



OFFER DOCUMENT ENTITLEMENT ISSUE

Strategic Energy Resources Limited
ACN 051 212 429

For a partially underwritten non-renounceable entitlement issue of 1 Share for each 2 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.012 (1.2 cents) per Share to raise up to approximately \$2,109,735.

The rights issue is partially underwritten by KSLCorp Pty Ltd. Eligible Shareholders may also apply for Shortfall Shares under the Shortfall Offer.

IMPORTANT INFORMATION

This Offer Document is provided for information purposes only and is not a prospectus, product disclosure statement or other form of disclosure document. This Offer Document is dated 12 April 2017. This Offer Document does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, Shares offered under this Offer Document. This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of shares without disclosure to investors under Part 6D.2 of the Corporations Act.

The Offer Document should be read in its entirety. If after reading this Offer Document, you have any questions about the Offer or this Offer Document or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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1. Key details of Offer

1.1 Key terms of Offer

Detail	Terms
Issue Price	\$0.012 (1.2 cents)
Entitlement	1 Share for each 2 Shares held at the Record Date
Maximum gross proceeds of issue*	\$2,109,735
Underwritten Amount	\$1,200,000
Record Date**	Wednesday, 19 April 2017
Closing Dates**	Friday, 5 May 2017

1.2 Key indicative dates

ACTION	Date**
Announcement of Offer	Wednesday, 12 April 2017
Cleansing Notice and Lodgement of Offer Document and Appendix 3B with ASX	Wednesday, 12 April 2017
Notice sent to Shareholders	Thursday, 13 April 2017
Ex Date	Tuesday 18 April 2017
Record Date for determining Entitlements	Wednesday, 19 April 2017
Offer Document despatched to Eligible Shareholders and Company announces despatch has been completed	Friday, 21 April 2017
Closing Date	Friday, 5 May 2017
Notification of under subscriptions	Wednesday, 10 May, 2017
Shortfall Subscription Date	Thursday, 11 May 2017
Issue date (with despatch of Holding Statements to follow)	Friday, 12 April 2017
Commencement of normal trading of Shares on ASX	Monday, 15 May 2017

* This amount may be slightly higher (by no more than \$500) as a result of rounding up of fractional entitlements described in section 4.2 of this Offer document.

**The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. The Directors may extend the period of the Offer or bring forward the Closing Date at their discretion. Any change to the Closing Date will have a consequential effect on other dates.

2. Director's Letter

Dear Shareholders

On behalf of the Board, I am pleased to invite you to participate in this non-renounceable entitlement issue of one Share for every 2 Shares held in the Company at an issue price of \$0.012 (1.2 cents) (**Offer**). The Offer is partially underwritten by KSLCorp Pty Ltd to a minimum subscription amount of \$1,200,000 (100 million Shares).

SER has a number of exciting projects to advance this year.

The **Saxby Gold Project** in northwest Queensland has several high grade gold intersections that demand further attention. These include 9m @ 11.27g/t Au and 8m @ 15.1g/t Au. SER believes previous drilling by other explorers has not adequately tested the potential demonstrated by these intersections. SER plans to drill several vertical holes surrounding the best intersections to test the extent and continuity of high grade gold at Saxby.

SER recently defined a JORC 2012 Inferred Mineral Resource at the Ambergate, the first of our **Western Australia Heavy Mineral Sands Projects**. The high grade (5.1% Heavy Minerals) Inferred Resource occurs at surface or shallow depths. The Ambergate resource has greatly increased SER's confidence that a significant Heavy Mineral Sands operation may be assembled by combining our five projects in the region.

SER will also continue to support our investment in **Ionic Industries Limited** as Ionic moves toward commercialisation of innovative graphene technologies.

I encourage all Shareholders to review closely our investor presentation issued on 27 February 2017 for more details on the Company's plans and activities. Copies of this presentation are available on the Company's website, on ASX's website or upon request from the Company at the relevant contact numbers set out in this Offer Document.

Potential investors should be aware that subscribing for Shares involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the resources industry in which it operates.

On behalf of the Board, I would like to thank you for your continued support and invite you to seriously consider this compelling investment opportunity.

Yours Sincerely,



Mr Stuart Rechner
Director
Strategic Energy Resources Limited

3. Important Information

This Offer Document is dated 12 April 2017. This Offer Document is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer Document is for information purposes only. The information in this Offer Document is not intended to be comprehensive and should be read in conjunction with the more detailed information released by the Company under its continuous disclosure obligations.

3.1 Investment decisions

The information contained in this Offer Document is not intended to be relied on as advice. Before deciding to invest in the Company, potential investors should read the entire Offer Document and in particular the technical information and risk factors that could affect the future operations and activities of the Company and consult their professional advisers. The Offer contained in this Offer Document does not take into account the investment objectives, financial situation and particular needs of any investor.

3.2 Disclaimer

No person is authorised to give any information or to make any representations in connection with the Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Offer.

3.3 Offer is only made in Australia and New Zealand

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the Offer (and any Shortfall Offer) is only being made in Australia and New Zealand.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. In particular, this Offer Document may not be distributed in the United States or any other country except Australia and New Zealand.

The Offer to New Zealand investors is made pursuant to the New Zealand *Securities Act (Overseas Companies) Exemption Notice 2013*. Pursuant to this Act, the only members of the public to whom the Shares are offered in New Zealand under the Offer are those who, at the Record Date, are holders of Shares in the Company.

As ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

3.4 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

3.5 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the online real-estate industry in which it operates.

3.6 Defined terms and abbreviations

Terms and abbreviations used in this Offer Document are defined in section 8 of this Offer Document. All financial amounts shown in this Offer Document are expressed in Australian dollars unless otherwise stated.

4. Details of the Offer

4.1 Purpose of the Offer

The purpose of this Offer is to:

- (a) Fund SER's exploration activities including: drilling at the Saxby Gold Project and investigation of the feasibility of mining at Ambergate and SER's other Heavy Mineral Sands projects;
- (b) on-going working capital requirements and costs associated with the offer; and
- (c) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted rights issue.

4.2 Entitlement and amount to be raised

The Company is making a pro-rata non-renounceable entitlement issue of 1 Share for every 2 Shares held by Eligible Shareholders registered as at the Record Date at an issue price of \$0.012 (1.2 cents) per Share. To the extent that your entitlement results in you receiving a fraction of a Share, the number of Shares to which you are entitled to subscribe for will be rounded up.

Based on the capital structure of the Company as at the date of this Offer Document, a maximum of 175,811,251 Shares will be issued pursuant to this Offer, subject to the rounding of entitlements, to raise up to approximately \$2,109,735.

All Shares issued under this Offer Document will have the rights attaching to those securities as set out in section 4.5 of this Offer Document.

The intended use of funds raised is set out in section 5.1 of this Offer Document.

4.3 Minimum subscription

The minimum amount raised by the Offer is \$1,200,000 being the amount underwritten by KSLCorp Pty Ltd (refer to sections 4.10).

4.4 Issue price

The issue price is \$0.012 (1.2 cents) for each Share payable in full in Australian currency on the acceptance of the Offer by cheque, money order or via BPAY® on the individual entitlement form.

Your completed Entitlement and Acceptance Form must reach the Share Registry and your payment must be received by the Company by no later than 5.00 pm AEST on the Closing Date.

4.5 Rights attaching to Shares

Shares issued pursuant to the Offer will be fully paid and rank equally with all other issued Shares, including in respect of dividends.

The rights attaching to Shares are set out in the Constitution and are regulated by the Corporations Act, the ASX Listing Rules and general law.

4.6 Non-renounceable offer

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading rights on the ASX (or any other exchange) and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement

to Shares under the Offer by the Closing Date, the Offer to you will lapse, you will receive no benefit and your interest in the Company may be diluted.

4.7 Acceptance

Acceptance of the Offer must be made by submitting the Entitlement and Acceptance Form accompanying this Offer Document and paying the Application Monies in accordance with the terms of the Offer.

You may participate in the Offer as follows:

- (a) take up your Entitlement in full and, if you do so, you may also apply for Additional Shares (refer to section 4.8 of this Offer Document);

Complete the Entitlement and Acceptance Form which accompanies this Offer Document by inserting the number of Shares for which you wish to accept the Offer under this Offer Document plus the number of Additional Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form).

- (b) take up your Entitlement in full without applying for Additional Shares;

Complete the Entitlement and Acceptance Form which accompanies this Offer Document in accordance with the instructions set out on that form.

- (c) take up part, but not all of your Entitlement;

Complete the Entitlement and Acceptance Form which accompanies this Offer Document by inserting the number of Shares for which you wish to accept in the Offer under this Offer Document (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

To participate in the Offer, the Entitlement and Acceptance Form must be completed in accordance with the instructions on its reverse side.

If you do not wish to accept your Entitlement, you are not obligated to do anything in response to the Offer.

All Entitlement and Acceptance Forms and Application Monies must be received by the Closing Date, at the Share Registry at the following address:

Link Market Services Limited

Strategic Energy Resources Limited c/- Link Market Services Limited, GPO Box 3560, Sydney NSW 2001

or delivered to:

Link Market Services Limited

Strategic Energy Resources Limited c/- Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

or to:

Strategic Energy Resources Limited c/- Link Market Services Limited, Tower 4, Collins Square, 727 Collins Street, Melbourne VIC 3008

An Eligible Shareholder may pay the Application Monies by cheque, money order or via BPAY® on the Closing Date. All cheques must be in Australian currency and made payable to "Strategic Energy Resources Limited – Share Account" and crossed "Not Negotiable" and must be received at the Share Registry by the Closing Date. No late postage will be accepted. Payments must be received by BPAY before **5.00 pm (AEST) on Friday, 5 May 2017**.

Access to a copy of the Offer Document and the Entitlement and Acceptance Form is available on the Company's website: <http://strategicenergy.com.au/>

4.8 Additional Shares

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Additional Shares in addition to their Entitlement. Please refer to section 4.7(a) of this Offer Document for further information as to how to apply for Additional Shares above your Entitlement.

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event that all Entitlements are not taken up, the Directors reserve the right, subject to the Corporations Act and the ASX Listing Rules, to allocate any Additional Shares at their absolute discretion. The Company may issue to an Applicant a lesser number of Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares is less than the number applied for, surplus Application Monies will be refunded without interest.

Additional Shares allotted to Eligible Shareholders will be issued at the same price as the Offer (being \$0.012 (1.2 cents) per Additional Share) and will be allotted by the Directors in their absolute discretion.

4.9 Shortfall

Any Entitlement and Additional Shares not taken under the Offer will form part of the Shortfall. Under the Underwriting Agreement, the Underwriter underwrites the Shortfall to a minimum subscription amount of \$1,200,000.

The Directors reserve the right under ASX Listing Rule 7.2 Exception 3, within 3 months of the Closing Date, subject to the Corporations Act and the ASX Listing Rules, to place the Shortfall at their absolute discretion. Shortfall Shares issued pursuant to the Shortfall Offer will be issued at the Issue Price or higher. No Shortfall Shares will be issued to an entity if to do so would, to the extent of the knowledge of the Company, result in a breach of the ASX Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company's issued voting shares under Chapter 6 of the Corporations Act or would otherwise be contrary to the Corporations Act or the ASX Listing Rules.

4.10 Underwriting

The Offer is partially underwritten to the value of \$1,200,000 by KSLCorp Pty Ltd (ACN 009 115 440) (**Underwriter**). The Underwriter has agreed to underwrite the Offer up to a minimum subscription of \$1,200,000 (100 million Shares) (**Underwritten Amount**) on the terms set out in the Underwriting Agreement between the Company and the Underwriter dated 11 April 2017.

If the amount of Entitlement Shares and Additional Shares (**Subscribed Amount**) taken up is not equal to or greater than the Underwritten Amount, the difference between the Subscribed Amount and the Underwritten Amount will be issued to the Underwriter in accordance with the Underwriting Agreement. The material terms of the Underwriting Agreement are briefly summarised below:

- (a) The obligation of the Underwriter to underwrite the Offer is subject to certain termination events. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of certain events. A summary of these events is set out in Section 7.6.
- (b) The Underwriter will receive a 1% management fee of the total Underwritten Amount plus an underwriting fee of 5% of the Underwritten Amount less any amount taken up by the Directors' in relation to their entitlements (as set out in Section 7.3) and any amount sub-underwritten by the Company's Directors (as set out in section 7.3). In relation to sub-underwriting by the Company's Directors' a reduced underwriting fee of 2.5% will be paid to the Underwriter. The fees as stated above are exclusive of GST. The total fees payable to the Underwriter are \$51,233 (plus GST).

- (c) The Underwriter is entitled to reimbursement of all reasonable costs and expenses.
- (d) The Company has agreed to indemnify the Underwriter against its losses in connection with the Offer.
- (e) The Underwriting Agreement also provides that the Underwriter may appoint sub-underwriters.
- (f) The Underwriting Agreement also contains a number of indemnities, representations and warranties given by the Company to the Underwriter that are standard for an agreement of this type.
- (g) The Underwriter's obligations to underwrite the Offer is subject to the takeovers provisions in Chapter 6 of the Corporations Act and no underwriting or sub-underwriting will proceed to the extent that it would result in any shareholder obtaining an interest in the Company equivalent to greater than 20% of the voting power in the Company.

4.11 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Offer Document will be made in accordance with the timetable set out at the commencement of this Offer Document.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Offer or an interest in the Company.

4.12 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out in section 1.2 of this Offer Document.

The allocation of Additional Shares will be considered and determined at the discretion of the Board. Eligible Shareholders who apply for Additional Shares under the Shortfall Facility will be bound to accept any lesser number of Additional Shares allocated to them in accordance with the allocation procedure described above. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded (without interest) as soon as practicable after the closing date of the Offer.

Pending the allotment and issue of the Shares or payment of refunds under this Offer Document, all Application Monies will be held by the Company on trust for the Investor in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Investor waives the right to claim interest.

Holding statements for Shares issued under the Offer and the Additional Shares will be mailed in accordance with the ASX Listing Rules and the timetable set out in section 1.2 of this Offer Document.

4.13 Offer Document and the Corporations Act

This Offer Document is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

4.14 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the *Securities Act (Overseas Companies) Exemption Notice 2013*.

The Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. It is not a product disclosure statement or disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or disclosure document under New Zealand law is required to contain.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

This is not an offer to sell or a solicitation of an offer to buy securities in the United States. Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons in the absence of registration or an exemption from registration.

The Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any state of the United States and accordingly, the New Shares may only be offered and sold: (i) within the United States or to, or for the account or benefit of, any US Person, to a limited number of approved institutional investors that are “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act), in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; or (ii) outside the United States, to persons that are not US Persons and are not acting for the account or benefit of US Persons in offshore transactions in compliance with Regulation S under the US Securities Act.

The distribution of this Offer outside Australia and New Zealand may be restricted by law. In particular, this Offer or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any US Person. Persons who come into possession of this Offer should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

4.15 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Melanie Leydin on +61 3 9692 7222.

5. Use and effect of the Offer

5.1 Use of funds raised

The Offer will raise up to a maximum of \$2,109,735 and a minimum of \$1,200,000.

The funds raised from the Offer before costs and expenses will be approximately \$2,109,735, which is planned to be used to fund drilling at the Saxby Gold Project; investigate the feasibility of mining at Ambergate and our other Heavy Mineral Sands projects, on-going working capital requirements and costs associated with the offer (assuming the Offer is fully subscribed).

The above paragraph is a statement of current intentions as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

5.2 Costs of the Offer

The costs of the Offer are estimated to be \$75,380, made up as follows:

Item	Amount
Legal fees – GrilloHiggins Lawyers	\$10,000
ASX Quotation Fee	\$8,378
Project Management Services, Printing and Mailing – Link Market Services	\$15,680
Underwriting Fee	\$51,322
Total Costs of the Offer	\$85,380

5.3 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase the cash reserves and issued capital by up to a minimum of \$1,200,000 up to a maximum of \$2,109,735 immediately after completion of the Offer prior to deducting the estimated expenses of the Offer; and
- (b) increase the total number of Shares on issue from 351,622,501:
 - (i) by a minimum amount of 100,000,000 Shares to 461,622,501;
 - (ii) up to a maximum of 175,811,251 Shares to 527,433,752 Shares following completion of the Offer,

subject to the exercise of options prior to the Record Date and rounding of entitlements. Please see section 5.4 of this Offer Document for further details.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Shares offered under the Offer Document are issued, is set out below.

Maximum Effect:

Shares	Number
Shares on issue as at date of Offer Document	351,622,501
Shares offered pursuant to the Offer	175,811,251
Total Shares on issue after completion of the Offer	527,433,752

Minimum Effect:

Shares	Number
Shares on issue as at date of Offer Document	351,622,501
Shares offered pursuant to the Offer	100,000,000
Total Shares on issue after completion of the Offer	451,622,501

Options	Number
Options on issue as at date of the Offer Document:	
• \$0.0232 unlisted options expiring on 30 April 2019	21,500,000
Total unlisted options on issue after completion of the Offer*	21,500,000

* Presuming none of these options are exercised prior to the Closing Date

5.5 Effect on control of the Company

The issue of the Shares under the Offer will have no immediate effect on the control of the Company. However, Shareholders should note that if they do not participate in the Offer, and the Offer and any Shortfall is fully subscribed, their holdings could be diluted by up to approximately 33.33%. Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	12,000,000	3.41%	6,000,000	12,000,000	2.28%
Shareholder 2	4,000,000	1.14%	2,000,000	4,000,000	0.35%
Shareholder 3	1,000,000	0.28%	500,000	1,000,000	0.19%

Notes:

- The table assumes that the Offer, and any Shortfall, is fully subscribed.
- The table assumes that the Company's existing 21,500,000 unlisted options, summarised in section 5.4, are not exercised.

3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed as Additional Shares or through the issue of Shortfall Shares. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilutionary impact for each Shareholder not accepting their Entitlement would be a lesser percentage.

5.6 Details of substantial holders

Based on publicly available information as at the close of trading on 11 April 2017, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares as at the date of this Offer Document	% Shares as at the date of this Offer Document	Shares if all Entitlements are accepted	% Shares if all Entitlements are accepted and no other shareholder entitlements are accepted
Anthony Rechner*	35,391,894	10.07%	53,087,841	11.75%

*Anthony Rechner's relevant interest is comprised of shares held by associated entities EERC Australasia Pty Ltd (30,000,000 shares) and Tangram Pty Ltd (5,391,894 shares).

Anthony Rechner has agreed to take up his full entitlement under the Offer and Sub-underwrite the Offer to a maximum amount of 33,333,333 Shares (\$400,000). If only the minimum subscription amount is taken up by Eligible Shareholders then Anthony Rechner's relevant interest in the Company will increase to 19.14%

If a substantial holder of the Company does not participate in the Offer, and the Offer and any Shortfall is fully subscribed, their holding will be diluted.

6. Risk factors

6.1 Introduction

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks which relate directly to the Company's activities. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and do not take into account the individual circumstances of Shareholders.

The Directors strongly recommend potential Investors to consider the risk factors described below, together with information contained elsewhere in this Offer Document and consult with their professional advisers before deciding whether to apply for Shares under this Offer Document.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific risks

(a) Exploration and development risk

The business of minerals exploration and their development involves a significant degree of risk and depends on completion of feasibility and other studies in relation to such projects and the Company may not be successful in doing so. There is no assurance that future exploration expenditure will result in discoveries or upgrade existing mineralisation to the stage where such can be successfully commercially exploited.

Exploration and development costs are based on certain assumptions with respect to the method and timing of activities. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. Exploration and development operations can also be hampered by force majeure circumstances and cost overruns for unforeseen events, including unexpected variations in geology and equipment malfunction. Increases in the costs of exploration and development may affect a company's ability to invest in projects, to purchase or hire equipment, supplies and services and to recruit skilled personnel. The reduced availability of equipment, services and skilled personnel may delay planned exploration and development activities, which may adversely affect operations and increase costs.

Success in development is dependent on many factors such as: access to adequate capital for project development; design and construction of efficient development and production infrastructure within capital expenditure budgets; securing and maintaining title to interests; obtaining regulatory consents and approvals necessary for the conduct of development, mining and production; securing plant and equipment on competitive and acceptable terms and conditions as and when required; and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants. Failure to achieve any one or more of those factors may have an adverse effect on the Company's development activities and its financial position.

(b) **Operating risk**

Operations may be affected by various factors, including failure to achieve predicted grades or production rates in exploration, development and production; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and unusual or unexpected geological or mining conditions. Such risks could result in damage to applicable mines, personal injury, environmental damage, delays in mining or metal production, monetary losses and possible legal liability.

The Company also has (or will have) exposure to movements in the prices charged by external suppliers, including those who supply inputs to production, such as electricity, other energy providers and sea freight and transport service providers which are critical to its business, and movements in wages, royalties, taxes and other government charges relating to its mining operations. A significant increase in one or more of these cost items for a sustained period could have an adverse effect on financial performance.

(c) **Ore Reserves and Mineral Resource Estimates**

Ore reserve and mineral resource estimates are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience. All mineral resources estimates previously disclosed to the market are necessarily imprecise and depend to some extent on statistical inferences, which may prove unreliable or be revised in the light of additional information that comes to hand.

(d) **Titles and permits risk**

Each permit or licence under which exploration or production activities can be undertaken is issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work commitments. Any failure to comply with the work commitments or other conditions on which a permit or tenement is held exposes the permit or tenement to forfeiture or may result in it not being renewed as and when renewal is sought. Where tenements are cancelled, forfeited or refused renewal, no compensation will generally be payable to the holder.

Further, mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(e) **Native title and land access risks**

The existence of native title and/or native title claims in relation to the land the subject of the Company's operations and projects may have an adverse impact on the Company's activities and its ability to fund those activities.

Significant delays may also be experienced in gaining access to privately owned freehold or leasehold land. Delays may be caused by weather, deference to landholders' activities such as cropping, harvesting, calving and mustering, and other factors.

(f) **Government regulation risks**

The Company's activities may be subject to extensive regulation by local, state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. There is a risk that approvals required for exploration and development programs and mining operations may not be forthcoming, either at all or in a timely manner, or that they may not be able to be obtained on acceptable terms. A failure to obtain any approval would mean that the ability to participate in or develop any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

There can be no assurance that future government policy will not change and this may adversely affect the long term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

(g) **Environmental risks**

The operations and proposed activities of the Company are subject to Australian State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment.

It is the Company's policy to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige any company to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

Further, whether in Australia or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the operating parties will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.

(h) **Volatility in the price of minerals**

Commodity prices are influenced by the physical and investment demand for those commodities and various other factors such as weather conditions, the price and availability of alternative commodities, actions taken by governments and international cartels, and global economic and political developments. Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices and, in particular, a material decline in the price of commodities may have a materially adverse effect on the Company's business, financial condition and results of operations.

(i) **Volatility in the market price of Securities**

Although the Company is listed on the Official List, there is no assurance that an active trading market for its Securities will be sustained. There is also no assurance that the market price for the Securities will not decline below the issue price. The

market price of the Company's Securities could be subject to significant fluctuations due to various external factors and events, including the liquidity of the Shares and Securities in the market, any difference between the Company's actual financial or operating results and broader market-wide fluctuations. Furthermore, any stock market volatility and weakness could result in the market price of the Shares and Securities decreasing so that they trade at prices significantly below the issue price, without regard to the Company's operating performance.

(j) **Contractual risk**

All companies operate through a series of contractual relationships with operators, technical experts, project managers, suppliers, customers and contractors generally. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed. To the extent that third parties default in their obligations under such documents, it may be necessary for the Company to take legal action which may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(k) **Future capital needs and additional funding**

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(l) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.

(m) **Reliance on key personnel**

The ability of the Company to achieve its objectives depends on the access to key personnel and external contractors who provide technical expertise and other services. If the Company cannot secure key personnel or external contractors or if the services of the present key personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.

The responsibility of overseeing the day to day operations and the strategic management of the Company depend substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

(n) **Occupational Health and Safety**

There is an inherent risk of work place accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy work place for the Company's employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

6.3 General risks

(a) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions, war, terrorism or other hostilities, industrial disruption and natural events such as earthquakes, floods, fires and poor weather have an impact on operating costs, share markets and on metals prices.

The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any metals that the Company may produce and sell.

(b) Stock market conditions

The market price of the New Shares when quoted on the ASX will be influenced by international and domestic factors affecting conditions in equity and financial markets. These factors may affect the prices for the securities of mineral companies quoted on the ASX.

(c) Foreign currency and exchange rate fluctuations

Revenue and expenditure of the Company may be denominated in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

(d) Litigation

As with any company, the Company is (or will be) exposed to risks of litigation which may have a material adverse effect. The Company could become exposed to litigation from employees, regulators or third parties. To the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.

(e) Insurance risks

The Company maintains insurance coverage that is substantially consistent with mining and exploration industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(f) Implications of Chapter 6 of the Corporations Act

Shareholders may be prevented from acquiring Shares under this Offer Document where to do so would contravene the takeovers prohibition in section 606 of the Corporations Act. Section 606 prohibits a person from acquiring a "relevant interest" (as defined in the Corporations Act) in issued voting shares in a listed company if, because of the transaction, that person's or someone else's voting power in the listed company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%, unless an exception applies. There are various exceptions to the general prohibition. However, there is no guarantee that an exception would be available in the relevant circumstances and, even if an exception was potentially available, there is a risk that the exception could not be relied upon without significant cost or delay.

7. Additional information

7.1 Continuous disclosure obligations

The Company is listed on the ASX and its Shares are quoted on the ASX under the code: SER. The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act), which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

This Offer Document is issue pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus or other disclosure document that is required to satisfy the Corporations Act. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Offer Document which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

7.2 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date this Offer Document and the respective dates of those sales were:

Highest	\$0.016	14 February 2017
Lowest	\$0.012	24, 27 and 31 March 2017
Last	\$0.014	11 April 2017

The Issue Price of \$0.012 (1.2 cents) represents a discount of 14.3% to the last market sale price of the Shares on ASX.

7.3 Interests of Directors

The interests of the Directors hold either directly or through their controlled entities in the securities of the Company as at the date of this Offer Document are as follows:

Director	Shares	% of Voting Power	Options	Entitlement (Shares)
Mr. Peter Armitage	200,560	0.05%	5,000,000	100,280
Mr. Anthony Rechner	35,391,894	10.07%	10,000,000	17,695,947
Mr. Stuart Rechner	0	-	5,000,000	0

All Directors that are Eligible Shareholders have confirmed that they will take up their full entitlement in the offer. In addition, Anthony Rechner has agreed to sub-underwrite the

Shortfall to a maximum subscription of 33,333,333 shares (\$400,000). Anthony Rechner will not receive a sub-underwriting fee in relation to that sub-underwriting.

The Board recommends all Eligible Shareholders take up their Entitlements.

7.4 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.5 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently operates an electronic issuer-sponsored register and an electronic CHES sub-register. The two sub-registers together will comprise the Company's register of Shares.

The Company will not issue certificates. Investors who are allotted Shares under this Offer Document will be provided with a transaction confirmation statement which sets out the number of Shares allotted to the Investor. Investors who elect to hold Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted to the Shareholder under this Offer Document. For Investors who elect to hold their Shares on the CHES sub-register, the Company will issue an advice that sets out the number of the Shares allotted to the Investor under this Offer Document. At the end of the month of allotment, CHES, acting on behalf of the Company, will provide those Shareholders with a holding statement that confirms the number of Shares held and any transactions during that month.

A holding statement (whether issued by CHES or the Company) will also provide details of the applicable Holder Identification Number in case of a holding on the CHES sub-register or Reference Number in case of a holding on the issuer-sponsored sub-register. Following distribution of these initial holding statements, a holding statement will also be provided to each Shareholder at the end of any subsequent month during which the balance of that Shareholder's holding of securities in the Company changes.

An Shareholder may request a holding statement at any other time. However, a charge may be imposed by the Share Registry for additional statements.

7.6 Events for termination of the Underwriting Agreement

The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of any of the following events:

- (a) **Offer Document:** any of the following occurs in relation to the Offer Document:
 - (i) the Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
 - (ii) the Underwriter reasonably forms the view that any projection or forecast in the Offer Document becomes, to a material extent, incapable of being met or unlikely to be met in the projected time; or
 - (iii) any person other than the Underwriter who consented to being named in the Offer Document withdraws that consent;
- (b) **supplementary Offer Document:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter;

- (c) **ASX listing:** ASX does not give approval for the Underwritten Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **index change:** the ASX All Ordinaries Index as determined at close of trading falls at least 5% below its level at the close of trading on the date of the Underwriting Agreement and at any time during the period between execution of the Underwriting Agreement and the issue of the Shares under the Offer;
- (e) **indictable offence:** a director of the Company or any Related Corporation is charged with an indictable offence;
- (f) **return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **banking facilities:** the Company's bankers not terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (h) **change in laws:** any of the following occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
 - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- (i) **failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
 - (i) a provision of its Constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
 - (iv) any material agreement entered into by it,

which is likely to prohibit or materially restrict the business of the Company or the Offer;
- (j) **alteration of capital structure or constitution:** the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- (k) **extended force majeure:** a any event not within the control of the parties of the Underwriting Agreement, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (l) **default:** the Company is in default of any material term and condition of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;

- (m) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a “related body corporate” of the Company (**Related Corporation**) (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (n) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;
- (o) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer;
- (p) **prescribed occurrence:** any of the following occurs:
 - (i) the Company or a Related Corporation converting all or any of its shares into a larger or smaller number of shares;
 - (ii) the Company or a Related Corporation resolving to reduce its share capital in any way;
 - (iii) the Company or a Related Corporation:
 - (A) entering into a buy-back agreement or;
 - (B) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
 - (iv) the Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than as detailed in the Offer Document;
 - (v) the Company or a Related Corporation issuing, or agreeing to issue, convertible notes;
 - (vi) the Company or a Related Corporation disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) the Company or a Related Corporation charging, agreeing to charge, the whole, or a substantial part, of its business or property;
 - (viii) the Company or a Related Corporation resolving that it be wound up;
 - (ix) the appointment of a liquidator or provisional liquidator to the Company or a Related Corporation;
 - (x) the making of an order by a court for the winding up of the Company or a Related Corporation;
 - (xi) an administrator of the Company or a Related Corporation, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) the Company or a Related Corporation executing a deed of company arrangement; or
 - (xiii) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a Related Corporation;
- (q) **suspension of debt payments:** the Company suspends payment of its debts generally;

- (r) **event of insolvency:** any of the following occurs in respect of the Company or a Related Corporation:
- (i) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
 - (ii) a liquidator or provisional liquidator is appointed in respect of a corporation;
 - (iii) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (A) appointing a person referred to in paragraphs (i) or (ii);
 - (B) winding up a corporation; or
 - (C) proposing or implementing a scheme of arrangement;
 - (iv) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
 - (v) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
 - (vi) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
 - (vii) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person;
- (s) **judgment against a related corporation:** a judgment in an amount exceeding \$50,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days;
- (t) **calamity:** the occurrence of any calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls in Australia or any restriction or limitation on the nature/basis of trading of equities on ASX;
- (u) **market conditions:** any material adverse change or disruption occurs in:
- (i) the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets as compared to the conditions as at the date of the Underwriting Agreement; or
 - (ii) in national or international political, financial, economic conditions as compared to the conditions as at the date of the Underwriting Agreement,

in each case the effect of which is that, in the reasonable opinion of the Underwriters, reached in good faith, it is impracticable to market the Offer or to enforce contracts to issue and allot or sub-underwrite the securities pursuant to the Offer Document or that the success of the Offer is likely to be adversely affected.

7.7 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process the application.

7.8 CORPORATE DIRECTORY

Directors

Peter Armitage
Non-Executive Director

Anthony Rechner
Executive Director

Stuart Rechner
Director

Registered Office

Level 4, 100 Albert Road, South Melbourne
VIC 3205

Telephone: +61 3 9692 7222

Facsimile: +61 3 9077 9233

Website: www.strategicenergy.com.au

Share Registry

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne VIC
Australia, 3000

Telephone: +61 3 9909 7078

Company Secretary

Melanie Jaye Leydin

Legal Adviser

GrilloHiggins Lawyers
Level 4, 114 William Street
Melbourne VIC 3000

8. Definitions

Additional Shares means Shares in addition to an Eligible Shareholder's Entitlement for which an Applicant applies for pursuant to an Entitlement and Acceptance Form.

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Shareholder who applies for Shares pursuant to the Offer or who applies for Additional Shares.

Application Monies means monies received by the Company from Applicants with respect to the Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors of the Company unless the context indicates otherwise.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

Closing Date means the date specified in the timetable set out at the commencement of this Offer Document (unless extended).

Company means Strategic Energy Resources Limited ACN 051 212 429.

Constitution means the constitution of the Company as at the date of this Offer Document.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Offer Document.

Eligible Shareholder means a Shareholder who has a registered address in Australia or New Zealand.

Entitlement means the entitlement of an Eligible Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Document.

Issue Price means \$0.012 per Share.

Investor means an investor participating in the Offer.

Offer means the non-renounceable entitlement issue of 1 Share for each 2 Shares held by those Eligible Shareholders registered at the Record Date at the Issue Price.

Offer Document means this document under which the offer is made.

Official Quotation means official quotation on ASX.

Record Date means the date specified in the timetable set out at the commencement of this Offer Document.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited.

Shareholder means a holder of a Share.

Shortfall means the Shares for which valid Entitlement and Acceptance Forms have not been received by the Closing Date.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Offer Document.

Shortfall Offer means the offer of Shortfall Shares on the terms set out in section 4.9 of this Offer Document.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Underwriter means KSLCorp Pty Ltd ACN 009 115 440.

Underwriting Agreement means the agreement between the Company and the Underwriter to partially underwrite the Offer dated 17 April 2017.

United States means United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

US Person is given the meaning provided by Regulation S under the US Securities Act

US Securities Act means the United States *Securities Act of 1933*, as amended.

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on Wednesday, 19 April 2017:

Entitlement to New Shares (on a 1 New Share for 2 basis):

Amount payable on full acceptance at \$0.012 per Share:

Offer Closes 5:00pm (AEST): Friday, 5 May 2017

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 2 Existing Shares that you hold on the Record Date, at an Offer Price of \$0.012 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Document dated 12 April 2017. The Offer Document contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Document. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document.

If you do not have a paper copy of the Offer Document, you can obtain a paper copy at no charge, by calling the Strategic Energy Resources Limited Offer Information Line on 1800 426 150 (within Australia) or +61 1800 426 150 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on Friday, 5 May 2017. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on Friday, 5 May 2017.



Billers Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
 ® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

<p>A Number of New Shares accepted (being not more than your Entitlement shown above)</p> <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	<p>B Number of additional New Shares</p> <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	<p>C Total number of New Shares accepted (add Boxes A and B)</p> <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>
<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> + <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> = <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </div>		

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Strategic Energy Resources Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

E CONTACT DETAILS – Telephone Number

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STRATEGIC ENERGY RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Strategic Energy Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by \$0.012.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Strategic Energy Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Strategic Energy Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Strategic Energy Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Document electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Strategic Energy Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Strategic Energy Resources Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on Friday, 5 May 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Strategic Energy Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Strategic Energy Resources Limited Offer Information Line on 1800 426 150 (within Australia) or +61 1800 426 150 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.