

ASX ANNOUNCEMENT – 14 September 2012

RECOGNITION OF HIGH-GRADE COPPER POTENTIAL AT BARBARA PROJECT – MT ISA, NORTH QUEENSLAND

North Queensland exploration gathering momentum: drilling underway at Yamamilla

Key Points

- High-grade copper-gold zone identified over at least 1,200m strike of the Barbara Shear Zone following recent reconnaissance drilling and re-assessment of previous data.
- High-grade mineralised trends well defined by both drilling and electromagnetic conductor targets.
- Larger scale mineralised system made up of high-grade copper-gold mineralisation and broader zones of breccia and disseminated copper-cobalt mineralisation over 4km strike of the Barbara Shear Zone.

INTRODUCTION

Syndicated Metals Limited (ASX: SMD – “Syndicated” or “the Company”) is pleased to provide an update on recent work, including limited reconnaissance drilling, that has resulted in a significantly improved assessment of the **Barbara Copper-Gold Project** and its potential to host high-grade copper-gold mineralisation.

The Barbara Copper-Gold Project is located within the northern part of the Company’s Mount Isa Project, approximately 50 kilometres to the east of Mt Isa (Figure 1) and straddles EPM15564 and EPM16112. Orbis Gold (Previously Mt Isa Metals(MET)) currently own 49% of EPM16112 and have elected to dilute their ownership. Syndicated is sole funding exploration on this tenement and increasing its ownership.

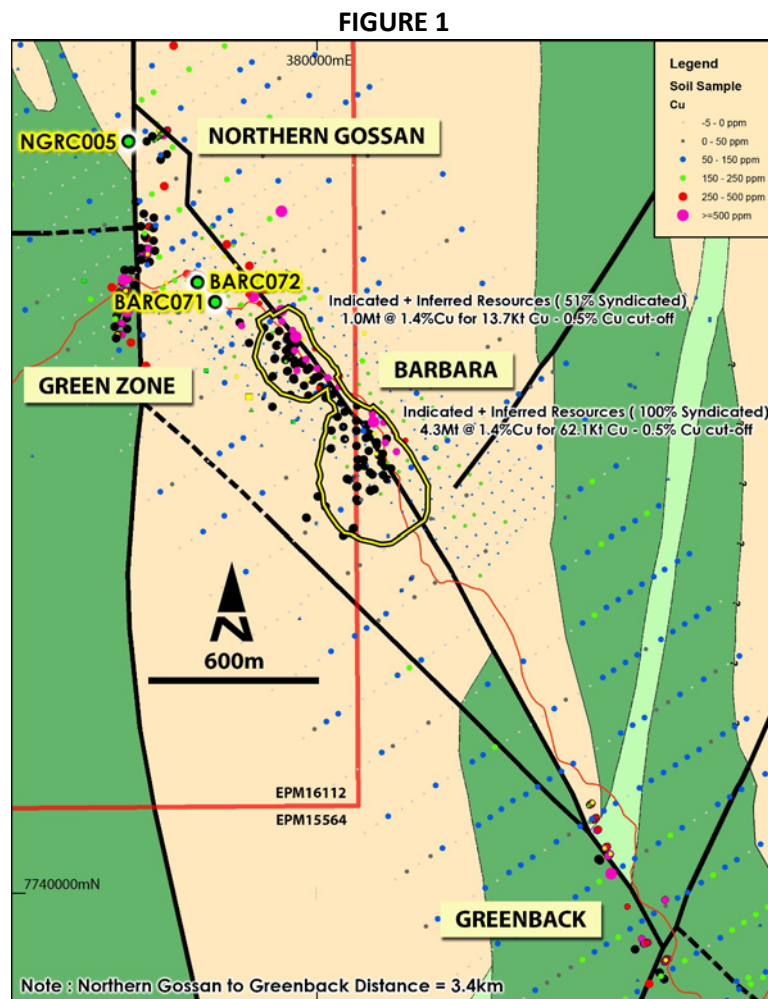
The Barbara Shear Zone extends for a strike length of approximately 4 kilometres and currently hosts a JORC-classified Indicated and Inferred Mineral Resource of 5.3 million tonnes at 1.4% Cu and 0.1g/t Au at cut-off-grade of 0.5% Cu (Figure 1 and Table 1).

TABLE 1

Mineral Resources by Tenement – Copper Zone – 0.5% Cu cut-off							
Tenement	Category	Tonnes	Cu %	Au g/t	Ag g/t	Co ppm	*Cueq%
EPM15564 (100% SMD)	Indicated	2,977,000	1.6	0.2	2.7	270	1.8
	Inferred	362,000	1.3	0.1	2.4	296	1.5
	EPM15564	3,339,000	1.6	0.2	2.7	272	1.8
EPM16112 (51% SMD / 49% MET)	Indicated	801,000	1.4	0.1	2.7	247	1.7
	Inferred	1,191,000	1.0	0.1	1.9	265	1.2
	EPM16112	1,992,000	1.2	0.1	2.2	258	1.4
	Total	5,331,000	1.4	0.1	2.5	267	1.7

Following a thorough reassessment of the exploration and Mineral Resource evaluation data, Syndicated has established the potential to significantly build on and improve the established Mineral Resources at Barbara.

Most important is the potential to identify substantial zones of high-grade copper-gold mineralisation in three zones immediately down-plunge of the existing Mineral Resource and a new and improved understanding of the mineralisation controls that allows targeting for new zones of mineralisation along the broader length of the Barbara Shear Zone.



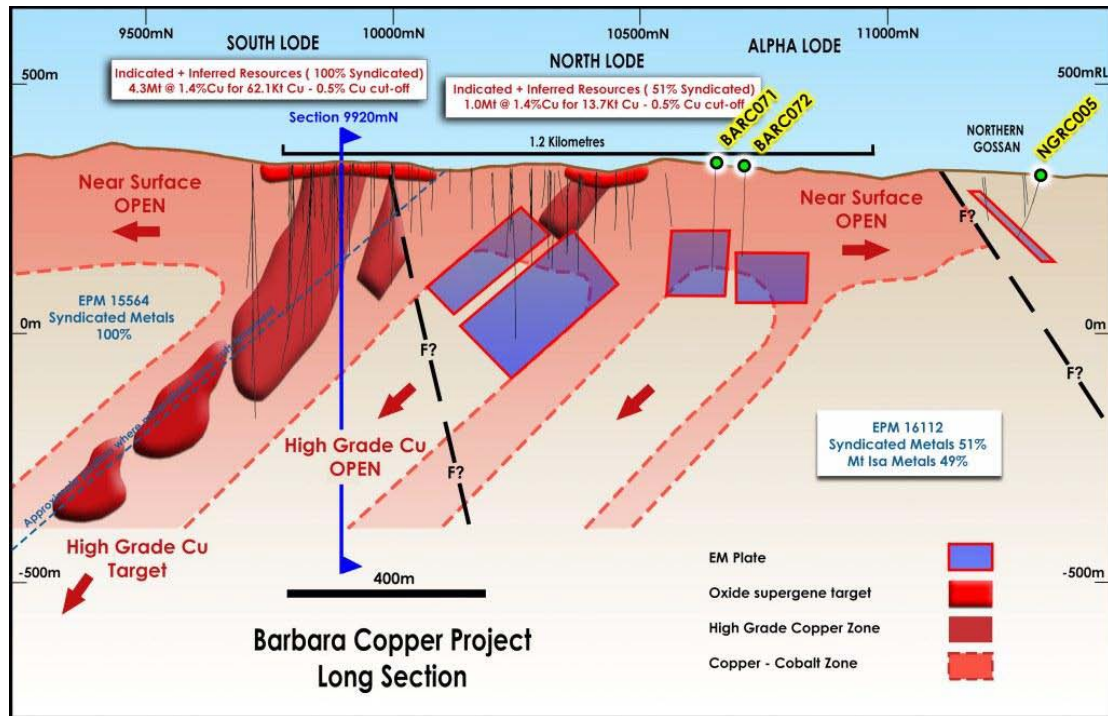
HIGH-GRADE COPPER-GOLD MINERALISATION OPPORTUNITIES

The defined mineralisation along the Barbara Shear Zone is typified by broad zones of disseminated and breccia-style copper-cobalt sulphide mineralisation containing structurally and lithological controlled lodges of high-grade copper-gold sulphide mineralisation.

These high-grade zones are interpreted to plunge steeply to the south (see Figure 2).

Drilling (both diamond and reverse circulation) and surface electromagnetic surveys have clearly identified three areas over a 1,200 metre strike length with the potential to host significant zones of high-grade copper-gold mineralization, as shown in Figure 2.

FIGURE 2



South Lode

The South Lode has already been established as the largest portion of the Barbara Mineral Resource and it is well recognized that it hosts a high-grade zone of copper-gold sulphide mineralisation. This is demonstrated by a selection of previously released drilling intersections below (Figure 3 and Figure 4):

- 24m @ 3.1% Cu and 0.25ppm Au from 73m;
- 20.5m @ 5.0% Cu and 0.40ppm Au from 105m;
- 11m @ 3.8% Cu and 0.31ppm Au from 132m.

Importantly, the southernmost line of drilling undertaken in the down-plunge position, and the modelling of an electromagnetic conductor in the plane of the mineralisation, demonstrates that the high-grade trend remains open and represents a priority opportunity to expand the high-grade component of the overall South Lode Mineral Resource.

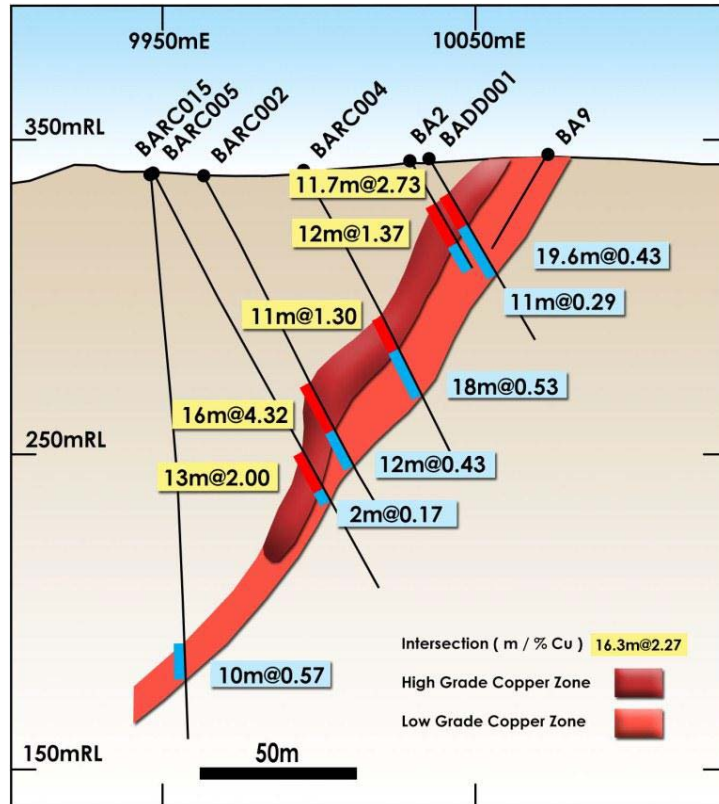
Drilling programs and associated down-hole electromagnetic surveys are currently being planned with the aim of expanding the Mineral Resource and identifying underground mining opportunities.

An opportunity has also been identified to better delineate a potential zone of oxide and supergene mineralisation in the near-surface environment in the up-dip position of the South Lode.

North Lode

Delineation of the North Lode Mineral Resource has to date largely been restricted to relatively shallow drilling. This drilling has identified an extensive zone of disseminated and breccia copper-cobalt sulphide mineralisation with a lesser amount of high-grade copper-gold sulphide mineralisation (Figures 2 and 4).

FIGURE 3



Surface electromagnetic surveys in this position have identified a conductive body that lies immediately below the North Lode. Deeper drilling has intersected the margins of this conductor and, in a number of cases, has returned significant intersections of copper mineralisation including:

- 7m @ 4.0% Cu and 0.42ppm Au from 98m;
- 9.5m @ 4.8% Cu and 0.44ppm Au from 85m;
- 6m @ 4.0% Cu and 0.30ppm Au from 95m.

Due to access issues, down-hole electromagnetic surveys in these holes were not successfully completed to better define the identified conductive bodies.

Syndicated believes that the presence of an extensive electromagnetic conductor associated with drilled intersections of significant copper mineralisation represents an excellent target for high-grade copper-gold sulphide mineralisation.

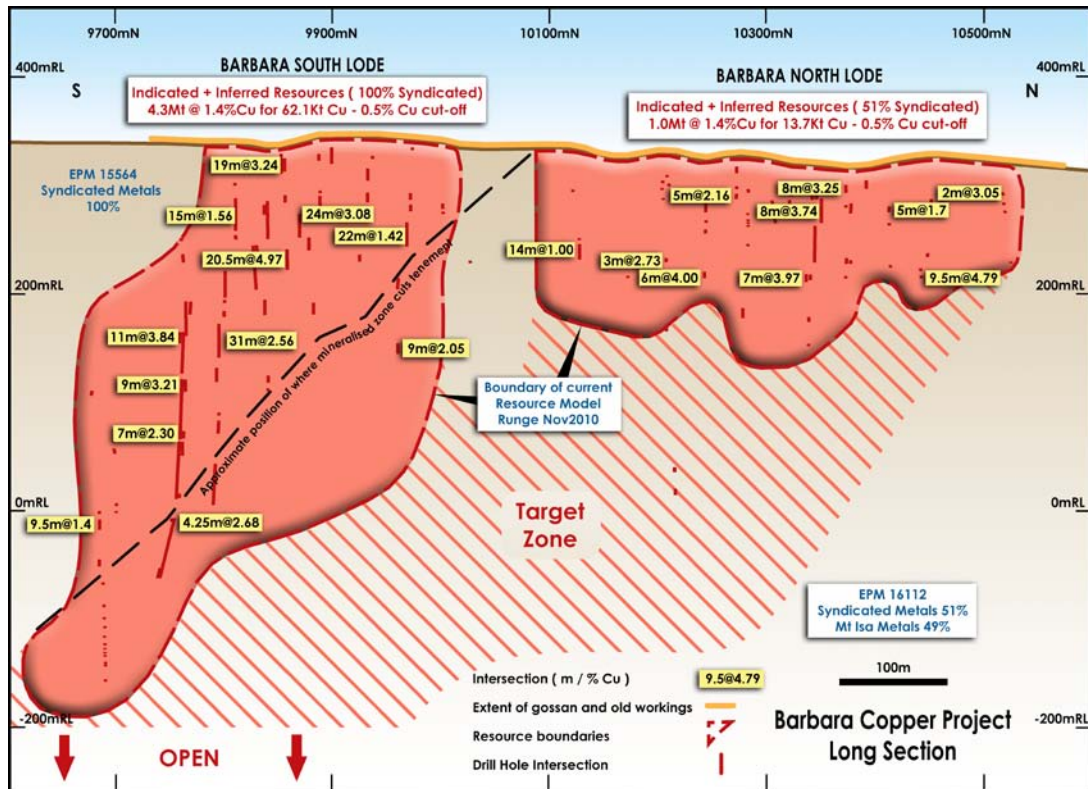
Drilling programs and associated down-hole electromagnetic surveys are currently being planned with the aim of identifying high-grade copper positions that represent viable underground mining opportunities.

Alpha Lode Target

To the immediate north of the North Lode the prospective Barbara Shear Zone extends for a further 800 metres of strike until its faulted termination at the Northern Gossan Prospect. Reconnaissance exploration along this zone, including surface geochemistry and electromagnetic surveys, has identified a high-priority target.

This target consists of a geochemical anomaly with peak results of >500ppm Cu and a large, but poorly constrained electromagnetic conductor (see Figures 1 and 2).

FIGURE 4



Syndicated has recently completed two reconnaissance reverse circulation drill holes to intersect the Barbara Shear Zone in the projected up-dip positions of the modelled electromagnetic conductor(s). The holes (BARC071 and BARC072) intersected the modelled electromagnetic conductor approximately 150 metres below surface.

Results from the two holes confirmed the presence of the Barbara Shear Zone in this position and the presence of significant disseminated and breccia copper-cobalt sulphide mineralisation. Down-hole electromagnetic surveys of these holes are currently being prepared. Results include:

- **BARC071** **16 metres @ 0.50% Cu, 0.15% Co from 147 metres (including 2 metres @ 2.14% Cu, 0.33% Co)**
- **BARC072** **11 metres @ 0.11% Cu, 0.16% Co from 214 metres**

The presence of significant copper sulphide mineralisation coinciding with the margin of the modelled electromagnetic conductor identifies the Alpha Lode Target as a priority target position for high-grade copper-gold sulphide mineralisation.

The next phase of drilling will be planned once the results have been received from the down-hole electromagnetic surveys targeting high-grade zones of mineralisation.

New Targets

Greenback Prospect

The 1,800 metre strike continuation of the Barbara Shear Zone south from the current Barbara Mineral Resources to the Greenback Prospect represents a highly prospective but largely untested portion of the Barbara Shear Zone (Figure 1). The entire length of the Barbara shear zone at this locality sits on 100% Syndicated tenure.

Programs of reconnaissance exploration including detailed ground electromagnetic surveys, geochemical sampling and geological mapping will be instigated with the objective of generating new drilling targets in this position.

Northern Gossan Prospect

The Northern Gossan Prospect is located on the intersection of the north-south fault offset of the Barbara Shear Zone with the northern extension of the Green Zone Shear. The Green Zone Mineral Resource is located approximately 700 metres to the south of Northern Gossan (see Figure 1) and is currently reported as 430,000 tonnes @ 0.90% Cu and 0.01ppm Au.

As part of the recent reconnaissance reverse circulation drilling program, Syndicated completed a single drill hole (NGRC005) in this position to test a previously defined cobalt-dominant geochemical anomaly. While assay results are still pending, no significant visual mineralisation was intersected in this drill hole. A down-hole electromagnetic survey is planned.

To the north of the Northern Gossan Prospect the Barbara Shear Zone can be defined for an additional 4 kilometres of strike. The limited amount of past exploration along this shear zone identifies this area as a priority exploration target.

GROWTH BY EXPLORATION

Syndicated believes the area surrounding the Barbara Copper-Gold Project (10km radius) contains a series of highly endowed copper-gold-cobalt mineralized shear zones that have the potential to deliver significant additions, including a substantial high-grade component, to the existing Mineral Resource at Barbara. Systematic, quality programs of exploration will be undertaken to unlock the potential of this area.

ONGOING EXPLORATION

Syndicated's recently commenced Spring 2012 field season is gathering momentum, with reverse circulation drilling currently underway at the Yamamilla Prospect, moving loop electromagnetic surveys underway at Dronfield and down-hole electromagnetic surveys continuing at Barbara and Yamamilla.

Results will be reported as they come to hand.

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 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.