

ASX Announcement
26 August 2020

Exploration Update: Saxby Gold Project

- Drill contract executed, heritage survey complete, rig mobilising to site
- Structural and alteration analysis confirm Au-Cu potential
- SER secures entire belt of northern Mt Isa Eastern Succession
- Royalty extinguished, SER now holds 100% of Saxby with no encumbrances

Strategic Energy Resources (SER) is pleased to announce that the drill rig has commenced mobilisation to our Saxby Gold Project in northwest Queensland with drilling scheduled to commence in early September. A cultural heritage survey has cleared the area and a drill contract has been executed with DDH1 Drilling.

Recent structural, alteration and geophysical work have upgraded the prospectivity of the surrounding district and SER has now pegged the entire belt.

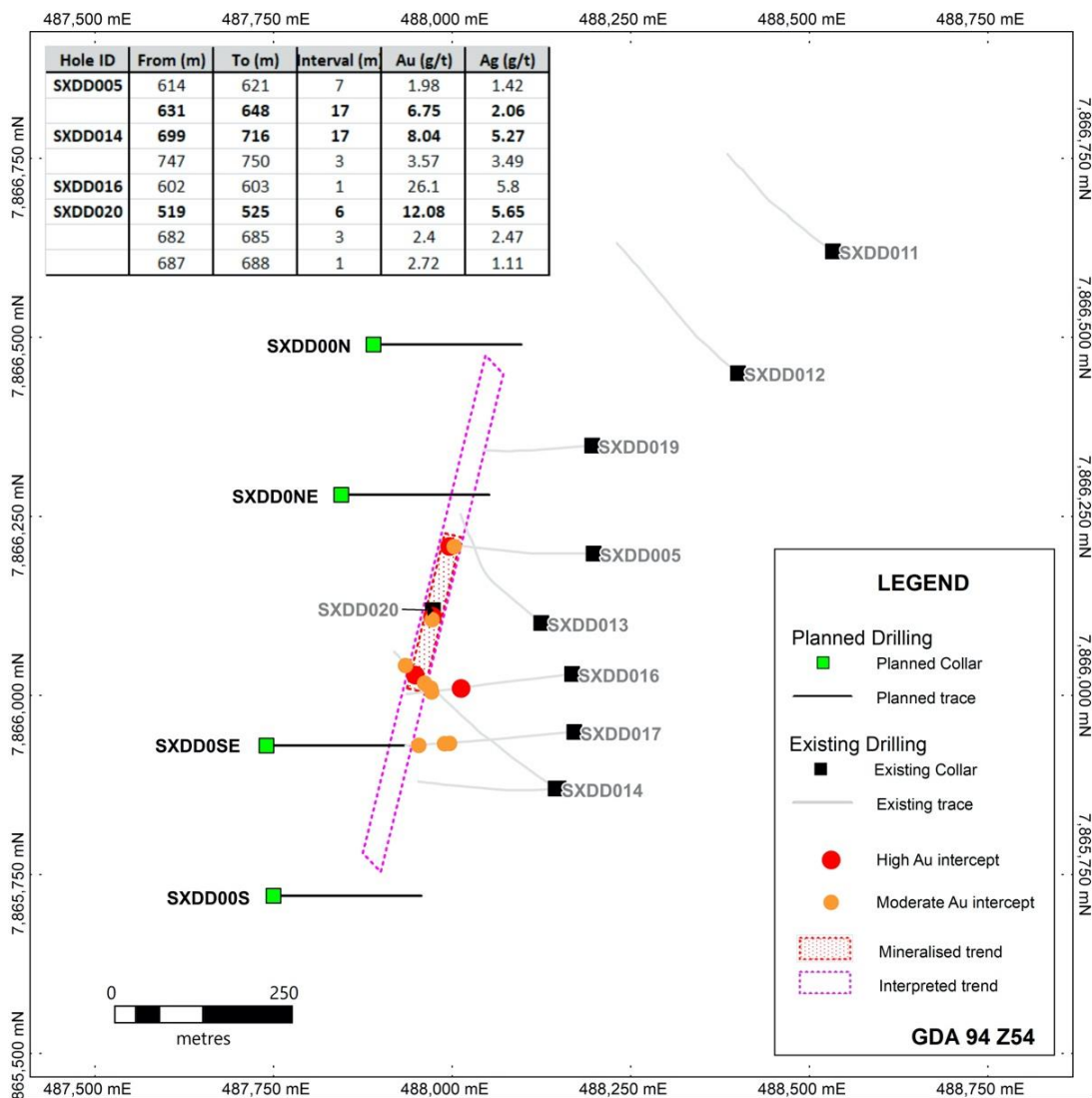


Figure 1: Saxby upcoming drill plan (green collars) and historical gold intercepts

Structure, Alteration Reinforce Target Model

A detailed structural geology review of Saxby drill core has reinforced our hypothesis that the key controlling structure for the brittle extensional veins that host gold mineralisation is a NNE-trending fault that dips steeply to the west and shows evidence of west side upwards displacement during mineralisation. This structure post-dates the pervasive foliation observed which also trends to the north but dips steeply to the east.

This mineralisation model also explains some of the flatter lying mineralised structure observed by previous explorers. As the fault moves vertically, dilation zones open creating more gently west-dipping and shallow plunging linkage zones of sulphide breccias and stockworks between offset fault segments.

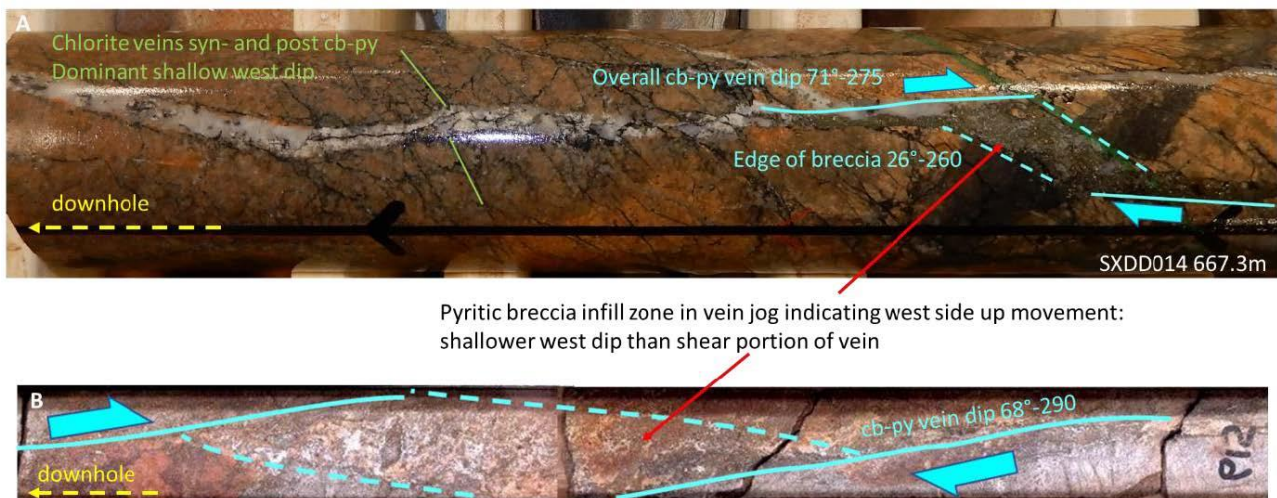


Figure 2: Small scale mineralised zones that illustrate the broader structural framework. Note sulphide breccia development within dilational linkage zones between fault vein segments.

Analysis of hydrothermal alteration in drill core shows that gold mineralisation at Saxby is likely part of an Iron Oxide Copper Gold (IOCG) style system and the paragenesis is typical of deposits in the Cloncurry region. The hydrothermal system responsible for extensive albitisation seen in the region is probably not the same as that linked to formation of Cloncurry Cu-Au deposits although it appears to be closely related in time.

The Geological Survey of Queensland's solid geology interpretation of the district includes Williams Batholiths within the project area (see Figure 3). SER is pursuing geochronological evidence of the age of a granodiorite intercepted during drilling at Saxby. In the Cloncurry IOCG province, the 1.54-1.5 Ga age Williams and Narku Batholiths are known to be related to Au(-Cu) mineralisation. If it can be shown that the felsic intrusion at Saxby intruded within this age range, this will further advance SER's view that the entire belt of the undercover northern Mt Isa Eastern Succession is highly prospective.

SER Secures Entire Belt of Northern Mt Isa Eastern Succession

As SER's understanding of the greater Canobie district has evolved, we have become convinced the district represents an extension of the Cloncurry IOCG province.

Less than 30 drillholes in the entire district have penetrated Proterozoic basement (see Figure 3). These include multiple high-grade gold hits at Saxby, Ni-Cu sulphides at the Tea Tree Prospect¹ and numerous intersections of copper and uranium mineralisation in isolated drillholes within intensely altered rocks that have never been followed up. This extraordinary strike rate of intersecting mineralisation from a limited number of holes over a large area is why SER has now pegged more than 1200km² of tenure to secure the entire belt.

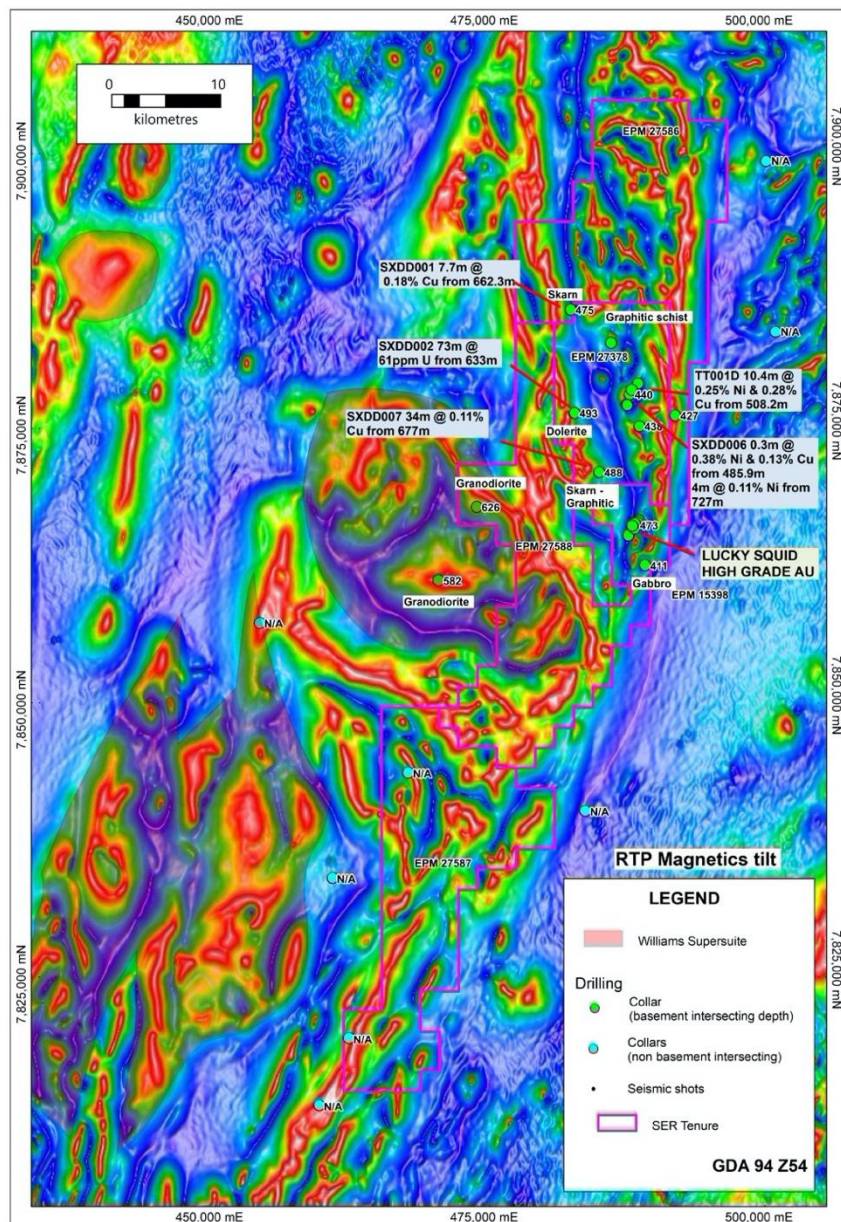


Figure 3: Canobie District (Eastern Succession undercover extension) Reduced To Pole (RTP) magnetic image with SER tenure, drillholes intersecting basement and interpreted intrusions

¹ Historical drillhole TT001D intersected 10m @ 0.28% Cu and 0.25% Ni in disseminated to semi-massive sulphides (pyrrhotite with accessory chalcopyrite and pentlandite) hosted in a layered gabbro system

SER is now conducting a comprehensive regional geophysical review with a view to commencing district-scale geophysical data collection in the near future.

Saxby Royalty Extinguished

SER has extinguished the 1.5% Net Smelter Royalty over the Saxby project by the payment of AUD\$110,000 to the former royalty holder. SER now holds the project 100% with no remaining encumbrances.

Table 1: Collar table of holes discussed in this release (GDA94 MGA Zone 54)

Hole ID	Company	Year	Easting	Northing	RL	Azimuth	Dip	Total depth
TT001D	MIM	1994	487721	7878094	70	304	-70	720m
SXDD001	Anglo American	2008	482349	7885797	60	270	-70	712m
SXDD002	Anglo American	2008	482706	7876399	60	270	-70	750.9m
SXDD005	Anglo American	2008	488198	7866198	60	270	-70	653m
SXDD006	Anglo American	2008	487499	7877102	60	90	-70	810.7m
SXDD007	Anglo American	2008	484946	7871004	60	270	-70	736.6m
SXDD014	AngloGold Ashanti	2010	488145	7865870	60	315	-70	798.9m
SXDD016	Falcon Minerals	2012	488168	7866030	61	262	-70	855.7m
SXDD020	SER	2019	487973	7866119	60	0	-90	718.63m

This announcement is authorised by the Strategic Energy Resources Limited Board.

Executive Chairman Stuart Rechner

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

The information in this report that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG MAusIMM, a Member of Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Rechner is a Director and shareholder of Strategic Energy Resources Ltd. Mr Rechner has sufficient experience which is relevant to the styles of mineralisation and types of deposits 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 this report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • TT001D: 1994 diamond drillhole (mud-rotary pre-collar) by MIM Exploration • SXDD001-007: 2008 diamond drillholes (mud-rotary pre-collar) by Anglo American • SXDD014: 2010 diamond drillhole (mud-rotary pre-collar) by AngloGold Ashanti • SXDD016: 2012 diamond drillhole (mud-rotary pre-collar) by Falcon Minerals • Diamond core samples are obtained from diamond drilling in basement lithologies • Core was cut and half core sampled on selected 1m or 2m intervals, with occasional <1m samples in mineralised sections using significant mineralisation contacts which were recorded in the sampling data
Drilling techniques	<ul style="list-style-type: none"> • Cover sequences were drilled by mud rotary drilling until intersecting basement • Diamond drilling was used to collect NQ diameter core of basement • Downhole surveys of diamond drilling were conducted approximately every 40m
Drill sample recovery	<ul style="list-style-type: none"> • Drillers core blocks indicate the length of a run and the amount of recovered core • When core recovery has been recorded by field geologist prior to sampling it has been described as typically 100% • Core recovery was not systematically recorded by previous Explorers, however review of core tray photos and core blocks indicates that close to 100% recovery occurred • No relationship between recovery and grade was observed • Recovery of cover sequence samples drilled by mud rotary was not recorded
Logging	<ul style="list-style-type: none"> • Logging data is recorded in lithological logs by MIM and in company logging files and databases by Anglo American, AngloGold Ashanti, Falcon Minerals and SER • SER has compiled all available logging data into a comprehensive database capturing collar, survey, lithology, mineralisation, alteration, veining, structural data (when available) and recovery (when recorded) • Geological logging by field geologist recorded qualitative descriptions • Photos (wet and dry) were taken of all core trays for later review • MIM, Anglo American, AngloGold Ashanti and SER recorded magnetic susceptibility measurements of core every meter. Falcon Minerals did not collect magnetic data of core.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • SER: samples were crushed to 90% passing 4mm, then split and pulverised to better than 85% passing 75 microns • There is limited information regarding sample preparation of historical holes, however the analytical techniques are outlined below and it is likely standard sample preparation for those techniques was undertaken by the respective laboratories.
Quality of assay data and laboratory tests (Equipment used)	<ul style="list-style-type: none"> • MIM laboratory analysis is recorded as G001 undertaken by ALS for Cu, Pb, Zn, Co, Ni, Fe, Mn, P and U. No information on the use of blanks or standards is recorded. • Anglo American analysis was undertaken by ALS including check gold analysis using fire assay method (Au-AA25) on the mineralised zone of SXDD005. Four acid digest ICP-OES and ICP-MS technique was used for base metals. Blanks, duplicates and/or standards were inserted at a ratio of approximately 1 in 30 samples. • AngloGold Ashanti analysis was undertaken by ALS and ACME, analysing gold using FA50/AA (fire assay) and 56 other elements using RAR10/MS and AR25/MS. Blanks, duplicates and/or standards were inserted at a ratio of approximately 1 in 30 samples. • Falcon Minerals analysis was undertaken by ALS for gold using fire assay (AU-AA25) and for 33 other elements using ME-ICP61 a four-acid digest with ICP-MS method. No information on the use of blanks or standards is recorded. • SER's laboratory analysis included fire assay analysis with AAS finish for Au and aqua regia digest followed by ICP-MS for 50 element package, undertaken by ALS. SER inserted certified reference material and blanks every 25 samples. • QAQC analysis of assay results indicates an acceptable level of accuracy and precision • Laboratory in-house QAQC includes the use of internal lab standards, splits and duplicates and participation in external umpire laboratory assessments
Verification of sampling and assaying	<ul style="list-style-type: none"> • Sample intervals defined by field geologist are assigned a sample identification number prior to core cutting and dispatch to laboratory • Assessment of reported significant assays are verified by review of core photography

Location of data points	<ul style="list-style-type: none"> • Drill collar location surveyed using a handheld GPS • Locations are reported in metres in GDA94 MGA Zone 54
Data spacing and distribution	<ul style="list-style-type: none"> • Drilling sampling is adequate for early exploration • Information available is not sufficient for the estimation of a Mineral Resource
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Downhole lengths are not considered true widths given limited geological understanding
Sample security	<ul style="list-style-type: none"> • SER samples were collected, sealed and delivered to laboratory by company personnel • Sample security procedures are not recorded in the MIM, Anglo American, AngloGold Ashanti or Falcon Minerals reports
Audits or reviews	<ul style="list-style-type: none"> • None undertaken

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"> • EPM15398 and EPM27378 are granted tenements held 100% by SER • EPM27586, EPM27587 and EPM27588 are tenement applications held 100% by SER • The project is located 165km NNE of Cloncurry • Conduct and Compensation Agreement executed with landholder • Exploration Agreement executed with Traditional Owner • Tenements in good standing with no known impediments
Exploration done by other parties	<ul style="list-style-type: none"> • In 1994 MIM Exploration was targeting IOCG mineralisation by drilling magnetic / gravity anomalies when TT001D intersected 10m @ 0.28% Cu and 0.25% Ni • 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 • 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 • 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
Geology (Target deposit type)	<ul style="list-style-type: none"> • SER is targeting IOCG and Ni-Cu sulphide mineralisation hosted in basement rocks of the Eastern Succession of the Mt Isa Province buried beneath younger sedimentary cover of the Carpentaria Basin • 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
Drill hole Information	<ul style="list-style-type: none"> • Please see table and figures in main body of text
Data aggregation methods	<ul style="list-style-type: none"> • Significant intersections: average grades are weighted by the sample width of each assay within the intersection • No metal equivalence calculations are used in reporting
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • Downhole lengths are not considered true widths given limited geological understanding
Diagrams	<ul style="list-style-type: none"> • See figures in release
Balanced reporting	<ul style="list-style-type: none"> • This report describes all relevant historical exploration and SER's planned work
Other substantive exploration data	<ul style="list-style-type: none"> • All relevant finalised exploration data has been included
Further work	<ul style="list-style-type: none"> • Upcoming drilling as described in this report