

**ASX Announcement**  
**13 December 2019**

## **High grade gold mineralisation intersected at Saxby**

- **SER's first drill hole at Saxby intersects 6m @ 12g/t Au**
- **Hole designed to show link between historic hits: 9m @ 11g/t and 8m @ 15g/t**

Strategic Energy Resources (SER) is pleased to announce that drilling at the Saxby Gold Project in Queensland has intersected high grade gold mineralisation. Drill hole SXDD020 intersected 6m @ 12g/t Au from 519m including a high grade zone of 2m @ 32g/t Au.

Gold mineralisation is hosted in late-stage, sulphide-bearing structures running through more brittle rock units and is associated with silver, arsenic, bismuth and tellurium. Mineralisation is surrounded by intense brecciation and alteration. Another zone of gold mineralisation (3m @ 2.4g/t Au from 682m and 1m @ 2.7g/t Au from 687m) occurs deeper in the hole.

SXDD020 was designed to test the continuity of high-grade gold mineralisation intersected in historic drillholes SXDD005 and SXDD014. These historic intersections of 9m @ 11g/t Au and 8m @ 15g/t Au occur approximately 190m apart.

Mineralisation appears to be structurally controlled however the orientation and number of structures remains unclear. The vast majority of the Saxby project remains untested.

Mineralisation was encountered shallower than expected and SER is working to understand the geometry of the gold mineralisation. The true width of intercepts cannot be determined at this stage.

SER believes Saxby represents a significant high grade gold system that warrants a substantial, concerted exploration program. We will advise shareholders on next steps once we have thoroughly evaluated all new data collected.

This announcement is authorised for release to the market by the Board of Directors of Strategic Energy Resources Limited.

**Stuart Rechner**  
Executive Chairman  
Strategic Energy Resources Limited

**For further information**, please contact Mr Rechner +61 3 9692 7222 or visit website [www.strategicenergy.com.au](http://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.*

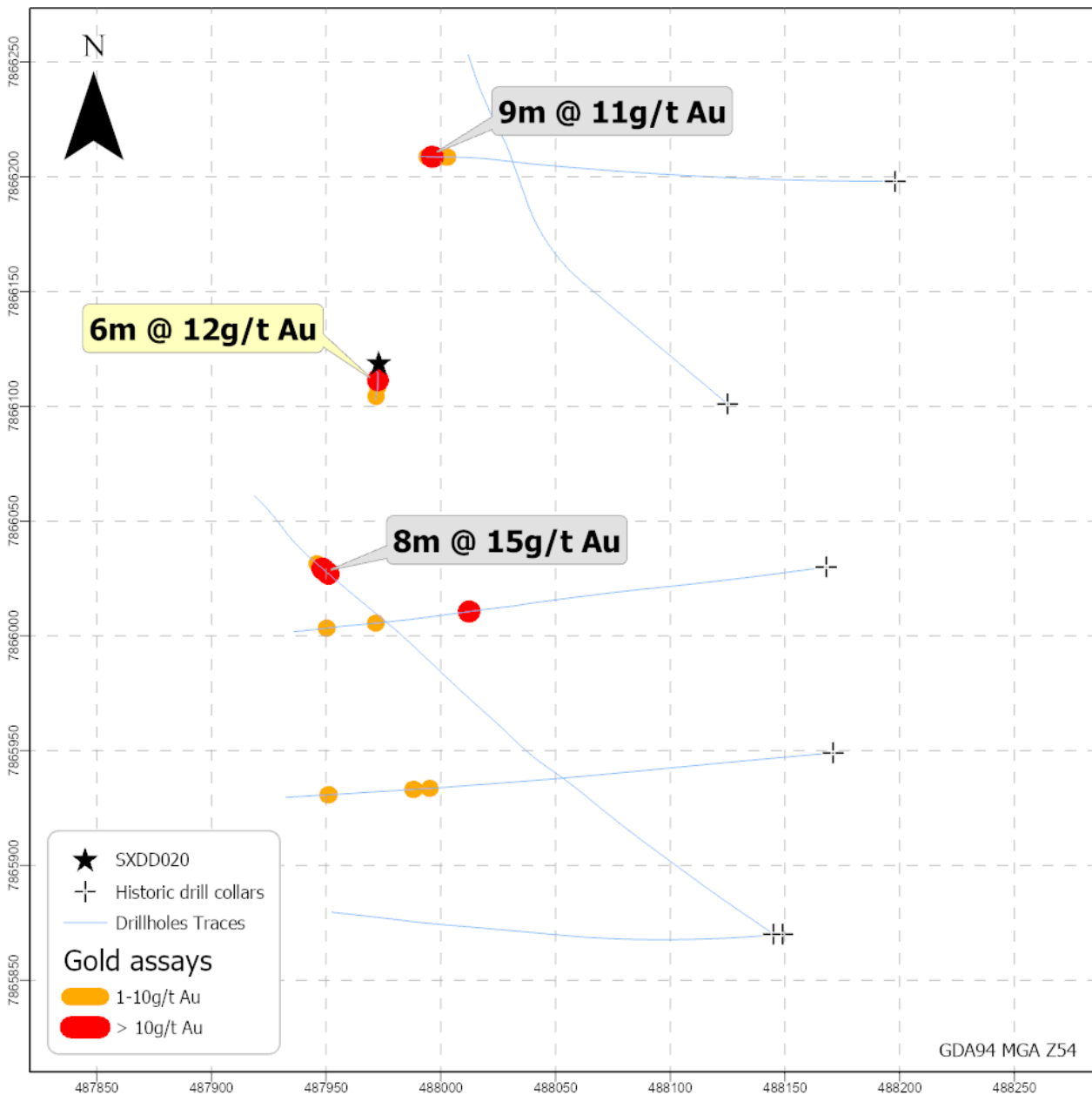


Figure 1: Plan view of key drill intercepts at Saxby showing SER vertical hole SXDD020 and historic inclined drilling

Table 1: Drill hole Collar Location (GDA94 MGA Zone 54)

| Hole ID | Easting | Northing | RL | Final Depth | Dip | Azimuth |
|---------|---------|----------|----|-------------|-----|---------|
| SXDD020 | 487973  | 7866119  | 60 | 718.63m     | -90 | 0       |

Table 2: SXDD020 significant intercepts

| Hole ID | From | To   | Interval | Au       | Ag      |
|---------|------|------|----------|----------|---------|
| SXDD020 | 519m | 525m | 6m       | 12.08g/t | 5.65g/t |
|         | 682m | 685m | 3m       | 2.40g/t  | 2.47g/t |
|         | 687m | 688m | 1m       | 2.72g/t  | 1.11g/t |

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

| Criteria  | Commentary   |
|---|--|
| Sampling techniques   | <ul style="list-style-type: none"> <li>• Diamond core samples are obtained from diamond drilling in basement lithologies</li> <li>• Core was cut and half core sampled on selected 1m intervals</li> <li>• Cover sequences were drilled by mud rotary with 1m sampling into individual bags</li> <li>• Mud rotary samples (1m interval) and drill core samples (0.5m intervals) were analysed and recorded by pXRF for indicative purposes only</li> </ul>   |
| Drilling techniques   | <ul style="list-style-type: none"> <li>• Cover sequences were drilled by vertical mud rotary drilling until intersecting basement</li> <li>• Vertical diamond drilling was used to collect NQ2 (50.6mm) diameter core of basement</li> <li>• Downhole surveys of diamond drilling were conducted approximately every 30m</li> </ul>  |
| Drill sample recovery   | <ul style="list-style-type: none"> <li>• Drillers core blocks indicate the length of a run and the amount of recovered core</li> <li>• Core recovery was recorded by field geologist prior to sampling and was typically 100%</li> <li>• No relationship between recovery and grade was observed</li> <li>• Recovery of cover sequence samples drilled by mud rotary was not recorded</li> </ul>   |
| Logging   | <ul style="list-style-type: none"> <li>• Geological logging by field geologist recorded qualitative descriptions of lithology, alteration, mineralisation, veining and structure including orientation to core axis</li> <li>• Photos (wet and dry) were taken of all core trays for later review</li> <li>• Magnetic susceptibility measurements of core were recorded every meter</li> <li>• Mud rotary samples were sieved into chip trays for logging</li> </ul>   |
| Sub-sampling techniques and sample preparation                    | <ul style="list-style-type: none"> <li>• Sample preparation was conducted at ALS Mount Isa. Samples are crushed to 90% passing 4mm, then split and pulverised to better than 85% passing 75 microns.</li> <li>• Blank samples were inserted approximately every 25 samples for QAQC</li> </ul>   |
| Quality of assay data and laboratory tests (Field equipment used) | <ul style="list-style-type: none"> <li>• Laboratory analysis by ALS Mount Isa included 30g fire assay analysis with AAS finish for Au and aqua regia digest followed by ICP-MS for 50 element package</li> <li>• Certified reference material were inserted approximately every 25 samples</li> <li>• Blank samples were inserted approximately every 25 samples</li> <li>• QAQC analysis of assay results indicates an acceptable level of accuracy and precision</li> <li>• Laboratory in-house QAQC includes the use of internal lab standards, splits and duplicates and participation in external umpire laboratory assessments</li> <li>• A Niton XL3t GOLDD+ pXRF was used in the field for indicative purposes only</li> </ul> |
| Verification of sampling and assaying                             | <ul style="list-style-type: none"> <li>• Sample intervals defined by field geologist are assigned a sample identification number prior to core cutting and dispatch to laboratory</li> <li>• Assay results are verified by SER geologists including the Competent Person</li> <li>• Assessment of reported significant assays are verified by review of core photography</li> </ul>  |
| Location of data points   | <ul style="list-style-type: none"> <li>• Drill collar location surveyed using a handheld GPS with an accuracy of +/- 3m</li> <li>• Topographic control is established from SRTM (1 second) data and derived DEM</li> <li>• Locations are reported in metres in GDA94 MGA Zone 54</li> <li>• Downhole surveys of diamond drilling were conducted at approximately 30m intervals and end of hole. The maximum variation from vertical was 2.5° (accuracy: +/- 0.1°)</li> </ul>   |
| Data spacing and distribution                                     | <ul style="list-style-type: none"> <li>• Drilling sampling is adequate for early exploration</li> <li>• Information available is not sufficient for the estimation of a Mineral Resource</li> </ul>  |
| Orientation of data in relation to geological structure           | <ul style="list-style-type: none"> <li>• Vertical drilling is appropriate for early exploration to assess historical results</li> <li>• Downhole lengths are not considered true widths given limited geological understanding</li> </ul>  |
| Sample security   | <ul style="list-style-type: none"> <li>• Samples were collected, sealed and delivered to ALS laboratory by SER personnel</li> <li>• All samples were received as expected by the laboratory with no mislabelled samples</li> </ul>   |
| Audits or reviews   | <ul style="list-style-type: none"> <li>• None undertaken</li> </ul>  |

## JORC Code, 2012 Edition – Table 1

### Section 2 Reporting of Exploration Results

| Criteria   | Commentary   |
|--|--|
| Mineral tenement and land tenure status                          | <ul style="list-style-type: none"> <li>• EPM15398 held by Strategic Energy Resources Ltd, located 165km NNE of Cloncurry</li> <li>• Conduct and Compensation Agreement executed with landholder</li> <li>• Exploration Agreement executed with Traditional Owner</li> <li>• Tenements in good standing with no known impediments</li> </ul>  |
| Exploration done by other parties                                | <ul style="list-style-type: none"> <li>• In 2008, Anglo American was targeting magmatic Ni-Cu-PGE mineralisation by drill testing bedrock electromagnetic conductors when discovery hole SXDD005 hit high grade gold including 17m @ 6.75g/t Au from 631m</li> <li>• In 2010, AngloGold Ashanti drilled five holes (SXDD011-015) to test for gold mineralised structures with best results in SXDD014 including 15m @ 9.09 g/t Au</li> <li>• In 2012, Falcon Minerals drilled four further holes (SXDD0016-0019) with disappointing results. The best result was from hole SXDD016 which included 1m @ 26.1 g/t gold. Falcon noted that “All holes in the drill program steepened significantly and this is a technical issue that needs to be resolved before drilling recommences.”</li> </ul> |
| Geology (Target deposit type)                                    | <ul style="list-style-type: none"> <li>• SER is targeting mineralisation hosted in basement rocks of the Eastern Succession of the Mt Isa Province buried beneath younger sedimentary cover of the Carpentaria Basin</li> <li>• There is very limited knowledge of the northeast Mt Isa Province, the small amount of drilling in this virgin terrain has a high strike ratio of mineralisation</li> <li>• Correlation of this information to historical drilling in the immediate area is ongoing to build a comprehensive picture of the geology over the project area</li> </ul>  |
| Drill hole Information   | <ul style="list-style-type: none"> <li>• SXDD020 collar located at 487973mE 7866119mN 63m RL with final hole depth 718.68m</li> <li>• Please see table and figures in main body of text</li> </ul>   |
| Data aggregation methods   | <ul style="list-style-type: none"> <li>• Significant intersections: average grades are weighted by the sample width of each assay within the intersection</li> <li>• No metal equivalence calculations are used in reporting</li> </ul>  |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li>• Vertical drilling is appropriate for early exploration to assess historical results</li> <li>• Downhole lengths are not considered true widths given limited geological understanding</li> </ul>  |
| Diagrams   | <ul style="list-style-type: none"> <li>• See figures in release</li> </ul>   |
| Balanced reporting   | <ul style="list-style-type: none"> <li>• The cut-off grade used in determining significant intersections is outlined in the body of this announcement. Lower grade or unmineralised sections of the hole are not reported.</li> </ul>  |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li>• All relevant finalised exploration data has been included</li> <li>• Interpretation of historic drilling and geophysical data will allow for improved correlation of the geology between historic drill holes and SER drilling</li> </ul>   |
| Further work   | <ul style="list-style-type: none"> <li>• SER plans to create a 3D subsurface model using all available drilling data</li> <li>• SER will evaluate exploration opportunities that extend the known mineralisation</li> </ul>  |