

CANOBI DRILL PROGRAM COMPLETED

HIGHLIGHTS

- Two diamond holes completed at Kalarka magnetic-gravity-EM target
- Mafic / ultramafic intrusive intersected analogous to nearby Tea Tree Ni-Cu Prospect
- Multi-element assays including Platinum Group Elements expected mid-December

Strategic Energy Resources Limited (ASX: SER) is pleased to announce completion of diamond drilling at the Kalarka Prospect within the Canobie Project, Northwest Queensland.

The two drill holes, which were collared 535m apart and totalled 1574m of drilling, were designed to test the Kalarka Prospect, a discrete 750 x 600m, 40nT aeromagnetic response characterised by an elevated Electromagnetic (EM) response and partially coincident anomalously higher density.

Drill holes CNDD001A and CNDD002 both intersected mafic / ultramafic intrusive units with evidence of disseminated and semi-massive magmatic sulphides as shown below (Fig 1,2). Simplified lithological logs are detailed in Appendix 1 & 2. The drill holes contain inherent similarities in host rocks and sulphide mineralisation style to the nearby Tea Tree Nickel-Copper Sulphide Prospect (Fig 3, Table 1) which recorded a 10.4m intersection at 0.25% Nickel and 0.28% Copper in drill hole TT00D1¹, located approximately 2.75km southeast of Kalarka.



Figure 1: CNDD001A at 635.9m down-hole showing matrix-textured sulphide zone (NQ core ~48mm diameter)

Visual estimates of sulphide potential and lithological logs are preliminary and final assays are required to determine the grade and thickness of any mineralisation.

¹ASX Announcement 26 August 2020: [Exploration Update: Saxby Gold Project](#)



Figure 2: CNDD001A at 636.5m down-hole showing semi-massive sulphide zone

The presence of a Tea Tree equivalent mafic system at Kalarka greatly increases the size of the known prospective mafic system. This expands the prospective search area worthy of further exploration for repeats or thicker/higher grade intersections of the mineralisation at Tea Tree and Kalarka.

Diamond core will be orientated, geologically logged, structurally logged and have petrophysical measurements taken. The basement core will be sampled and assayed for a multi-elemental suite that includes nickel, copper and platinum group elements using fire assay / inductively coupled plasma mass spectrometry. The lithological descriptions will be confirmed following receipt of geochemical results and petrographic investigations which are expected to start arriving mid-December. Hole CNDD002 was terminated earlier than planned at 667.6m due to adverse hole conditions. Semi-massive sulphides were observed ~5m from the End of Hole at 662.2m downhole.

The drilling at Kalarka is co-funded through the Queensland Government Collaboration Exploration Initiative.²

The Canobie Project

The Canobie Project consists of seven exploration licences (1640km²) that cover an entire belt of the northern buried extension of the Mt Isa Eastern Succession. The area is located approximately 150km NNE of Cloncurry in northwest Queensland. The NNE trending magnetic belt on which the Canobie Project is located also hosts the giant Glencore & Evolution owned Ernest Henry Copper-Gold mine approximately 140km to the south. SER is targeting Iron Oxide Copper-Gold (IOCG) and

² business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives/exploration-grants

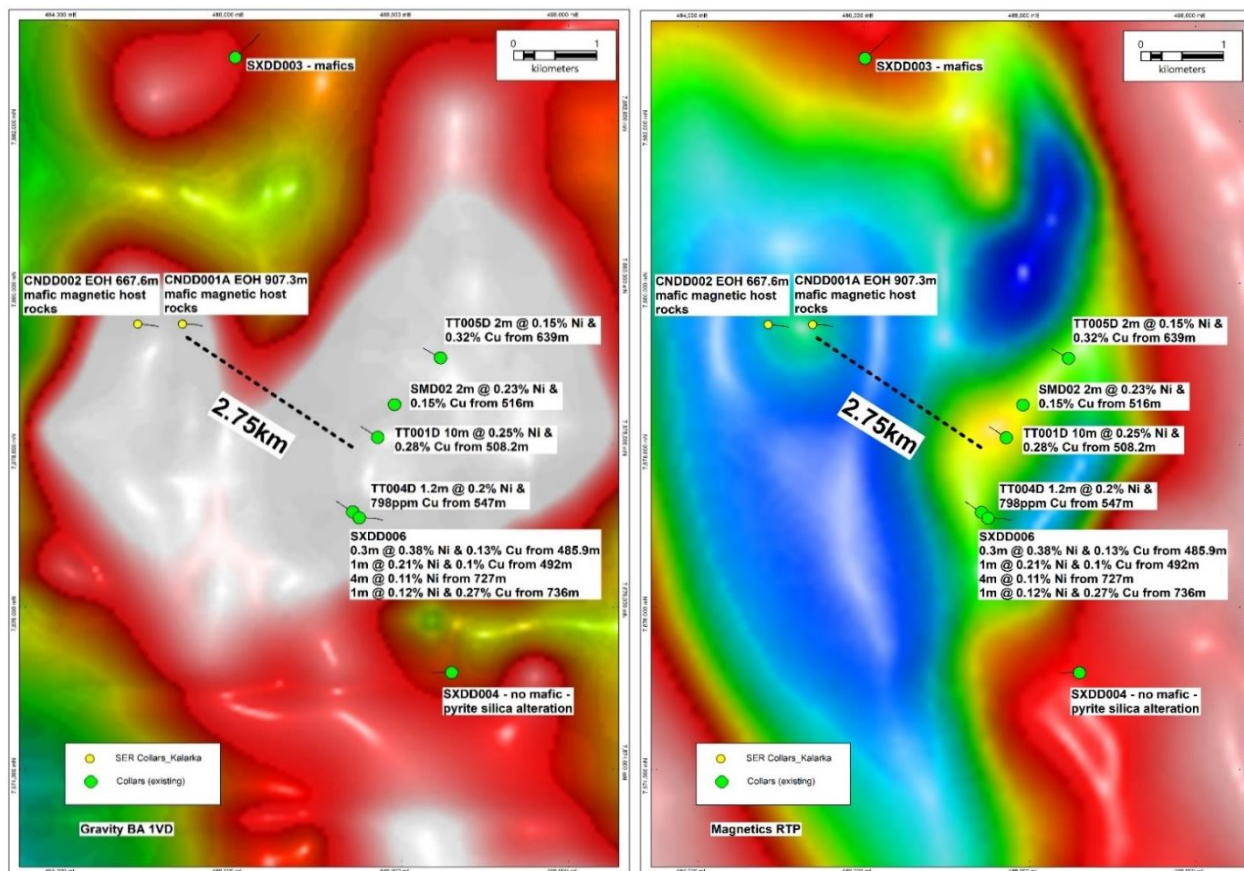


Figure 3: Left: Drill holes intersections surrounding the Kalarka Prospect over a Bouguer Gravity Image. Right: Reduction to Pole Magnetic Image.

Ni-Cu-PGE sulphide mineralisation hosted in basement rocks buried beneath younger sedimentary cover of the Carpentaria Basin.

The basement geology within the project area is poorly understood and has been interpreted from geophysical datasets and limited deep diamond drilling. The nearest exposure of Mt Isa basement rocks is estimated to be over 70km to the southwest. Historical drilling has shown that basement rocks are buried beneath Mesozoic and younger sediments (comprising siltstone, sandstone, conglomerate and carbonate units of the Carpentaria Basin).

Less than 30 drillholes in the entire district have penetrated Proterozoic basement which include multiple high-grade gold hits at Saxby, Ni-Cu sulphides at the Tea Tree Prospect 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 led SER to secure the entire belt.

Tea Tree Nickel-Copper Prospect

The Tea Tree Prospect was first identified by MIM Exploration through diamond drilling in 1994. Drillhole TT001D intersected 10m @ 0.28% Cu @ 0.25% Ni (from 508.2m). Mineralisation is associated with disseminated to semi-massive sulphides dominantly pyrrhotite with accessory chalcopyrite and pentlandite, hosted in a mafic / ultramafic intrusive system.

In 1995 MIM followed up with two additional drill holes, drilled approximately one kilometre southwest (TT004D) and northeast (TT005D) of drillhole TT001D. Both holes intersected the equivalent gabbroic mafic system with sulphides, with a best intersection of 1.2m @ 0.2% Ni and 798ppm Cu from 547m (TT004D).

Later drilling by Falcon Minerals further tested the Tea Tree Prospect with drill hole SMD02, located 500m north of TT001D. The drill hole was designed to test the magnetic anomalism rather than the initial gravity feature tested by MIM and intersected the equivalent magmatic sequence with a best intersection of 2m @ 0.23% Ni and 0.15% Cu from 516m (Table 1).

All historical holes at the Tea Tree Prospect have intersected some form of nickel and copper mineralisation.

Table 1: Summary of drill holes at the Kalarka Prospect within the Canobie Project

Hole ID	Easting	Northing	Company	Year	RL	Azimuth	Dip	Total depth	Intersection
TT001D	487721	7878094	MIM	1994	70	304	-70	720	10m @ 0.25% Ni & 0.28% Cu from 508.2m
TT004D	487421	7877174	MIM	1995	70	304	-70	696	1.2m @ 0.2% Ni and 798ppm Cu from 547m
TT005D	488471	7879074	MIM	1995	70	300	-70	705.2	2m @ 0.15% Ni & 0.32% Cu from 639m
SMD02	487921	7878499	Falcon	2004	70	0	-90	750	2m @ 0.23% Ni & 0.15% Cu from 516m
SXDD006	487499	7877102	Anglo American	2008	60	90	-70	810.7	0.3m @ 0.38% Ni & 0.13% Cu from 485.9m 1m @ 0.21% Ni & 0.1% Cu from 492m 4m @ 0.11% Ni from 727m 1m @ 0.12% Ni & 0.27% Cu from 736m
CNDD001A	485385	7879490	SER	2021	60	90	-70	907.3	Mafic magnetic host rocks – Assays Pending
CNDD002	484850	7879490	SER	2021	60	90	-70	667.6m	Mafic magnetic host rocks – Assays Pending

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

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About Strategic Energy Resources

Strategic Energy Resources (ASX: SER) is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia. SER is actively exploring our large tenement package in the emerging East Tennant copper-gold province of the Northern Territory; the undercover extensions of the world-class Mt Isa Province in northwest Queensland; and the Cobar Basin and Lachlan Fold belt of New South Wales.

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.

Appendix 1: SER Summary Diamond Drill Logs for Kalarka Project
Hole CNDD001A, Easting 485385, Northing 7879490, Azimuth 90, Dip -70, EOH 907.3m

Depth_From (m)	Depth_To (m)	Interval (m)	Sulphide	Percentage	Texture	Unit
0	460	460				Clays, sands, calcareous mudstones, sandstone, mudstone (Overlying basin)
460	472	12				Strongly weathered mafic
472	487.7	15.7				Weathered mafic
487.7	488.8	1.1	Pyrite - Pyrrhotite	trace	Disseminated	Medium grained mafic
488.8	495.85	7.05				Altered gabbro
495.85	503.65	7.8				Medium grained mafic
503.65	504.3	0.65				Pegmatite
504.3	507.1	2.8				Medium grained mafic
507.1	507.35	0.25				Altered medium grained mafic
507.35	516.9	9.55	Pyrrhotite	trace	Disseminated	Fine grained mafic
516.9	523.8	6.9	Pyrrhotite	trace	Disseminated	Fine grained mafic
523.8	531.35	7.55				Fine grained mafic
531.35	554.8	23.45	Pyrrhotite	trace	Disseminated	Altered mafic
554.8	580.8	26	Pyrrhotite	trace	Disseminated	Fine grained magnetic mafic
580.8	582	1.2				Altered mafic
582	586.3	4.3	Pyrrhotite	1	Disseminated	Fine grained magnetic mafic
586.3	586.8	0.5				Pegmatite
586.8	595.15	8.35	Pyrrhotite	1	Disseminated	Fine magnetic mafic
595.15	596.9	1.75				Fractured zone altered mafic
596.9	614.2	17.3	Pyrrhotite	1-2	Disseminated	Fine grained magnetic mafic
614.2	620.2	6	Pyrrhotite	3-5	Disseminated	Fine grained magnetic mafic
620.2	624.9	4.7	Pyrrhotite	3-5	Disseminated	Fine grained magnetic mafic
624.9	627.65	2.75	Pyrrhotite	3-5	Disseminated	Fine grained magnetic mafic
627.65	632.4	4.75	Pyrrhotite	3-5	Disseminated	Medium grained magnetic mafic
632.4	634.6	2.2	Pyrrhotite	3-5	Disseminated	Medium grained magnetic mafic
634.6	635.4	0.8	Pyrrhotite	5-10	Net texture	Medium grained magnetic mafic
635.4	636.1	0.7	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
636.1	636.35	0.25	Pyrrhotite	3-5	Blebs	Fractured weathered green clay (weathered pegmatite)
636.35	636.95	0.6	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
636.95	637.3	0.35				Weathered green clay
637.3	637.45	0.15	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
637.45	637.7	0.25				Mafic with carbonate

Depth_From (m)	Depth_To (m)	Interval (m)	Sulphide	Percentage	Texture	Unit
637.7	638	0.3				Pale altered mafic
638	638.3	0.3				Weathered green clay
638.3	639	0.7	Pyrrhotite	2	Disseminated	Bleached altered mafic
639	643	4				Bleached altered mafic
643	644.2	1.2				Bleached altered mafic
644.2	658.1	13.9				Bleached altered mafic
658.1	660.05	1.95				Bleached altered mafic
660.05	668.1	8.05				Medium grained mafic
668.1	669.65	1.55				Aplite
669.65	670.05	0.4				Medium grained mafic
670.05	670.7	0.65				Feldspathic unit
670.7	675.05	4.35				Medium grained mafic
675.05	676.35	1.3				Aplite
676.35	676.9	0.55				Medium grained mafic
676.9	682.95	6.05				Aplite
682.95	686.5	3.55				Medium grained mafic
686.5	688	1.5				Meta dolerite
688	691	3				Sheared mafic
691	693.8	2.8				Medium grained mafic
693.8	695.6	1.8				Aplite
695.6	704	8.4				Altered dolerite
704	704.6	0.6				Pegmatite
704.6	707.5	2.9				Medium grained mafic
707.5	719	11.5				Fine grained mafic
719	720.85	1.85				Pegmatite
720.85	724.4	3.55				Medium grained mafic
724.4	727.3	2.9				Pegmatite
727.3	729.65	2.35				Fine grained mafic
729.65	730.95	1.3				Aplite
730.95	731.4	0.45				Fine grained mafic
731.4	742.8	11.4				Granitoid
742.8	759.75	16.95	Pyrrhotite	1	Disseminated	Fine to medium grained mafic
759.75	760.8	1.05				Pegmatite (?)
760.8	763.2	2.4	Pyrrhotite	trace	Disseminated	Fine grained mafic
763.2	764.4	1.2				Coarse grained mafic
764.4	770.3	5.9				Medium grained mafic

Depth_From (m)	Depth_To (m)	Interval (m)	Sulphide	Percentage	Texture	Unit
770.3	774.5	4.2				Pegmatite
774.5	784.1	9.6	Pyrrhotite	trace	Disseminated	Medium grained mafic
784.1	792	7.9				Pegmatite
792	792.25	0.25	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
792.25	792.9	0.65				Coarse grained mafic
792.9	806.6	13.7	Pyrrhotite	trace	Disseminated	Fine grained mafic
806.6	813.3	6.7				Medium grained mafic (more siliceous)
813.3	813.9	0.6	Pyrrhotite	trace	Disseminated	Medium grained mafic
813.9	816.4	2.5				Fine grained mafic
816.4	819.55	3.15	Pyrrhotite	trace	Disseminated	Medium grained mafic
819.55	845.35	25.8				Fine grained mafic
845.35	851.2	5.85	Pyrrhotite	trace	Disseminated	Medium grained mafic
851.2	877.8	26.6	Pyrite	1	Blebs	Medium grained mafic
877.8	887.55	9.75				Pegmatite
887.2	891.7	4.5				Medium grained mafic
891.7	894.45	2.75	Pyrrhotite	trace	Disseminated	Medium grained mafic
894.45	894.75	0.3				Pegmatite
894.75	901.4	6.65	Pyrrhotite	trace	Disseminated	Medium grained mafic
901.4	906.3	4.9				Medium grained mafic
906.3	907.3	1				Fine grained mafic EOH

Appendix 2: SER Summary Diamond Drill Logs for Kalarka Project.

Hole CNDD002, Easting 484850, Northing 7879490, Azimuth 90, Dip -70, EOH 667.6m

Depth_From (m)	Depth_To (m)	Interval (m)	Sulphide	Percentage	Texture	Unit
0	442	442				Clays, sands, calcareous mudstones, sandstone, mudstone (Overlying basin)
442	470.6	28.6				Strongly weathered mafic
470.6	480.8	10.2				Fine grained mafic
480.8	486.4	5.6				Fine grained mafic
486.4	507.5	21.1				Medium grained mafic
507.5	511.5	4				Fine magnetic mafic
511.5	526.3	14.8				Medium grained mafic
526.3	542.5	16.2				Altered mafic
542.5	549.1	6.6				Medium grained mafic
549.1	555.3	6.2				Broken fault zone
555.3	573.05	17.75				Altered fine grained mafic
573.05	573.35	0.3	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
573.35	602.9	29.55				Altered fine grained mafic
602.9	610	7.1				Altered fine grained mafic
610	615	5				Medium grained magnetic mafic
615	625	10	Pyrrhotite	1	Disseminated	Fine magnetic mafic
625	626.15	1.15				Altered pegmatite
626.15	631.8	5.65				Medium grained magnetic mafic
631.8	649.5	17.7	Pyrrhotite	3-5	Disseminated	Fine magnetic mafic
649.5	652.1	2.6				Medium grained magnetic mafic
652.1	658.1	6	Pyrrhotite	2-4	Disseminated	Fine magnetic mafic
658.1	660.9	2.8				Pegmatite
660.9	661.65	0.75				Fine magnetic mafic
661.65	662.2	0.55	Pyrrhotite	40-50	Semi massive	Semi massive sulphide
662.2	662.7	0.5	Pyrrhotite	1	Disseminated	Coarse mafic
662.7	666	3.3				Altered pegmatite
666	667	1				Fine grained mafic
667	667.6	0.6				Altered pegmatite EOH

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • TT001D – TT005D: 1994 - 1995 diamond drillhole (mud-rotary pre-collar) by MIM Exploration • SXDD001-007: 2008 diamond drillholes (mud-rotary pre-collar) by Anglo American • SMD02: 2004 diamond drillhole (mud-rotary pre-collar) by Falcon Minerals • CNDD001A & CNDD002: 2021 diamond drillholes (mud-rotary pre-collar) by SER • 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. • SER has undertaken an initial quantitative geological log of the lithologies, mineralisation and alteration. Petrology is planned to better understand the geological units and sulphide associations.
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, Pt and Pd and four acid digest followed by ICP-MS for 31 element package, undertaken by ALS. SER inserted certified reference material and blanks every 40 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"> • SER drilling occurred on EPM27378 which is an 100% owned granted licence • Canobie Project comprises 7 granted tenements 100% owned by SER EPM15398, EPM27378, EPM27586, EPM27587, EPM27588, EPM27638 & EPM27676 • The project is located 165km NNE of Cloncurry • Conduct and Compensation Agreement executed with landholders • Exploration Agreement executed with Traditional Owners • 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 2004, Falcon Minerals drilled two further holes (SMD01 & SMD02) targeting Ni sulphides at Tea Tree • In 2008, Anglo American was targeting magmatic Ni-Cu-PGE mineralisation by drill testing bedrock electromagnetic conductors (7 holes SXDD001-SXDD007) hole SXDD005 hit high grade gold including 17m @ 6.75g/t Au from 631m at Lucky Squid/Saxby Prospect • 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 (Lucky Squid) • 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 (Lucky Squid) • In 2019-2020 SER drilled a further four diamond drillholes at SXDD020-SXDD023 targeting Cu-Au mineralisation at Lucky Squid/Saxby. Best result was SXDD020 6m @ 12.08g/t Au from 519m.
Geology (Target deposit type)	<ul style="list-style-type: none"> • SER is targeting IOCG and Ni-Cu-PGE sulphide mineralisation hosted in basement rocks of the Eastern Succession of the Mt Isa Province buried beneath younger sedimentary cover of the Carpentaria Basin

	<ul style="list-style-type: none"> 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"> Waiting on assays from CNDD001A and CNDD002, expected December 2021