

SOR Behemoth Drilling Begins at Meteorite Impact Project

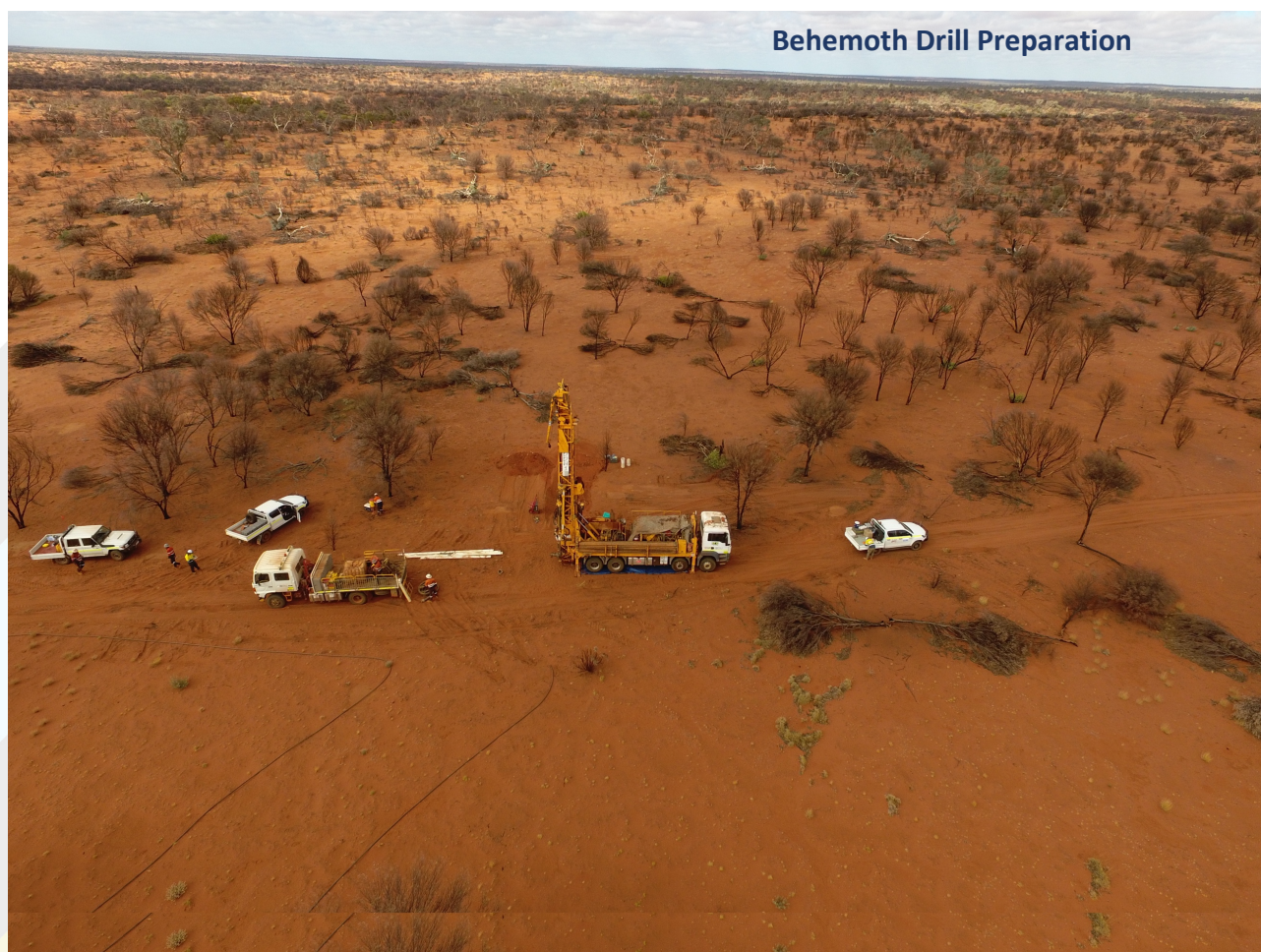
Program commenced to drill into a potential meteorite impact structure in the Gibson desert for nickel, copper, gold and rare earths. Large IP geophysical anomalies.

WESTERN AUSTRALIA, Perth, Dec. 5th, 2019 – **Strategic Elements Ltd** (ASX: SOR) is pleased to announce that diamond drilling has begun at the Behemoth project in the remote Gibson desert. At Behemoth, rings of magnetic material buried beneath the desert (only visible through airborne magnetic surveys) have formed a 12km diameter unexplained magnetic ring feature. The Company is targeting this highly unusual anomaly for copper, gold and rare earths.

Most investors in SOR pay no tax on capital gains from selling their SOR shares as the Company operates under a Federal Government program setup to encourage investment into innovation. More information on the Pooled Development Program should be read on the Company's website at www.strategicelements.com.au.

No previous drilling for potential sulphide mineralisation at depth has been undertaken in the remote region, although surface sampling for diamond exploration in the 1980s revealed anomalous gold in geochemical soil samples at the surface. The project is part of a frontier exploration effort by the Company in unexplored Western Australian deserts. There are only a handful of mineral exploration drill holes in an approx. 100,000 km² area of desert around the planned Behemoth drill holes.

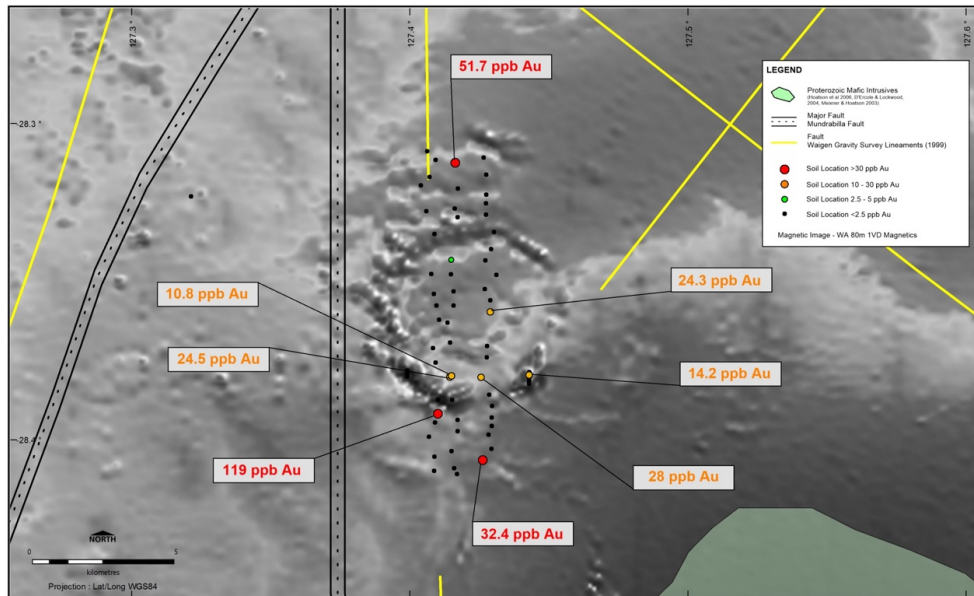
Two deep diamond drill holes are each being drilled to an approx. depth of 550m with funding assistance from the Western Australian Government Exploration Incentive Scheme. The drill holes target successful gravity and IP geophysical surveys conducted by the Company that discovered **large scale** anomalous zones that are open and well within modern drilling depths. Drilling is expected to take several weeks depending on water, logistics and sub-surface conditions. Assays will then be sent for geochemical analysis.



Behemoth Magnetic Anomaly

Experts are divided on whether the large buried multi-ringed magnetic feature at the Behemoth Project is caused by the impact of a meteorite from above, an intrusion of magma from below and/or an associated mineral system. Recent IP geophysical surveys identified multiple large potential zones of buried sulphides within the magnetic rings feature. The Company is targeting these zones with a several drill holes with the objective of striking nickel, copper, gold bearing sulphides or rare earths.

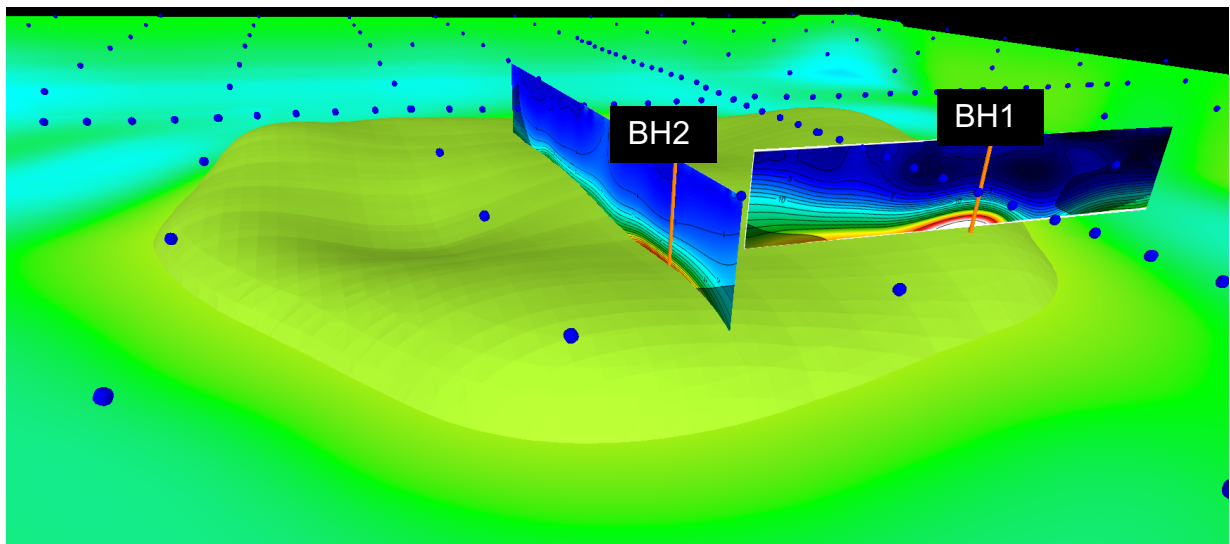
Multi-ringed meteorite impact structures are well recognised overseas to be associated with **significant** mineral resources. The Witwatersrand Basin, which has produced approx. 40% of all gold mined on Earth and the world class Nickel-Copper-PGE Sulphide deposits in mafic ultramafic intrusions of the large Sudbury impact structure are well-known examples. However, there are numerous other deposits (Carswell Uranium, Ternovka Iron Ore-Uranium etc.) that are linked with impact structures.



Behemoth Drill Holes

The first two drill holes BH1 and then BH2 are both designed to intersect the gravity and IP anomalies discovered through the Company's ground based geophysical surveys. IP surveys are used to detect potential zones of *sulphides* with potential for nickel, copper and/or gold. Both holes are vertical with approx. 150m of RC drilling and 400m of diamond drilling to an approx. total depth each of 550m:

1. **Very large** 2km (BH1) and 3km (BH2) anomalous IP chargeability zones.
2. Anomalous zone also reflects **800m+** width potential (>400m+ each side of the IP line).
3. Modelled depths of 300-400m at both holes to top of anomalism **well within** modern drilling capabilities.
4. Chargeable material in anomalous zones at both holes modelled up to **high levels** of 40mV/V.
5. Anomalous zones at both holes modelled to approx. 500m in depth (limit of data) and are **open**.
6. Denser parts of a gravity anomaly at both holes modelled to continue to **at least 1km** in depth (and open).



Gravity, IP Survey Modelling

Exploration Incentive Scheme Winner

The Behemoth project has been awarded with funding from the WA Government Exploration Incentive Scheme, a **competitive program** for **innovative** exploration drilling projects. The Exploration Incentive Scheme (EIS) is a highly competitive process **determined by independent experts** and has resulted in **major discoveries**. For example, IGO's Fraser Range copper-zinc discovery at their Andromeda project was enabled with the assistance of co-funded drilling. The Nova-Bollinger mine site was also discovered by Sirius Resources using EIS co-funded drilling. Other recipients of funding along with the Behemoth Project in the EIS round included AngloGold Ashanti, BHP Billiton (Nickel West) and Rio Tinto Exploration.

Drilling Team

DDH1 drilling is one of Australia's leading mineral drilling contractors specialising in deep hole directional drilling services across Australia. DDH1 Drilling have been involved with some of WA's richest mineral discoveries including the recent highly successful Greatland Gold Havieron gold project, Sandfire Resources Degussa copper-gold mine and Nova nickel-copper project now owned by Independence Group. The Company has also enhanced the Behemoth Drill Program team with the engagement of OMNI GEOX to manage the drill program at Behemoth. OMNI GEOX is headed by Mr Peter Langworthy who has previously had senior roles with WMC Resources and Jubilee Mines (which was eventually acquired by Xstrata).

Maria Resources Pty Ltd (100%)

Maria Resources Pty Ltd was founded in collaboration with Dr Franco Pirajno, a recognised global expert on mineral systems with more than 50 years of experience in industry, academia and government. Dr Pirajno has considerable knowledge in tectonics and ore deposit geology globally and is the author of four books, a monograph on mineral deposits and more than 180 peer-reviewed papers. Dr Pirajno was recently nominated "Highly Cited Researcher 2019" by the Web of Science Group.

Strategic Elements Ltd

The Australian Government has registered Strategic Elements as a Pooled Development Fund with a mandate to back Australian innovation. Due to the Pooled Development Fund registration most shareholders pay no tax on capital gains or dividends. Strategic Elements generates ventures and projects from combining teams of leading scientists or innovators in the technology or resources sectors. ASX listing code is "SOR".

Recent activities include:

- Artificial Intelligence and Robotics unit 'Stealth Technologies Pty Ltd' has signed an agreement with global Fortune 100 software-industrial company 'Honeywell' to build experimental autonomous robotic vehicles.
- Materials technology unit 'Australian Advanced Materials Pty Ltd' is completing a demonstrator of printable transparent memory ink technology being developed with UNSW, CSIRO and VTT.
- Exploration Company 'Maria Resources' is currently preparing a maiden drilling program at the Behemoth Project using grant funding from the Western Australian government.

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Competent Person

The information in this announcement that relates to Exploration Results is based on information compiled by Franco Pirajno, who is a Member of the Australian Institute of Geoscientists. Franco Pirajno is a Consultant to the Company. Dr Pirajno has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking 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'. Dr Pirajno consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Pirajno is a shareholder in the Company.

The information in this report that relates to Strategic's Exploration Results is a compilation of previously released to ASX by Strategic Elements (1 July 2019, 12 October 2018) and Dr Pirajno consents to the inclusion of these Results in this report. Dr Pirajno has advised that this consent remains in place for subsequent releases by Strategic of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. Strategic confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed. Strategic confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.