

ASX Announcement

\$3M BUDGET APPROVED BY FORTESCUE FOR EXPLORATION AT CANOBIE IN FY25-26

Highlights

- Fortescue approves \$3M exploration budget for Canobie in FY25-26
- Diamond drill program (>2,500m) proposed to test multiple geophysical targets
- Gravity survey recently completed; Magnetotelluric (MT) survey underway

Strategic Energy Resources Limited (“SER” or “the Company”) is pleased to announce an update on exploration activities at the Canobie Project in northwest Queensland, which is being explored under a Farm-in and Joint Venture Agreement (“the Canobie FJVA”) with FMG Resources Pty Ltd (“Fortescue”), a wholly owned subsidiary of Fortescue Ltd. Fortescue has the right to earn up to 80% interest in the Canobie Project by sole funding \$8 million in two stages of exploration over a six-year period to the end of 2029¹. The Canobie FJVA is targeting Iron Oxide Copper-Gold (IOCG) mineralisation west of the Gidyea Suture Zone, a crustal scale fault system that is associated with several major copper-gold deposits to the south including the Ernest Henry mine.

\$3M EXPLORATION BUDGET APPROVED

Earlier this month the Exploration Committee of the Canobie FJVA approved a \$3M Exploration Budget (the Budget”) and Work Program for FY25-26 which includes a diamond drill program to test three priority targets this year (>2,500m), with an additional drill program budgeted for the first half of 2026. The Budget also includes funds to complete additional petrology and geochronology studies along with salaries for SER staff as Operator for the Canobie FJVA. The location and nature of the drill targets will be announced following the completion of geophysical modelling.

Commenting on the FY25-26 Canobie Exploration Budget, SER Managing Director, Dr David DeTata said:

“The approval by Fortescue to spend over \$3 million on drilling in the next twelve months at the Canobie Project is a clear signal of Fortescue’s belief in the prospectivity of the project, and its potential to host a copper discovery of genuine significance. We are very excited to commence drilling at the Canobie Project and we will provide details on individual drill targets in the coming month”.

GEOPHYSICAL SURVEYS

The FY24-25 Exploration Budget included various geophysical surveys designed to improve the resolution of gravity data across the project area and to image the electrical properties (i.e.: resistivity/conductivity) of the earth to depths of greater than 500m using Magnetotellurics. A ground gravity survey was completed last month with the final data currently being modelled. The MT survey began this week and will comprise five survey lines across priority targets with the data to aid in drill targeting.

¹ See SER 23 June 2023 Announcement



NEXT STEPS

The results from the gravity and MT surveys will greatly assist in refining the exploration model at the Canobie Project and will in no way hinder preparations for the drill program this field season. In the coming weeks, preparations will begin to complete Native Title clearance surveys and earthworks, to ensure the drill program will be completed this field season.

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

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About Strategic Energy Resources

Strategic Energy Resources is a specialised under-cover explorer focused on the discovery of world-class Copper deposits in Queensland. SER is actively exploring the undercover extensions of the world-class Mt Isa Inlier at Isa North, Canobie, through the Canobie FJVA, and the recently acquired Diamantina Project.

FARM-IN AND JOINT VENTURE KEY TERMS

The key terms of the Agreement include:

1. Fortescue may earn a 51% interest in the Canobie Project (**Stage 1 Interest**) by incurring \$4M in expenditure on exploration which will include a minimum of 3,000m of basement drilling within the first three years. This includes a minimum obligation of \$2.5M in expenditure on exploration within the first 2 years. **A total of 1467m of basement metres have been drilled to date.**
2. During the Stage 1 Period SER will operate and conduct all exploration activities as directed by the Exploration Committee which will comprise two members from each Party.
3. Fortescue may earn an additional 29% interest (for a total interest of 80%) (**Stage 2 Interest**) by incurring an additional \$4M in expenditure on exploration over an additional 3 years which shall include a minimum of 3,000m of basement drilling (Stage 2 Period).
4. Co-contribution to expenditure may occur after Fortescue earns the Stage 1 Interest (Fortescue 51%: SER 49%) or the Stage 2 Interest (Fortescue 80%: SER 20%). If SER elects not to contribute, its JV Interest will be diluted according to industry formula.