

19 April 2017

March 2017 Quarterly Report

Highlights for the March quarter are as follows:

- On-going Work Plan for MIN4921
- Proposed Acquisition of 100% shareholding in Synertec Pty. Ltd.

SML Corporation Limited (ASX code "SOP", the Company) holds a Mining Lease covering a total of 246 hectares in eastern Victoria (Figure 1)

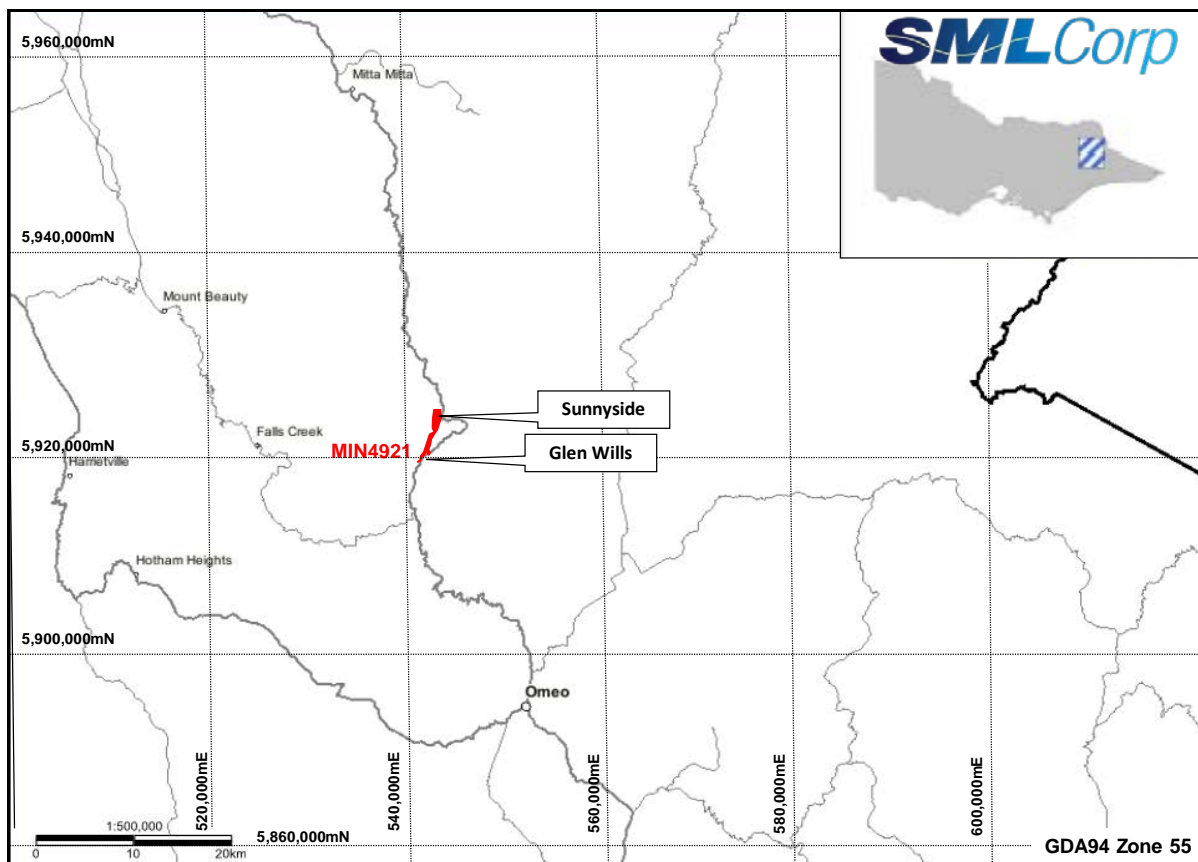


Figure 1: Project and Prospect Location – Eastern Victoria

TENEMENT	PROJECT	AREA	GRANTED	EXPIRY
MIN4921	Glen Wills - Sunnyside Goldfield	246 hectares	18/01/1990	13/05/2019

EXPLORATION ACTIVITIES

Glen Wills Goldfield Project (MIN 4921)

WORK PLAN

The Work Plan application for MIN 4921 is still on-going.

No exploration work was done on the tenement during the quarter.

ACQUISITION OF 100% SHAREHOLDING IN SYNERTEC PTY LTD

In an announcement released by the Company on 10 March 2017 (the "Announcement"), it disclosed that it had on 9 March 2017 entered into a share purchase agreement pursuant to which the Company agreed, subject to the satisfaction of certain conditions precedent, including, compliance by the Company with Listing Rule 11.1 and Chapters 1 and 2 of the Listing Rules, to acquire 100% of the issued shares of Synertec Pty Ltd ("Synertec") for a total consideration of \$10.0 million (the "Acquisition").

The consideration is to be satisfied by the payment of \$5.0m in cash and the other \$5m by the issue of 107,142,857 new fully paid ordinary shares in the Company at an issue price of 4.667 cents per share post consolidation on the basis of every four fully paid ordinary shares being consolidated into three fully paid ordinary shares (the "Consideration Shares"). The Company is required to consolidate its capital in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Upon completion of the Acquisition but before the issue of the Consideration Shares, the Company will issue to the existing shareholders, at no issue price, new bonus options to subscribe for new shares in the Company on the basis of one bonus option for every five shares held. Each option will be exercisable at 5.3 cents and will have an exercisable period of three years from the date of issue.

Following the successful completion of the Acquisition, the Company will seek to divest the Glen Wills – Sunnyside mining tenement (the "GWS Tenement") and the plant and equipment. If that divestment does not occur within six months of the said completion, the GWS Tenement will be relinquished. If the divestment is successful, the net sale proceeds will be distributed to the existing shareholders of the Company on a pro rata basis.

Synertec is an Australian multi-disciplined engineering consulting firm, delivering specialist engineering and compliance services across complex and highly regulated oil and gas, biotechnological, food and dairy, hospitals, industrial automation, mining, petrochemical and fine chemicals, pharmaceutical and water industries.

The Company will change its name to Synertec Corporation Limited upon completion of the Acquisition.

The Directors of the Company urge the shareholders to refer to the Announcement for more detailed information on the Acquisition and Synertec. The Acquisition is progressing apace and preparations are in their final stages for submissions to be made to the authorities. Further announcements will be released by the Company to update the shareholders on the progress of the Acquisition at the appropriate time.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based geological information compiled by Mr Peter de Vries, a consulting geologist, on behalf of SML Corporation Ltd. Mr de Vries is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is a Competent Person as defined by the 2012 JORC Code, having more than five years experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Mr de Vries consents to the publishing of the information in this report in the form and context in which it appears.

For further information, please contact:

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Chairman

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About SML Corporation Limited

SML Corporation is specialising on gold and base metals exploration in the East Gippsland region of Victoria. SMLC's granted tenement covers an area of approximately 246 hectares in some of Victoria's most prospective areas and include the historic goldfields at Glen Wills and Sunnyside.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

SML Corporation Limited

ABN

161 803 032

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	38	121
1.2 Payments for		
(a) exploration & evaluation	(10)	(49)
(b) development	-	-
(c) production	-	-
(d) staff costs	(15)	(92)
(e) administration and corporate costs	(270)	(486)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	21	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	3
1.9 Net cash from / (used in) operating activities	(236)	(447)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,344	4,558
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(236)	(447)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	(3)
4.6	Cash and cash equivalents at end of period	4,108	4,108

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	593	838
5.2	Call deposits	3,410	3,391
5.3	Bank overdrafts	-	-
5.4	Security deposits for tenements bond and office	105	115
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,108	4,344

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	-
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
	-	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	15
9.2 Development	-
9.3 Production	-
9.4 Staff costs	63
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	278

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 19 April 2017

Print name: KIM CHUAN FREDDIE HENG

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.