



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

Level 4, 100 Albert Road
South Melbourne VIC 3205

29 January 2018

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Quarterly Report to 31 December 2017

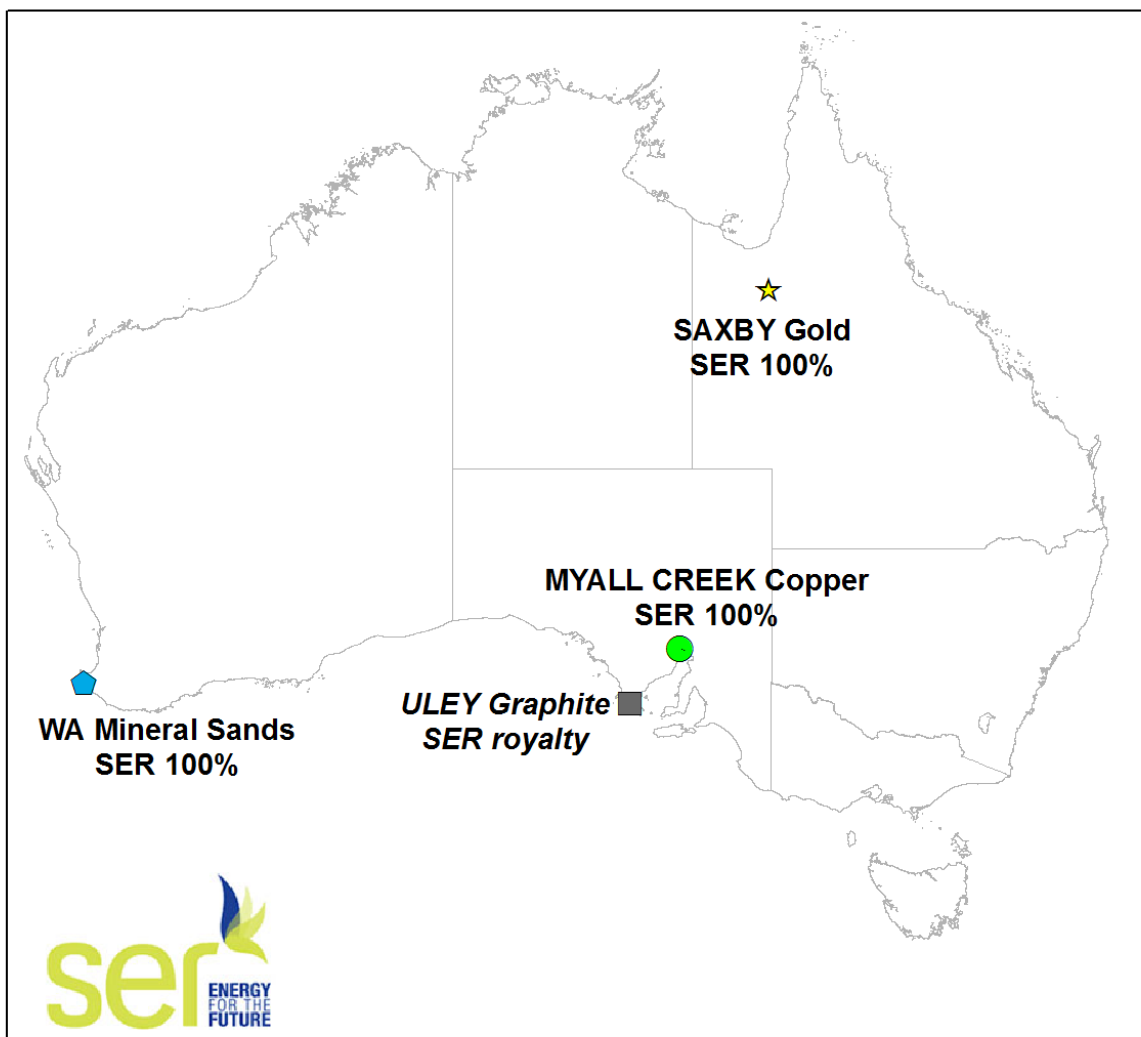


Figure 1: SER Exploration Projects

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

CORPORATE AND INVESTMENTS

During the quarter, SER appointed Mr Harvey Kaplan and Dr David DeTata as Non-Executive Directors to the Board.

Mr Kaplan LLB has spent the last 15 years at Macquarie Bank as an Associate Director in the Private Wealth Division where he has assisted in numerous corporate transactions and capital raisings involving listed companies. Mr Kaplan is a qualified lawyer and has worked as a corporate solicitor for both Phillips Fox and Mallesons Stephen Jacques.

Dr DeTata BSc MSc PhD (Chemistry) MBA GAICD is an experienced scientific professional and public company director with over 12 years' experience in scientific research and investigations. Dr DeTata holds a Doctor of Philosophy in energetic materials characterisation and Master of Business Administration from the University of Western Australia.

Technical Director Mr Anthony Rechner and Non-Executive Director Mr Peter Armitage resigned from the Board. Mr Stuart Rechner assumed the role of Executive Chairman. The Board welcomes the new Directors and thanks both outgoing Directors for their outstanding service to SER over many years.

Market conditions for mineral exploration continue to improve. With capital and management in place, SER is looking forward to an exciting year of advancing our exploration projects and new opportunities in mineral exploration.

The SER Annual General Meeting was held on 27 November 2017 with all resolutions passed.

IONIC INDUSTRIES UPDATE (SER 16%)

Building on the new patent filed in September 2017, Ionic has continued work on development and testing of its printable, 3D-stacked micro supercapacitors – “MICRENS”. The team are now in a testing phase that will last until February 2018. The data from this testing will confirm the performance of these devices in the configuration described in the patent material. Work is also continuing on development of application-specific versions of the devices for use in medical technology and remote sensing solutions.

Ionic's water treatment work conducted under the CRC-P program *Power Efficient Waste Water Treatment Using Graphene Oxide Technology* has reached the half way mark and is on track to deliver waste water treatment technologies by late 2018.

Development of new methods for processing advanced graphene oxide (GO) materials also continues with Ionic's Korean partner Laminar. Lab work has been completed and the next stage will see the team demonstrating the processes in a scaled-up environment prior in preparation for industrial scale GO production.

On the research team, Ionic is please to inform that the research team leader, Dr Mainak Majumder has been promoted to position of Professor and the leader of our supercapacitor program Dr Parama Chakraborty Banerjee has been promoted to Senior Lecturer in the Monash Chemical Engineering Department.

QUANTUM GRAPHITE (SER 11%)

Subsequent to the quarter, SER made an application to the Takeovers Panel regarding the actions of QGL. Further details are available in the Takeover Panel's media release as announced on SER's ASX platform dated 17 January 2018.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in or disposed/farm-out during the quarter
EL 5011	South Australia	100%	Renewal lodged
EL 5898	South Australia	100%	-
EPM15398	Queensland	100%	-
EPM26420	Queensland		Application withdrawn
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		N/A Application only

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 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(52)	(142)
(b) development	-	-
(c) production	-	-
(d) staff costs	(51)	(87)
(e) administration and corporate costs	(65)	(160)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	9
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	(163)	(380)

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 (6 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	2,110	174
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(163)	(380)
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	1,947	1,947

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	447	2,110
5.2 Call deposits	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)	1,947	2,110

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	71
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 December 2017 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

Mining exploration entity and oil and gas exploration entity quarterly report

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.		

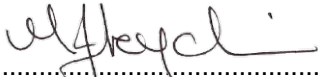
N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	140
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	230

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	-	-	-	-

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: 29 January 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.