

## Gravity Anomalies Found in WA Deserts Buried within Magnetic Ring Features

12 October 2018: Strategic Elements Ltd (ASX: SOR) is pleased to announce that geophysical surveys have identified large dense bodies of material (gravity anomalies) buried in remote Western Australian deserts within two large unexplained multi-ringed magnetic ring features.

Experts are divided on whether the large multi-ringed magnetic features are caused by the impact of a meteorite, by an igneous intrusion, or a mineral alteration system. Gravity anomalies are common to many of these models and examples of world class mineral deposits exist.

Exploration of the gravity anomalies for **sulphide** minerals through IP geophysical surveys will be conducted as sulphides can be associated with very large deposits of nickel, copper, platinum-group elements (PGE) and gold. Further information on the IP surveys will be released shortly.

### Managing Director Charles Murphy commented:

*"Whether the cause of the magnetic rings are from rocks intruding up from below or as some experts believe from the impact of a meteorite coming down from above, the gravity anomalies have assisted us to generate target zones for nickel-copper-gold sulphide mineralisation. We know true greenfield exploration such as this has very high risks, but the rewards for discovering a large base metal rich sulphide deposit (e.g. Sirius Resources or Sandfire Resources) are also very, very high. The field team from Atlas Geophysics worked in challenging conditions and the results show they did a fantastic job for the Company."*

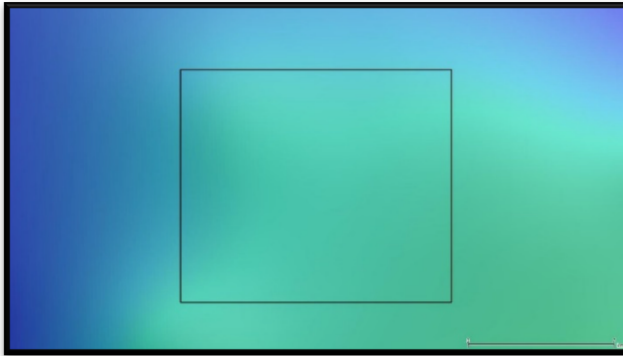
### Highlights of the Gravity Surveys:

1. Land based gravity surveys by Atlas Geophysics and 3D inversion modelling by Southern Geoscience identified substantial gravity (density) anomalism and structural zones at the Ilkurka and Lennis Projects.
2. Work in the field took approx. 2.5 weeks with approx. 1000 separate gravity stations being used. Over a period of 3 weeks a 3D workspace was developed.
3. Ilkurka Project: Results exceeded expectations by defining a **previously unidentified**, very large dense body of material buried within the approx. 15km diameter ring structure.
4. Lennis Project: Eleven potential igneous intrusions or alteration zones and eight potential structural target zones were identified within the approx. 20km diameter ring structure.

### Next Steps:

Following the positive outcome of the gravity work, IP geophysical surveys to **detect potential zones of disseminated sulphides** (as potential carriers of nickel-copper-gold) have been designed and contractors engaged. Further information on the scope and objective of the IP surveys will be released to the market over the next 10 days.

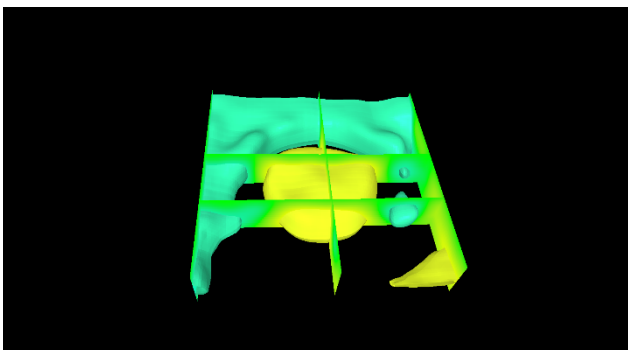
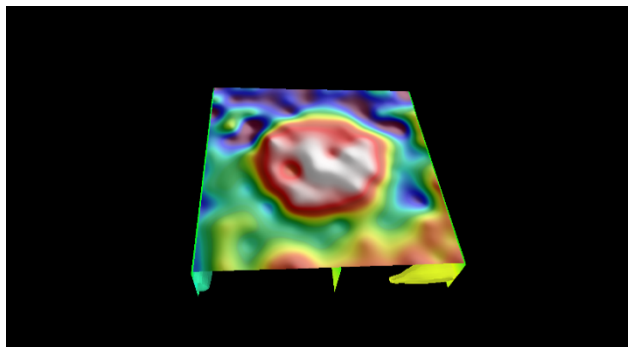
## Ilkurlka Project



1. Existing Ilkurlka project gravity data showed no gravity anomaly associated with it.

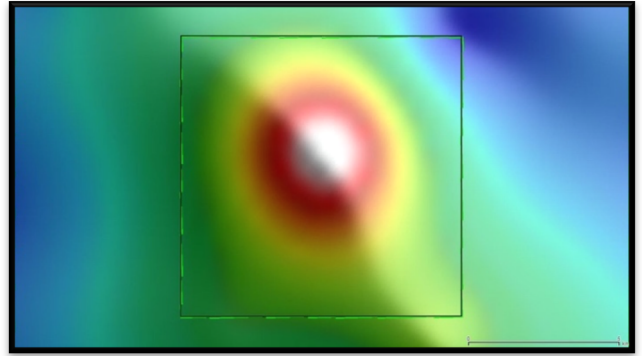


2. A land based gravity survey program was conducted with a total of 144 gravity stations at 1000m centres with two infill lines at 400m spacing.



3. 3D inversion and forward modelling of the final gravity datasets was completed by Southern Geoscience and a 3D workspace of the modelled density distribution was compiled including density isosurfaces and depth and cross-sectional slices of the density model. Bodies generated during the forward / profile modelling were also incorporated into the final 3D workspace.

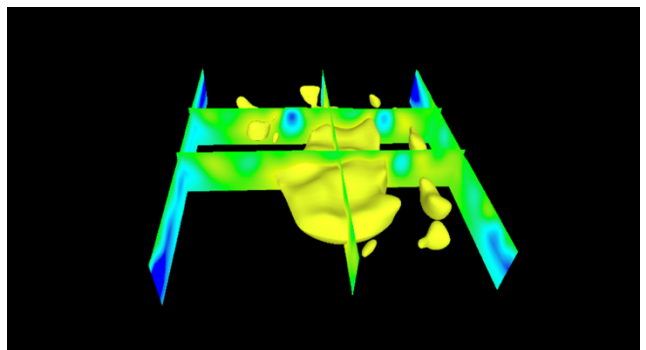
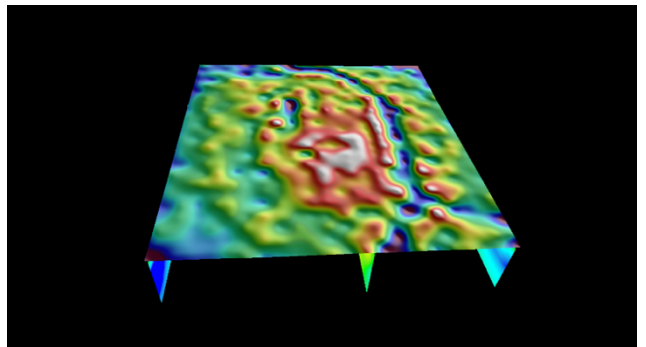
## Lennis Project



1. At Lennis a very strong gravity anomaly was identified in the 1980's but not targeted specifically for exploration or more detailed gravity surveys.



2. A land based gravity survey program was conducted with a total of 528 gravity stations at 400m centres with two infill lines at 200m spacing.



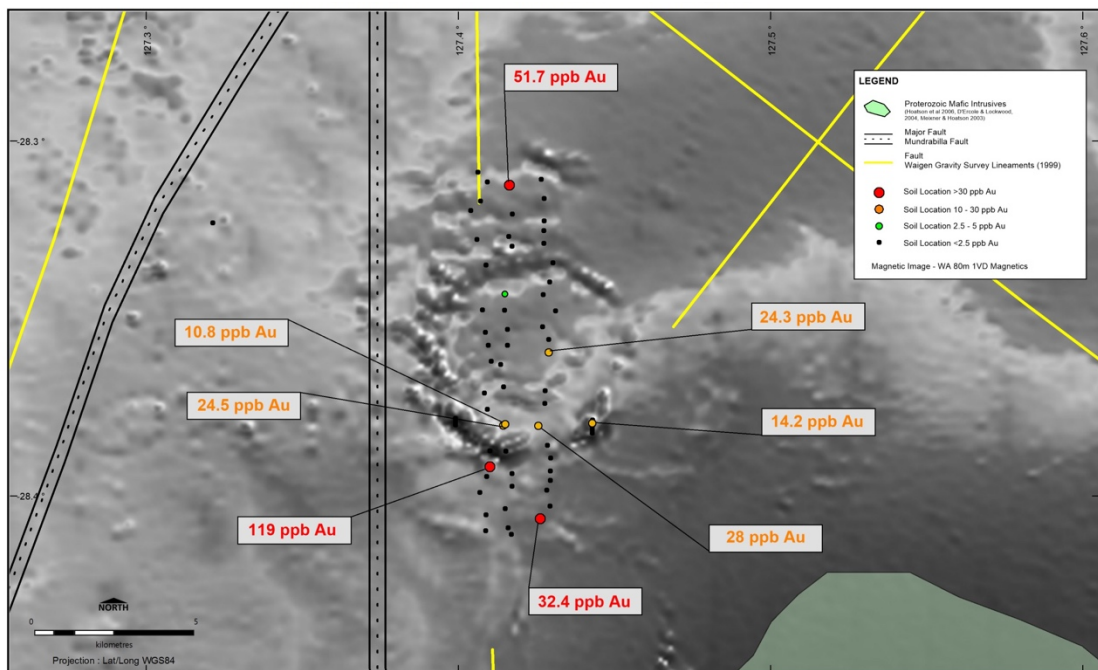
**Next stage = IP Survey to explore for potential sulphides in gravity survey target zones**

## Magnetic Ring Structures:

Geoscience Australia interpreted multiple deep intrusions of the Albany Fraser Orogeny in the area around both magnetic ring feature projects. Albany Fraser mafic-ultramafic intrusions are well known to the market from the outstanding success of Sirius Resources and their Nova nickel-copper-cobalt deposit which was discovered by high risk greenfield exploration, applying an overseas model to an unexplored area. Sirius Resources was sold for \$1.8 billion.

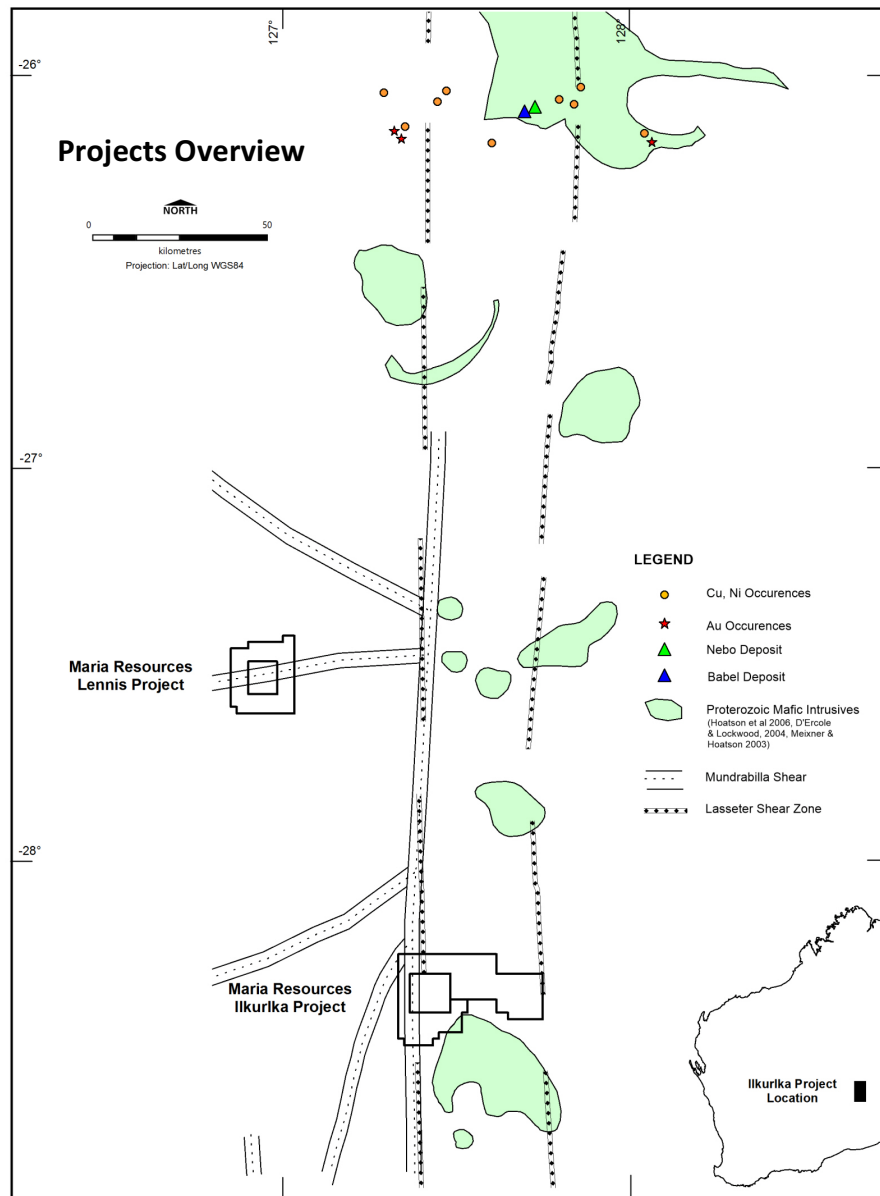


*Lennis Magnetic Image*



*Ilkurlka Historical CRA Gold Soil Anomalies Over Magnetics*

Multi-ringed meteorite impact structures are well recognised overseas to be associated with **significant** mineral resources. The Witwatersrand Basin, which has produced approx. 40% of all gold mined on Earth and the world class Nickel-Copper-PGE Sulphide deposits in mafic ultramafic intrusions of the large Sudbury impact structure are well-known examples. However, there are numerous other deposits (Carswell Uranium, Ternovka Iron Ore-Uranium etc.) that are linked with impact structures.



### About Strategic Elements Ltd

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.

**JORC TABLE 1****Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections.)

| <b>Criteria</b>                                       | <b>Explanation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Commentary</b>                                                                                                           |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <i>Sampling techniques</i>                            | <ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample quality and the appropriate calibration of any measurement tools or systems used.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>No samples were taken during the Lennis and Ilkurka gravity surveys.</li> </ul>      |
| <i>Drilling techniques</i>                            | <ul style="list-style-type: none"> <li>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).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>No drilling was undertaken during the Lennis and Ilkurka gravity surveys.</li> </ul> |
| <i>Drill sample recovery</i>                          | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>No drilling was undertaken during the Lennis and Ilkurka gravity surveys.</li> </ul> |
| <i>Logging</i>                                        | <ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>No drilling was undertaken during the Lennis and Ilkurka gravity surveys.</li> </ul> |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>No drilling was undertaken during the Lennis and Ilkurka gravity surveys.</li> </ul> |
| <i>Quality of assay data and laboratory tests</i>     | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>No samples were taken during the Lennis and Ilkurka gravity surveys.</li> </ul>      |

| Criteria                                                | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Commentary                                                                                                                            |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | <p><i>whether the technique is considered partial or total.</i></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |                                                                                                                                       |
| Verification of sampling and assaying                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>The field crew photographed sites and collected GPS location data and survey points</li> </ul> |
| Location of data points                                 | <ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>                                                                      |
| Data spacing and distribution                           | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>                                                                                                                                                                             | <ul style="list-style-type: none"> <li>1000 separate gravity stations being used.</li> </ul>                                          |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>                                                                                                                                             | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>                                                                      |
| Sample security                                         | <ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>                                                                      |
| Audits or reviews                                       | <ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>No external audits or reviews have been completed.</li> </ul>                                  |

## 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 | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Maria Resources Pty Ltd holds 100% of the Lennis and Ilkurka projects.</li> </ul>                 |
| Exploration done by other parties       | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Previous exploration has been conducted by CRA and previously reported by the Company.</li> </ul> |

| Criteria                                                         | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Geology                                                          | <ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Unknown at the present moment.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Drill hole Information                                           | <ul style="list-style-type: none"> <li>• 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: <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> </li> <li>• 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 of the report, the Competent Person should clearly explain why this is the case.</li> </ul> | <ul style="list-style-type: none"> <li>• No drilling has been completed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Data aggregation methods                                         | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Diagrams                                                         | <ul style="list-style-type: none"> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Maps and photos are reported elsewhere in this release.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Balanced reporting                                               | <ul style="list-style-type: none"> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• A pole – dipole induced polarisation survey will be conducted by Zonge Engineering and Research Organisation Australia under the supervision of Southern Geoscience Consultants.</li> <li>• A pole – dipole induced polarisation survey will be conducted along ten east – west survey lines and two north- south survey lines with survey parameters as follows. Dipole length of 100m; N Levels - 1 to 12; using a GDD TXII transmitter with a base frequency of 0.125 Hz (2s on, 2s off) at 50% duty cycle and a GDD GRX 16 32 channel receiver. Stations will be at 100m interval and all positioning of stations will be controlled by hand held GPS.</li> <li>• Chargeability/IP and resistivity data will be measured at each survey line to produce pseudosections and 2-D inversion model sections. All 2D inversion models will be produced using finite element routine</li> </ul> |

| Criteria            | Explanation                                                                                                                                                                                                                                                                                                                                                                                                     | Commentary                                                                                  |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
|                     |                                                                                                                                                                                                                                                                                                                                                                                                                 | <i>RES2DINV produced by Geotomo Software Pty. Ltd.</i>                                      |
| <i>Further work</i> | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul> | <ul style="list-style-type: none"> <li><i>IP Survey over Lennie and Ilkurka.</i></li> </ul> |