

ASX Announcement

BINDING JV WITH SUMITOMO METAL MINING OCEANIA EXECUTED AT BULIMBA GOLD PROJECT

Highlights

- **Binding Joint Venture Agreement (JV) executed with Sumitomo Metal Mining Oceania Pty Ltd at the Bulimba Gold Project in northeast Queensland**
- **SMMO to earn up to 80% interest through \$6M expenditure and 7,500m of drilling over 5 years; up to 90% through completion of a Definitive Feasibility Study (DFS)**
- **Farm-in fee of \$100,000 to be received; minimum \$600,000 JV expenditure in first 12 months**
- **SER to manage and operate the exploration program during the Earn-In period**

Strategic Energy Resources Limited (“SER” or “the Company”) is pleased to announce a Joint Venture Agreement has now been executed for an Exploration Joint Venture with Sumitomo Metal Mining Oceania Pty Ltd (“SMMO” or “Sumitomo”) for the 100% owned Bulimba Gold Project. The greenfields Project is situated 50km northwest of Chillagoe in NE Queensland and captures the undercover extensions of the Palmerville / Gamboola Fault Zone, host to multiple significant Au-Cu (Ag-Pb-Zn) deposits, including the nearby Mungana and Red Dome deposits which have a combined resource of 2.7Moz Au, 273kt Cu and 34Moz Ag^{1,2}.

SMMO is a wholly owned subsidiary of Sumitomo Metal Mining Co. Ltd, which has over 300 years of mine development and operation and operates the Hishikari Mine in Japan while participating in the development and operation of mines in various locations around the world.

Upon the execution of the Joint Venture Agreement with SMMO, SER Managing Director, Dr David DeTata said:

“With the Joint Venture now in place we are eager to work alongside the Sumitomo exploration team to advance the project and look forward to providing regular updates as we lead into the first year of on ground exploration at the Bulimba Gold Project in search of the next major gold discovery in the region”.

NEXT STEPS

The first meeting of the combined Management Committee will take place later this month, where an exploration budget for the upcoming field season will be approved in time for on-ground activities to commence next quarter which may include geophysics and drilling.

¹ See ATE Announcement (formerly MUX) 29 October 2013

² Switzer, C. (2020) Gold Deposits of NE Queensland, AIG-ALS Technical Talk Webinar



SUMMARY OF KEY JOINT VENTURE TERMS

The Joint Venture Agreement covers four exploration licences (EPM28877-EPM28880) with a possibility to include additional adjoining tenements.

- Farm-in fee: Within 14 days of executing the JV Agreement, SMMO will reimburse SER for a portion of expenditure committed to date (\$100,000).
- Minimum commitment: SMMO will commit to a minimum expenditure of \$600,000 in the first 12 months before it can withdraw (in which case SER retains 100% of the Project).
- First earn-in: SMMO can earn an initial 51% of the Project through the expenditure of \$3M over three years which must include a minimum of 2,500m of drilling.
- Second earn-in: SMMO can earn up to 80% of the Project through the expenditure of \$3M over two years which must include a minimum of 5,000m of drilling in addition to the 2,500m drilling from the First earn-in.
- Third earn-in: SMMO can earn up to 90% of the Project upon the completion of a Definitive Feasibility Study (DFS) on >1Moz AuEq resource during a 5-year period.
- SER will be free carried until SMMO elects to enter the pro-rata expenditure period upon completion of the first, second or third earn-in periods. At this point, if either party's interest drops below 10%, the interest converts to a 2% NSR.
- SER will manage and operate the JV until at least the earlier of the pro-rata funding period commencing or SMMO earning the Second Earn-in and will receive a 10% Operator fee on all exploration expenditure.

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

W www.strategicenergy.com.au

Media Inquiries

Nicholas Read

Read Corporate

M: 0419 929 046

E: info@readcorporate.com.au

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About Strategic Energy Resources

Strategic Energy Resources is a specialised under-cover explorer focused on the discovery of world-class Copper deposits in Queensland. SER is actively exploring the undercover extensions of the world-class Mt Isa Inlier at Isa North, Canobie as part of a Joint Venture with Fortescue at Canobie, and the recently acquired Diamantina Project.



Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Neil Chalmers BSc MSc (Geology) MAIG, a Member of the Australian Institute of Geoscientists. Mr Chalmers is a fulltime employee and shareholder of Strategic Energy Resources Ltd. Mr Chalmers 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 Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

In accordance with Listing Rule 5.23.2, the Company confirms in this subsequent public report that it is not aware of any new information or data that materially affects the information included in any previous market announcements.

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