

ASX ANNOUNCEMENT – 9 December 2013

CLOSURE OF SYNDICATED METALS ENTITLEMENTS ISSUE

Strong take-up by existing shareholders results in a total of \$0.818M being raised

Syndicated Metals Limited (ASX: SMD) (**Company**) advises that its 1-for-3 Entitlement Issue for up to 67,988,918 new shares at an issue price of \$0.032 per share has closed.

The Company received valid applications from existing shareholders totaling \$818,145, comprising \$654,123 (20,441,357 new shares) taken up by shareholders pursuant to their entitlements and an additional \$164,022 (5,125,714 new shares) from shareholders applying for additional new shares under the shortfall facility.

This represents a take-up of 37.6% from existing shareholders (including the shortfall taken up by existing shareholders).

The Company's Directors subscribed for their entitlements in full, as did the Company's largest shareholder CopperChem Limited; however, as noted in the offer document, CopperChem has agreed that it will only be issued such number of shares under the Entitlement Issue to ensure that its shareholding in the Company does not exceed 19.99% on completion of the Entitlement Issue. Accordingly, CopperChem applied for 12,874,494 new shares for a subscription amount of \$411,984, but will only be issued 6,025,000 new shares (equating to a subscription amount of \$192,800) under the Entitlement Issue.

The shortfall component from the Entitlements Issue totals \$1,521,522 (being 47,547,561 shares at an issue price of \$0.032). As noted in the offer document, the Directors reserve the right to separately place shortfall shares within three months of the closing date.

The Company has received expressions of interest from sophisticated and professional investor applicants regarding the opportunity to subscribe for the remaining shortfall. Additional funds raised will be used for the purposes set out in the offer document. The shortfall placement process is being coordinated by Sydney-based broking firm Blue Ocean Equities.

If new shares are issued under the remaining shortfall, the Company will offer new shares to CopperChem pursuant to CopperChem's top up right. CopperChem has agreed with the Company that the balance of the subscription funds sent by CopperChem under the Entitlements Issue (being \$219,184 for 6,849,494 shares) shall be used to subscribe for shares under the top up right. The balance of funds (if any) will be refunded to CopperChem in full.

After the allotment of Entitlement Issue shares the Company will have funds totaling approximately \$1.45m. Shareholders who have applied for shares under the Entitlements Issue will have their new shares allotted on 12 December 2013.

Syndicated Metals Managing Director, Mr Andrew Munckton said the Company was pleased with the take-up of shares from existing shareholders in what remains a difficult market for junior resource companies.

“We appreciate the support shown by our major shareholder CopperChem and all other shareholders who have participated,” he said.

“With cash resources now totalling \$1.45 million and the opportunity to further strengthen our financial position by placing and allocating remaining shortfall from the entitlements issue up to \$1.52 million in the coming weeks, Syndicated is in a strong position to move forward with the exploration and development of the Barbara copper-gold project in Queensland,” Mr Munckton added.

ENDS

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