



Annual Report

30 June 2025

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Corporate Directory

Directors	Mr Stuart Rechner - Executive Chairman Dr David DeTata - Managing Director Mr Anthony McIntosh - Non-Executive Director
Company Secretary	Mr Mathew Watkins
Notice of Annual General Meeting	The Company will hold its Annual General Meeting of shareholders on 18 November 2025
Registered office and Principal place of business	Suite 2 Level 11 385 Bourke Street, Melbourne VIC 3000 Ph: (03) 9692 7222 Fax: (03) 9077 9233
Share register	MUFG Corporate Markets (AU) Limited Tower 4, 727 Collins Street Docklands, VIC 3008 Ph: 1300 554 474
Auditor	Nexia Perth Audit Services Pty Ltd Level 4, 88 Williams Street Perth WA 6000
Stock exchange listing	Strategic Energy Resources Limited securities are listed on the Australian Securities Exchange (ASX code: SER)
Website	www.strategicenergy.com.au
Corporate Governance Statement	Corporate governance statements are available in Consolidated Entity's website. Please refer to https://www.strategicenergy.com.au/corporate-governance/

Review of Operations FY 2024-25

Principal activities

The FY2024-25 year has been a transformational year for the company as we continue to execute our discovery strategy of “Search, Explore, Resolve” driven by science-led technical excellence and funded by sharing risks and rewards with our partners. Following the recent acquisition of the advanced Diamantina Copper-Gold Project, we are now focused on our Queensland Copper Projects, and with the recent capital raise completed, we are on track for an exciting year ahead as we drill test multiple projects in search of Australia’s next major discovery.

The South Cobar Project (NSW) is a good example of SER’s “Search, Explore, Resolve” strategy at work. We identified the area as prospective for polymetallic mineralisation; won the ground in a competitive government process; used geophysics and geochemistry to generate prospects; and drilled 25 holes into the best targets. Although 17 of the 25 holes intersected significant polymetallic (Pb-Zn-Ag-Cu-Au) mineralisation, we concluded the project was not our highest priority and sold to a neighbouring explorer on 10 June 2025, for \$400,000 cash and a \$1M production payment.

At our **Canobie Cu-Au Project** in northwest Queensland, joint venture partner FMG funded multiple geophysical programs including two ground gravity surveys (~4,500 stations) which have significantly improved the resolution of gravity data across the entire project area. A Magnetotelluric (MT) survey began prior to the end of the year with multiple lines of full tensor, broadband MT being collected over four new drill targets. FMG have now approved a \$3M budget to drill test four compelling IOCG targets in FY25-26 with the program set to commence this year. FMG is required to drill 3000m of basement core (~1,400m drilled to date) to earn a 51% JV interest.

In January 2025, results from ground gravity and drone magnetic surveys at our **Isa North Cu-Au Project** (QLD), defined four significant geophysical targets within the Nardoo Prospect. An application for a \$275k Collaborative Exploration Initiative (CEI) government drilling grant was successful, which will see a diamond drill program underway at Isa North in the first quarter of FY26 in search of a major copper-gold discovery.

The **Bulimba Au Project** was granted in March 2025 after being first applied for in 2023. Bulimba is located 50km northwest of Chillagoe in NE Queensland and captures over 1,300km² of the undercover extension of the Palmerville / Gamboola Fault Zone, host to multiple significant Au-Cu (Ag-Pb-Zn) deposits, including the nearby Mungana and Red Dome deposits. On ground activities commenced post the reporting period with a field reconnaissance visit and a soil geochemical survey to be completed prior to the end of the year with planning underway for a maiden drill program in early 2026.

Acquisition of the **Diamantia Cu-Au Project** from Anglo American was announced post the reporting date. The project is located 280km south of Cloncurry in western Queensland and consists of two exploration licences and a further three exploration licence applications which were pegged alongside the transaction. In the period since 2018, Anglo American spent over \$20M on the project including drilling at the Elizabeth Springs prospects which intersected significant copper mineralisation. Diamantina represents a step change for the Company, and in the next six months the hidden value of the project will become apparent as we review and compile the historical data with the aim of beginning on ground exploration in early 2026.

In addition to the above highlights, SER continues to pursue R&D opportunities as a means of advancing our understanding of each project while leveraging industry and academic knowledge. In relation to, the last financial year, over \$350k will be returned as direct R&D claim which ensures our staff remain at the forefront of scientific advancements and means more money is spent advancing our project portfolio, increasing our chances of making discovery. SER also generated significant income from the sale of non-core assets.

The SER team would like to thank our shareholders for their ongoing support in our search for Australia’s next major discovery.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Strategic Energy Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were Directors of Strategic Energy Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Stuart Rechner - Executive Chairman
Dr David DeTata - Managing Director
Mr Anthony McIntosh - Non-Executive Director
Mr Tony Gu - Non-Executive Director (resigned on 10 June 2025)

Principal activities

Strategic Energy Resources Ltd is a specialised undercover mineral explorer and project generator focused on discovery in greenfield frontiers of Australia. During the financial year the principal continuing activities of the Consolidated Entity consisted of exploration for minerals in Australia.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Financial results

The loss for the Consolidated Entity after providing for income tax amounted to \$2,099,121 (30 June 2024: \$1,458,961).

Operating expenses for the year were \$2,277,320 (30 June 2024: \$1,869,442) including:

- Corporate expenses of \$927,097 (30 June 2024: \$926,552) resulting from continuing operations;
- Tenement due diligence and related exploration expenses of \$154,381 (30 June 2024: \$288,890); and
- Impairment loss on exploration assets held for sale associated with the South Cobar Project of \$1,195,842 (30 June 2024: Nil).

Share-based payment expenses of \$143,801 (30 June 2024: \$96,834) in relation to 38,000,000 unlisted options (30 June 2024: 28,000,000) were issued to Directors and Employees.

The net assets of the Consolidated Entity decreased by \$1,211,714 to \$6,406,703 (30 June 2024: \$7,618,417) as at 30 June 2025. The movements during the year were largely due to losses from operations amounting to \$2,099,121 net of capital raised of \$734,517 (net of transaction costs). Working capital, being the current assets less current liabilities decreased by \$1,411,736 to \$446,533 (30 June 2024: \$1,858,269). The Consolidated Entity incurred cash outflows of \$451,898 on the operating activities (30 June 2024: \$893,902) and invested \$2,066,754 (30 June 2024: \$1,033,421) in exploration assets.

The review of operations preceding this report outlines the exploration activities and corporate matters for the year.

Significant changes in the state of affairs

On 22 July 2024, the Company raised \$781,400 (before transaction costs) by issuing 71,036,360 fully paid ordinary shares at an issue price of \$0.011 (1.1 cents) per Share of which 6,000,000 shares were issued to Directors. The Company also issued 6,000,000 options with an exercise price of \$0.017, expiring 22 July 2026, to the Lead Manager of the placement, as consideration for their services.

On 26 July 2024, 8,375,000 Options previously issued to Directors and Exploration Manager were forfeited as the vesting conditions were not satisfied.

On 20 September 2024, the Company sold all the shares held at Middle Island Resources Limited for \$0.011 (1.1 cents per share) for \$200,640 in proceeds.

On 14 October 2024, the Company issued 2,000,000 fully paid ordinary shares to a consultant as part consideration for specialist exploration service, valued at \$0.014 (1.4 cents) per share.

On 14 October 2024, the Company issued 4,000,000 Unlisted Options to its Exploration Manager, at nil exercise price, expiring on 14 October 2027, subject to various vesting conditions.

On 2 December 2024, the Company issued 28,000,000 Unlisted Options to Directors, at nil exercise price, expiring on 2 December 2027, subject to various vesting conditions.

On 16 April 2025, the Company was awarded a \$275,000 Queensland Government Collaborative Exploration Initiative (CEI) grant to drill test the Nardoo Copper-Gold Prospect at Isa North Project.

On 10 June 2025, the Company announced the execution of a binding sale agreement with Australian Gold & Copper Limited (ASX: AGC) for the sale of SER's South Cobar Project. The terms of the agreement includes \$50,000 cash payable upon execution of the sale agreement and \$350,000 cash payable upon completion of the sale agreement. In addition, AGC will make a production payment of \$100 per AuEq ounce produced from the tenement capped at \$1,000,000.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 18 July 2025, the Company announced an agreement with Anglo American Exploration (Australia) Pty Ltd, a subsidiary of Anglo American PLC (LSE: AAL) to acquire 100% of the "Diamantina" Copper-Gold Project located in western Queensland for a total consideration of \$600,000. The purchase consideration is payable as:

- \$150,000 cash and \$150,000 settled in in SER shares upon completion; and
- \$150,000 cash and \$150,000 in SER shares on the first of: a) execution of a conduct and compensation agreement with landholders; or b) 12 months after completion.

On 31 July 2025, the Company announced a capital raise of \$2,000,000 by way of placement by issuing 400,000,000 fully paid ordinary shares at \$0.005 (0.5 cents) per ordinary share. The Placement of fully paid ordinary shares was to be undertaken in two tranches. On 7 August 2025, Tranche 1 of the placement was completed by issuing 137,758,325 fully paid ordinary shares within the Company's existing placement capacity. Tranche 2 will consist of 262,241,675 Shares and 200,000,000 Options to the Placement participants, exercisable at \$0.01 with an expiry date of 18 months from date of issue, shareholder approval for which was received at the General Meeting held on 25 September 2025.

On 1 August 2025, the Company issued 27,900,000 fully paid ordinary shares to its Directors, following exercise of Zero Exercise Priced Options granted to them previously in the prior years.

On 12 August 2025, FMG Resources Pty Ltd approved an exploration budget of \$3,000,000 for the Canobie Project in northwest Queensland, which is being explored under a Farm-in and Joint Venture Agreement for the financial year ending 30 June 2026.

No other matters or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its objective of maximising value of its investments held in exploration assets through continued exploration of areas of interest and sale of interests in permits held.

The Consolidated Entity's focus for the coming periods will be on advancing its exploration projects and reviewing additional potential exploration project acquisitions.

Risks and Uncertainties

The Consolidated Entity is subject to both risks specific to the Consolidated Entity and the Consolidated Entity's business activities, as well as general risks.

Future funding risks

The Consolidated Entity is involved in exploration for minerals in Australia and yet to generate revenues. At 30 June 2025 the Consolidated Entity had a cash and cash equivalents balance of \$675,131 and net assets of \$6,406,703. The Consolidated Entity may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Consolidated Entity is still in the early stages of exploration development it has the ability to control the level of its operations and thereby the level of its expenditure over the next 12 months. However, the Consolidated Entity's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Consolidated Entity and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Consolidated Entity was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending patterns and ability to raise additional funding to ensure the Consolidated Entity's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Exploration risk

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Consolidated Entity and its Directors. Success in this process involves, among other things:

- securing and maintaining title to mineral exploration projects;
- discovery and proving up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploitation, development, and production phases; and
- accessing and recruiting the necessary experienced operational staff, skilled contractors, consultants, and employees.

There can be no assurance that exploration on the Consolidated Entity's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource.

Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Consolidated Entity may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Consolidated Entity. The Consolidated Entity is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Consolidated Entity, its business, prospects, results of operations and financial condition.

Environmental and social risks

The Consolidated Entity holds participating interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the Consolidated Entity to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. The long-term viability of the Consolidated Entity is closely associated to the wellbeing of the communities and environments in which the Consolidated Entity conduct operations. At any stage of the asset life cycle, the Consolidated Entity's operations and activities may have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Consolidated Entity may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

Dependence on service providers and third-party collaborators

There is no guarantee that the Consolidated Entity will be able to find suitable third-party providers and third-party collaborators to complete the exploration work. The Consolidated Entity therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Consolidated Entity's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Consolidated Entity's exploration efforts, financial condition and results of operations.

Reliance on key personnel

The Consolidated Entity's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Consolidated Entity.

The Consolidated Entity maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Consolidated Entity, through the Remuneration and Nomination Committee (or in its absence the Board) reviews remunerations to human resources regularly.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Consolidated Entity is committed to preventing and reducing cyber security risks. IT services are outsourced to a reputable third-party services provider.

Grant of future authorisations to explore and mine

If the Consolidated Entity discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Consolidated Entity will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Consolidated Entity's operational and financial performance may be materially adversely affected.

Resource and reserve estimates

Whilst the Consolidated Entity intends to undertake exploration activities with the aim of defining new resources, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available or commodity prices change. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

Future profitability

The Consolidated Entity is in the growth stage of its development and is currently making losses. The Consolidated Entity's performance will be impacted by, among other things, the success of its exploration activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

Environmental regulation

The Consolidated Entity holds participating interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Consolidated Entity has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Information on Directors

Name:	Mr Stuart Rechner
Title:	Executive Chairman
Qualifications:	BSc LLB MAIG MAusIMM FAICD
Experience and expertise:	Mr Rechner is an experienced company director and geologist with a proven track record in project generation, acquisition, exploration, funding and development in Australia and overseas. Mr Rechner holds degrees in both geology and law. He is a member of the Australian Institute of Geoscientists, the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. For over ten years Mr Rechner was an Australian diplomat with postings to Beijing and Jakarta.
Other current directorships:	Kingston Resources Limited (ASX: KSN)
Former directorships (last 3 years):	None
Interest in shares:	26,850,000 fully paid ordinary shares
Interest in options:	Nil

Name:	Dr David DeTata
Title:	Managing Director
Qualifications:	BSc MSc PhD (Chemistry) MBA GAICD
Experience and expertise:	Dr DeTata is an accomplished scientist and exploration executive who has served as Managing Director of SER since 2021 and has been instrumental in forming and executing SER's strategy of Frontier Discovery. Dr DeTata has over twenty (20) years' experience in leading technical programs across government, public and private companies. Dr DeTata serves on the Science Advisory Committee of the world's largest mineral exploration collaboration, the Mineral Exploration Cooperative Research Centre (MinEx CRC) and has been critical in identifying key pre-competitive data from various Geological Surveys around Australia to build SER's pipeline of highly prospective greenfield exploration projects. Dr DeTata holds a Doctor of Philosophy in energetic materials analysis and Master of Business Administration from the University of Western Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Interest in shares:	27,900,000 fully paid ordinary shares
Interest in options:	Nil
Name:	Mr Anthony McIntosh
Title:	Non-Executive Director
Qualifications:	BCom GAICD
Experience and expertise:	Mr McIntosh is an experienced and accomplished director with experience in 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. He holds board positions with several listed and unlisted companies and manages a portfolio of investments, including both listed and unlisted companies as well rural, residential and commercial properties.
Other current directorships:	Koonenberry Gold Limited (ASX: KNB)
Former directorships (last 3 years):	Copper Strike Limited (ASX: CSE) (Resigned 21 October 2022) & K-Tig Limited (ASX: KTG) (Resigned 11 March 2025)
Interest in shares:	22,190,343 Fully paid ordinary shares
Interest in options:	Nil
Name:	Mr Tony Gu (resigned 10 June 2025)
Title:	Non-Executive Director BComm MAF
	Mr Gu is a Partner and the Head of Research at Datt Capital, a Melbourne based specialist investment manager known for consistently high returns in the resources sector. Mr Gu has over a decade of experience in capital markets and investor relations.
Other current directorships:	None
Former directorships (last 3 years):	None
Interest in shares:	Nil
Interest in options:	Nil

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Former directorships (in the last 3 years) quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Mr Mathew Watkins

Mr Watkins is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Mr Watkins is appointed Company Secretary on a number of ASX listed Companies. Mr Watkins is employed at Vistra Australia Pty Ltd (Vistra) and currently the SEA Regional Practice Lead, Australia Market Lead of Vistra. Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full Board* Attended	Full Board Held
Mr S Rechner	6	7
Mr A McIntosh	7	7
Mr D DeTata	7	7
Mr T Gu	6	7

* Due to the size of the Board and there not being a majority of independent directors on the Board, the Board fulfilled the roles and responsibilities in relation to the Audit & Risk Committee and Remuneration & Nomination Committee for the year ended 30 June 2025.

Held: represents the number of meetings held during the time the Director held office or was a member of the Board.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Consolidated Entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information

- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's and Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with the best market practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders'
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. The performance of the Consolidated Entity and the Company depends on the quality of its Directors and Executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board.

For additional duties in assisting management beyond the normal time commitments of Non-Executive Directors, Non-Executive Directors are paid at a rate that is agreed between the Consolidated Entity and the Director, with the amounts approved by the Board.

ASX Listing rules requires that the aggregate Non-Executive Directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2009, where the shareholders approved an aggregate remuneration of \$300,000. No amendments have been made to the available Non-Executive Director remuneration pool since that date.

Executive remuneration

The Consolidated Entity and Company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has two components:

- Fixed Remuneration
- Long-term incentives

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation, are reviewed annually by the Board, based on the overall performance of the Consolidated Entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive. However, there are no fringe benefits programmes currently in place.

The long-term incentives ('LTI') includes share-based payments.

Consolidated Entity performance and link to remuneration

The remuneration of the Directors and executives may be directly linked to the performance, share price or earnings of the Consolidated Entity. During the year the Consolidated Entity issued Performance Options to Executives which would vest subject to meeting various share price hurdles in addition to vesting conditions subject to Operation Health & Safety related matters surrounding the Company's operations, which are as summarised in the table below:

Number of Options	KPI Weighting	Service Condition (Vesting Conditions)				
4,800,000 for Dr DeTata & 3,200,000 for Mr Rechner	40%	Share Price Hurdles: Should the Company's Share price increase by the following hurdles based on the 1 July 2024 share being \$0.016 (1.6 cents) per Share:				
		Share Price Target*	\$0.024	\$0.032	\$0.04	\$0.048
		Share Price % Increase	50%	100%	150%	200%
		% of Options vesting	25%	50%	75%	100%
		the Performance Options will vest and become exercisable in accordance with the milestone vesting conditions as set out above. * Each of the Share Price Targets as outlined above will be deemed to be met should the share price target be reached based on a 20-day VWAP.				
7,200,000 for Dr DeTata & 4,800,000 for Mr Rechner	60%	Operational Target Hurdles: Should the following operational vesting conditions be met:				
		Key Performance Indicator categories	Weighting	Vesting 50%	Vesting 100%	
		Project Generation	10%	1 new board approved project	2 new board approved projects	
		SER 100% Exploration	10%	Early exploration (geophysics, geochemical sampling) on 2 projects	Early exploration (geophysics, geochemical sampling) on 3 projects	
		Drilling	10%	Drill test at least one target	Drill test at least two targets	
		Alternate funding (grants, co-funding, R&D rebate, JV cash reimbursement etc.)	10%	> \$150k	> \$300k	
		Joint Venture/Divestment of assets	10%	Vesting hurdles: 25%: 1x JV/Divestment 50%: 2x JV/Divestment or 1x with royalty 75%: 2x JV/Divestment, one of which has royalty 100%: 2x JV/Divestment, both have royalty		
		Safety, Environment, Stakeholders, Cyber & Legal	10%	Only vests if all conditions are met: Zero serious safety incidents, environmental breaches or significant land access disputes No material legal or cyber breaches		
		Total	60%			
		the Performance Options will vest and become exercisable in accordance with the milestone vesting conditions set out above.				

Non-Executive Directors and executives were granted 28,000,000 options over shares during the financial year (2024: 22,000,000). Stuart Rechner received 8,000,000 options, David DeTata received 12,000,000 options, Anthony McIntosh received 4,000,000 options and Tony Gu received 4,000,000 options (forfeited on 10 June 2025), which are expiring on 2 December 2027. The recipients of options are responsible for growing the Consolidated Entity and increasing shareholders' value. The options provide an incentive to the recipients to remain with the Consolidated Entity and to continue to enhance the shareholders' value.

Use of remuneration consultant

During the financial year the Consolidated Entity did not engage remuneration consultants.

Voting and comments made at the Company's 19 November 2024 Annual General Meeting ('AGM')

The Company received 97.37% of 'for' votes in relation to its remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following Directors of Strategic Energy Resources Limited:

- Mr Stuart Rechner - Executive Chairman
- Dr David DeTata - Managing Director
- Mr Anthony McIntosh - Non-Executive Director
- Mr Tony Gu - Non-Executive Director (Appointed on 23 May 2024)

	Short-term benefits		Long-term benefits	Post-employment benefits		
	Salary and fees	Annual leave***	Long service leave	Super-annuation	Share-based payments	Total
30 June 2025	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Mr A McIntosh	51,480	-	-	5,920	27,433	84,833
Mr T Gu*	53,040	-	-	6,100	-	59,140
<i>Executive Directors:</i>						
Dr D DeTata	312,000	13,447	15,062	29,932	63,615	434,056
Mr S Rechner**	138,840	-	-	8,970	52,752	200,562
	555,360	13,447	15,062	50,922	143,800	778,591

* Mr. T Gu resigned as a director on 10 June 2025.

** Included in salary and fees are \$78,000 of director fees and \$60,480 for geological services provided by Diplomatic Exploration Pty Ltd (an entity associated with Mr S Rechner).

*** Annual leave entitlements are measured on an accrual basis

	Short-term benefits		Post-employment benefits	Share-based payments	Total
	Salary and fees	Annual leave**	Super-annuation		
30 June 2024	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
Mr A McIntosh	54,000	-	5,940	22,888	82,828
Mr T Gu	5,870	-	645	-	6,515
<i>Executive Directors:</i>					
Dr D DeTata	300,000	10,595	27,396	36,973	374,964
Mr S Rechner*	156,000	-	8,250	36,973	201,223
	515,870	10,595	42,231	96,834	665,530

* Included in salary and fees are \$75,000 of director fees and \$81,000 for geological services provided by Diplomatic Exploration Pty Ltd (an entity associated with Mr S Rechner).

** Annual leave entitlements are measured on an accrual basis.

Name	Fixed remuneration		At risk - LTI	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
<i>Non-Executive Directors:</i>				
Mr A McIntosh	68%	72%	32%	28%
Mr T Gu	100%	100%	-	-
<i>Executive Directors:</i>				
Dr D DeTata	85%	90%	15%	10%
Mr S Rechner	74%	82%	26%	18%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr David DeTata
Title:	Managing Director
Agreement commenced:	1 July 2021
Term of agreement:	Ongoing
Details:	Dr D DeTata's fixed remuneration is \$312,000 per annum (plus statutory superannuation). The executive can terminate the agreement with five (5) months' notice. The Company can terminate the agreement with five (5) months' notice, or payment in lieu thereof.

Name: Mr Stuart Rechner
 Title: Executive Chairman and Geological Consultant (separate to Chair responsibilities)
 Agreement commenced: 1 July 2021
 Term of agreement: Ongoing
 Details: \$78,000 plus superannuation for Chair responsibilities. Mr S Rechner is contracted to provide geological and technical services to Strategic Energy Resources Limited and is remunerated on a daily rate at \$1,560 per day. It is expected that the services would be provided totalling approximately 4 days per month however can be varied by mutual agreement. The Company and Mr S Rechner may terminate the agreement by giving two (2) months' notice in writing.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025 (30 June 2024: Nil).

Options

Grant date	Expiry date	Exercise price	Fair value per option at grant date
30 November 2022	30 November 2025	\$0.0000	\$0.0050
23 November 2023	23 November 2026	\$0.0000	\$0.0130
23 November 2023	23 November 2026	\$0.0000	\$0.0025
19 November 2024	2 December 2027	\$0.0000	\$0.0100
19 November 2024	2 December 2027	\$0.0000	\$0.0010

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Number of options granted during the year 30 June 2025	Number of options granted during the year 30 June 2024	Number of options vested during the year 30 June 2025	Number of options vested during the year 30 June 2024
Mr S Rechner	8,000,000	10,000,000	6,000,000	3,000,000
Dr D DeTata	12,000,000	10,000,000	6,000,000	3,000,000
Mr A McIntosh	4,000,000	2,000,000	2,000,000	1,500,000
Mr T Gu	4,000,000	-	-	-

Performance rights

There were no performance rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2025 are summarised below:

	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$
Interest and other income	178,199	410,481	370,472	278,091	384,685
Loss before income tax	(2,099,121)	(1,458,961)	(682,603)	(755,736)	(2,265,126)
Loss after income tax	(2,099,121)	(1,458,961)	(682,603)	(755,736)	(2,265,126)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (cents)	0.006	0.017	0.014	0.018	0.053
Loss per share (cents per share)	(0.315)	(0.307)	(0.238)	(0.368)	(1.295)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr S Rechner	14,850,000	-	2,000,000	-	16,850,000
Dr D DeTata	13,900,000	-	2,000,000	-	15,900,000
Mr A McIntosh	14,290,343	-	2,000,000	-	16,290,343
	43,040,343	-	6,000,000	-	49,040,343

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as compensation	Exercised	Expired / Others	Balance at the end of the year
<i>Options over ordinary shares</i>					
Mr S Rechner	10,000,000	8,000,000	-	(4,000,000)	14,000,000
Dr D DeTata	10,000,000	12,000,000	-	(4,000,000)	18,000,000
Mr A McIntosh	3,500,000	4,000,000	-	-	7,500,000
Mr T Gu	-	4,000,000	-	(4,000,000)	-
	23,500,000	28,000,000	-	(12,000,000)	39,500,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Strategic Energy Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
10 October 2023	10 October 2026	\$0.0000	2,625,000
16 July 2024	16 July 2026	\$0.0170	6,000,000
14 October 2024	14 October 2027	\$0.0000	3,600,000
			<u>12,225,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company.

Shares issued on the exercise of options

On 1 August 2025, the Company issued 27,900,000 Ordinary Shares to Directors on the exercise of Options.

Date options granted	Exercise price	Number of shares issued
30 November 2022	\$0.0000	1,500,000
23 November 2023	\$0.0000	14,000,000
2 December 2024	\$0.0000	12,400,000
		<u>27,900,000</u>

Indemnity and insurance of officers

The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount)

No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the year ended 30 June 2025.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Nexia Perth Audit Services Pty Ltd

There are no officers of the Company who are former partners of Nexia Perth Audit Services Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

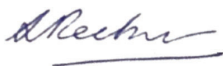
Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

Strategic Energy Resources Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial statements have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Stuart Rechner
Executive Chairman

25 September 2025
Melbourne

To the Board of Directors of Strategic Energy Resources Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Strategic Energy Resources Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Perth Audit Services Pty Ltd



Muranda Cornelius
Director

Perth, Western Australia
25 September 2025

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and other comprehensive income

For the year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$	\$
Other income	5	178,199	410,481
Expenses			
Impairment of exploration assets held for sale	6	(1,195,842)	-
Administration and Corporate expenses	7	(927,097)	(926,552)
Tenement due diligence and other exploration expenses	8	(154,381)	(288,890)
Impairment of investment	13	-	(654,000)
Loss before income tax expense		(2,099,121)	(1,458,961)
Income tax expense	9	-	-
Loss after income tax expense for the year attributable		(2,099,121)	(1,458,961)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive loss, net of tax		-	(414,579)
Other comprehensive loss for the year, net of tax		-	(414,579)
Total comprehensive loss for the year attributable to the owners of Strategic Energy Resources Limited		(2,099,121)	(1,873,540)
		Cents	Cents
Basic loss earnings per share	33	(0.315)	(0.307)
Diluted loss earnings per share	33	(0.315)	(0.307)

Statement of Financial Position

For the year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	675,131	2,507,709
Other receivables	11	15,197	129,408
Non-current assets classified as held for sale	12	400,000	21,849
Prepayments		35,271	42,045
Total current assets		1,125,599	2,701,011
Non-current assets			
Financial assets at fair value through other comprehensive income	13	-	237,120
Equipment		3,834	3,264
Exploration and evaluation	14	5,837,801	5,346,786
Other assets	15	151,500	172,978
Total non-current assets		5,993,135	5,760,148
Total assets		7,118,734	8,461,159
Liabilities			
Current liabilities			
Trade and other payables	16	291,815	207,471
Employee entitlements		81,880	51,154
Other liabilities	17	305,371	584,117
Total current liabilities		679,066	842,742
Non-current liabilities			
Employee entitlements		32,965	-
Total non-current liabilities		32,965	-
Total liabilities		712,031	842,742
Net assets		6,406,703	7,618,417
Equity			
Issued capital	18	42,799,707	42,097,670
Reserves	19	406,628	258,486
Accumulated losses		(36,799,632)	(34,737,739)
Total equity		6,406,703	7,618,417

Statement of Changes in Equity

For the year ended 30 June 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	38,370,001	1,029,262	(33,635,379)	5,763,884
Loss after income tax expense for the year	-	-	(1,458,961)	(1,458,961)
Other comprehensive loss for the year, net of tax	-	(414,579)	-	(414,579)
Total comprehensive loss for the year	-	(414,579)	(1,458,961)	(1,873,540)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	3,567,669	-	-	3,567,669
Share-based payments	-	160,404	-	160,404
Reallocation of value of expired and cancelled options	-	(369,900)	369,900	-
Shares issued from exercise of options	160,000	(160,000)	-	-
Transfers upon disposal of investments	-	13,299	(13,299)	-
Balance at 30 June 2024	42,097,670	258,486	(34,737,739)	7,618,417

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	42,097,670	258,486	(34,737,739)	7,618,417
Loss after income tax expense for the year	-	-	(2,099,121)	(2,099,121)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,099,121)	(2,099,121)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	734,517	-	-	734,517
Share-based payments	-	185,348	-	185,348
Shares issued in lieu of service	28,000	-	-	28,000
Transfer of expired and cancelled options (note 19)	-	(29,604)	5,626	(23,978)
Options issued for capital raising costs (note 19)	(60,480)	60,480	-	-
Transfers upon disposal of investments (note 19)	-	(68,082)	31,602	(36,480)
Balance at 30 June 2025	42,799,707	406,628	(36,799,632)	6,406,703

Statement of Cash Flows

For the year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$	\$
Payments to suppliers and employees		(731,266)	(944,102)
Interest received		35,745	35,214
Receipt of R&D tax incentive received		143,623	14,986
Receipts from sale of Option to Purchase Cowal Project	5	100,000	-
Net cash used in operating activities	32	(451,898)	(893,902)
Cash flows from investing activities			
Payments for equipment		(2,326)	(3,181)
Payments for exploration and evaluation	14	(2,066,754)	(1,033,421)
Payments for security deposits		21,478	(20,000)
Proceeds from disposal of investment		200,640	39,796
Advances received for assets held for disposal		50,000	-
FMG JV contribution net of exploration expenses		(318,234)	842,595
Net cash used in investing activities		(2,115,196)	(174,211)
Cash flows from financing activities			
Proceeds from issue of shares	18	781,400	2,734,000
Cost of capital raising		(46,884)	(133,239)
Net cash from financing activities		734,516	2,600,761
Net (decrease)/increase in cash and cash equivalents		(1,832,578)	1,532,648
Cash and cash equivalents at the beginning of the financial year		2,507,709	975,061
Cash and cash equivalents at the end of the financial year	10	675,131	2,507,709

Financial Statements

For the year ended 30 June 2025

Note 1. General information

The financial statements cover Strategic Energy Resources Limited as a Consolidated Entity consisting of Strategic Energy Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Strategic Energy Resources Limited's functional and presentation currency.

Strategic Energy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, Level 11
385 Bourke Street,
Melbourne VIC 3000

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 September 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in note 3.

Rounding of amounts

Strategic Energy Resources Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial statements have been rounded to the nearest dollar.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is Consolidated Entity's functional and presentation currency.

Going concern

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity made a loss after tax of \$2,099,121 during the financial year (30 June 2024: loss of \$1,458,961) and had net operating cash outflows of \$451,898 (30 June 2024: \$893,902) and net investing cash outflows of \$2,115,196 (30 June 2024: \$174,211). The working capital position as at 30 June 2025 of the Consolidated Entity results in an excess of current assets over current liabilities of \$446,533 (30 June 2024: \$1,858,269). The cash balances as at 30 June 2025 was \$675,131 (30 June 2024: \$2,507,709).

As a result of these matters there is a material uncertainty that may cast significant doubt upon the Consolidated Entity's ability to continue as a going concern and therefore whether the Consolidated Entity will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

The continuing viability of the Consolidated Entity and its ability to continue as a going concern is dependent upon the Consolidated Entity being successful in its continuing efforts in exploration projects and accessing additional sources of funding to meet the commitments within one year from the date of signing the financial statements.

Notwithstanding the above, the Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial statements. The assessment of the going concern assumption is based on the Consolidated Entity's cash flow projections and application of a number of judgements and estimates. These includes the following features:

- On 31 July 2025, the Company announced a capital raise of \$2,000,000 by way of placement of shares, issuing 400,000,000 fully paid ordinary shares at \$0.005 (0.5 cents) per ordinary share. The Placement of fully paid ordinary shares will be undertaken in two tranches. On 7 August 2025, Tranche 1 of the placement was completed by issuing 137,758,325 fully paid ordinary shares within the Company's existing placement capacity. Tranche 2 will consist of 262,241,675 Shares and 200,000,000 Placement Options, subject to shareholder approval at the General Meeting held on 25 September 2025.
- Raising additional capital through the Company's existing placement capacity;
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; and
- Meeting its obligations by farm-out of the Consolidated Entity's exploration interests.

The Directors will continue to monitor the ongoing funding requirements of the Consolidated Entity. As a consequence of the above, the directors believe that, notwithstanding the Consolidated Entity's operating results for the year, the Consolidated Entity will be able to continue as a going concern.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of the business, and at amounts that differ from those stated in the consolidated financial statements. The consolidated financial statements does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Consolidated Entity not continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Strategic Energy Resources Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Strategic Energy Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'. A list of subsidiaries is included in note 29. Reporting period and accounting policies of all the subsidiaries are consistent with the Company.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Derivative financial instruments

Hedges of a net investment

Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased materially since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a material increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased materially, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss

allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Consolidated Entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2025. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

AASB18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027. The standard replaces AASB 101 Presentation of Financial Statements, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Consolidated Entity will adopt this standard from 1 July 2027. As at reporting date, the Consolidated Entity has not completed an assessment on the impact of the standard.

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments

Amends AASB 9 Financial instruments to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Consolidated Entity is currently evaluating the expected impact of these amendments on the consolidated financial statements. The amendments are applicable to annual reporting periods beginning on or after 1 January 2026. As at reporting date, the Consolidated Entity has not completed an assessment on the impact of the standard.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte-Carlo simulation and Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Indicators of impairment are:

- a. The right to explore has expired or will expire and is not expected to be renewed
- b. Expenditure or further exploration is not budgeted or planned.
- c. No commercially viable discoveries have been made and the decision has been made to discontinue activities.
- d. The carrying amount of the asset is unlikely to be recovered from the development or sale

Material judgment is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure.

Note 4. Operating segments

During the current financial year, the Consolidated Entity operated in one segment being an explorer of base and precious metals.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In the current year the board reviews the Consolidated Entity as one operating segment being mineral exploration within Australia.

Assets and liabilities by geographical area

All assets and liabilities and operations are based in Australia.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Sale of tenement assets	-	213,458
Income from option to sell Cowal tenements	-	100,000
Interest Income	34,576	36,500
Sundry income	-	45,537
R&D tax incentive received	143,623	14,986
Other income	178,199	410,481

Income from option to sell Cowal tenements

On 26 September 2022, the Company and Evolution Mining Limited (ASX: EVN or Evolution) signed an agreement for a 2-year Option to purchase EL9057 and EL9368 (Tenements) which are owned by the Company. On June 2024, Evolution elected to extend the Option Period under the Tenement Option Agreement for a further year for \$100,000, until 26 September 2025. On 12 June 2025, Evolution issued notice of withdrawal from the Option Agreement.

Accounting policy for other income

Other income is recognised when it is received or when the right to receive payment is established.

Accounting policy for government grants

Research and Development tax incentives and other government grants are recognised in accordance with AASB 120: Accounting for Government grants and Disclosure of Government Assistance. Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all conditions have been complied with. The grant has been recognised as other income within the period.

Note 6. Impairment of exploration assets held for sale

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Impairment of South Cobar Project	(1,195,842)	-

On 10 June 2025, the Company announced the execution of a binding sale agreement with Australian Gold & Copper Limited (ASX:AGC) for the sale of SER's South Cobar Project. The terms of the agreement includes \$50,000 cash payable upon execution of the sale agreement and \$350,000 cash payable upon completion of the sale agreement. The Company received \$50,000 on the execution of the agreement and recognised impairment loss of \$1,195,842 being the difference between the cost incurred to-date of \$1,595,842 less fair value of \$400,000.

Note 7. Expenses

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Office equipment	1,756	2,658
<i>Share-based payments expense</i>		
Share-based payments expense	143,801	96,834
Other expenses	55,580	174,334
Corporate expenses	431,850	444,975
Defined contribution superannuation expense	21,311	14,835
Salary and employee benefit expenses ((excluding employment	272,799	192,916
Total employment expenses	294,110	207,751

	Consolidated	
	30 June 2025	30 June 2024
Total administration and corporate expenses	927,097	926,552

Note 8. Tenement due diligence and exploration impairment expenses

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Tenement due diligence and other exploration expenses	61,372	121,419
Impairment of capitalised exploration expenses	93,009	167,471
	<u>154,381</u>	<u>288,890</u>

Note 9. Income tax

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory</i>		
Loss before income tax expense	(2,099,121)	(1,458,961)
Tax at the statutory tax rate of 25%	(524,780)	(364,740)
Tax effect amounts which are not deductible/(taxable) in calculating		
Share-based payments	35,950	24,209
Non-deductible R&D expenditure	-	(7,391)
Other deductible expense	117	
Other balances and permanent differences	-	(25,000)
	(488,713)	(372,922)
Income tax losses carried forward not taken up as a benefit	488,713	372,922
Income tax benefit	<u>-</u>	<u>-</u>

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	41,447,929	39,669,003
Potential tax benefit @ 25%	<u>10,361,982</u>	<u>9,917,251</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed or, failing that, the same business test is passed.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

- i. the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii. the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- iii. no change in tax legislation adversely affects the Consolidated Entity in realising the benefits from deducting the losses.

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences		
Tax losses (revenue losses)	10,361,982	9,917,251
Temporary differences	(1,360,553)	(1,785,191)
Tax losses (capital losses)	2,050,655	2,064,992
Total deferred tax assets not recognised	<u>11,052,084</u>	<u>10,197,052</u>

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 10. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Cash at bank	150,771	1,665,115
Cash at bank, held in joint operations	524,360	842,594
	<u>675,131</u>	<u>2,507,709</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Note 11. Current assets - other receivables

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Other receivables	796	119,075
GST receivable	14,401	10,333
	<u>15,197</u>	<u>129,408</u>

Due to the short-term nature of the receivables, their carrying value is assumed to be approximately their fair value. No collateral or security is held. The Consolidated Entity has risk management policies in place to ensure that all receivable are received within the credit time frame.

Expected credit losses

In relation to the other receivables, the Consolidated Entity has recognised a loss of Nil (30 June 2024: Nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

Accounting policy for other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Current assets - non-current assets classified as held for sale

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Exploration assets held for sale	<u>400,000</u>	<u>21,849</u>

South Cobar Project

On 10 June 2025, the Company announced the execution of a binding sale agreement with Australian Gold & Copper Limited for the sale of SER's South Cobar Project. The term of the agreement includes \$50,000

cash payable upon execution of the sale agreement and \$350,000 cash payable upon completion of the sale agreement. Completion will be subject to satisfaction agreement terms and any mandatory regulatory approvals.

Option agreement to sell Cowal Project

On 26 September 2022, the Company signed an Option Agreement with Evolution Mining Limited for a 2-year Option to purchase EL9368 (Tenement) which is located nearby to Evolution's operating Cowal Gold Mine. On 12 June 2025, Evolution issued notice of withdrawal from the Option Agreement.

Note 13. Non-current assets - Financial assets at fair value through other comprehensive income

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Equity investments in quoted equity shares	-	237,120

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Reconciliation		
Reconciliation of the fair values of the equity investments at the		
Opening fair value	237,120	707,095
Additions of investment in Middle Island Resources Ltd	-	638,400
Impairment of Ionic Industries Limited	-	(645,000)
Disposal of investment in Middle Island Resources Ltd	(237,120)	-
Disposal of investment in Resolution Minerals Ltd	-	(62,095)
Revaluation decrements	-	(401,280)
Closing fair value	-	237,120

Equity investments which are not held for trading, and which the Consolidated Entity has irrevocably elected at initial recognition to recognise as financial assets at fair value through other comprehensive income. These are strategic investments, and the Consolidated Entity considers this classification as most appropriate in the financial statements.

Investments in Middle Island Resources Ltd (ASX: MDI)

During FY25, the Consolidated Entity sold 18,240,000 ordinary shares in MDI for \$200,640.

Refer to note 19 for further information on fair value measurement.

Ionic Industries Limited

The Consolidated Entity currently holds 87,155,625 fully paid ordinary shares in Ionic Industries Limited. During the year ended 30 June 2025, there were no notable commercial developments nor updates on a committed timeframe for Ionic's capital market listing. This along with Ionic's continued going concern position challenges the Consolidated Entity's ability to realise its investments at the current values. Therefore, the Company fully impaired the investments in Ionic in 30 June 2024 and at 30 June 2025 they are carried at \$Nil value.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased materially since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a material increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased materially, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 14. Non-current assets - exploration and evaluation

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Exploration and evaluation - at cost	<u>5,837,801</u>	<u>5,346,786</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration assets
	\$
Balance at 1 July 2023	4,478,570
Expenditure during the year	1,035,686
Impairment of assets	<u>(167,470)</u>
Balance at 30 June 2024	5,346,786
Additions	133,807
Expenditure during the year	1,953,050
Assets held for sale	(400,000)
Impairment of assets	<u>(1,195,842)</u>
Balance at 30 June 2025	<u>5,837,801</u>

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a

project or an area of interest has been abandoned or other indicators of impairment exist, the expenditure incurred thereon is written off in the year in which the decision is made or the impairment event occurred.

Note 15. Non-current assets - other non-current assets

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Performance guarantee bonds	121,500	122,978
Non-current term deposits	30,000	50,000
	<u>151,500</u>	<u>172,978</u>

Accounting Policy for other non-current deposits

Deposits are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Note 16. Current liabilities - trade and other payables

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Trade payables	85,415	54,676
Other payables	206,400	152,795
	<u>291,815</u>	<u>207,471</u>

Refer to note 21 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 17. Current liabilities - Other Liabilities

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Advances received in relation to assets held for sale	50,000	-
Advance received in relation to the joint venture	255,371	584,117
	<u>305,371</u>	<u>584,117</u>

Advances received in relation to assets held for sale

On 10 June 2025, the Company announced the execution of a binding sale agreement with Australian Gold & Copper Limited for the sale of SER's South Cobar Project. The terms of the agreement includes \$50,000 cash payable upon execution of the sale agreement and \$350,000 cash payable upon completion of the sale

agreement. The Company received \$50,000 on the execution of the agreement, which was recognised as an advance until the completion of the transaction.

Advance received in relation to the joint venture

On 23 June 2023, the Company entered into a Farm-In and Joint Venture Agreement (FJV) with FMG Resources Pty Ltd to explore the Canobie Project in northwest Queensland. Under the FJV, during the year ended 30 June 2025, FMG Resources advanced \$3,182,868 for Canobie Project of which \$2,927,497 was spent exploration activities. The balance represents the unspent amounts at 30 June 2025.

Refer to note 30 for further information on the Farm-outs in the exploration and evaluation phase.

Note 18. Equity - issued capital

	Consolidated			
	30 June	30 June	30 June	30 June
	Shares	Shares	\$	\$
Ordinary shares - fully paid	671,033,330	597,996,970	42,799,707	42,097,670

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	296,743,712		38,370,001
Issue of fully paid ordinary shares	3 July 2023	71,428,571	\$0.0140	1,000,000
Shares issued on options exercised	1 September 2023	6,000,000	\$0.0200	120,000
Issue of fully paid ordinary shares	1 September 2023	107,142,857	\$0.0140	1,500,000
Shares issued on options exercised	12 September 2023	2,000,000	\$0.0200	40,000
Issue of fully paid ordinary shares	3 July 2023	2,500,000	\$0.0200	50,000
Issue of fully paid ordinary shares	30 May 2024	112,181,830	\$0.0110	1,234,000
Share issue costs		-		(216,331)
Balance	30 June 2024	597,996,970		42,097,670
Issue of fully paid ordinary shares	22 July 2024	71,036,360	\$0.0110	781,400
Issue of fully paid ordinary shares	14 October 2024	2,000,000	\$0.0140	28,000
Share issue costs		-		(107,363)
Balance	30 June 2025	671,033,330		42,799,707

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain

an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's current share price at the time of the investment.

The Company does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 19. Equity - reserves

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Financial assets at fair value reserve	-	68,082
Options reserve	406,628	190,404
	<u>406,628</u>	<u>258,486</u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option reserve \$	Financial assets at fair value \$	Total \$
Balance at 1 July 2023	559,900	469,362	1,029,262
De-recognition of reserve upon sale	-	13,299	13,299
Share-based payments	160,404	-	160,404
Reallocation of value of expired options	(369,900)	-	(369,900)
Shares issued from exercise of options	(160,000)	-	(160,000)
Revaluation decrements on financial assets at fair value through	-	(414,579)	(414,579)
Balance at 30 June 2024	190,404	68,082	258,486
Share based payments issued to directors	167,779	-	167,779
Share based payments issued to employee (included in employee benefit expense)	17,569	-	17,569
Transfer of expired and cancelled options to accumulated losses	(5,626)	-	(5,626)
Transfer of expired and cancelled options	(23,978)	-	(23,978)
Options issued for capital raising service	60,480	-	60,480
De-recognition of asset revaluation reserve surplus upon sale	-	(68,082)	(68,082)
Balance at 30 June 2025	406,628	-	406,628

Note 20. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate & foreign exchange, ageing analysis for credit risk and cashflow forecasts to determine liquidity risk.

Risk management is carried out by senior management ('management') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Results are then periodically reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Consolidated Entity is not exposed to material foreign currency risk.

Price risk

The Consolidated Entity is exposed to price risk in relation to the shares that it owned in other listed and

unlisted entities. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

The Consolidated Entity is not exposed to material interest rate risk as deposits are held with established banks with interest rates that are in line with the RBA and other bank rates. The Consolidated Entity doesn't have any interest-bearing liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Remaining contractual maturities \$
Consolidated - 30 June 2025		
Non-derivatives and non-interest		
Trade and other payables	291,815	291,815
Total non-derivatives	291,815	291,815

Consolidated - 30 June 2024

Non-derivatives and non-interest

	1 year or less \$	Remaining contractual maturities \$
Trade and other payables	207,471	207,471
Total non-derivatives	207,471	207,471

The cash flows in the maturity analysis above are not expected to occur materially earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is material to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

As at 30 June 2025, the equity investments in quoted equity shares were Nil.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 30 June 2024				
Assets				
Equity investments in quoted equity shares	237,120	-	-	237,120
Total assets	237,120	-	-	237,120

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

Valuation techniques for fair value measurements categorised within level 3

The Consolidated Entity holds 87,155,625 shares in Ionic Industries Limited (an unlisted company) which was impaired in full and carried at Nil value at 30 June 2025 (30 June 2024: Nil).

Accounting policy for fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is material to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be material. External valuers are selected

based on market knowledge and reputation. Where there is a material change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 23. Key management personnel disclosures

Directors

The following persons were Directors of Strategic Energy Resources Limited during the financial year:

Mr Stuart Rechner	Executive Chairman
Dr David DeTata	Managing Director
Mr Anthony McIntosh	Non-Executive Director
Mr Tony Gu (resigned 10 June 2025)	Non-Executive Director

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	568,807	526,465
Post-employment benefits	50,922	42,231
Long-term benefits	15,062	-
Share-based payments	143,800	96,834
	<u>778,591</u>	<u>665,530</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Perth Audit Services Pty Ltd, the auditor of the Company, and its network firms:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Audit services - Nexia Perth Audit Services Pty Ltd</i>		
Audit or review of the financial statements	<u>47,000</u>	<u>-</u>
<i>Audit services - Grant Thornton Audit Pty Ltd (Resigned on 10 June 2025)</i>		
Audit or review of the financial statements	<u>24,483</u>	<u>51,790</u>

Note 25. Contingent assets / liabilities

Contingent liabilities

The Consolidated Entity holds deposits of \$121,500 in relation to various tenements. The Consolidated Entity will forgo this deposit if conditions of return are not met.

Contingent assets

On 10 June 2025, the Consolidated Entity executed sale agreement with Australian Gold & Copper Limited

for the sale of SER's South Cobar Project. If the project successfully transition to production, the Consolidated Entity will receive a production payment of \$100 per AuEq ounce produced from the South Cobar project capped at \$1,000,000.

With the exception to the above matter, the Consolidated Entity does not have any other contingent assets / liabilities at reporting date.

Note 26. Commitments

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Exploration Commitments</i>		
Committed at the reporting date but not recognised as liabilities,		
Within one year	1,051,606	1,772,949
Two to five years	8,564,807	5,123,245
	<u>9,616,413</u>	<u>6,896,194</u>

The commitments below represent the minimum spending required for each areas of interest owned by the Consolidated Entity and exclude farmed-out exploration interests, which are not managed by the Consolidated Entity.

In order to maintain current rights to tenure to exploration and mining tenements, the Consolidated Entity has the above exploration expenditure requirements up until expiry of leases. These obligations, which may be varied from time to time and which are subject to renegotiation on lease renewal dates – therefore are not provided for in the financial statements as payable.

Within the mineral industry it is common practice for companies to farm-out, transfer or sell a portion of their exploration rights to third parties or to relinquish some exploration and mining tenements altogether, and as a result obligations will be materially reduced or extinguished altogether. The farm-in partners also expended funds on the permits during the year which can result in work programs for certain years being met.

Mining Tenement	Tenement Description	Location	Interest Owned 2025	Interest Owned 2024	Status of exploration commitment
EPM26439	Isa North 1	Queensland	100%	100%	No, Note 4
EPM26440	Isa North 2	Queensland	100%	100%	No, Note 4
EPM26442	Isa North 3	Queensland	100%	100%	No, Note 4
EPM28877	Bulimba 1	Queensland	100%	N/A	Note 5
EPM28878	Bulimba 2	Queensland	100%	N/A	Note 5
EPM28879	Bulimba 3	Queensland	100%	N/A	Note 5
EPM28880	Bulimba 4	Queensland	100%	N/A	Note 5
EPM27378	Saxby North	Queensland	100%	100%	Note 2
EPM15398	Saxby	Queensland	100%	100%	Note 2
EPM27586	Saxby 1	Queensland	100%	100%	Note 2
EPM27587	Saxby 2	Queensland	100%	100%	Note 2
EPM27588	Saxby 3	Queensland	100%	100%	Note 2
EPM27638	Saxby 4	Queensland	100%	100%	Note 2
EPM27676	Saxby 5	Queensland	100%	100%	Note 2
EPM28180	Saxby 6	Queensland	100%	100%	Note 2
EPM28864	Saxby 7	Queensland	100%	N/A	Note 2
EPM28865	Saxby 8	Queensland	100%	N/A	Note 2
EL6140	Myall Creek	South Australia	100%	100%	Note 1
EL5898	Roopena	South Australia	100%	100%	Note 1
EL6626	Mabel Creek	South Australia	80%	80%	Fulfilled
EL9368	South Cowal	New South Wales	100%	100%	Note 3
EL9367	Garema	New South Wales	100%	100%	No, Note 4
EL9362	Mundi 1	New South Wales	100%	100%	No, Note 4
EL9388	Mundi 2	New South Wales	100%	100%	Fulfilled
EL9629	Mundi 3	New South Wales	100%	100%	No, Note 4
EL9621	Koonenberry West	New South Wales	100%	100%	Fulfilled
R70/4793	Ambergate	Western Australia	100%	100%	Note 6
R70/5012	Ambergate West	Western Australia	100%	100%	Note 6

Note 1

In 2019, the Company signed a farm-in and JV agreement with FMG covering the Myall Creek Project (EL 5898 and EL 6140). Mining tenement expenditure commitment for this exploration interest was not fulfilled due to factors beyond management's and operators control.

Note 2

During June 2023, the Company signed a farm-in and JV agreement with FMG covering the Canobie Project (EPM 15398, EPM 27378, EPM 27586, EPM 27587, EPM 27588, EPM 27638, EPM 27676, EPM 28180, EPM28864 and EPM 28865). FMG may earn a 51% interest in the Canobie Project (Stage 1 Interest) by incurring \$4M in expenditure on exploration which will include a minimum of 3,000m of basement drilling within the first three years. This includes a minimum obligation of \$2.5M in expenditure on exploration within the first 2 years.

Note 3

On 26 September 2022, the Company signed an Option Agreement with Evolution Mining Limited (ASX: EVN or Evolution) for a 2-year Option to purchase EL9368 (Tenement) which is located nearby to Evolution's operating Cowal Gold Mine. On 12 June 2025, Evolution issued notice of withdrawal from the Option Agreement.

Note 4

For those tenements, which the Consolidated Entity has not fulfilled the exploration commitments, the due date to meet the exploration expense commitment hasn't expired at 30 June 2025. Based on the current forecasts, management is confident that the expenditure commitments will be met by their respective due dates. Management reviewed these tenements and is confident that there will no adverse implications to those exploration interest at the reporting date.

Note 5

In January 2025, the Company was granted licenses for the Bulimba project, covering tenements EPM28877, EPM28878, EPM28879 and EPM28880.

Note 6

During the year, retention licenses were granted for the Ambergate project for tenements R90/4793 and R70/5012.

Note 27. Related party transactions

Parent entity

Strategic Energy Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Joint operations

Interests in joint operations are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Payment for geological services*	60,840	89,100
Payment for rent**	17,975	14,080

* During the year the Company made payments to Diplomatic Exploration Pty Ltd, a related entity of Mr Stuart Rechner. The entity provided exploration services to the Company and the Consolidated Entity throughout the year.

** During the year the Company made payments to Pillage Investments Pty Ltd, an entity related to a close family member of Mr. David DeTata. The entity provided rental services to the Company and the Consolidated Entity during the year at rates, which was approved by the Board.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the previous reporting date.

Terms and conditions

All transactions with related parties are entered into on normal commercial terms and conditions.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax	(2,054,713)	(1,367,123)
Total comprehensive loss	(2,054,713)	(1,367,123)

Statement of financial position

	Parent	
	30 June 2025	30 June 2024
	\$	\$
Total current assets	874,847	2,130,107
Total assets	6,867,983	7,890,254
Total current liabilities	292,070	180,000
Total liabilities	325,035	180,000
Equity		
Issued capital	42,799,705	42,097,669
Financial assets at fair value reserve	-	68,082
Options reserve	406,628	190,404
Accumulated losses	(36,663,385)	(34,645,901)
Total equity	6,542,948	7,710,254

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The Parent Entity holds deposits of \$120,000 in relation to various tenements. The Parent Entity will forgo this deposit if conditions of return are not met.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as revenue by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Interests in subsidiaries

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
Strategic Sands Pty Ltd	Australia	100%	100%
Strategic Caldera Pty Ltd	Australia	80%	80%
Strategic Royalties Pty Ltd	Australia	100%	-

Note 30. Farm-outs in the exploration and evaluation phase

The Consolidated Entity had interests in unincorporated joint operations at 30 June 2025 as follows;

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
Myall Creek (EL6140) - South Australia	Australia	100.00%	100.00%
Roopena (EL5898) - South Australia	Australia	100.00%	100.00%
Saxby (EPM15398) - Queensland	Australia	100.00%	100.00%
Saxby North (EPM27378) - Queensland	Australia	100.00%	100.00%
Saxby 1 (EPM27586) - Queensland	Australia	100.00%	100.00%
Saxby 2 (EPM27587) - Queensland	Australia	100.00%	100.00%
Saxby 3 (EPM27588) - Queensland	Australia	100.00%	100.00%
Saxby 4 (EPM27638) - Queensland	Australia	100.00%	100.00%
Saxby 5 (EPM27676) - Queensland	Australia	100.00%	100.00%
Saxby 6 (EPM28180) - Queensland	Australia	100.00%	100.00%
Saxby 7 (EPM28864)- Queensland	Australia	100.00%	-
Saxby 8 (EPM28865)- Queensland	Australia	100.00%	-

Myall Creek Project – on 21 June 2019, the Company entered into a farm-out agreement with FMG Resources Pty Ltd, a subsidiary of Fortescue Metals Group Limited (ASX: FMG), for drilling at Myall Creek (EL6140 and EL5898). FMG will be the operator during the period and committed to spend \$1.5m on exploration over 5 years, including a minimum of 1500m of drilling at Myall Creek to earn an 80% interest in the project.

On 23 June 2023, the Company entered into a Farm-In and Joint Venture Agreement (FJV) with FMG Resources Pty Ltd to explore the Canobie Project in northwest Queensland. The FJV requires FMG to spend \$8M to earn an 80% joint venture interest. Importantly, the JV requires the drilling of 6,000m of basement ensuring the testing of many different Nickel-Copper and Copper-Gold targets. The Canobie Project consisting of EPM 15398, EPM 27378, EPM 27586, EPM 27587, EPM 27588, EPM 27638, EPM 27676, and EPM 28180. Key terms include:

- FMG may earn a 51% interest in the Canobie Project (Stage 1 Interest) by incurring \$4M in expenditure on exploration which will include a minimum of 3,000m of basement drilling within the first three years. This includes a minimum obligation of \$2.5M in expenditure on exploration within the first 2 years.
- During the Stage 1 Period SER will operate and conduct all exploration activities as directed by the Exploration Committee which will comprise two members from each Party.
- FMG may earn an additional 29% interest (for a total interest of 80%) (Stage 2 Interest) by incurring an additional \$4M in expenditure on exploration over an additional 3 years which shall include a minimum of 3,000m of basement drilling (Stage 2 Period)
- Co-contribution to expenditure may occur after FMG earns the Stage 1 Interest (FMG 51%: SER 49%) or the Stage 2 Interest (FMG 80%: SER 20%). If SER elects not to contribute, its JV Interest will be diluted according to industry formula.

Under the FJV, FMG Resources advanced \$3,182,868 for Canobie Project of which \$2,927,497 was spent exploration activities. The Consolidated Financial Statements includes following amounts related to the joint operations at 30 June 2025.

The Consolidated Entity does not record any expenditure made by the farmee on its accounts. It does not recognise any gains or losses on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee credited against the cost previously capitalised in relation to the whole interest with any excess accounted by the farmor as a gain on disposal.

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Current Assets		
Cash and cash equivalents	524,360	842,594
Trade and other receivables	15,270	3,309
	<u>539,630</u>	<u>845,903</u>

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Current Liabilities		
Trade and other payables	131,626	10,089
Other current liabilities	255,371	652,654
	<u>386,997</u>	<u>662,743</u>

Note 31. Events after the reporting period

On 18 July 2025, the Company announced an agreement with Anglo American Exploration (Australia) Pty Ltd, a subsidiary of Anglo American PLC (LSE: AAL) to acquire 100% of the “Diamantina” Copper-Gold Project located in western Queensland for a total consideration of \$600,000. The purchase consideration is payable as:

- \$150,000 cash and \$150,000 settled in in SER shares upon completion; and
- \$150,000 cash and \$150,000 in SER shares on the first of: a) execution of a conduct and compensation agreement with landholders; or b) 12 months after completion.

On 31 July 2025, the Company announced a capital raise of \$2,000,000 by way of placement by issuing 400,000,000 fully paid ordinary shares at \$0.005 (0.5 cents) per ordinary share. The Placement of fully paid ordinary shares was to be undertaken in two tranches. On 7 August 2025, Tranche 1 of the placement was completed by issuing 137,758,325 fully paid ordinary shares within the Company’s existing placement capacity. Tranche 2 will consist of 262,241,675 Shares and 200,000,000 Options to the Placement participants, exercisable at \$0.01 with an expiry date of 18 months from date of issue, shareholder approval for which was received at the General Meeting held on 25 September 2025.

On 1 August 2025, the Company issued 27,900,000 fully paid ordinary shares to its Directors, following exercise of Zero Exercise Priced Options granted to them previously in the prior years.

On 12 August 2025, FMG Resources Pty Ltd approved an exploration budget of \$3,000,000 for the Canobie Project in northwest Queensland, which is being explored under a Farm-in and Joint Venture Agreement for the financial year ending 30 June 2026.

No other matters or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax expense for the year	(2,099,121)	(1,458,961)
Adjustments for:		
Depreciation and amortisation	1,756	2,658
Impairment of investments	-	654,000
Net gain on disposal of non-current assets	-	(213,458)
Impairment of assets held for sale	1,195,842	-
Share-based payments	143,801	96,834
Exploration costs	(32,664)	-
Expenses in relation to joint venture	20,124	91,836
Cost of capital and bonus issued in shares	17,569	95,000
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	125,972	(128,599)
Decrease/(increase) in prepayments	6,775	(18,489)
Decrease/(increase) in other assets	92,350	-
Increase/(decrease) in trade and other payables	13,686	(26,068)
Increase in employee benefits	62,012	11,345
Net cash used in operating activities	<u>(451,898)</u>	<u>(893,902)</u>

Note 33. Loss per share

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax attributable to the owners of Strategic Energy	<u>(2,099,121)</u>	<u>(1,458,961)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic	<u>666,370,964</u>	<u>475,654,223</u>
Weighted average number of ordinary shares used in calculating diluted	<u>666,370,964</u>	<u>475,654,223</u>
	Cents	Cents
Basic loss earnings per share	(0.315)	(0.307)
Diluted loss earnings per share	(0.315)	(0.307)

Diluted loss per share

The options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as the Consolidated Entity has generated a loss for the year.

As at 30 June 2025, the Consolidated Entity had 55,125,000 (30 June 2024: 29,500,000) unlisted options on issue. These options have not been included in the above diluted loss earnings per share calculation. These equity instruments are considered to be anti-dilutive, as their inclusion would not decrease earnings per share nor increase the loss per share, from continuing operations.

Accounting policy for earnings per share

Basic loss per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Strategic Energy Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 34. Share-based payments

On 22 July 2024, the Company issued 6,000,000 unlisted options as part consideration to the lead manager, at \$0.017 (cents) per share, expiring on 22 July 2026. The grant of these options were approved by shareholders at the extraordinary general meeting held on 16 July 2024.

On 14 October 2024, the Company issued 4,000,000 performance options to an employee, at nil exercise price, expiring on 14 October 2027.

On 2 December 2024, the Company issued 28,000,000 unlisted options to current directors, at nil exercise price, expiring on 2 December 2027.

The grant of the share options was approved by shareholders at the Annual General Meeting held on 19 November 2024.

The vesting conditions attached to the Options are split between a market-based vesting condition ("T1" and "T4") and non-market based vesting conditions ("T2" and "T3"), as summarised below:

- T1 Options are subject to performance period which vest based on the Company's share price.
- T2 Options have performance hurdles incorporated for various proportions.
- T3 Options vest subject to holding the Non-Executive Director position in the company as at 30 June 2025.
- T4 Options vest immediately on the issue date.

Set out below are summaries of options granted under the plan:

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
30/11/2022	30/11/2025	\$0.0000	1,500,000	-	-	-	1,500,000
07/09/2023	06/09/2026	\$0.0210	3,000,000	-	-	-	3,000,000
07/09/2023	06/09/2026	\$0.0000	3,000,000	-	-	(375,000)	2,625,000
23/11/2023	23/11/2026	\$0.0000	22,000,000	-	-	(8,000,000)	14,000,000
16/07/2024	16/07/2026	\$0.0170	-	6,000,000	-	-	6,000,000
14/10/2024	14/10/2027	\$0.0000	-	4,000,000	-	-	4,000,000
19/11/2024	02/12/2027	\$0.0000	-	28,000,000	-	(4,000,000)	24,000,000
			29,500,000	38,000,000	-	(12,375,000)	55,125,000

Weighted average exercise price \$0.0021 \$0.0027 \$0.0000 \$0.0000 \$0.0030

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
04/12/2020	04/12/2023	\$0.1000	9,000,000	-	-	(9,000,000)	-
30/11/2022	30/11/2025	\$0.0000	9,500,000	-	(8,000,000)	-	1,500,000
07/09/2023	06/09/2026	\$0.0210	-	3,000,000	-	-	3,000,000
07/09/2023	06/09/2026	\$0.0000	-	3,000,000	-	-	3,000,000
23/11/2023	23/11/2026	\$0.0000	-	22,000,000	-	-	22,000,000
			18,500,000	28,000,000	(8,000,000)	(9,000,000)	29,500,000

Weighted average exercise price \$0.0486 \$0.0022 \$0.0000 \$0.1000 \$0.0021

A total of 28,000,000 unlisted options were issued to Directors and Key Management Personal during the year (30 June 2024: 22,000,000). The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.83 years (30 June 2024: 2.31 years).

Options issued during the financial year have been valued using the Hoadley method and the Consolidated Entity recognised share-based payment expenses of \$143,801 (30 June 2024: \$310,000).

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2025 Number	30 June 2024 Number
30/11/2022	30/11/2025	1,500,000	1,500,000
07/09/2023	06/09/2026	5,625,000	6,000,000
23/11/2023	23/11/2026	14,000,000	22,000,000
16/07/2024	16/07/2026	6,000,000	-
14/10/2024	14/10/2027	4,000,000	-
19/11/2024	02/12/2027	24,000,000	-
		<u>55,125,000</u>	<u>29,500,000</u>

The Consolidated Entity valued the options using ESO Model valuation methodologies, with the following inputs used to determine the fair value for options granted during current and previous period:

Grant date	Expiry date	Share price at grant	Exercise price	Expected volatility	Risk-free interest	Fair value at grant
16/07/2024	16/07/2026	\$0.0200	\$0.0170	100.00%	4.04%	\$0.010
14/10/2024	14/10/2027	\$0.0100	\$0.0000	100.00%	4.08%	\$0.010
19/11/2024	02/12/2027	\$0.0100	\$0.0000	100.00%	4.08%	\$0.010
19/11/2024	02/12/2027	\$0.0100	\$0.0000	100.00%	4.08%	\$0.001

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte-Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that

increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership	Tax residency
			interest %	
Strategic Energy Resources Limited	Body Corporate	Australia	-	Australian
Strategic Sands Pty Ltd	Body Corporate	Australia	100.00%	Australian
Strategic Caldera Pty Ltd	Body Corporate	Australia	80.00%	Australian
Strategic Royalties Pty Ltd	Body Corporate	Australia	100.00%	Australian

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Consolidated Entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations:

Australian tax residency

The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Directors' Declaration

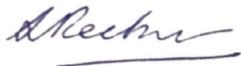
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read "Stuart Rechner", is positioned above a horizontal line.

Stuart Rechner
Executive Chairman

25 September 2025
Melbourne

Independent Auditor's Report to the Members of Strategic Energy Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the Financial Report of Strategic Energy Resources Limited (the "Company") and its controlled entities (the "Consolidated Entity"), which comprises the statement of financial position as at 30 June 2025, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying Financial Report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report' section of our report. We are independent of the Consolidated Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Consolidated Entity, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the Financial Report, which indicates that the Consolidated Entity incurred a loss of \$2,099,121 (2024: \$1,458,961) and had a net cash outflow from operating and investing activities of \$2,567,094 (2024: \$1,068,113). The Consolidated Entity will be required to generate further funding to meet its planned expenditure for a period of at least twelve months from the date of this report. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Advisory. Tax. Audit.

ACN 145 447 105

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report for the current period. These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Capitalisation and Carrying Value of Exploration and Evaluation Assets <i>Refer to Note 14 (Non-current assets - exploration and evaluation)</i> As at 30 June 2025 the carrying value of the Consolidated Entity's capitalised exploration and evaluation assets was \$5,837,801 (30 June 2024: \$5,346,786). This is a key audit matter due to the fact that significant judgment is applied in determining whether: - the exploration and evaluation assets meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"); and - facts and circumstances exist that suggest that the carrying value of the exploration and evaluation assets is in accordance with AASB 6.	Our procedures included, amongst others: - Verifying that the rights to tenure to the areas of interest remained current as at the reporting date; - Obtaining an understanding of the status of ongoing exploration programs for the areas of interest; - Obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programs; - Considering management's assessment of potential indicators of impairment; and - Assessing the appropriateness of the accounting treatment and disclosures in terms of AASB 6.

Other Information

The Directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 30 June 2025 but does not include the Financial Report and the Auditor's Report thereon.

Our opinion on the Financial Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the Consolidated Entity are responsible for the preparation of:

- the Financial Report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the Directors determine is necessary to enable the preparation of:

- i) the Financial Report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the Financial Report, the Directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at The Australian Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Strategic Energy Resources Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Consolidated Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Nexia Perth Audit Services Pty Ltd



Muranda Cornelius
Director

Perth, Western Australia
25 September 2025

Shareholder information

The shareholder information set out below was applicable as at 8 September 2025.

	Ordinary shares	Ordinary shares	Ordinary shares % of total	Options over ordinary shares	Options over ordinary shares	Options over ordinary shares
	Number of holders	Number of units	shares issued	Number of holders	Number of units	% of total of holders
1 to 1,000	174	47,313	0.01	-	-	-
1,001 to 5,000	164	496,427	0.06	-	-	-
5,001 to 10,000	178	1,462,971	0.17	-	-	-
10,001 to 100,000	654	27,672,278	3.31	-	-	-
100,001 and over	539	807,012,666	96.45	2	12,225,000	100.00
	1,709	836,691,655	100.00	2	12,225,000	100.00

Holding less than a marketable parcel of shares -

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
		% of total
	Number held	shares issued
KSLCORP PTY LTD	50,000,000	5.98
ABADI INVESTMENTS PTY LTD	49,549,801	5.92
PILLAGE INVESTMENTS PTY LTD	40,180,417	4.80
MR GRAEME ERIC KIRKE	40,000,000	4.78
MR PATRICK MICHAEL LOUGHNAN	23,000,000	2.75
MR NICOLAS TERRANOVA	20,000,000	2.39
MRS DANA MARIE ALFRED	18,400,000	2.20
CITICORP NOMINEES PTY LIMITED	17,854,803	2.13
DAVID DETATA	15,900,000	1.90
OSMIUM HOLDINGS PTY LTD	13,850,000	1.66
MR STUART RECHNER	13,000,000	1.55
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,372,330	1.24
MRS YUKI FUSO	10,000,000	1.20
YUCAJA PTY LTD	10,000,000	1.20
E E R C AUSTRALASIA PTY LTD	8,882,353	1.06
MR CRAIG MICHAEL LAKE & MRS JUDITH MAY LAKE	8,510,000	1.02
MR MARCO TRITAPEPE	8,500,000	1.02
INTERDALE PTY LTD	8,325,581	1.00
MR BRENDAN PAUL WHITE & MRS SARA ANNE WHITE	8,000,000	0.96
GEORGE WA PTY LTD	8,000,000	0.96
SCINTILLA STRATEGIC INVESTMENTS LIMITED	7,836,339	0.94
BB CAPITAL PTY LTD	7,836,339	0.94
MR RAJPAUL SINGH-SIDHU	7,500,000	0.90
	405,497,963	48.50

Unquoted equity securities

The following persons hold 20% or more of unquoted equity securities:

Name	Number held
Natasha McGregor <Chalmers McGregor A/C>	6,225,000

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Name	Ordinary shares
	Number held
Graeme Kirke	130,000,000
Datt Capital*	53,226,272

*Indicative relevant interest in shares based on number of voting securities recorded as at the date of their last substantial shareholder notice lodged with ASX.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options

The unlisted options on issue do not carry any voting rights.

Director Nomination

The Company will hold its Annual General Meeting of shareholders on Tuesday, 18 November 2025. The Company also advises that in accordance with ASX Listing Rule 14.5 and the Company's constitution the Closing Date for receipt of nominations for the position of Director is 30 September 2025. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on this date at the Company's Registered Office.



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