

19 July 2017

June 2017 Quarterly Report

Highlights for the June 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)

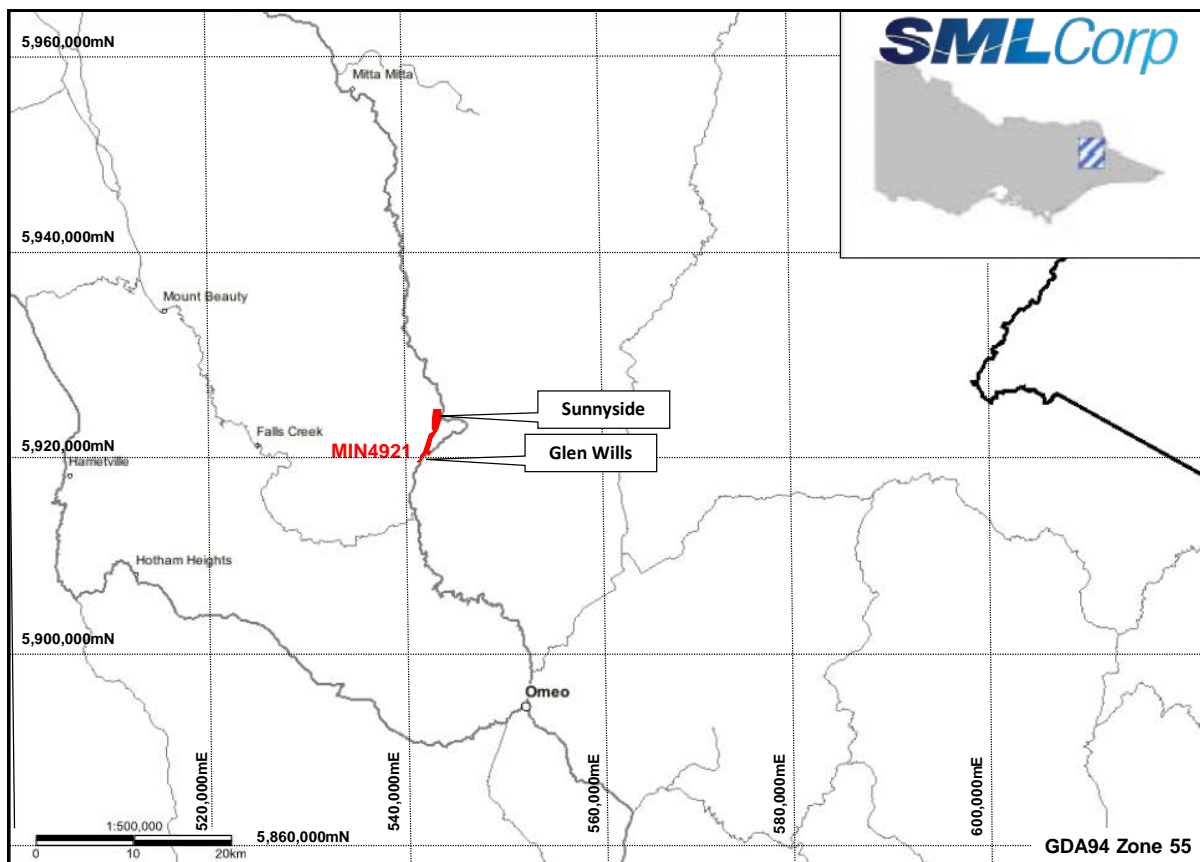


Figure 1: Project and Prospect Location – Eastern Victoria

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 principal terms of the Acquisition are as follows.

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.

An update on the Acquisition following the previous quarterly report

On 5 June 2017, a Special General Meeting ("SGM") was convened for the shareholders to consider and approve a number of resolutions pursuant to the Acquisition. All the resolutions were duly passed at the SGM.

Following the approval by shareholders of the Acquisition at the SGM, the shares of the Company

were suspended from quotation on the ASX and will remain suspended until the Company re-complies with chapters 1 and 2 of the Listing Rules.

On 9 June 2017, in compliance with a requirement by the ASX in connection with the Acquisition, the Company effected a consolidation of the shares on the basis of three shares for every four held. The record date for the purposes of this consolidation was 13 June 2017 and the consolidated shares were issued on 20 June 2017.

On 23 June 2017, the Company lodged its prospectus with ASIC for an offer of 18,500,000 shares in the Company at \$0.04 per shares, raising \$750,000 before costs (the "Offer"). The purpose of the offer is to re-comply with chapters 1 and 2 of the ASX Listing Rules. The funds raised will be used to defray the costs of the Acquisition and as additional working capital.

Subject to the completion of the Acquisition, the existing shareholders of the Company will be issued with options, at nil consideration, on the basis of one option for every five shares held. The options will be valid for three years from the date of issue and each option will entitle the holder to subscribe for one share in the Company at an exercise price of \$0.053.

The Offer is currently open and is managed by Phillip Capital Limited. Further announcements will be released by the Company to update the shareholders on the progress of the Offer and application to the ASX for the re-listing of the Company's shares.

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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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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	48	169
1.2 Payments for		
(a) exploration & evaluation	(6)	(55)
(b) development	-	-
(c) production	-	-
(d) staff costs	(94)	(186)
(e) administration and corporate costs	(324)	(810)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	36	92
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	(340)	(787)

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 (12 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	4,108	4,558
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(340)	(787)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	3,768	3,768

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	3,663	593
5.2	Call deposits	-	3,410
5.3	Bank overdrafts	-	-
5.4	Security deposits for tenements bond and office	105	105
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,768	4,108

6. Payments to directors of the entity and their associates

- 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

Current quarter \$A'000
65
-

Represents directors' fees paid during the quarter.

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	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	38
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	348

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 July 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.