Strategic Energy Resources

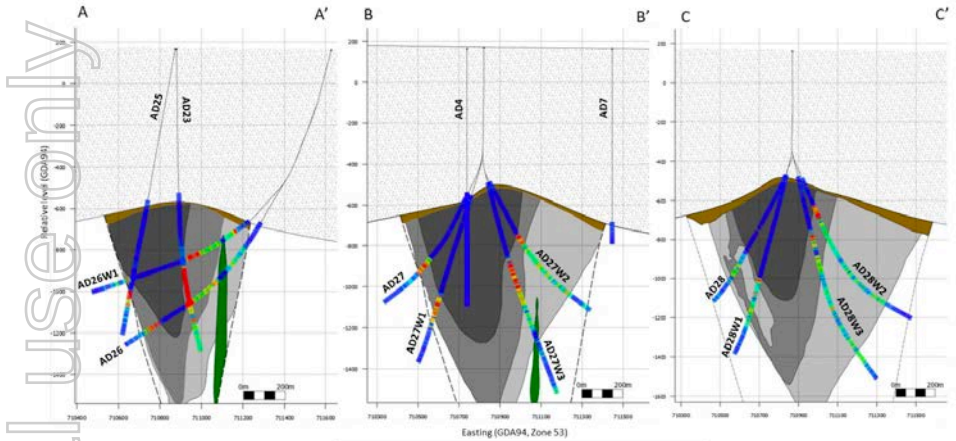
February 2020
Exploration Update: Saxby Gold Project

Competent Person Statements

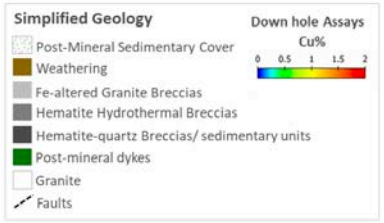
The information in this document that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG, a Competent Person who is a Member of Australian Institute of Geoscientists. Mr Rechner is a Director of, and consultant to, Strategic Energy Resources Ltd. Mr Rechner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rechner consents to the inclusion in the document of the matters based on his information in the form and context in which it appears.

Future discoveries will be under cover

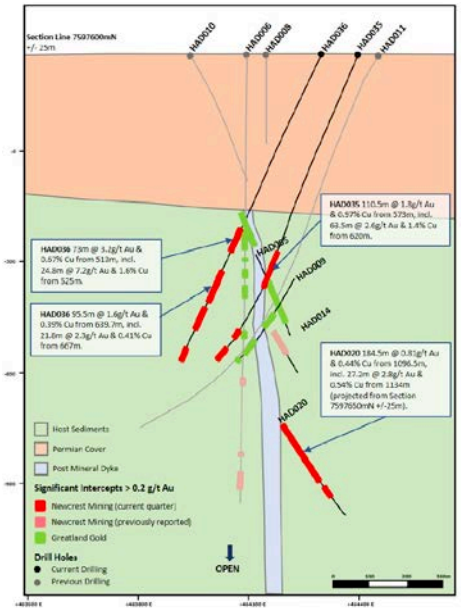
BHP Oak Dam: 700m+ of cover

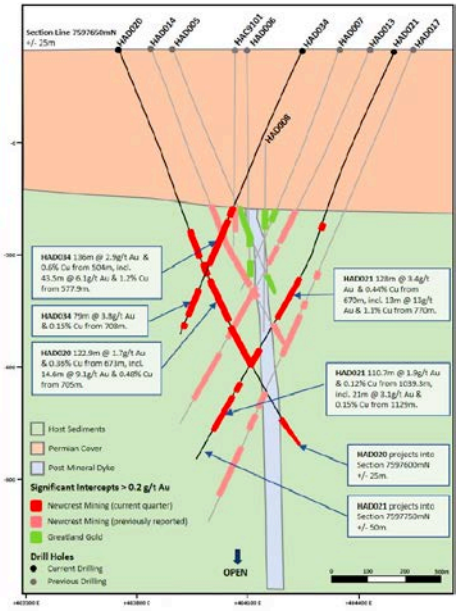


Near misses AD4 (1254m) and AD7 (955m) drilled by WMC in 1983-84

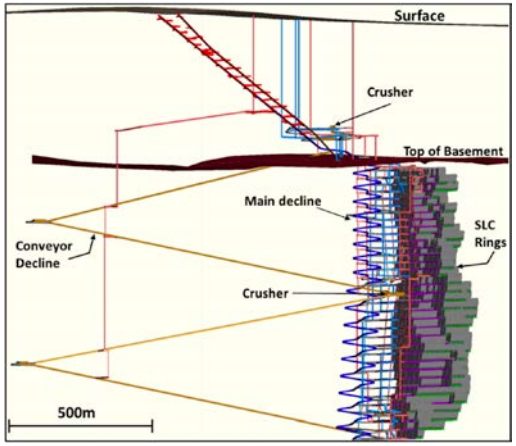


Newcrest Havieron: 400m+ of cover

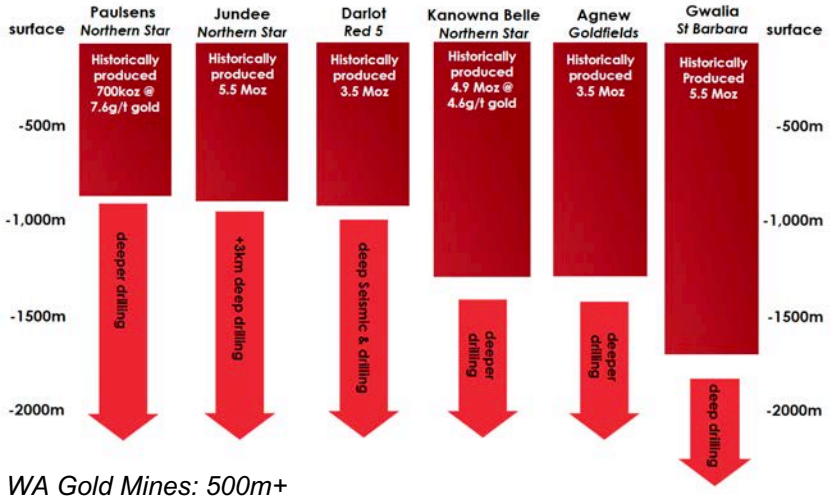




and future mines will be underground



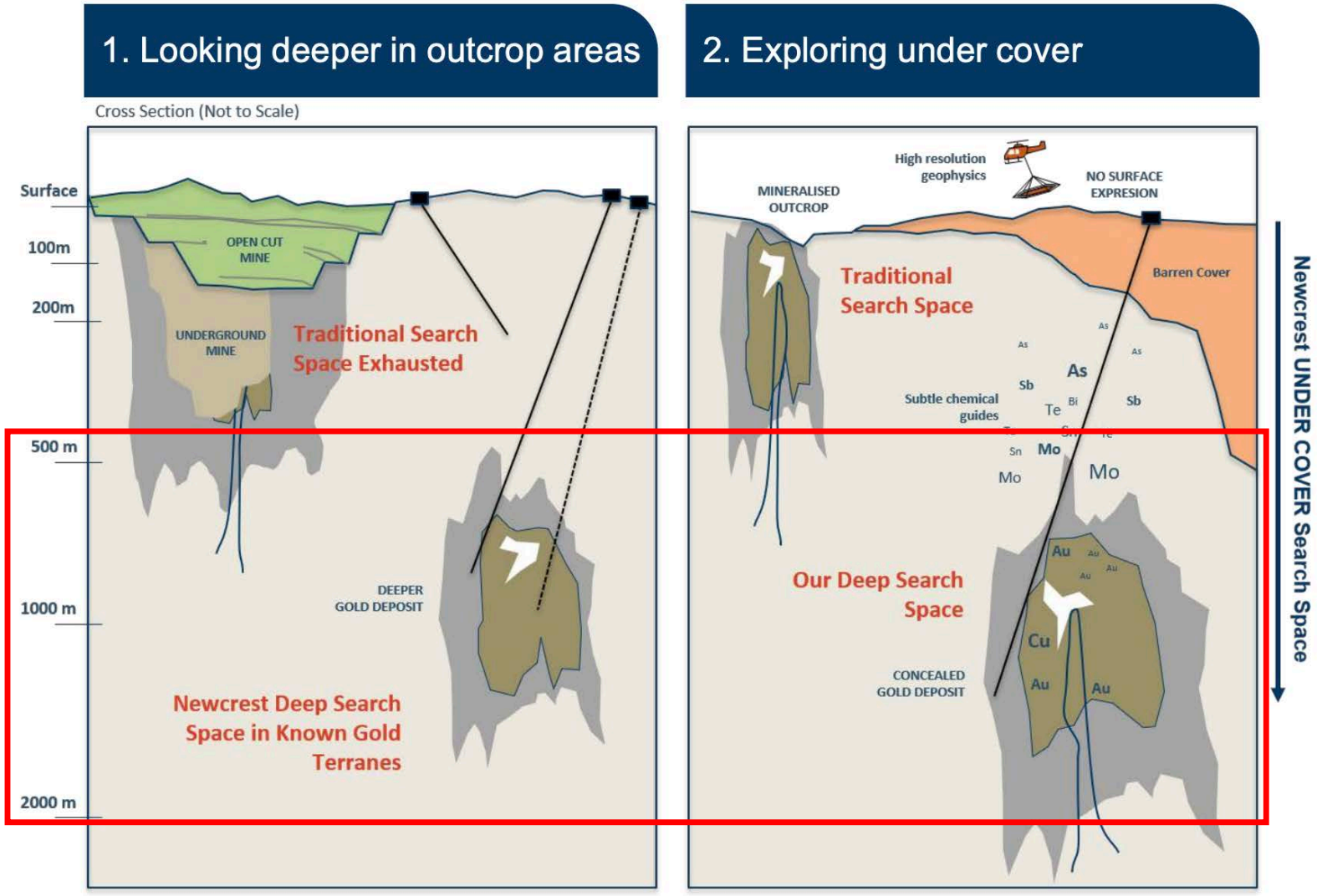
Carrapateena: 500m of cover



WA Gold Mines: 500m+

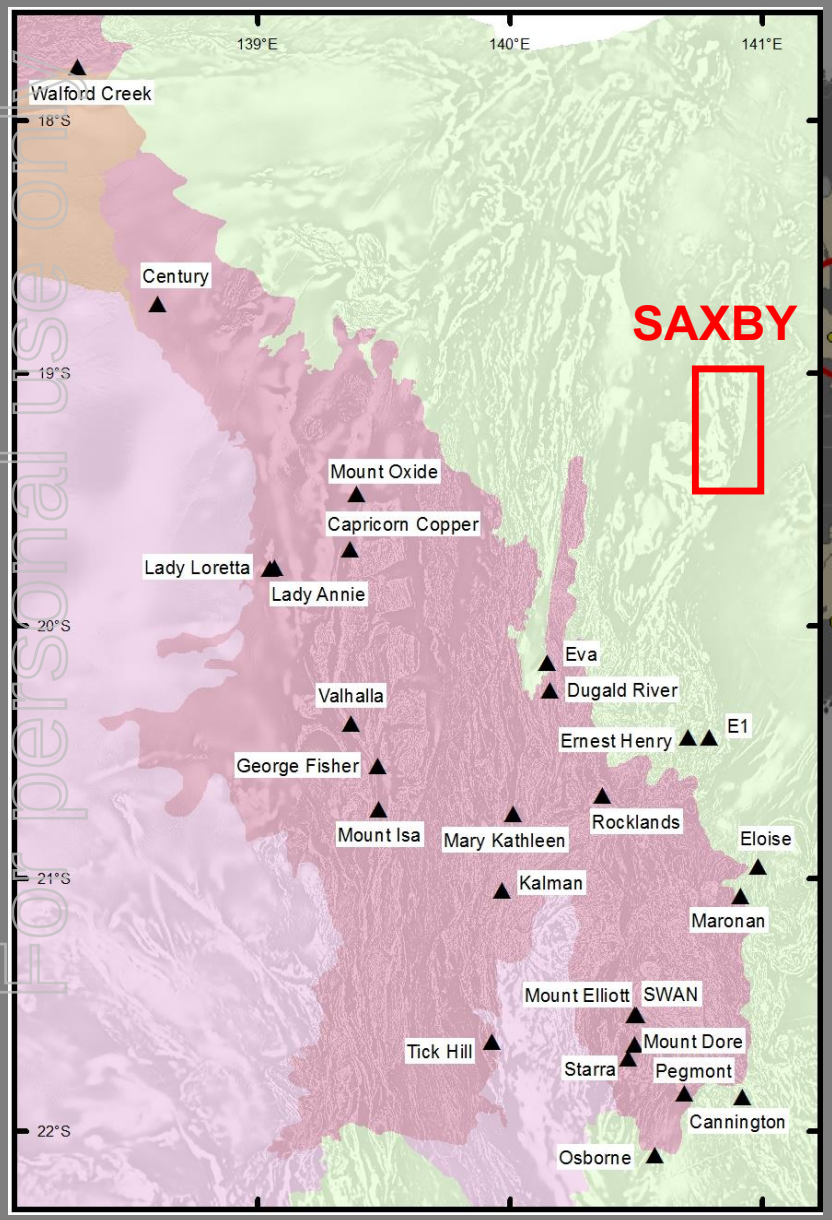
Sources:
BHP Announcement of 17 October 2019
NCM Announcement of 30 January 2020
OZL Announcement of 12 November 2019
BGL Announcement of 11 September 2019

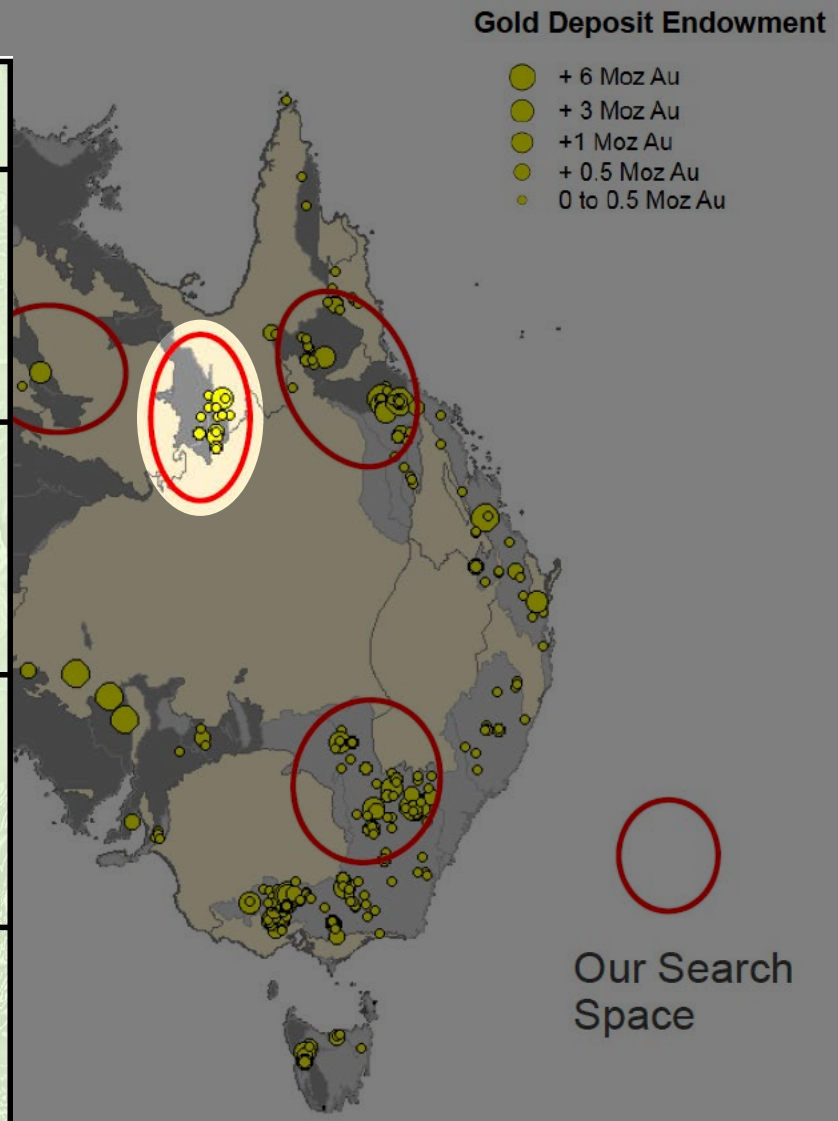
The new Search Space



Source: NCM Announcement of 29 October 2019

Mt Isa Eastern Succession

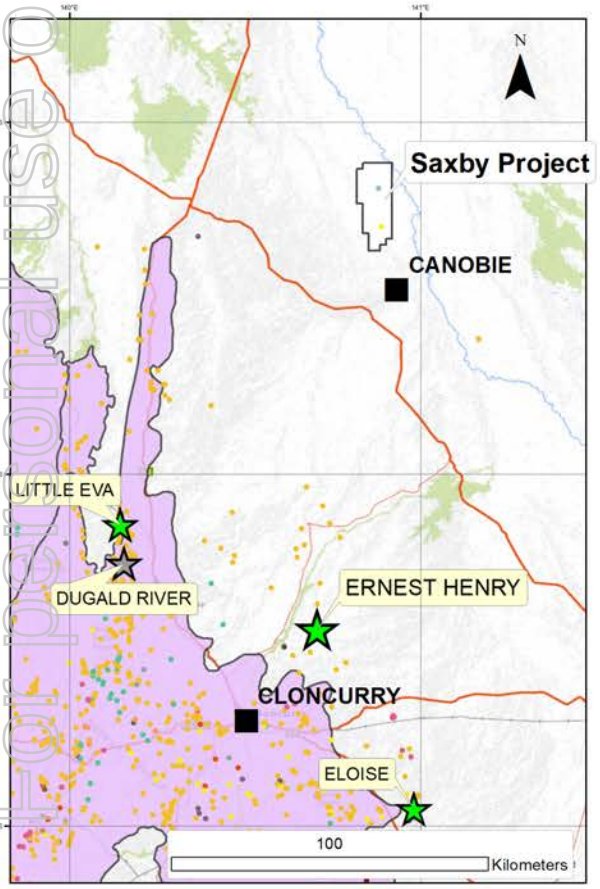




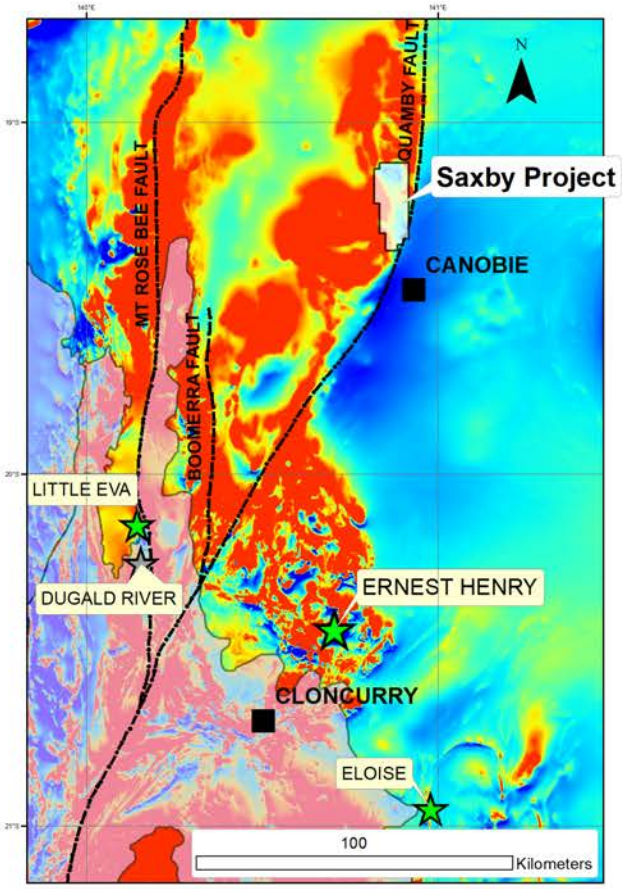
Source: NCM Announcement of 29 October 2019

Mt Isa Eastern Succession

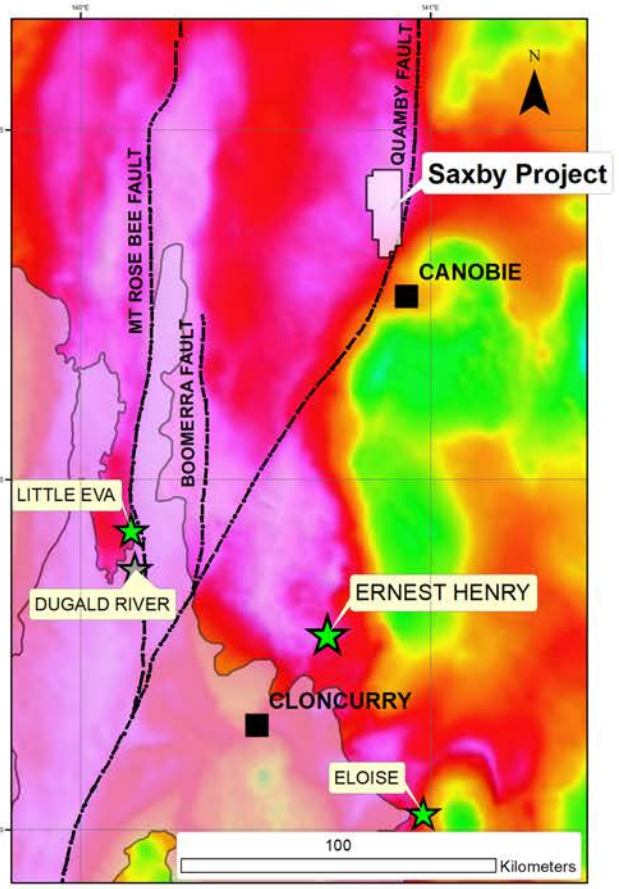
- Mt Isa Province is one of the most heavily mineralised terranes in the world
- Geophysics clearly show Eastern Succession continues under cover to the North
- Very little drilling in this area, the few holes drilled have a high strike ratio of mineralisation
- Depth of cover at Saxby ~400m



Outcropping basement and mineral occurrences



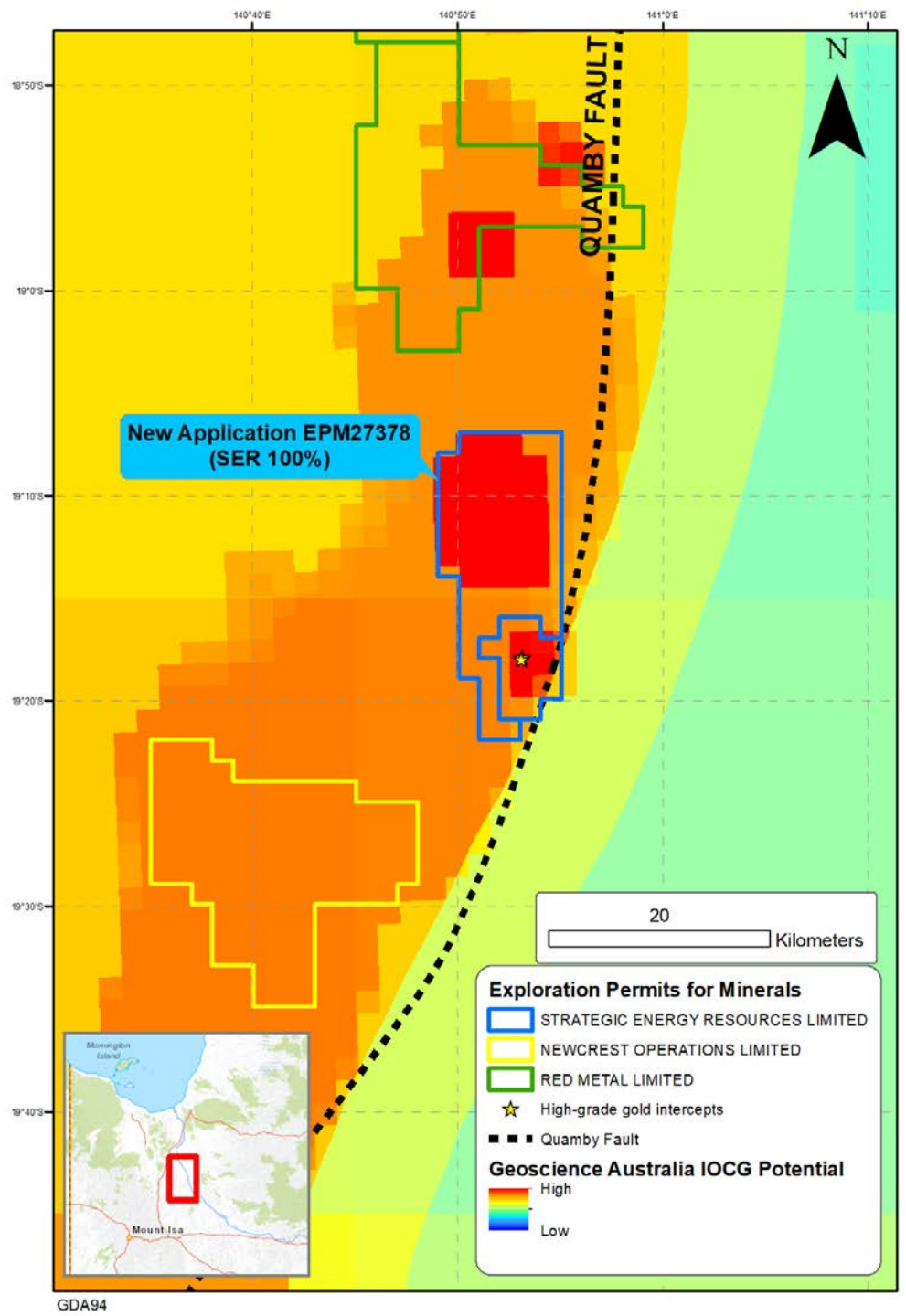
Magnetics and key structures



Gravity

Saxby Project Area

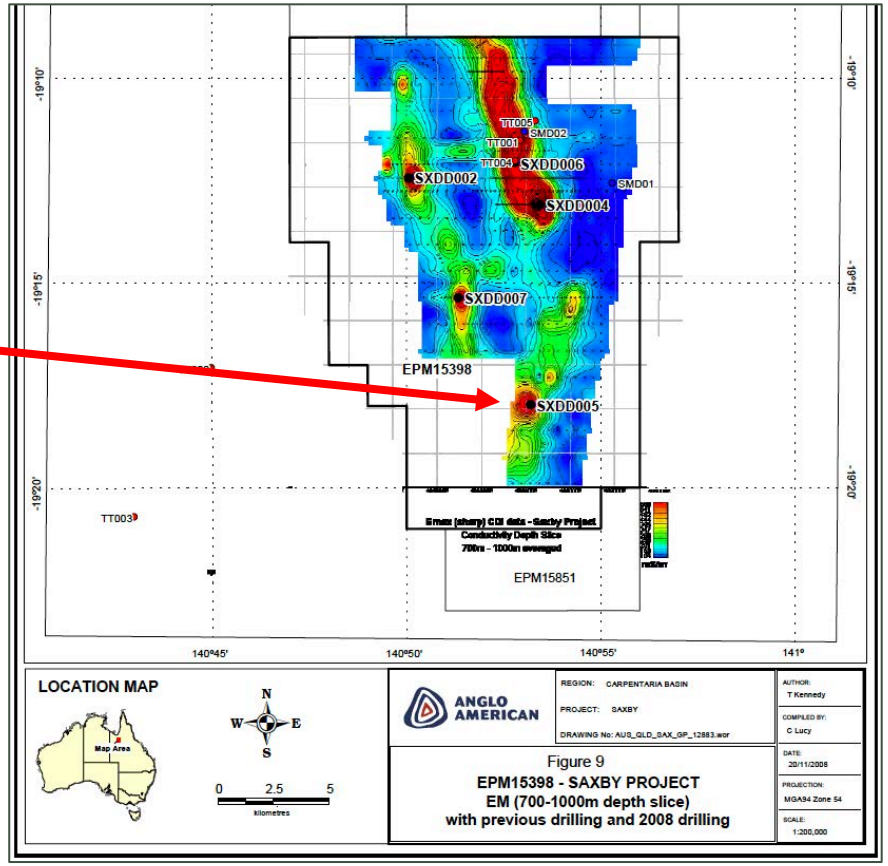
- Geoscience Australia: *"Mapping iron oxide Cu-Au (IOCG) mineral potential in Australia using a knowledge-driven mineral systems-based approach"*
- Saxby has the highest possible potential for gold and copper mineralisation
- Neighbouring explorers Newcrest and Red Metal also have moderate to high potential



Source: Ore Geology Reviews (October 2019):
https://www.sciencedirect.com/science/article/pii/S0169136819303099?via%3Dihub

Exploration History

- 2008: Anglo American targeting magmatic Ni-Cu-PGE sulphide deposits under cover
- Drilling targeted EM conductors
- Discovery hole SXDD005
- **17m @ 6.75g/t Au**
- EM conductor explained by graphitic metasediments above gold mineralisation
- Gold mineralisation **Au-Ag-Bi-W +/- As S** within broad interval of pyrite (±magnetite) veining and brecciation hosted by moderate to strongly red rock altered psammitic and felsic intrusive rocks

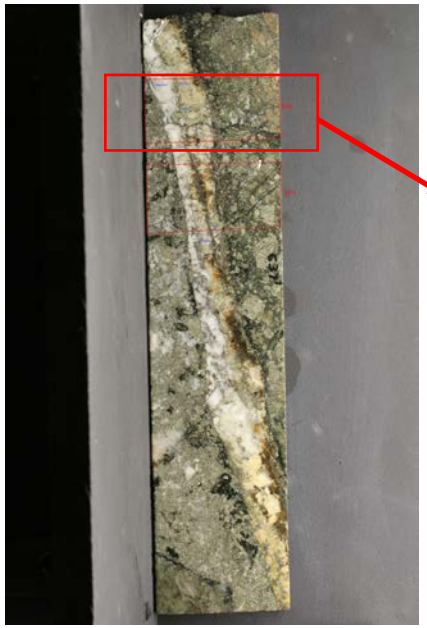


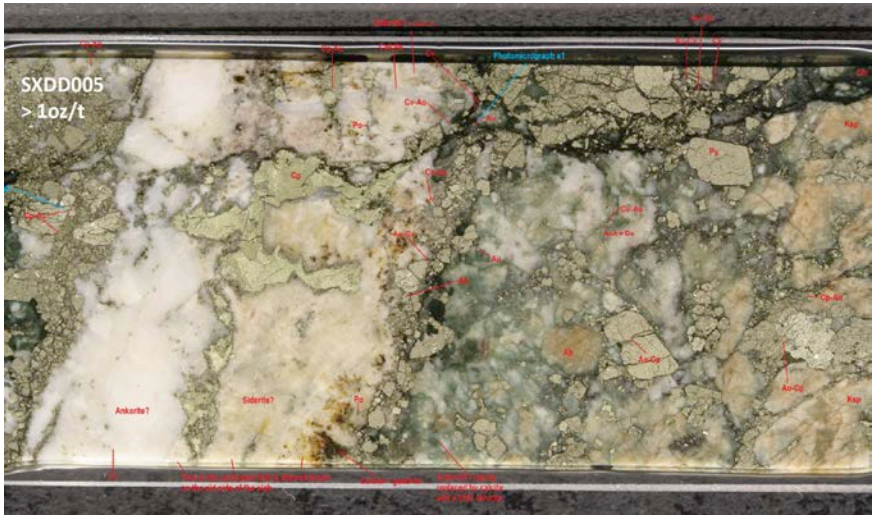
Anglo American 2008 SXDD005

Au g/t	Interval	From
0.00	2.0	608.0
0.01	2.0	610.0
0.00	2.0	612.0
0.84	2.0	614.0
0.14	1.8	616.0
6.80	1.4	617.8
1.36	1.8	619.2
0.20	2.0	621.0
0.01	2.0	623.0
0.02	2.0	625.0
0.01	2.0	627.0
0.01	2.0	629.0
1.23	2.0	631.0
1.21	2.0	633.0
3.66	1.7	635.0
54.00	0.8	636.7
88.40	0.5	637.5
1.45	2.0	638.0
0.03	2.0	640.0
3.69	2.0	642.0
0.11	2.0	644.0
2.86	2.0	646.0
0.01	2.0	648.0
0.00	2.0	650.0
0.01	0.9	652.0

9m at 11.27 g/t Au

17m at 6.75 g/t Au



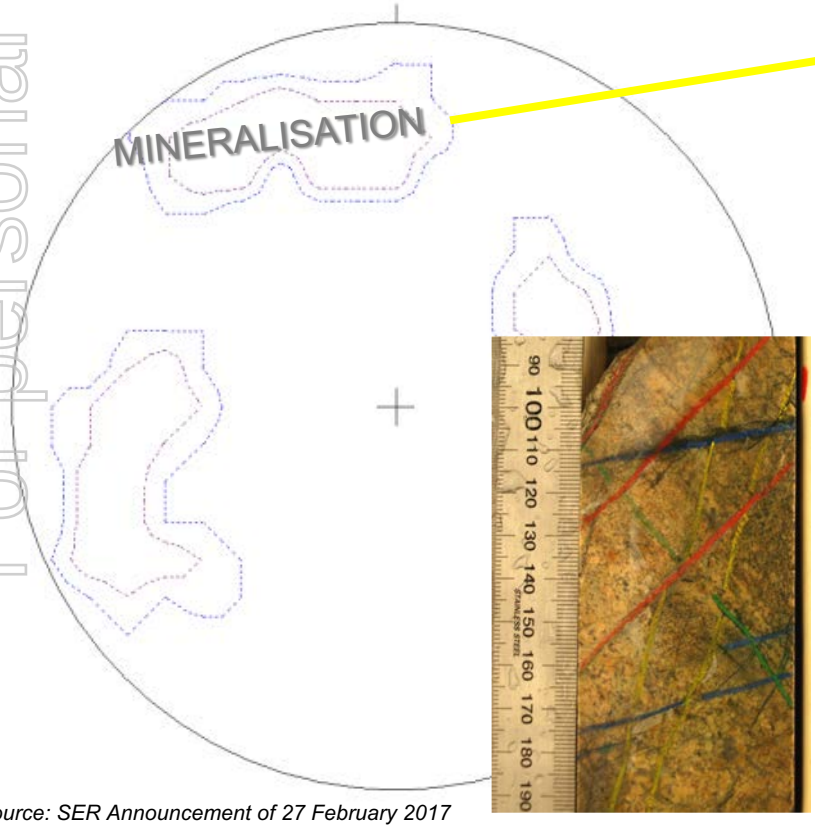


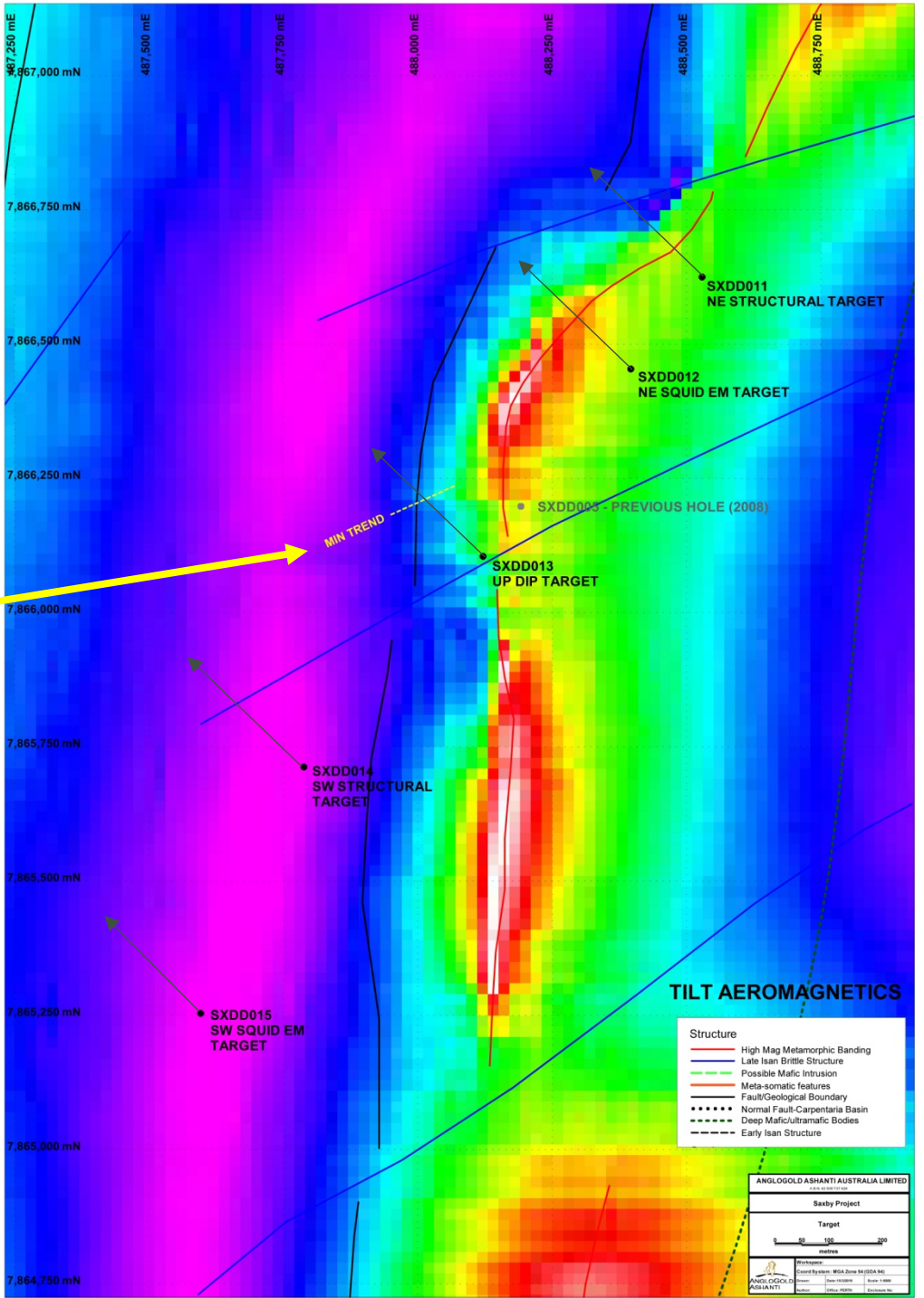
Source: FCN Announcement of 28 January 2009 and SER Announcement of 7 December 2016

Exploration History

- 2009: AngloGold Ashanti takes over
- 100m airborne magnetic survey
- SQUID EM and gravity surveys

- Structural analysis of core suggested mineralisation: 69° → 160° (NE striking)
- Parallel with Late Isan Brittle Structures identified in magnetics
- Drilling designed to test this orientation



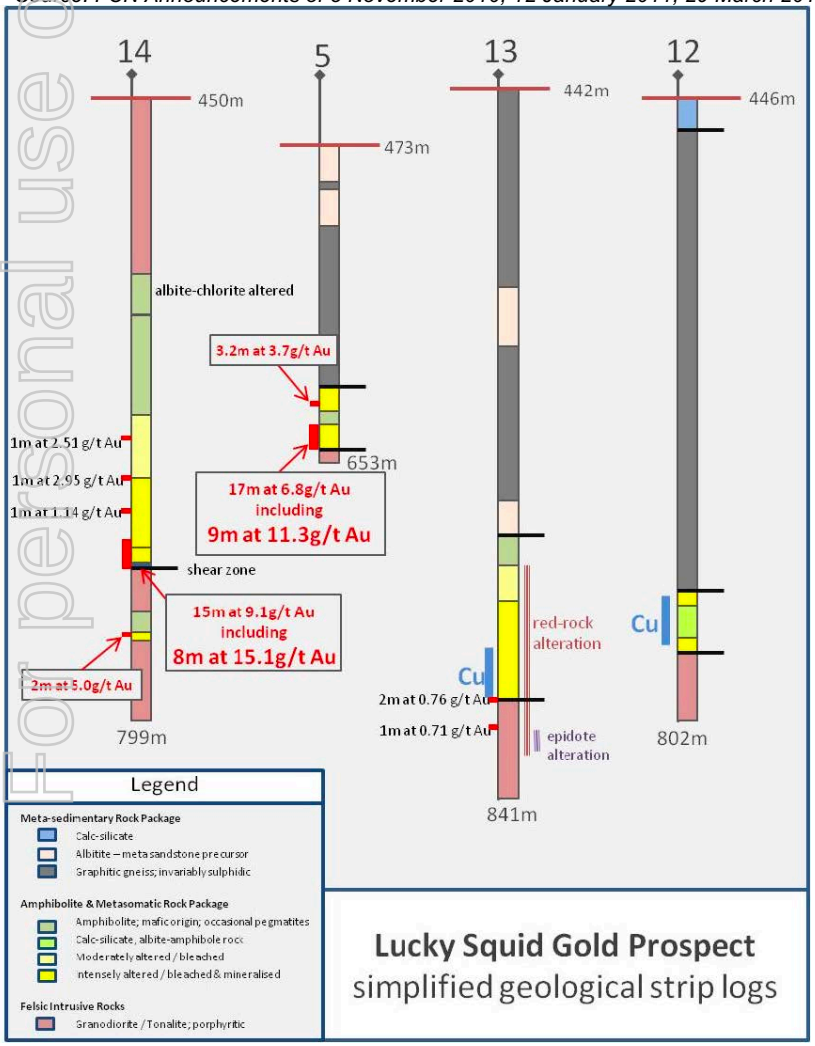


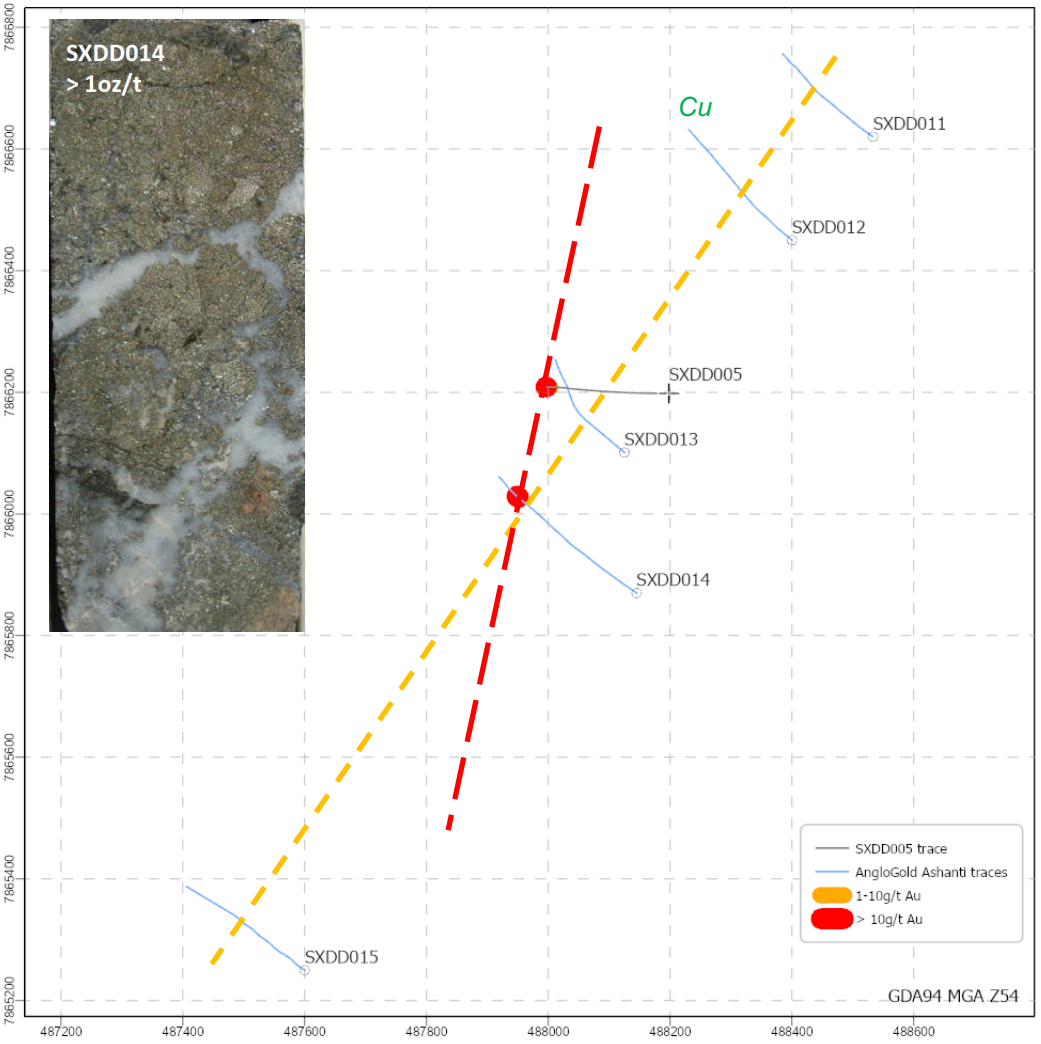
Source: SER Announcement of 27 February 2017

Exploration History

- 2010: AngloGold Ashanti drills 5 holes targeting NE trending structure
- SXDD014 hits **15m @ 9.09 g/t Au** (including 8m @ 15.09g/t Au)
- Orientation of mineralisation may be more NNE, resulting in near misses with anomalous Cu

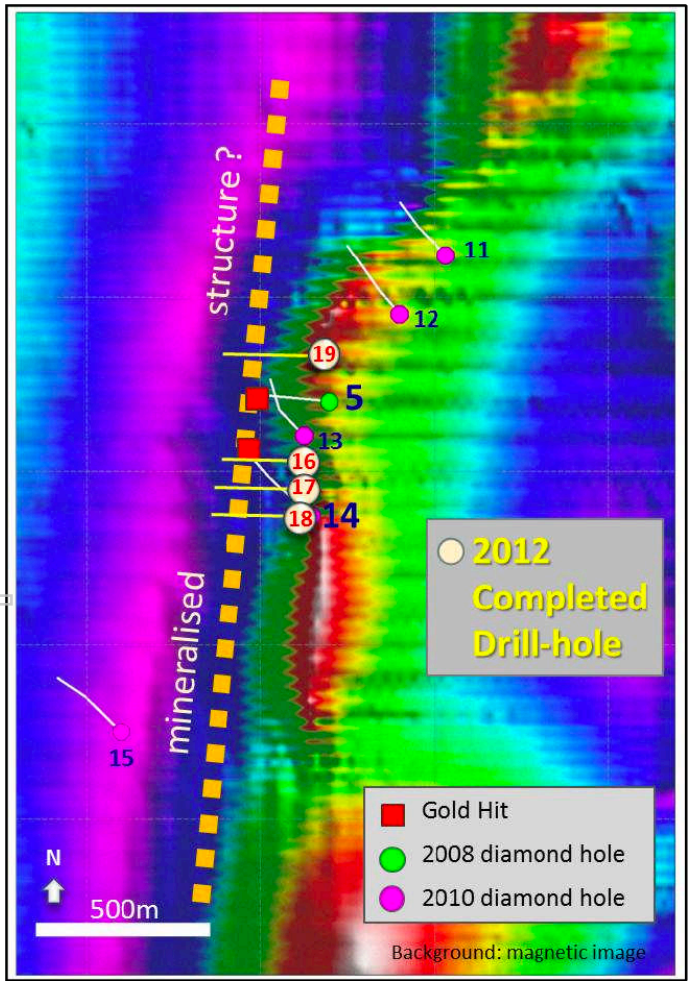
Source: FCN Announcements of 5 November 2010, 12 January 2011, 29 March 2012

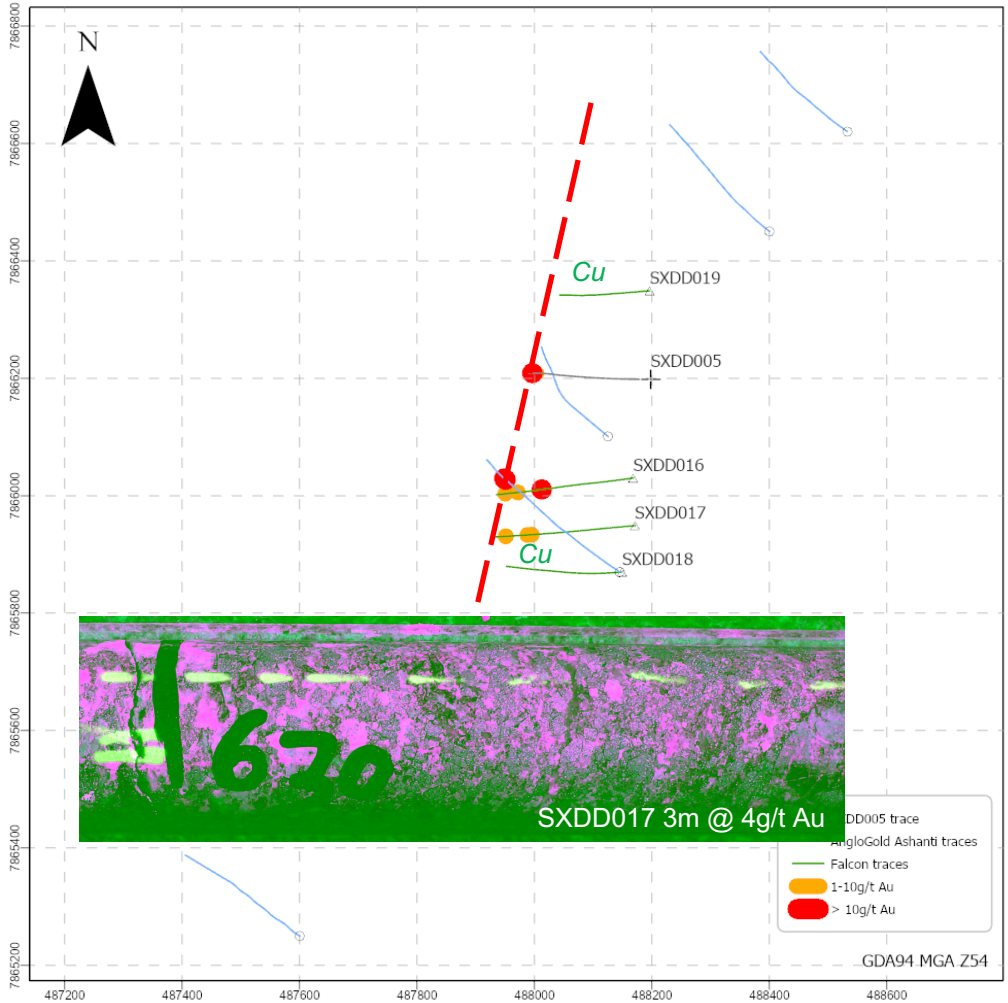




Exploration History

- 2012: Falcon drills 4 holes targeting NNE structure
- "All holes steepened significantly and this needs to be resolved before drilling recommences"
- "Geological evidence suggests main alteration and structure west of drill hole"
- Auriferous pyrite mineralisation occurs within a broad zone of alteration ~75-100m width
- **Target not reached and remains untested** (SXDD016 got close: 1m @ 26.1g/t Au in vein)



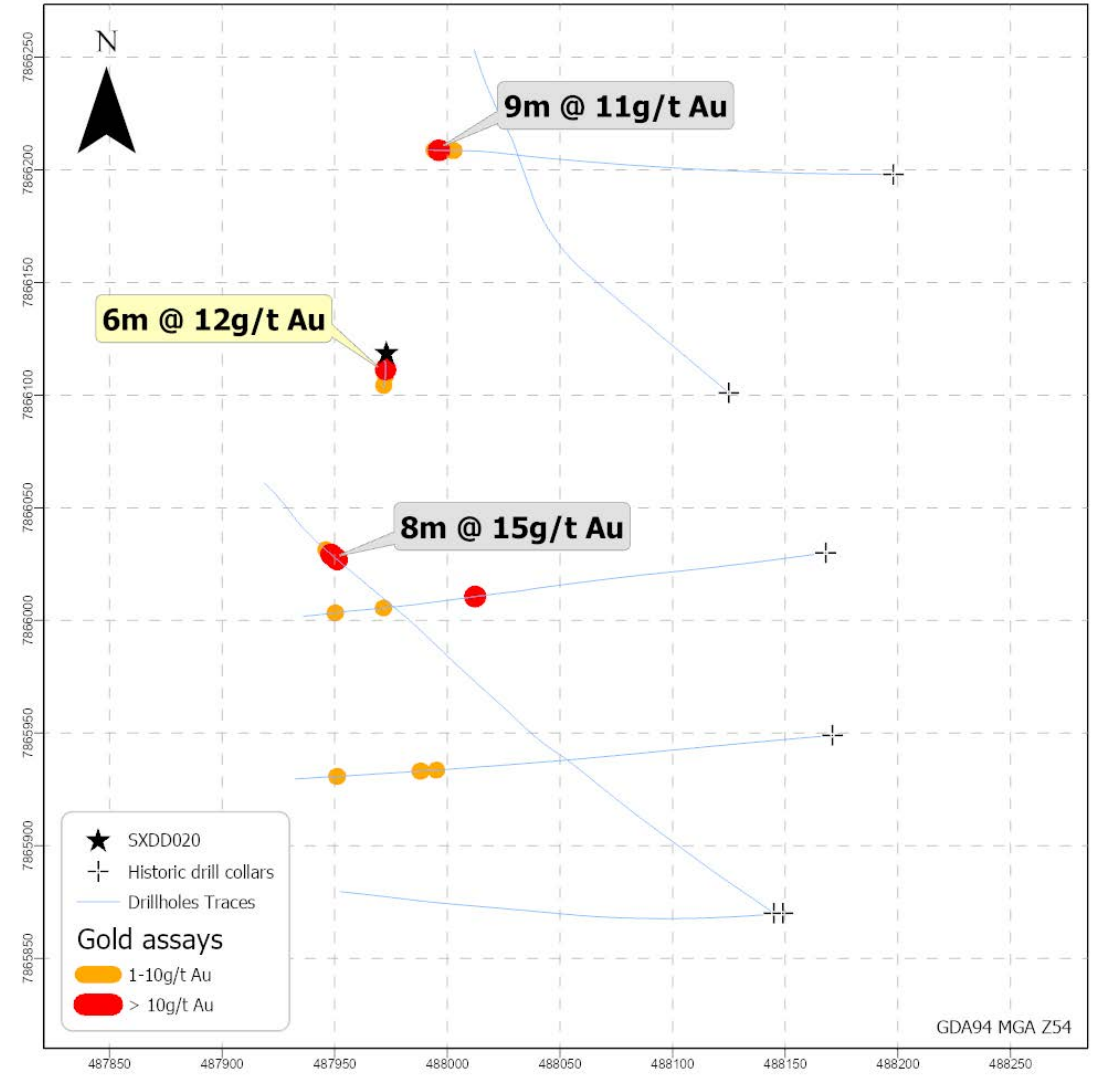


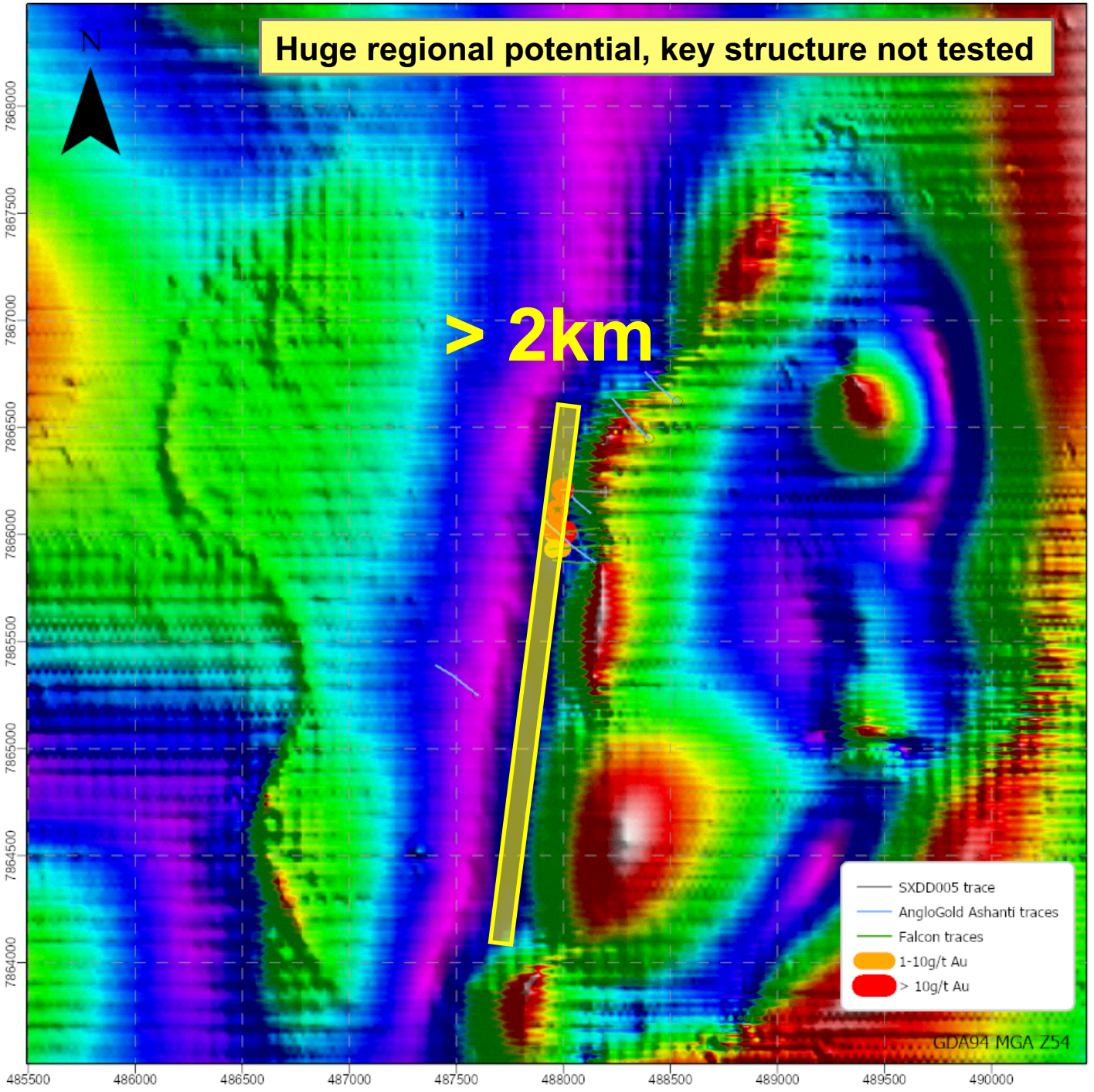
Source: FCN Announcements of 17 July 2012 and 17 August 2012

SER Drilling November 2019

- Drilling of hole SXDD020 completed November 2019 to a total depth of 719m
- Rotary mud pre-collar followed by diamond drill cored tail
- SXDD020 did not deviate significantly
- **6m @ 12g/t Au** approximately 100m from other high grade hits

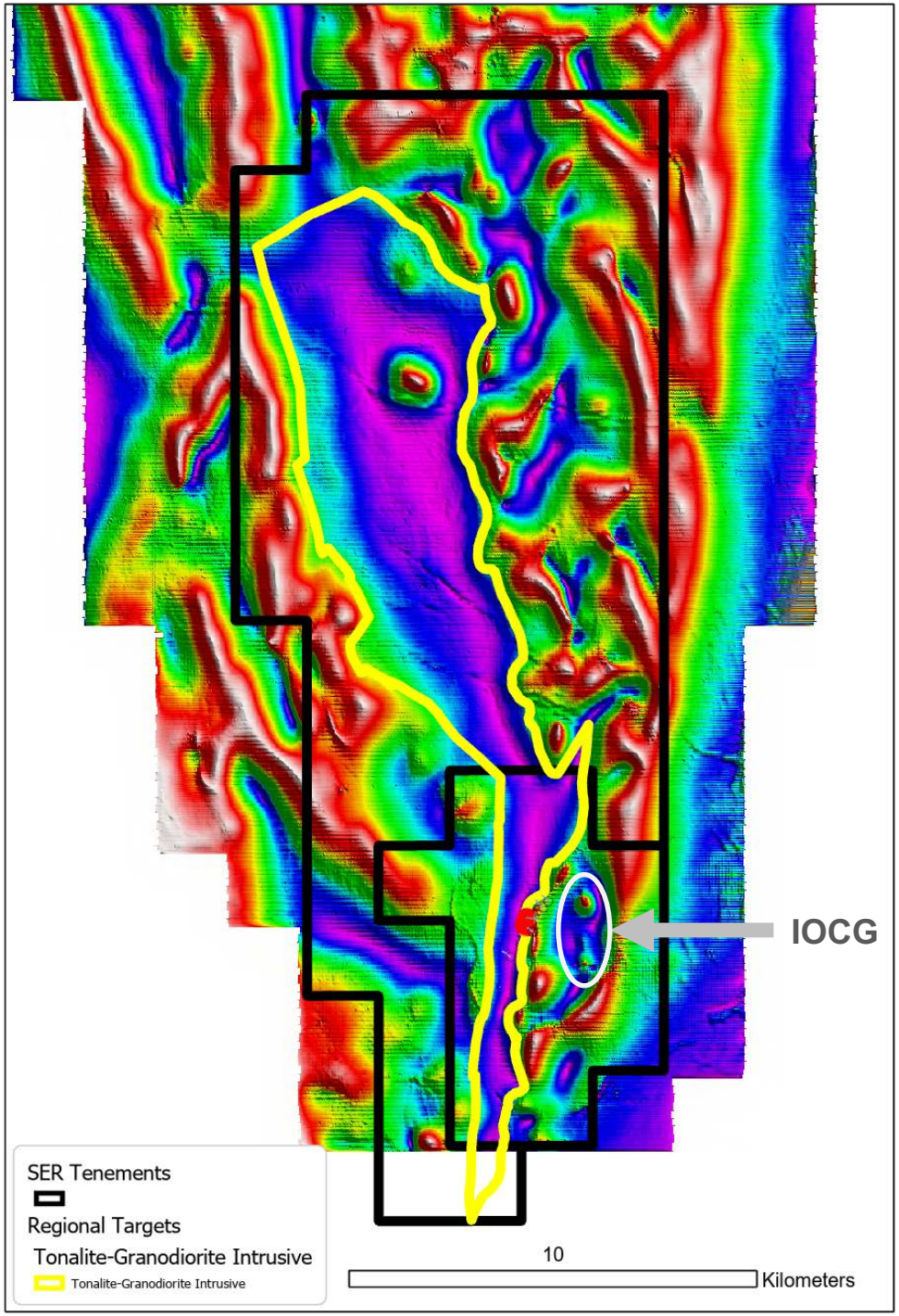
Source: SER Announcement of 13 December 2019





Regional Targets

- Extremely limited historical drilling reveals a highly fertile camp
- Almost every historical hole hit some form of mineralisation
  - High grade gold
  - Ni-Cu sulphides in gabbro intrusive
  - Anomalous Cu-U-REE in skarn
- Margin of Tonalite-Granodiorite intrusion prospective for further gold mineralisation
- IOCG targets (density and magnetic susceptibility highs) just east of gold hits



Source: FCN Announcement of 16 November 2011

What Next?

- Structural analysis of SXDD020 and historical drilling to determine orientation of controlling structures
- Alteration zone characterisation to determine vectors to high-grade mineralisation
- Detailed geophysics over gold trend to determine which techniques best map the structure
- Immediate area drill testing
  - along strike
  - up and down dip
  - from other direction (from West) to confirm orientation and geometry
- Step out drill testing
  - Potential to extend at least a further 2km
  - SER holds 242km^2 of untested prospective ground surrounding Saxby