**ASX ANNOUNCEMENT**

22 July 2024

# JUNE 2024 QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS

- **Drilling permit submitted to test the Achilles 1 Polymetallic Prospect at South Cobar**
- **Gravity survey underway at Canobie Farm-in Joint Venture funded by Fortescue**
- **Geophysical surveys underway at Mundi to refine the location of intense conductors**
- **Oversubscribed capital raise completed raising $2m**


*Figure 1: SER Project locations*

## SOUTH COBAR POLYMETALLIC PROJECT

NEW SOUTH WALES (SER 100%)

- Drilling of Achilles 1 Polymetallic Prospect to commence upon receipt of drilling approval
- Recent outstanding polymetallic drill results from nearby explorer demonstrates the fertility of the Achilles Shear Zone which hosts the Achilles 1 Prospect

The South Cobar Project is located along the eastern margin of the Rast Trough at the southern end of the Cobar Basin. The Project contains the Achilles 1 Prospect which lies along the Achilles Shear Zone, host to the recent Achilles 3 polymetallic (Au-Ag-Pb-Zn-Cu) discovery by Australian Gold & Copper (ASX:AGC) 7km to the north[1](Fig.2). The project also captures the northern and southern extensions of the Woorara fault, along strike from Eastern Metals' (ASX:EMS) Brown's Reef polymetallic deposit.

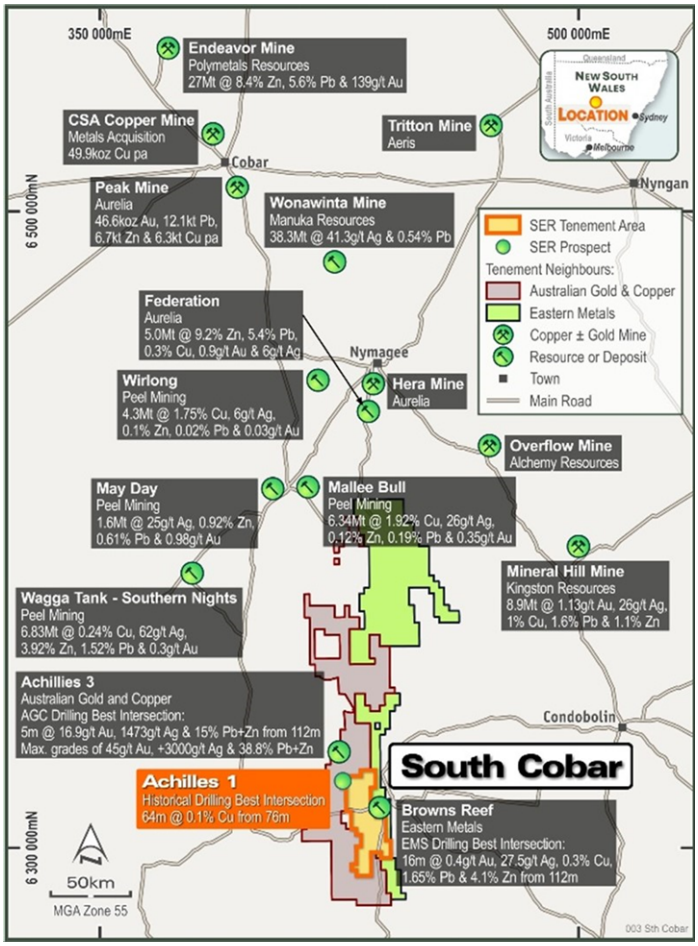


*Figure 2: The South Cobar Project and neighbouring explorers*

During the quarter a drilling permit application was submitted to the NSW Department that allows for up to 40 RC drill holes up to 200m deep over Achilles 1. The program is designed to test the strong polymetallic soil anomaly defined by historical soil data, SER's Ultrafine+$^{TM}$ geochemistry program and its relationship to the Achilles Shear and intersecting NE-trending magnetic highs identified in SER's airborne magnetic survey (Fig. 3). A Land Access Agreement (LAA) is in place with earthworks to commence once a permit is granted. Drilling is scheduled to commence in late July / early August and take six weeks to complete.

[1] See AGC Announcement 15th May 2024

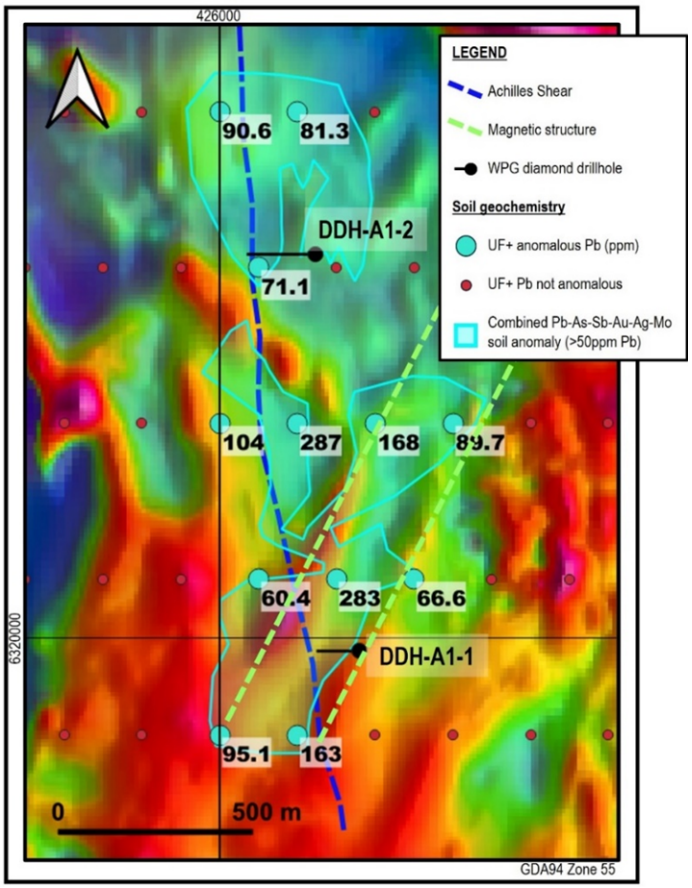


*Figure 3: Location of Ultrafine+ soil geochemical samples containing anomalous Pb relative to the Achilles 1 multielement soil anomaly and historical diamond drilling undertaken by WPG (2005). The mapped location of the Achilles shear is also shown, as are two prominent NE-tending magnetic highs identified in the 2021 airborne survey as shown in the 0.5VD of the 50m spaced airborne magnetics. Note the apparent control of the NE-trending structures and their intersections with the Achilles Shear on the orientation and location of the geochemical anomaly.*

## CANOBIE Cu-Au PROJECT

QUEENSLAND (FORTESCUE EARNING-IN)

- Gravity survey underway to collect ~3,500 new gravity measurements covering ~70km of strike
- Survey to be completed next quarter; data to assist with drill targeting; Fortescue funding all costs

The Canobie Project in northwest Queensland is being explored under a Farm-in and Joint Venture with FMG Resources Pty Ltd ("Fortescue"), a wholly owned subsidiary of Fortescue Ltd. SER and Fortescue are targeting Iron Oxide Copper Gold (IOCG) mineralisation west of the Gidyea Suture Zone, a crustal-scale fault system associated with several significant copper-gold deposits to the south including the Ernest Henry mine and the Mount Margaret (E1), Eloise and Roseby deposits.

During the June quarter an extensive ground gravity survey commenced with approximately 3,500 new stations set to be collected at 500m spacing with the option to infill as the survey progresses (Fig. 3). The survey will infill between two detailed ground gravity surveys previously completed by SER prior to the formation of the Joint Venture. The survey is anticipated to be completed in July with the resultant modelling of the project wide gravity data to be available in the coming quarter (Fig. 4). The new gravity data will be used to refine the exploration model and rank new drill targets in preparation for future rounds of geophysics and drill testing.

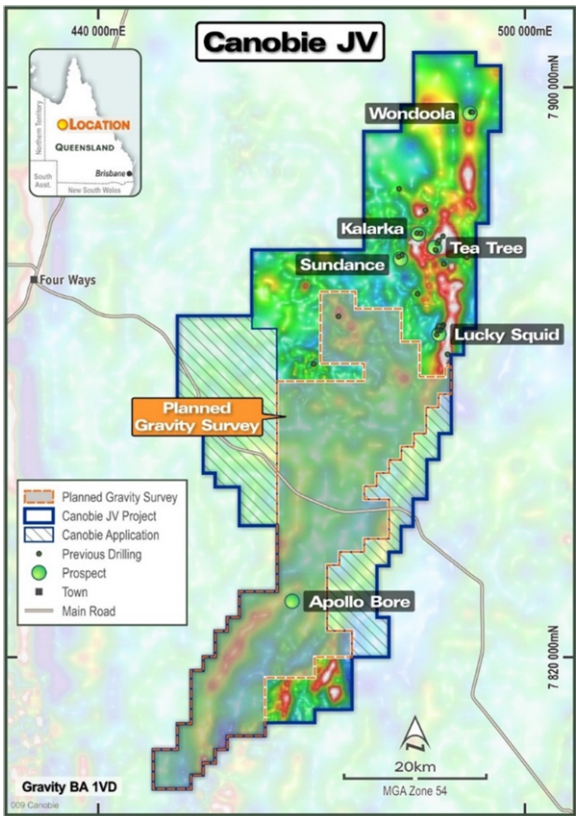


*Figure 3: Left: Canobie Project area showing the location of the proposed gravity survey*

*Figure 4: Daishsat Geodetic crew conducting a gravity measurement at the Canobie FJV Project*

## MUNDI Cu-Au PROJECT

NEW SOUTH WALES (SER 100%)

- Multiple geophysical surveys undertaken to refine location of intense conductive anomalies
- 2D- and 3D- modelling underway to model the highly conductive body at depth

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 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 Craton[2].

During the quarter the results from an infill magnetotelluric (MT) survey were announced which was undertaken to further constrain the geometry of a conductor and its near surface expression identified in the original MT survey. The two new survey lines were located between the central lines of the initial survey, reducing the lines spacing of the survey area from 5700m to 1900m. (Fig. 5).

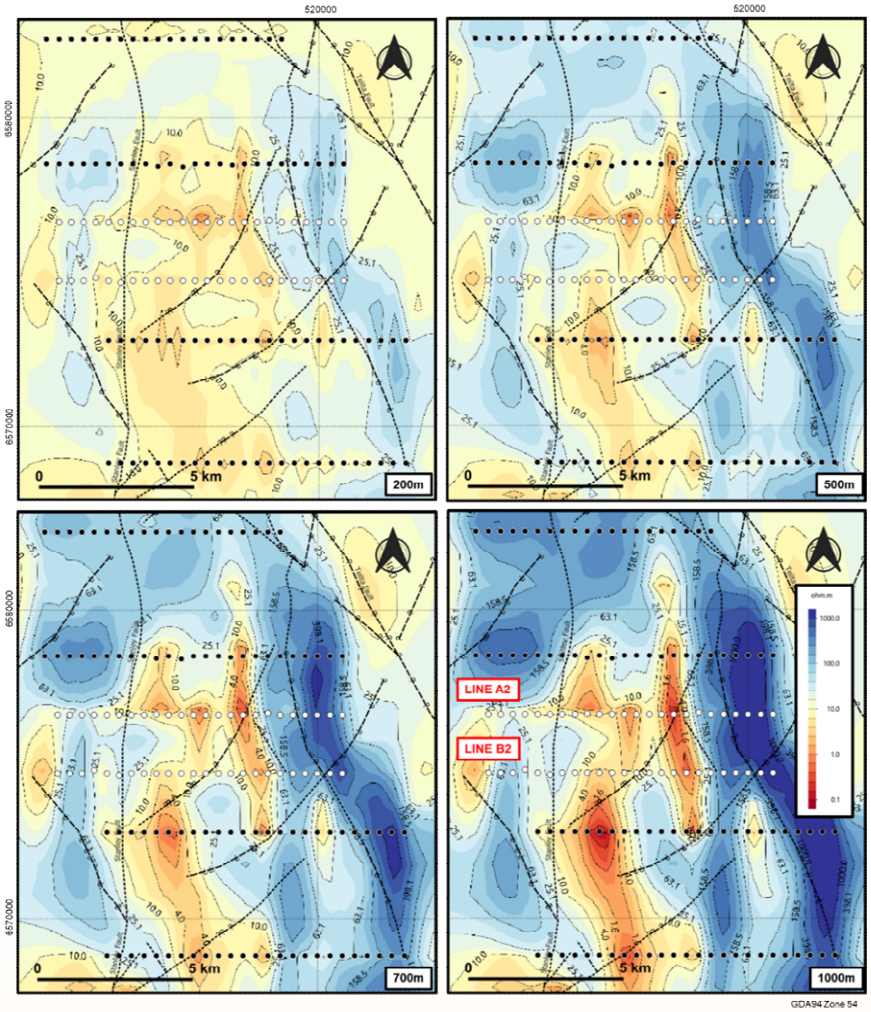


*Figure 5: 200m, 500m, 700m and 1000m resistivity depth slices of the revised 3D MT conductivity model relative to the location of GSNSW interpreted Proterozoic and the location of the MT stations (Black dots are previous survey and white dots marked A2 & B2 are infill survey locations).*

[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.

Revised modelling of the MT data identified two discrete conductive anomalies which appear to be be partially controlled by Geological Surevy of NSW interpreted NE-trending Proterozoic fault structures[3]. The conductors reach depths of less than 500m and potentially as shallow as 200m below surface, although the electrical response of shallower basement in the models is partially obscured by the effect of approximately 100m of conductive overburden.

As part of SER's commitment to ongoing research and development, SER sponsors an industry PhD project titled "Investigating Crustal Anomalies in the Curnamona-Mundi Mundi Region using and integrated geophysical approach". The supervisors for the project include Professor Graham Heinson from the Electrical Earth Imaging Group (University of Adelaide)[4]. The aim of the project is to integrate existing geophysical datasets along with newly acquired data to assist in developing a 3D understanding of the crust, particularly faults, major lithological and intrusive complexes, and fluid flow pathways. SER has committed to acquiring additional geophysical surveys and facilitating on-ground data collection as part of the project.

During the quarter, researchers from the University of Adelaide deployed 100 passive seismic sensors across the Mundi Project area to enable the interpretation of the structure, temperature and composition of the geological layers at depth beneath the project area. The sensors will be collected in the coming quarter following a one month deployment (Fig. 5). Additionally, an Airborne Magnetic and Radiometric (AMR) survey was flown over the project area utilising a fixed wing Cessna 210, flying 100m spaced E-W orientated lines to increase the current magnetic data across the project area. Results from these two new geophysical datasets will be released in the coming quarter.

*Figure 5: University of Adelaide PhD student Sam Bizhani deploying a passive seismic sensor at the Mundi Project.*

[3] NSW Seamless Geology Data Package Version 2.3, 2023 (https://search.geoscience.nsw.gov.au/product/9232/8324749).
[4] See SER Announcement 21st September 2023

## ISA NORTH Cu-Au PROJECT

QUEENSLAND (SER 100%)

The Isa North project comprises three granted exploration licences and one exploration licence application covering an underexplored 976 square kilometre belt considered highly prospective for Iron Oxide Copper Gold (IOCG) mineralisation. The project area is located along the projected northern extension of the mineralised Mt Isa – Gunpowder Fault Zone. Several large deposits lie on or adjacent to this fault system, including the Mt Isa, Mt Oxide and Gunpowder copper deposits and the Mt Isa, Hilton and George Fisher lead-zinc-silver deposits.

Last quarter SER announced that land access agreements across the Isa North Project area had been secured and Native Title clearances had been completed in preparation for a diamond drill program. Due to the significant interest in the South Cobar Project, the drill program has been rescheduled to commence in the second half of 2024.

## CORPORATE AND INVESTMENTS

During the quarter SER completed an oversubscribed capital raise and received firm commitments from institutional and sophisticated investors to raise gross proceeds of $2.0 million. The Placement resulted in the issue of 181,818,190 fully paid ordinary shares at $0.011 (1.1 cents) per share via two tranches. Tranche 1 was completed on 30 May 2024 resulting in the issue of 112,181,830 Shares under the Company's existing placement capacity. Tranche 2 resulted in 71,036,360 Shares being approved to be issued at the EGM which was held after the end of the quarter. The Director supported the Placement and subscribed for 6,000,000 Shares totalling $66,000 following shareholder approval as part of the Tranche 2 EGM.

SER appointed Mr Tony Gu, a nominee of Datt Capital, as a Non-Executive Director, effective 23 May 2024. Mr Gu is a Partner and the Head of Research at Datt Capital, a Melbourne based specialist investment manager known for consistently high returns in the resources sector. Mr Gu brings over a decade of experience in capital markets and investor relations and will assist SER in maximising value from the projects we generate through his extensive industry networks. Mr Gu holds a Masters in Applied Finance from Monash University and a Bachelor of Commerce from the University of Melbourne. Mr Gu is a graduate of the Australian Institute of Company Directors (AICD), and an Associate of the Australasian Institute of Mining and Metallurgy (AusIMM).

The Company currently holds investments in both listed and unlisted companies. This includes 18,240,000 shares in Middle Island Resources Ltd (ASX:MDI) issued on the 14th July 2023 subject to a 12-month escrow period, and 87,155,625 shares in Ionic Industries Limited (an unlisted graphene technology company). During the quarter SER sold all its remaining shares in Resolution Minerals Ltd (ASX:RML).

**Payments to related parties of the entity and their associates** during the quarter were $146k compromising Director and consulting fees as outlined in the Appendix 5B.

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

- Exploration & Evaluation expenditure - $677k; and
- Employee, administration and corporate costs - $189k.

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

For further information please contact:

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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 |
| EL9012 | New South Wales | 100% | South Cobar | - |
| EL9368 | New South Wales | 100% | Option Agreement for sale with EVN | - |
| EL9367 | New South Wales | 100% | Garema | - |
| EL9362 | New South Wales | 100% | Mundi 1 | - |
| EL9388 | New South Wales | 100% | Mundi 2 | - |
| EL9629 | New South Wales | 100% | Mundi 3 | - |
| EL9621 | New South Wales | 100% | Koonenberry West | - |
| 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 | Disposed |
| E38/3564 | Western Australia | 100% | Application only | Disposed |
| 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 | Quarter ended ("current quarter") |
|---|---|
| 14 051 212 429 | 30 June 2024 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation* | 18 | (116) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (50) | (162) |
| | (e) administration and corporate costs | (139) | (553) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | 8 | 35 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 15 | 15 |
| 1.8 | Other (provide details if material) | 1 | 28 |
| **1.9** | **Net cash from / (used in) operating activities** | **(147)** | **(753)** |

**Amounts represent the exploration expenses net of refunds received (related to two tenements relinquished) during the quarter. These expenditures have not been capitalised since the Company haven't been granted the license yet.*

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (3) | (3) |
| | (d) exploration & evaluation | (677) | (1,898) |
| | (e) investments – security deposits | - | (20) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 18 | 40 |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Capital grants and other receipts* | 4 | 723 |
| 2.5 | FMG JV contribution net of Exploration expenses** | 730 | 843 |
| **2.6** | **Net cash from / (used in) investing activities** | **72** | **(315)** |

** Capital grants and other receipts represent the following receipts during the prior quarters;*

*- the Queensland Government Collaborative Exploration Initiative grant of $250k,*

*- the NSW Government New Frontiers Exploration Program grant of $50k and;*

*- reimbursements by SER Canobie JV of $419k related to exploration payments made in the previous quarters.*

***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) | 1,234 | 2,734 |
| 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 | (74) | (133) |
| 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** | **1,160** | **2,601** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
| 4.1 | Cash and cash equivalents at beginning of period | 1,423 | 975 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (147) | (753) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 72 | (315) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,160 | 2,601 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **2,508** | **2,508** |

| **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 | 2,508 | 1,423 |
| 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)** | **2,508** | **1,423** |

| **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 | 41 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 105 |

*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.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | (147) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (677) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (824) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 2,508 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 2,508 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 3.04 |

*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.*

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

*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: 22 July 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.