



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Monday, 27 November 2017

Time of Meeting:
2.00pm (AEDT)

Place of Meeting:
Chartered Accountants Australia and New Zealand
Level 18 Bourke Place
600 Bourke Street
Melbourne Vic 3000

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay*

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Strategic Energy Resources Limited (the "Company") will be held at the offices of the Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne, Victoria, 3000 at 2.00pm (AEDT) on Monday, 27 November 2017 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2017.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2017 be adopted."

Resolution 2: Election of Mr Harvey Kaplan as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Harvey Kaplan, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

Resolution 3: Election of Dr David DeTata as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Dr David DeTata, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

Resolution 4: Re-election of Mr Stuart Rechner as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Stuart Rechner, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 5: Ratification of Prior Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 3 August 2017 of 19,340,000 fully paid ordinary shares in the Company with an issue price of \$0.005 (0.5 cents) per share as described in the Explanatory Statement."

Resolution 6: Ratification of Prior Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 31 August 2017 of 36,294,124 fully paid ordinary shares in the Company with an issue price of \$0.005 (0.5 cents) per share as described in the Explanatory Statement.”

Resolution 7: Approval to Grant Options to Mr Stuart Rechner (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, approval be given to issue up to 22,500,000 unlisted options (being a right to acquire up to 22,500,000 fully paid ordinary shares in the Company to Mr Stuart Rechner (Executive Chairman of the Company), or his nominee, as described in the Explanatory Statement which accompanies and forms part of this Notice.”

Resolution 8: Approval to Grant Options to Mr Harvey Kaplan (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, approval be given to issue up to 20,000,000 unlisted options (being a right to acquire up to 20,000,000 fully paid ordinary shares in the Company to Mr Harvey Kaplan (a Non-Executive Director of the Company), or his nominee, as described in the Explanatory Statement which accompanies and forms part of this Notice.”

Resolution 9: Approval to Grant Options to Dr David DeTata (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, approval be given to issue up to 20,000,000 unlisted options to acquire up to 20,000,000 fully paid ordinary shares in the Company to Dr David DeTata (a Non-Executive Director of the Company), or his nominee, as described in the Explanatory Statement which accompanies and forms part of this Notice.”

SPECIAL BUSINESS

Resolution 10: Renewal of Proportional Bid provisions in the Constitution

To consider, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Section 648G(4) of the Corporations Act 2001(Cth) and for all other purposes shareholders approve the renewal of Rule 7 of the Company’s Constitution.”

Resolution 11: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

DATED this 16th day of October 2017 at Melbourne.

By order of the Board



Melanie Leydin
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 2.00pm (AEDT) on Saturday, 25 November 2017. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2, 3 and 4

There are no voting exclusions on this Resolution.

Resolution 5, 6, 7, 8 and 9

The Company will disregard any votes cast on Resolutions 5, 6, 7, 8 and 9 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10

There are no voting exclusions on this Resolution.

Resolution 11

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2017 which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the Auditors Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.strategicenergy.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

Board Recommendation

The Board encourage all eligible shareholders to cast their votes in favour of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

Voting Exclusions

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy.

Resolution 2: Election of Mr Harvey Kaplan as a Director of the Company

Background

Mr Harvey Kaplan was appointed as a Non-Executive Director on 10 October 2017 as a casual vacancy and is eligible for election.

Mr Kaplan has spent the last 15 years at Macquarie Bank as an Associate Director in the Private Wealth Division where he has assisted in numerous corporate transactions and capital raisings involving listed companies. Mr Kaplan is a qualified lawyer and has worked as a corporate solicitor for both Phillips Fox and Mallesons Stephen Jacques.

Directors Recommendation

The Board (with Mr Kaplan abstaining), recommends that shareholders vote in favour of the election of Mr Kaplan. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Kaplan's election.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 3: Election of Dr David DeTata as a Director of the Company

Background

Dr David DeTata was appointed as a Non-Executive Director on 11 October 2017 as a casual vacancy and is eligible for election.

Dr DeTata is an experienced scientific professional and public company director with over 12 years' experience in scientific research and investigations. Dr DeTata holds a Doctor of Philosophy in energetic materials characterisation and Master of Business Administration from the University of Western Australia. Dr DeTata is currently a Non-Executive Director of Kalia Limited (ASX:KLH).

Directors Recommendation

The Board (with Dr DeTata abstaining), recommends that shareholders vote in favour of the election of Dr DeTata. The Chairman of the meeting intends to vote undirected proxies in favour of Dr DeTata's election.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 4: Re-election of Mr Stuart Rechner as a Director of the Company

Background

The Constitution of the Company requires that at every annual general meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Stuart Rechner being eligible, offers himself for re-election.

Mr Rechner is an experienced company director with a background in exploration project generation and acquisition in both Australia and overseas. He holds degrees in geology and law from the University of Western Australia and is a member of the Australian Institute of Geoscientists and the Australian Institute of Company Directors. For over 10 years Mr Rechner was an Australian diplomat responsible for the resources sector with posting to Beijing and Jakarta.

Board Recommendation

The Board (with Mr Rechner abstaining), recommends that shareholders vote in favour of the re-election of Mr Rechner. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Rechner's re-election.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 5: Ratification of Prior Share Issue

Background

The Company is seeking shareholder approval to ratify the issue of 19,340,000 fully paid ordinary shares to investors, as part of the Company's capital raising as announced on 3 August 2017.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 19,340,000;
- (b) the Shares were issued at a price of \$0.005 (0.5 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to investors pursuant to a Small Scale Offering; and
- (e) the funds raised from the issue will be used to fund drilling at the Saxby Gold Project, investigate the feasibility of mining at Ambergate and the Company's other Heavy Mineral Sands project and on-going working capital requirements.

Board Recommendation

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 19,340,000 fully paid ordinary shares. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

Voting Exclusions

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6: Ratification of Prior Share Issue

Background

The Company is seeking shareholder approval to ratify the issue of 36,294,124 fully paid ordinary shares to investors, as part of the Company's capital raising as announced on 31 August 2017.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 36,294,124;
- (b) the Shares were issued at a price of \$0.005 (0.5 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to professional and sophisticated investors and investors pursuant to a Small Scale Offering; and
- (e) the funds raised from the issue will be used to fund drilling at the Saxby Gold Project, investigate the feasibility of mining at Ambergate and the Company's other Heavy Mineral Sands project and on-going working capital requirements.

Board Recommendation

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 36,294,124 fully paid ordinary shares. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

Voting Exclusions

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 7, 8 and 9: Approval to Issue Options to Mr Stuart Rechner (or his nominee), Mr Harvey Kaplan (or his nominee) and Dr David DeTata (or his nominee)

Background

Resolutions 7, 8 and 9 of this Notice provide for up to 62,500,000 unlisted options (Options) in total to be issued to Mr Stuart Rechner (or his nominee), Mr Harvey Kaplan (or his nominee) and Dr David DeTata (or his nominee) for up to a total of 62,500,000 fully paid ordinary shares as described below.

Terms of Options

Each Option will have an exercise price of \$0.01 (1 cent), expire three (3) years from the date of issue and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company.

The full terms of the Options are set out in Annexure A of this Explanatory Statement.

Director Interests

As at the date of this Notice, the Directors have the following direct and indirect interests in the Company:

Director/Shareholder (and/or associate(s))	Existing		Options
	Shares	%	
Mr Stuart Rechner	10,000,000	1.19%	5,000,000
Mr Harvey Kaplan	Nil	Nil	Nil
Dr David DeTata	4,000,000	0.48%	Nil

Corporations Act

The Board has formed the view that the issue of options to Mr Rechner, Mr Kaplan and Dr DeTata (or their respective nominees) do not require shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

In reaching this view, the Board considers the proposed issue of Options aligns the interests of each of the Company's Directors with the interests of Shareholders. The issue of the Options to the Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Company believes it is appropriate to grant the Options to Directors. Smaller entities with limited cash resources often elect to use equity instruments to remunerate directors to attract and retain high calibre individuals while minimising the cash cost of engaging those people.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate the Directors in line with current market practices, options provide an appropriate and meaningful remuneration component to Directors that is aligned with Shareholder interests.

ASX Listing Rule 10.11

Listing Rule 10.11 requires the approval of shareholders before securities can be issued to a related party. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 on the options that are proposed to be issued to the Directors:

- (a) the related parties are Mr Stuart Rechner, Mr Harvey Kaplan and Dr David DeTata, each a Director of the Company, or their respective nominees;
- (b) the maximum number of Options to be issued in total is 62,500,000;
- (c) each Option will have an exercise price of \$0.01 (1 cent), expire three (3) years from the date of issue and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company;
- (d) full terms of the options are set out in Annexure A of this Explanatory Statement;
- (e) Options will be issued no later than one month after the Meeting;
- (f) no cash will be raised from issue of the Options, funds raised upon exercise of the Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (g) a voting exclusion statement is included in the Notice of which this Explanatory Statement forms part and is set out below.

Board Recommendation

The Board (with each Director abstaining in respect of the resolution that proposes an issue of Options to themselves), recommends that Shareholders vote in favour of Resolutions 7, 8 and 9.

Voting Exclusions

The Company will disregard any votes cast on Resolutions 7, 8 and 9 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

SPECIAL BUSINESS

Resolution 10: Renewal of Proportional Bid provisions in the Constitution

Background

Rule 7 of the Company's Constitution contains provisions dealing with shareholder approval requirements if there was to be any partial takeover bids for the Company's securities (**Proportional Takeover Provisions**).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The Board believes it is appropriate that the Proportional Takeover Provisions of the Company's Constitution (Rule 7) be renewed.

In seeking shareholder approval for the renewal of the Proportional Takeover Provisions, the Corporations Act requires the below information to be provided to members.

Effect of provisions proposed to be renewed

Rule 7 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by shareholders at a general meeting of the Company (Prescribed Resolution). The person making the offer for the securities (Offeror) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than one half of members who are entitled to vote at that meeting.

Rule 7.2 also provides that a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover scheme must not be registered unless and until a prescribed resolution to approve the proportional takeover scheme has been passed or is taken to have been passed in accordance with Rule 7.3.

Reason for the resolution

Rule 7 of the Constitution is required to be renewed as more than 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Rule 7 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables shareholders to approve a renewal of Proportional Takeover Provisions.

The Board believes that shareholders should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Rule 7 needs to be renewed. If Rule 7 is renewed and any proportional takeover bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that shareholder wishes to accept the (proportional takeover) bid for their own securities.

Awareness of current acquisition proposals

As at the date of these Explanatory Notes, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

Advantages and disadvantages of the Proportional Bid Provisions since last renewed

As there have been no takeover bids made for any of the shares in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Rule 7. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Rule 7.

Potential advantages and disadvantages of the proposed resolution for both directors and shareholders

An advantage to the Directors of renewing the Proportional Takeover Provisions is that the Board will be able to assess the shareholder's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Rule 7 provides shareholders with the choice of considering whether to accept a bid for what might become control of the Company without shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Rule 7 is not renewed, shareholders will not have this opportunity.

On the other hand, it may be argued that the renewal of Rule 7 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for shareholders to sell some of their securities.

Board Recommendation

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Takeover Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, shareholder approval is sought pursuant to this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 10.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 11: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to increase work on its current exploration assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new resource assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

Board Recommendation

The Board believes that Resolution 11 is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this Resolution.

Voting Exclusions

The Company will disregard any votes cast on Resolution 11 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Fully Paid Ordinary Shares and Unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0045 50% decrease in Issue Price	\$0.009 Issue Price	\$0.018 100% increase in Issue Price
Current Variable A 840,000,000 Shares	10% Voting Dilution	84,000,000 Shares	84,000,000 Shares	84,000,000 Shares
	Funds raised	\$378,000	\$756,000	\$1,512,000
50% increase in current Variable A 1,260,000,000 Shares	10% Voting Dilution	126,000,000 Shares	126,000,000 Shares	126,000,000 Shares
	Funds raised	\$567,000	\$1,134,000	\$2,268,000
100% increase in current Variable A 1,680,000,000 Shares	10% Voting Dilution	168,000,000 Shares	168,000,000 Shares	168,000,000 Shares
	Funds raised	\$756,000	\$1,512,000	\$3,024,000

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is **\$0.009** (0.9 cents), being the closing price of the Shares on ASX on **13 October 2017**.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and continued exploration expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Additional Disclosure under Listing Rule 7.3A

Information under Listing Rule 7.3A.6(a):

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities on issue 12 months preceding the date of the meeting	386,122,501
Equity securities issued in the prior 12 month period	488,377,499
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	126.48%

See below details of issues of all equity securities made in the previous 12 months:

Date of issue:	6 June 2017
Number issued:	52,743,375
Type of equity security:	Fully paid ordinary shares
Terms of securities:	Fully paid ordinary shares in the capital of the Company, ASX Code SER (terms are set out in the Constitution)
Recipient of securities:	Professional and sophisticated investors, including existing shareholders and parties introduced by the Directors
Price:	\$0.005 per share (0.5 cents per share), 16.67% discount to closing market price on the date of issue
Consideration received:	\$263,717
Use of Consideration:	\$90,000 of the funds raised has been used to fund preparation for drilling at the Saxby Gold Project and investigate the feasibility of mining at Ambergate, \$131,000 has been used to fund on-going working capital requirements with the remaining funds to be used in a similar manner.
Date of issue:	3 August 2017
Number issued:	100,660,000
Type of equity security:	Fully paid ordinary shares
Terms of securities:	Fully paid ordinary shares in the capital of the Company, ASX Code SER (terms are set out in the Constitution)
Recipient of securities:	Professional and sophisticated investors, including existing shareholders and parties introduced by the Directors
Price:	\$0.005 per share (0.5 cents per share), 28.57% discount to closing market price on the date of issue
Consideration received:	\$503,300
Use of Consideration:	Funds raised will be used to fund drilling at the Saxby Gold Project, investigate the feasibility of mining at Ambergate and on-going working capital requirements
Date of issue:	3 August 2017
Number issued:	80,000,000
Type of equity security:	Fully paid ordinary shares
Terms of securities:	Fully paid ordinary shares in the capital of the Company, ASX Code SER (terms are set out in the Constitution)
Recipient of securities:	Directors of the Company
Price:	\$0.005 per share (0.5 cents per share), 28.57% discount to closing market price on the date of issue
Consideration received:	\$400,000
Use of Consideration:	As noted above
Date of issue:	3 August 2017
Number issued:	19,340,000
Type of equity security:	Fully paid ordinary shares
Terms of securities:	Fully paid ordinary shares in the capital of the Company, ASX Code SER (terms are set out in the Constitution)
Recipient of securities:	Small Scale Offering investors
Price:	\$0.005 per share (0.5 cents per share), 28.57% discount to closing market price on the date of issue
Consideration received:	\$96,700
Use of Consideration:	As noted above
Date of issue:	31 August 2017
Number issued:	235,634,124
Type of equity security:	Fully paid ordinary shares
Terms of securities:	Fully paid ordinary shares in the capital of the Company, ASX Code SER (terms are set out in the Constitution)
Recipient of securities:	Professional and sophisticated investors, including existing shareholders and parties introduced by the Directors and Small Scale Offering investors
Price:	\$0.005 per share (0.5 cents per share), 28.57% discount to closing market price on the date of issue
Consideration received:	\$1,178,171
Use of Consideration:	As noted above

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2017;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Strategic Energy Resources Limited ACN 051 212 429;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Strategic Energy Resources Limited for the financial year ended 30 June 2017 and which is set out in the 2017 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolutions 7, 8 and 9 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on the day 36 months from the date of issue. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option is \$0.01 (1 cent).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Strategic Energy Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of ASX and the Corporations Act, the Company may apply to the ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.



Strategic Energy Resources Limited
ACN 051 212 429

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm on Saturday, 25 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X9999999999

PROXY FORM

I/We being a member(s) of Strategic Energy Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (AEDT) on Monday, 27 November 2017 at Chartered Accountants Australia and New Zealand, Level 3, 600 Bourke Street, Melbourne Victoria, 3000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to Grant Options to Dr David DeTata (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Harvey Kaplan as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Renewal of Proportional Bid provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Dr David DeTata as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Mr Stuart Rechner as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval to Grant Options to Mr Stuart Rechner (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval to Grant Options to Mr Harvey Kaplan (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SER PRX1702D

