ASX Media Release
1 July 2019
'SOR'

STRATEGIC
ELEMENTS

Anomalies Discovered Under Magnetic Rings Buried in WA Desert

Strategic Elements Ltd (ASX: SOR) is pleased to announce that **multiple, large anomalous zones of chargeable material potentially reflecting zones of sulphides** have been identified within an unexplained, multi-ringed magnetic ring feature buried in the Gibson Desert. Experts are divided on whether the large multi-ringed magnetic feature at the *Behemoth Project* is caused by the impact of a meteorite from above, an intrusion of magma from below and/or associated mineral system.

Irrespective of the model, the chargeable material detected by a recent IP geophysical survey indicates **large potential zones of disseminated sulphides** with potential for base, precious and/or rare metal mineralization.

Behemoth Summary Highlights

A four person geophysical field crew was mobilised for the IP survey to collect approximately 16 line kilometres of pole - dipole IP lines. The key objective of the IP survey was to identify anomalous zones with potential to host sulphides and generate drill targets. The Company considers the result of the survey to be an **outstanding success** with multiple drill targets being generated.

1. Three **very large** (e.g. 2km, 1.4km, 3km) anomalous IP chargeability zones were discovered.
2. Anomalous zones also reflect **800m+** width potential (>400m+ each side of the IP line).
3. Modelled depths of 300-400m to top of anomalism are **well within** modern drilling capabilities.
4. Chargeable material in anomalous zones modelled up to **high levels** of 40mV/V.
5. Anomalous zones modelled to approx. 500m in depth (limit of data) and are **open**.
6. Denser parts of the gravity anomaly modelled to continue to **at least 1km** in depth (and open).
7. **Drill target** generation to test potential mineral deposit models and whether the chargeable materials hold sulphides ± mineralisation currently being finalized.
8. **Four further projects acquired** with tenement applications a direct result of Behemoth activities.

*Managing Director Mr. Charles Murphy said "Obviously, this is not a standard exploration project and it is at the very high risk – very high reward end of the spectrum. Multiple potential deposit models and the fact we are in a totally unexplored covered area makes it a challenge. However, the IP survey was an outstanding success with three **large scale** anomalous zones discovered that **are open and well within** modern drilling depths. It's an exciting proposition to consider the potential scale of the project and that less than half of the gravity anomaly has been subject to IP survey to date.*

Patience and determination have proven to be critical over the past 3-4 months as we were able to identify drill targets that we believe in and fully intend to follow through. As a Company it was important to us to know whether the IP Survey had generated enough confidence to advance such a large scale potential project to this stage. Significantly, the additional projects generated in the last month have come from geophysical data that is obviously not widely known or appreciated.

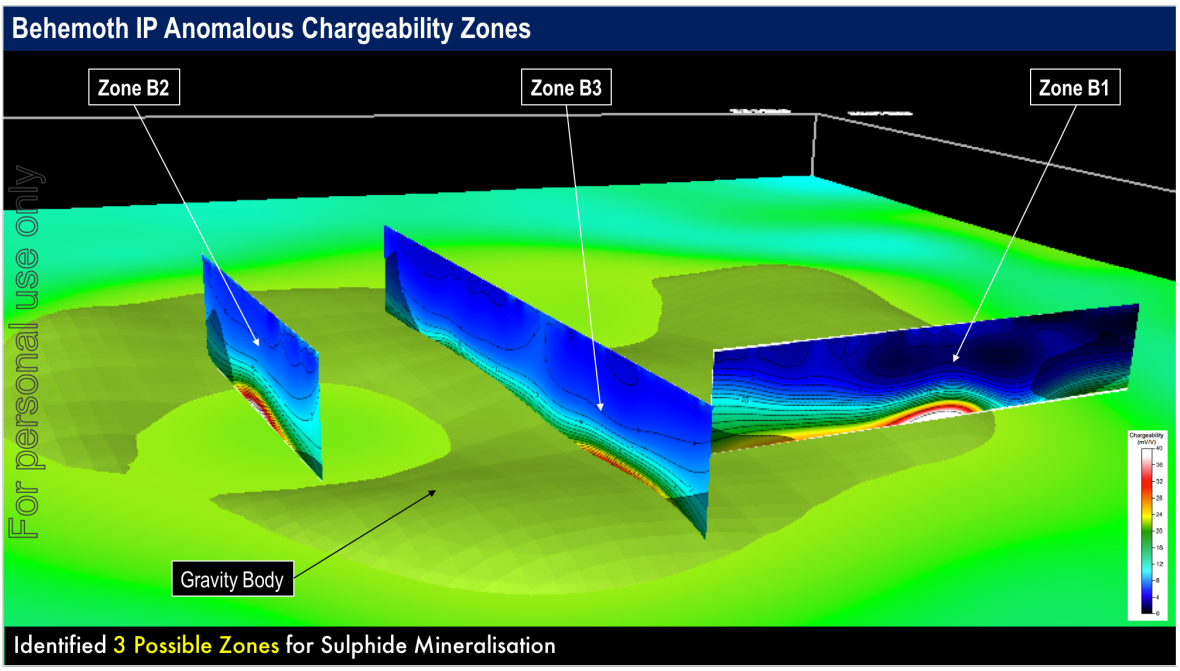
The focus on tangible progress has carried through to the nanomaterial memory project with CSIRO and the University of New South Wales. Although the transparent technology demonstrator work has commenced, patent filing is taking longer than expected. Ensuring that we cover milestone achievements with patent coverage and that our transparent electronics demonstrator has the best opportunity for success has been our priority.

Consistent with this overall strategy our backing of Stealth Technologies Pty Ltd in the AI (Artificial Intelligence) related sector has continued and an enormous amount of groundwork has been conducted. We have built a great team and I am backing that we will deliver some significant developments in the near term."

Induced Polarization Survey (IP Survey)

Focus on science and innovation is characteristic of the Company's activities across the technology and resources sectors where it generates ventures and projects from combining teams of leading scientists or innovators. The Behemoth Project is held by Maria Resources Pty Ltd (100%) a collaboration with Dr Franco Pirajno, current Adjunct Professor at Centre for Exploration Targeting (University of Western Australia), former senior geologist with the Geological Survey of Western Australia. A team of consultants includes geoscientists from leading geophysical firm Southern Geoscience Consultants.

The key objective of the IP survey was to investigate the presence of chargeable material in **target areas derived from a gravity survey** previously conducted by the Company. Chargeable material may indicate potential zones of disseminated sulphides with potential to hold nickel/copper/gold mineralisation. Six IP-resistivity lines were completed by a field team on the ground and **three very large anomalous IP chargeability zones were discovered.**



Anomalous Zone B1
The overall anomalous IP chargeability layer is high strength, >2km in length and open to the east and west. Domal IP chargeability defined close to the south eastern gravity high anomalism. Modelled depth of the IP anomalism is approx. 300 – 400m to stronger derived chargeabilities.

Anomaly Zone B2
Broad IP chargeability anomaly defined > 1.4km in length and not closed off laterally. The IP anomalism strength is moderate however increasing with depth. IP modelling shows chargeabilities up to 40 mV/V in figure 13. Modelled depth of the IP anomalism is approx. 400m to stronger derived chargeabilities.

Anomaly Zone B3
Distinct horizontal chargeability is >3km and not closed off to the south. Broad and moderate strength IP anomalism increasing in strength with depth. Domal IP chargeability approx 1km in length. Modelling shows chargeabilities up to 40mV/V. Modelled depth 400m to stronger derived chargeabilities.

Modelling of the IP survey identified broad sub-horizontal layering **with chargeabilities increasing with depth** within the gravity anomaly. Possible geological explanations of these chargeable zones include widespread sub horizontal weakly to moderately sulphidic ± graphitic sediments or large scale intrusives or mineral ore and alteration systems containing widespread sulphide content. Chargeable zones may also be represented by clay/graphite or barren sulphides. The sub horizontal layering with steadily increasing chargeabilities could be a result of unusually deep and strong weathering/oxidation, which could be indicative of strong, alteration (e.g. originally significant carbonate and/or sulphide content) that may have sub-cropped at some time before being blanketed by recent alluvial cover.

Frontier Exploration

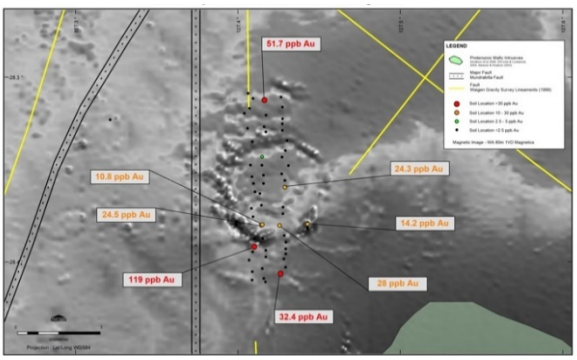
Although the Behemoth Project area is in remote unexplored area of Western Australia, it is cut by the unsealed Anne Beadall Highway and there is a regularly used gravel airstrip nearby at Ilkurlka. The area was last mapped in the 1970's by the WA government. No drilling for base/precious/rare metals has ever been conducted at the Behemoth Project and this is the first use of Induced Polarization (IP) surveys that the Company is aware of in an area of at least 100,000 square kilometres surrounding the project. Brief diamond exploration in the area in the 1980's reported some soil samples with elevated gold levels[1]

Drilling of underexplored areas in Australia has recently led to some significant discoveries Greatland Gold's discovery (2018) at their Haverion Project has attracted a $90M deal with Newcrest Gold who is currently drilling to depths of 1km. Rio Tinto's celebrated Winu discovery (2019) in the East Pilbara has potential to become a world-class copper system. BHP confirmed a significant potential new iron oxide, copper, gold (IOCG) mineralised system (2018), located south east of Olympic Dam in South Australia. Exploration in underexplored terrains has generated some quite extraordinary recent discoveries.

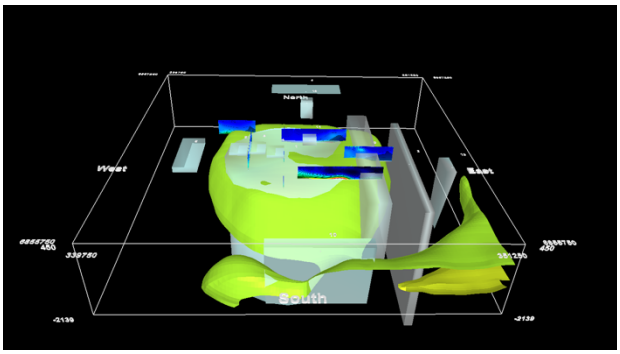
Mineralisation Models

Possible origins of the magnetic ring feature and gravity body buried within it include a meteorite impact structure and an igneous intrusive complex (e.g. alkaline ring complex, carbonatite or a zoned mafic ultramafic intrusive body). Alkaline ring complexes are prospective for rare earths and other rare metals and mafic ultramafic intrusions are known to be prospective for nickel, copper, zinc and gold.

Meteorite impact structure expert Andrew Glikson proposed the Behemoth magnetic ring feature and other characteristics are indicative of a potential meteorite impact structure. Multi-ringed meteorite impact structures are well recognised overseas (e.g. Canada, South Africa) to be associated with significant copper, nickel, zinc, uranium and gold resources.



Anomalous Zones and Historical Gold Soil Anomalies



Gravity, IP Survey Modelling

Structural and possible alteration features have been identified during a basic interpretation of the aeromagnetics in combination with the gravity data collected over the ring complex. The structural components of this interpretation identified possible major faults and dilational settings that could be prospective for significant mineralization. These interpreted alteration / small intrusives and structural elements helped guide the design of the IP survey.

The Company will complete drill target generation in a matter of weeks and will then commence the process of lodging a Program of Works with the intention to drill at Behemoth and relevant aboriginal heritage clearances.

Irrespective of the model, the chargeable material detected by a recent IP geophysical survey indicates large potential zones of disseminated sulphides with potential for base, precious and/or rare metal mineralization.

Reported 21 September 2017[1]

New Project Acquisitions

As a direct result of work on the Behemoth Project over the last several months four further projects have been generated. Using datasets yet to be merged into the openfile government database the identified four new Projects within the Madura Province on the Nullabor Plain and the northwest area of the Officer Basin. The new projects are consistent with the Companies strategy of frontier exploration in underexplored terrains. Information on these Projects will be released when permit activities have been finalized.

About Strategic Elements

Strategic Elements shares are listed on the Australian Stock Exchange under the code "SOR". SOR focuses on backing innovation in the technology and resource sectors. The Company is registered under the **Pooled Development Program** Run by the Australian Federal Government to encourage investment into SME's. To assist Pooled Development Fund's to raise capital, the Federal Government enables most shareholders in a Pooled Development Fund to make capital gains and receive dividends tax-free. In return the Company must follow numerous regulations such as backing only Australian SME's.

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Competent Person

The information in this announcement that relates to Exploration Results is based on information compiled from public reports by Dr Franco Pirajno who is a Member of the Australian Institute of Geoscientists. Dr Pirajno is a Consultant to the Company. Dr Pirajno has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pirajno consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Pirajno is a shareholder in the Company.

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Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad significance of sampling.* • *Include reference to measures taken to ensure sample quality and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more exploration may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *No samples were taken during the IP or Gravity Surveys.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *No drilling was undertaken during the IP or Gravity Surveys.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *No drilling was undertaken during the IP or Gravity Surveys.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *No drilling was undertaken during the IP or Gravity Surveys.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *No drilling was undertaken during the IP or Gravity Surveys.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• *No samples were taken during the IP or Gravity Surveys.*

Criteria	Explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *The field crew photographed sites and collected GPS location data and survey points*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Not applicable*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *IP Line Stations at 100 m and 200m intervals.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Not applicable*
Sample security	• *The measures taken to ensure sample security.*	• *Not applicable*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No external audits or reviews have been completed.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *Maria Resources Pty Ltd holds 100% of the Behemoth Project.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Previous exploration has been conducted by CRA and previously reported by the Company.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Unknown at the present moment.*

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding*
		• *No drilling has been completed.*

Criteria	Explanation	Commentary
	of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Not applicable*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Maps and photos are reported elsewhere in this release.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *The pole – dipole induced polarisation survey and ground based gravity conducted by Zonge Engineering and Research Organisation Australia under the supervision of Southern Geoscience Consultants.* • *A relatively coarse (1km x 1km reading interval) gravity survey was undertaken in 2018 as an initial, on-ground assessment of the Behemoth magnetic ring complex. More detailed gravity readings (200m reading interval) were collected on two traverses (one north-south, one east-west) passing though the central part of the ring complex. The survey discovered an approximately 6.5km diameter, 2 milligal residual gravity anomaly coincident with the magnetically defined ring complex.* • *3D inversion modelling was completed on the gravity dataset. The spatial and depth precision of this modelling is guided by the 1km x 1km primary data spacing. The inversion modelling was complemented by forward modelling of the two profiles of more detailed readings.* • *The modelling indicated that the top of the bulk of the higher density (>2.7 g/cc) core of the ring complex was at approximately 400m below the present land surface. Depth slices of the density isosurfaces indicate that the upper extent of the outer portions of the modelled higher density could be between 200m and 300m below surface. Forward modelling was done on the two detailed data profiles.* • *A four- person geophysical field crew was mobilised for this survey to collect approximately 16 line kilometres of pole -*

Criteria	Explanation	Commentary
		dipole IP lines in time domain at a base frequency of 0.125 Hz at 50% duty cycles (2s On/Off) with N Levels 1 to 12. The IP configuration consisted of roll along cables with station spacing at 100 m and 200m intervals. All stations were controlled by hand held GPS. The crew used a GDDTXII transmitter and a GDD GRX16 32 channel receiver for this survey. IP line directions were a combination of North – South and East – West lines. • *IP responses and resistivity data were collected by the field crew and data quality was monitored by geophysics consultants throughout the course of the survey. Chargeability/IP and resistivity data measured at each survey line was used to produce pseudosections and 2D inversion model sections.*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Drill target generation and potential drilling.*