

For personal use only

SOR SHAREHOLDER UPDATE

Maria Resources (100% Owned)

Officer Project

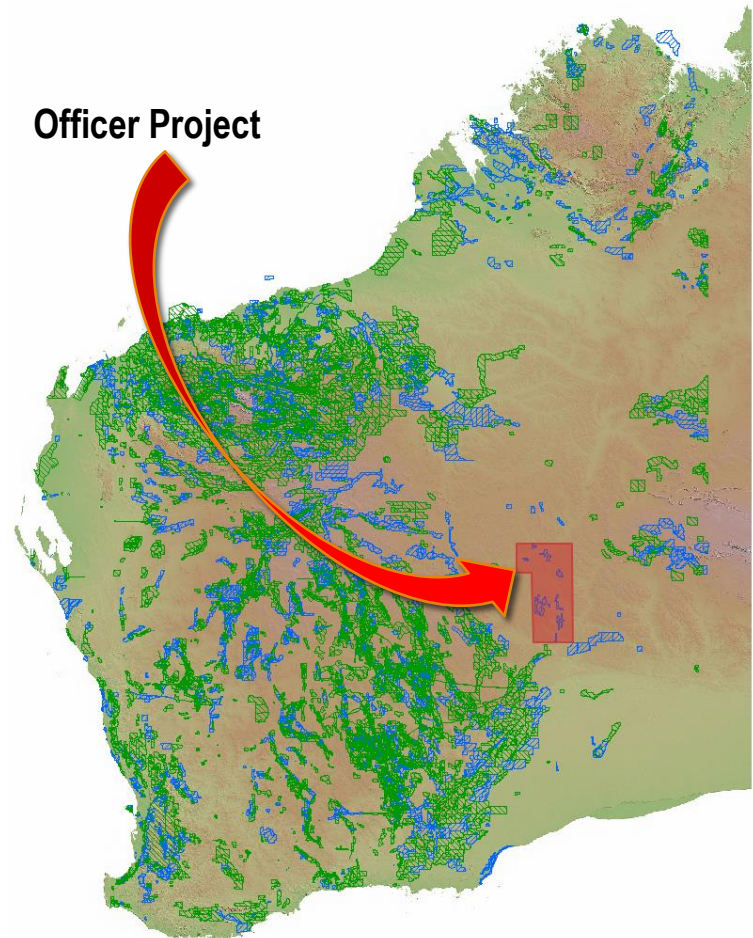


The Company is registered by the Australian Federal Government under a special program to encourage investment into Australian SME's. The Company's registration as a Pooled Development Fund provides most shareholders with **tax-free capital gains** when they sell their shares and **tax-free dividends**. The Company is listed on ASX under the code "SOR" on the Australian Stock Exchange and has a dual resources and technology exposure.

Officer Project

- ASX Listed Pooled Development Fund Strategic Elements (ASX: SOR) is funding a major copper hunt targeting rocks sticking out of the sand in the deserts of Western Australia **long ignored** for their mineral potential.
- By applying an **overseas model** the Company recognised that certain areas of 'Permian' rocks in the Great Victoria and Gibson deserts have excellent potential for a style of copper more commonly known in Germany and Poland.
- The company reviewed the limited exploration within a **54,000km²** area and discovered highly anomalous copper **in several historic drill holes drilled 8km apart**, which confirmed the Company's position and provides a clear exploration focus
- The **700 km² Officer Project** is the **first project developed** in collaboration with world leading geologist Dr Franco Pirajno, who was formerly with the Geological Survey of Western Australia for 21 years, previously an Exploration Manager for Anglo American Corporation (NZ, SW Pacific) and has been involved with several copper discoveries
- The Officer Basin has been mapped by the Geological Survey of Western Australia but has limited exploration

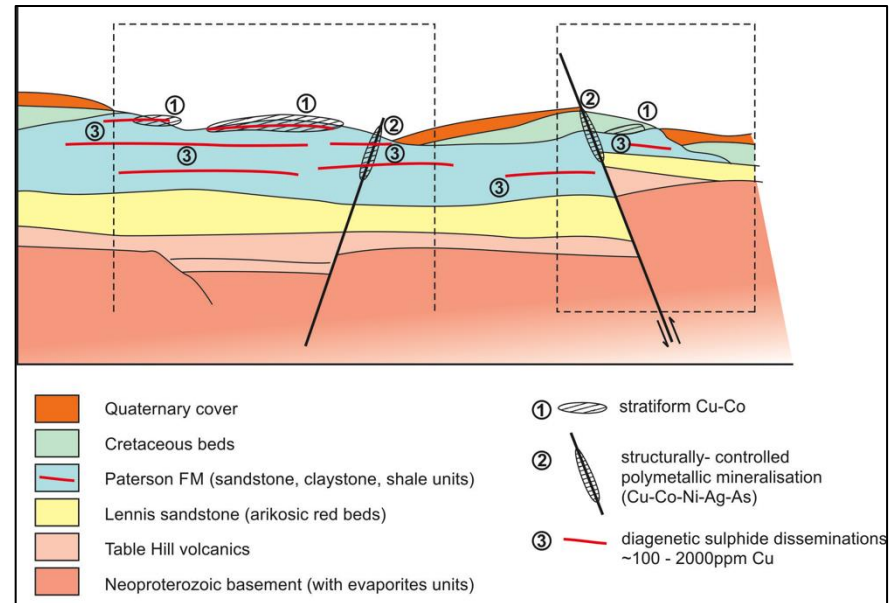
WA TENEMENTS PENDING & APPROVED



New Model New Frontier

- The Officer Basin has extensive areas of **Permian age** (approx. 290-250 million years ago) shale and sandstone rocks at surface.
- The general consensus to date has been that Permian age rocks in WA are economically uninteresting for base metals and hence the Officer Basin has remained overlooked and misunderstood
- In collaboration with Dr Franco Pirajno, the **Permian Kupferschiefer** (PKS) copper-silver-cobalt model was applied to the geology of the Officer Basin and the previously unrecognised potential became clear.
- Permian Kupferschiefer (PKS) deposits are:
 - more commonly known in Poland and Germany
 - the **2nd most important copper deposits in the world**
 - have an **average of 44mt @ 1.8% Cu.**
- In **PKS copper - silver - cobalt** occur as disseminated sulphides in shale and sandstone as well the underlying volcanic rocks

OFFICER PROJECT: CONCEPTUAL MODEL



Source: Dr Franco Pirajno

| Key Geological Criteria | Kupferschiefer Model | Officer Basin |
|---------------------------------------|----------------------|-----------------|
| Rifting | ✓ | ✓ |
| Permian-Age sandstone-shale sequences | ✓ | ✓ |
| Continental Red Beds | ✓ | ✓ |
| Evaporites | ✓ | ✓ (In Basement) |
| Bimodal Volcanics | ✓ | ✓ |

"All the geological facets needed for Permian Kupferschiefer mineral systems occur in the Officer Basin. It is an exciting project as this type of frontier exploration is not widely done anymore," Dr Franco Pirajno.

Exploration Advantage

EXAMPLE OUTCROP

- Most deposits have historically been discovered from rocks outcropping at surface. Significantly, the Officer Project includes over 190km of unexplored Permian rocks interpreted to outcrop³ at the surface.
- Such a large extent of unexplored outcropping rock means that initial exploration can include low cost and effective mapping and rock sampling activities.
- In comparison with many other projects that require initial exploration 'under cover', the extent of outcrop that is ready for sampling is a significant advantage.
- Recognising that the Permian rocks long thought of as just 'cover' were actually a target in their own right led the Company to apply for approx. 700km² of the most attractive ground, to provide a dominant holding for PKS style mineralisation in the Officer Basin.
- Research shows that in any mineral district, the largest deposits are usually found first. Gaining first boots on frontier ground for a new model is a significant motivation to the project team.

190 km OF TARGET ROCKS AT SURFACE

Drilling Evidence

- CRA Exploration conducted air core drilling through Permian rocks looking for diamonds in 1988. They didn't find diamonds, however two drill holes contained highly anomalous copper in Permian shale and sandstone rocks.
- Mineralisation ranged **from surface through to approx. 60m in depth** with copper continuing in the underlying volcanic rocks. The geology of the drill holes **strongly indicates PKS style copper** found in Germany and Poland. The distance between these two holes is 8 km in a N-S direction, hinting at the possibility of continuity.
- Geochemical analyses showed highly anomalous Cu (850-1000 ppm at depths of 24 to 60 m; hole 88WAC5) and Cu-Mn (730-780 ppm and 980-4000 ppm, respectively, at 56-66 m; hole 88WAC8)*
- The two CRA drill holes 88WAC8 and 88WAC5 were drilled at sites, which in the Company's structural interpretation could be a pull-apart zone formed by strike-slip, intersected red beds and basaltic rocks.

Copper From Surface in Drill Core

- A value of **4m @1200 ppm Cu** was obtained in the top section of the regolith (0-4 m) in CRA drill hole 88WAC8. This value is highly anomalous and it suggests that regolith sampling could be of value for the purpose of targeting in-situ mineralisation*.
- Furthermore, the relatively shallow (10-15 m) overlying regolith material makes it **relatively easy** for the detection of primary geochemical anomalies.
- The Company will focus initial sampling around CRA drill hole 88WAC8 due to the potential to conduct low cost and efficient surface sampling. PKS mineral systems often contain **silver-cobalt** and other elements that will also be assayed for the first time in the Officer Project area.

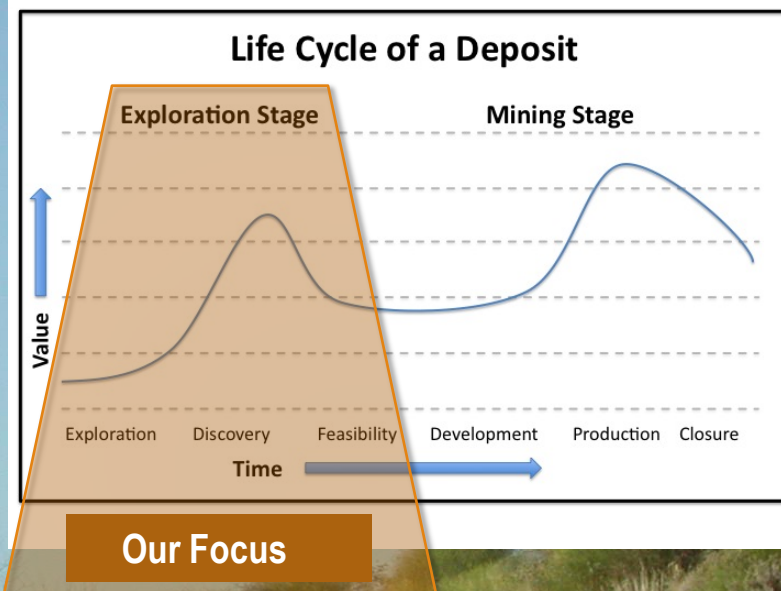
Copper –Silver – Gold layers in grey sandstone



Kupferschiefer Lubin Mine Poland

Officer Project Exploration Strategy

- Focusing on a combination of unexplored frontier areas with deposit models more commonly found overseas provides the best chance for making a significant new discovery.
- Prior to discovery of the Nova Nickel deposit by Sirius Resources they had “several **soil** anomalies” to follow up and within several months of discovery, the share price jumped from 5.7 cents to \$2.56 a share.
- Sirius applied an overseas style of deposit known in Canada, but never before seen in Australia to an unexplored area in the Fraser Range.



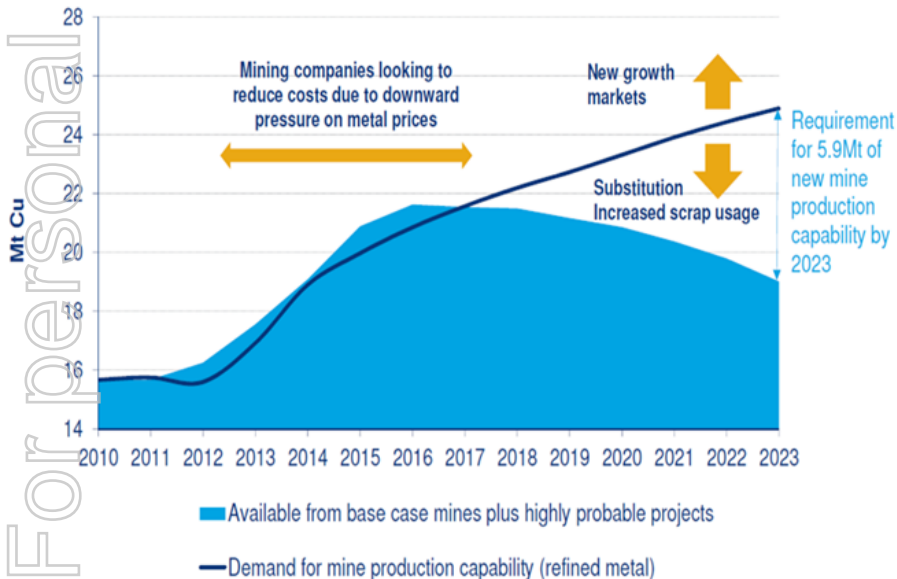
- The **54,000km²** of desert surrounding the Officer Project is **virtually unexplored** with only four companies having been active in the area.
- There have only been twenty mineral exploration holes, primarily for diamonds. Significantly however, two of these holes contained **highly anomalous copper** with all the hallmarks of **PKS style mineralisation**.

Copper a Critical Commodity

Global demand growth expected to increase 4% Year on Year between until 2020. (MMG Metals 2015)

It now appears that in the next 25 years, the world will need to produce as much copper as has been produced in the history of humanity.

DEMAND VERSUS SUPPLY



Source: Wood Mackenzie, 2014

"There is no question that the current production numbers are to some degree validating that there is an issue starting to manifest itself on the supply side" **Morgan Stanley (2015)**

"Copper demand remains compelling as emerging economies transition to consumption-led growth" **BHP Billiton (2014)**

"Copper shortage coming sooner" **Rio Tinto (2015)**

"Unexpectedly tight market should help copper recover" **Commerzbank (2015)**

"Copper prices need to move higher" **Ian Parkinson GMP Securities (2015)**

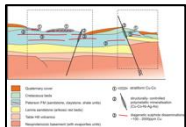
"Copper to shift into deficit by 2016,2017" **Stefan Ioannou, Haywood Securities (2015)**

"Bullish on Platinum and Copper" **Robert Friedland, Ivanhoe Mines (2015)**

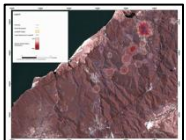
"Copper as a critical metal. Output of the red metal has doubled in the last 16 years and needs to be doubled again; a feat that is going to be a very big challenge" **Jack Lifton, Technology Metals Research (2015)**



100% Owned



100% Owned



100% Owned

?

- **Strategic Elements** is registered by the Australian Federal Government under a special program to encourage investment into Australian SME's.
- The Company's special registration as a Pooled Development Fund provides most shareholders with tax-free capital gains when they sell their shares and tax-free dividends. The Company is a unique vehicle listed on ASX under the code "**SOR**" and has a dual resources and technology exposure.
- **Maria Resources** is working with world leading geologist Dr Franco Pirajno hunting WA deserts for a copper model known in Poland and Germany as Kupferschiefer (PKS). The Officer Project includes 700km² of unexplored ground in the Great Gibson and Victoria deserts and over 190km of outcrop ready for low cost and effective sampling. Highly anomalous copper in several historic drill holes drilled 8 km apart with all the hallmarks of PKS provide a clear exploration focus. 'Discovery from overseas models in WA frontiers'.
- **Strategic Materials** is working to re-open a high grade NZ goldfield and has completed a comprehensive program at the 100-year-old Golden Blocks goldfield combining modern technology, targeted field programs and a wealth of lost historical data discovered buried in the archives of New Zealand. Drilling is being planned to target the Pioneer Shoot where last exploration assays returned 663.9 g/t gold over 0.75m including 5342.5 g/t gold over 0.25m. Multiple high grade targets across the 232km² project*.
- **Australian Advanced Materials** is continuing to actively assess various technology investments. AAM is **currently** negotiating an agreement for an Australian technology, with nothing having been agreed to date.

Company Information



Dr Pirajno – Field trip to Officer Basin for WA Government

Personal use only



Discovery from overseas models in WA Frontiers

Telephone : +61 8 9278 2788

Facsimile : +61 8 9288 4400

admin@strategicelements.com.au

Directors

Seng Yap (Non-Executive Chairman)
Charles Murphy (Managing Director)
Matthew Howard (Executive Director)
Elliot Nicholls (Executive Director)

Company Secretary

Matthew Howard

Postal Address

PO BOX 3439
Broadway Nedlands
WA 6009
Australia

Registered office

Suite 6, 27 Railway Road
Subiaco WA 6008
Australia

Auditors

Nexia Audit Services Perth
Pty Ltd
Level 7, The Quadrant
1 William Street
Perth WA 6000
Australia

Solicitors

Kings Park Corporate
Lawyers
Suite 8,
8 Clive Street
West Perth WA 6005
Australia

Share Registry

Security Transfer
Registrars
770 Canning Highway
Applecross WA 6153
Australia
+61 8 9315 2333

Competent Person

The information in this announcement that relates to Exploration Results is based on information compiled by Franco Pirajno, who is a Member of the Australian Institute of Geoscientists. Franco Pirajno is a consultant geologist and stock option holder in the Company. Mr 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'. Franco Pirajno consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"