



Assets, Experience, Growth

ASX ANNOUNCEMENT – 20 February 2013

EXTENSIVE NEW COPPER-GOLD-MOLYBDENUM SOIL DISCOVERIES AT KALMAN WEST

Two large zones each 1.5km by 400m represent attractive drilling targets

Key Points

- New zones of anomalous copper-gold-molybdenum in soil discovered at Kalman West Project, located 60km SE of Mt Isa.
- Anomalies show similar chemistry to the mineralisation at the Kalman and Overlander deposits but with much larger footprints.
- Soil geochemical signature indicates two zones each with dimensions of ~1,500m by 400m.
- Further soil sampling planned to extend coverage to the north and south.
- Anomalous zones are associated with the eastern side of the interpreted Ballara-Corella River Fault and the Overlander Granite, which lies within 2km of the Pilgrim Fault – a major structural feature of the Mt Isa Inlier.

Syndicated Metals Limited (ASX: SMD – “Syndicated” or “the Company”) is pleased to advise that it has discovered extensive new zones of anomalous copper-gold-molybdenum during a substantial soil sampling program at the Kalman West Project, located approximately 60km south-east of Mt Isa in North Queensland within the Kalman Joint Venture.

Syndicated is earning 60 per cent ownership of the Kalman Joint Venture from Cerro Resources by spending \$4.0 million over two years.

Kalman West forms part of Syndicated’s Southern Hub Project, approximately 75km south of its flagship Barbara Copper-Gold Project (Indicated and Inferred Resource of 5.3Mt grading 1.7% Cu Eq for 89,000 tonnes copper equivalent). Refer to Figure 5 for the location and joint venture tenure information for the Kalman Joint Venture.

The large-scale soil sampling program was completed over the Kalman West Project in November 2012 to test the soil response to previous stream sediment sampling which had indicated copper

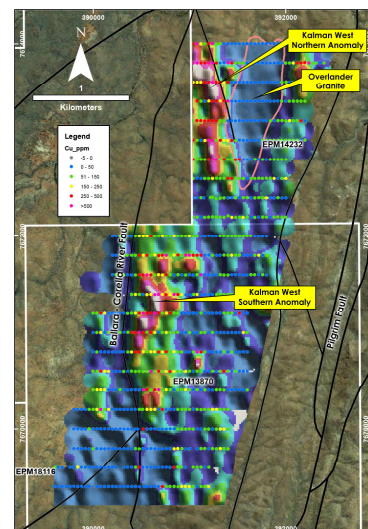


Figure 1 – Soil sampling locations and copper anomaly

and gold anomalism in the Kalman West area. The Kalman West Prospect lies approximately 2km west of the Kalman polymetallic deposit, which contains Mineral Resources totalling 62.9 million tonnes at 0.38% Cu, 0.18g/t Au, 0.05% Mo, 1.26g/t Re and 1.0g/t Ag.

Soil Sampling Program

A total of 974 samples were collected on a 200m x 50m grid by Terrasearch and were analysed by ACME Laboratories of Vancouver for a suite of elements including copper, gold, molybdenum and other indicator minerals. Figure 1 illustrates the extensive nature of the copper in soil anomalism and also illustrates the sample locations of the program.

The program was successful in defining two, 1500m long linear zones of enrichment with copper, gold and molybdenum anomalism illustrated in Figures 2, 3 & 4 respectively.

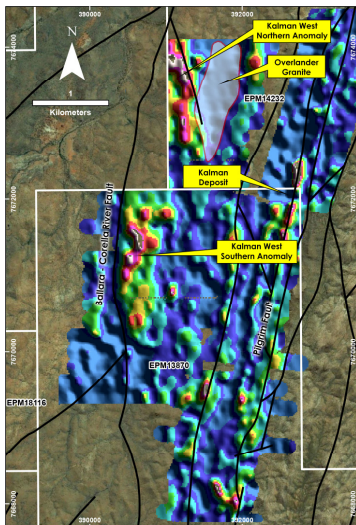


Figure 2 – Copper in soil image

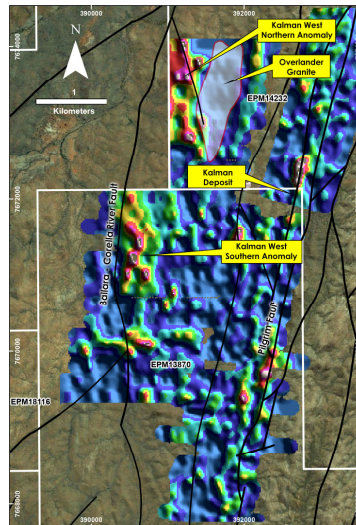


Figure 3 – Gold in soil image

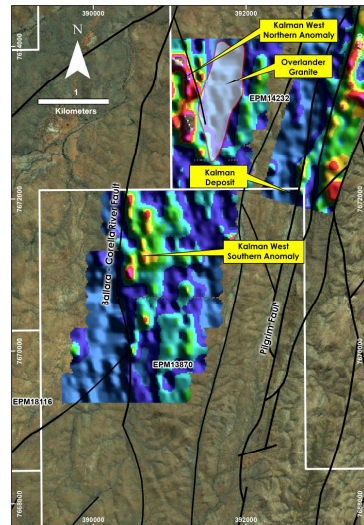


Figure 4 – Molybdenum in soil image

The Kalman West anomalies have sharp boundaries along the eastern contact of EMP 14232 which is interpreted to be the position of the Ballara-Corella River Fault (see Figure 1, 2, 3 and 4), which runs parallel to the major, regional-scale Pilgrim Fault, but is considered to be a second-order fault. The Pilgrim Fault lies approximately 2km to the east. The Kalman polymetallic deposit sits on the Pilgrim Fault.

The Kalman West northern anomaly lies in an encouraging structural location at the junction of the Ballara-Corella River Fault and a north-westerly fault. The convergence of these two faults provides a prospective trap site for potential polymetallic mineralisation typical of and characterised by the nearby Kalman Mineral Resource.

The southern portion of the Kalman West anomaly lies on EPM 13870 and east of the interpreted position of the Ballara-Corella River Fault, and is characterised by elevated copper and gold anomalism with suppressed molybdenum anomalism compared to the northern portion of the anomaly. It is considered similar in style to the nearby Overlander mineralisation where historical percussion and diamond drilling has intersected copper mineralisation with results including:

- 25m @ 1.58% Cu in N12
- 35m @ 1.06% Cu in N13
- 12.95m @ 2.16% Cu in DDH01

The Kalman West soil geochemical signature is significantly larger and more continuous than the soil geochemical signature associated with the Kalman deposit. Figures 2, 3 and 4 illustrate the soil geochemical signatures over both the Kalman West anomalies and the Kalman polymetallic deposit.

The two main identified anomalies – the northern anomaly and the southern anomaly – have some similarities but also have significant differences in their geochemical signatures, which Syndicated Metals believes reflects their different structural locations and proximity to the Overlander Granite.

The signature of the northern anomaly suggests potential “Kalman-style” mineralisation by the presence of strongly elevated molybdenum as well as copper and gold anomalism. The geochemical signature of the southern anomaly suggest a copper and gold dominant mineralisation with only minor molybdenum anomalism – a style similar to the higher grade Overlander deposit located a further 2km west of Kalman West.

Indicator mineral anomalism also shows that the northern and southern anomalies have further differences, the significance of which is not yet appreciated. However, the Company considers that the close spatial association of the northern anomaly with the Overlander Granite may have a significant impact on the style of mineralisation as well as the geometry of the underlying mineral system.

Syndicated Metals’ Managing Director Andrew Munckton commented: “We are very pleased with the results of our initial exploration work at Kalman West, which highlights the significant potential of this area and the under-explored nature of the tenements within the Kalman Joint Venture. The Joint Venture tenements contain a number of locations with similar structural positions to Kalman West which have had little or no previous exploration or attention, and which represent attractive targets for follow-up exploration.”

“We believe that the considered and systematic approach that our exploration teams are adopting is the correct approach for our company in an area which others have considered has little chance of hosting Tier 1 and Tier 2 sized deposits. While it is early days in the exploration program, we believe that this area has a bright exploration future.”

“Our plan is to continue to expand the newly discovered anomalies further north and south before undertaking ground-based geophysics and drilling later this year to characterise and define the underlying mineralisation that is the primary source of the Kalman West anomaly.” Mr Munckton added.

ENDS

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Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Andrew Munckton who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Munckton is a full-time employee of Syndicated Metals Limited and consents to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.

Note on the use of copper equivalent grades

The presentation refers to a copper equivalent grade. The equivalent grade is based on copper, gold, silver, molybdenum, rhenium and cobalt. The copper metal equivalent calculation is based on a copper price of US\$8,340/t, gold price of US\$1,300/oz., silver price of US\$23.66/oz., Molybdenum price of US\$14.50/lb., Rhenium price of US\$4,305/kg and a cobalt price of US\$21/lb. Grade and price units are converted to percent and tonnes respectively. The sum product is calculated and then divided by the copper price to arrive at a copper equivalent grade. It is the opinion of Syndicated Metals that the metals included in the equivalent calculation have a reasonable potential to be recovered.

Figure 5 – Syndicated Metals’ Mount Isa Copper-Gold Projects, showing Northern and Southern Project Hubs

