

**ASX Announcement**  
**28 February 2020**

## Gravity Survey at Billa Kalina reveals compelling IOCG target

- Over 1000 new ground gravity stations reveal 3km x 2km density anomaly
- SER has commenced preparations for drill testing

Strategic Energy Resources (SER) is pleased to announce that a detailed ground gravity survey has been completed at our Billa Kalina Copper-Gold project (SER 100%) in the Olympic Copper-Gold Province, South Australia.

The survey of over 1000 new ground gravity stations has revealed a classic “bullseye” density anomaly of 3km x 2km. The density anomaly is coincident with a large magnetic anomaly. The project area is 60km northeast of the Prominent Hill copper-gold mine.

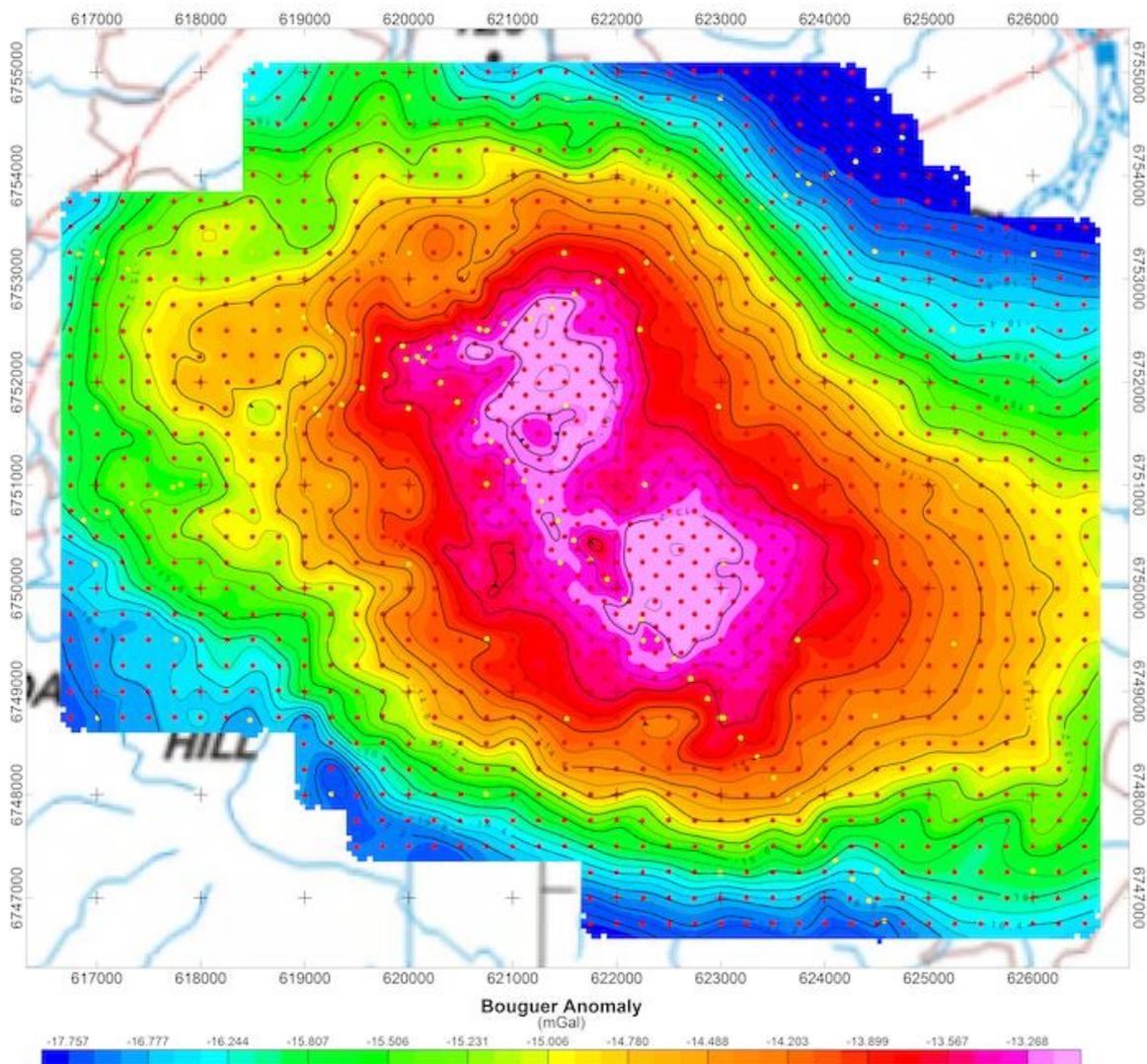
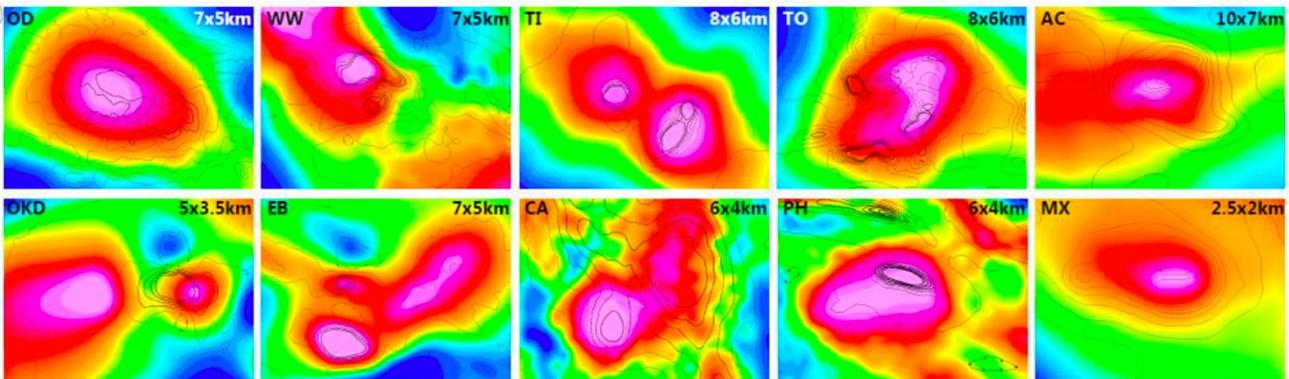


Figure 1: Bouguer Gravity Anomaly (2.67gm/cc), 0.2mGal contours, Red dots this survey / Yellow dots 2014 survey

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The density anomaly identified at Billa Kalina compares favourably with the gravity responses of known Iron Oxide Copper-Gold (IOCG) deposits on the Gawler Craton (see Figure 2 below).



OD: Olympic Dam, WW: Wirrda Well, TI: Titan, TO: Torrens, AC: Acropolis, OKD: Oak Dam, EB: Emmie Bluff, CA: Carrapateena, PH: Prominent Hill, MX: Manxman.

Figure 2: Gravity responses of known Gawler Craton IOCG deposits (after OZL<sup>1</sup>, magnetic contours, box size top right)

The key geophysical anomalies in this region of the northeastern Gawler Craton are mostly held by major companies such as BHP, OZ Minerals and FMG (see Figure 3). SER won EL6335 in a competitive process following BHP's announcement of a significant IOCG discovery at Oak Dam West.

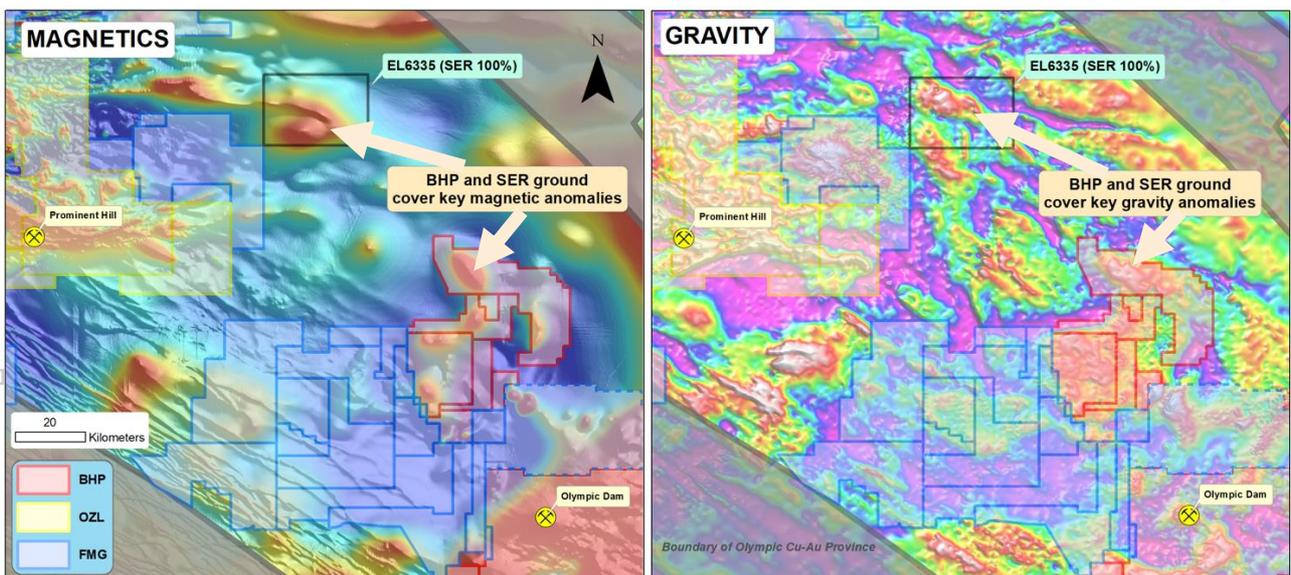


Figure 3: Regional geophysical images of the NE Gawler Craton showing major land holdings and key anomalies

**SER Executive Chairman, Stuart Rechner said: "This target demands drill testing."**

<sup>1</sup> OZL presentation 2 December 2019 "Stuart Shelf hematite rich end members"  
[http://www.energymining.sa.gov.au/\\_data/assets/pdf\\_file/0003/355008/09\\_Mitchell\\_Neumann.pdf](http://www.energymining.sa.gov.au/_data/assets/pdf_file/0003/355008/09_Mitchell_Neumann.pdf)

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EL6335 covers long-recognised coincident and offset gravity and magnetic anomalies. In fact, the anomalies were drill tested with two holes in 1977-78 by Newmont. The historic holes, SR11 (maximum depth 103.9m) and SR12 (399m), targeted the anomalies but failed to reach basement and explain the anomalous responses. The source of the geophysical anomalies remains unknown.

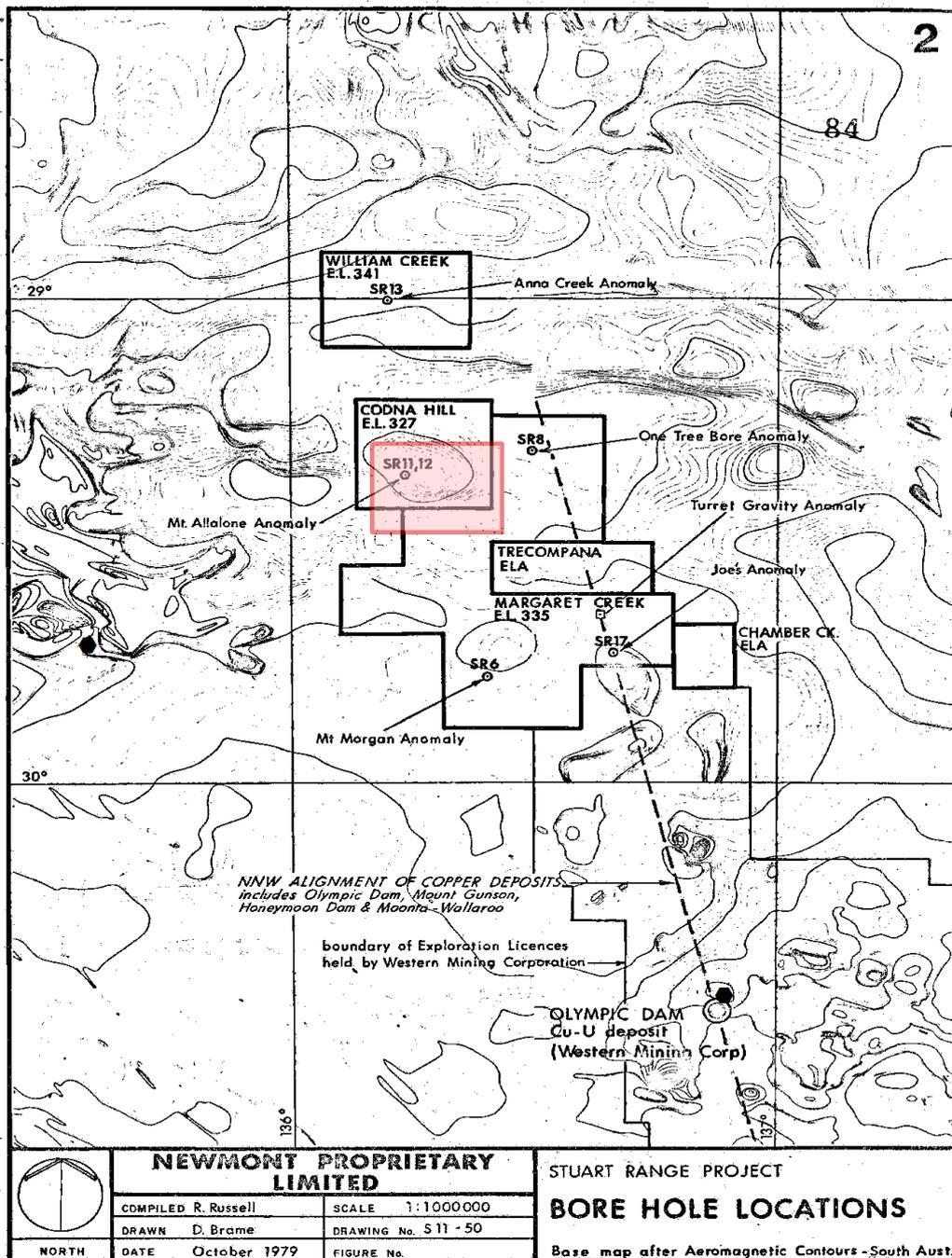


Figure 4: 1979 Newmont map of Mt Allalone Anomaly and drill holes SR11 / SR12 which failed to explain the anomaly (SER EL6335 shown in red)

## Next Steps

SER will conduct 3D inversion modelling of the new gravity data to refine the drill target.

SER has applied for South Australian government funding for drilling under the newly created Accelerated Discovery Initiative. The winners of funding will be announced in March 2020.

SER is well advanced on land access and Native Title arrangements.

This announcement is authorised for release to the market by the Board of Directors of Strategic Energy Resources Limited.

**Stuart Rechner**  
Executive Chairman  
Strategic Energy Resources Limited

For further information, please contact Mr Rechner +61 3 9692 7222 or visit website [www.strategicenergy.com.au](http://www.strategicenergy.com.au)

*The information in this document that relates to Exploration Results is based on information compiled by Mr Stuart Rechner BSc (Geology) MAIG, a Competent Person who is a Member of Australian Institute of Geoscientists. Mr Rechner is a Director of, and consultant to, Strategic Energy Resources Ltd. Mr Rechner has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 the document of the matters based on his information in the form and context in which it appears.*

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• Ground gravity survey using precision Global Navigation Satellite System (GNSS) techniques and geodetic principles to allow first order accuracy in position and height.</li> <li>• Gravity and GNSS base stations established with values derived through ties to Australian Fundamental Gravity Network (AFGN) or Daishsat network base stations.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Quality of assay data and laboratory tests (Equipment used)	<ul style="list-style-type: none"> <li>• Scintrex CG-5 Gravity meters: accuracy standard deviation of ~0.025mGal. Gravity meters calibrated regularly on Government and Daishsat Calibration Ranges.</li> <li>• Leica 1230 GNSS receivers: accuracy ~5mm horizontal and ~10mm vertical</li> <li>• Stations read to ~0.01mGals and reduced to Bouguer Anomalies at 2.67g/cc density</li> <li>• Gravity loops kept under 10 hours to control drift and tares</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Two or more observations per station to detect interference or meter malfunction</li> <li>• Repeat of at least 5% of all observations to determine repeatability for the survey</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Gravity stations located with Leica 1230 GNSS receivers</li> <li>• Coordinates in GDA94 MGA94 Z53, height in AHD</li> <li>• Observed gravity Isogal 84 (IGSN-71)</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• 1167 gravity stations collected on 250 x 250m grid (includes 5% repeat stations)</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Regular spaced gravity data has proven suitable to identify and model IOCG targets</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Data corrections and validation was undertaken daily by the geophysical contractor</li> </ul>

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## JORC Code, 2012 Edition – Table 1

### Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• EL6335 Billa Kalina (granted 9 April 2019, 100% SER)</li> <li>• Area and Location: 526km<sup>2</sup> in Billa Kalina area (160km ESE of Coober Pedy)</li> <li>• Landholders: Anna Creek and Billa Kalina pastoral stations</li> <li>• Determined Native Title holder: Arabana People</li> <li>• Conditions: within Woomera Prohibited Area green zone; Great Artesian Basin springs and Nationally Important Wetlands may occur within the project area</li> <li>• Tenement in good standing with no known impediments</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>• Previous explorers targeted various commodities in the project area</li> <li>• Little advanced exploration with the only drilling conducted by Newmont Pty Ltd / Dampier Mining Co Ltd in the late 1970s. These holes (SR11, SR12) failed to reach basement. See ENV03056: <i>Codna Hill (part of the Stuart Range Joint Venture Project). Progress reports to licence expiry/renewal, for the period 3/5/1977 to 2/5/1979.</i></li> </ul>
Geology (Target deposit type)	<ul style="list-style-type: none"> <li>• Iron Oxide Copper-Gold (IOCG) mineralisation on eastern margin of the Gawler Craton</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• See figures in release</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Results are compared with known IOCG gravity responses in the region</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• All relevant finalised exploration data has been included.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• Further work outlined under “Next Steps”</li> </ul>