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30 January 2014

December 2013 Quarterly Report

- Completion of first drilling in the Centre Country area at Glen Wills
- Significant high grade gold intersected in Drill Hole CCDH003.
- Approval of additional drill sites within MIN4921 at Glen Wills.
- Ongoing geochemical sampling on EL5300.
- Preparation of documentation for renewal of EL4717.

SML Corporation Limited (ASX "SOP") is a major tenement holder in eastern Victoria, with four Exploration Licences and one Mining Lease covering a total of 608 square kilometres (Figure 1, Table 1).

Figure 1: Project and Prospect Location – Eastern Victoria

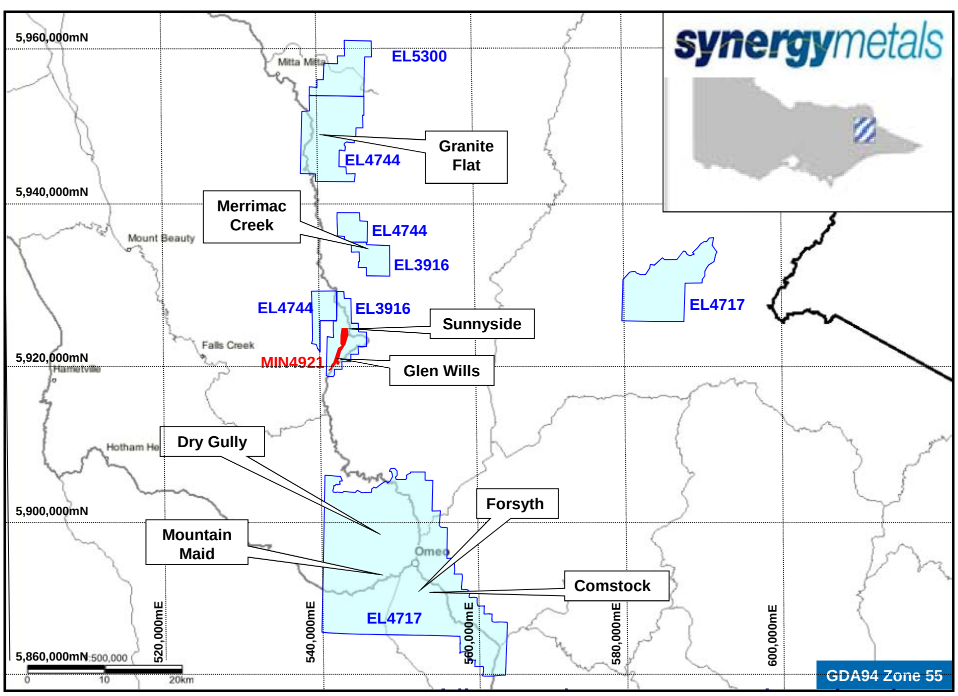

Table 1: SML Corporation Limited Tenements

TENEMENT	PROJECTS	AREA (km^2)	GRANTED	EXPIRY
MIN4921	Glen Wills - Sunnyside	2.4	18/01/1990	13/05/2014
EL3916	Merrimac	47	13/05/1996	13/05/2014
EL4717	Omeo Shear Zone	420	28/01/2009	27/01/2014
EL4744	Granite Flat	99.8	29/11/2006	28/11/2014
EL5300	Banimboola	39.0	20/04/2011	19/04/2016
TOTAL AREA		608.2		

EXPLORATION ACTIVITIES

Glen Wills Goldfield Project (MIN 4921)

Following the approval by the Government Regulators (DEPI) for the company's vegetation off-set provisions involved with the Centre Country exploration program, the company commenced exploratory drilling on 14 October.

A total of 2,227 metres of diamond core drilling consisting of four (4) holes (CCDH001 – CCDH004) was completed during the quarter (Table 2).

Diamond drilling at the Mount Wills Gold Project was targeted to test the previously un-explored area; existing between the Glen Wills and Sunnyside Goldfields, for evidence of continual structures that may have the potential to host economic gold mineralisation. This prospect had been named the "Centre Country Prospect".

All the diamond drill holes in the program intersected multiple narrow altered zones containing quartz veinlets and variable amounts of arsenopyrite and pyrite.

The results, whilst of a mixed nature, appear to support the theory that anomalous gold bearing zones do exist within the Centre Country area and the Glen Wills and Sunnyside goldfields are in fact the southern and northern ends respectively of a much larger mineralised structure which now has shown to extend in excess of five (5) kilometres in strike. Previous drilling at depth below the main historic mines at both Glen Wills and Sunnyside have failed to close this structure off at depth.

Better results for the program included;

CCDH001	0.30 metres @1.39 g/t Au and >0.05 g/t Ag from 340.50 metres down-hole,
CCDH002	1.65 metres @ 0.50 g/t Au and 0.06 g/t Ag from 486.40 metres down-hole,
CCDH003	0.10 metres @ 41.94 g/t Au and 12.34 g/t Ag from 131.95 metres down-hole,
	0.40 metres @ 11.92 g/t Au and 20.69 g/t Ag from 162.60 metres down-hole,
CCDH004	6.20 metres @ 0.85 g/t Au and 3.47 g/t Ag from 180.40 metres down-hole,

The Work Plan for additional drill sites within Mining Licence MIN4921 has been approved by DEPI during the quarter.

Table 2: Significant Intersections Drilling

Hole number Northing Easting (GDA94)	RL (AHD)	Azimuth / Dip (grid)	Depth of hole	From – to, Metres	Interval, Metres	Assay, g/t Au	Assay, g/t Ag
Centre Country							
CCDH001 5921931.87mN 543226.37mE	1115.0	299.8 / -45.3	588.20	257.30 – 257.75 266.00 – 267.80 340.50 – 340.80 367.20 – 368.15 467.70 – 468.60	0.45 1.80 0.30 0.95 0.90	0.13 0.22 1.39 0.23 0.53	>0.05 >0.05 >0.05 >0.05 >0.05
CCDH002 5921931.87mN 543226.37mE	1115.0	267.3 / -45.0	598.80	154.60 – 155.20 341.80 – 342.60 343.30 – 345.30 370.60 – 371.40 372.30 – 373.00 405.13 – 405.23 486.40 – 488.05	0.60 0.80 2.00 0.80 0.70 0.10 1.65	0.11 0.26 0.22 0.11 0.33 0.42 0.50	0.14 0.38 >0.05 >0.05 >0.05 0.39 0.06
CCDH003 5922382.19mN 543298.50mE	1246.1	328.4 / -39.9	578.20	106.48 – 106.75 131.95 – 132.05 162.60 – 163.00 320.30 – 322.00 404.20 – 404.50	0.27 0.10 0.40 1.70 0.30	5.81 41.94 11.92 1.20 1.39	3.54 12.34 20.69 0.29 0.28
CCDH004 5922378.34mN 5432294.68mE	1245.5	282.3 / -39.2	563.20	166.35 – 167.20 180.40 – 193.50	0.85 6.20	3.54 0.85	1.87 3.47

Notes: Drill-hole collars have ben surveyed by GPS only with accuracy of +- 6 metres.
The intersections represent down hole intersection lengths and may not represent true thicknesses.
All assaying undertaken by Genalysis Laboratory Services Pty Ltd
Half core splits were submitted based on geological interpretation for;
Gold - 25 gram Fire Assay Analysis with 25 gram repeats.
Silver – 4 acid digest with MS finish
Where assays have been repeated, the value used is the average of repeat analyses.
All core is NQ2 size unless otherwise stated.
All coordinates GDA94 Zone 55.

Merrimac (EL 3916)

During the quarter no activity was undertaken on this tenement area.

Granite Flat (EL4744)

During the quarter no activity was undertaken on this tenement area, with exploration centred on EL5300 immediately to the north.

Omeo (EL4717)

During the quarter, a full review of the tenement was undertaken in preparation for renewal of the Licence.

EL5300 (Banimboola)

The follow-up geochemical stream sediment sampling program commenced with 40 samples collected during the quarter. More sampling will be conducted in the next quarter.

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 Limited. Mr de Vries is a member of the Australasian Institute of Mining and Metallurgy 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.

FINANCIAL POSITION

As at 31 Dec 2013, the Group has $5,789,000 in available cash reserves.

The Company intends to manage its cash reserves in a manner that aims to maximise shareholder value from exploration activities that it undertakes during the 2014 calendar year.

For further information, please contact:

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About SML Corporation Limited

SML Corporation specialises on gold and base metals exploration in the East Gippsland region of Victoria. SML's granted tenements cover an area of approximately 608km^2 in some of Victoria's most prospective areas and include the historic goldfields at Glen Wills and Sunnyside.

Although the East Gippsland region has hosted many minerals in the past, the region has been significantly under-explored and SML is now using modern geological techniques to explore for gold, silver, copper, zinc and lead.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SML Corporation Limited

ARBN	Quarter ended ("current quarter")
161 803 032	31 December 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date $A'000
1.1	Receipts from product sales and related debtors	19	39
1.2	Payments for (a) exploration & evaluation	(633)	(715)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(152)	(464)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	59	137
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	6	30
	Net Operating Cash Flows	(701)	(973)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1)	(1)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(702)	(974)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(702)	(974)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(702)	(974)
1.20	Cash at beginning of quarter/year to date	6,494	6,766
1.21	Exchange rate adjustments to item 1.20	(3)	(3)
1.22	**Cash at end of quarter**	5,789	5,789

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	33
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Represent directors fees paid during the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	500
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	**650**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
5.1 Cash on hand and at bank	834	1,049
5.2 Security Deposits for tenement holders (interest bearing)	130	130
5.3 Bank overdraft	-	-
5.4 Other (Term Deposits)	4,825	5,315
Total: cash at end of quarter (item 1.22)	5,789	6,494

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	None			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	NIL	NIL	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	107,839,799	107,839,799	-	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*	NIL	NIL	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *SOPO* *Unlisted*	 36,891,338 52,500,000	 36,891,338 Unquoted	*Exercise price* *20 cents* *32 cents*	*Expiry date* *23/11/2015* *20/06/2014*
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 30 JAN 2014

(Director)

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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