

30 July 2021

Quarterly Report to 30 June 2021

- SER acquires Isa North Copper-Gold project from Newcrest for zero outlay
- East Tennant Copper-Gold project wins Government funding ahead of drilling
- South Cobar Polymetallic project review complete, magnetic survey underway
- Managing Director appointed to support multiple upcoming drilling campaigns
- Over \$2M in cash plus substantial holdings of marketable securities

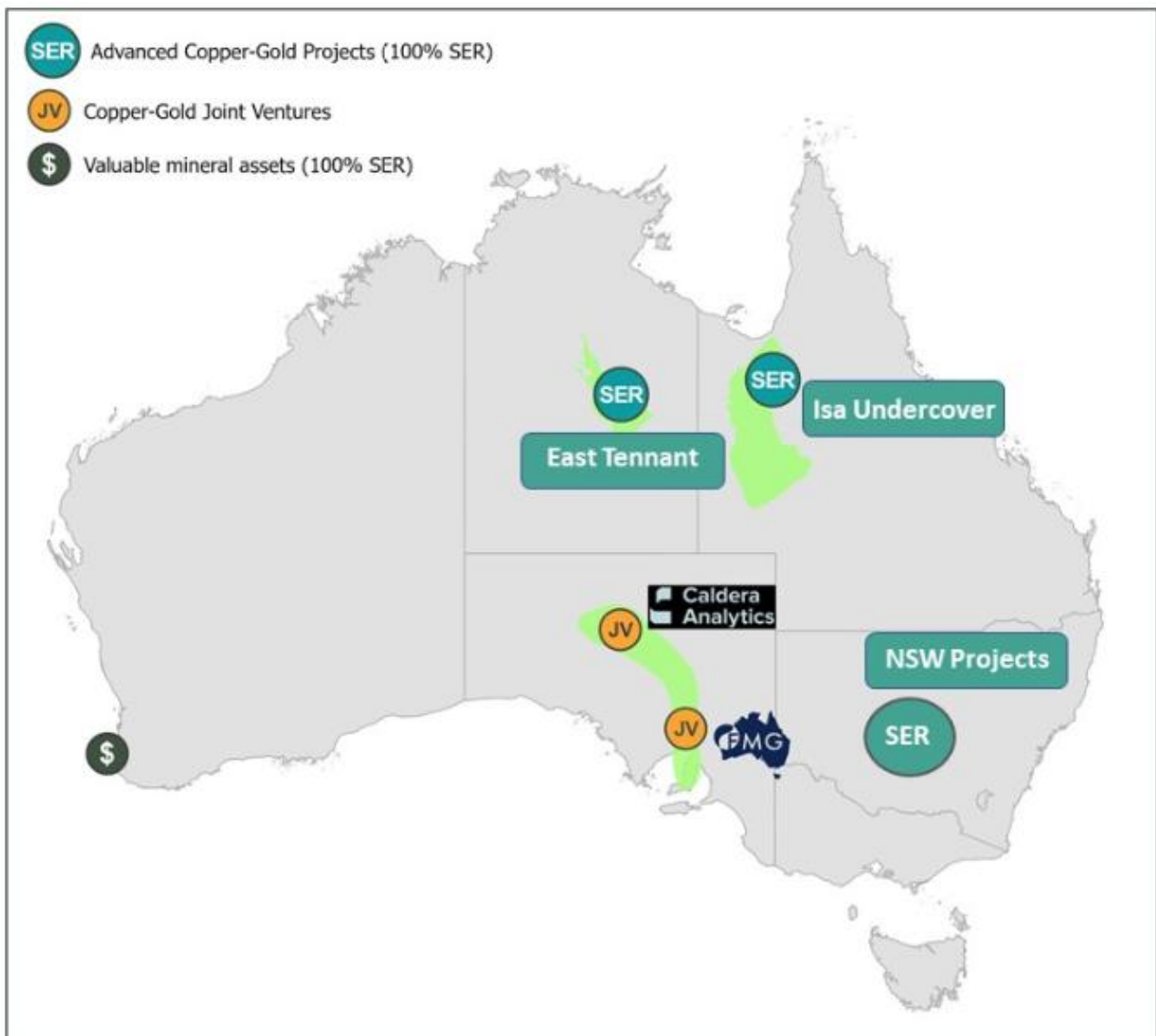


Figure 1: SER Project Locations

Strategic Energy Resources Ltd (ASX Code: SER) is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia.

ISA NORTH COPPER-GOLD PROJECT QUEENSLAND (SER 100%)

- 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

During the quarter, SER reached agreement with Newcrest Mining Ltd (ASX: NCM) to acquire the “Isa North” Copper-Gold project covering the undercover extension of the Mt Isa Western Fold Belt in northwest Queensland.

The Isa North project comprises three exploration licences over an underexplored 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 three exploration licences were acquired 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.

Grouped together with our Canobie project as the “Isa Undercover Initiative”, SER now controls major extensions of both the Eastern and Western Fold Belts of the Mt Isa province.

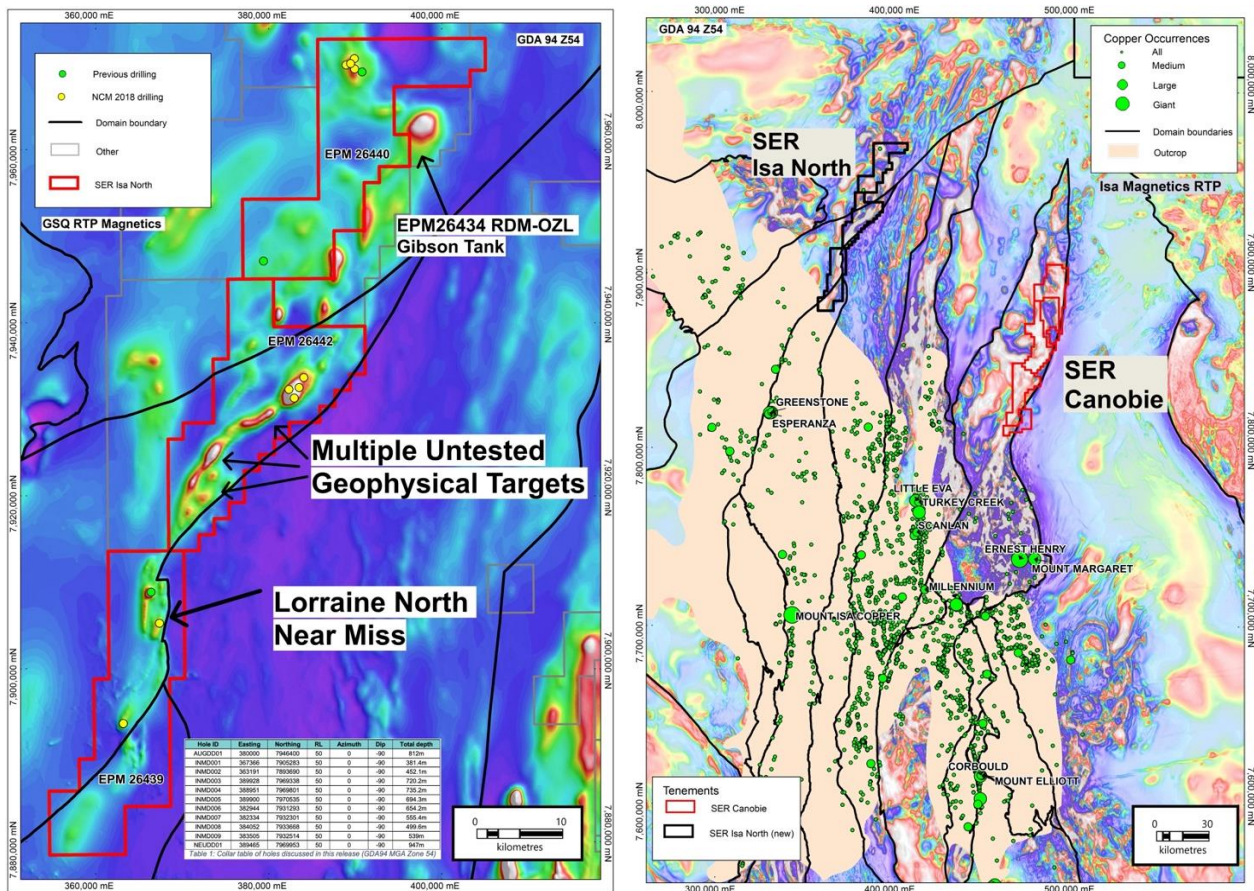


Figure 2: Left: Isa North Project over magnetics; Right: Isa Undercover Initiative with known copper mineralisation

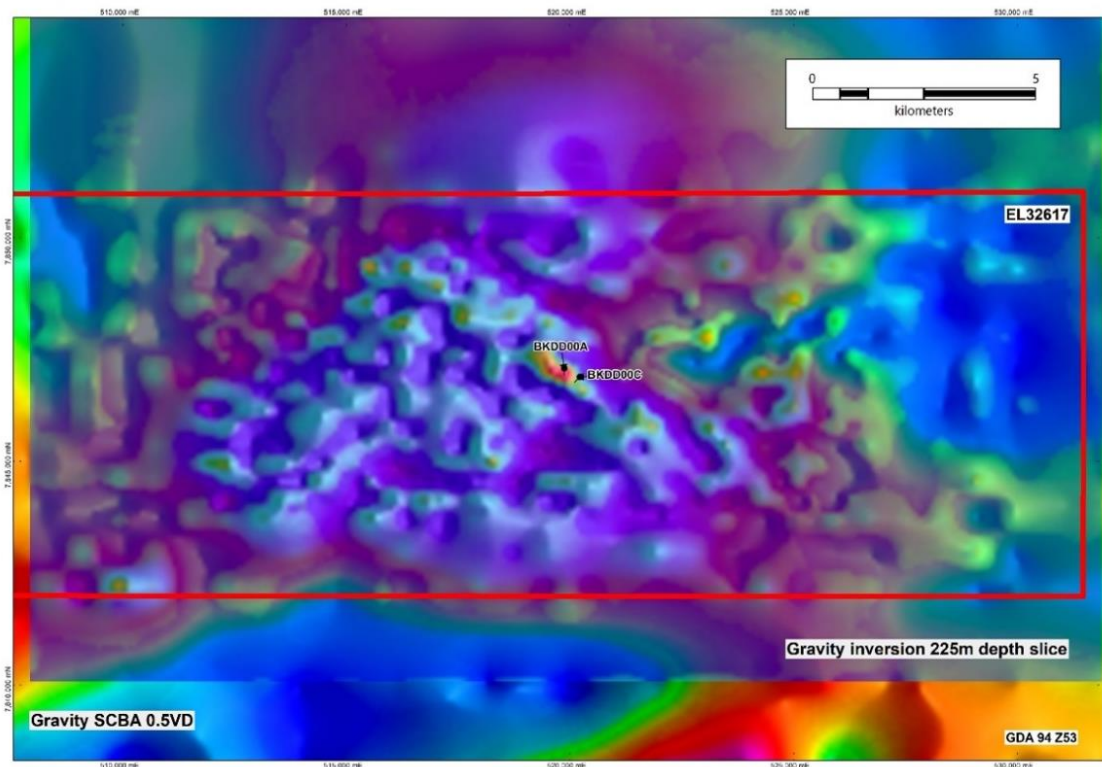
EAST TENNANT COPPER-GOLD PROJECT NORTHERN TERRITORY (SER 100%)

- **SER wins NT Government funding to drill compelling Copper-Gold target**
- **Pipe-like gravity feature coincide with magnetic root system**
- **Drilling to commence next quarter**

SER was awarded a \$135,000 Northern Territory Government co-funding grant to drill two 650m diamond drill holes into a compelling Copper-Gold target on EL32617 which forms part of our East Tennant project. The awarding of the grant follows SER undertaking detailed ground gravity survey earlier this year and subsequent processing and modelling of the gravity and magnetic data to reveal an 8 x 5km body with an amplitude of +5mGal on the ground and 150nT in the air. Inversion modelling of the gravity data has revealed a central pipe-like response which appears to come within 200m of surface and is associated with a significant magnetic root system – consist with a body potentially hosting IOCG mineralisation

Cultural surveys have been completed across the tenement and the necessary government approvals are in place with drilling to take place in the near future.

Figure 3: EL32617 with 225m depth slice of gravity inversion displaying top of pipe-like feature and planned drillholes



SOUTH COBAR AND EAST COWAL NEW SOUTH WALES (SER 100%)

- **Technical review confirms multiple Cu-Au and Pb-Zn-Ag targets, including a drill-ready target at Achilles 1**
- **High resolution airborne magnetic and radiometric survey over entire tenement underway to progress target definition**
- **Advanced modelling of government airborne electromagnetic survey underway**
- **Prominent exploration geologist and former Head of the Geological Survey of NSW appointed to lead NSW program**

During the Quarter, SER complete a detailed technical review of historical exploration and geophysical datasets covering EL9012 in South Cobar, along with recently completed Hylogger spectral scanning of two historical diamond holes from the Achilles 1 prospect. The review identified 8 targets which includes the drill ready Achilles 1.

SER commissioned an airborne magnetic and radiometric survey of EL9012 which has now commenced. The data will be combined with advanced 2.5D inversion undertaken of the GSNSW-Geoscience Australia Cobar AEM survey ahead of conducting appropriate infill ground and geochemical surveys to identify further drill targets across the EL.

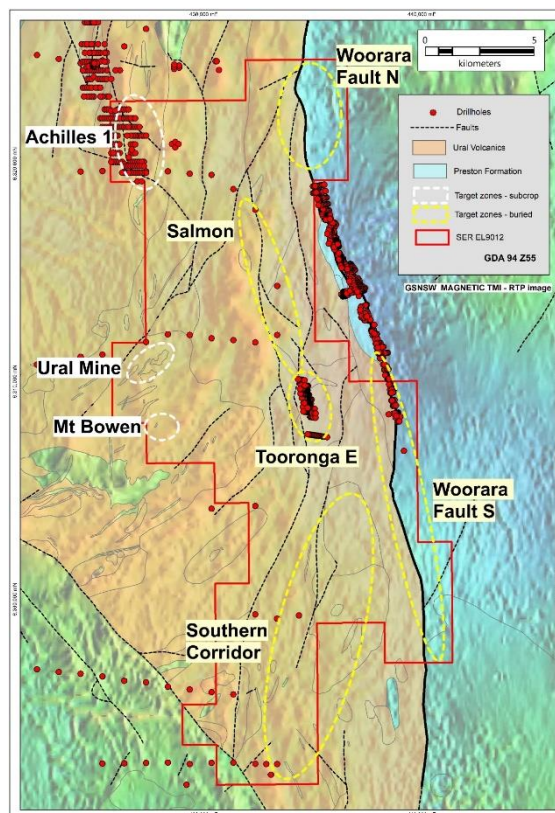


Figure 4: Location of SER exploration targets within EL9012. White ellipses represent targets in areas of good quality basement outcrop. Yellow targets are significantly obscured by cover. The base map shows the total magnetic intensity, with Lachlan Orogen geological units, boundaries and faults.

CORPORATE AND INVESTMENTS

During the Quarter, SER appointed Dr David DeTata BSc MSc PhD MBA GAICD as the Managing Director (MD) to commence 1 July 2021. The creation of the MD position will support SER's next phase of intense operational activities.

In May, Ionic Industries Ltd (SER 6.58%) announced an agreement with Sunrise Energy Metals Ltd (ASX: SRL) (formerly CleanTeQ) for a swap of its stake in graphene water treatment company, NematiQ Pty Ltd. Ionic will swap its stake in NematiQ for 740,741 fully paid shares in SRL and 370,371 fully paid shares in Clean Teq Water Ltd. These shares will improve Ionic's balance sheet net equity by approximately \$2m.

The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - \$293k; and
- Employee, administration and corporate costs - \$128k.

Payments to related parties of the entity and their associates during the quarter were \$127k comprising Director and consulting fees as outlined in the Appendix 5B.

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

Stuart Rechner **Executive Chairman**

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 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.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	License Description / Notes	Interest acquired/farm-in or disposed/farm-out during the quarter
EL6140	South Australia	100%	Farm-In Agreement with FMG	-
EL5898	South Australia	100%	Farm-In Agreement with FMG	-
EL6335	South Australia	-	Billa Kalina	Relinquished
EL2020/0147	South Australia	80%	Mabel Creek (application only)	
EPM15398	Queensland	100%	Saxby	-
EPM27378	Queensland	100%	Saxby North	-
EPM27586	Queensland	100%	Canobie1	-
EPM27587	Queensland	100%	Canobie2	-
EPM27588	Queensland	100%	Canobie3	-
EPM27638	Queensland	100%	Canobie4	-
EPM27676	Queensland	100%	Canobie5	-
EPM26439	Queensland	-	Isa North 1	Transfer to SER underway
EPM26340	Queensland	-	Isa North 2	Transfer to SER underway
EPM26342	Queensland	-	Isa North 3	Transfer to SER underway
E70/4793	Western Australia	100%	Ambergate	-
E70/5012	Western Australia	100%	Ambergate West	-
E70/5344	Western Australia	100%	Ambergate Far West	-
E38/3508	Western Australia	100%	Application only	-
E38/3564	Western Australia	100%	Application only	-
EL32109	Northern Territory	100%	East Tennant 1	-
EL32306	Northern Territory	100%	East Tennant 2	-
EL32307	Northern Territory	100%	East Tennant 3	-
ELA32617	Northern Territory	100%	Application only	-
EL32228	Northern Territory	100%	Option Agreement with RML	-
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	East Cowl	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(40)	(232)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(68)	(268)
	(e) administration and corporate costs	(60)	(294)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Royalties and COVID-19 subsidies)*	14	62
1.9	Net cash from / (used in) operating activities	(154)	(729)
<p>* Year to date amounts in others include following amounts: - \$80,000 receipts from Sale of Uley Graphite Royalty, - \$91,000 PAYG, Job Keeper and other government subsidies, and - \$110,000 payments made to extinguish the Saxby royalty.</p>			
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) exploration & evaluation	(253)	(1,628)
	(e) investments	-	-

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	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	-	(20)
2.6	Net cash from / (used in) investing activities	(258)	(1,653)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,666
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(146)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(9)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3,511
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,486	945
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(154)	(729)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(258)	(1,653)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,511
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,074	2,074

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,074	2,486
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,074	2,486

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	40
6.2 Aggregate amount of payments to related parties and their associates included in item 2	87

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(154)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(253)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(407)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,074
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,074
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.10
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.