

29 January 2024

DECEMBER 2023 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Three geophysical prospects drill tested (>3,300 metres) at Canobie Farm-in and Joint Venture with Fortescue with intense Iron Oxide Copper Gold (IOCG) type alteration intersected across all prospects
- Magnetotelluric (MT) survey at Mundi detects intense conductive anomaly with 2D and 3D modelling indicating the anomaly is associated with the Curnamona Conductor
- Fortescue completes a gravity infill survey at the Myall Creek Copper Gold Project

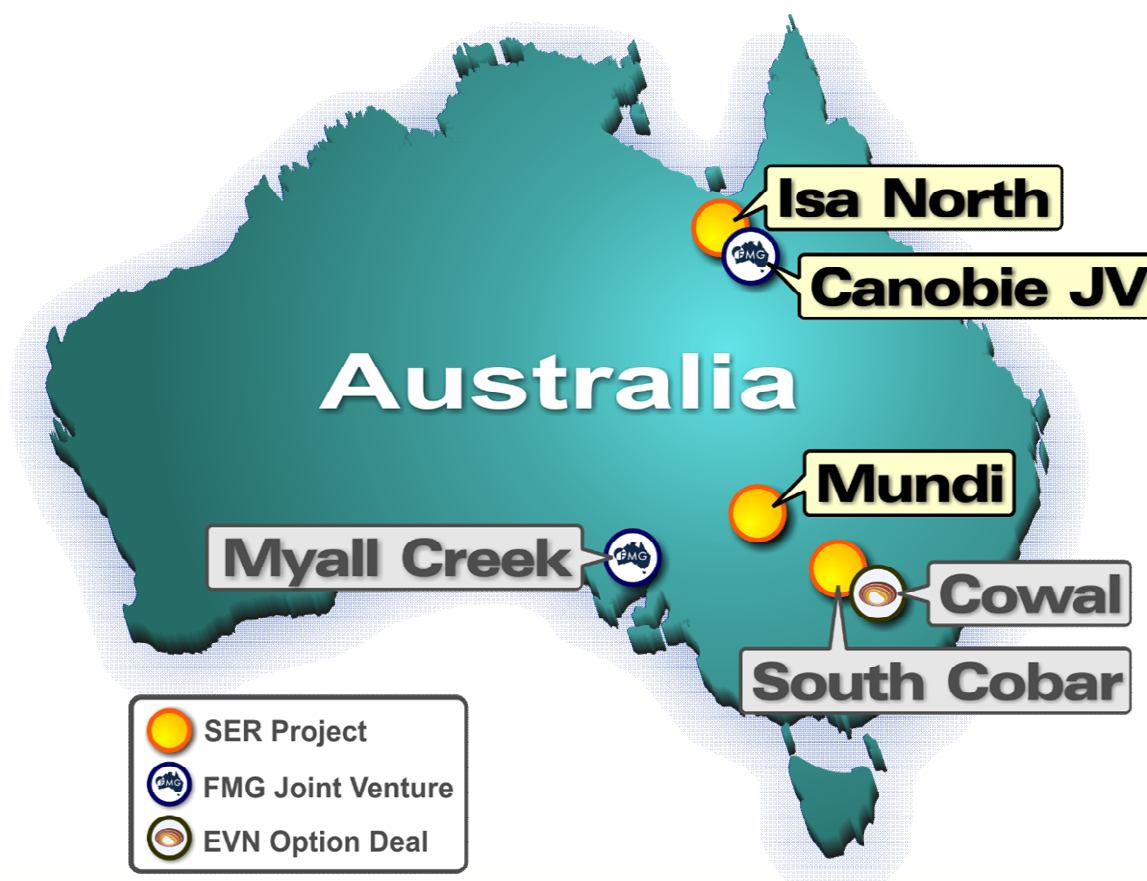


Figure 1: SER Project locations

CANOBIE PROJECT

QUEENSLAND (FORTESCUE EARNING-IN)

- First field season complete at the Canobie Farm-In and Joint Venture project with Fortescue
- Intense Iron Oxide Copper Gold (IOCG) type alteration intersected across all three prospects
- Assays from the Wondoola Prospect (CNDD004) received, minor copper anomalism associated with IOCG-type alteration; assays pending for remaining prospects

The December quarter saw the first on ground exploration program conducted at the Canobie Project in northwest Queensland under the Farm-in and Joint Venture with FMG Resources Pty Ltd ("**Fortescue**"), a wholly owned subsidiary of Fortescue Ltd.

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

WONDOOLA PROSPECT

The drill program began at the Wondoola Prospect, targeting the terminus of a northward striking chonolith (intrusive body) interpreted to be a favourable setting to host higher tenor sulphide mineralisation. The Wondoola prospect is distal 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).

Drill hole CNDD004 intersected basement at 430.7m downhole which was dominated by intercalated felsic and mafic host rocks. No disseminated magmatic sulphides or varied textured mafics (taxites) were observed within the mafic unit however extensive hydrothermal magnetite and IOCG-type sodic-calcic-iron alteration and veining was observed throughout the hole with a zone of intense alteration coincident with the low-level Cu anomalism identified in the assay results (Table 1). The geophysical targets (gravity, magnetic vector and magnetic shells) were explained by the geology intersected in the hole.

This Wondoola Prospect was awarded a \$275,000 Queensland Government grant under the Collaborative Exploration Initiative (CEI).

ERNEST HENRY TYPE MAGNETITE IOCG TARGETS

The main aim of the first field season of the JV was to drill test multiple Ernest Henry style IOCG targets to provide evidence for the development of IOCG style mineralisation and validate the exploration model. In this first year, two targets were tested during the field season (Figure 2). The IOCG prospects were spread across the tenure to provide evidence for the development of IOCG style mineralisation and validate the exploration model.

The Apollo Bore Prospect (CNDD005) is a high amplitude, large magnetic anomaly modelled as an elliptical pipe while the Sundance Prospect (CNDD006) appears as an isolated bullseye magnetic feature that is remanently magnetised (Figure 2). Drilling of both prospects concluded prior to the end of the quarter with preliminary interpretation of logged lithologies and alteration for both targets appearing to be explained by intense hydrothermal magnetite and IOCG-type sodic-calcic-iron alteration and veining similar to what was intersected at Wondoola¹. The Company expects assays results to be released within the next few weeks.

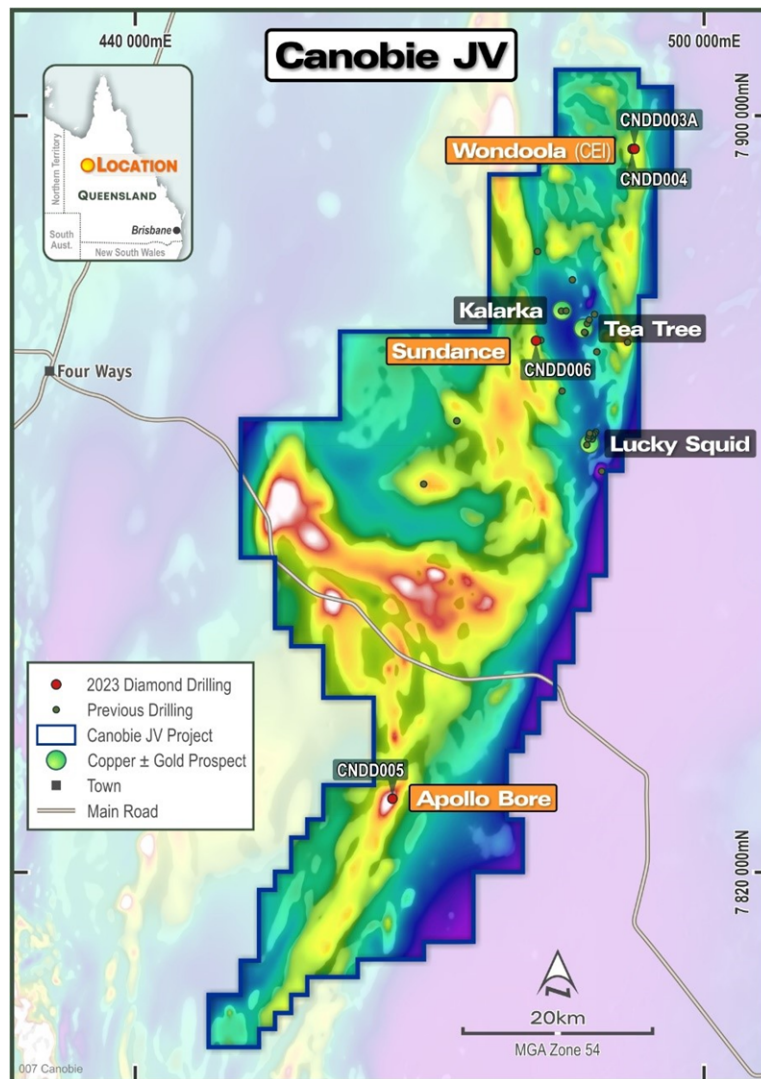


Figure 2: Location of the 2023 drill holes at Canobie JV over gravity image

Table 1: CNDD004 intersect table using a 1000ppm cut off with a 1m internal dilution

Hole ID	From (m)	To (m)	Interval (m)	Cu ppm	Comment
CNDD004	432	433	1	2480	Pyritic veins through carbonate altered unit
	798	803	5	1551	Intense IOCG alteration zone in pegmatite and mafic host units
	820	821	1	1205	High Temperature alteration zone

¹ See SER ASX Announcement 6 December 2023

FUTURE EXPLORATION AT CANOBIE

In the coming quarter, the core will be relogged and all datasets collected from the drill holes will be used to refine the exploration model. Steps have already been undertaken to identify and plan additional geophysical surveys in the new year to further enhance the understanding of the project area, prior to the drilling season where we anticipate a number of selected high priority targets will be drill tested.

MUNDI PROJECT

NEW SOUTH WALES (SER 100%)

- Magnetotelluric (MT) survey defines shallowest part of the crustal-scale Curnamona Conductor
- 2D- and 3D- modelling completed by Professor Graham Heinson (University of Adelaide) indicates the anomaly is associated with the Curnamona Conductor

The Mundi Project area spans over 1300 square kilometres of the Curnamona Province, located approximately 115km NNW of Broken Hill. The Curnamona Province is a known iron oxide copper-gold (IOCG) mineral province with the potential for other mineral systems, such as Broken Hill Type Pb-Zn-Ag. The Project area has no known basement outcrop and very limited previous exploration. The Project area captures the shallowest portion of the Curnamona Conductor (CC), a crustal-scale conductivity anomaly that has strong similarities to MT conductivity anomalies that have been interpreted to be associated with IOCG mineralisation in South Australia's Gawler Craton².

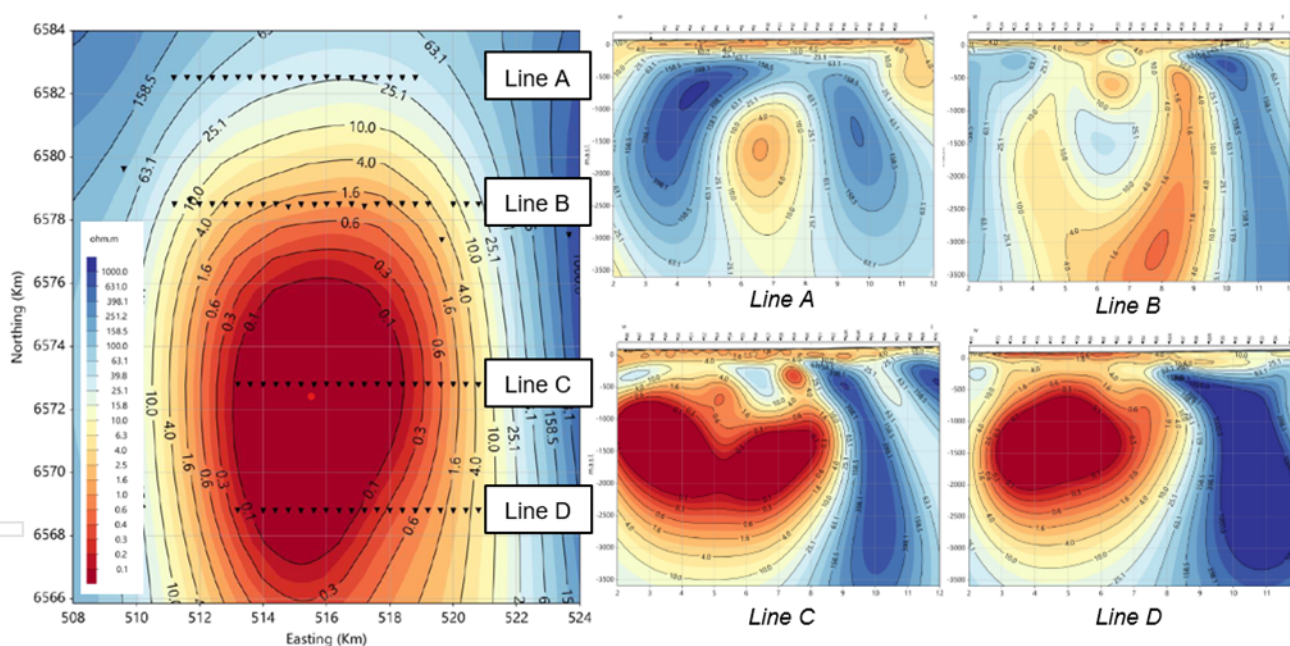


Figure 3: 2000m modelled resistivity depth slice and 2D line profiles from the MT survey.

During the previous quarter a 95-station MT survey was completed that covered the shallowest portion of the interpreted CC anomaly that was partially supported by a \$50,000 grant from Round 5 of the NSW Government's New Frontiers Exploration Program³. Advanced modelling of the MT data was completed in the current quarter by Professor Graham Heinson from the Electrical Earth Imaging Group at the University of Adelaide, a global leader in the use and interpretation of MT data for mineral exploration. Modelling defined a

² 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.

³ See SER ASX Announcement 21 September 2023

large, high-intensity conductive anomaly, which appears to be centred on Lines C and D of the survey. Modelled resistivities in the core of the anomaly reach values of less than 0.1 ohm.m, which is mapping an unusually highly conductive feature.

The defined conductor shows a sharp north-south trending, near-vertical eastern boundary, interpreted to suggest a clear structural control, which approximately corresponds to an interpreted basement fault. Furthermore, modelling shows that the shallow conductive features detected in this survey are clearly linked to the crustal-scale Curnamona Conductor, and closely resemble the conductivity signatures of IOCG mineralisation in the Gawler Craton, including the supergiant Olympic Dam deposit⁴.

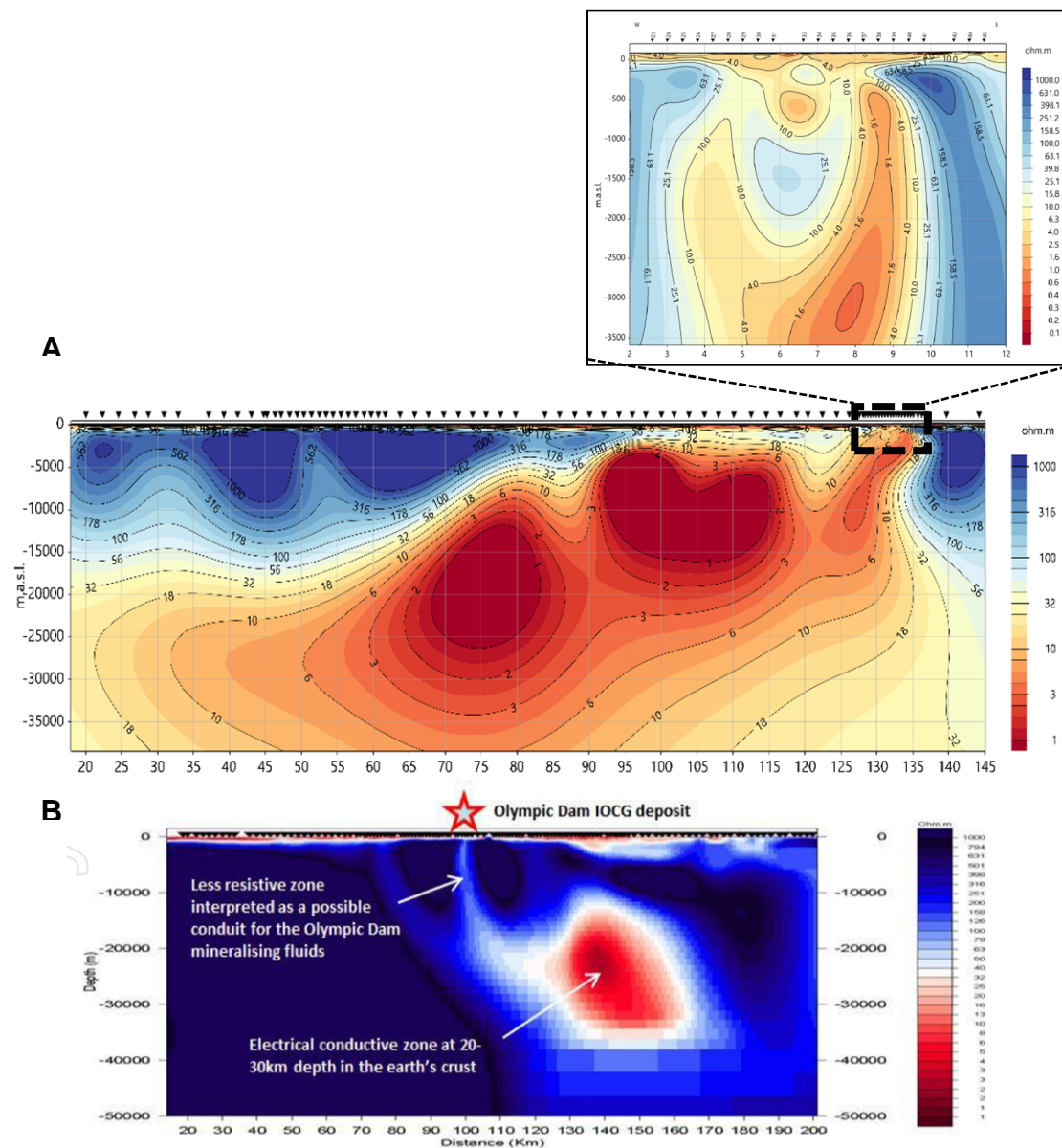


Figure 4: (A) 2D resistivity model to a depth of 35km across the Curnamona Province, incorporating data from the CCMT and SER's Mundi MT survey; and (B) 2D resistivity model to a depth of 50km across the Gawler Craton after Heinson et al. (2018). Note the similarity between the conductive feature that extends to surface under the Mundi project and the Olympic Dam deposit. The detailed inset for the Curnamona model shows Line B, which lies along the path of the CCMT.

⁴ See SER ASX Announcement 8 November 2023

Prior to the completion of the survey, an additional exploration licence was lodged (ELA6672) capturing the possible southern extension of the shallow conductivity anomaly already detected, as well as providing an opportunity to explore for potential additional shallow anomalies associated with the broad anomaly at 5km depth. Planning is underway to complete a follow up geophysical survey to infill and extend the current survey coverage as well as an electromagnetic survey to better understand the nature of the conductive anomaly. SER expects to generate one or more targets for drill testing within the next 12 months.

MYALL CREEK

SOUTH AUSTRALIA (FORTESCUE EARNING-IN)

- Farm-in Joint Venture partner completes infill gravity survey over 'Lincoln Gap' gravity anomaly
- Lincoln Gap anomaly located on the northern edge of EL6140

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, Carrapateena mines and the recent Oak Dam discovery (Fig. 5). The exploration licence captures a 15km strike length prospective for sediment hosted copper sulphides hosted in the basal units of the Tapley Hill Formation.

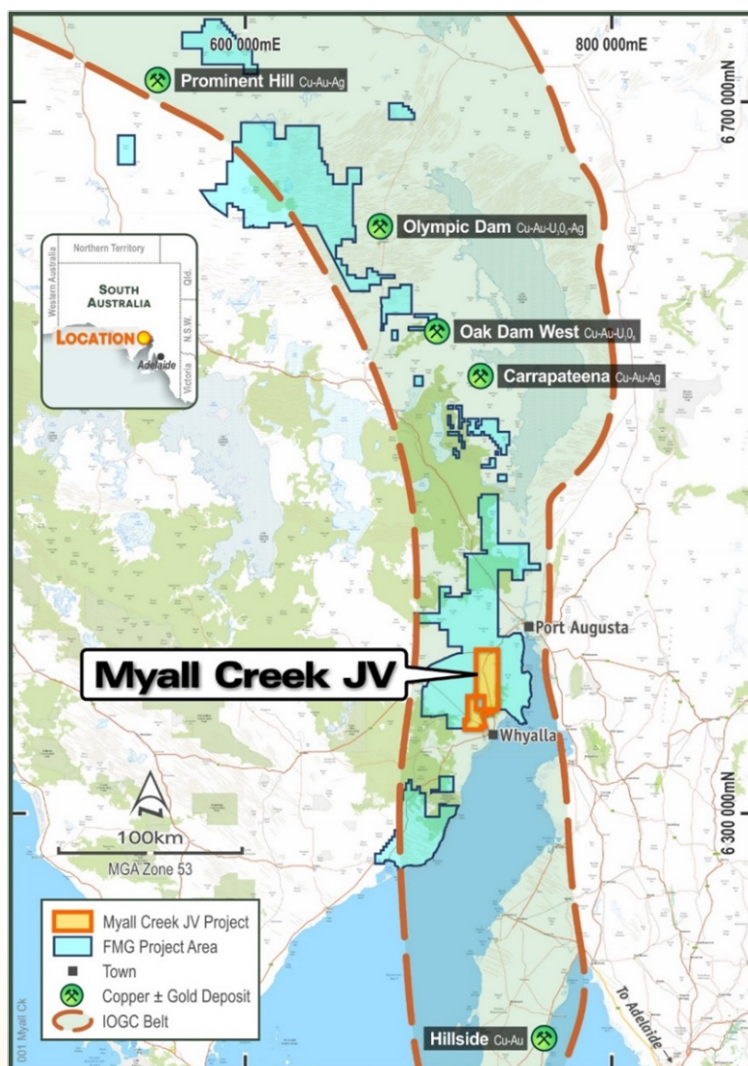


Figure 5: Myall Creek Project

In 2019 Fortescue entered into a Farm-in and Joint Venture Agreement (FJVA) covering Myall Creek which requires Fortescue to fund \$1.5m in exploration including 1,500m of drilling over a five year period. Last year Fortescue completed a 500m x 500m spaced gravity survey across the project area.

During the quarter, exploration activities focused on the assessment of a newly identified ~1 mGal gravity anomaly "Lincoln Gap" which straddles the tenement boundary of EL6140 (SER FJVA) and EL6043 (Fortescue) (approximately 50:50 split) (Fig 6.). Lincoln Gap is a ~1 mGal discrete, circular residual gravity anomaly for a ~1.4 x 1.4km footprint, straddling the tenement boundary. It is spatially adjacent (but not coincident) to a deep NW-trending long wavelength magnetic response to the SE.

Prior to the end of the quarter, a follow up detailed 250 x 250m infill ground gravity survey was designed and successfully completed by Daishsat Geodetic Surveyors. The new dataset is currently undergoing geophysical modelling to determine whether the Lincoln Gap anomaly is a worthy IOCG drill target.

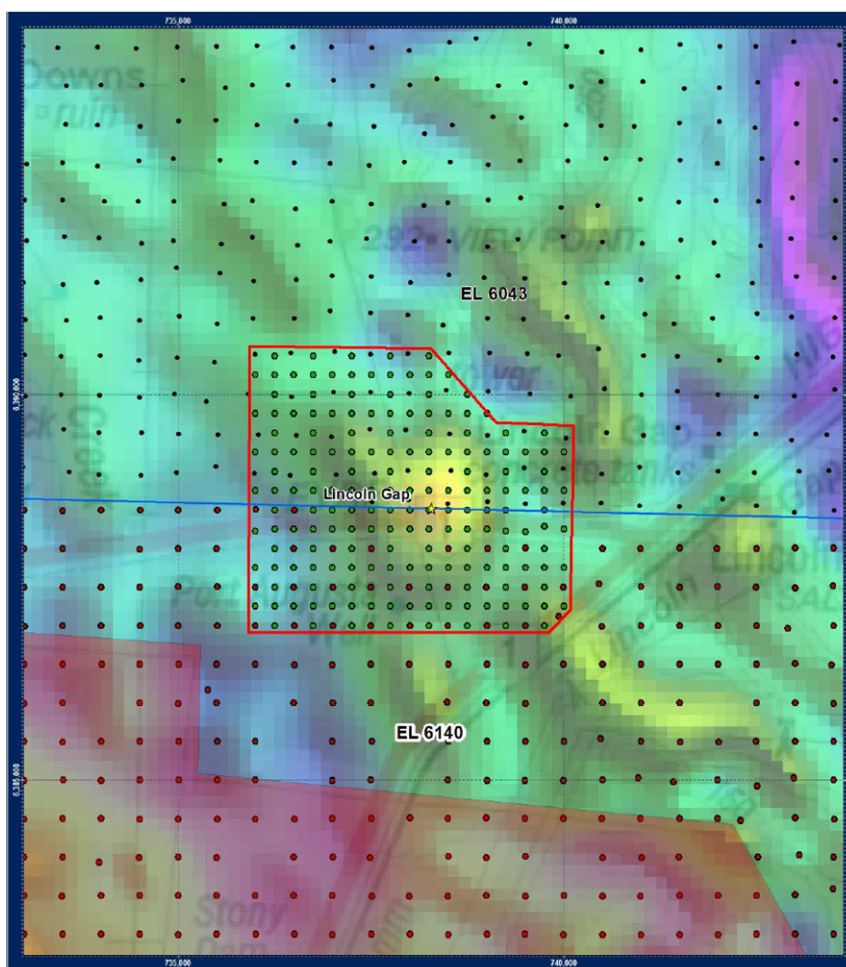


Figure 6: Location of the completed Lincoln Gap 250m infill ground gravity survey (red polygon) and station locations (green dots). Red dots show location of the Jan-Feb 2023 Whyalla ground gravity survey on SER's tenure. Black dots show location of Fortescue's 2019 helicopter-supported ground gravity survey.

CORPORATE AND INVESTMENTS

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 \$144k comprising Director and consulting fees as outlined in the Appendix 5B.

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

- Exploration & Evaluation expenditure - \$781k; and
- Employee, administration and corporate costs - \$157k.

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

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- END -

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
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	East Cowal	-
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	-
ELA6672	New South Wales	100%	Mundi 3	Application
EL9621	New South Wales	100%	Koonenberry West	Granted
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 Fortescue	-
EL5898	South Australia	100%	Farm-In Agreement with Fortescue	-
EPM15398	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27378	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27586	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27587	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27588	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27638	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM27676	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM28180	Queensland	100%	Farm-In Agreement with Fortescue	-
EPM28864	Queensland	100%	Farm-In Agreement with Fortescue	Application
EPM28865	Queensland	100%	Farm-In Agreement with Fortescue	Application
EPM28877	Queensland	100%	Bulimba 1	Application
EPM28878	Queensland	100%	Bulimba 2	Application
EPM28879	Queensland	100%	Bulimba 3	Application
EPM28880	Queensland	100%	Bulimba 4	Application

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 2023

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	(26)	(67)
(b) development	-	-
(c) production	-	-
(d) staff costs	(58)	(86)
(e) administration and corporate costs	(99)	(263)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	11
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)	3	7
1.9 Net cash from / (used in) operating activities	(175)	(398)

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*	(755)	(981)
(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 (6 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**	(16)	300
2.6	Net cash from / (used in) investing activities	(771)	(681)
<p>*Exploration expenses during the quarter includes \$300K expenses, which are expected to be reimbursed by the Queensland Government Collaborative Exploration Initiative grant and the NSW Government New Frontiers Exploration Program grant.</p> <p>**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.</p>			

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
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

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 (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (6 months) \$A'000
4.1	Cash and cash equivalents at beginning of period	2,283	975
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(175)	(398)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(771)	(681)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,441
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,337	1,337

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	337	2,283
5.2	Call deposits	1,000	-
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)	1,337	2,283

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	40
6.2	Aggregate amount of payments to related parties and their associates included in item 2	104

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.

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

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		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(175)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(755)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(930)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,337
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,337
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	(1.44)
	<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: Yes, however the Company's cash position will substantially dictate the exploration programmes undertaken in future periods, noting the Company has the ability to defer work programs where required to manage working capital.	
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: The Company will continue to assess the merits of various fundraising initiatives to ensure it has the financial capacity to progress its exploration program at an appropriate rate and will also examine alternative means of progressing exploration programs. SER is prepared to make additional sale of investments including the sale of its investments in ASX companies. The Company will also consider further sale/ farming out / joint venture arrangements of its exploration tenements if necessary.	

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: The Company's cash position substantially dictates the level of its exploration and evaluation expenditure and the Company has the capacity to control / defer expenditure based on its financial position.

The Company's Board and Management continue to be focussed on meeting its stated objectives and are cognisant of the funding requirements required to meet those objectives. The Company has a track record of successfully raising capital to continue to pursue its exploration programmes.

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.

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: 29 January 2024

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.