



Company Update on SOR Technology Activities

Strategic Elements (ASX:SOR), a registered Pooled Development Fund backing Australian innovation is pleased to provide a Company update related to its technology activities.

1. **Joint CSIRO & Nanocube Memory Ink Project Receives Federal Grant**
2. **PrintoCent Cluster Meeting and Prinse 18 held in Finland with leading global Companies**
3. **Overseas finding approved to enable 43% cash rebate on Memory Ink R&D conducted overseas**
4. **Approx. \$840,000 in cash to be received from total R&D rebate in March**
5. **Large number project acquisition opportunities reviewed by 100% owned Stealth Technologies Pty Ltd**

Managing Director Mr Charles Murphy said "Being awarded grant funding reflects the creditability of the joint CSIRO Innovation Connections Project whilst recent participation in the PrintoCent Industry Cluster meetings in Finland with some of the world's leading Printed Electronics companies has continued to enable networking and expose the team to cutting edge developments. Options for development of Memory Ink with overseas partners have also been increased and significant potential cost reduced through an Overseas Finding enabling access to the 43% cash rebate on overseas work".

"The SOR team is working extremely hard to identify the right deal for Stealth Mode Technologies Pty Ltd and maximise potential benefits for the Company. We have a strong understanding of IOT from our work in Printed Electronics and group knowledge in the Artificial Intelligence sector. We have also identified some emerging sectors that are currently unfamiliar to most Australian investors and are conducting due diligence. Potential for large scale uplift for shareholders is certainly top of mind. The Company also expects to increase its cash position by \$840,000 without shareholder dilution through successful application of the R&D rebate which in combination with ongoing low corporate overheads and existing funds provides a strong platform".

CSIRO and Company Joint Grant Funding

The Nanomaterials and Devices Team of CSIRO Manufacturing based in Melbourne and the 100% owned Australian Advanced Materials (AAM) have been awarded Federal Government grant funding to trial methods of optimising the levels of organic material within a Memory Ink for industrial scale processes. Minimising the carbon content within a Memory Ink potentially enhances manufacturability on larger scale by reducing the number of steps in the fabrication process.

CSIRO and AAM recently demonstrated that it was possible to scale up the synthesis batch of Nanocubes to a litre scale. This eliminated an existing bottleneck present in the previous syntheses where 15 ml autoclaves limited the amount of Nanocubes that could be synthesised at University of New South Wales. The current work aims to simplify the potential manufacturing process by eliminating certain steps in post print layer deposition processing. CSIRO staff will also provide consultation on a program of work begin conducted at the University of New South Wales to further enhance performance of the Memory Ink.

The \$100,000 project will be co-funded by the Australian Federal Government and the Company until April, 2018. The Entrepreneurs' Programme grant supports business improvement and research collaboration in targeted growth sectors and the commercialisation of novel products, processes and services. The grant has enabled the placement of a CSIRO Researcher to work collaboratively with AAM on an Innovation Connections project in order to develop and implement a new idea with commercial potential.

The Company is unaware of any commercially available memory ink with characteristics of transparency, flexibility and potential for larger memory capacity. Whilst the Nanocube Memory Ink is still in development, the large scale commercial opportunity and potential to be a global first mover continues to provide an attractive market opportunity.

AAM expects to work with VTT Finland to develop several prototypes of the Memory Ink developed through the CSIRO Project in April, 2018.

PrintoCent Industry Cluster in Finland

The PrintoCent Cluster organised and promoted a Printed Intelligence Industry Seminar on Manufacturing Solutions for Customer Needs and Future Vision. Approx. More than 50 industrial companies presented including top experts from industry leaders like BASF, GE Healthcare, KONE, Nokia, who shed light on their emerging needs. Members from around the world attended and provided an excellent setting for networking and matchmaking. With most of the worlds Printed Electronics being developed in the USA, Canada and Europe it is critical that AAM develops potential collaborative and/or commercial relationships overseas and the Company views the membership of PrintoCent as an important gateway.

Ausindustry Finding to Receive 43% Cash Back on Overseas R&D

The Federal Australian government rebate providing cash back on eligible research and development is usually restricted only to work conducted in Australia. In special cases after a lengthy and in depth review by Ausindustry, certain Companies have been provided an 'Overseas Finding' to enable them to also receive a rebate on eligible work conducted overseas.

AAM has recently successfully received an 'overseas finding' from the Australian government so that research and development needed to be conducted with overseas partners on the Memory Ink technology will have the potential to be subject to the 43% cash back rebate on research and development. Cash received by the Company will be non-dilutive to shareholders.

Having now put this into place, AAM is well positioned to move forward cost effectively in collaboration or JV with overseas partners to further the revolutionary Memory Ink technology.

Significant Non-Dilutive Cash Funding Expected

Over \$840,000 in cash is expected to be received by the Company in March 2018 under the Federal Government Research and Development rebate. Documentation submitted by a leading consulting firm on behalf of the Company has been registered by the AusIndustry body and is currently being processed by ATO. The funding will significantly increase the cash holdings of the Company with no shareholder dilution.

Project Acquisition

The Company continues to invest significant time into the identification and assessment of a project acquisition for 100% owned Stealth Technologies Pty Ltd. Due diligence so far has been conducted on deals in the Artificial Intelligence and IOT sectors, however the Company is investigating opportunities across a number of emerging sectors.

Minerals Activities

In the next week the Company will release an update of activities in Maria Resources Pty Ltd including (a) Pilbara conglomerate gold (b) upcoming fieldwork at the Ilkurlka Project and (c) upcoming geophysics and drilling grant at the Lennis Project. In addition, a release will be made on the Golden Blocks Project in New Zealand.

About Strategic Elements Ltd

Strategic Elements shares are listed on the Australian Stock Exchange under the code "SOR". The Company is registered under the Pooled Development Program run by the Australian Federal Government to encourage investment into SME's. SOR focuses on backing innovation in the **technology and resource sectors**. 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 back only Australian SME's.

More Information Mr Charles Murphy, Managing Director Phone: +61 8 9278 2788
Email: admin@strategicelements.com.au Sign up for updates at: www.strategicelements.com.au