



SOR Strategic Elements September Quarter Update

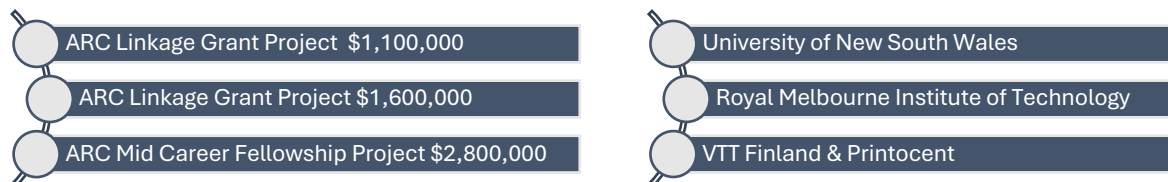
Strategic Elements Ltd (ASX: SOR) provides the following update to accompany the Appendix 4C lodged for the quarter ending 30 September 2024. Strategic Elements (SOR) operates as a 'Venture Builder' by sourcing and combining teams of leading scientists or innovators developing high-risk, early-stage ventures. SOR majority funds the initial stages of development and the Executive team is deeply engaged with each project, whilst a major strategic investor/partner is sought to assist commercialisation at the appropriate stage.

The Australian Federal Government has registered Strategic Elements as a Pooled Development Fund (PDF) with a mandate to back high-risk, early-stage Australian innovation. New PDF registrations are no longer available; however, existing Funds registered under the PDF programme continue to operate. The PDF program provides a highly beneficial tax structure while placing strict regulatory oversight on the Company and its Directors to ensure compliance with the regulations of the Australian Federal Government's Pooled Development Fund Act 1992.

AAM and Energy Ink™

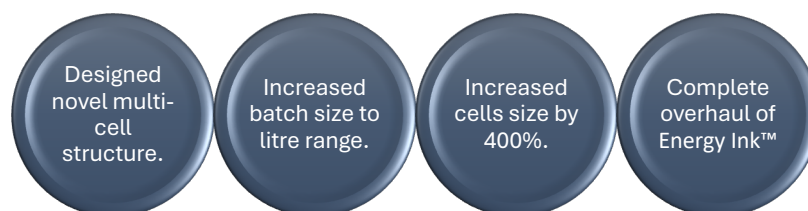
Australian Advanced Materials Pty Ltd (AAM), a wholly owned venture of SOR, is leading the development of the Energy Ink™ technology alongside a world-class material science team from the University of New South Wales and other collaborators. The technology focuses on harvesting energy from moisture in the air.

With backing from SOR, AAM has formed multiple collaborations and numerous prestigious scientific grants have been awarded after a highly competitive assessment and undergo rigorous peer review process.



During the period, a collaborative team from the University of New South Wales, Stealth Technologies, and SOR, in partnership with a commercial printed electronics facility, investigated multiple automated machinery and printing technologies capable of producing Energy Ink™ cells with high precision. Several hybrid methods combining commercial deposition machinery and screen printing have been selected for trial.

This required a complete overhaul of the Energy Ink™ formulation, an increased batch size of upgraded ink to multi-litre range, a significant increase in cell size, a transition to commercial suppliers for circuitry ink and materials, and a new structure for cell layout.



Subsequent to the period this work was completed, testing has commenced at UNSW and in a commercial facility and "Cell to Sheet Program" was launched, aimed at creating larger-scale prototypes and demonstrators with significantly increased energy generated from moisture.

The program plans to use automated printed electronics machinery in commercial facilities to produce A4-sized sheets of cells, progressing toward stacking large numbers of these sheets vertically to enhance energy output. Results from trialling methods of automated fabrication of Energy Ink™ are expected in Q4 2024. If successful, the Company will aim to produce multiple A4-sized sheets of cells in Q1 2025. Following this, a decision on re-commencement of the EV charge program and progression to vertical stacking can be made.

Successfully moving development from individual small cells in a laboratory to a commercial facility capable of fabricating A4-sized sheets of cells will be transformative for the Energy Ink™ technology. This transition will boost scalability, reduce time, improve consistency, increase testing throughput, and enhance optimisation of materials and processes. Ultimately, it will enable the creation of larger-scale prototypes and demonstrators with significantly increased energy generated from moisture.

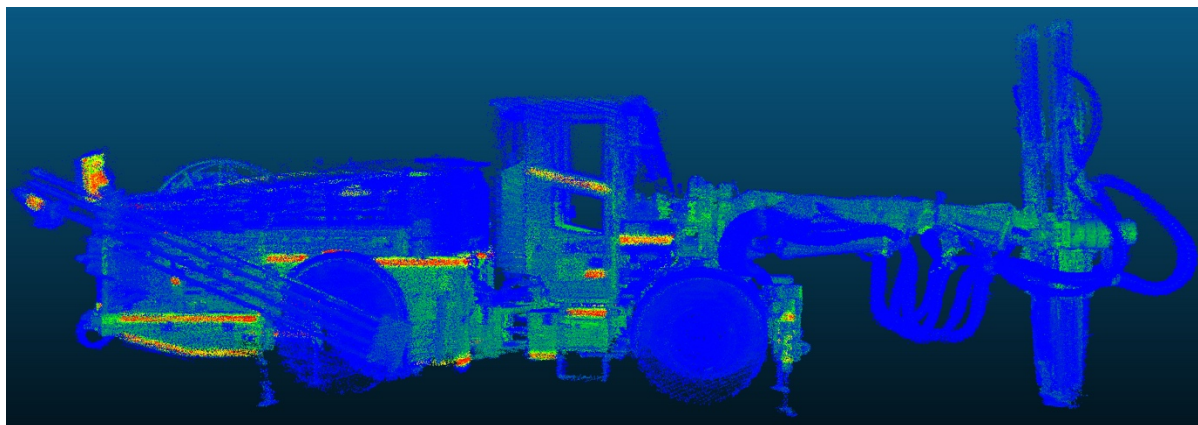
The Energy Ink™ technology is still at an early stage and has significant hurdles to achieve technical feasibility. These advancements will be leveraged to attract global collaborators to tackle further unaddressed hurdles such as duration, shelf life, corrosion and transitioning from prototypes to a more extensive, integrated system.

Stealth Technologies (100%)

The AxV platform, developed by Stealth Technologies, is the accumulation of years of experience and combines the capabilities of autonomous driving, computer vision, purpose-built robotics and artificial intelligence into an integrated hardware and software platform.

Stealth has worked under collaboration and research agreements in the past with a number of leading scientific research organizations including Defence Science and Technology Group (DSTG), University of Western Australia, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the University of New South Wales. The Company has been awarded grant funding from Defence West, Commonwealth Automotive Engineering Grant and CSIRO on Prime.

During the quarter Stealth continued to work on applying its technology to underground mining operations. The technology, that Stealth originally used for the ASV (Automated Security Vehicle) in the Honeywell collaboration, has been further developed with the objective of enhancing the productivity of underground mining by potentially enabling faster and more rapid ore extraction.



To date, Stealth has been working with an Australian mining company to test and refine the technology. Through recent access to live underground mining environments in June 2024, Stealth has now been able to pre-validate various aspects of the technology to formulate a pilot deployment of the technology into live environments. Stealth is actively using the data collected to further develop the technology whilst working to execute a MOU for collaboration. No agreement has been formed at the date of this announcement.

Stealth also has an agreement with global software-industrial company Honeywell to progress the commercialisation of Autonomous Security Vehicles (ASVs) for perimeter security. Under the agreement, Honeywell is responsible for identifying, engaging, and maintaining customer relationships, procuring access to customer facilities, processing fees, and entering and maintaining agreements with customers to facilitate ASV Pilot Deployments.

Maria Resources & Strategic Materials (100%)

Maria Resources is collaborating with Dr Franco Pirajno who was previously nominated as a top 1% highly cited researcher globally. He has 246 published peer-reviewed publications, is a sole author of 4 geology books and has presented 69 unpublished industry papers. In industry, Dr Pirajno has worked in mining and exploration with Anglo-American Corp of South Africa for 19 years in Africa, Australia, SW Pacific and New Zealand and was an Exploration Manager for Anglo-American Corporation of South Africa Ltd in the Southwest Pacific.

Maria Resources focuses on applying innovative, scientific geological models to unexplored terrains and is currently working in the underexplored Madura Province (Nullarbor, WA) seeking critical metals (e.g. Rare Earths, Nickel, Copper, Gold, PGE) used in batteries and other advanced technologies. During the period Maria Resources completed additional analysis and forward planning for initial drill testing at the Cyclops project in Q4 2024. However, it unfortunately has not yet been able to finalize an Aboriginal access agreement. After the end of the quarter, the relevant Aboriginal group provided a proposal, requesting additional fees to cover surveys **before** negotiating a potential agreement. Significant further up-front fees to cover all of Maria's permits have also been requested, including permits where no work is currently planned. While Maria is actively working through these discussions, it is becoming increasingly unlikely that an agreement will be reached before the end of Q4 2024.

Strategic Materials is currently in discussions with relevant New Zealand authorities regarding the Golden Blocks Project. Additionally, the company is developing a Project Information Memorandum to share key project details with potential partners or investors, ensuring it aligns with ASX public reporting requirements. The memorandum will cover aspects such as a) the project's geological and mineral potential, b) exploration findings to date, and c) upcoming planned exploration activities.

Strategic Elements Ltd

On 10 Jul 2024, The Company raised \$875k through the issuance of 21,875,00 fully paid ordinary shares with an issue price of \$0.04 per share and 25,375,000 options with a strike price of \$0.06. Additionally, the Company received \$367k in a rebate under the R&D Tax Incentive program. The Company ended the quarter with a strong cash position of \$5.85M and no debt.

Across the group, net expenditure was \$774k; this included all corporate costs, research and development expenditures, internal costs incurred in operating the ASX-listed entity and direct costs in providing management assistance to investee companies, principally Australian Advanced Materials (Energy Ink™ technology) Stealth Technologies (robotics and artificial intelligence) and Maria Resources (technology metals frontier exploration).

Direct costs of \$579k were attributable to Strategic Elements. This included all corporate costs, internal costs incurred in operating the ASX-listed entity, and direct costs in providing management assistance to investee companies. Payments of \$285k to related parties and their associates are reported at item 6.1 of the accompanying Appendix 4C. These payments comprise Board fees for Directors and salaries for Executive Directors. AAM incurred expenditure of \$203k related to R&D development undertaken at UNSW, consultants and other costs incurred in research and managing AAM's IP portfolio. Stealth incurred \$239k in staff, consultants, and R&D development expenses across projects. Stealth received an R&D rebate of \$367k for the FY23 period. Cognition Engines incurred no costs for R&D development and consulting costs. Maria incurred \$83k in costs associated with its technology metals projects. Strategic Materials incurred \$37k in permit and consulting fees for holding the Golden Blocks permit in New Zealand.

More Information: Mr Matthew Howard, Executive Director / Company Secretary

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This announcement was authorised for release by the Strategic Elements' Board of Directors.

Risks and Forward-Looking Statement- The Company's future success depends on its venture companies' successful development. The Company has had initial success with the development of Energy Ink™ technology. However, given it is still an early-stage technology, it is susceptible to risks associated with early-stage R&D, such as the uncertainty of material science development, intellectual property risks, materials engineering challenges, competition, fabrication challenges, access to required laboratory equipment and problems scaling up lab-based methods. There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and development timeline estimates contained in materials published by the Company are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Company. Actual performance of The Company may materially differ from forecast performance.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Strategic Elements Limited

ABN

47 122 437 503

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(450)	(450)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(9)	(9)
(d) leased assets	-	-
(e) staff costs	(443)	(443)
(f) administration and corporate costs	(285)	(285)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	53	53
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	368	368
1.8 Other	-	-
1.9 Net cash used in operating activities	(774)	(774)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(8)	(8)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash used in investing activities	(8)	(8)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	875	875
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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 financing activities	875	875

4.	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,756	5,756
4.2	Net cash used in operating activities (item 1.9 above)	(774)	(774)
4.3	Net cash used in investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from financing activities (item 3.10 above)	875	875

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,849	5,849

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	775	664
5.2	Term deposits	121	121
5.3	60 Day Notice	4,980	5,000
5.4	Other (credit card)	(27)	(29)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,849	5,756

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	285
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		


7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash used in operating activities (item 1.9)	(774)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,849
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,849
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.56
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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	
8.6.2	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	
8.6.3	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 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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: 31 October 2024

Authorised by: 
(Name of body or officer authorising release – see note 4)

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 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 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 standard applies 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.