



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

30 April 2018

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Quarterly Report to 31 March 2018

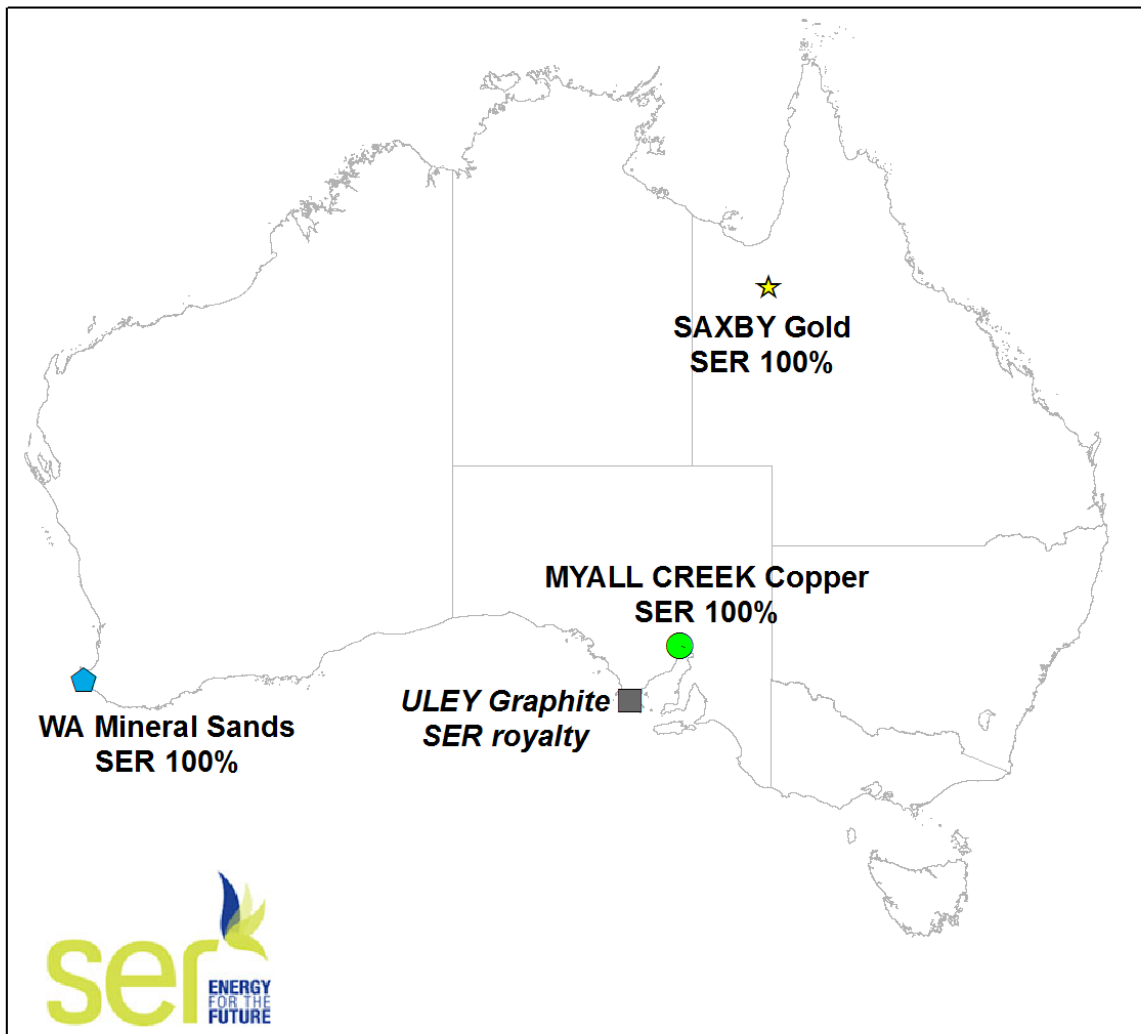


Figure 1: SER Exploration Projects

Strategic Energy Resources Limited (ASX Code: SER) is a diversified mineral exploration company and major shareholder of Ionic Industries Ltd

MINERAL EXPLORATION

HEAVY MINERAL SANDS EXPLORATION WESTERN AUSTRALIA (SER 100%)

During the quarter, SER undertook a substantial body of work at our Ambergate heavy mineral sands project in Western Australia, culminating in a major increase of 44% to the JORC 2012 Inferred Mineral Resource Estimate at Ambergate.

SER defined an updated JORC 2012 Inferred Mineral Resource of **11.2.Mt grading 5.1% Heavy Minerals for a total Heavy Mineral content of 569,000t**. The resource is calculated with a low grade Heavy Mineral cut-off of 3% and Slimes cut off of <22%. The heavy mineral assemblage at Ambergate includes: 73% ilmenite (average TiO₂ content of 58.7%), 12% leucoxene, 12% zircon, 0.6% monazite and 2% other minerals. Full details of the updated resource are available in SER's ASX Announcement of 17 April 2018.

The additional mineral lies immediately west of SER's existing exploration licence on new ground identified and pegged by SER last year and granted in early 2018.

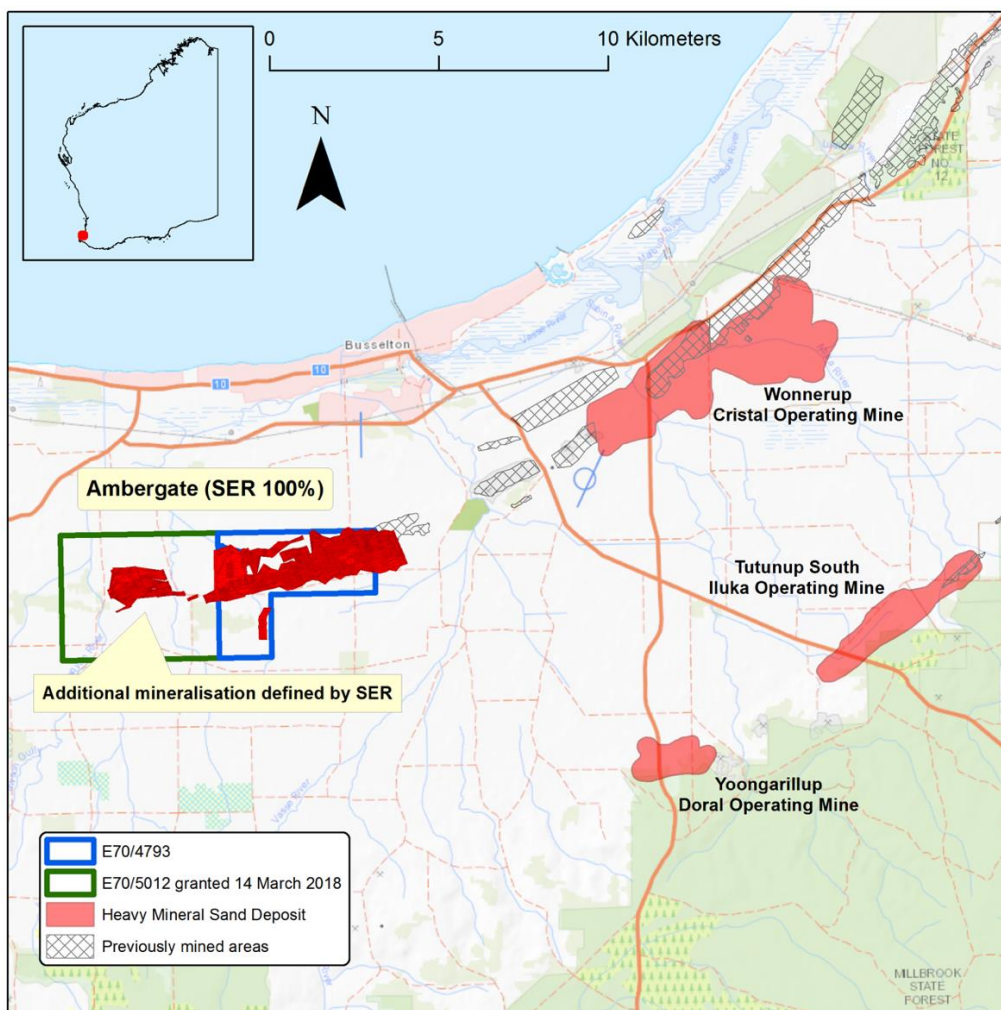


Figure 2: Ambergate Heavy Mineral Resource with surrounding operating heavy mineral mines

SER is considering several options to advance the project including additional drilling and assaying to further upgrade the resource and preliminary optimisation studies to consider development options.

CORPORATE AND INVESTMENTS

QUANTUM GRAPHITE

During the quarter, the Takeovers Panel considered SER's application regarding Quantum Graphite Limited (ASX: QGL). The Panel declined to make a declaration of unacceptable circumstances in response to SER's application. A media release from the Takeovers Panel is available at SER's ASX Announcement of 2 February 2018.

IONIC INDUSTRIES UPDATE (SER 15%)

Ionic has completed all testing required to support the patent application for printable, 3D-stacked micro supercapacitors – "MICRENS". Results were as expected, demonstrating that Ionic can achieve consistent results over many repetitions. Ionic is now creating more sophisticated devices that will be closer to meeting the specific performance requirements in target markets.

Ionic welcomed two new members to the Monash research team to support the next stages of research in both energy storage and water treatment.

Dr Meysam Sharifzadeh joins Ionic from Nanyang Technical University in Singapore bringing expertise in materials science and device design and fabrication. His expertise will be critical as Ionic enters the next stage of our supercapacitor program where we need to consistently produce many prototype devices for use in testing and upscaled production processes.

Dr Sebastian Hernandez joins the Monash team from the University of Kentucky (USA) bringing specific knowledge in chemical-environmental engineering processes, separation processes and nanocomposites. He has arrived in time to contribute critical expertise to support the scaled production of our water treatment technologies and testing in industrial applications.

During the quarter, Ionic raised approximately \$248,000 through unsolicited applications and private share placement.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in or disposed/farm-out during the quarter
EL6140*	South Australia	100%	Renewed as subsequent licence
EL5898	South Australia	100%	-
EPM15398	Queensland	100%	Renewal pending
E70/4793	Western Australia	100%	-
E70/4797	Western Australia	100%	-
E70/4799	Western Australia	100%	-
E70/4805	Western Australia	100%	-
E70/4807	Western Australia	100%	-
E70/4874	Western Australia	100%	-
E70/5012	Western Australia	100%	Granted 14 March 2018

*Granted subsequent to the end of the March 2018 quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

31 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(61)	(203)
(b) development	-	-
(c) production	-	-
(d) staff costs	(27)	(115)
(e) administration and corporate costs	(75)	(234)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(153)	(533)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other Exploration and Evaluation	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,178
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,153

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,947	174
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(153)	(533)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,153
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,794	1,794

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	294	447
5.2 Call deposits	1,500	1,500
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,794	1,947

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	80
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director's fees and consulting fees paid during the March 2018 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	130
9.2	Development	-
9.3	Production	-
9.4	Staff costs	50
9.5	Administration and corporate costs	60
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	240

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E70/5012	Mineral sands tenement	-	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 30 April 2018

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.