

ASX Announcement

4 May 2021

SER acquires Isa North Copper-Gold Project from Newcrest

- **976km² undercover northern extension of Mt Isa Province Western Fold Belt**
- **Untested geophysical targets and near miss drillhole identified by Newcrest**
- **Newcrest retains First Right of Refusal over future sale and 1% NSR**
- **SER now controls major extensions of both Eastern and Western Fold Belts**

Strategic Energy Resources (SER) is excited to announce an agreement with Newcrest Mining Limited (ASX:NCM) to acquire the “Isa North” Copper-Gold project in northwest Queensland.

The Isa North project comprises three exploration licences (EPM26439, EPM26440, EPM26442) covering an underexplored 976km² belt considered highly prospective for Iron Oxide Copper-Gold (IOCG) mineralisation. The project area is located along the projected northern extension of the mineralised Mt Isa – Gunpowder Fault Zone. Several large deposits lie on or adjacent to this fault system, including the Mt Isa, Mt Oxide and Gunpowder copper deposits and the Mt Isa, Hilton and George Fisher lead-zinc-silver deposits.

The Isa North project was identified during a broader review of the Mt Isa Mineral Province undertaken by SER in our search for the next major copper-gold discovery. The project, which formed part of Newcrest’s Under-Cover Strategy¹, has multiple favourable geological characteristics which make it highly prospective for IOCG mineralisation including: a major mineralised fault zone, evidence of extensive hydrothermal alteration undercover, and numerous significant magnetic and gravity anomalies.

Newcrest identified priority targets based on structural position, geophysical signature, depth to basement and target size before completing nine drill holes at four target areas in 2018. At the Lorraine North target located on EPM26439, drillhole INMD001 intersected IOCG alteration and pathfinder elements indicating the outer halo of a potential IOCG system and the drillhole could be classified as a “near miss”. This target is of immediate interest to SER. Several other key targets were unable to be drill tested by Newcrest due to land access issues which SER may be able to resolve.

Additionally, the northern end of the Isa North project area adjoins the Red Metal (ASX:RDM) – Oz Minerals (ASX:OZL) Alliance “Gibson’s Tank project” where two geophysical targets are scheduled to be drill tested at the beginning of the 2021 field season².

Acquisition Terms

SER will acquire 100% of EPM26439, EPM26442 and EPM26440 from Newcrest in return for Newcrest retaining a First Right of Refusal to any future transaction on the project; a 1% Net Smelter Royalty (NSR) capped at 10 years of production and access to technical data concerning the project.

¹ See NCM December 2018 Quarterly Report: <https://www.asx.com.au/asxpdf/20190130/pdf/4425db3cb7sv06.pdf>

² See RDM December 2020 Quarterly Report: <https://www.asx.com.au/asxpdf/20210129/pdf/44s439bw56k33y.pdf>

New Government Data and Next Steps

In March 2021, the Australian Government announced a significant expansion of Geoscience Australia's Exploring for the Future initiative. This includes a deep dive project across the Barkly-Isa-Georgetown region³ which covers both SER's Canobie and Isa North projects. Geoscience Australia will acquire a wealth of new data across SER's NW Queensland project areas including magnetotelluric data extending the existing AusLAMP data coverage across the margins of the Mt Isa province.

The Geological Survey of Queensland has also announced acquisition of airborne geophysics over SER project areas including the Canobie Airborne Gravity Gradiometry survey expected to commence by mid-2021.

Upon completion of transfer of the Isa North project, SER will commence land access negotiations while we refine drill targets. SER will also closely monitor the RDM-OZL drilling at Gibson's Tank. Drilling at Isa North will not occur until after our upcoming drill programs at East Tennant and Canobie.

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.

³ <https://www.ga.gov.au/efft/projects/barkly-isa-georgetown>

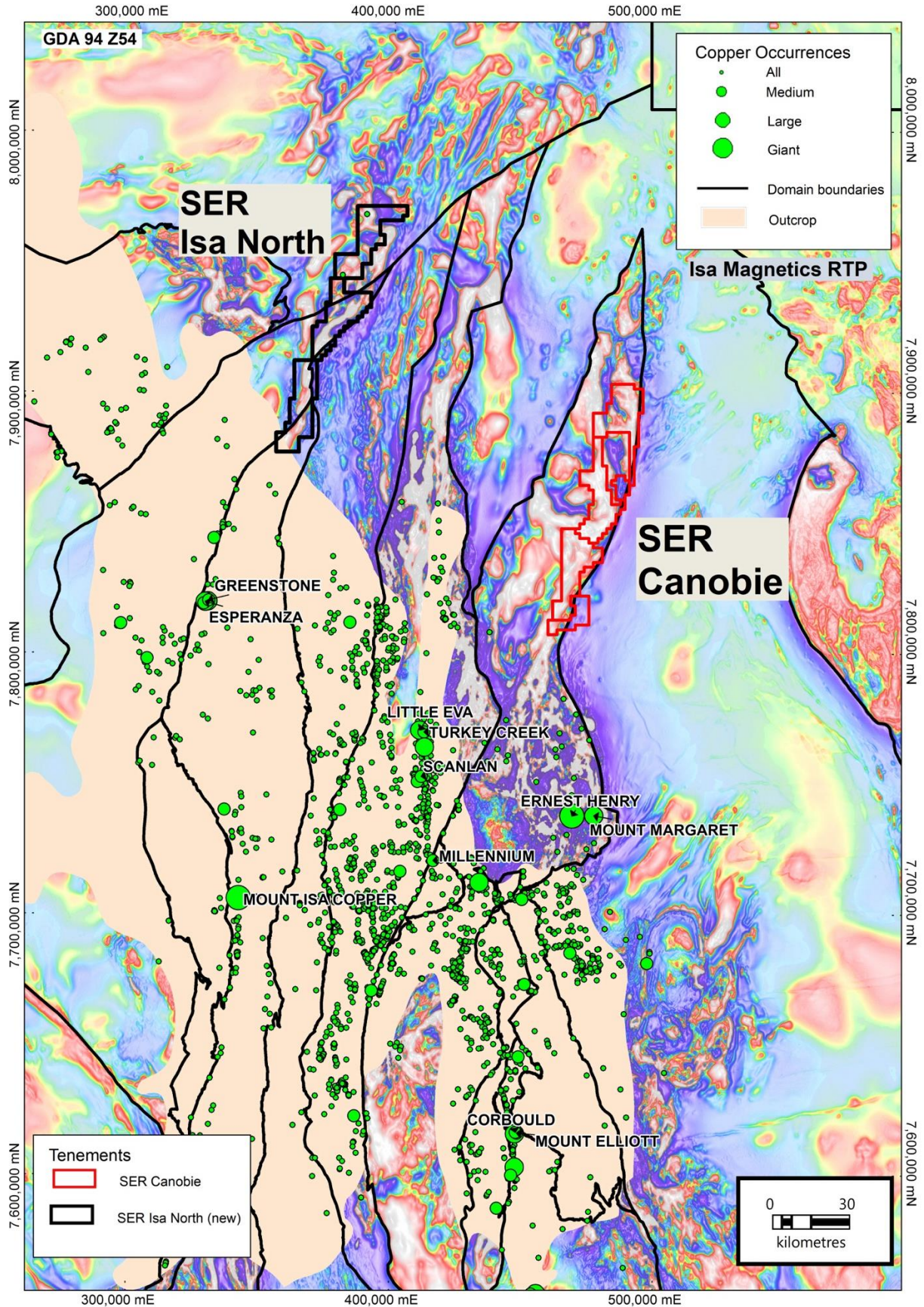


Figure 1: SER Isa North and Canobie Projects, note extensive copper mineralisation (including major mines) on outcropping rocks and magnetism showing these rocks continuing undercover into SER ground

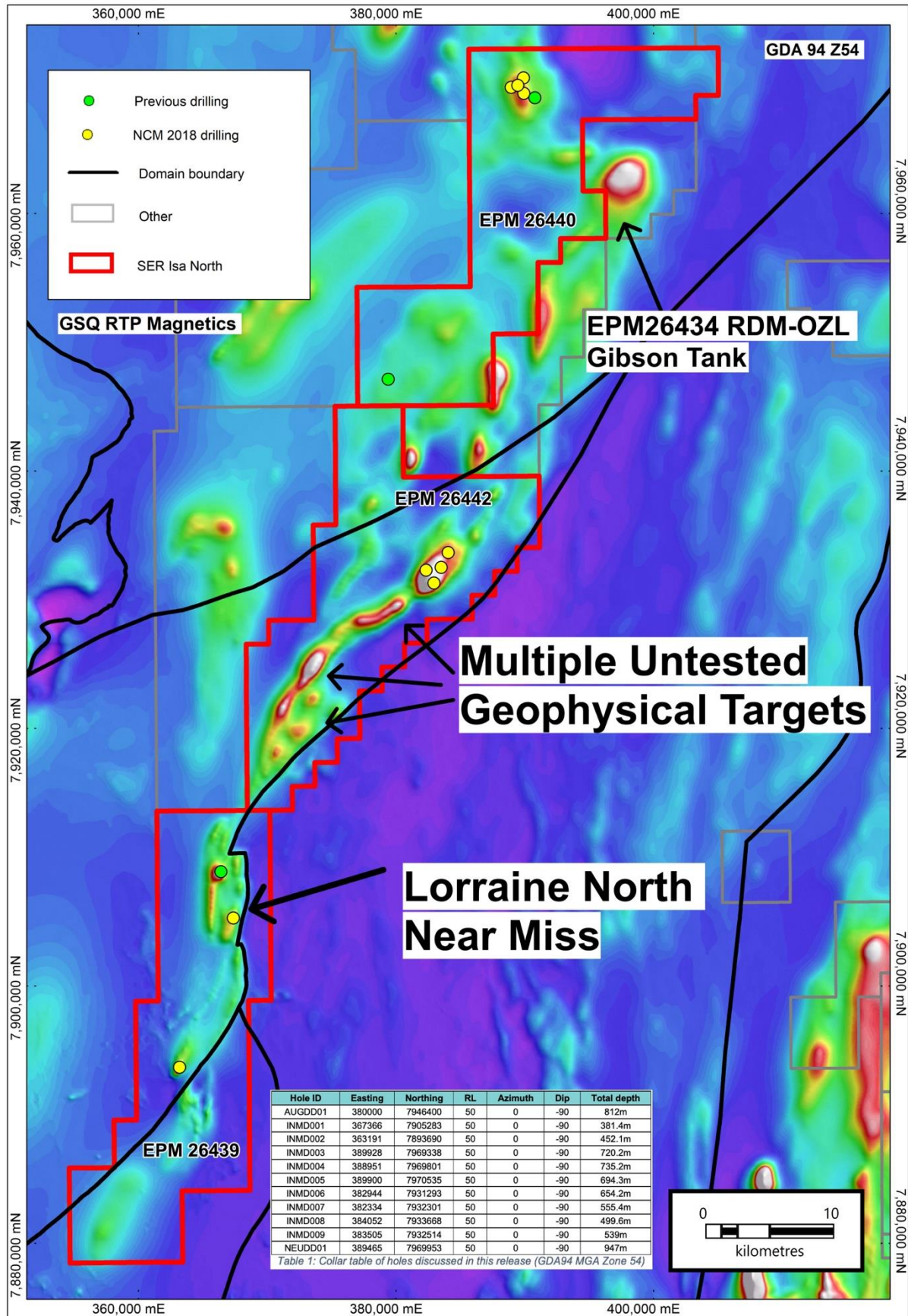


Figure 2: SER's Isa North Project over RTP magnetics

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Newcrest Mining (NCM) drilled nine mud-rotary / diamond drill holes in 2018 Diamond core samples were 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 were 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 has compiled all existing 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 was collected every meter
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Samples were crushed to 95% passing 4.75mm, then split and pulverised to 95% passing 106 micrometres for 100% of sample
Quality of assay data and laboratory tests (Equipment used)	<ul style="list-style-type: none"> Laboratory analysis includes fire assay with AAS finish for Au (50g) and four acid digest followed by ICP-MS and ICP-AES for 49 element package, undertaken by Intertek NCM inserted certified reference material, blanks and duplicates every 20 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
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 / targeting 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"> NCM 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">EPM26439, EPM26440 & EPM26442 are granted tenements currently held 100% by NCM prior to transfer to SER 100% ownershipThe project is located 180km north of Mt IsaNCM has Conduct and Compensation Agreement executed with relevant landholdersNCM has Exploration Agreement executed with Traditional OwnerTenements in good standing with no known impediments																																																																																				
Exploration done by other parties	<ul style="list-style-type: none">In 1994 WMC drilled 3 drillholes including NSD2 which intersected basement at 238m, then intense magnetite calcite alteration from 340mIn 2009 MIM drilled AUGDD-01 which intersected Proterozoic “granite-feldspar” porphyry basement at 512m vertically below surface followed at 606m by a zone of sheared and brecciated iron-rich rocks containing sulphide mineralisation as disseminations, blebs and stringers over an interval of 61m. Hole NEUDD-01 intersected basement at 591m including calc-silicate and skarn-type minerals likely replacing argillic and calcareous sediments. Intervals of massive magnetite, pervasive sulphide (primarily pyrite) blebs and stringers occur at several intervals throughout the core. In the lower part of the hole, three intervals of tremolite-phlogopite alteration occur.																																																																																				
Geology (Target deposit type)	<ul style="list-style-type: none">NCM were targeting IOCG mineralisation hosted in basement rocks of the Western Fold Belt of the Mt Isa Province buried beneath younger sedimentary coverThere is very limited knowledge of this undercover extension of Mt Isa Province																																																																																				
Drill hole Information	<ul style="list-style-type: none">See table and figures in main body of textDrill collar table re-stated below (GDA94 MGA Zone 54) <table><tr><th>Hole ID</th><th>Easting</th><th>Northing</th><th>RL</th><th>Azimuth</th><th>Dip</th><th>Total depth</th></tr><tr><td>AUGDD01</td><td>380000</td><td>7946400</td><td>50</td><td>0</td><td>-90</td><td>812m</td></tr><tr><td>INMD001</td><td>367366</td><td>7905283</td><td>50</td><td>0</td><td>-90</td><td>381.4m</td></tr><tr><td>INMD002</td><td>363191</td><td>7893690</td><td>50</td><td>0</td><td>-90</td><td>452.1m</td></tr><tr><td>INMD003</td><td>389928</td><td>7969338</td><td>50</td><td>0</td><td>-90</td><td>720.2m</td></tr><tr><td>INMD004</td><td>388951</td><td>7969801</td><td>50</td><td>0</td><td>-90</td><td>735.2m</td></tr><tr><td>INMD005</td><td>389900</td><td>7970535</td><td>50</td><td>0</td><td>-90</td><td>694.3m</td></tr><tr><td>INMD006</td><td>382944</td><td>7931293</td><td>50</td><td>0</td><td>-90</td><td>654.2m</td></tr><tr><td>INMD007</td><td>382334</td><td>7932301</td><td>50</td><td>0</td><td>-90</td><td>555.4m</td></tr><tr><td>INMD008</td><td>384052</td><td>7933668</td><td>50</td><td>0</td><td>-90</td><td>499.6m</td></tr><tr><td>INMD009</td><td>383505</td><td>7932514</td><td>50</td><td>0</td><td>-90</td><td>539m</td></tr><tr><td>NEUDD01</td><td>389465</td><td>7969953</td><td>50</td><td>0</td><td>-90</td><td>947m</td></tr></table>	Hole ID	Easting	Northing	RL	Azimuth	Dip	Total depth	AUGDD01	380000	7946400	50	0	-90	812m	INMD001	367366	7905283	50	0	-90	381.4m	INMD002	363191	7893690	50	0	-90	452.1m	INMD003	389928	7969338	50	0	-90	720.2m	INMD004	388951	7969801	50	0	-90	735.2m	INMD005	389900	7970535	50	0	-90	694.3m	INMD006	382944	7931293	50	0	-90	654.2m	INMD007	382334	7932301	50	0	-90	555.4m	INMD008	384052	7933668	50	0	-90	499.6m	INMD009	383505	7932514	50	0	-90	539m	NEUDD01	389465	7969953	50	0	-90	947m
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Data aggregation methods	<ul style="list-style-type: none">Assays not reported in this announcement which primarily concerns the project acquisition. Further details will be reported in an upcoming Exploration Update.																																																																																				
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 relevant known historical exploration. Further details will be reported in an upcoming Exploration Update as SER’s analysis progresses																																																																																				
Other substantive exploration data	<ul style="list-style-type: none">SER will report future Exploration Results after project transfer is complete																																																																																				
Further work	<ul style="list-style-type: none">SER will undertake a thorough review of historical exploration and targets at Isa North, engage stakeholders to reach access agreements, determine if additional surveys are required to de-risk drill targets, then undertake drilling																																																																																				