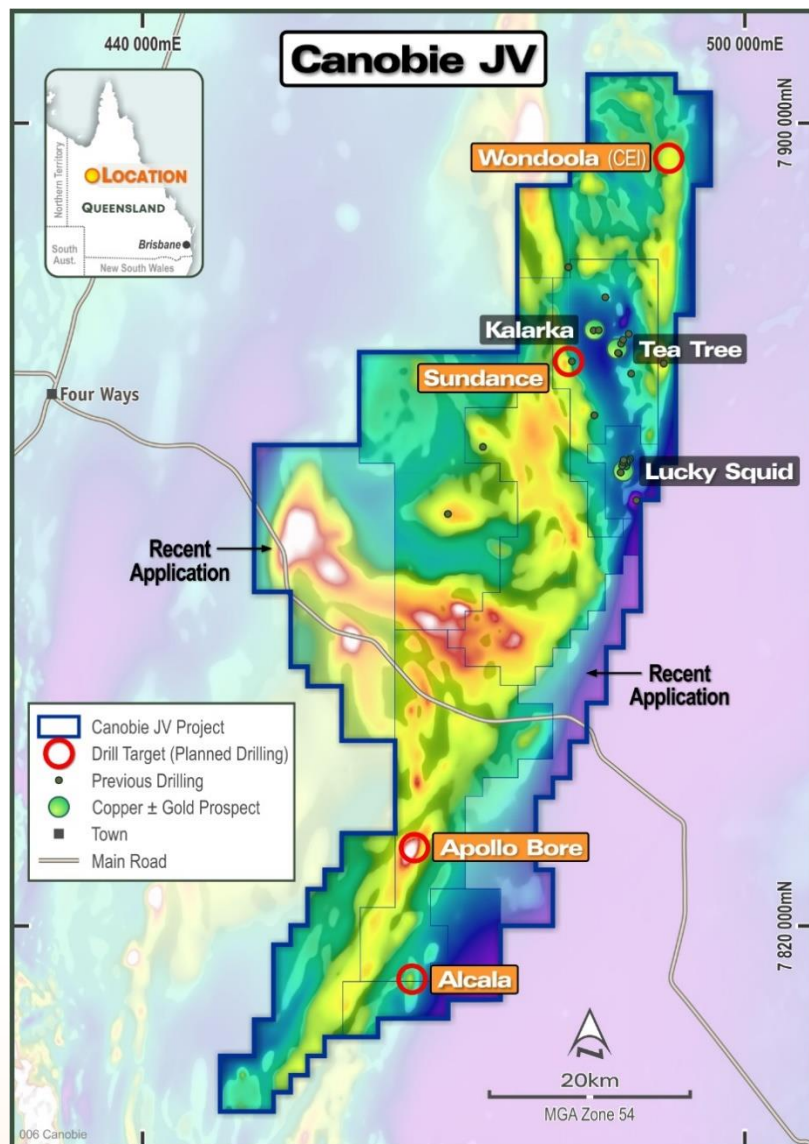


Figure 1: Location of the proposed drill holes and recent tenement applications at the Canobie JV over magnetic image

## JOINT VENTURE TENURE INCREASED

The search for magnetite IOCG targets was extended beyond the JV project area, and as a result SER was able to secure adjoining tenure which captures additional magnetic targets that were identified by broad scale geophysical modelling. The new tenements once granted will form part of the JV project area. The total area of the Canobie project is now over 2,300km<sup>2</sup>.

SER also welcomes the decision by the Queensland Government as part of the new Critical Mineral Strategy to waive rents on mineral exploration projects due from 1 September 2023, a decision that will return over \$500,000 of rents to the JV which will be directed towards on ground exploration.

## FARM-IN AND JOINT VENTURE KEY TERMS

The key terms of the Agreement 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).
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 driven, expert technical team leverage collaborations with government and private partners in our search for the next major mineral deposit.