

# MARCH 2022 QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS

- Landholder access granted at Isa North with drilling planned for mid-year
- Results imminent from “UltraFine+” geochemistry over the Achilles Copper-Gold Prospect, South Cobar
- Canobie Ni-Cu District: airborne gravity survey complete and under review, infill ground gravity survey set to commence

*Strategic Energy Resources Ltd (ASX Code: SER) is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia*

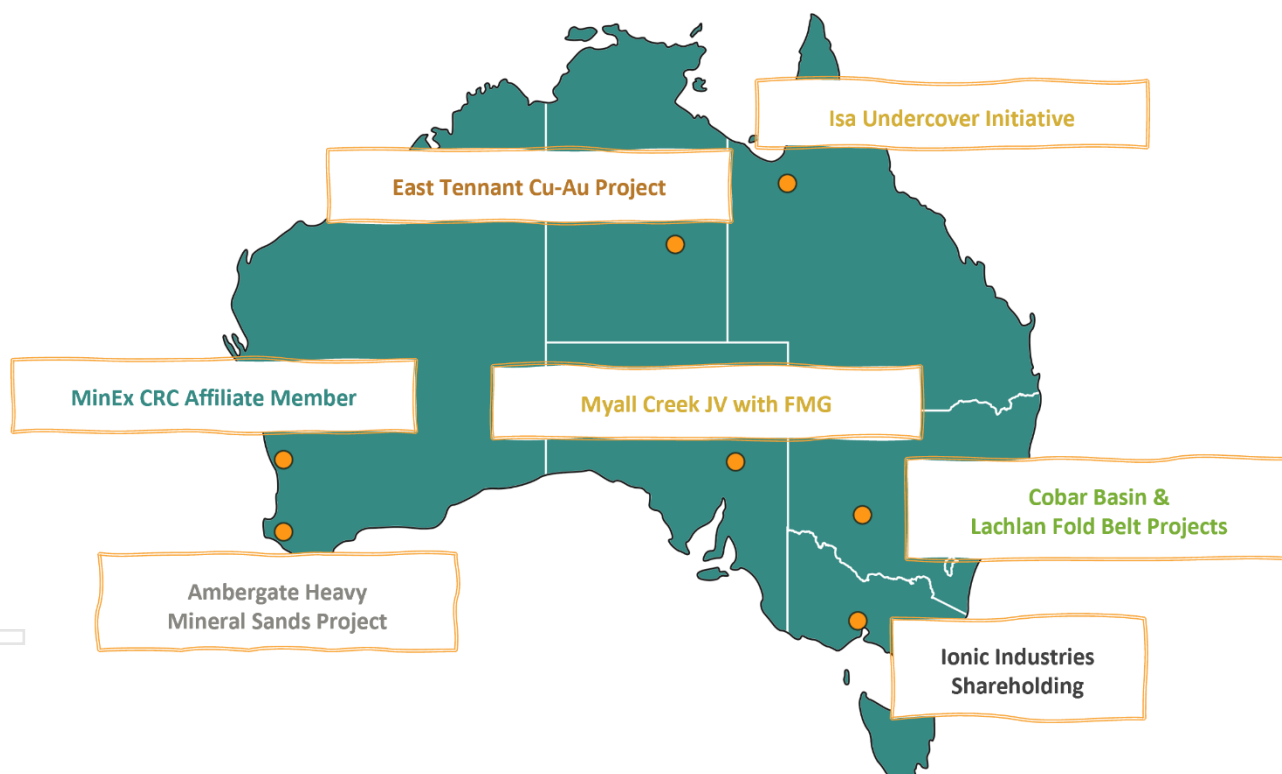


Figure 1: SER Project Locations

QUEENSLAND (SER 100%)

- **Land access agreement now signed**
- **Geophysical modelling and historic core review complete, priority targets identified**
- **Neighbouring drilling confirms copper prospectivity**

**strategicenergy.com.au**  
Level 4, 100 Albert Road, South Melbourne VIC 3205  
ACN: 051 212 429

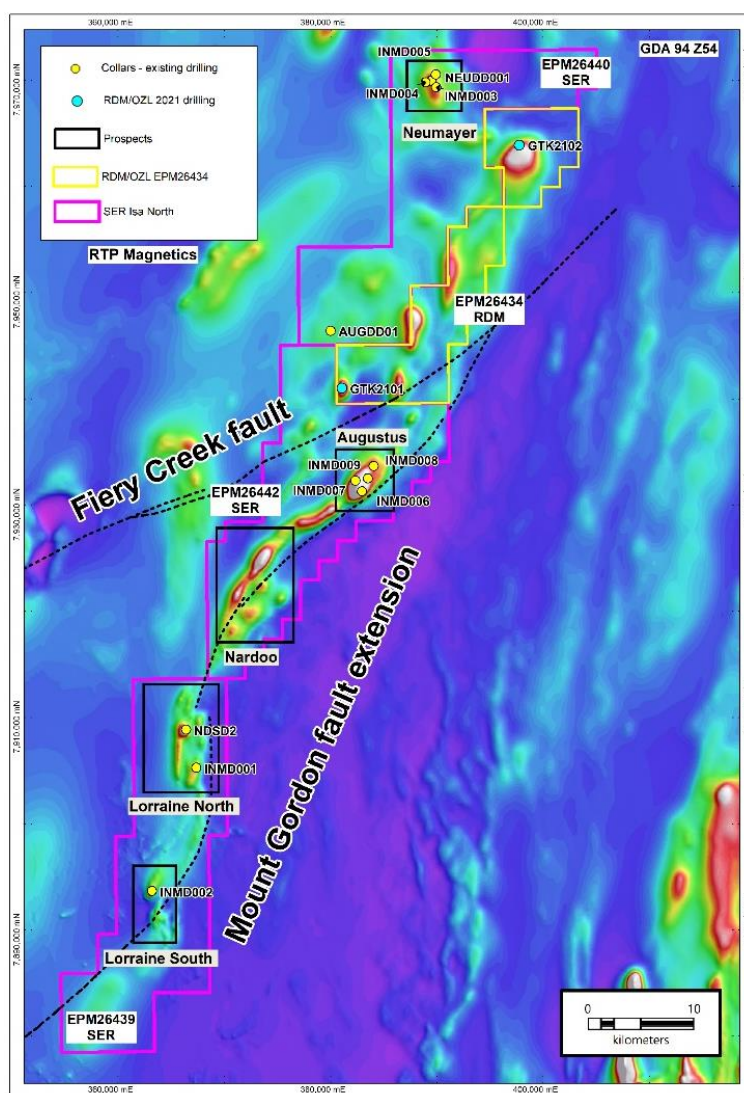


Figure 2: SER's Isa North Project over RTP magnetics indicating the location of target areas (black rectangles), previous drill holes (yellow) and the Red Metal-Oz Minerals Gibson's Tank Project (cyan drill holes)

During the quarter, SER successfully negotiated a landholder access agreement with Nardoo Station – allowing SER to drill previously inaccessible compelling Cu-Au targets. SER has now designed a diamond drill program on Nardoo station focusing on further testing of the Lorraine North Prospect and initial testing of the Nardoo Prospect. At Lorraine North, targets have been identified surrounding a ‘near miss’ drillhole which contained elevated IOCG style geochemistry, whilst key magnetic features have been identified for initial testing at the Nardoo Prospect. Native Title clearances have been initiated with plans for drilling mid-year.

The prospectivity of Isa North was corroborated in January this year following the release of drill results from the nearby “Gibson’s Tank Project” which forms part of the Red Metal (ASX:RDM) – Oz Minerals (ASX:OZL) Alliance. The project area adjoins the northern end of the Isa North project where basement is interpreted to be deeper than SER’s ground. Drill hole GTK2101, which was drilled on a combined high magnetic and high gravity target, intersected 44.4m of hydrothermal ironstone and breccia within a deformed felsic volcanic sequence. The ironstone was shown to contain disseminated copper sulphides that returned copper assay values ranging from 0.008% to 0.34% (see RDM announcement January 2022).

## **SOUTH COBAR**

NEW SOUTH WALES (SER 100%)

- **SER awarded NSW Government funding to drill Achilles Cu-Au target at South Cobar**
- **Next generation “Ultrafine+” geochemistry results imminent**
- **SER granted prized exploration ground in Macquarie Arc, Parkes Fault Zone, Cobar Basin and Curnamona Province**

Last quarter SER was awarded a NSW Government Cooperative Drilling grant to support diamond drilling activities at the Achilles 1 Prospect within our South Cobar project (EL9012). The tenement surrounds the existing undeveloped volcanic-hosted massive sulfide (VHMS) mineralisation at Brown’s Reef (Pb-Zn-Cu-Ag-Au) held by Eastern Metals (ASX:EMS); and covers a number of underexplored structural corridors and historical mineral occurrences in a fertile stratigraphic sequence of the Cobar Supergroup.

Recent drilling at Browns Reef by Eastern Metals extended the polymetallic lode along strike and at depth from high-grade intersections previously drilled by Kidman Resources (see EMS Announcement April 2022). Australian Gold and Copper (ASX:AGC) have also reported broad copper zones intersected as part of a twelve hole RC program at the Achilles 2 and 3 Prospects, which lie along the Achilles shear which hosts SER’s Achilles 1. AGC drillhole A3RC014 intersected 85m at 0.13% Cu from 165m including 1m at 0.53% from 215m (see AGC announcement September 2022).

SER has planned a five hole, 1700m diamond drilling program at Achilles 1 ranging in depth from 250m to 400m to test for Cobar-style Cu-Au mineralisation associated with the Achilles shear. The drill program is eligible for reimbursement of 50% of direct drilling costs and is anticipated to commence in the third quarter.

Prior to final drill preparations, SER completed a 250-sample, 400m x 200m spaced CSIRO *Ultrafine+™ next gen analytics* soil geochemical survey over a 4km x 4km area surrounding the Achilles 1 Prospect. The results will be available in the coming quarter and will be used to further refine the planned drill program and identify any additional geochemical anomalies.

During the quarter, exploration licences applications were granted for five new, highly prospective areas as part of the NSW Department's 2021 competitive expression of interest process. These tenements cover a crustal-scale conductivity anomaly north of Broken Hill with the Curnamona Province<sup>1</sup>, expand our existing tenement footprints in the Cowal Igneous Complex and southern Cobar Basin; along with an untested length of the orogenic-gold rich Parkes Fault Zone south of Forbes (Figure's 3 & 4). A detailed description of each area is provided in SER's announcement of 17 January 2022.

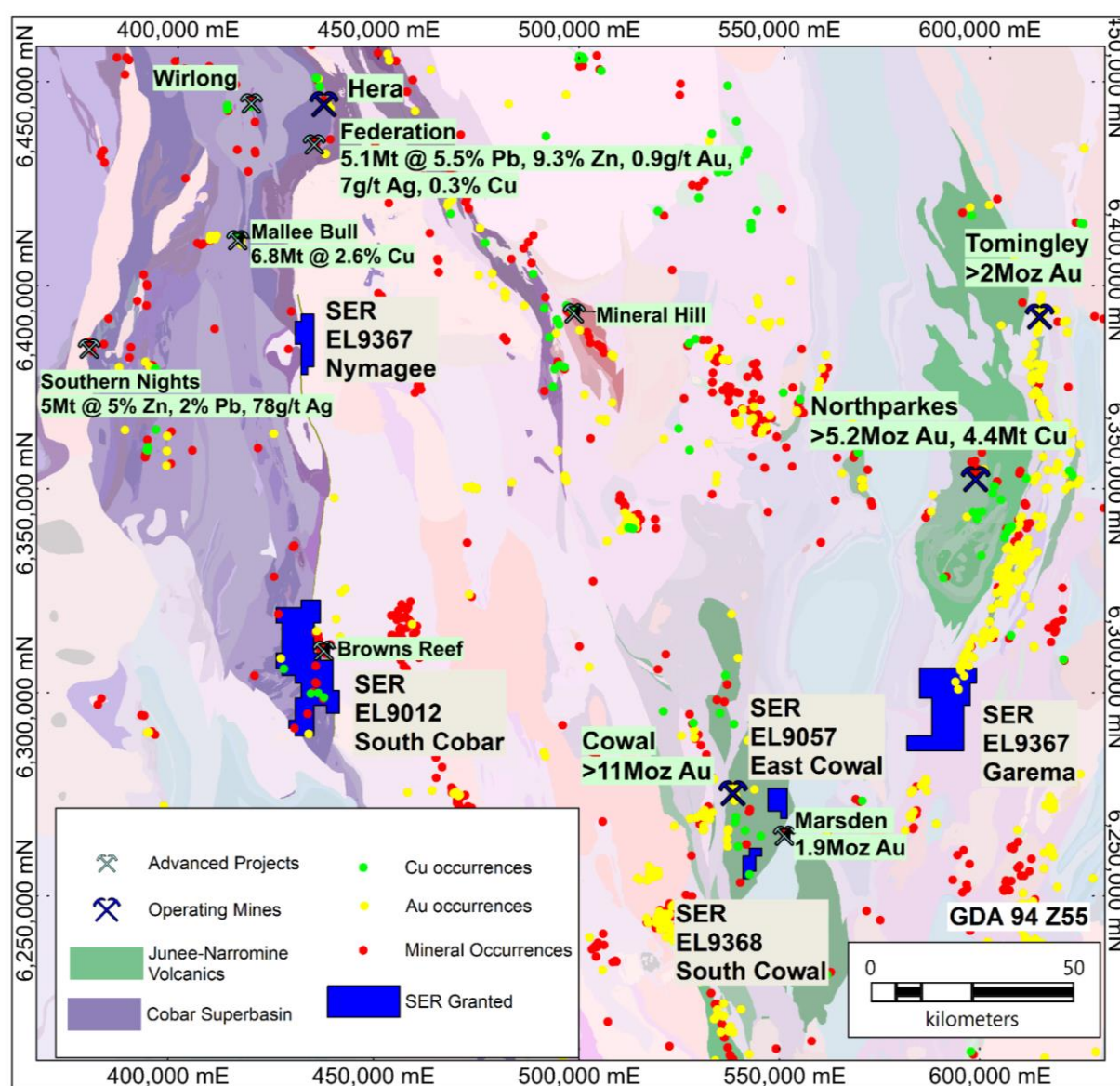


Figure 3: Location of the South Cobar Project and new exploration licence applications

<sup>1</sup> Kay, B., Heison, G., Brand, K. 2022. Crustal magnetotelluric imaging of a Paleoproterozoic graphitic suture zone, Curnamona Province, Australia, *Gondwana Research* 106, 1-14



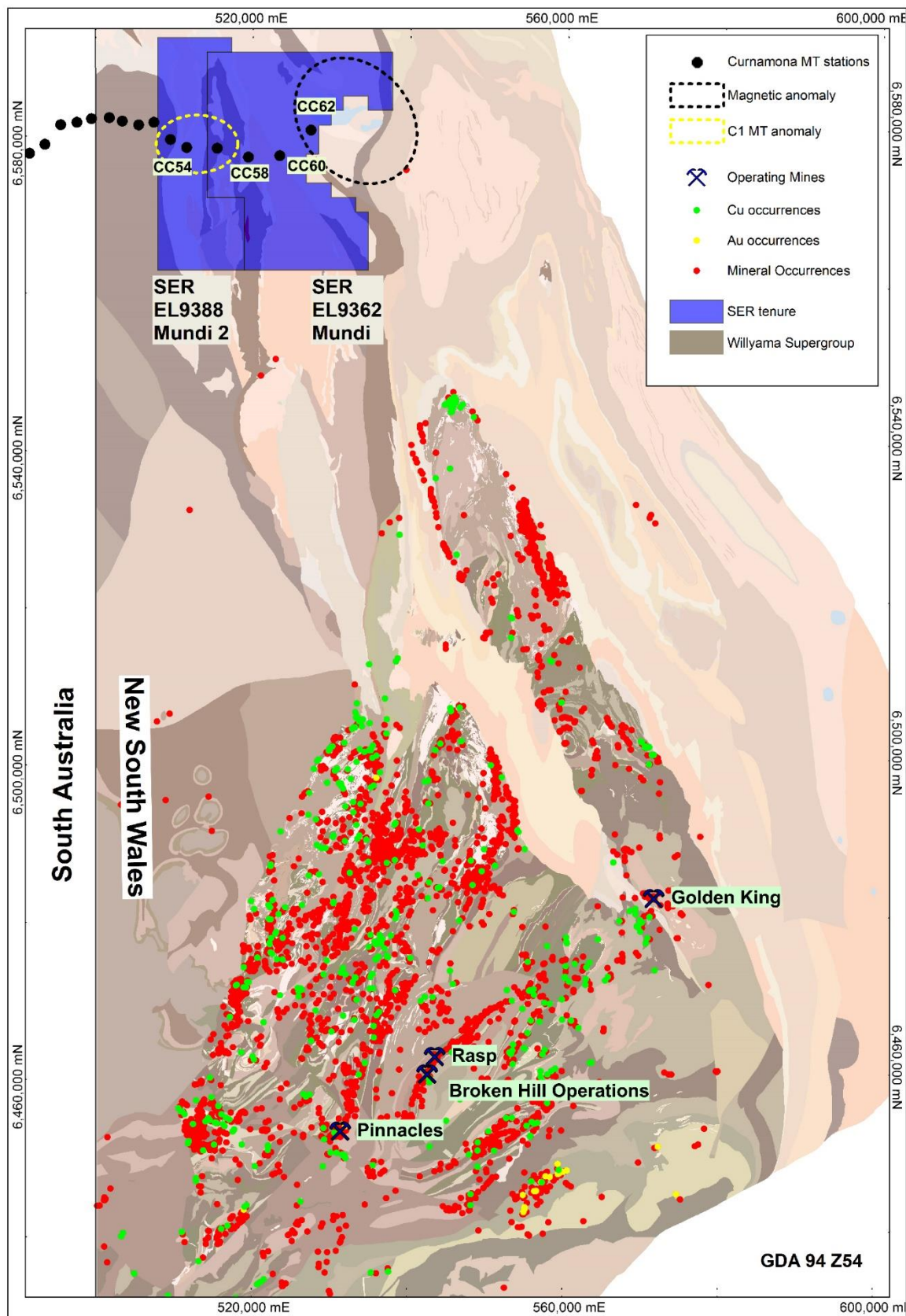


Figure 4: The location of SER's Mundi Project within the Curnamona Province

## CANOBIE PROJECT

QUEENSLAND (SER 100%)

- **Ni-Cu Sulphide targeting continues following positive drill results at Kalarka Prospect**
- **Infill gravity survey set to commence this quarter to refine drill targets**
- **District-scale Canobie Airborne Gravity survey completed and data under review**

Last quarter, SER released results from the diamond drilling program at the Kalarka Prospect within the Canobie Project. Thick intervals of nickel-elevated ultramafic rock with semi massive sulphide zones were intersected in both holes with best intersections including:

- **CNDD001A: 132m of disseminated Ni-Cu sulphides within ultramafic @ 0.1% Ni from 507m including 2m @ 0.68% Ni, 0.17% Cu (from 635m)**
- **CNDD002: 43m of disseminated Ni-Cu sulphides within ultramafic @ 0.1% Ni from 615m and 0.6m @ 0.96% Ni, 0.11% Cu (from 661.6m)**

*Full assay results are provided in SER ASX release dated 20 December 2021.*

These results, alongside historical intersections from the nearby Tea Tree Prospect, which recorded a 10.4m intersection at 0.25% Nickel and 0.28% Copper in drill hole TT00D1<sup>2</sup>, located approximately 2.75km southeast of Kalarka, advances the potential of the region to host significant Ni + Cu sulphide mineralisation (Figure 5). Broad zones of thick nickel and copper-bearing disseminated sulphides can be associated with more massive accumulations, as demonstrated between Western and Eastern Deeps systems at Voisey's Bay (Labrador, Canada) and within the Nebo-Babel deposit (West Musgraves Ranges, WA).

Last quarter an all-encompassing review of the project was initiated with the aim of improving our understanding of the potential of the project to yield higher tenor intercepts. Several actions resulting from the review were completed this quarter including re-logging of available drill core, selected geochemical analysis, petrology and petrophysical data collection which has allowed the mapping of lithochemical signatures.

SER has also continued to refine gravity data to map the interpreted intrusions at depth. SER is collecting a systematic high-quality dataset across the interpreted ore junction which can be modelled in high resolution (small cell sizes) to allow detailed interpretations of mafic/ultramafic bodies (i.e. chonoliths) which will be the focus of further massive sulphide focused exploration. The survey comprises over 800 stations at 100m, 500m and 1km spacings and will be undertaken this quarter.

---

<sup>2</sup>See [SER December 2021 Announcement](#)

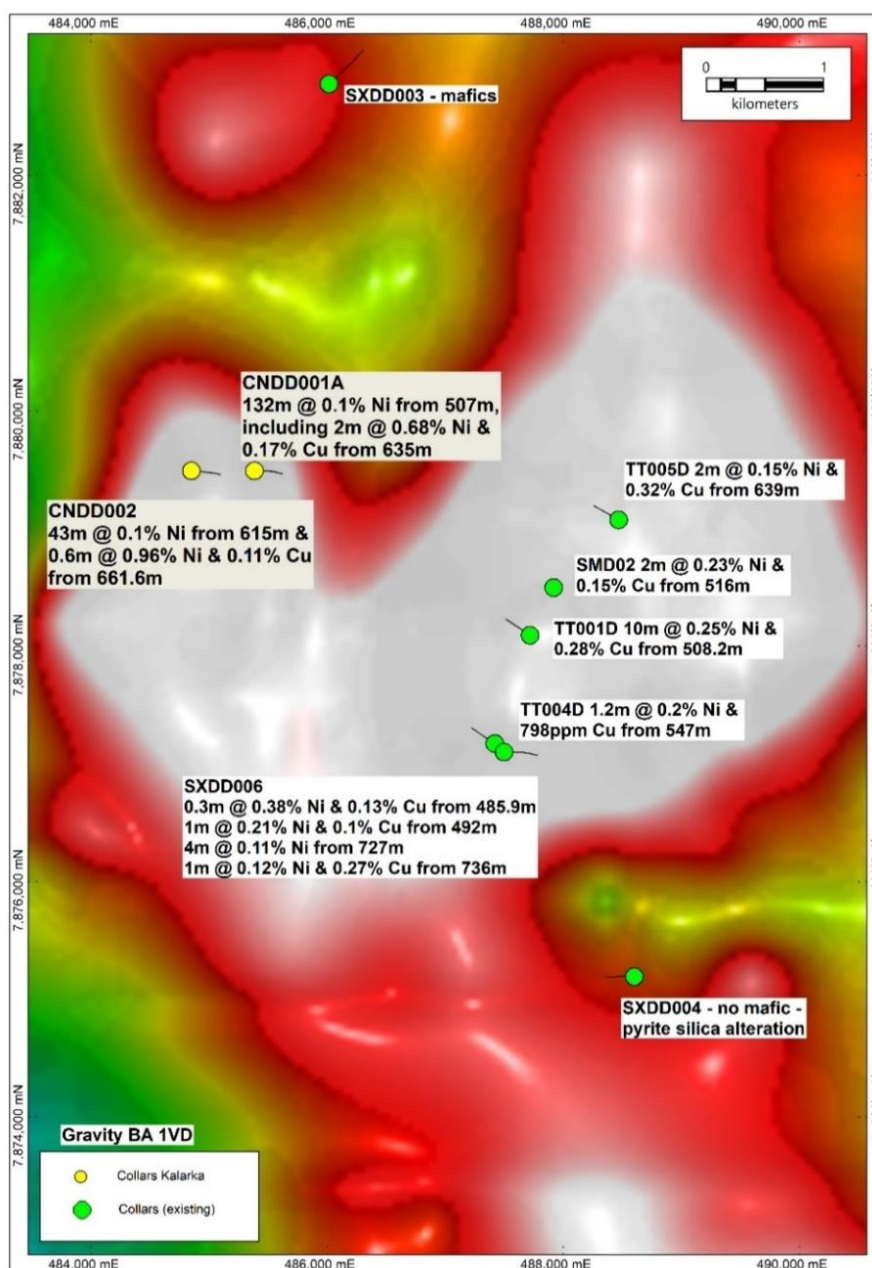


Figure 5: Bouguer Gravity 1 VD image with Tea Tree Ni-Cu sulphide intercepts

The Canobie Airborne Gravity Survey<sup>3</sup> (CAG) that was flown across a large area of the Mount Isa Basin north of Cloncurry was released last quarter. The survey consisted of a 4712-line km regional airborne gradiometry survey flown at 1000m line interval north of Cloncurry under the New Economy Minerals Initiative (NEMI). The survey captured a significant portion of SER's Canobie Project and included the recently secured new exploration licence (EPM28180) located on the southern margin of the Canobie. SER has already begun a review of the data to assist in modelling the proposed chonolith identified within this tenement.

<sup>3</sup> [Canobie AGG - Canobie AGG - Gravity-Gradiometry - GSQ Open Data Portal](#)

## EXPLORATION UPDATE

While the focus of exploration efforts for this year remains on those projects detailed above, SER continues to advance all projects held by the Company and a brief overview is provided below:

**East Tennant, NT – Copper-Gold Project:** A project wide review has been completed following the results of last year's drill program at Cottage and recent announcements from nearby explorers including Greenvale Mining Limited (ASX:GRV) at the Twin Peaks Prospect (see GRV announcement December 2021) and Middle Island Resources (ASX:MDI) at the Crosswinds Prospect (see MDI announcement March 2022). SER has now designed a detailed Induced Polarisation (IP) survey to cover several identified combined gravity and magnetic anomalies within tenure. SER expects to update shareholders next quarter on details of the proposed survey.

**Myall Creek, SA - Copper-Gold Project (FMG Earning-in):** Native Title discussions continue with Traditional Owners.

**Mabel Creek Ridge, SA - Copper-Gold Project (SER: Caldera Analytics 80:20):** Native Title discussions continue with Traditional Owners.

**Ambergate, WA - Heavy Minerals Sands Project:** Landholder consultations continue with Phase 1 drilling program planned for later in the year.

## CORPORATE AND INVESTMENTS

SER currently holds investments in both listed and unlisted companies. This includes 40,000 shares in VOX Royalty Corporation (CVE:VOX), 16,273,778 shares in Resolution Minerals Ltd (ASX:RML) and 87,155,625 shares in Ionic Industries Limited (an unlisted company).

**Payments to related parties of the entity and their associates** during the quarter were \$112k comprising Director and consulting fees as outlined in the Appendix 5B.

The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - \$453k; and
- Employee, administration and corporate costs - \$73k.

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

For further information please contact:

### Investors

**Dr David DeTata**  
Managing Director

T +61 3 9692 7222

E [info@strategicenergy.com.au](mailto:info@strategicenergy.com.au)

W [www.strategicenergy.com.au](http://www.strategicenergy.com.au)

### Media

**Jonathan van Hazel**  
Citadel-MAGNUS

T +61 411 564 696

E [jvanhazel@citadelmagnus.com](mailto:jvanhazel@citadelmagnus.com)

- END -



## About Strategic Energy Resources

Strategic Energy Resources (ASX: SER) is a specialised undercover mineral explorer and project generator focused on discovery in the greenfield frontiers of Australia. Our expert technical team is driven by science and leverages collaborations with government and partners to assist in our search for the next major mineral deposit.

SER is actively exploring our large tenement package including the undercover extensions of the world-class Mt Isa Province in northwest Queensland, the Cobar Basin and Lachlan Fold belt of New South Wales and the emerging East Tennant region in the Northern Territory.

*The information in this report that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG MAusIMM, a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Rechner is a Director and shareholder of Strategic Energy Resources Ltd. Mr Rechner has sufficient experience which is relevant to the styles of mineralisation and types of deposits 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 this report of the matters based on his information in the form and context in which it appears.*

## INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	License Description / Notes	Interest acquired/farm-in or disposed/farm-out during the quarter
EL6140	South Australia	100%	Farm-In Agreement with FMG	-
EL5898	South Australia	100%	Farm-In Agreement with FMG	-
EL6626	South Australia	80%	Mabel Creek	-
EPM15398	Queensland	100%	Saxby	-
EPM27378	Queensland	100%	Saxby North	-
EPM27586	Queensland	100%	Canobie 1	-
EPM27587	Queensland	100%	Canobie 2	-
EPM27588	Queensland	100%	Canobie 3	-
EPM27638	Queensland	100%	Canobie 4	-
EPM27676	Queensland	100%	Canobie 5	-
EPM26439	Queensland	100%	Isa North 1	-
EPM26440	Queensland	100%	Isa North 2	-
EPM26442	Queensland	100%	Isa North 3	-
EPM28180	Queensland	100%	Application only	-
E70/4793	Western Australia	100%	Ambergate	-
E70/5012	Western Australia	100%	Ambergate West	-
E70/5344	Western Australia	100%	Ambergate Far West	-
E38/3508	Western Australia	100%	Application only	-
E38/3564	Western Australia	100%	Application only	-
EL32109	Northern Territory	100%	East Tennant 1	-
EL32306	Northern Territory	100%	East Tennant 2	-
EL32307	Northern Territory	100%	East Tennant 3	-
EL32617	Northern Territory	100%	Barkly 1	-
EL32670	Northern Territory	100%	Barkly 2	-
EL9012	New South Wales	100%	South Cobar	-
EL9057	New South Wales	100%	East Cowal	-
EL9367	New South Wales	100%	Garema	Granted
EL9373	New South Wales	100%	Nymagee	Granted
EL9368	New South Wales	100%	South Cowal	Granted
EL9362	New South Wales	100%	Mundi	Granted
ELA6425	New South Wales	100%	Application only	-
EL32809	Northern Territory	100%	Application only	-

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(4)	(70)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(28)	(91)
	(e) administration and corporate costs	(45)	(224)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	30
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(77)</b>	<b>(355)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	(4)
	(d) exploration & evaluation	(449)	(2,121)
	(e) investments	-	69
	(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	(40)	(81)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(489)</b>	<b>(2,137)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,320
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(79)
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 (Advance from share subscription)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,241</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,391	2,076
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(77)	(355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(489)	(2,137)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,241
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>825</b>	<b>825</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	825	1,391
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>825</b>	<b>1,391</b>

6.	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	28
6.2	Aggregate amount of payments to related parties and their associates included in item 2	84
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(77)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(449)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(526)
8.4	Cash and cash equivalents at quarter end (item 4.6)	825
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	825
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.57
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: No, The Company's cash position will substantially dictate the exploration programmes undertaken in future periods.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: The Company will continue to assess the merits of various fundraising initiatives to ensure it has the financial capacity to progress its exploration program at an appropriate rate and will also examine alternative means of progressing exploration programs, if required. SER has large shareholdings in TSX and ASX companies from historical asset sales. SER recently sold some of these shares for cash. Additional sales could be made if required.</p>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer:</p> <p>Yes, for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Company's cash position substantially dictates the quantum of its exploration and evaluation expenditure and the Company has the capacity to control the level of expenditure based on its financial position.</li> <li>• The Company's Board and Management continue to be focussed on meeting its stated objectives and are cognisant of the funding requirements required to meet those objectives. The Company has a track record of successfully raising capital to continue to pursue its exploration programmes.</li> </ul>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

## 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.

Date: 28 April 2022

Authorised by: The Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.