

ASX Announcement
8 November 2016

UAV Survey Completed at Ambergate Mineral Sands Project

Strategic Energy Resources Limited (ASX: SER) is pleased to provide an update on our Ambergate heavy mineral sands project in Western Australia. As previously reported, a substantial body of work is underway at Ambergate (E70/4799) with a view to completing a maiden JORC 2012 resource by the end of the year.

In early November, SER conducted a high resolution aerial imagery and elevation data survey employing a Sirius MAVinci Pro Unmanned Aerial Vehicle (UAV) supplied by Land Surveys. The data collected will be used to create a high accuracy digital elevation model (DEM) using aerial photogrammetry techniques. The DEM will be combined with the more than 1000 historic drill holes at Ambergate that SER has compiled and digitised to create the resource model.

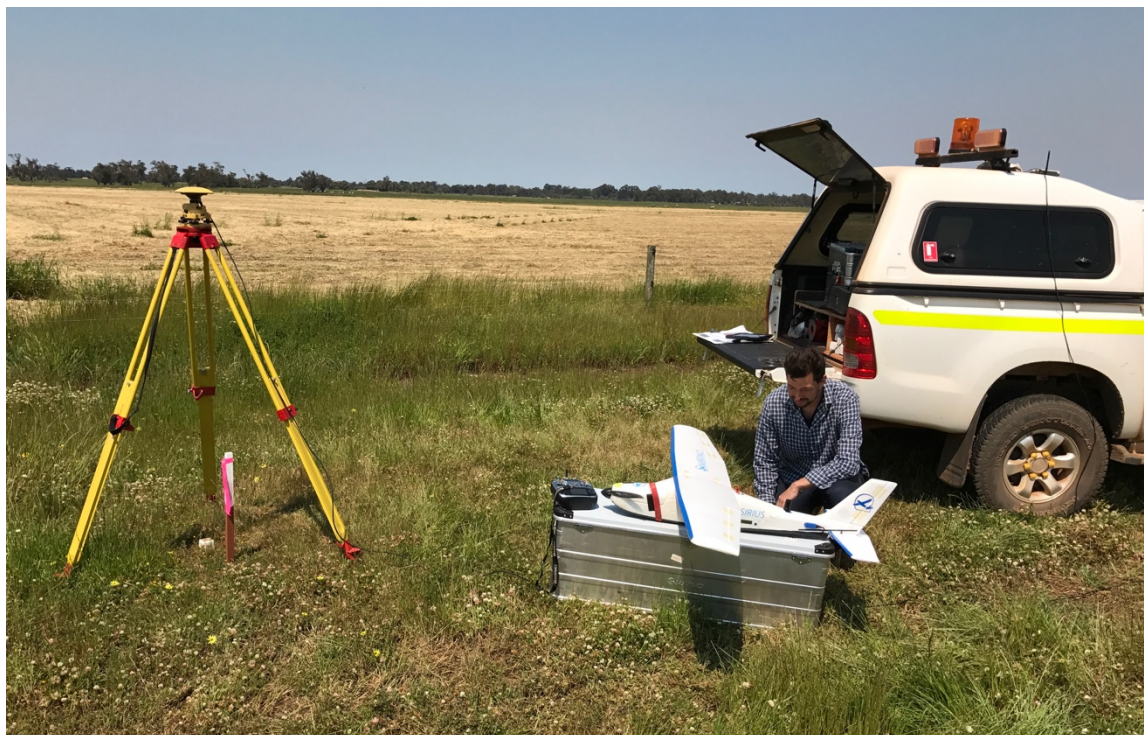


Figure 1: Sirius MAVinci Pro UAV at SER's Ambergate Mineral Sands Project

SER has commenced metallurgical test work and landholder negotiations are well advanced. Land access issues have been the main hurdle experienced by previous explorers at Ambergate. SER has adopted an open, consultative approach with landholders including the direct involvement of SER Directors in good faith negotiations. The UAV survey was conducted with landholder approval.

About SER's Western Australia Heavy Minerals Sands Projects

In late 2015, SER identified a significant opportunity to acquire several advanced heavy mineral sands exploration projects in Western Australia. SER lodged Exploration Licence applications covering five historic heavy mineral sands prospects; several of these applications have now been granted.

In recent years, the West Australian Government has identified the historic prospects as "Strategic Mineral Resources Protection Areas" and informed planning agencies to protect the deposits from conflicting land uses until mining is complete. SER believes this presents a unique opportunity to potentially develop these prospects.

The region is host to multiple operating heavy mineral sands mines, notably the Iluka operations south of Bunbury. A former mine, now rehabilitated into a property development, lies just 6km from the Ambergate project.

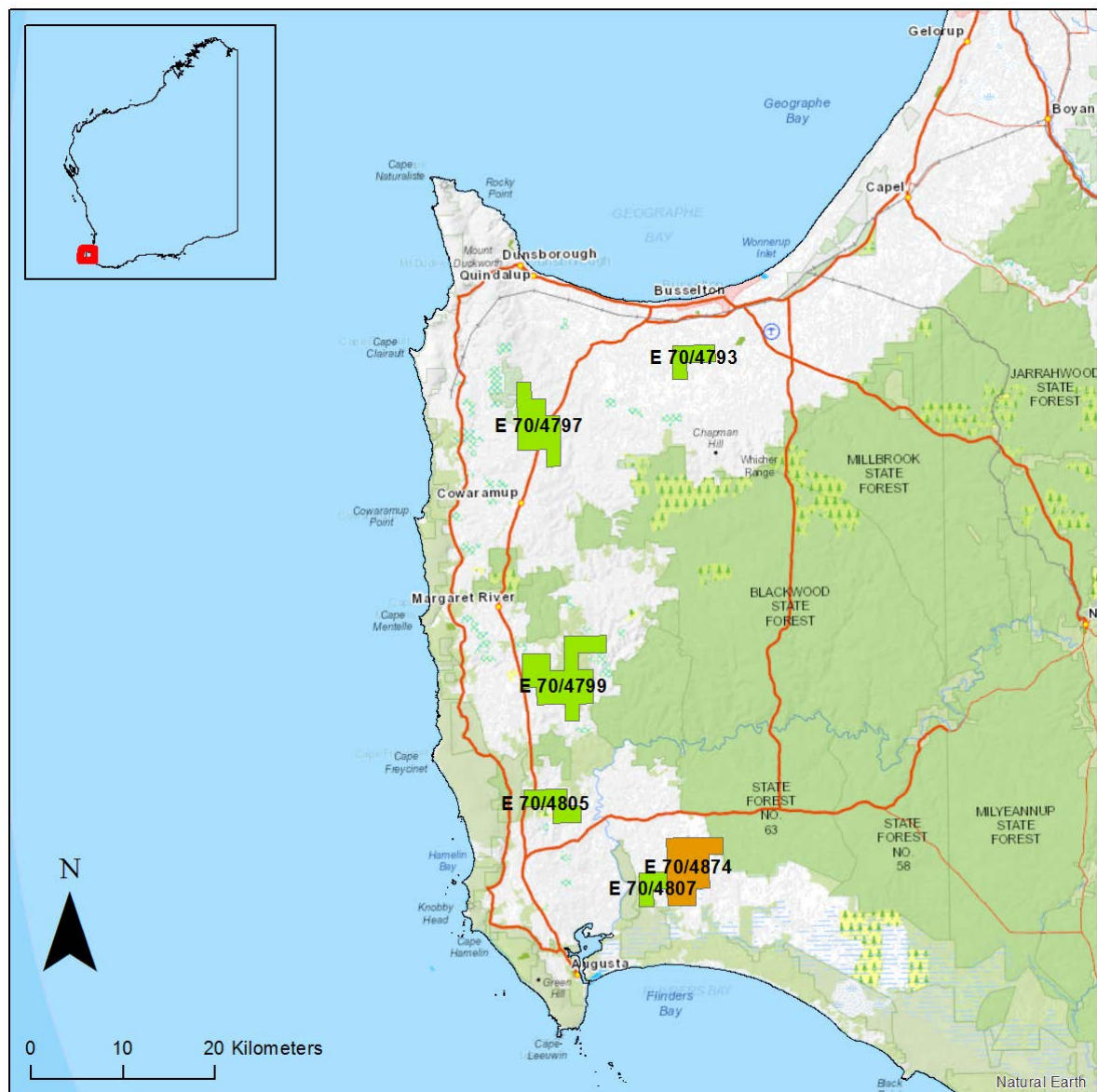


Figure 2: SER Exploration Licences (green) and Applications (orange)