

30 October 2023

SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Drilling commences at Canobie fully funded under Farm-in and Joint Venture Agreement with Fortescue to test a magmatic Nickel Copper sulphide target and multiple Ernest Henry-type Iron Oxide Copper-Gold (IOCG) targets
- Magnetotelluric (MT) survey underway at the Mundi Project to define targets for structurally controlled IOCG mineralisation at depth

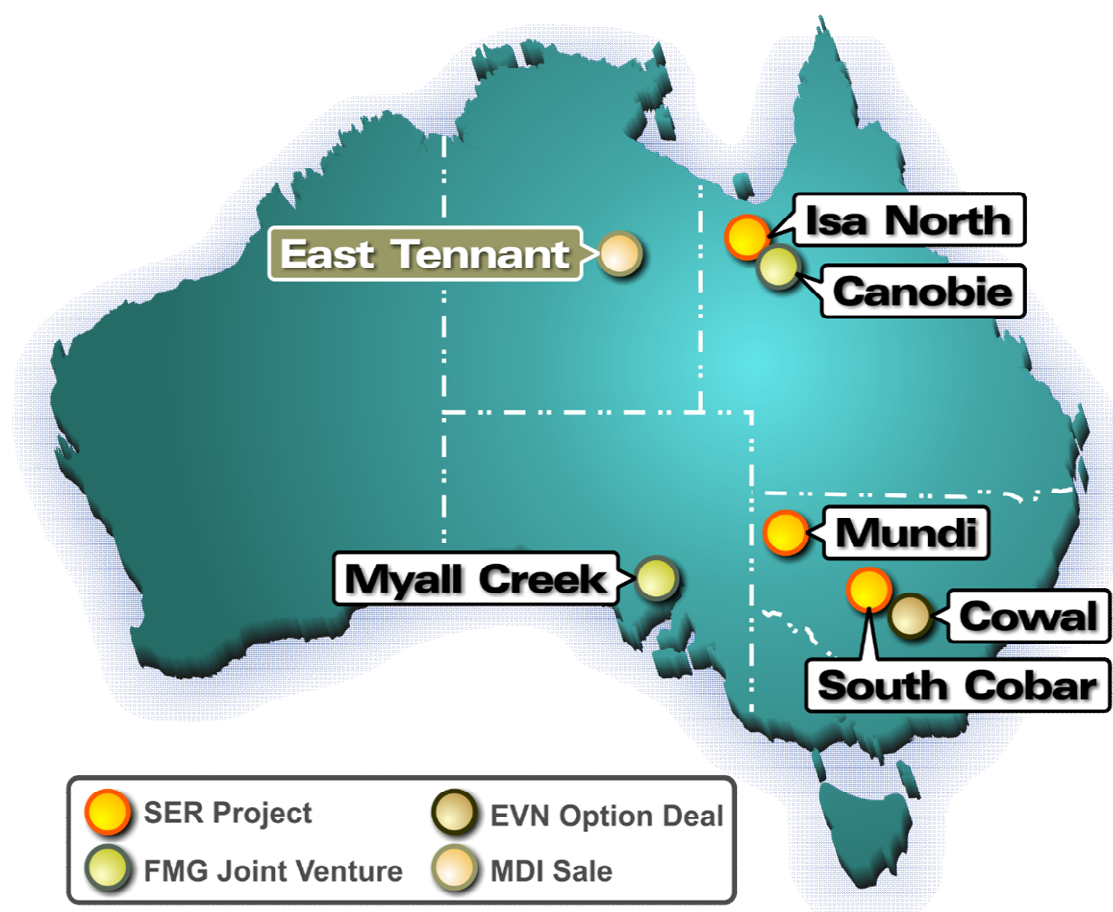


Figure 1: SER Project locations

CANOBIE PROJECT

QUEENSLAND (FMG EARNING-IN)

- Drill testing commenced in September at Wondoola, a magmatic Nickel Copper target
- Wondoola drill program partly funded through a \$275,000 Queensland Government grant
- Multiple Ernest Henry-type Iron Oxide Copper-Gold targets to follow
- Farm-in tenure expanded by 500km² capturing new geophysical targets

During the quarter drilling commenced at the Canobie Project as part of a Farm-In and Joint Venture Agreement (FJV) with FMG Resources Pty Ltd. The Canobie Project is located within the Mt Isa Eastern Succession in north Queensland and is highly prospective for IOCG and magmatic nickel sulphide given the proximity to major structures including 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 (E1), Eloise and Roseby deposits.

The drill program commenced at Wondoola, a magmatic Nickel Copper target situated at the northern end of the Project, which is partly funded through a \$275,000 Queensland Government Collaborative Exploration Initiative (CEI) grant. The drill location was designed to test a modelled chonolith intrusion, a favourable setting for higher tenor sulphide mineralisation given its proximal location 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 635m¹.

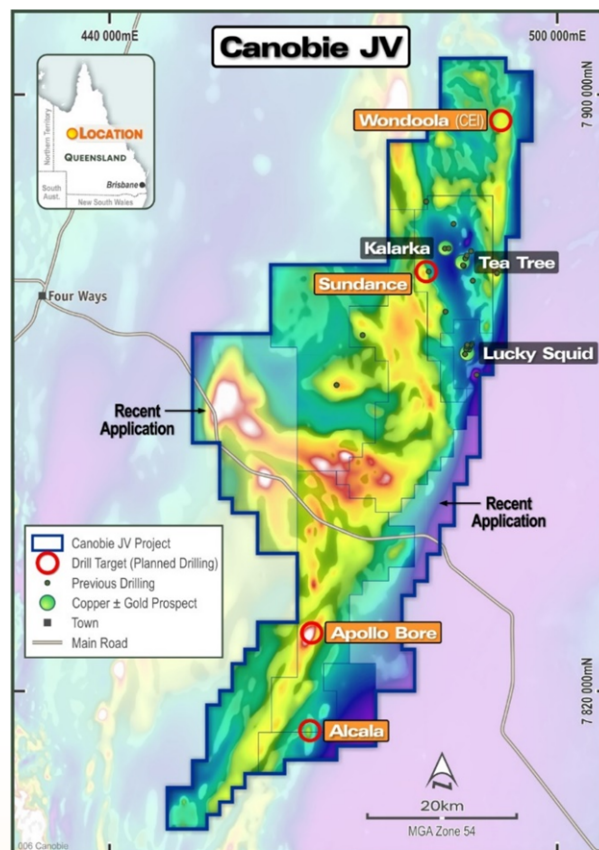


Figure 2: Location of the proposed drill holes and recent tenement applications at the Canobie JV over magnetic image

¹ SER ASX Announcement 20 December 2021

Subsequent to the completion of drilling at Wondoola, the drill rig will move to the first of multiple Ernest Henry-type IOCG targets that were selected based on modelled geophysical characteristics considered prospective for hosting IOCG mineralisation. The IOCG prospects are spread across the tenure to provide evidence for the development of IOCG style mineralisation and validate the exploration model. The Company will continue to provide updates on the status of the drill program during the next quarter.



Figure 3: Drill rig at the Wondoola magmatic Nickel Prospect

MUNDI PROJECT

NEW SOUTH WALES (SER 100%)

- Magnetotelluric (MT) survey to define shallowest part of the crustal-scale Curnamona Conductor
- Advanced 3D modelling to be undertaken in collaboration with the University of Adelaide and the Mineral Exploration Cooperative Research Centre (MinEx CRC)
- Survey supported by an NSW Government New Frontiers Exploration Program grant

The Mundi Project is a large-area, conceptual greenfield exploration project spanning over 200km² of the Curnamona Province, approximately 115km NNW of Broken Hill. The Curnamona is a known IOCG mineral province with the potential for other mineral systems, such as Broken Hill Type Pb-Zn-Ag. The Mundi Project contains no basement outcrop with limited previous exploration. 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 2017². The "finger"-shaped conductor identified in the CCMT, which is closest to surface at station CC56 (Fig. 4), has strong similarities to MT conductivity anomalies that have been demonstrated to be associated with IOCG mineralisation in South Australia's Gawler Craton³.

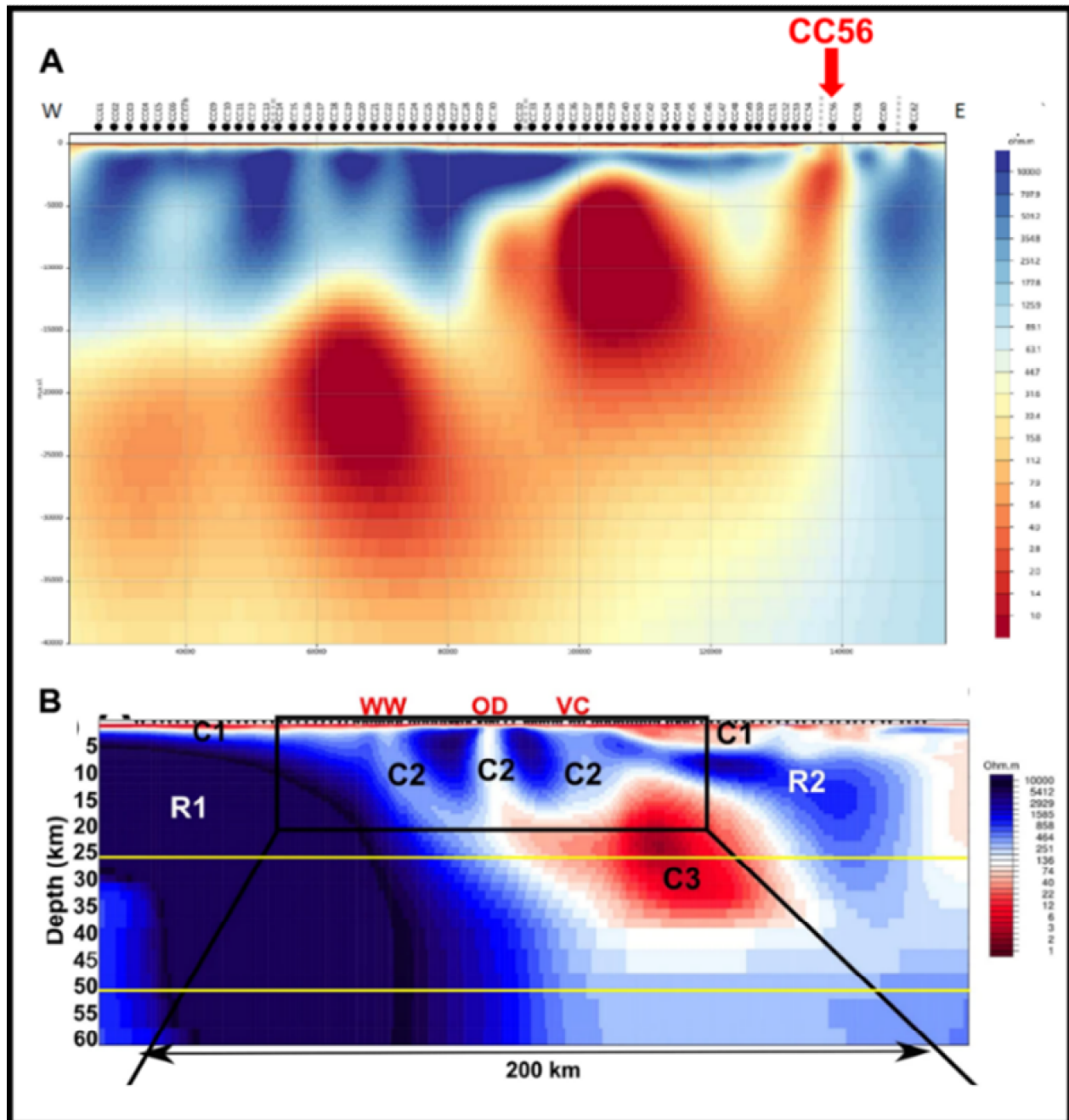


Figure 4: (A) 2D resistivity model to a depth of 40km of the CCMT transect that crosses Mundi from Kay et al. (2019). (B) 2D resistivity model to a depth of 60km across the Gawler Craton from Heinson et al. (2018). Note the similarity between feature **C2** under Wirrda Well (WW), **C2** under Olympic Dam (OD), **C2** under Vulcan and the feature under station CC56 of the CCMT transect, which lies within the Mundi Exploration Licence

² 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.

³ Heinson, G., Didana, Y., Soeffky, P., Thiel, S., Wise, T., 2018, The crustal geophysical signature of a world-class magmatic mineral system. Scientific Reports, 8:10608, p6.

SER secured NSW New Frontiers funding to undertake a broadband MT survey across the shallowest portion of the CCMT anomaly. The data will improve our understanding of the nature and geometry of the shallowest expression of the CCMT anomaly and is expected to define a target or targets that will be testable by drilling.

During the quarter a 95-station MT survey covering the shallowest portion of the CC anomaly commenced with stations spaced 400m apart along four east-west oriented lines 4km to 5km apart. All four lines were designed to cross both the Stanley Fault and CC anomaly, to resolve the relationship between the two features (Fig. 5).

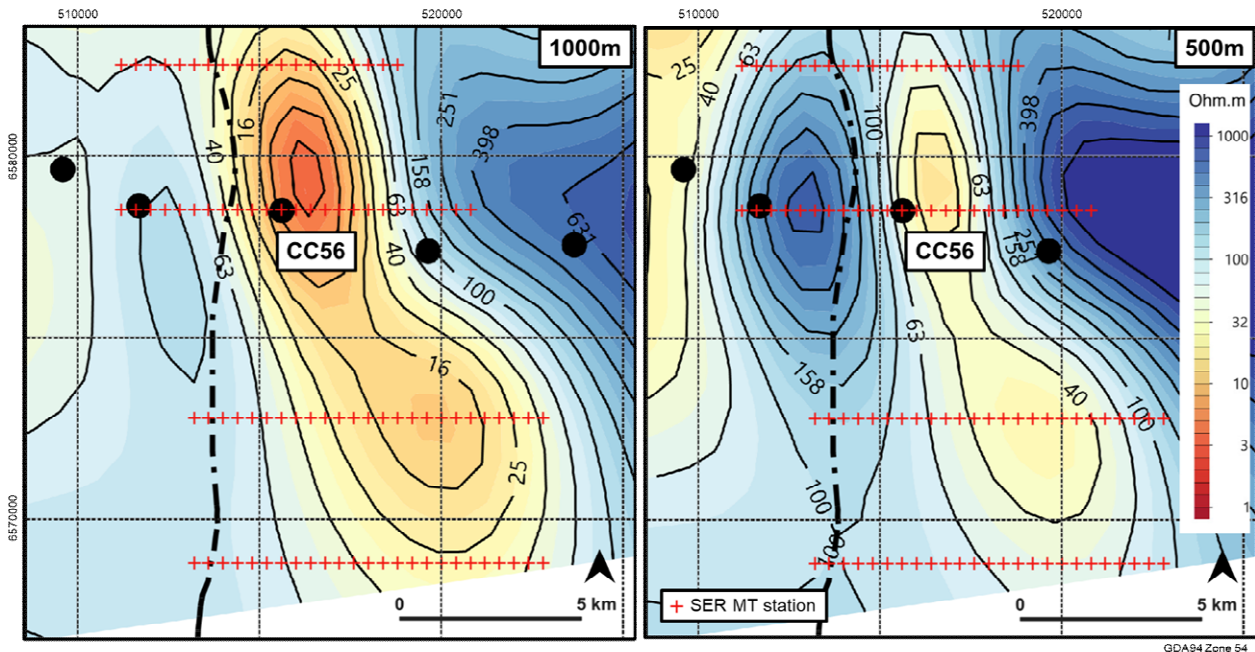


Figure 5: 1000m and 500m depth slices across the 3D resistivity model of Kay et al. (2021), showing the location of SER's planned MT stations relative to the CC anomaly at 1000m and 500m depth and the interpreted location of the Stanley Fault at top of basement (heavy dashed line). CCMT stations are shown as black dots, with CC56 labelled. Resistivity images courtesy of Graham Heinson, University of Adelaide. Fault location from NSW Seamless Geology Version 2.1 (2021).

The data from the survey will undergo a series of 3D interpretations, and will also be integrated with the 20km station-spaced Curnamona Data Cube MT model as part of a SER sponsored PhD project under the umbrella of the MinEx CRC⁴.

CORPORATE AND INVESTMENTS

During the quarter the Company completed the issue of the Tranche 2 portion of a heavily oversubscribed capital raise during the previous quarter raising gross proceeds of \$2.5 million. The first tranche was completed on 3 July 2023 resulting in the issue of 71,428,571 Shares under the Company's existing placement capacity. The second tranche was completed on 1 September 2023 and resulted in 107,142,857 Shares being issued following shareholder approval. Directors supported the Placement and subscribed for 9,000,000 Shares totaling \$126,000.

Funds raised were earmarked for the completion of multiple exploration activities across SER's projects including a diamond drill program at the Isa North Copper-Gold project. As a result of the time commitment required to fulfill our role as Operator of the Canobie FJV with Fortescue and the limited exploration season in

⁴ MinEx CRC Program 3: National Drilling Initiative: Investigating Crustal Anomalies in the Curnamona-Mundi Mundi Region Using an Integrated Geophysical Approach.

NW Queensland, this drill program will be delayed until next field season. During the next quarter the Company will provide an update to shareholders regarding forward exploration activities on SER's 100% owned projects.

The Company currently holds investments in both listed and unlisted companies. This includes 13,273,778 shares in Resolution Minerals Ltd (ASX:RML), 18,240,000 shares in Middle Island Resources Ltd (ASX:MDI) and 87,155,625 shares in Ionic Industries Limited (an unlisted graphene technology company).

Payments to related parties of the entity and their associates during the quarter were \$114k comprising Director and consulting fees as outlined in the Appendix 5B.

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

- Exploration & Evaluation expenditure - \$267k; and
- Employee, administration and corporate costs - \$192k.

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

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INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	License Description / Notes	Interest acquired/farm-in or disposed/farm-out during the quarter
EPM26439	Queensland	100%	Isa North 1	-
EPM26440	Queensland	100%	Isa North 2	-
EPM26442	Queensland	100%	Isa North 3	-
EPM28855	Queensland	100%	Isa North 4	Application (new)
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	East Cowl	-
EL9368	New South Wales	100%	Option Agreement for sale with EVN	-
EL9367	New South Wales	100%	Garema	-
EL9373	New South Wales	100%	Nymagee	-
EL9362	New South Wales	100%	Mundi 1	-
EL9388	New South Wales	100%	Mundi 2	-
ELA6666	New South Wales	100%	Koonenberry West	Application (new)
EL6626	South Australia	80%	Mabel Creek	-
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	-
EL6140	South Australia	100%	Farm-In Agreement with FMG	-
EL5898	South Australia	100%	Farm-In Agreement with FMG	-
EPM15398	Queensland	100%	Farm-In Agreement with FMG	-
EPM27378	Queensland	100%	Farm-In Agreement with FMG	-
EPM27586	Queensland	100%	Farm-In Agreement with FMG	-
EPM27587	Queensland	100%	Farm-In Agreement with FMG	-
EPM27588	Queensland	100%	Farm-In Agreement with FMG	-
EPM27638	Queensland	100%	Farm-In Agreement with FMG	-
EPM27676	Queensland	100%	Farm-In Agreement with FMG	-
EPM28180	Queensland	100%	Farm-In Agreement with FMG	-
EPM28864	Queensland	100%	Farm-In Agreement with FMG	Application (new)
EPM28865	Queensland	100%	Farm-In Agreement with FMG	Application (new)
EPM28877	Queensland	100%	Bulimba 1	Application (new)
EPM28878	Queensland	100%	Bulimba 2	Application (new)
EPM28879	Queensland	100%	Bulimba 3	Application (new)
EPM28880	Queensland	100%	Bulimba 4	Application (new)

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 2023

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	(41)	(41)
(b) development	-	-
(c) production	-	-
(d) staff costs	(28)	(28)
(e) administration and corporate costs	(164)	(164)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
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)	4	4
1.9 Net cash from / (used in) operating activities	(223)	(223)
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	(226)	(226)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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 – FMG JV contribution net of Exploration expenses*	316	316
2.6	Net cash from / (used in) investing activities	90	90

*Amounts represent the contributions net of exploration expenses received from FMG Resources Pty Ltd under the Farm-In and Joint Venture Agreement for the Canobie Project.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,500	1,500
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	(59)	(59)
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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,441	1,441

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	975	975
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(223)	(223)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	90	90

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,441	1,441
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,283	2,283

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	2,283	975
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)	2,283	975

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	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	87
<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>		

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

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.</i>		
<i>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		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(223)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(226)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(449)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,283
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,283
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.08
<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 October 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.
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.