

ASX Announcement
23 September 2019

Ground surrounding Saxby secured ahead of drilling

- **Drill rig mobilising to site with drilling to commence in October 2019**

Strategic Energy Resources Limited (**SER**) is pleased to announce the pegging of Exploration Permit for Minerals EPM27378 “Saxby North” adjacent to our 100% Saxby Gold Project (**EPM15398**) in Queensland. SER has now secured the most prospective ground in the area ahead of our imminent drill campaign.

The Saxby gold project is the most significant gold exploration prospect in the northeast Mt Isa Province. SER is targeting gold mineralisation hosted in basement rocks of the Mt Isa Eastern Succession buried beneath younger sedimentary cover of the Carpentaria Basin. Historical drilling (originally targeting Ni-Cu-PGE) intersected high-grade gold mineralisation approximately 190m apart in 3D space. Results include:

- SXDD005: 17m @ 6.75g/t Au (including 9m @ 11.27g/t Au)
- SXDD014: 15m @ 9.09 g/t Au (including 8m @ 15.1g/t Au)

The prospectivity of the area was recently highlighted again in a mineral potential assessment by Geoscience Australia (see Figure 1). *Mapping iron oxide Cu-Au (IOCG) mineral potential in Australia using a knowledge-driven mineral systems-based approach*¹ uses a holistic multi-scale mineral systems framework to develop a practical, knowledge-based yet data-rich, prospectivity mapping method for hydrothermal and orthomagmatic ore-forming systems. As shown in Figure 1, the assessment finds both Saxby and Saxby North have the highest possible potential for gold and copper mineralisation. Neighbouring explorers Newcrest and Red Metal also have moderate to high potential.

Please note, new application EPM15398 Saxby North is an application only and the eventual grant of an exploration permit cannot be guaranteed. However, SER is first in time and there are no competitors.

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.

¹ Ore Geology Reviews (to be published October 2019): <https://www.sciencedirect.com/science/article/pii/S0169136819303099?via%3Dihub>

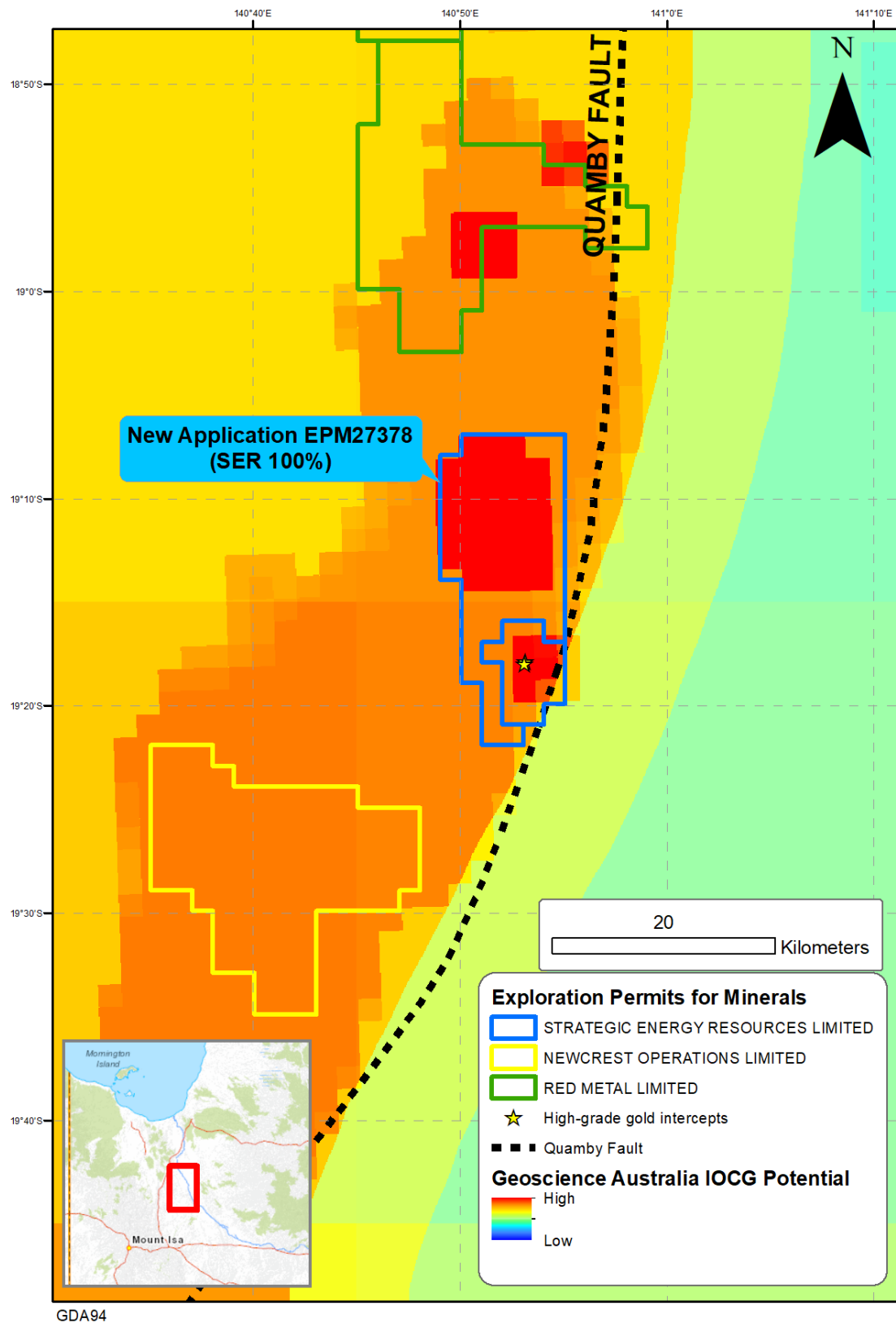


Figure 1: Saxby Gold Project and neighbouring explorers over Geoscience Australia Prospectivity Assessment