

ASX ANNOUNCEMENT

11 October 2021

Drilling commences at Canobie Project

HIGHLIGHTS

- **Canobie drill campaign has commenced at the Kalarka Prospect**
- **Machine Learning Project focused on Isa Undercover Initiative now underway**

Strategic Energy Resources (SER) is pleased to announce that drilling has commenced at the Kalarka Prospect at our Canobie Project in Northwest Queensland.

Kalaraka is located undercover in the Canobie Domain of the Mt Isa Eastern Succession along a major NNW orientated structural break, within an interpreted sub basin. Whilst the surrounding area has a complex magnetic character, the interpreted sub basin is magnetically quiet with the exception of Kalarka. The target is associated with a discrete electromagnetic (EM) response which SER has modelled as a steep westerly-dipping, highly conductive plate adjacent to a gravity high. SER interprets the target to be a potential analogue of the Cannington base metal deposit. The target has never been drill tested.

SER has commenced drilling mud-rotary / diamond drill hole CNDD001 inclined towards the east to intercept the magnetic feature across strike based on modelled geometry. SER plans to drill two holes at the project targeting different parts of the magnetic anomaly with the first hole designed to also test the interpreted EM plate.



Figure 1: Drilling underway at the Kalarka Prospect

The drilling at Kalarka is co-funded through the Queensland Government Collaboration Exploration Initiative (CEI).¹

Machine Learning Project Underway

As reported earlier this year², SER was awarded a second CEI grant to undertake a collaborative project with award-winning mineral exploration machine learning pioneers Caldera Analytics. The project, entitled “Deep Learning Based Geological Interpretation of Geophysical Data – Reducing Risk of Deep Cover Exploration in the Mt Isa Region” has begun, with the current work involving training dataset creation and regriding of geophysical data inputs into the required formats needed for deep learning.

The outputs from the machine learning models trained as part of the CEI grant will be probabilistic basement interpretations for the Canobie and Isa North projects, showing the likelihood of each modelled lithology occurring at a target location. These probabilistic interpretations will enable SER to further de-risk target selection by prioritising areas that have less chance of being false positives, e.g a shallower than expected basement causing a false gravity anomaly.

SER recognises the immense potential of machine learning to assist SER in drill targeting across the Isa Undercover Initiative and the wider Northwest Queensland region. As a result, SER will be committing additional technical expertise and research funds alongside the \$65,000 CEI grant to maximise the value of this project.

This announcement is authorised by the Strategic Energy Resources Limited Board.

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About Strategic Energy Resources

Strategic Energy Resources (ASX: SER) is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia. SER is actively exploring our large tenement package in the emerging East Tennant copper-gold province of the Northern Territory; the undercover extensions of the world-class Mt Isa Province in northwest Queensland; and the Cobar Basin and Lachlan Fold belt of New South Wales.

¹ [Queensland Government Collaborative Exploration Grants](#)

² [SER Exploration Update: 30 July 2021](#)