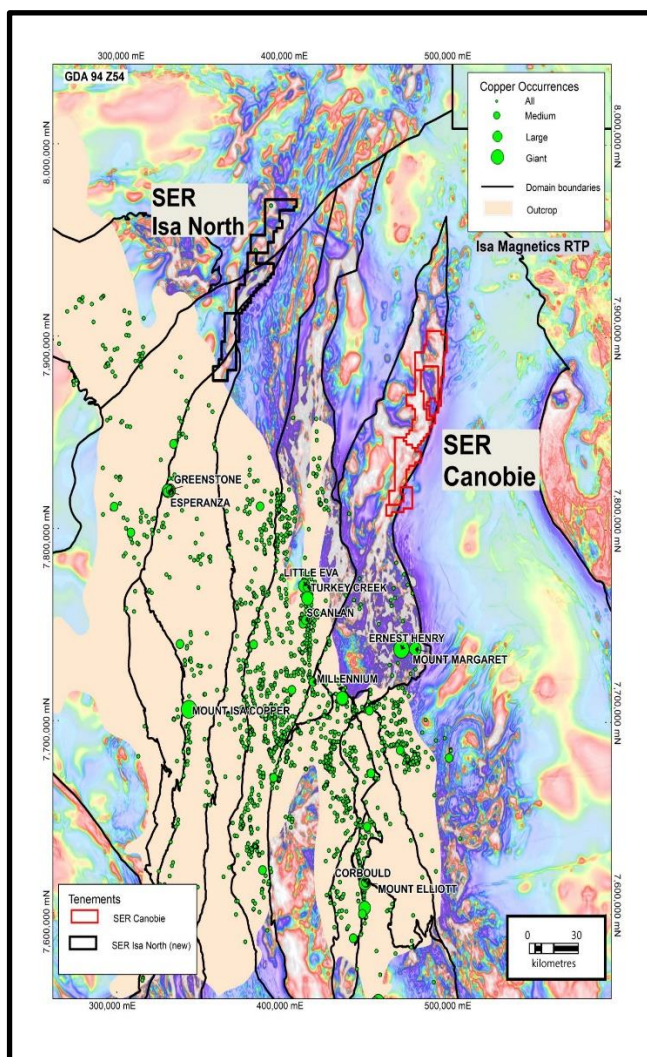


**ASX Announcement**  
**30 July 2021**

## Exploration Update: Isa Undercover Initiative

- **SER wins two Queensland Collaborative Exploration Incentive Grants**
- **Ground gravity survey commissioned for southern Canobie Project area**
- **Canobie Airborne Gravity Survey by Geoscience Australia to commence**
- **Isa North transfer from Newcrest to 100% SER nears completion**

Strategic Energy Resources (SER) is pleased to provide an exploration update for our Canobie and Isa North projects – now jointly named the ‘Isa Undercover Initiative’. SER now controls two major undercover extensions (more than 2,500km<sup>2</sup>) of the Mt Isa Province, one of the most highly mineralised copper-gold provinces in the world (Figure 1).



The Canobie Project consists of seven exploration licences (1640km<sup>2</sup>) that encompasses an entire belt of the northern Mt Isa Eastern Succession, home to mines such as the giant Glencore & Evolution owned Ernest Henry Copper-Gold mine (FY20:~95koz gold, ~21kt Cu production).

The Isa North Project comprises three exploration licences covering an underexplored 976km<sup>2</sup> belt 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.

### Collaborative Exploration Incentive Grants

SER is proud to announce we have been awarded two Queensland Government Collaboration Exploration Incentive (CEI) grants with a total of \$165,000 in direct operational funding for the Isa Undercover Initiative. The direct funding is provided specifically to companies undertaking ‘frontier’ exploration or innovative concepts aiming to expand exploration into under-explored areas<sup>12</sup>.

Figure 1: Location of SER projects within the Mt Isa Region

<sup>1</sup> [Guideline for grant proposals \(resources.qld.gov.au\)](https://resources.qld.gov.au)

<sup>2</sup> [CEI recipients and reports | Business Queensland](#)

## Kalarka Target Drilling

The first grant covers \$100,000 of direct drilling costs for one 800m rotary mud/diamond drill hole into a newly identified base metal target, 'Kalarka' within EPM27378 of the Canobie Project (Figure 2).

A review of the Canobie Project earlier this year identified an interpreted NNW orientated, ~20 x 4km sub-basin, defined by a structurally controlled region of low magnetic response, rimmed by a conductive zone and evident in an historical seismic line that crosses the tenement. Within the sub-basin, SER identified the Kalarka target, a discrete 750 x 600m, 40nT aeromagnetic response characterised by an elevated Electromagnetic (EM) response and partially coincident anomalously higher density. SER has modelled a steep westerly dipping plate as the source of the EM response, which will be tested in the upcoming drilling.

SER has an existing Native Title agreement covering the tenement and landholder discussions are well advanced with drilling planned for later this year.

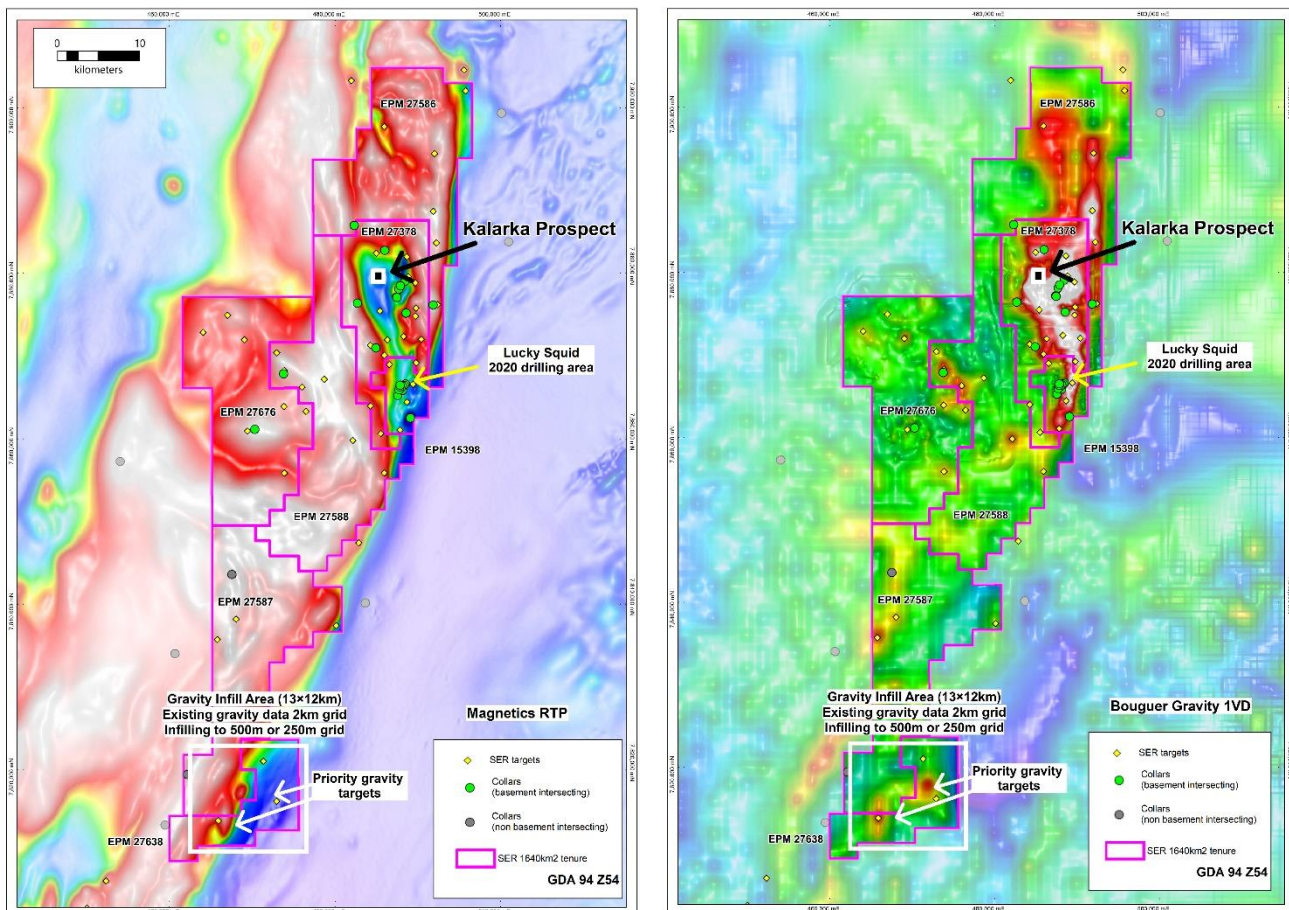


Figure 2: Canobie project highlighting the location of 'Kalarka' prospect, additional targets and the location of the proposed gravity infill area over Magnetics RTP and 1VD Bouguer Gravity images.



## **Deep Learning Based Geological Interpretation of Geophysical Data**

As part of an ongoing partnership with award-winning mineral exploration machine learning pioneers Caldera Analytics, a joint CEI submission to develop a deep learning-based model to interpret basement geology from geophysical data has been awarded a \$65,000 grant. SER and Caldera believe that machine learning and modern data science techniques have high applicability to geological interpretations based on geophysics, a fundamental dataset in undercover exploration.

Caldera proposes to develop a deep learning model that performs lithology interpretation based on the existing geophysics of the Isa Undercover area, ultimately to further advance the concept of “live geological interpretation”, one that is not static, but rather one that adapts and changes as more data is acquired whilst SER advances exploration of the Isa Undercover Initiative.

SER would like to thank the Queensland Government for their support which validates our targeting methodology.

## **Ground Gravity Survey set to commence**

SER has commissioned a detailed ground gravity survey to cover a number of priority targets over the southern end of the Canobie Project (Figure 2). The survey will collect 730 gravity stations at 500m and 250m spacings and is set to begin in early August. Following completion of the survey, the data will be incorporated into existing datasets and used to model targets and design a drill testing program to coincide with the CEI drilling program.

## **Canobie Airborne Gravity Survey (CAG) over southern area of Canobie Project**

In the coming quarter, Geoscience Australia will be acquiring and processing airborne gravity gradiometry data across a large area of the Mount Isa Basin north of Cloncurry. The Canobie airborne gravity (CAG) is an initiative of the Queensland Government's New Economy Mineral Initiative (NEMI), aimed at attracting explorers into high-potential, covered greenfield terranes within the Mt Isa Basin<sup>3</sup>. The survey will be flown at ~100m height with 1km spaced flight lines over an area of 5,000km<sup>2</sup>, covering nearly all of SER's Canobie Project. SER believes that regional greenfields exploration needs high quality geophysical datasets to allow systematic interpretations of the geology and to identify anomalous areas worthy of further investigation. Geoscience Australia's CAG survey over the Canobie Project is an excellent example of this and the dataset will play a key role in SER's target generation within the project area. In the spirit of cooperation, SER will provide our ground gravity data to assist in comparison and levelling for the CAG.

## **Geological Survey of Queensland (GSQ) Regional Prospectivity Project**

As part of the GSQ's new Regional Prospectivity Project, SER has submitted selected core from the Canobie Project for GSQ to undertake various geological, geochemical, mineralogical, petrophysical and isotopic analyses at nil cost. The project aims to extend and improve the understanding of the Proterozoic geology and critical element mineral systems potential in areas under cover to the north, east, and south of the outcropping Mt Isa Inlier in the North West Minerals Province.

## **Isa North Project**

In May this year SER announced the acquisition of the Isa North Copper-Gold Project from Newcrest. The transfer process is progressing well with completion expected this quarter. Upon completion of transfer of the Isa North project, SER will commence land access negotiations while refining drill

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<sup>3</sup> Tenders - Airborne Gravity Gradiometry Survey, Canobie, Queensland, 2021 - Australian Tenders

targets. Drilling at Isa North will not occur until after our upcoming drill programs at East Tennant and Canobie.

**About Strategic Energy Resources (ASX:SER)** Strategic is a specialised copper-gold explorer. We are Project Generators - securing large land holdings in prospective greenfield regions by being the first to interrogate newly released Government datasets. Through technical excellence and innovation, we uncover hidden targets and drill - either ourselves or with partners. The result is a continuous pipeline of compelling projects ready for drill testing - any one of which could be Australia's next major copper-gold discovery.

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](http://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.*