

ASX Announcement

3 December 2018

Update - SER Awarded Exclusive Right to Apply for ELA 2018/185

Further to our announcement of 30 November outlining the pegging of Exploration Licence Applications (ELAs) in the Olympic Dam Copper-Gold Province, Strategic Energy Resources Ltd (SER) is pleased to advise that SER has been granted exclusive first right to apply for ELA 2018/185. This is advantageous for SER as there is now no competition for ELA 2018/185.

SER's applications follow BHP's announcement of a significant Iron Oxide Copper-Gold (IOCG) discovery at Oak Dam West. SER's other application ELA 2018/183 remains in competition with two other parties.

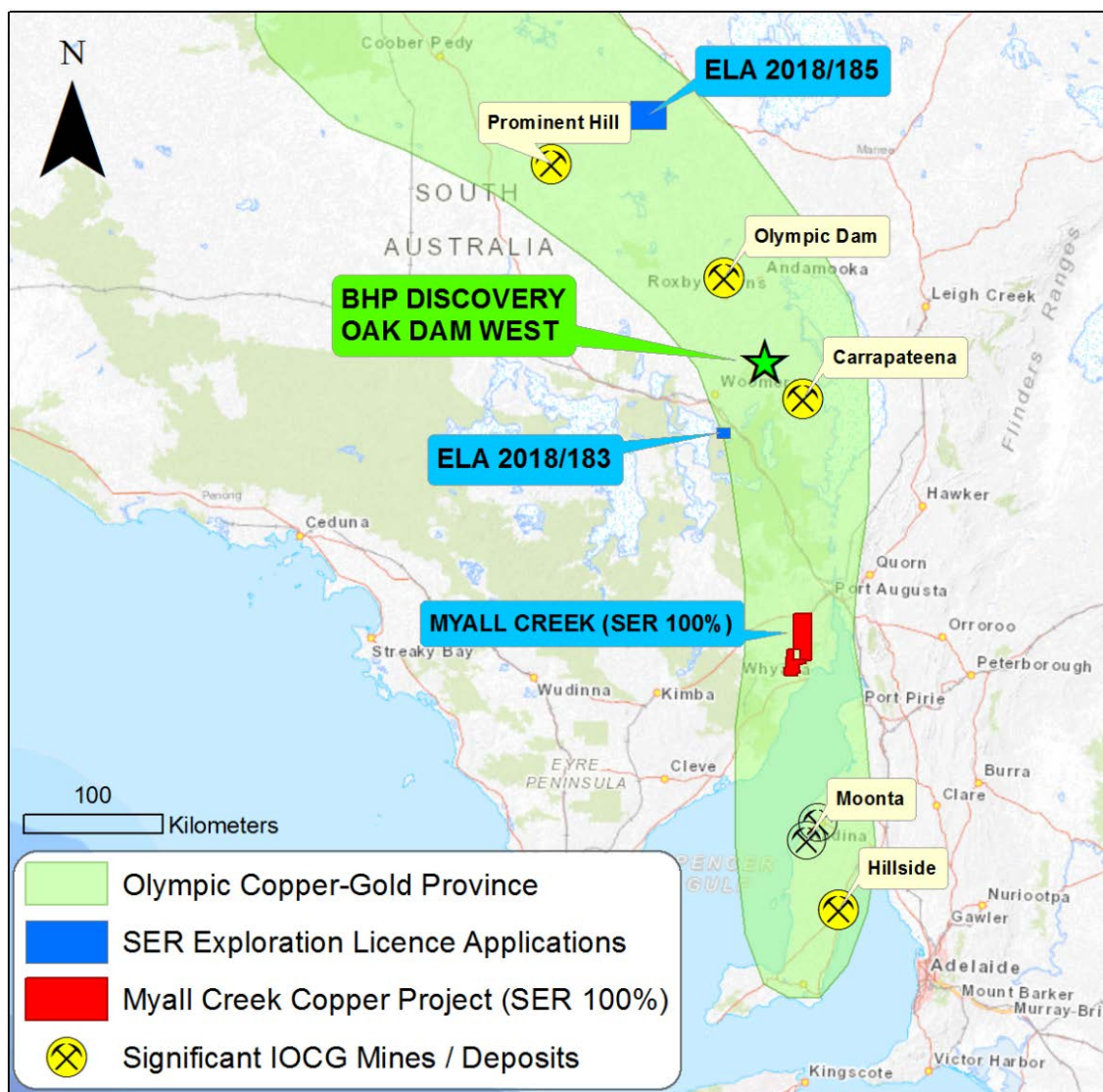


Figure 1: Location of SER's new Exploration Licence Applications within Olympic Cu-Au Province

SER has a long history of operating in the Gawler Craton and is pleased to build on its existing Olympic Dam Province portfolio that includes the prospective Myall Creek project.

ELA 2018/185 Billa Kalina

ELA 2018/185 Billa Kalina is a 525km² Exploration Licence Application that covers coincident and offset gravity and magnetic anomalies. ELA 2018/185 lies approximately 60km northeast of the Prominent Hill copper-gold mine.

There are only two drill holes within ELA 2018/185, both drilled by Dampier Mining / Newmont in 1977-78: SR11 (maximum depth 103.9m) and SR12 (399m). The historic drilling targeted coincident gravity / magnetic anomalies but failed to reach basement and test the targets. Rio Tinto Exploration subsequently held the ground but did not drill test the targets. The source of the geophysical anomalies remains unknown.

SER is familiar with the area incorporated by ELA 2018/185, with staff having conducted a ground gravity survey at the location in 2014.

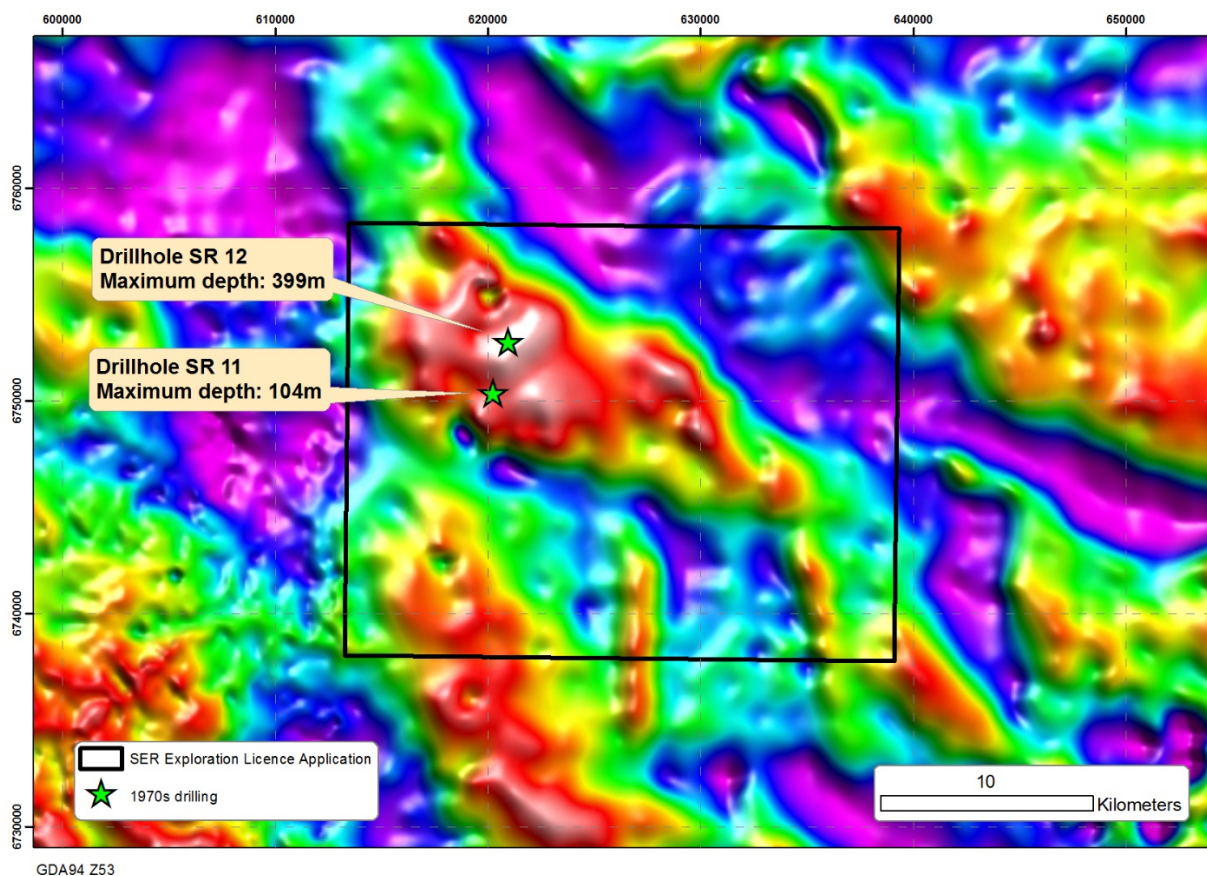


Figure 2: ELA 2018/185 Residual Bouguer Gravity Image

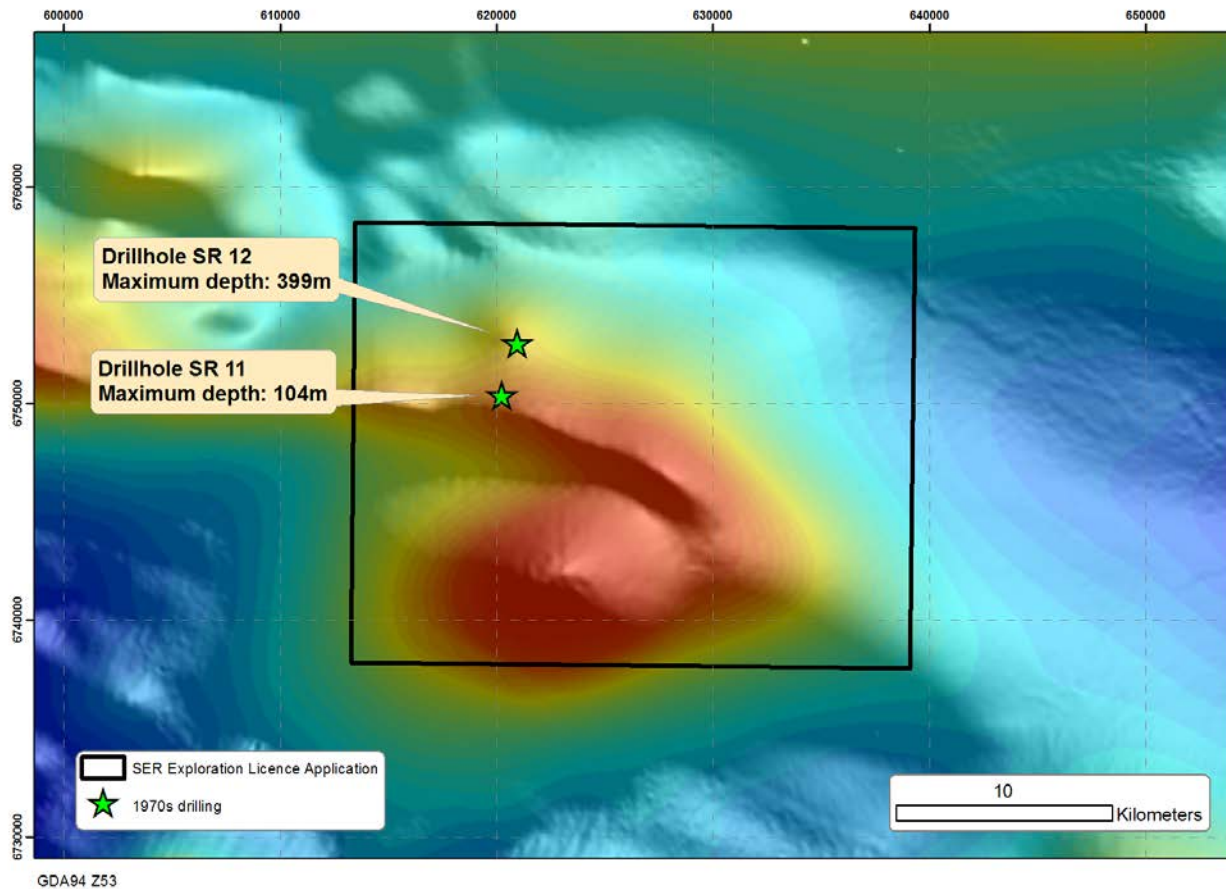


Figure 3: ELA 2018/185 RTP Magnetics Image

Cautionary Statement

Please note that both ELAs are applications only and there is no guarantee the licences will be granted. It is noted that ELA 2018/183 remains in competition. SER will release the outcome of the South Australian Department for Energy and Mining selection process in relation to ELA 2018/183.

For further information, please contact +61 3 9692 7222 or visit website www.strategicenergy.com.au

The information in this document that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG, a Competent Person who is a Member of Australian Institute of Geoscientists. Mr Rechner is a Director of, and consultant to, Strategic Energy Resources Ltd. Mr Rechner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rechner consents to the inclusion in the document of the matters based on his information in the form and context in which it appears.