

August 31st, 2016
ASX Announcement



Resources and Technology Investment Capacity Clarification

Strategic Elements (ASX: SOR) would like to address enquiries regarding its strategy for the historic high grade Golden Blocks project in New Zealand, in view of the ongoing success with the Nanocube memory technology investment.

It is apparent there may be a misunderstanding amongst some parties about the ability for the Company to back resources as well as technology companies and projects. The Company would like to clarify that each Pooled Development Fund (PDF) has an approved investment plan which outlines the scope or sectors it is eligible to invest into.

Strategic Elements Ltd has an approved investment scope, which allows it to "invest into small and medium companies providing them with patient equity capital to assist in development and expansion in accordance with the provisions of the Pooled Development Funds Act 1992 (Cth)".

Hence the scope is not restricted to any particular sector and the Company is eligible to continue backing both resources and technology projects simultaneously.

The Company also confirms that although it has been approached by a number of parties investigating whether the Golden Blocks project may be for sale or Joint Venture, it has not entered into any firm discussions to date. The Company's current strategy is to develop the project itself, unless a well funded and qualified partner made a compelling offer of greater benefit to shareholders.

The Company is yet to receive approval from the New Zealand government for a Mineral Exploration Permit. Under this permit, the Company would have the exclusive right to explore the area for gold for an initial period of 5 years. The Exploration Permit would enable the Company to conduct drilling for the purposes of identifying mineral deposits or occurrences and evaluating the feasibility of Golden Blocks. An Access Agreement would be sought from the Department of Conservation (the landowner) to confirm the basis of access to conduct drilling.

The outcome of the Mineral Exploration Permit application is expected shortly. Likewise, the Nanocube technology is progressing well and the development team is on track as per recent announcements. The ability to provide investors exposure to multiple sectors is a strength of the Company.

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More on the Company

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. To assist Pooled Development Fund's to invest and raise capital, the Federal Government enables most shareholders in a Pooled Development Fund to make capital gains and receive dividends tax-free.