

ASX Announcement
10 December 2020

Saxby Drilling Results

- **Assays received for final drill hole at Saxby Gold Project**
- **Results below expectations, prospect not large enough given depth of cover**
- **Fertility of region proven, SER to define & test multiple regional Cu-Au targets**

Strategic Energy Resources (SER) has received assays from diamond drill hole SXDD023 at the Saxby Gold Project in northwest Queensland. The results are below expectations with no high-grade gold intersections. All assays from the program have now been received. Results from the program indicate the prospect is not of sufficient scale to be economic given the depth of cover. However, the presence of multiple significant high-grade gold intercepts associated with Iron Oxide Copper Gold (IOCG) style hydrothermal alteration and Williams-Naraku Batholiths confirm the fertility of the broader Canobie District which SER now controls. SER has defined multiple compelling Cu-Au targets for future drill testing.

SXDD023

Drill hole SXDD023 was drilled toward the east collared on a bearing of 090° with an inclination of 75°. Rotary-mud drilling was used in the cover sequence until basement was intersected at 448m downhole where the hole was cased-off for diamond drilling until end of hole at 825.6m. Hole deviation occurred early in the hole and was corrected.

SXDD023 tested the interpreted far northern strike extension of mineralisation, 300m north of the high-grade gold intercept in SXDD005. The hole intersected mafic, intermediate and felsic lithologies with patchy alteration and minor sulphide-bearing veining.

The only significant gold intercept was 1m @ 1.43 g/t Au from 691m in an intensely altered interval associated with veined and disseminated pyrite.

Hole ID	Depth From	Depth To	Interval	Au g/t
SXDD023	691	692	1	1.43

Table 1: SXDD023 significant intervals (0.5 g/t Au cut off)

The results from this drilling campaign are below expectations and have failed to extend the strike length of existing high-grade gold mineralisation at Saxby. Given the depth of cover at Saxby of ~400m, the prospect is unlikely to be of sufficient scale to justify economic extraction.

SER will fully assess the information gained from this drilling campaign to advance our understanding of the mineralisation system at Saxby and implications for the broader region.

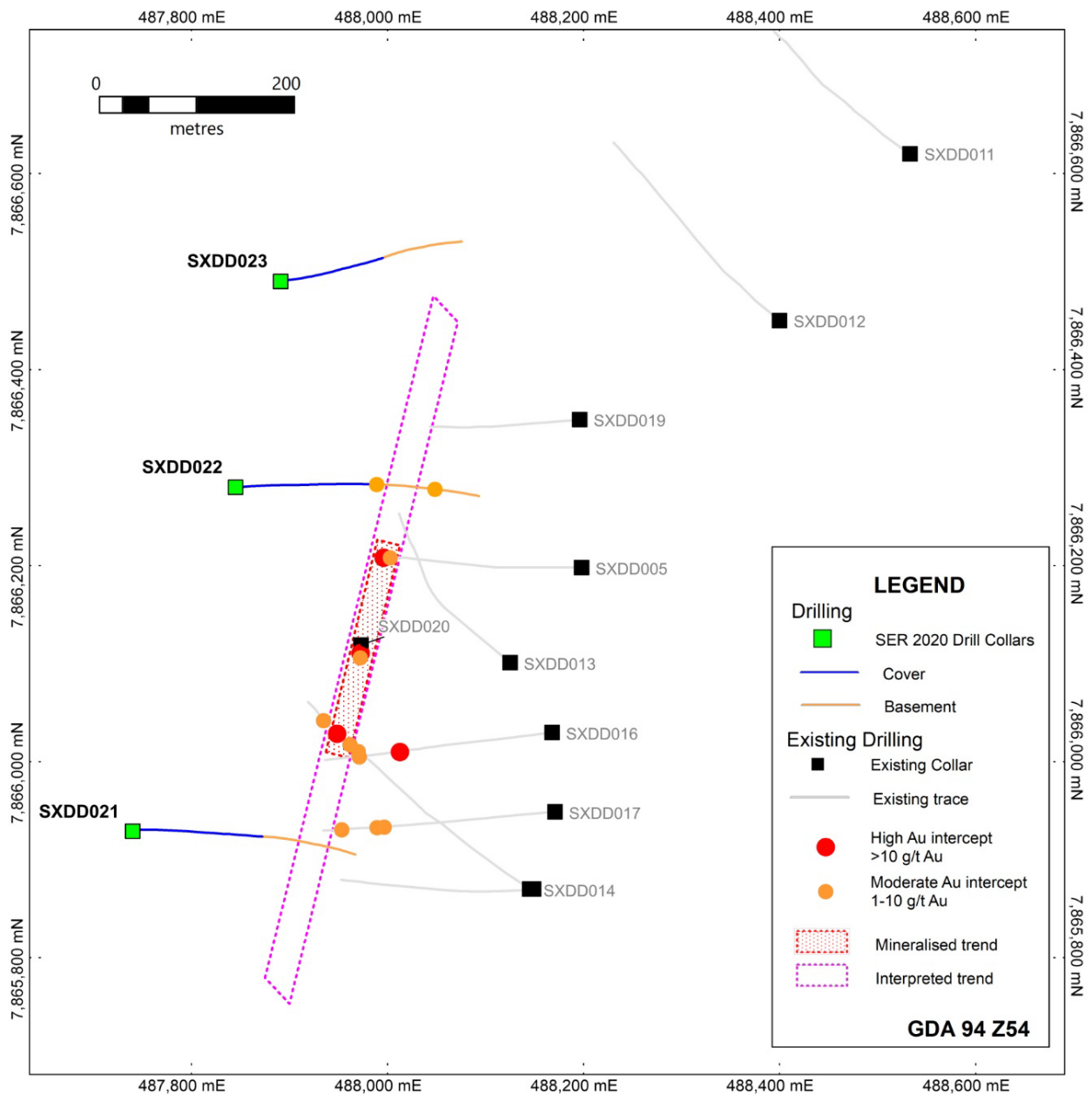


Figure 1: Saxby drill holes SXDD021, SXDD022 and SXDD023 as completed with historical and current gold intercepts

Hole ID	Easting	Northing	RL	Azimuth	Dip	Total depth
SXDD021	487740	7865931	60	090	-70	856.4m
SXDD022	487845	7866280	60	085	-70	792.8m
SXDD023	487890	7866490	60	090	-75	825.6m

Table 2: Collar table of holes discussed in this release (GDA94 MGA Zone 54)

Canobie District

Although this drilling campaign has shown the Saxby prospect is likely sub-economic, SER is convinced the broader district represents an extension of the Cloncurry IOCG province. Less than 30 drillholes in the entire district have penetrated Proterozoic basement and these include multiple high-grade gold hits, significant Ni-Cu sulphide intercepts and numerous intersections of copper and uranium mineralisation within intensely altered rocks in isolated drillholes that have never been followed up. This extraordinary strike rate from a limited number of holes has led SER to peg 1640km² of tenure to secure the entire belt. SER has completed a comprehensive regional geophysical review and generated multiple compelling Cu-Au targets for follow-up geophysics and subsequent drill-testing.

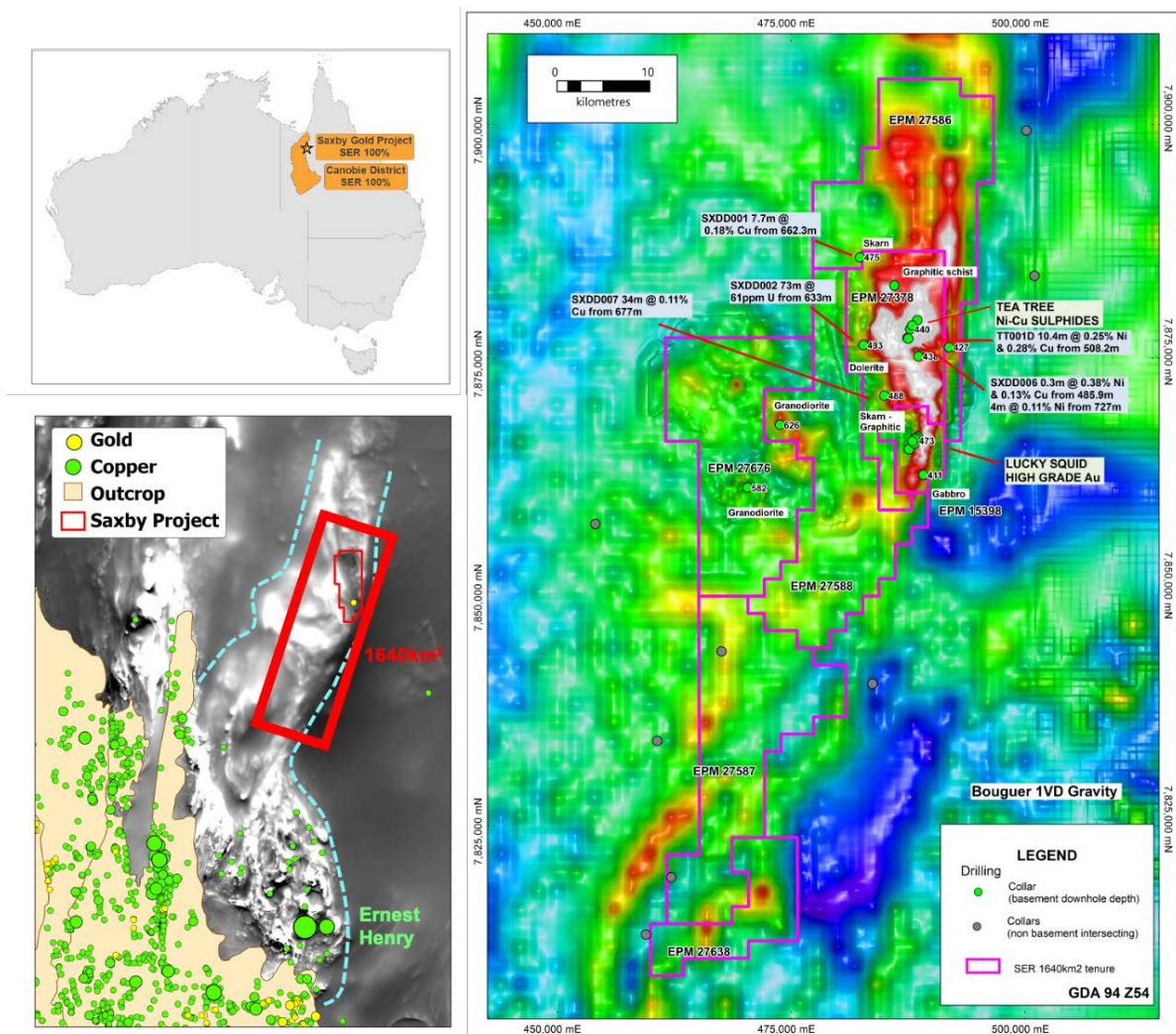


Figure 2: Canobie District Gravity image with SER tenure, drillholes intersecting basement and significant intersections

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

Executive Chairman Stuart Rechner

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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 the 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"> Diamond core samples are obtained from diamond drilling in basement lithologies Core is cut at 90° to orientation line and half core sampled on 1m intervals
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 Inclined drillholes are orientated using electronic orientation tool (ACT Mk2 NQ Core Orientation kit) marking the end of each 6m drill run Downhole surveys of diamond drilling were conducted every 30m using an Axis North Seeking Gyro
Drill sample recovery	<ul style="list-style-type: none"> Drillers core blocks indicate the length of a run and the amount of recovered core Core recovery is measured by field geologist prior to sampling and is typically 100% Drilling methodology is modified if recovery falls until acceptable recovery achieved Recovery of cover sequence samples drilled by mud rotary was not recorded
Logging	<ul style="list-style-type: none"> SER compiles all available logging data into a comprehensive database capturing collar, survey, lithology, mineralisation, alteration, veining, structural data and recovery Geological logging by field geologist recorded qualitative descriptions Photos (wet and dry) are taken of all core trays for later review Magnetic susceptibility of core is collected every meter Density measurements of core are collected every core tray
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Samples are crushed to 90% passing 4mm, then split and pulverised to better than 85% passing 75 microns
Quality of assay data and laboratory tests (Equipment used)	<ul style="list-style-type: none"> Laboratory analysis includes fire assay analysis with AAS finish for Au and four acid digest followed by ICP-MS and ICP-AES for 49 element package, undertaken by ALS SER inserted certified reference material, blanks and duplicates every 40 samples QAQC analysis of assay results will be conducted to ensure 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"> Collar location, azimuth and inclination surveyed using GPS, compass and clinometer Topographic control established from SRTM (1 second) digital elevation model Locations are reported in metres in GDA94 MGA Zone 54 and relative depths in AHD
Data spacing and distribution	<ul style="list-style-type: none"> Drill hole spacing is appropriate 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"> The core is manually reconstructed and orientated from orientation tool mark An orientation line is marked indicating bottom of hole along the core. 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
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 is a granted tenement 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 • In 2019, Strategic Energy Resources Ltd drilled one vertical hole SXDD020, with a best result of 6m @ 12.08g/t Au from 519m
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 and previous reports released by SER describe all relevant historical and current exploration and SER's planned future work
Other substantive exploration data	<ul style="list-style-type: none"> • All relevant finalised exploration data has been included in this and previous SER reports
Further work	<ul style="list-style-type: none"> • Continue to review the results from drilling to advance understanding of the mineralisation system. Concurrently, a regional targeting assessment of the greater Canobie District.