

Strategic Energy Resources Limited

ABN 14 051 212 429

Annual Report - 30 June 2024

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Strategic Energy Resources Limited
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30 June 2024



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Directors	Mr Stuart Rechner - Executive Chairman Dr David DeTata - Managing Director Mr Anthony McIntosh - Non-Executive Director Mr Tony Gu - Non-Executive Director (appointed on 23 May 2024)
Company Secretary	Mr Mathew Watkins
Notice of annual general meeting	The Company will hold its Annual General Meeting of shareholders on 19 November 2024.
Registered office and Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: (03) 9692 7222 Fax: (03) 9077 9233
Share register	Link Market Services Limited Tower 4, 727 Collins Street Docklands, VIC 3008 Ph: 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Level 43 Central Park 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Strategic Energy Resources Limited securities are listed on the Australian Securities Exchange (ASX code: SER)
Website	www.strategicenergy.com.au
Corporate Governance Statement	Corporate governance statements are available in Group's website. Please refer to https://www.strategicenergy.com.au/corporate-governance/

REVIEW OF OPERATIONS FY2023-24

Principal activities

Strategic Energy Resources Ltd is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia. During the financial year the principal continuing activities of the Consolidated Entity consisted of exploration for minerals in Australia.

Review of operations

SER's goal is the discovery of major precious and base metal deposits which we pursue as a specialised undercover mineral explorer and project generator. Over the financial year, we continued to execute our discovery strategy of "Search, Explore, Resolve" driven by science-led technical excellence and funded by sharing risks and rewards with our partners.

At our **Canobie Project** in northwest Queensland, joint venture partner FMG funded SER to drill over 1,400m of basement core targeting copper-gold and copper-nickel across three prospects. The Wondoola copper-nickel prospect intersected low level copper mineralisation. The Sundance and Apollo Bore copper-gold prospects intersected hydrothermal magnetite rich rocks with IOCG geochemical pathfinders present. The learnings from this maiden drill program resulted in FMG designing an extensive ground gravity survey to refine the exploration model and generate the next round of drill targets. The 3,225-station ground gravity survey was recently completed. The joint venture requires FMG to drill 3000m of basement core (~1,400m drilled to date) to earn a 51% joint venture interest; this will require the drill testing of multiple new targets across the project tenure.

The **Mundi Project** located 155km north of Broken Hill was awarded an \$50,000 NSW New Frontiers Grant to collect a broadband magnetotelluric (MT) survey to aid our search for structurally controlled IOCG mineralisation within 500m of surface. Advanced modelling was subsequently completed to reveal a large, high-intensity conductive anomaly with modelled resistivities in the core reaching values of less than 0.1ohm.m, an unusually conductive feature. A subsequent infill MT survey was completed to further constrain the geometry of the conductor along with a ground gravity survey, an Electromagnetic (EM) survey and passive seismic survey with modelling results incorporating all newly acquired geophysical datasets expected in October as part of a PhD research program led by the University of Adelaide. The combined results aim to define a drill target for testing.

In March, SER revealed that we had pegged the **West Koonenberry Project** located 10km west of our Mundi Project, capturing an area we interpret to be the rifted portion of the Koonenberry Cu-Ni belt. During the year, land access agreements were negotiated, and planning was conducted to complete an airborne magnetic survey. SER will provide a detailed update on West Koonenberry shortly.

At **Myall Creek** in South Australia, joint venture partner FMG conducted a detailed ground gravity survey over the Lincoln Gap copper-gold target. The new data will be combined with a magnetic survey previously completed by FMG to model targets for drilling.

Towards the end of the reporting period, the **South Cobar Project** gained widespread market attention following spectacular drill results released by an explorer 7km to the north. The intersection of significant polymetallic intercepts by Australian Gold & Copper (ASX:AGC) at the Achilles 3 Prospect reignited interest in SER's Achilles 1 Prospect. Due to increased investor interest, SER completed a \$2m raise to fund the immediate drilling of the Achilles 1 Prospect. Drilling has now commenced.

In the coming year, SER will complete the drill program at the Achilles 1 Prospect along with advancing the Mundi and West Koonenberry projects to a drill ready position while we await the drill targets generated from the results of the gravity survey at Canobie. We will continue to generate new projects and fund them as much as possible through government grants and joint ventures. SER is set to deliver multiple drill programs in FY25, maximising our chances of discovery.

The SER team would like to thank our shareholders for their continued support in our search for Australia's next major discovery.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Strategic Energy Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of Strategic Energy Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Stuart Rechner - Executive Chairman
Dr David DeTata - Managing Director
Mr Anthony McIntosh - Non-Executive Director
Mr Tony Gu - Non-Executive Director (appointed on 23 May 2024)

Principal activities

Strategic Energy Resources Ltd is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia. During the financial year the principal continuing activities of the Consolidated Entity consisted of exploration for minerals in Australia.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Financial results

The loss for the Consolidated Entity after providing for income tax amounted to \$1,458,961 (30 June 2023: \$682,603).

Operating expenses for the year was \$1,869,442 (30 June 2023: \$1,053,075). Corporate expenses amounted to \$926,552 (30 June 2023: \$852,507) resulting from continuing operations. A total of 28,000,000 unlisted options were issued to Directors and Employees during the year (30 June 2023: 19,500,000) and the Consolidated Entity recognised share-based payment expenses of \$96,834 (30 June 2023: \$310,000). The Consolidated Entity incurred \$288,890 (30 June 2023: \$200,568) on tenement due diligence and related exploration expenses.

The net assets of the Consolidated Entity increased by \$1,854,533 to \$7,618,417 (30 June 2023: \$5,763,884) as at 30 June 2024. The movements during the year were largely due to capital raised during the year amounting to \$3,536,238 (net of transaction costs) and losses from operations amounting to \$1,458,961. Working capital, being current assets less current liabilities, increased by \$1,435,769 to \$1,858,269 (30 June 2023: \$422,500). The Consolidated Entity incurred \$893,902 on the operating activities (30 June 2023: \$198,272) and invested \$1,033,421 (30 June 2023: \$1,257,379) in exploration assets.

The review of operations preceding this report outlines the exploration activities and corporate matters for the year.

Significant changes in the state of affairs

On 27 June 2023, the Company announced a capital raise of up to \$2.5m by way of placement by issuing 178,571,428 fully paid ordinary shares at \$0.014 (1.4 cents) per ordinary share. The Placement of fully paid ordinary shares was undertaken in two tranches. On 3 July 2023, Tranche 1 of the placement was completed by issuing 71,428,571 fully paid ordinary shares within the Company's existing placement capacity. On 25 August 2023 Shareholders approved Tranche 2 of the Placement, subsequent to which the Company issued 107,142,857 fully paid ordinary shares, in September 2023.

On 17 July 2023, the Company announced the completion of the sale of the East Tennant Project to Middle Island Resources Limited (ASX: MDI), which had been previously announced to the market on 16 May 2023. Middle Island Resources has issued 18,240,000 fully paid ordinary MDI shares, for a deemed issue price of \$0.035 (3.5 cents) per fully paid ordinary share.

On 3 July 2023, the Company issued 2,500,000 shares to the Corporate Advisor as consideration for its services at \$0.02 (cents) per share.

On 7 September 2023, the Company issued 15,571,429 fully paid ordinary shares at nil consideration in relation to the exercise of Options that were issued to Directors in the prior years.

On 12 September 2023, the Company issued 2,000,000 fully paid ordinary shares at nil consideration in relation to the exercise of Options that were issued to Directors and employees in the prior years.

On 21 September 2023, the Company was awarded a \$50,000 NSW Government New Frontiers Exploration Program grant to complete a surface based geophysical program at the Mundi Project.

On 24 November 2023, the Company issued 12,000,000 Unlisted Options to directors and employees, at nil exercise price, expiring on 23 November 2026, subject to various vesting conditions.

On 14 March 2024, the Company relinquished the exploration licence for tenement EL9373 Nymagee in NSW.

On 18 March 2024, the Company relinquished the exploration license for tenement EL9057 East Cowlal in NSW.

On 23 May 2024, the Company announced the appointment of Mr Tony Gu as a Non-Executive Director.

On 30 May 2024, the Company raised \$1,234,000 (before transaction costs) by issuing 112,181,830 fully paid ordinary shares at an issue price of \$0.011 (1.1 cents) per Share.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 22 July 2024, the Company raised \$781,400 (before transaction costs) by issuing 71,036,360 fully paid ordinary shares at an issue price of \$0.011 (1.1 cents) per Share of which 6,000,000 shares were issued to directors.

On 26 July 2024, 8,375,000 Options expired as the conditions have not been, or have become incapable of being satisfied.

On 9 August 2024, the Company relinquished the exploration licence for tenement E70/5344 Ambergate West in WA.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may materially affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

On 19 September 2024, the Company sold all the shares held at Middle Island Resources Limited for \$0.011(1.1cents).

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its objective of maximising value of its investments held in exploration assets through continued exploration of areas of interest and sale of interests in permits held.

The Consolidated Entity's focus for the coming periods will be on advancing its exploration projects and reviewing additional potential exploration project acquisitions.

Risks and Uncertainties

The Company is subject to both risks specific to the Company and the Company's business activities, as well as general risks.

Future funding risks

The Company is involved in exploration for minerals in Australia and yet to generate revenues. At 30 June 2024 the Company had a cash and cash equivalents balance of \$2,507,709 and net assets of \$7,618,417. The Company may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Company is still in the early stages of exploration development it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. However, the Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending patterns and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Exploration risk

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- securing and maintaining title to mineral exploration projects;
- discovery and proving up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploitation, development, and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants, and employees.

There can be no assurance that exploration on the Company's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company. The Company is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Consolidated Entity, its business, prospects, results of operations and financial condition.

Environmental and social risks

The Consolidated Entity holds participating interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the Consolidated Entity to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. The long-term viability of the Company is closely associated to the wellbeing of the communities and environments in which the Company conduct operations. At any stage of the asset life cycle, the Company's operations and activities may have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Company may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

Dependence on service providers and third-party collaborators

There is no guarantee that the Company will be able to find suitable third-party providers and third-party collaborators to complete the exploration work. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Company's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Company's exploration efforts, financial condition and results of operations.

Reliance on key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Company.

The Company maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Company, through the Remuneration and Nomination Committee (or in its absence the Board) reviews remunerations to human resources regularly.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Company is committed to preventing and reducing cyber security risks. IT services are outsourced to a reputable third-party services provider.

Grant of future authorisations to explore and mine

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

Resource and reserve estimates

Whilst the Company intends to undertake exploration activities with the aim of defining new resources, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available or commodity prices change. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

Future profitability

The Company is in the growth stage of its development and is currently making losses. The Company's performance will be impacted by, among other things, the success of its exploration activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

Environmental regulation

The Consolidated Entity holds participating interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Consolidated Entity has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Information on Directors

Name:	Mr Stuart Rechner
Title:	Executive Chairman
Qualifications:	BSc LLB MAIG MAusIMM GAICD
Experience and expertise:	Mr Rechner is an experienced company director and geologist with a proven track record in project generation, acquisition, exploration, funding and development in Australia and overseas. Mr Rechner holds degrees in both geology and law. He is a member of the Australian Institute of Geoscientists, the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. For over ten years Mr Rechner was an Australian diplomat with postings to Beijing and Jakarta.
Other current directorships:	Kingston Resources Limited (ASX: KSN)
Former directorships (last 3 years):	None
Interests in shares:	16,850,000 fully paid ordinary shares
Interests in options:	6,000,000 Unlisted Options, with a nil exercise price, expiring 23 November 2026

Name:	Dr David DeTata
Title:	Managing Director
Qualifications:	BSc MSc PhD (Chemistry) MBA GAICD
Experience and expertise:	Dr DeTata is an accomplished scientist and exploration executive who has served as a Director of SER since 2017 and has been instrumental in forming and executing SER's strategy of Frontier Discovery. David has over twenty (20) years' experience in leading technical programs across government, public and private companies. Dr DeTata serves on the Science Advisory Committee of the world's largest mineral exploration collaboration, the Mineral Exploration Cooperative Research Centre (MinEx CRC) and has been critical in identifying key pre-competitive data from various Geological Surveys around Australia to build SER's pipeline of highly prospective greenfield exploration projects. Dr DeTata holds a Doctor of Philosophy in energetic materials analysis and Master of Business Administration from the University of Western Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	15,900,000 fully paid ordinary shares
Interests in options:	6,000,000 Unlisted Options, with a nil exercise price, expiring 23 November 2026

Name: Mr Anthony McIntosh
Title: Non-Executive Director
Qualifications: BCom GAICD
Experience and expertise: Mr McIntosh is an experienced and accomplished director with experience in investor relations, marketing and strategic planning skills, as well as a strong network of stockbroker and fund manager supporters. Mr McIntosh served as a board member of Echo Resources Ltd for seven years until it was acquired by Northern Star Resources for \$235 million in 2019. He holds board positions with several listed and unlisted companies and manages a portfolio of investments, including both listed and unlisted companies as well rural, residential and commercial properties.

Other current directorships: K-Tig Limited (ASX: KTG) & Koonenberry Gold Limited (ASX: KNB)
Former directorships (last 3 years): Alice Queen Limited (ASX: AQX) (Resigned on 30 May 2022) & Copper Strike Limited (ASX:CSE) (Resigned 21 October 2022)

Interests in shares: 16,290,343 Fully paid ordinary shares
Interests in options: 1,500,000 Unlisted Options, with a nil exercise price, expiring 30 November 2025
2,000,000 Unlisted Options, with a nil exercise price, expiring 23 November 2026

Name: Mr Tony Gu
Title: Non-Executive Director
Qualifications: BComm MAF
Experience and expertise: 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.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: Nil
Interests in options: Nil

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Mr Mathew Watkins

Mr Watkins is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Mr Watkins is appointed Company Secretary on a number of ASX listed Companies. Mr Watkins is employed at Vistra Australia Pty Ltd (Vistra). Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board* Attended	Full Board Held
Mr S Rechner	8	8
Mr A McIntosh	7	8
Mr D DeTata	8	8
Mr T Gu ⁽ⁱ⁾	-	-

(i) Mr T Gu was appointed as a non-executive director on 23 May 2024.

- * Due to the size of the Board and there not being a majority of independent directors on the Board, the Board fulfilled the roles and responsibilities in relation to the Audit & Risk Committee and Remuneration & Nomination Committee for the year ended 30 June 2024.

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Consolidated Entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's and Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders'
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. The performance of the Consolidated Entity and the Company depends on the quality of its Directors and Executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board.

For additional duties in assisting management beyond the normal time commitments of Non-Executive Directors, Non-Executive Directors are paid at a rate that is agreed between the Consolidated Entity and the Director, with the amounts approved by the Board.

ASX Listing rules requires that the aggregate Non-Executive Directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2009, where the shareholders approved an aggregate remuneration of \$300,000. No amendments have been made to the available Non-Executive Director remuneration pool since that date.

Executive remuneration

The Consolidated Entity and Company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has two components:

- Fixed Remuneration
- Long-term incentives

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation are reviewed annually by the Board, based on the overall performance of the Consolidated Entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive. However, there are no fringe benefits programmes currently in place.

The long-term incentives ('LTI') includes share-based payments.

Consolidated Entity performance and link to remuneration

The remuneration of the Directors and executives may be directly linked to the performance, share price or earnings of the Consolidated Entity. During the year the Consolidated Entity issued Performance Options to Executives which would vest subject to meeting various share price hurdles in addition to vesting conditions subject to OH&S related matters surrounding the Company's operations, which are as summarised in the table below:

Number of Options	KPI Weighting	Service Condition (Vesting Conditions)																												
4,000,000 (for each of Mr Rechner and Dr DeTata)	40%	<p>Share Price Hurdles: Should the Company's Share price increase by the following hurdles based on the June 2023 Capital Raising being \$0.014 (1.4 cents) per Share:</p> <table border="1"> <thead> <tr> <th>Share Price Target*</th> <th>\$0.021</th> <th>\$0.028</th> <th>\$0.035</th> <th>\$0.042</th> </tr> </thead> <tbody> <tr> <td>Share Price % increase</td> <td>50%</td> <td>100%</td> <td>150%</td> <td>200%</td> </tr> <tr> <td>% of Options vesting</td> <td>25%</td> <td>50%</td> <td>75%</td> <td>100%</td> </tr> </tbody> </table> <p>the Performance Options will vest and become exercisable in accordance with the milestone vesting conditions as set out above. * Each of the Share Price Targets as outlined above will be deemed to be met should the share price target be reached based on a 20-day VWAP.</p>	Share Price Target*	\$0.021	\$0.028	\$0.035	\$0.042	Share Price % increase	50%	100%	150%	200%	% of Options vesting	25%	50%	75%	100%													
Share Price Target*	\$0.021	\$0.028	\$0.035	\$0.042																										
Share Price % increase	50%	100%	150%	200%																										
% of Options vesting	25%	50%	75%	100%																										
6,000,000 (for each of Mr Rechner and Dr DeTata)	60%	<p>Operational Target Hurdles: Should the following operational vesting conditions be met:</p> <table border="1"> <thead> <tr> <th>Key Performance Indicator (KPI) categories</th> <th>Weighting</th> <th>Vesting 50%</th> <th>Vesting 100%</th> </tr> </thead> <tbody> <tr> <td>Project Generation</td> <td>15%</td> <td>1 new board approved project</td> <td>2 new board approved project</td> </tr> <tr> <td>SER Exploration</td> <td>100%</td> <td>15%</td> <td>Early exploration (geophysics, geochem) on 2 projects, land access advances plus, Drill test at least one target / concept</td> </tr> <tr> <td>Joint Venture/Divest</td> <td>10%</td> <td>1x JV or Divestment</td> <td>2x JV or Divestment</td> </tr> <tr> <td>Alternate funding (grants, co-funding, R&D rebate, etc)</td> <td>10%</td> <td>> \$100k</td> <td>> \$200k</td> </tr> <tr> <td>Safety, Environment & Stakeholders</td> <td>10%</td> <td>Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes</td> <td>Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes</td> </tr> <tr> <td>Total</td> <td>60%</td> <td></td> <td></td> </tr> </tbody> </table> <p>the Performance Options will vest and become exercisable in accordance with the milestone vesting conditions set out above.</p>	Key Performance Indicator (KPI) categories	Weighting	Vesting 50%	Vesting 100%	Project Generation	15%	1 new board approved project	2 new board approved project	SER Exploration	100%	15%	Early exploration (geophysics, geochem) on 2 projects, land access advances plus, Drill test at least one target / concept	Joint Venture/Divest	10%	1x JV or Divestment	2x JV or Divestment	Alternate funding (grants, co-funding, R&D rebate, etc)	10%	> \$100k	> \$200k	Safety, Environment & Stakeholders	10%	Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes	Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes	Total	60%		
Key Performance Indicator (KPI) categories	Weighting	Vesting 50%	Vesting 100%																											
Project Generation	15%	1 new board approved project	2 new board approved project																											
SER Exploration	100%	15%	Early exploration (geophysics, geochem) on 2 projects, land access advances plus, Drill test at least one target / concept																											
Joint Venture/Divest	10%	1x JV or Divestment	2x JV or Divestment																											
Alternate funding (grants, co-funding, R&D rebate, etc)	10%	> \$100k	> \$200k																											
Safety, Environment & Stakeholders	10%	Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes	Zero serious safety incidents, environmental breaches or significant landholder/traditional owner disputes																											
Total	60%																													

Non-Executive Directors and executives were granted 22,000,000 options over shares during the financial year (2023: 17,500,000). Stuart Rechner received 10,000,000 options, David DeTata received 10,000,000 options and Anthony McIntosh received 2,000,000 options, which are expiring on 23 November 2026. The recipients of options are responsible for growing the Consolidated Entity and increasing shareholders' value. The options provide an incentive to the recipients to remain with the Consolidated Entity and to continue to enhance the shareholders' value.

Voting and comments made at the Company's 16 November 2023 Annual General Meeting ('AGM')

The Company received 99.74% of 'for' votes in relation to its remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following Directors of Strategic Energy Resources Limited:

- Mr Stuart Rechner - Executive Chairman
- Dr David DeTata - Managing Director
- Mr Anthony McIntosh - Non-Executive Director
- Mr Tony Gu - Non-Executive Director (Appointed on 23 May 2024)

	Short-term benefits		Post-employment benefits	Share-based payments	Total
	Salary and fees	Annual Leave	Super-annuation	Share-based payments	
30 June 2024	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
Mr A McIntosh	54,000	-	5,940	22,888	82,828
Mr T Gu	5,870	-	645	-	6,515
<i>Executive Directors:</i>					
Dr D DeTata	300,000	10,595	27,396	36,973	374,964
Mr S Rechner*	156,000	-	8,250	36,973	201,223
	<u>515,870</u>	<u>10,595</u>	<u>42,231</u>	<u>96,834</u>	<u>665,530</u>

* Included in salary and fees are \$75,000 of director fees and \$81,000 for geological services provided by Diplomatic Exploration Pty Ltd (an entity associated with Mr S Rechner).

	Short-term benefits		Post-employment benefits	Share-based payments	Total
	Salary and fees	Annual Leave	Super-annuation	Share-based payments	
30 June 2023	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
Mr A McIntosh	44,250	-	4,646	30,000	78,896
<i>Executive Directors:</i>					
Dr D DeTata	260,000	21,553	25,291	120,000	426,844
Mr S Rechner*	173,880	-	6,615	120,000	300,495
	<u>478,130</u>	<u>21,553</u>	<u>36,552</u>	<u>270,000</u>	<u>806,235</u>

* Included in salary and fees are \$63,000 of director fees and \$110,880 for geological services provided by Diplomatic Exploration Pty Ltd (an entity associated with Mr S Rechner).

Name	Fixed remuneration		At risk - LTI	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>Non-Executive Directors:</i>				
Mr A McIntosh		72%	28%	38%
Mr T Gu	100%	-	-	-
<i>Executive Directors:</i>				
Dr D DeTata	90%	72%	10%	28%
Stuart Rechner	82%	60%	18%	40%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Dr David DeTata
 Title: Managing Director
 Agreement commenced: 1 July 2021
 Term of agreement: Ongoing
 Details: Dr D DeTata's fixed remuneration is \$300,000 per annum (plus statutory superannuation). The executive can terminate the agreement with five (5) months' notice. The Company can terminate the agreement with five (5) months' notice, or payment in lieu thereof.

Name: Mr Stuart Rechner
 Title: Chairman and Geological Consultant (separate to Chair responsibilities)
 Agreement commenced: 1 July 2021
 Term of agreement: Ongoing
 Details: \$75,000 plus superannuation for Chair responsibilities.
 Mr S Rechner is contracted to provide geological and technical services to Strategic Energy Resources Limited and is remunerated on a daily rate at \$1,500 per day. It is expected that the services would be provided totalling approximately 4 days per month however can be varied by mutual agreement. The Company and Mr S Rechner may terminate the agreement by giving two (2) months' notice in writing.

Name: Mr Anthony McIntosh
 Title: Non-Executive Director
 Agreement commenced: 7 October 2020
 Term of agreement: Ongoing
 Details: \$54,000 plus statutory superannuation and is eligible to participate in the Company's long-term incentive arrangements on terms decided by the Board, subject to necessary shareholder approvals

Name: Mr Tony Gu
 Title: Non-Executive Director
 Agreement commenced: 23 May 2024
 Term of agreement: Ongoing
 Details: \$54,000 plus statutory superannuation and is eligible to participate in the Company's long-term incentive arrangements on terms decided by the Board, subject to necessary shareholder approvals

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024 (2023: Nil).

Options

Grant date	Expiry date	Exercise price	Fair value per option at grant date
30 November 2022	30 November 2025	\$0.0000	\$0.0050
23 November 2023	23 November 2026	\$0.0000	\$0.0130
23 November 2023	23 November 2026	\$0.0000	\$0.0025

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Number of options granted during the year 30 June 2024	Number of options granted during the year 30 June 2023	Number of options vested during the year 30 June 2024	Number of options vested during the year 30 June 2023
Stuart Rechner	10,000,000	8,000,000	3,000,000	900,000
David DeTata	10,000,000	8,000,000	3,000,000	900,000
Anthony McIntosh	2,000,000	1,500,000	1,500,000	333,333
Tony Gu	-	-	-	-

Performance rights

There were no performance rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Interest and other income	410,481	370,472	278,091	384,685	127,747
Loss before income tax	(1,458,961)	(682,603)	(755,736)	(2,265,126)	(425,684)
Loss after income tax	(1,539,949)	(682,603)	(755,736)	(2,265,126)	(425,684)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end (cents per share)	0.017	0.014	0.018	0.053	0.050
Loss per share (cents per share)	(0.307)	(0.238)	(0.368)	(1.295)	(0.044)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr S Rechner	8,850,000	-	6,000,000	-	14,850,000
Dr D DeTata	7,900,000	-	6,000,000	-	13,900,000
Mr A McIntosh	10,718,914	-	3,571,429	-	14,290,343
Mr T Gu	-	-	-	-	-
	<u>27,468,914</u>	<u>-</u>	<u>15,571,429</u>	<u>-</u>	<u>43,040,343</u>

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as compensation	Exercised	Expired / Others	Balance at the end of the year
<i>Options over ordinary shares</i>					
Mr S Rechner	7,000,000	10,000,000	(3,000,000)	(4,000,000)	10,000,000
Dr D DeTata	6,000,000	10,000,000	(3,000,000)	(3,000,000)	10,000,000
Mr A McIntosh	3,500,000	2,000,000	-	(2,000,000)	3,500,000
	<u>16,500,000</u>	<u>22,000,000</u>	<u>(6,000,000)</u>	<u>(9,000,000)</u>	<u>23,500,000</u>

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Strategic Energy Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 November 2022	30 November 2025	\$0.0000	1,500,000
1 September 2023	1 September 2026	\$0.0210	3,000,000
10 October 2023	10 October 2026	\$0.0000	2,625,000
23 November 2023	23 November 2026	\$0.0000	14,000,000
			<u>21,125,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company.

Shares issued on the exercise of options

On 1 September 2023, the Company issued 8,000,000 Ordinary Shares to Directors and employees on the exercise of Options.

Date options granted	Exercise price	Number of shares issued
30 November 2022	\$0.0000	8,000,000

Indemnity and insurance of officers

The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

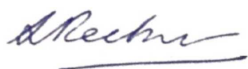
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

Strategic Energy Resources Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Stuart Rechner
Executive Chairman

25 September 2024
Melbourne

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Strategic Energy Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Strategic Energy Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J C Rubelli
Partner – Audit & Assurance

Perth, 25 September 2024

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Strategic Energy Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Other income	5	410,481	370,472
Expenses			
Impairment of investment	12	(654,000)	-
Administration and Corporate expenses	6	(926,552)	(852,507)
Tenement due diligence and other exploration expenses	7	(288,890)	(200,568)
		<u>(1,458,961)</u>	<u>(682,603)</u>
Loss before income tax expense		(1,458,961)	(682,603)
Income tax expense	8	-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the year attributable to the owners of Strategic Energy Resources Limited		(1,458,961)	(682,603)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive loss, net of tax		(414,579)	(49,737)
		<u>(414,579)</u>	<u>(49,737)</u>
Other comprehensive loss for the year, net of tax		(414,579)	(49,737)
		<u>(414,579)</u>	<u>(49,737)</u>
Total comprehensive loss for the year attributable to the owners of Strategic Energy Resources Limited		<u>(1,873,540)</u>	<u>(732,340)</u>
		Cents	Cents
Basic loss earnings per share	31	(0.307)	(0.238)
Diluted loss earnings per share	31	(0.307)	(0.238)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Strategic Energy Resources Limited
Statement of financial position
As at 30 June 2024



Assets

Current assets

	Note	Consolidated 30 June 2024 \$	30 June 2023 \$
Cash and cash equivalents	9	2,507,709	975,061
Other receivables	10	129,408	97,114
Non-current assets classified as held for sale	11	21,849	443,563
Prepayments		42,045	23,556
Total current assets		<u>2,701,011</u>	<u>1,539,294</u>

Non-current assets

Financial assets at fair value through other comprehensive income	12	237,120	707,095
Equipment		3,264	2,741
Exploration and evaluation	13	5,346,786	4,478,570
Other assets	14	172,978	152,978
Total non-current assets		<u>5,760,148</u>	<u>5,341,384</u>

Total assets

8,461,159 6,880,678

Liabilities

Current liabilities

Trade and other payables	15	207,471	135,226
Employee entitlements		51,154	46,090
Other liabilities	16	584,117	935,478
Total current liabilities		<u>842,742</u>	<u>1,116,794</u>

Total liabilities

842,742 1,116,794

Net assets

7,618,417 5,763,884

Equity

Issued capital	17	42,097,670	38,370,001
Reserves	18	258,486	1,029,262
Accumulated losses		<u>(34,737,739)</u>	<u>(33,635,379)</u>

Total equity

7,618,417 5,763,884

The above statement of financial position should be read in conjunction with the accompanying notes

Strategic Energy Resources Limited
Statement of changes in equity
For the year ended 30 June 2024



Consolidated	Issued capital equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	37,438,128	1,063,695	(33,190,599)	5,311,224
Loss after income tax expense for the year	-	-	(682,603)	(682,603)
Other comprehensive loss for the year, net of tax	-	(49,737)	-	(49,737)
Total comprehensive loss for the year	-	(49,737)	(682,603)	(732,340)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	875,000	-	-	875,000
Share-based payments (note 32)	-	310,000	-	310,000
Reallocation of value of expired and cancelled options	-	(285,323)	285,323	-
Shares issued from exercise of options	56,873	(56,873)	-	-
Transfers upon disposal of investments	-	47,500	(47,500)	-
Balance at 30 June 2023	<u>38,370,001</u>	<u>1,029,262</u>	<u>(33,635,379)</u>	<u>5,763,884</u>
	Issued Capital equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	38,370,001	1,029,262	(33,635,379)	5,763,884
Loss after income tax expense for the year	-	-	(1,458,961)	(1,458,961)
Other comprehensive loss for the year, net of tax	-	(414,579)	-	(414,579)
Total comprehensive loss for the year	-	(414,579)	(1,458,961)	(1,873,540)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	3,567,669	-	-	3,567,669
Share-based payments (note 32)	-	160,404	-	160,404
Reallocation of value of expired and cancelled options	-	(369,900)	369,900	-
Shares issued from exercise of options	160,000	(160,000)	-	-
Transfers upon disposal of investments	-	13,299	(13,299)	-
Balance at 30 June 2024	<u>42,097,670</u>	<u>258,486</u>	<u>(34,737,739)</u>	<u>7,618,417</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Strategic Energy Resources Limited
Statement of cash flows
For the year ended 30 June 2024



		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,044,102)	(568,066)
Interest received		35,214	5,414
Receipt of R&D tax incentives		14,986	64,380
Receipts from sale of 2-year Option to Purchase Cowal Project	5	<u>100,000</u>	<u>300,000</u>
Net cash used in operating activities	30	<u>(893,902)</u>	<u>(198,272)</u>
Cash flows from investing activities			
Payments for equipment		(3,181)	-
Payments for exploration and evaluation	13	(1,033,421)	(1,257,379)
Payments for security deposits		(20,000)	(30,500)
Proceeds from disposal of investment		39,796	45,925
FMG JV contribution net of Exploration		<u>842,595</u>	<u>-</u>
Net cash used in investing activities		<u>(174,211)</u>	<u>(1,241,954)</u>
Cash flows from financing activities			
Proceeds from issue of shares	17	2,734,000	875,000
Cost of capital raising		(133,239)	-
Advances for share capital		<u>-</u>	<u>935,478</u>
Net cash from financing activities		<u>2,600,761</u>	<u>1,810,478</u>
Net increase in cash and cash equivalents		1,532,648	370,252
Cash and cash equivalents at the beginning of the financial year		<u>975,061</u>	<u>604,809</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>2,507,709</u></u>	<u><u>975,061</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Strategic Energy Resources Limited as a Consolidated Entity consisting of Strategic Energy Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Strategic Energy Resources Limited's functional and presentation currency.

Strategic Energy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road
South Melbourne, VIC 3205

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 September 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in note 3.

Rounding of amounts

Strategic Energy Resources Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is Consolidated Entity's functional and presentation currency.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 30 June 2024 of the Consolidated Entity results in an excess of current assets over current liabilities of \$1,858,269 (30 June 2023: \$422,500). The Consolidated Entity made a loss after tax of \$1,458,961 during the financial year (30 June 2023: loss of \$682,603) and had net operating cash outflows of \$893,902 (30 June 2023: \$198,272) and net investing cash outflows of \$174,211 (30 June 2023: \$1,241,954). The cash balances as at 30 June 2024 was \$2,507,709 (30 June 2023: \$975,061). The continuing viability of the Consolidated Entity and its ability to continue as a going concern is dependent upon the Consolidated Entity being successful in its continuing efforts in exploration projects and accessing additional sources of funding to meet the commitments within one year from the date of signing the financial report.

Note 2. Material accounting policy information (continued)

The Consolidated Entity is involved in exploration for minerals in Australia. Management has prepared a cash flow forecast using their best estimate assumptions covering at least 12 months from the report date, which includes need for additional capital raising. In considering the ability of the Consolidated Entity to continue as a going concern the Directors considered the following matters:

- On 22 July 2024, the Company raised \$781,400 (before transaction costs) by issuing 71,036,360 fully paid ordinary shares at an issue price of \$0.011 (1.1 cents) per Share of which 6,000,000 shares were issued to directors.
- Raising additional capital through the Company's existing placement capacity;
- Liquidating some or all of its investments;
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; and
- Meeting its obligations by farm-out of the Consolidated Entity's exploration interests.

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Should the Consolidated Entity be unable to obtain the funding as described above, there is a material uncertainty as to whether the Consolidated Entity will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustment relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Consolidated Entity be unable to continue as a going concern. Having assessed the potential uncertainties relating to the Consolidated Entity's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Consolidated Entity will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Strategic Energy Resources Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Strategic Energy Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'. A list of subsidiaries is included in note 27. Reporting period and accounting policies of all the subsidiaries are consistent with the Company.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Material accounting policy information (continued)

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased materially since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a material increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased materially, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte-Carlo simulation and Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Indicators of impairment are:

- a. The right to explore has expired or will expire and is not expected to be renewed
- b. Expenditure or further exploration is not budgeted or planned
- c. No commercially viable discoveries have been made and the decision has been made to discontinue activities
- d. The carrying amount of the asset is unlikely to be recovered from the development or sale

Material judgment is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure.

Note 4. Operating segments

During the current financial year, the Consolidated Entity operated in one segment being an explorer of base and precious metals.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In the current year the board reviews the Consolidated Entity as one operating segment being mineral exploration within Australia.

Assets and liabilities by geographical area

All assets and liabilities and operations are based in Australia.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Sale of tenement assets (Note 11)	213,458	-
Income from option to sell Cowal tenements	100,000	300,000
Interest Income	36,500	6,092
Sundry income	45,537	-
R&D tax refund received	14,986	64,380
Other income	<u>410,481</u>	<u>370,472</u>

Income from option to sell Cowal tenements

On 26 September 2022, the Company and Evolution Mining Limited (ASX: EVN or Evolution) signed an agreement for a 2-year Option to purchase EL9057 and EL9368 (Tenements) which are owned by the Company (located nearby to Evolution's operating Cowal Gold Mine). The purchase consideration for the 2-year Option period is \$300,000 which was received in October 2022 and has been recognized as other income. The Option period can be extended for a third year for either Tenement for the consideration of \$100,000 cash per tenement. On June 2024, Evolution elected to extend the Option Period under the Tenement Option Agreement (which now only relates to EL 9368) for a further year, until 26 September 2025.

Note 5. Other income (continued)

Accounting policy for other income

Other income is recognised when it is received or when the right to receive payment is established.

Accounting policy for government grants

Research and Development tax incentives and other government grants are recognised in accordance with AASB 120: Accounting for Government grants and Disclosure of Government Assistance. Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all conditions have been complied with. The grant has been recognised as other income within the period.

Note 6. Expenses

Consolidated
30 June 2024 30 June 2023
\$ \$

Loss before income tax includes the following specific expenses:

Share-based payments expense

Share-based payments expense	96,834	310,000
------------------------------	--------	---------

Other expenses

	174,334	90,855
--	---------	--------

Corporate expenses

	447,633	316,669
--	---------	---------

Defined contribution superannuation expense

	14,835	11,403
--	--------	--------

Employee benefits associated costs

	192,916	123,580
--	---------	---------

Total payroll costs

	207,751	134,983
--	---------	---------

Note 7. Tenement due diligence and other exploration expenses

Consolidated
30 June 2024 30 June 2023
\$ \$

Tenement due diligence and other exploration expenses

	121,419	35,587
--	---------	--------

Exploration impairment

	167,471	164,981
--	---------	---------

	288,890	200,568
--	---------	---------

Note 8. Income tax

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,458,961)	(682,603)
Tax at the statutory tax rate of 25%	(364,740)	(170,651)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	24,209	77,500
Non-deductible R&D expenditure	(7,391)	20,905
Other balances and permanent differences	(25,000)	(73,968)
	(372,922)	(146,214)
Income tax losses carried forward not taken up as a benefit	372,922	146,214
Income tax expense	-	-

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	39,669,003	35,556,864
Potential tax benefit @ 25%	9,917,251	8,889,216

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed or, failing that, the same business test is passed.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

- (i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- (iii) no change in tax legislation adversely affects the Consolidated Entity in realising the benefits from deducting the losses.

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses (revenue losses)	9,917,251	8,889,216
Temporary differences	(1,785,191)	(1,300,054)
Tax losses (capital losses)	2,064,992	2,040,969
Total deferred tax assets not recognised	10,197,052	9,630,131

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 8. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

- Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Cash at bank	1,665,115	975,061
Cash at bank, held in joint operations	842,594	-
	<u>2,507,709</u>	<u>975,061</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Note 10. Current assets - other receivables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Other receivables	119,075	90,208
GST receivable	10,333	6,906
	<u>129,408</u>	<u>97,114</u>

Due to the short-term nature of the receivables, their carrying value is assumed to be approximately their fair value. No collateral or security is held. The Consolidated Entity has risk management policies in place to ensure that all receivable are received within the credit time frame.

Accounting policy for other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 10. Current assets - other receivables (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 11. Current assets - non-current assets classified as held for sale

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Exploration assets held for sale	21,849	443,563

On 26 September 2022, the Company signed an Option Agreement with Evolution Mining Limited (ASX: EVN or Evolution) for a 2-year Option to purchase EL9057 and EL9368 (Tenements) which are located nearby to Evolution's operating Cowal Gold Mine. Evolution has a 2-year Option to purchase a 100% interest in EL9057 and EL9368 Tenement and associated information from SER. On 20 December 2022, Evolution has completed the reviews of the Cowal Projects and subsequently provided notification of withdrawal from the Option Agreement with respect to EL9057. At the date of this report, Evolution continues to progress an assessment of historical datasets covering tenement EL9368. As on 30 June 2024, tenements related to EL9368 amounting to \$21,849 has been classified as exploration assets held for sale.

On 16 May 2023, the Company announced sale of East Tennant Project to Middle Island Resources Limited. This transaction includes tenements EL32109, EL32306, EL32307, EL32617, EL32760 and EL32809, which are located near to Middle Island's existing exploration projects. Subject to completion of conditions in the Sale and Purchase Agreement, Middle Island will purchase 100% of SER's East Tennant Projects for 18,240,000 fully paid ordinary MDI shares, for a deemed issue price of \$0.035 (3.5 cents). This transaction was completed on 17 July 2023. As at 30 June 2023, tenements related to East Tennant Project amounting to \$424,006 has been classified as exploration assets held for sale. As at 30 June 2024, the shares in MDI were valued at \$237,120 for a share price of \$0.013 (1.3 cents).

Note 12. Non-current assets - Financial assets at fair value through other comprehensive income

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Equity investments in quoted equity shares	237,120	53,095
Equity investments in unquoted equity shares	-	654,000
	<u>237,120</u>	<u>707,095</u>

Note 12. Non-current assets - Financial assets at fair value through other comprehensive income (continued)

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Reconciliation		
Reconciliation of the fair values of the equity investments at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	707,095	802,756
Additions of investment in Middle Island Resources Ltd	638,400	-
Impairment of Ionic Industries Limited	(645,000)	-
Disposal of investment in Vox Royalty Corp	-	(25,925)
Disposal of investment in Resolution Minerals Ltd	(62,095)	(20,000)
Revaluation decrements	(401,280)	(49,736)
	<u>237,120</u>	<u>707,095</u>

Equity investments which are not held for trading, and which the Consolidated Entity has irrevocably elected at initial recognition to recognise as financial assets at fair value through other comprehensive income. These are strategic investments and the Consolidated Entity considers this classification as most appropriate in the financial statements.

Investments in Resolution Minerals Ltd (ASX: RML)

During the period, the Consolidated Entity sold the remaining shares 13,273,778 for \$39,574.93.

Investments in Middle Island Resources Ltd (ASX: MDI)

At the reporting date, the Consolidated Entity hold 18,240,000 ordinary shares in MDI, which are recognised at their fair value of \$0.0130.

Refer to note 19 for further information on fair value measurement.

Gasfields Limited

The Consolidated Entity currently holds 20,000,000 fully paid ordinary shares in Gasfields Limited, which have been valued at \$Nil value at 30 June 2024. During the year 2021 the ASX delisted GFS from the ASX and therefore management has continued to carry the investment at Nil value as no information to indicate return of value to the investors. There has been no further changes during the year end 2024.

Ionic Industries Limited

The Consolidated Entity currently holds 87,155,625 fully paid ordinary shares in Ionic Industries Limited. During the year ended 30 June 2024, there were no notable commercial developments nor updates on a committed timeframe for Ionic's capital market listing. This along with Ionic's continued going concern position challenges the Consolidated Entity's ability to realise its investments at the current values. Therefore, the Company fully impaired the investments in Ionic and at 30 June 2024 and they are valued at \$Nil value. The Consolidated Entity will continue to monitor development in future.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased materially since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a material increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased materially, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 13. Non-current assets - exploration and evaluation

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Exploration and evaluation - at cost	<u>5,346,786</u>	<u>4,478,570</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration Assets
	\$
Balance at 1 July 2022	3,898,132
Expenditure during the year	1,188,982
Classified as held for sale (note 11)	(443,563)
Impairment of assets	<u>(164,981)</u>
Balance at 30 June 2023	4,478,570
Expenditure during the year	1,035,686
Impairment of assets	<u>(167,470)</u>
Balance at 30 June 2024	<u>5,346,786</u>

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned or other indicators of impairment exist, the expenditure incurred thereon is written off in the year in which the decision is made or the impairment event occurred.

Note 14. Non-current assets - other non-current assets

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Performance guarantee bonds	122,978	102,978
Other deposits	<u>50,000</u>	<u>50,000</u>
	<u>172,978</u>	<u>152,978</u>

Other deposits represent a term deposit of \$50,000 lodged as security over a credit card facility.

Accounting Policy for other non-current deposits

Deposits are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Trade payables	54,676	64,579
Other payables	152,795	70,647
	<u>207,471</u>	<u>135,226</u>

Refer to note 20 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Current liabilities - Other Liabilities

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Advances for share capital	-	935,478
Advance received in relation to the joint venture	584,117	-
	<u>584,117</u>	<u>935,478</u>

On 27 June 2023, the Company announced a capital raising which would raise up to \$2.5m by way of placement where it would issue 178,571,428 fully paid ordinary shares at \$0.014 (1.4 cents) per share. The balance represent the advances received at 30 June 2023 in relation to Tranche 1 of the Placement, which was completed on 3 July 2023 by issuing 71,428,571.

Note 17. Equity - issued capital

	Consolidated			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>597,996,970</u>	<u>296,743,712</u>	<u>42,097,670</u>	<u>38,370,001</u>

Note 17. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	242,639,790		37,438,128
Option exercise	18 August 2022	2,633,333	\$0.0216	56,873
Issue of fully paid ordinary shares	18 August 2022	39,470,589	\$0.0170	671,000
Issue of fully paid ordinary shares	30 November 2022	<u>12,000,000</u>	\$0.0170	<u>204,000</u>
Balance	30 June 2023	296,743,712		38,370,001
Issue of fully paid ordinary shares	3 July 2023	71,428,571	\$0.0140	1,000,000
Issue of fully paid ordinary shares	3 July 2023	2,500,000	\$0.0200	50,000
Shares issued on options exercised	1 September 2023	6,000,000	\$0.0200	120,000
Issue of fully paid ordinary shares	1 September 2023	107,142,857	\$0.0140	1,500,000
Shares issued on options exercised	12 September 2023	2,000,000	\$0.0200	40,000
Issue of fully paid ordinary shares	30 May 2024	112,181,830	\$0.0110	1,234,000
Capital raising costs		-	\$0.0000	(216,331)
Balance	30 June 2024	<u>597,996,970</u>		<u>42,097,670</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's current share price at the time of the investment.

The Company does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Note 17. Equity - issued capital (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 18. Equity - reserves

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Financial assets at fair value reserve	68,082	469,362
Options reserve	190,404	559,900
	<u>258,486</u>	<u>1,029,262</u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option reserve \$	Financial assets at fair value reserve \$	Total \$
Balance at 1 July 2022	592,096	471,599	1,063,695
Share-based payments	310,000	-	310,000
Reallocation of value of expired options	(285,323)	-	(285,323)
Shares issued from exercise of options	(56,873)	-	(56,873)
Revaluation decrements on financial assets at fair value through other comprehensive income	-	(49,737)	(49,737)
De-recognition of asset revaluation reserve surplus upon sale	-	47,500	47,500
Balance at 30 June 2023	559,900	469,362	1,029,262
De-recognition of reserve upon sale	-	13,299	13,299
Share-based payments	160,404	-	160,404
Reallocation of value of expired options	(369,900)	-	(369,900)
Shares issued from exercise of options	(160,000)	-	(160,000)
Revaluation decrements on financial assets at fair value through other comprehensive income	-	(414,579)	(414,579)
Balance at 30 June 2024	<u>190,404</u>	<u>68,082</u>	<u>258,486</u>

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate & foreign exchange, ageing analysis for credit risk and cashflow forecasts to determine liquidity risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Consolidated Entity is not exposed to material foreign currency risk.

Price risk

The Consolidated Entity is exposed to price risk in relation to the shares that it owned in other listed and unlisted entities. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

The Consolidated Entity is not exposed to material interest rate risk as deposits are held with established banks with interest rates that are in line with the RBA and other bank rates. The Consolidated Entity doesn't have any interest-bearing liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 20. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2024	1 year or less \$	Remaining contractual maturities \$
Non-derivatives and non-interest bearing		
Trade and other payables	207,471	207,471
Total non-derivatives	<u>207,471</u>	<u>207,471</u>

Consolidated - 30 June 2023	1 year or less \$	Remaining contractual maturities \$
Non-derivatives and non-interest bearing		
Trade and other payables	135,226	135,226
Total non-derivatives	<u>135,226</u>	<u>135,226</u>

The cash flows in the maturity analysis above are not expected to occur materially earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is material to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity investments in quoted equity shares	237,120	-	-	237,120
Total assets	<u>237,120</u>	<u>-</u>	<u>-</u>	<u>237,120</u>

Consolidated - 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity investments in quoted equity shares	53,095	-	-	53,095
Equity investments in unquoted equity shares	-	-	654,000	654,000
Total assets	<u>53,095</u>	<u>-</u>	<u>654,000</u>	<u>707,095</u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

Note 21. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 3

The Consolidated Entity holds 87,155,625 shares in Ionic Industries Limited (an unlisted company), which were valued at \$654,000 at 30 June 2023. This investment was impaired in full during the year and carried at Nil value at 30 June 2024.

Accounting policy for fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is material to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be material. External valuers are selected based on market knowledge and reputation. Where there is a material change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 22. Key management personnel disclosures

Directors

The following persons were Directors of Strategic Energy Resources Limited during the financial year:

Mr Stuart Rechner	Executive Chairman
Dr David DeTata	Managing Director
Mr Anthony McIntosh	Non-Executive Director
Mr Tony Gu	Non-Executive Director

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	526,465	499,683
Post-employment benefits	42,231	36,552
Share-based payments	96,834	270,000
	<u>665,530</u>	<u>806,235</u>

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>51,790</u>	<u>43,632</u>

Note 24. Commitments

	Consolidated 30 June 2024	30 June 2023
	\$	\$
<i>Exploration Commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,772,949	1,878,714
Two to five years	5,123,245	5,057,007
	<u>6,896,194</u>	<u>6,935,721</u>

The commitments below represent the minimum spending required for each areas of interest owned by the Consolidated Entity and exclude formed-out exploration interests, which are not managed by the Consolidated Entity.

In order to maintain current rights to tenure to exploration and mining tenements, the Consolidated Entity has the above exploration expenditure requirements up until expiry of leases. These obligations, which may be varied from time to time and which are subject to renegotiation on lease renewal dates – therefore are not provided for in the financial statements as payable.

Within the mineral industry it is common practice for companies to farm-out, transfer or sell a portion of their exploration rights to third parties or to relinquish some exploration and mining tenements altogether, and as a result obligations will be materially reduced or extinguished altogether. The farm-in partners also expended funds on the permits during the year which can result in work programs for certain years being met.

Mining Tenement	Tenement Description	Location	Interest Owned 2024	Interest Owned 2023	Status of exploration commitment
EPM26439	Isa North 1	Queensland	100%	100%	No, Note 4
EPM26440	Isa North 2	Queensland	100%	100%	No, Note 4
EPM26442	Isa North 3	Queensland	100%	100%	Fulfilled
EPM15398	Saxby	Queensland	100%	100%	Note 2
EPM27378	Saxby North	Queensland	100%	100%	Note 2
EPM27586	Saxby 1	Queensland	100%	100%	Note 2
EPM27587	Saxby 2	Queensland	100%	100%	Note 2
EPM27588	Saxby 3	Queensland	100%	100%	Note 2
EPM27638	Saxby 4	Queensland	100%	100%	Note 2
EPM27676	Saxby 5	Queensland	100%	100%	Note 2
EPM28180	Saxby 6	Queensland	100%	100%	Note 2
EL6140	Myall Creek	South Australia	100%	100%	Note 1
EL5898	Roopena	South Australia	100%	100%	Note 1
EL6626	Mabel Creek	South Australia	80%	80%	Fulfilled
EL9368	South Cowal	New South Wales	100%	100%	Note 3
EL9012	South Cobar	New South Wales	100%	100%	Fulfilled
EL9367	Garema	New South Wales	100%	100%	No, Note 4
EL9362	Mundi 1	New South Wales	100%	100%	No, Note 4
EL9388	Mundi 2	New South Wales	100%	100%	Fulfilled
EL9629	Mundi 3	New South Wales	100%	100%	Fulfilled
EL9621	Koonenberry West	New South Wales	100%	100%	Fulfilled
E70/4793	Ambergate	Western Australia	100%	100%	No, Note 4
E70/5012	Ambergate West	Western Australia	100%	100%	Fulfilled
E70/5344	Ambergate Far West	Western Australia	100%	100%	Fulfilled

Note 24. Commitments (continued)

Note 1

In 2019, the Company signed a farm-in and JV agreement with FMG covering the Myall Creek Project (EL 5898 and EL 6140). Mining tenement expenditure commitment for this exploration interest was not fulfilled due to factors beyond management's and operators control. Management submitted a project variation application with the granting authority which was approved for the required term.

Note 2

During June 2023, the Company signed a farm-in and JV agreement with FMG covering the Canobie Project (EPM 15398, EPM 27378, EPM 27586, EPM 27587, EPM 27588, EPM 27638, EPM 27676, and EPM 28180). 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.

Note 3

On 26 September 2022, the Company signed an Option Agreement with Evolution Mining Limited (ASX: EVN or Evolution) for a 2-year Option to purchase EL9057 and EL9368 (Tenements). On 20 December 2022, the Company announced that Evolution has completed the reviews of the Cowal Projects and subsequently provided notification of withdrawal from the Option Agreement with respect to EL9057. On June 2024, Evolution elected to extend the Option Period under the Tenement Option Agreement (which now only relates to EL 9368) for a further year, until 26 September 2025. At the date of this report, Evolution continues to assess EL9368.

Note 4

For those tenements, which the Consolidated Entity has not fulfilled the exploration commitments, the due date to meet the exploration expense commitment hasn't expired at 30 June 2024. Based on the current forecasts, management is confident that the expenditure commitments will be met by their respective due dates. Management reviewed these tenements and is confident that there will no adverse implications to those exploration interest at the reporting date.

Note 25. Related party transactions

Parent entity

Strategic Energy Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Joint operations

Interests in joint operations are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Payment for geological services*	89,100	75,600
Payment for rent**	14,080	9,600

* During the year the Company made payments to Diplomatic Exploration Pty Ltd, a related entity of Mr Stuart Rechner. The entity provided exploration services to the Company and the Consolidated Entity throughout the year.

** During the year the Company made payments to Pillage Investments Pty Ltd, an entity related to a close family member of Mr. David DeTata. The entity provided rental services to the Company and the Consolidated Entity during the year at market rates, which was approved by the Board.

Note 25. Related party transactions (continued)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the previous reporting date.

Terms and conditions

All transactions with related parties are entered into on normal commercial terms and conditions.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax	(1,367,123)	(682,603)
Total comprehensive loss	(1,367,123)	(682,603)

Statement of financial position

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Total current assets	2,130,107	1,539,293
Total assets	7,890,254	6,880,677
Total current liabilities	180,000	1,116,792
Total liabilities	180,000	1,116,792
Equity		
Issued capital	42,097,669	38,370,001
Financial assets at fair value reserve	68,082	469,362
Options reserve	190,404	559,900
Accumulated losses	(34,645,901)	(33,635,378)
Total equity	<u>7,710,254</u>	<u>5,763,885</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2024 and 30 June 2023.

Note 26. Parent entity information (continued)

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as revenue by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
Strategic Sands Pty Ltd	Australia	100%	100%
Strategic Caldera Pty Ltd	Australia	80%	80%

Note 28. Farm-outs in the exploration and evaluation phase

The Consolidated Entity had interests in unincorporated joint operations at 30 June 2024 as follows;

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
Myall Creek (EL6140) - South Australia	Australia	100.00%	100.00%
Roopena (EL5898) - South Australia	Australia	100.00%	100.00%
Saxby (EPM15398) - Queensland	Australia	100.00%	100.00%
Saxby North (EPM27378) - Queensland	Australia	100.00%	100.00%
Saxby 1 (EPM27586) - Queensland	Australia	100.00%	100.00%
Saxby 2 (EPM27587) - Queensland	Australia	100.00%	100.00%
Saxby 3 (EPM27588) - Queensland	Australia	100.00%	100.00%
Saxby 4 (EPM27638) - Queensland	Australia	100.00%	100.00%
Saxby 5 (EPM27676) - Queensland	Australia	100.00%	100.00%
Saxby 6 (EPM28180) - Queensland	Australia	100.00%	100.00%

Myall Creek Project – on 21 June 2019, the Company entered into a farm-out agreement with FMG Resources Pty Ltd, a subsidiary of Fortescue Metals Group Limited (ASX: FMG), for drilling at Myall Creek (EL6140 and EL5898). FMG will be the operator during the period and committed to spend \$1.5m on exploration over 5 years, including a minimum of 1500m of drilling at Myall Creek to earn an 80% interest in the project.

On 23 June 2023, the Company entered into a Farm-In and Joint Venture Agreement (FJV) with FMG Resources Pty Ltd to explore the Canobie Project in northwest Queensland. The FJV requires FMG to spend \$8M to earn an 80% joint venture interest. Importantly, the JV requires the drilling of 6,000m of basement ensuring the testing of many different Nickel-Copper and Copper-Gold targets. The Canobie Project consisting of EPM 15398, EPM 27378, EPM 27586, EPM 27587, EPM 27588, EPM 27638, EPM 27676, and EPM 28180. Key terms include:

Note 28. Farm-outs in the exploration and evaluation phase (continued)

- 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.
- 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.
- 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)
- 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.

Under the FJV, FMG Resources advanced \$2,779,386 for Canobie Project of which \$1,936,791 was spent exploration activities during the year ended 30 June 2024. The Consolidated Financial Statements includes following amounts related to the joint operations at 30 June 2024.

The Consolidated Entity does not record any expenditure made by the farmee on its accounts. It does not recognise any gains or losses on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee credited against the cost previously capitalised in relation to the whole interest with any excess accounted by the farmor as a gain on disposal.

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Current Assets		
Cash and cash equivalents	842,594	-
Trade and other receivables	3,309	-
	<u>845,903</u>	<u>-</u>

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Current Liabilities		
Trade and other payables	10,089	-
Other current liabilities	652,654	-
	<u>662,743</u>	<u>-</u>

Note 29. Events after the reporting period

On 22 July 2024, the Company raised \$781,400 (before transaction costs) by issuing 71,036,360 fully paid ordinary shares at an issue price of \$0.011 (1.1 cents) per Share of which 6,000,000 shares were issued to directors.

On 26 July 2024, 8,375,000 Options expired as the conditions have not been, or have become incapable of being satisfied.

On 9 August 2024, the Company relinquished the exploration licence for tenement E70/5344 Ambergate West in WA.

On 19 September 2024, the Company sold all the shares held at Middle Island Resources Limited for \$0.011(1.1cents).

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may materially affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax expense for the year	(1,458,961)	(682,603)
Adjustments for:		
Depreciation and amortisation	2,658	2,969
Impairment of investments	654,000	-
Net gain on disposal of non-current assets	(213,458)	-
Share-based payments	96,834	310,000
Exploration costs written off	-	164,981
Expenses in relation to joint venture	91,836	-
Cost of capital and bonus issued in shares	95,000	-
Change in operating assets and liabilities:		
Increase in other receivables	(128,599)	(8,581)
Increase in prepayments	(18,489)	(1,220)
Decrease in trade and other payables	(26,068)	(148)
Increase in employee benefits	11,345	16,330
Net cash used in operating activities	<u>(893,902)</u>	<u>(198,272)</u>

Note 31. Loss per share

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax attributable to the owners of Strategic Energy Resources Limited	<u>(1,458,961)</u>	<u>(682,603)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>475,654,223</u>	<u>286,209,498</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>475,654,223</u>	<u>286,209,498</u>
	Cents	Cents
Basic loss earnings per share	(0.307)	(0.238)
Diluted loss earnings per share	(0.307)	(0.238)

Diluted loss per share

The options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as the Consolidated Entity has generated a loss for the year.

As at 30 June 2024, the Consolidated Entity had 28,500,000 (30 June 2023: 18,633,333) unlisted options on issue. These options have not been included in the above diluted loss earnings per share calculation. These equity instruments are considered to be anti-dilutive, as their inclusion would not decrease earnings per share nor increase the loss per share, from continuing operations.

Note 31. Loss per share (continued)

Accounting policy for earnings per share

Basic loss per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Strategic Energy Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 32. Share-based payments

On 7 September 2023, the Company issued 3,000,000 unlisted options to employee, at nil exercise price, expiring on 6 September 2026.

On 7 September 2023, the Company issued 3,000,000 unlisted options at an exercise price of \$0.021, expiring on 6 September 2026.

On 23 November 2023, the Company issued 22,000,000 unlisted options to current directors, at nil exercise price, expiring on 23 November 2026.

The grant of the share options was approved by shareholders at the Annual General Meeting held on 16 November 2023.

The vesting conditions attached to the Options are split between a market-based vesting condition ("PC 1") and non-market based vesting conditions ("PC 2" and "PC 3"), as summarised below:

- PC 1 Options are subject to Absolute Total Shareholder Return ("ATSR") which vest based on the Company's share price in the period to 31 July 2024 compared to the Company's June 2023 volume weighted average price ("VWAP"),
- PC 2 and PC 3 Options have performance hurdles incorporated for various proportions of each employees' award

Set out below are summaries of options granted under the plan:

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
04/12/2020	04/12/2023	\$0.1000	9,000,000	-	-	(9,000,000)	-
30/11/2022	30/11/2025	\$0.0000	9,500,000	-	(8,000,000)	-	1,500,000
07/09/2023	06/09/2026	\$0.0210	-	3,000,000	-	-	3,000,000
07/09/2023	06/09/2026	\$0.0000	-	3,000,000	-	-	3,000,000
23/11/2023	23/11/2026	\$0.0000	-	22,000,000	-	-	22,000,000
			<u>18,500,000</u>	<u>28,000,000</u>	<u>(8,000,000)</u>	<u>(9,000,000)</u>	<u>29,500,000</u>
Weighted average exercise price			\$0.0486	\$0.0022	\$0.0000	\$0.1000	\$0.0021

Note 32. Share-based payments (continued)

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
17/12/2019	12/12/2022	\$0.1000	2,000,000	-	-	(2,000,000)	-
12/08/2020	12/12/2022	\$0.1000	200,000	-	-	(200,000)	-
04/12/2020	04/12/2023	\$0.1000	9,000,000	-	-	-	9,000,000
04/12/2020	12/12/2022	\$0.1000	600,000	-	-	(600,000)	-
30/11/2021	30/11/2024	\$0.0000	6,333,333	-	(2,133,333)	(4,200,000)	-
08/02/2022	30/11/2024	\$0.0000	500,000	-	(500,000)	-	-
30/11/2022	30/11/2025	\$0.0000	-	19,500,000	-	(10,000,000)	9,500,000
			<u>18,633,333</u>	<u>19,500,000</u>	<u>(2,633,333)</u>	<u>(17,000,000)</u>	<u>18,500,000</u>
Weighted average exercise price			\$0.0633	\$0.0000	\$0.0000	\$0.0164	\$0.0486

A total of 22,000,000 unlisted options were issued to Directors and Key Management Personal during the year (30 June 2023: 19,500,000). The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.31 years (30 June 2023: 1.45 years).

Options issued during the financial year have been valued using the Black-Scholes and Monte-Carlo simulation method and the Consolidated Entity recognised share-based payment expenses of \$96,834 (30 June 2023: \$310,000).

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2024 Number	30 June 2023 Number
04/12/2020	04/12/2023	-	9,000,000
30/11/2022	30/11/2025	1,500,000	9,500,000
07/09/2023	06/09/2026	6,000,000	-
23/11/2023	23/11/2026	22,000,000	-
		<u>29,500,000</u>	<u>18,500,000</u>

The Consolidated Entity valued the options using either Black-Scholes or Monte-Carlo simulation valuation methodologies, with the following inputs used to determine the fair value for options granted during current period.

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
23/11/2023	23/11/2026	\$0.0130	\$0.0000	100.00%	4.17%	\$0.013
07/09/2023	06/09/2026	\$0.0150	\$0.0000	-	-	\$0.015
07/09/2023	06/09/2026	\$0.0150	\$0.0210	100.00%	3.90%	\$0.006

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte-Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 32. Share-based payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Strategic Energy Resources Limited
Consolidated entity disclosure statement
As at 30 June 2024



Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Strategic Energy Resources Limited	Body Corporate	Australia	-	Australian
Strategic Sands Pty Ltd	Body Corporate	Australia	100.00%	Australian
Strategic Caldera Pty Ltd	Body Corporate	Australia	80.00%	Australian

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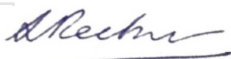
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Stuart Rechner
Executive Chairman

25 September 2024
Melbourne

Independent Auditor's Report

To the Members of Strategic Energy Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Strategic Energy Resources Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of \$1,458,961 had net operating cash outflows of \$893,902 and net investing cash outflows of \$174,211 during the year ended 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 13	
<p>At 30 June 2024 the carrying value of exploration and evaluation assets was \$5,415,323.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> an entity must assess at each reporting date if there are any indicators of impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment indicators in each area of interest involves an element of management judgement. An impairment of \$167,470 has been recognised in the financial statements.</p> <p>This is a key matter due to the nature of the balance and the judgements required in determining the recoverable amounts, including the judgemental nature of the estimates and assumptions used in the impairment analysis.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Obtained the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;• Reviewed management's area of interest considerations against AASB 6;• Conducted a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:<ul style="list-style-type: none">– Traced projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;– Enquired of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;– Understood whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;• Assessed the accuracy of impairment recorded for the year as it pertained to exploration interests; and• Assessed the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated Entities annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Strategic Energy Resources Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J C Rubelli
Partner – Audit & Assurance

Perth, 25 September 2024

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The shareholder information set out below was applicable as at 19 September 2024.

	Ordinary shares Number of holders	Ordinary shares Number of units	Ordinary shares % of total shares issued	Options over ordinary shares Number of holders	Options over ordinary shares Number of units	Options over ordinary shares % of total of holders
1 to 1,000	172	47,732	0.01	-	-	-
1,001 to 5,000	181	504,091	0.08	-	-	-
5,001 to 10,000	171	1,522,666	0.22	-	-	-
10,001 to 100,000	768	32,413,911	4.84	1	16,875	0.06
100,001 and over	524	634,544,930	94.85	7	27,108,125	99.94
	1,816	669,033,330	100.00	8	27,125,000	100.00
Holding less than a marketable parcel of shares						770

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
Abadi Investments Pty Ltd	49,549,801	8.29
KSL Corp Pty Ltd	48,896,106	8.18
Pillage Investments Pty Ltd	35,714,285	5.97
National Nominees Limited	22,727,271	3.80
Equity Trustees Limited	22,727,270	3.80
Mr Nicolas Terranova	18,000,000	3.01
Osmium Holdings Pty Ltd	13,850,000	2.32
Mr Robert Samuel Ambrose Heaslop & Miss Melany Cordier	10,000,000	1.67
Mrs Yuki Fuso	9,337,094	1.56
Mr Mark Anthony Broglio	9,214,286	1.54
E E R C Australasia Pty ITD	8,882,353	1.49
Ms Palmu Sherpa & Mr Hajime Tsuchida	8,476,728	1.42
Interdale Pty Ltd	8,325,581	1.39
George WA Pty Ltd	8,000,000	1.34
BNP Paribas Nominees Pty Ltd	7,983,014	1.33
Newpuzzle Holdings Pty Ltd	7,941,177	1.33
Citicorp Nominees Pty Ltd	7,533,064	1.26
Mr Craig Michael Lake & Mrs Judith May Lake	7,020,000	1.17
Omen Pty Ltd	6,401,174	1.07
Mr Marco Tritapepe	5,800,000	0.97
	316,379,204	52.91

Unquoted equity securities

The following persons hold 20% or more of unquoted equity securities:

Name	Number held
Bell Potter Nominees Pty Ltd	8,302,500
Stuart Rechner	6,000,000
Dr David DeTata	6,000,000

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Graeme Kirke	84,610,391	14.15
Datt Capital	53,226,272	8.90

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options

The unlisted options on issue do not carry any voting rights.

Director Nomination

The Company will hold its Annual General Meeting of shareholders on Tuesday, 19 November 2024. The Company also advises that in accordance with ASX Listing Rule 14.5 and the Company's constitution the Closing Date for receipt of nominations for the position of Director is , 1 October 2024. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on this date at the Company's Registered Office.