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27 October 2020

Quarterly Report to 30 September 2020

- **Drilling at Saxby Gold project completed, assays from mid-November**
- **SER secures entire belt of northern Mt Isa Eastern Succession**
- **Extensive gravity survey completed at East Tennant Copper-Gold project**
- **National Drilling Initiative currently drilling in East Tennant region**

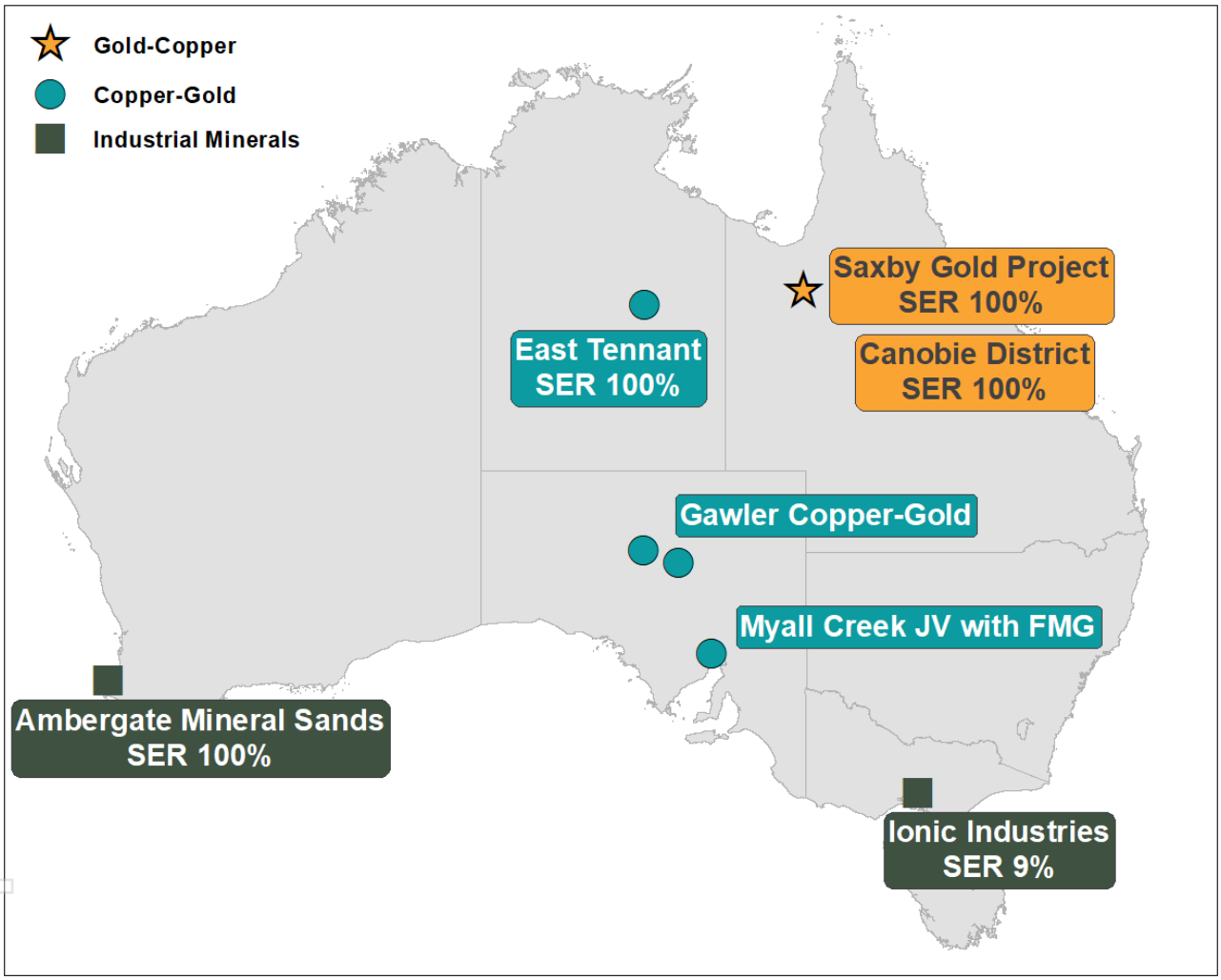


Figure 1: SER Project Locations

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

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SAXBY GOLD PROJECT AND CANOBIE COPPER-GOLD DISTRICT

QUEENSLAND (SER 100%)

A significant body of work was completed at the Saxby Gold project and the broader Canobie Copper-Gold District in northwest Queensland during the quarter.

A detailed structural geology review and analysis of hydrothermal alteration in historical drill core provided key targeting information for the recent drilling campaign and showed that Saxby is likely part of an Iron Oxide Copper Gold (IOCG) style system with paragenesis typical of deposits in the Cloncurry region.

Drilling at Saxby commenced in September targeting strike extensions of the key controlling structure for the brittle extensional veins that host gold mineralisation: a steeply dipping NNE-trending fault. Drilling has now completed with three diamond drill holes hitting their respective target areas (see Figure 2). Some deviation in azimuth and inclination was experienced in hole SXDD023 and was corrected.

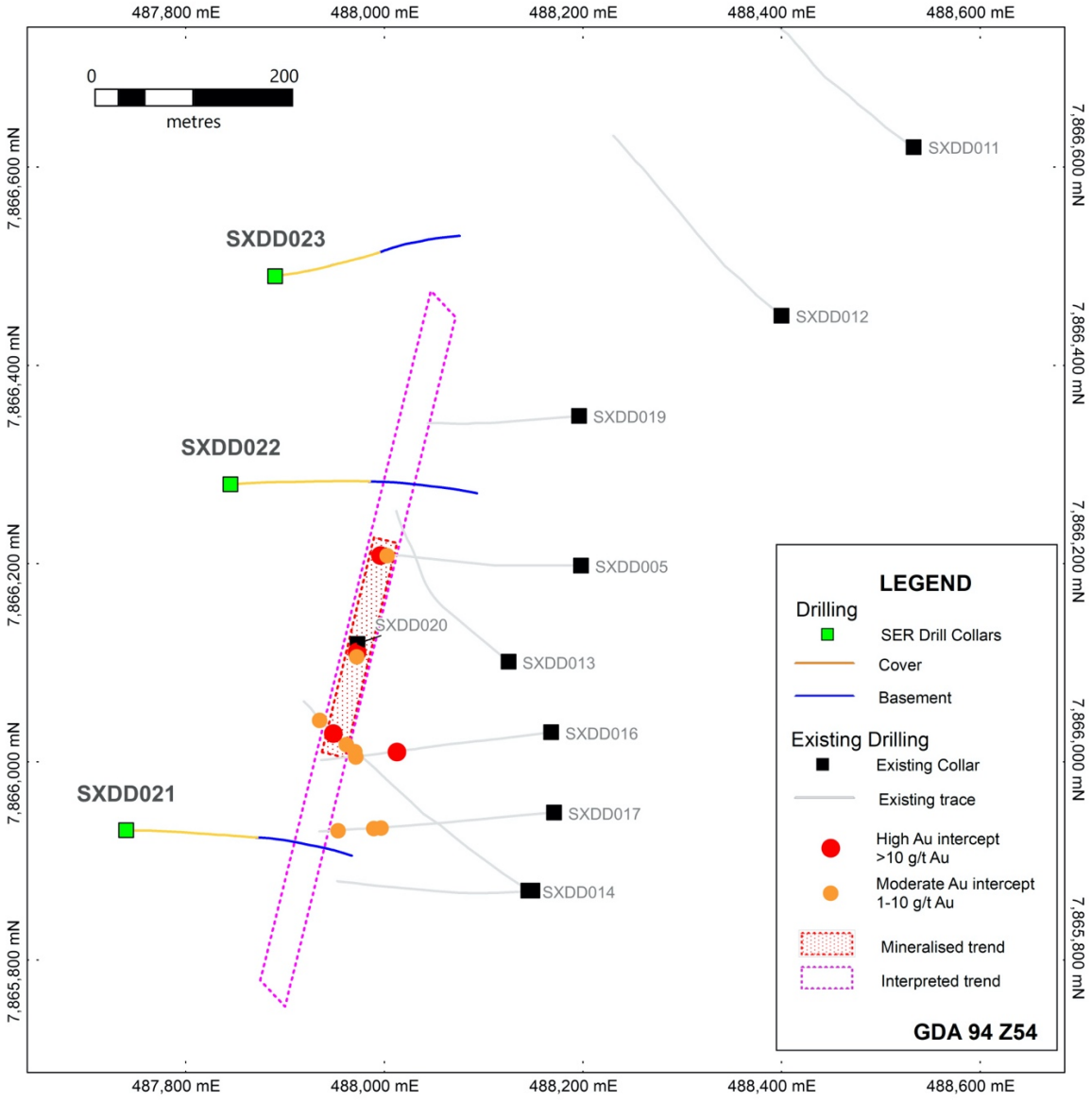


Figure 2: Saxby drill holes SXDD021, SXDD022 and SXDD023 as completed with historical gold intercepts

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Diamond core will be orientated, geologically logged, structurally logged and have petrophysical measurements taken. The entire drill core will be sampled and assayed with fire assay for gold and four-acid digest / inductively coupled plasma mass spectrometry and atomic emission spectroscopy for a full suite of elements. Assays are expected to start arriving in mid-November.

During the quarter, SER also extinguished the Net Smelter Royalty over the Saxby project.

As SER's understanding of the greater Canobie district has evolved, we have become convinced the district represents an extension of the Cloncurry IOCG province. As such, SER has now pegged five additional exploration licence applications surrounding our existing two licences to bring our total land holding to more than 1600km^2. We have commenced a comprehensive geophysical review and targeting program over the district and will provide shareholders further details on this exciting work in the near future.

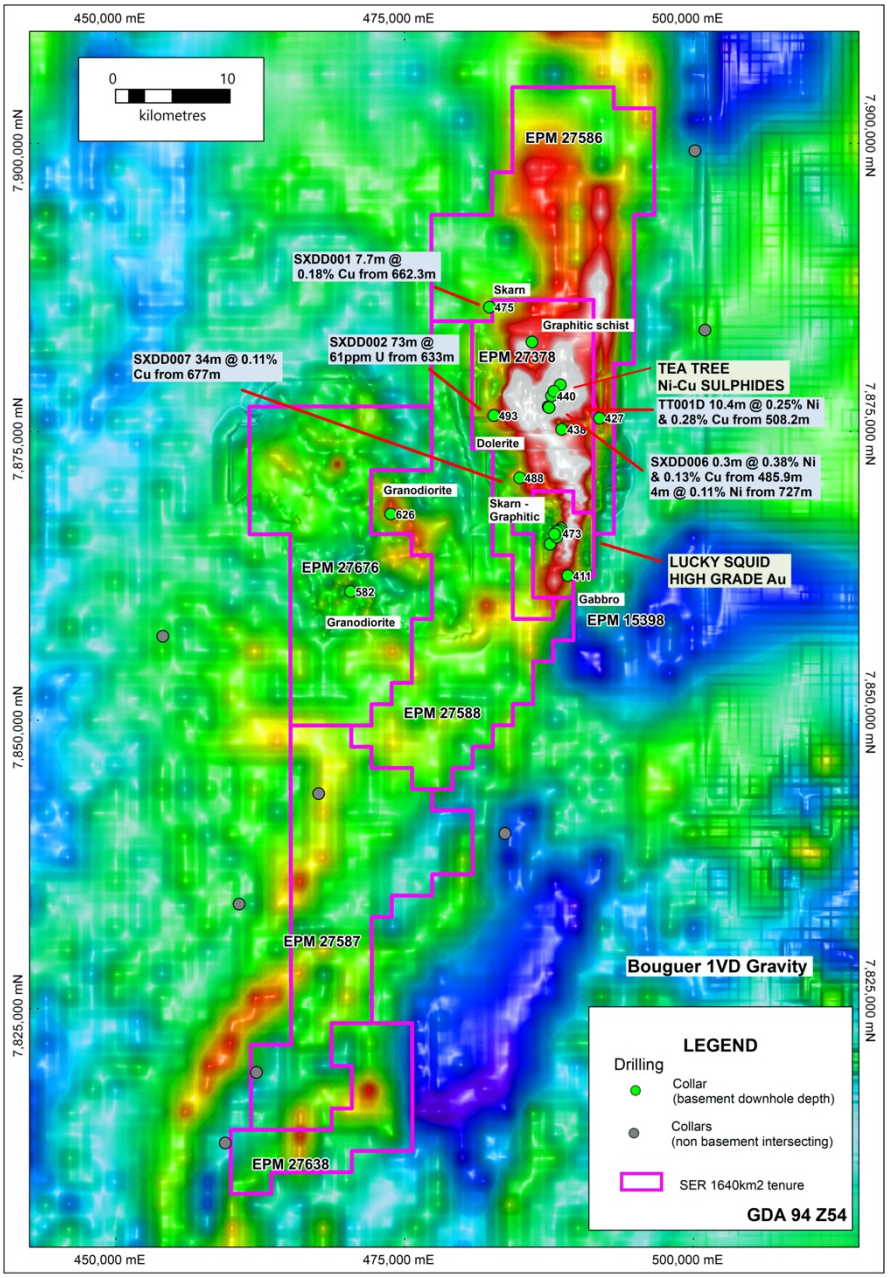


Figure 3: Canobie District (Eastern Succession undercover extension) Bouguer First Vertical Derivative Gravity image with SER tenure, drillholes intersecting basement and significant intersections

EAST TENNANT COPPER-GOLD PROJECT

NORTHERN TERRITORY (SER 100%)

SER completed an extensive and detailed ground gravity survey over our three tenements in the emerging East Tennant Iron Oxide Copper Gold (IOCG) province of the Northern Territory. Gravity is a pivotal dataset to target IOCGs as they involve the introduction of iron-rich fluid into a host rock which increases the density.

SER collected more than 3000 new gravity stations which will be merged with existing stations collected by Geoscience Australia and St Barbara to provide a comprehensive, high-quality dataset over our three tenement areas. The gravity survey was co-founded by the Northern Territory's Geophysics and Drilling Collaboration Program, as part of the 'Resourcing the Territory' initiative.

Drilling in the East Tennant region commenced in September under the Mineral Exploration Cooperative Research Centre (MinEx CRC) National Drilling Initiative (NDI), a collaboration between MinEx CRC (of which SER is an Affiliate member), Geoscience Australia and the Northern Territory Geological Survey. This drilling will occur in close proximity to SER's three tenements. Once publicly released, the data will be critical to understanding the geology of the province. There is no historical drilling recorded on any of SER's tenements.

The official press release regarding the NDI is available via the MinEx CRC website: https://minexcrc.com.au/press-release-world-first-minex-scientific-drilling-program-set-to-reveal-australias-hidden-wealth/

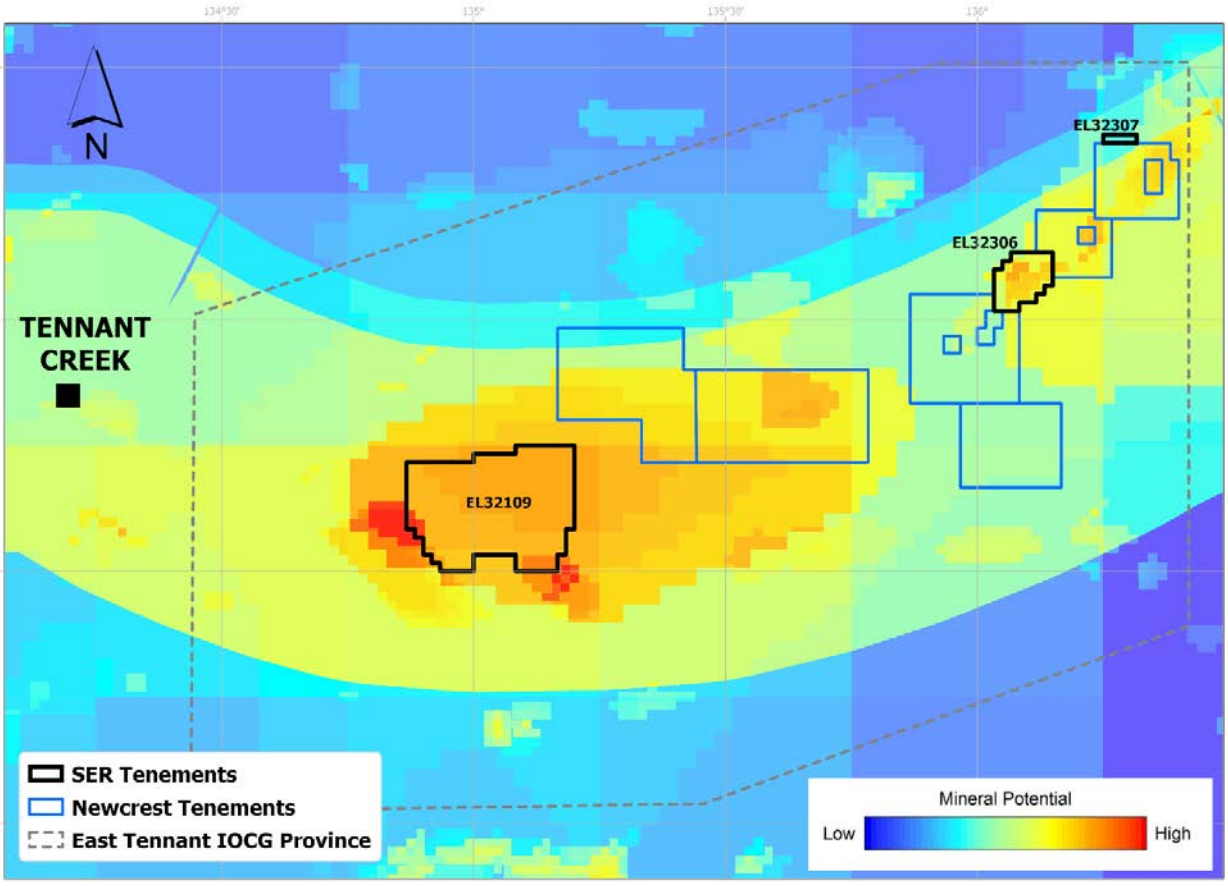


Figure 4: Geoscience Australia IOCG Prospectivity[1] map of East Tennant Project with SER applications

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

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The NDI will drill multiple holes through cover to map the regional geology, structural architecture and mineral system pathfinders in this underexplored province identified by Geoscience Australia as favourable for hosting large mineral systems. The results from the NDI could significantly upgrade the prospectivity of SER's tenements.

SER has engaged geophysical consultants to process and model the new and existing data to define Copper-Gold target areas and recommend any further collection (such as detailed magnetic and/or electrical geophysics) to refine priority targets for drill testing.

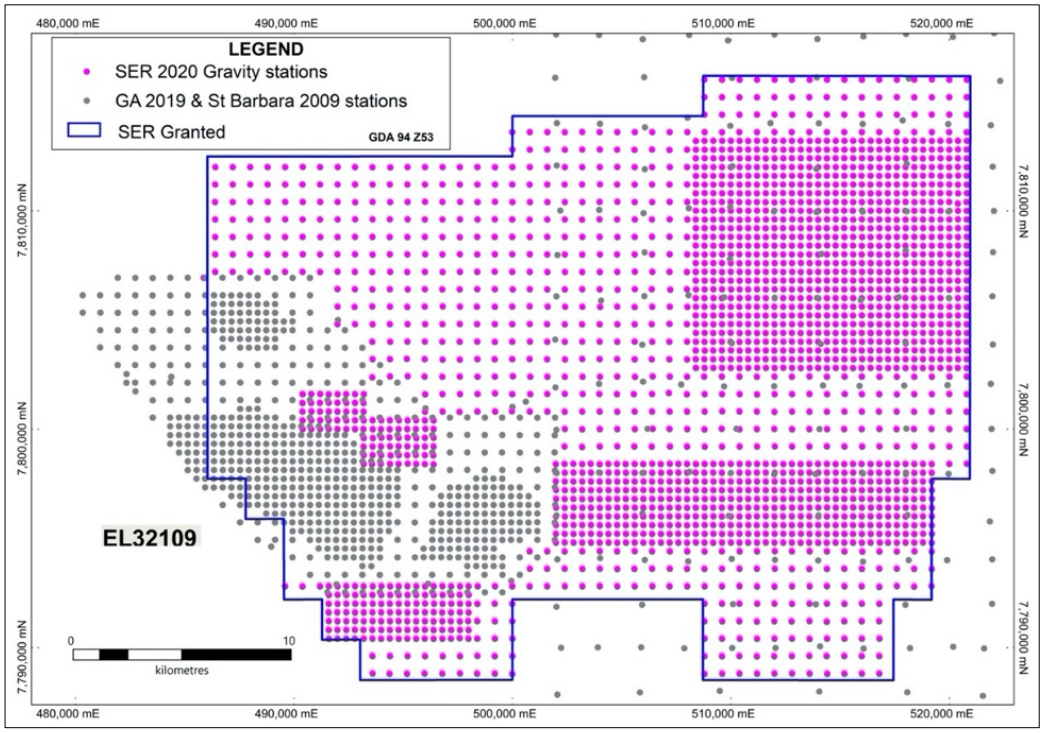


Figure 5: EL32109 showing new gravity stations collected by SER (purple) and existing stations (grey)

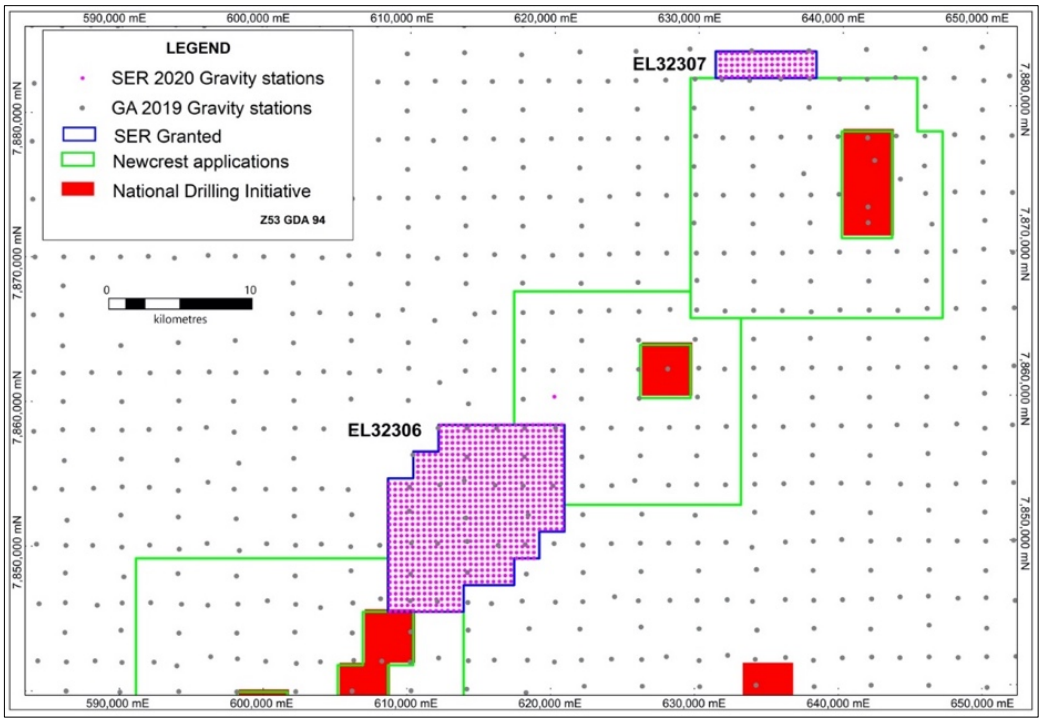


Figure 6: EL32306 and EL32307 showing new (purple) and existing (grey) gravity stations and NDI drilling locations (red)

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GAWLER CRATON COPPER-GOLD PROJECTS

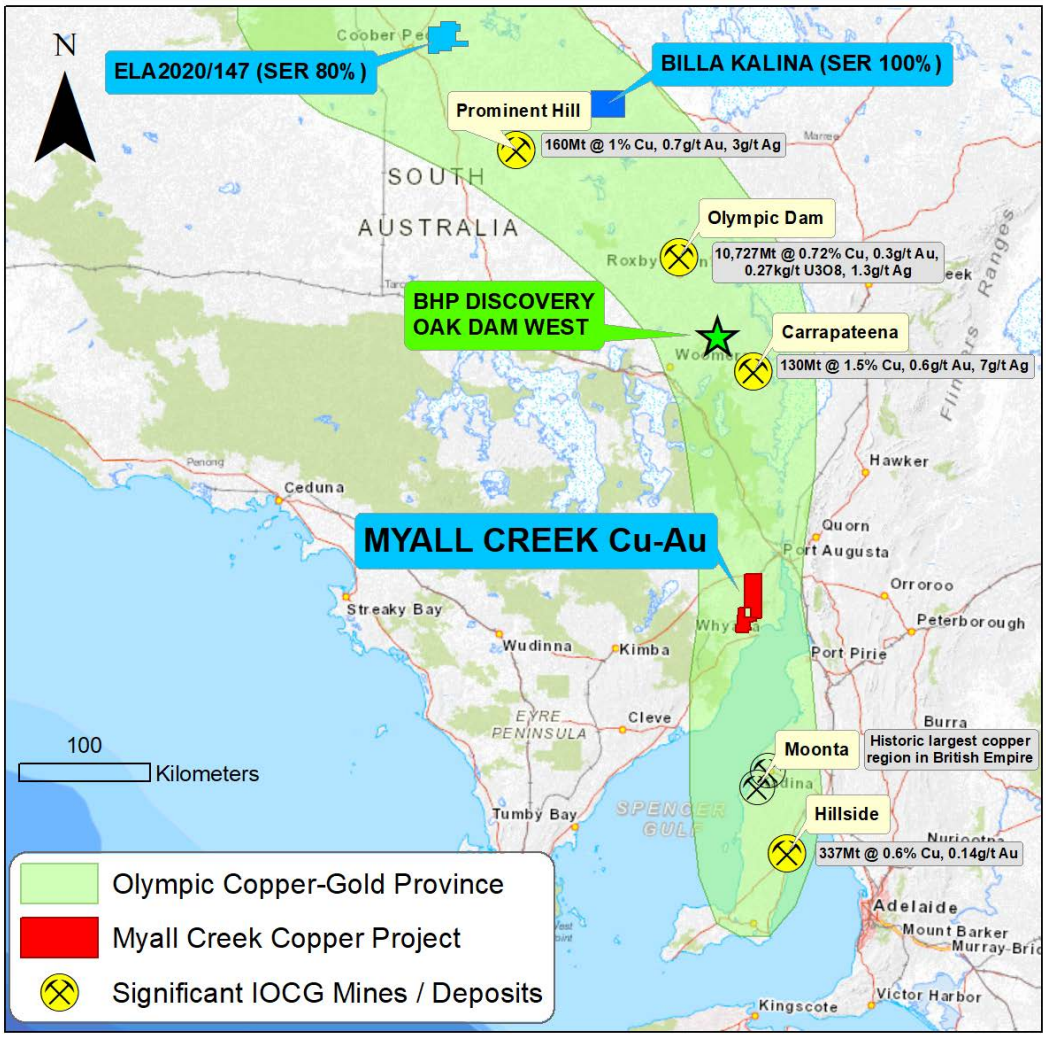
SOUTH AUSTRALIA

During the quarter, SER partnered with award-winning data science pioneer Caldera Analytics to search for Iron Oxide Copper Gold (IOCG) mineralisation on the Gawler Craton in South Australia.

Caldera Analytics (www.caldera.technology) have a deep understanding of hunting IOCGs on the Gawler using data science and machine learning. Caldera were the winners of the 2019 Oz Minerals Explorer Challenge and runners up in the 2020 South Australian Government ExploreSA Gawler Challenge.

The SER / Caldera partnership "Strategic Caldera" (80% SER, 20% Caldera) has now pegged ELA2020/147 east of Coober Pedy based on a synthesis of machine learning and traditional geoscientific ground selection methods. The following day, Rio Tinto Exploration pegged a large land holding adjacent to our application.

Strategic Caldera will now develop district and camp scale models that fuse machine learning and traditional exploration methodologies in order to refine target areas for further geophysical work and subsequent drill testing.



Sources: BHP Annual Report 2018; OZL Annual Report 2017; RXM Web Site

Figure 7: Location of SER IOCG projects within Olympic Cu-Au Province

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CORPORATE

On 10 August, SER held a General Meeting which ratified recent capital raisings and approved a consolidation of share capital. Subsequent to the General Meeting an Unmarketable Parcel Share Sale was completed.

On 7 October, Mr Anthony McIntosh BCom GAICD was appointed as a Non-Executive Director. Mr McIntosh brings investor relations, marketing and strategic planning skills, as well as a strong network of stockbroker and fund manager supporters. Mr McIntosh served as a board member of Echo Resources Ltd for seven years until it was acquired by Northern Star Resources for $235 million in 2019. Mr McIntosh replaced Mr Harvey Kaplan who has served SER with distinction over the last three years.

The SER Annual General Meeting will be held on 18 November 2020.

Payments to related parties of the entity and their associates during the quarter were $0.081m compromising Director and consulting fees as outlined in the Appendix 5B.

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

Executive Chairman Stuart Rechner

For further information, please contact Mr Rechner +61 3 9692 7222 or visit website www.strategicenergy.com.au

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	-
EL6335	South Australia	100%	Billa Kalina	-
ELA2020/147	South Australia	80%	Application only	Application made
EPM15398	Queensland	100%	Saxby	-
EPM27378	Queensland	100%	Saxby North	-
EPM27586	Queensland	100%	Application only	Application made
EPM27587	Queensland	100%	Application only	Application made
EPM27588	Queensland	100%	Application only	Application made
EPM27638	Queensland	100%	Application only	Application made
EPM27676	Queensland	100%	Application only	Application made
E70/4793	Western Australia	100%	Ambergate	-
E70/5012	Western Australia	100%	Ambergate West	-
E70/5344	Western Australia	N/A	Application only	-
M70/1385	Western Australia	N/A	Application only	-
E38/3508	Western Australia	N/A	Application only	Application made
EL32109	Northern Territory	100%	East Tennant 1	-
EL32306	Northern Territory	100%	East Tennant 2	Granted 17 Aug 2020
EL32307	Northern Territory	100%	East Tennant 3	Granted 17 Aug 2020
EL32228	Northern Territory	N/A	Application only	-
ELA5911	New South Wales	N/A	Application only	-
ELA6137	New South Wales	N/A	Application only	Application made

Appendix 5B

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

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Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
14 051 212 429	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(116)	(116)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(62)	(62)
	(e) administration and corporate costs	(80)	(80)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (PAYG, Royalty sale & Job keeper subsidy) *	37	37
1.9	**Net cash from / (used in) operating activities**	**(220)**	**(220)**
** Included in the amounts are:* *- $80,000 receipts from Sale of Uley Graphite Royalty,* *- $110,000 payments made to extinguish the Saxby royalty, and* *- $67,000 PAYG, Job Keeper and other government subsidies.*			
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(194)	(194)
	(e) Investments*	(500)	(500)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
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)	(10)	(10)
2.6	**Net cash from / (used in) investing activities**	**(704)**	**(704)**
**Included in the amount noted above is $500,000 of cash on deposit held with original term to maturity greater than 3 months.*			
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,403	1,403
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	(22)	(22)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(9)	(9)
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**	**1,372**	**1,372**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	945	945
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(220)	(220)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(704)	(704)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,372	1,372
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,393**	**1,393**

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	1,193	945
5.2	Call deposits	200	-
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)****	**1,393**	**945**

***Total cash and cash equivalents above exclude $500,000 of cash on deposit held with original term to maturity greater than 3 months.*

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	Financing facilities *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.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
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

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(220)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(194)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(414)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,393
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,393
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	3.36

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?

Answer: N/A

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?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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: 27 October 2020

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

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[*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.

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