

29 July 2019

Quarterly Report to 30 June 2019

- FMG Farm-In to Myall Creek Copper-Gold Project
- Gravity survey for Billa Kalina Copper-Gold Project
- Final preparations for drilling at Saxby Gold Project
- SER to progress Ambergate Mineral Sands Project following studies

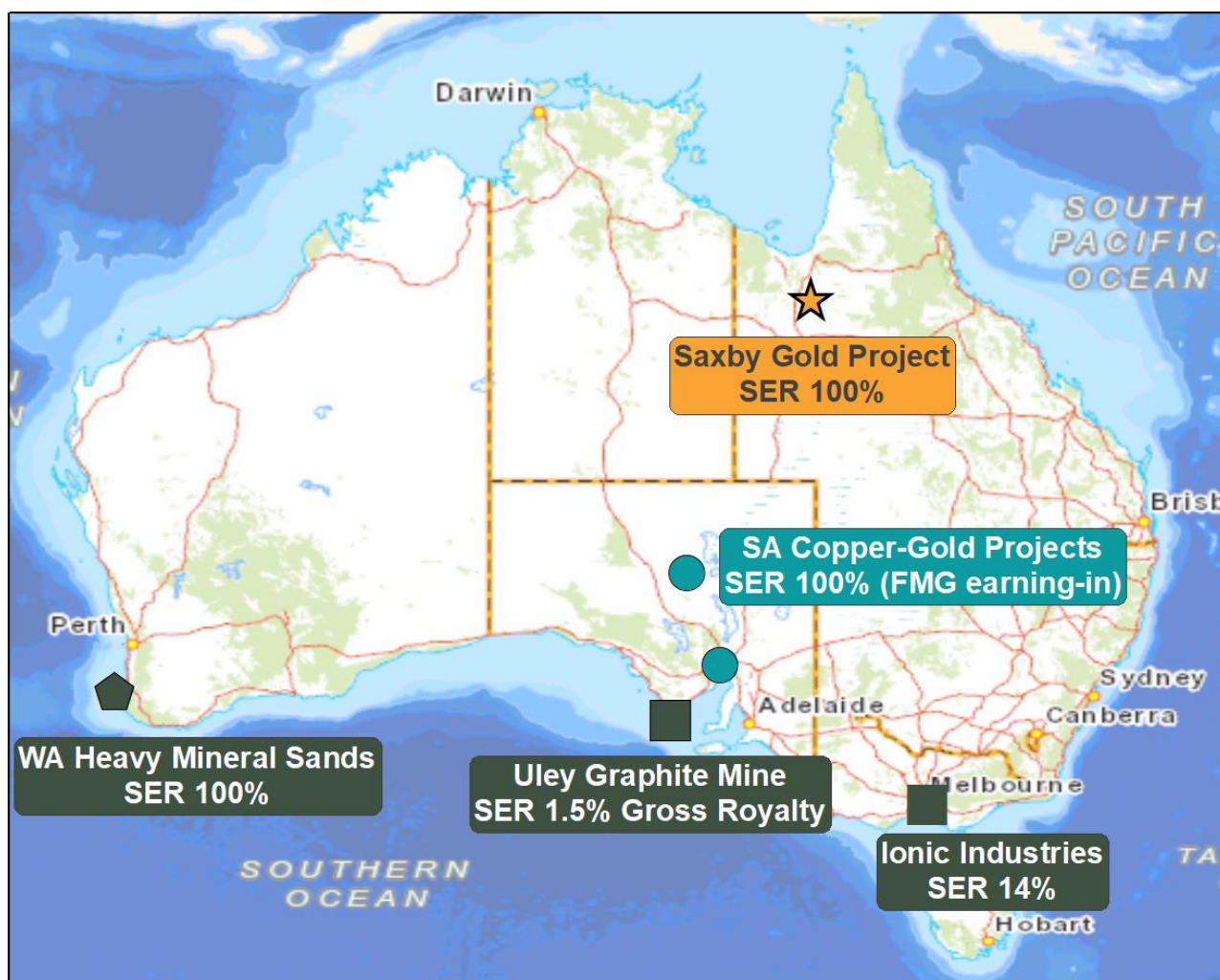


Figure 1: SER Project Locations

Strategic Energy Resources Ltd (ASX Code: SER) is a diversified mineral exploration and development company. SER is a major shareholder of Ionic Industries Limited and holds a 1.5% Gross Revenue Royalty on production from the Uley Graphite Mine.

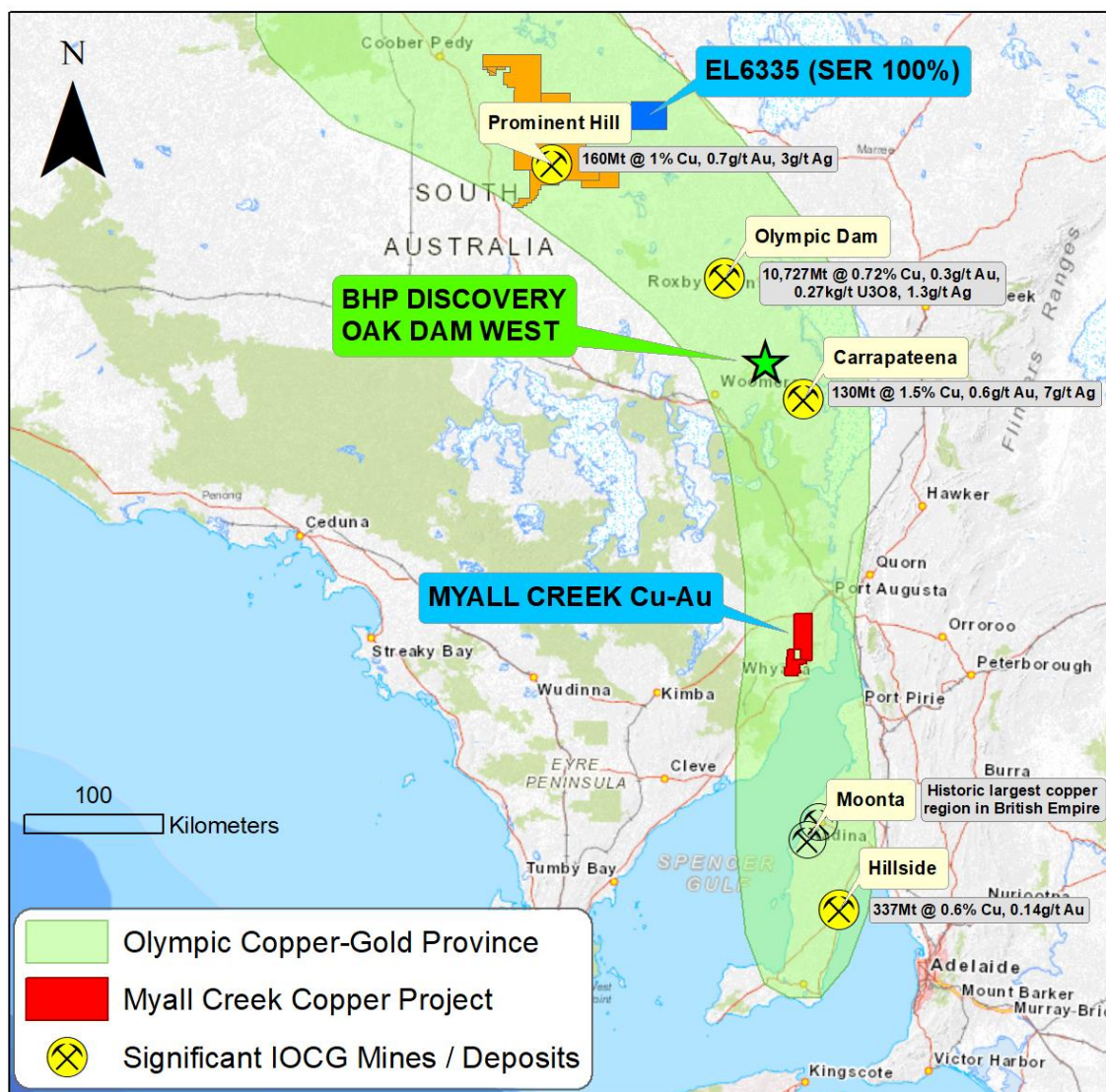
MINERAL EXPLORATION AND DEVELOPMENT

MYALL CREEK COPPER-GOLD PROJECT

SOUTH AUSTRALIA (SER 100%, FMG earning-in)

During the quarter, SER and FMG Resources Pty Ltd executed a Farm-In and Joint Venture Agreement to explore SER's Myall Creek Copper-Gold project in South Australia. FMG Resources Pty Ltd is a subsidiary of Fortescue Metals Group Limited (ASX:FMG; market capitalisation: AUD\$27B).

Under the Agreement, FMG will spend \$1.5m on exploration, including a minimum of 1500m drilling, at Myall Creek to earn an 80% interest in the project.



Sources: BHP Annual Report 2018; OZL Annual Report 2017; RXM Web Site

Figure 2: SER's Copper-Gold Projects within the Olympic Cu-Au Province

FMG will manage exploration, satisfy all expenditure requirements and keep the tenements in good standing. After FMG have earned-in, a joint venture will be formed under which each party will contribute pro-rata (FMG 80%, SER 20%) to further exploration and development or be diluted in accordance with industry standard formula.

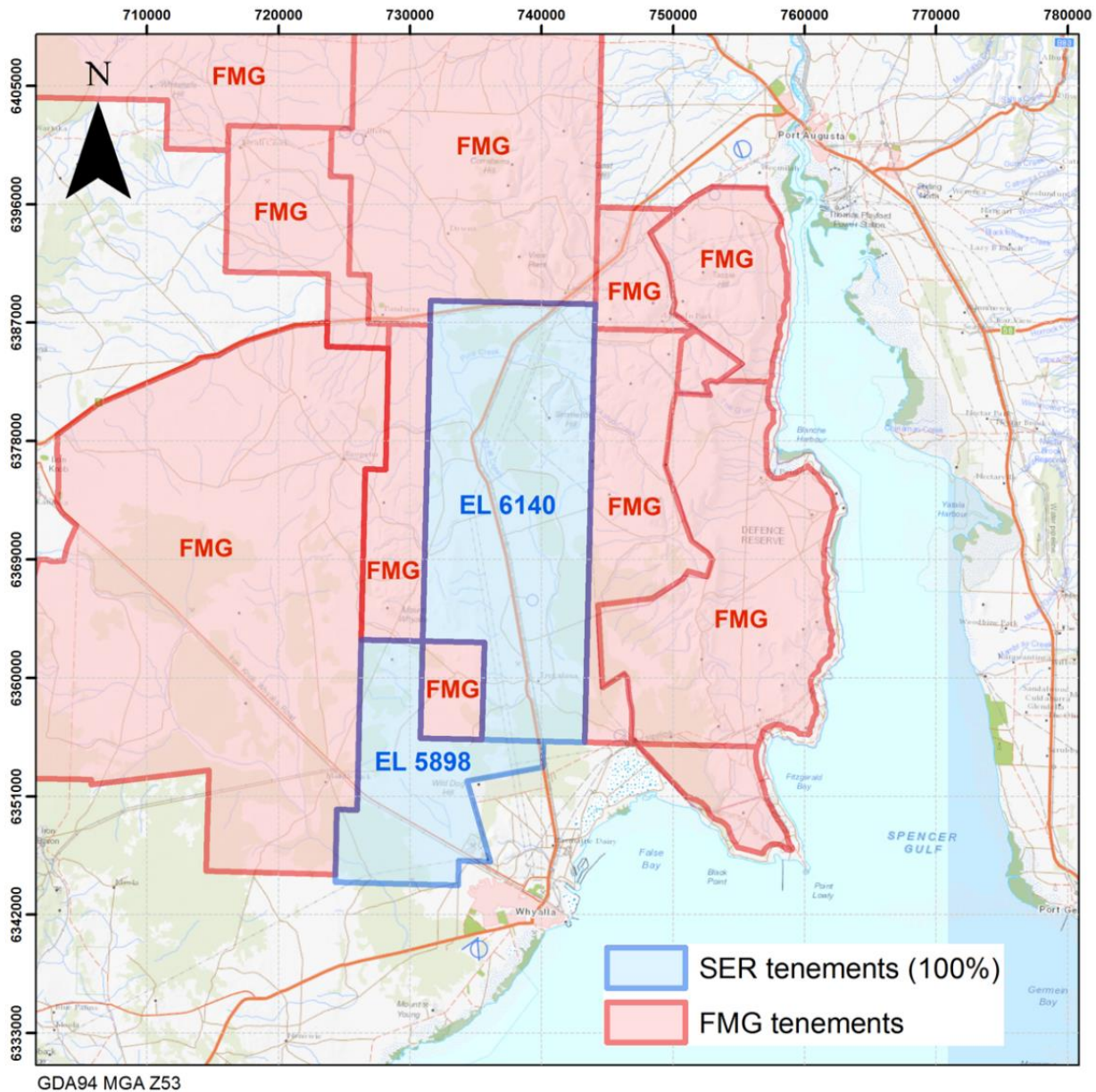


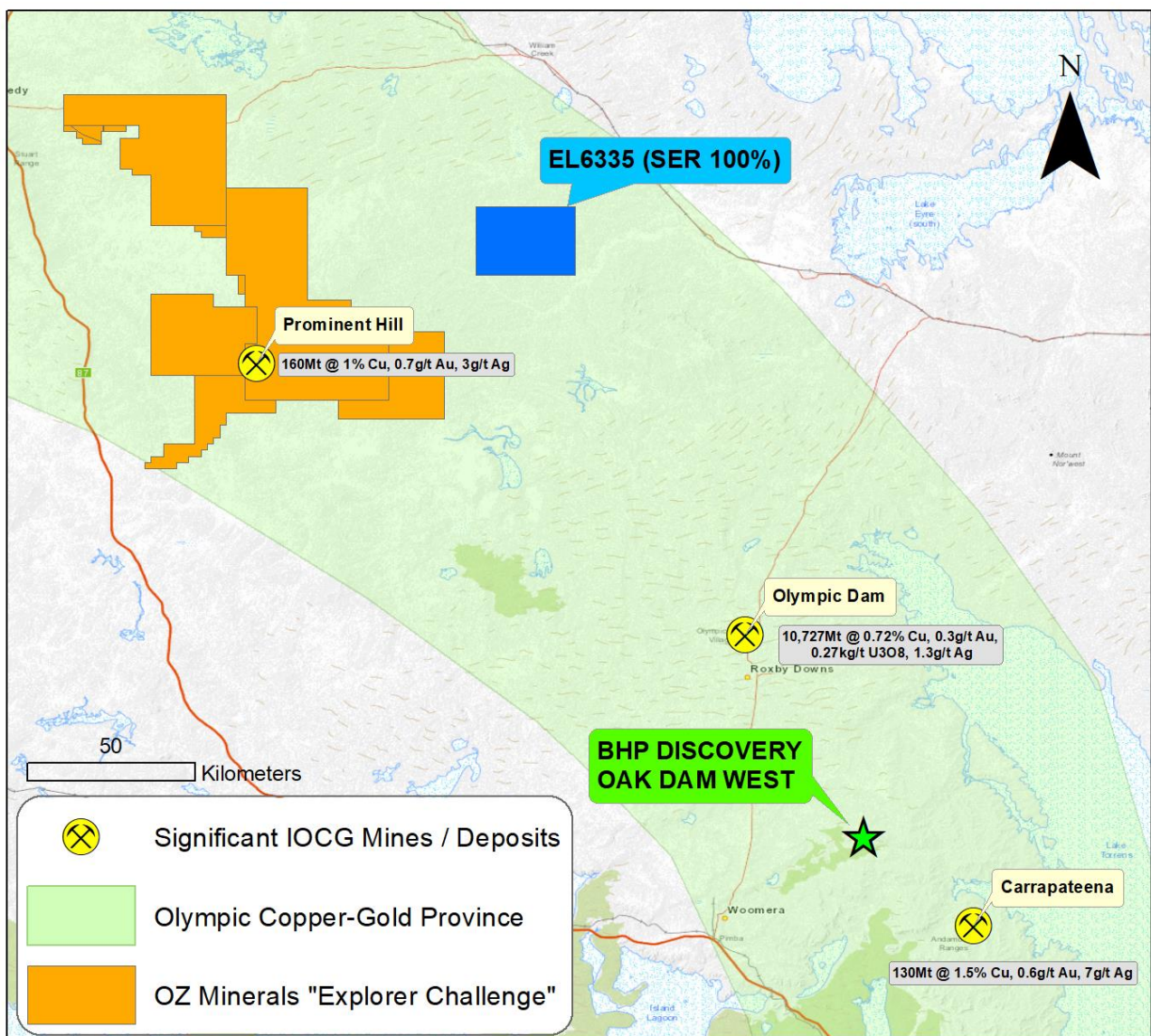
Figure 3: SER's Myall Creek project (blue) and surrounding FMG tenements

At Myall Creek, SER and FMG are targeting Iron Oxide Copper-Gold (IOCG) mineralisation in the Proterozoic basement and sediment-hosted mineralisation in the overlying sediments. Key IOCG host rocks are present within the project area and overlying sediments include a 15km zone with anomalous copper in historic drilling.

BILLA KALINA COPPER-GOLD PROJECT SOUTH AUSTRALIA (SER 100%)

A detailed ground gravity survey has been commissioned at newly granted Exploration Licence EL6335 “Billa Kalina” in the Olympic Copper-Gold Province.

SER won EL6335 in a competitive process following BHP’s announcement of a significant IOCG discovery at Oak Dam West. EL6335 lies to the east of the recently completed “Explorer Challenge” competition under which OZ Minerals awarded AUD\$1m in prize money for innovative ideas to discover copper-gold deposits in this part of the Olympic Copper-Gold Province.



Sources: BHP Annual Report 2018; OZL Annual Report 2017

Figure 4: Location of EL6335 within the Olympic Cu-Au Province

EL6335 covers coincident and offset gravity and magnetic anomalies approximately 60km northeast of the Prominent Hill copper-gold mine. A major NW/SE trending crustal structure runs through the project area adjacent to the gravity anomaly.

The gravity and magnetic anomalies at EL6335 are not new. In fact, the anomalies were drill tested with two holes in 1977-78 by Newmont. The historic holes, SR11 (maximum depth 103.9m) and SR12 (399m), targeted the anomalies but failed to reach basement and explain the anomalous responses. The source of the geophysical anomalies remains unknown and there has been no further drilling within EL6335.

The key geophysical anomalies in this region of the northeastern Gawler Craton are mostly held by major companies such as BHP, OZ Minerals and FMG (see Figure 5).

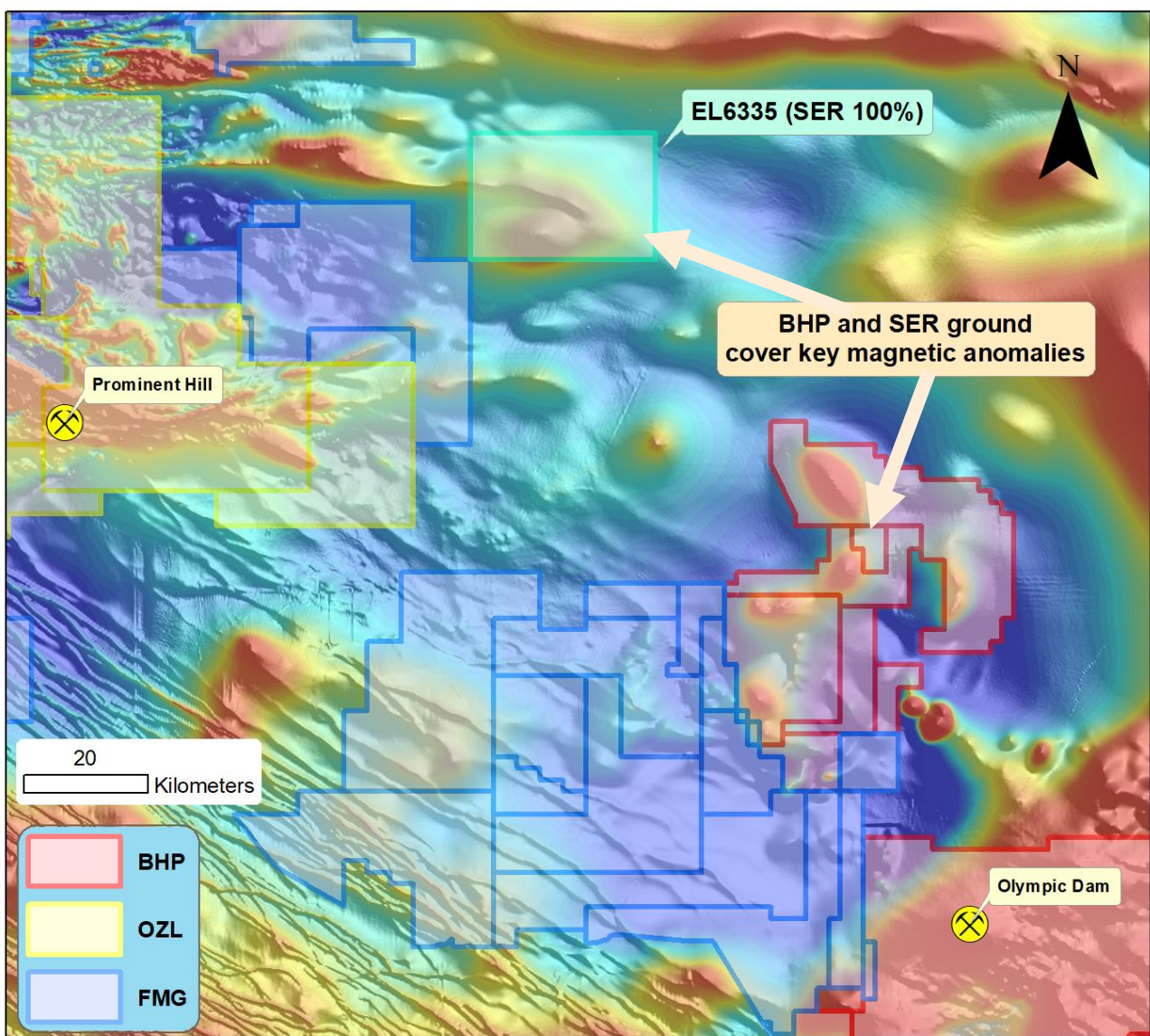


Figure 5: RTP Magnetics image of northeastern Gawler Craton showing major land holdings and key anomalies

SER has designed and commissioned the infill gravity survey to define the highest priority drill target which we intend to test with a single deep drill hole. The survey will be conducted in the near future subject to crew availability. SER is familiar with the area incorporated by EL6335, with staff having conducted a ground gravity survey at the location in 2014.

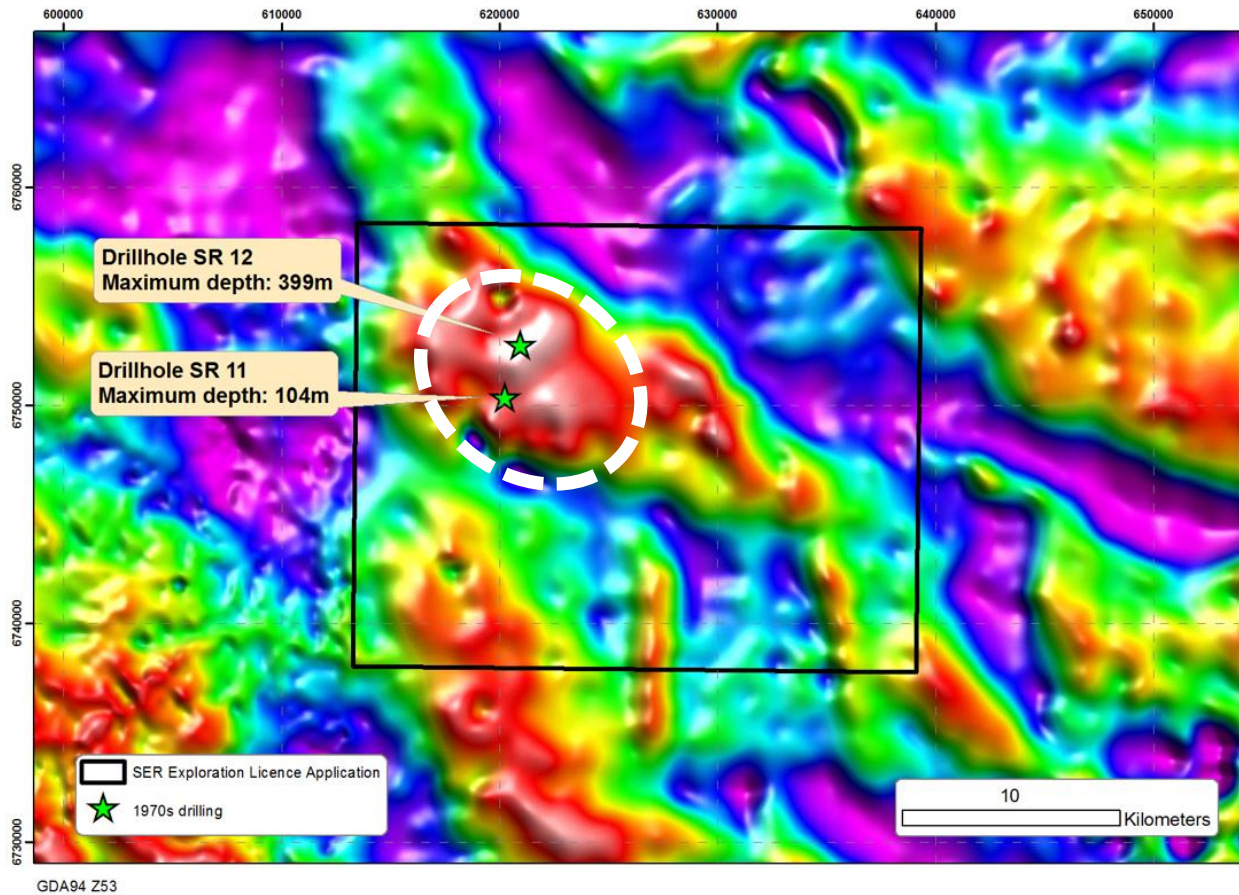


Figure 6: EL6335 Detailed Residual Bouguer Gravity Image with gravity survey area in dashed white oval

SAXBY GOLD PROJECT QUEENSLAND (SER 100%)

Preparations for drilling at the Saxby gold project in northwest Queensland are well advanced with a view to drilling next quarter. There has been a slight delay due to land access issues however SER has made significant progress on these matters and is determined to drill this field season. A recent field deployment confirmed the location of historic drill collars and pegged the new drill holes.

The Saxby gold project is the most significant gold exploration prospect in the northeast Mt Isa Province region. Historic drilling includes high grade intersections of 17m @ 6.75g/t Au (including 9m @ 11.27g/t Au) and 15m @ 9.09 g/t Au (including 8m @ 15.1g/t Au) in two holes 190m apart. SER is targeting gold mineralisation hosted in basement rocks of the Eastern Succession of the Mt Isa Province buried beneath younger sedimentary cover of the Carpentaria Basin.

Several potential joint venture partners have conducted thorough due diligence on the Saxby project and SER would welcome a firm proposal from any of those groups. In the absence of a joint venture partner, SER will sole-fund the upcoming drill program.

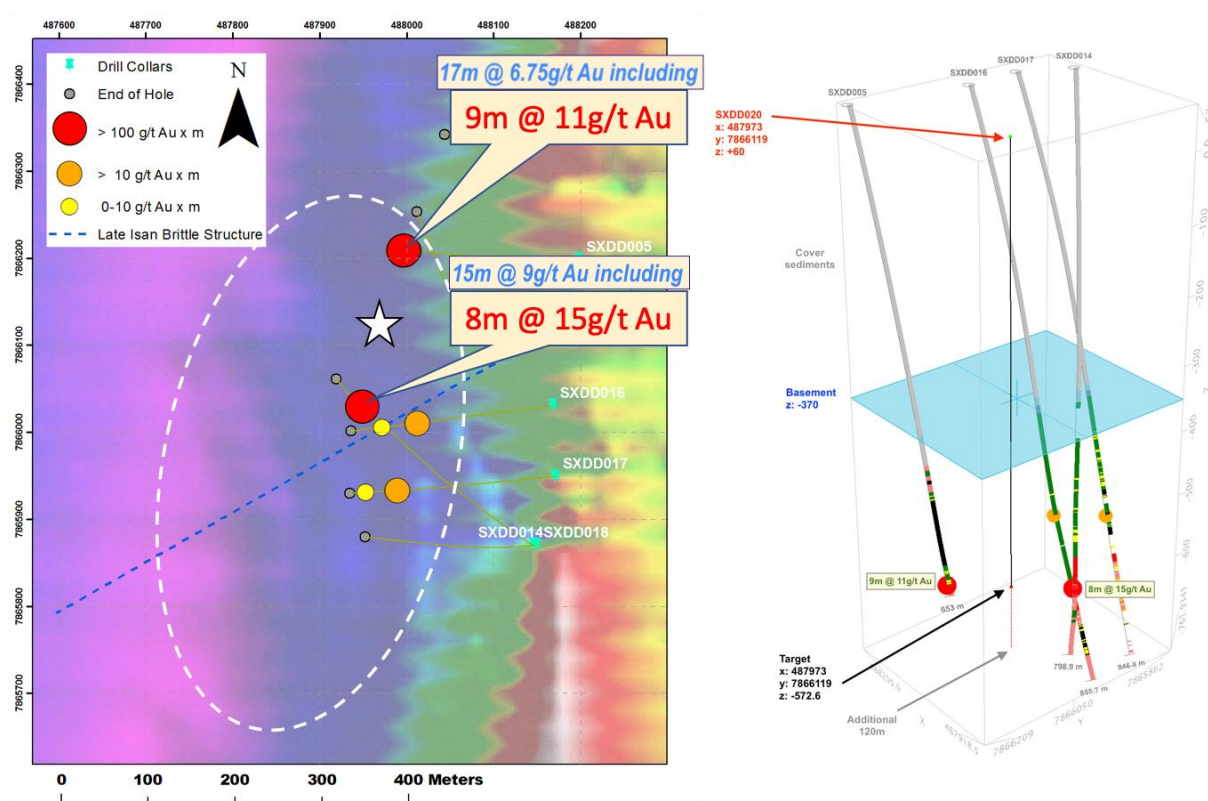


Figure 7: Previous drilling at Saxby over Magnetics (left) and proposed drilling into high grade gold intercept area

HEAVY MINERAL SANDS

WESTERN AUSTRALIA (SER 100%)

Following SER's internal techno-economic analysis of the Ambergate Heavy Mineral Sands project, the Board has decided to advance the project. This early stage analysis will not satisfy ASX and JORC requirements and thus the results will not be released publicly. Market conditions for Heavy Mineral Sands remain strong.

At Ambergate, SER has defined a JORC 2012 Inferred Mineral Resource of **11.2Mt grading 5.1% Heavy Minerals for a total Heavy Mineral content of 569,000t.**¹ The next step will be to upgrade the category of resource and commence metallurgical test work.

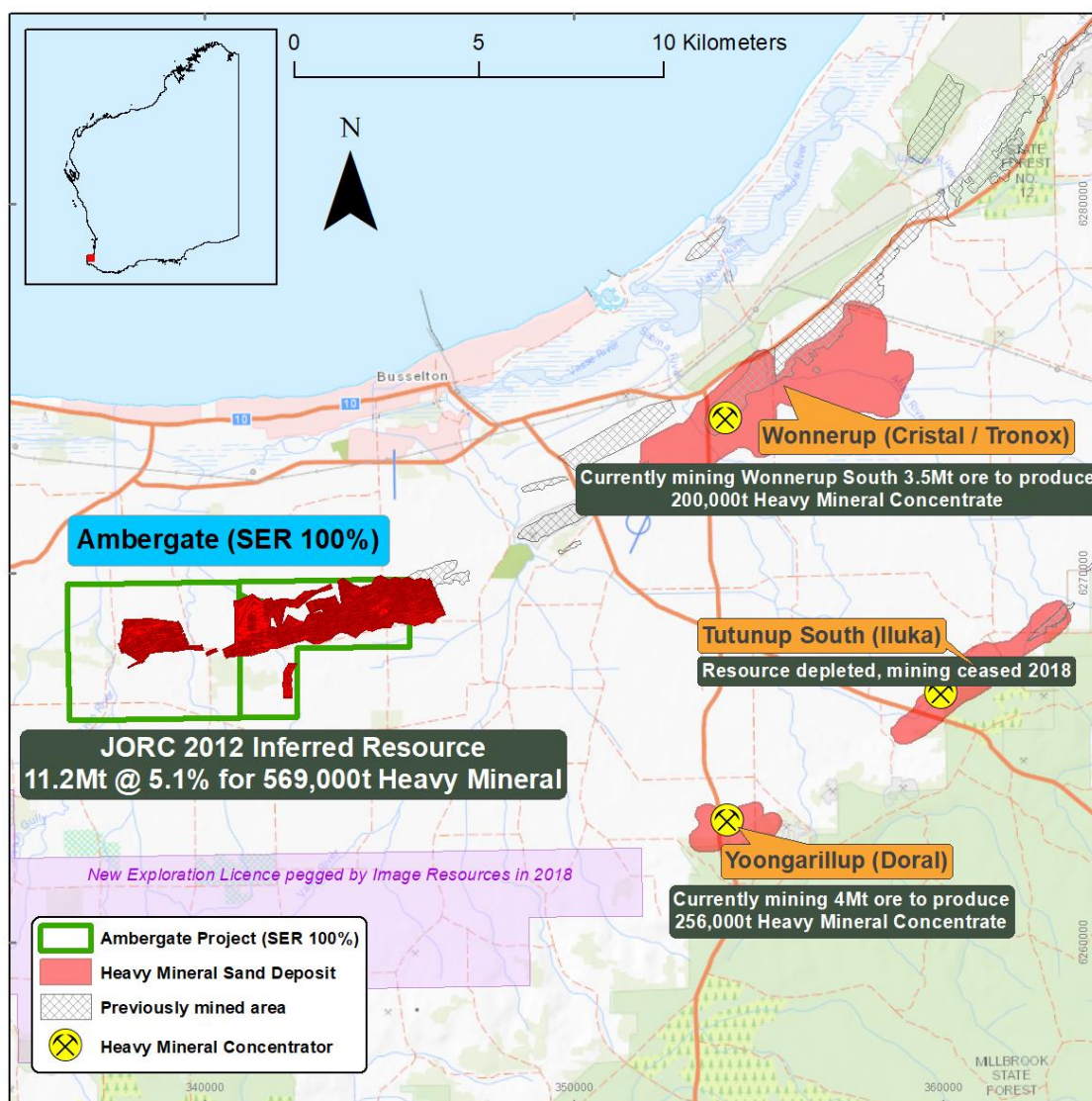


Figure 8: Ambergate Heavy Mineral Resource with surrounding heavy mineral mines²

¹ See SER Announcement of 17 April 2018: <https://www.asx.com.au/asxpdf/20180417/pdf/43t8d8c99q8f1c.pdf>

² Sources: Mining Proposal for the Wonnerup South Mineral Sands Deposit (Cristal); Yoongarillup Mineral Sands Project PER (Doral)

INVESTMENTS AND CORPORATE

PLACEMENT

Shortly after the quarter on 5 July 2019, SER made a placement of 50,000,000 new fully paid ordinary shares at an issue price of \$0.006 (0.6 cents) per share to raise \$300,000. The placement was made to a professional and sophisticated investor in accordance with SER's current placement capacity under ASX Listing Rule 7.1. There were no additional costs or fees associated with the placement.

The funds will be used to advance studies at the Ambergate Heavy Mineral Sands Project, conduct geophysical surveys at the Billa Kalina Copper-Gold Project, fund final preparations to drill at the Saxby Gold Project and cover on-going working capital requirements. SER remains well funded to conduct our ongoing operations.

IONIC INDUSTRIES UPDATE (SER 14%)

In the first half of 2019, Ionic has continued progress on its supercapacitor technologies. Collaboration is ongoing with several partners in the US and China to validate the technology and plan introduction into mass-produced supercapacitor devices.

Ionic's joint venture company with CleanTeQ Holdings, NematiQ continues to work toward scaled-up production of water treatment membranes.

About Ionic

Ionic is Australia's first company focused on the commercialisation of graphene technologies. Ionic is the commercialisation partner of the Nano-scale Science and Engineering Laboratory (NSEL) at Monash University for a range of graphene-based technologies.

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.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in or disposed/farm-out during the quarter
EL6140	South Australia	100%	Farm-In Agreement with FMG
EL5898	South Australia	100%	Farm-In Agreement with FMG
EL6335	South Australia	100%	Granted 9 April 2019
EPM15398	Queensland	100%	-
E70/4793	Western Australia	100%	-
E70/5012	Western Australia	100%	-
M70/1385	Western Australia	N/A	Application only
EL32109	Northern Territory	N/A	Application only
EL32176	Northern Territory	N/A	Application only

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(99)	(359)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(178)
(e) administration and corporate costs	(71)	(395)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(210)	(910)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(50)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	49
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	300
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	300

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,264	1,665
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(210)	(910)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	300
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,054	1,054

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	454	464
5.2 Call deposits	600	800
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,054	1,264

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
94
-

Director's fees and consulting fees paid during the June 2019 quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	304
9.2 Development	-
9.3 Production	-
9.4 Staff costs	38
9.5 Administration and corporate costs	104
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	446

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL6335 SA	The Company was granted Exploration licence on 9 April 2019	-%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 (Company secretary)

Date: 29 July 2019

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.