SYNDICATED METALS

Assets, Experience, Growth

ASX ANNOUNCEMENT – 28 May 2015

STRONG COPPER TARGETS DISCOVERED IN NORTH QUEENSLAND AT WINSTON CHURCHILL

HIGHLIGHTS

- **Soil sampling at the Winston Churchill prospect, 15km SE of the advanced Barbara Copper Project, reveals strong copper-in-soil anomalies.**
- **Winston Churchill contains high-grade vein-style copper mineralisation in historical workings which produced ore grading 11-12% Cu from underground mining between 1967 and 1972.**
- **Drilling scheduled to commence at this exciting new prospect following completion of drilling at the recently identified Ballara Saddle and Drought Master prospects.**
- **New exploration programs are consistent with Syndicated's strategic objective of growing its copper inventory around the Barbara Project, where a Feasibility Study is being progressed by its JV partner, CopperChem Limited.**

Further to its announcement of 21 May 2015, Syndicated Metals Limited (ASX: SMD – "Syndicated" or "the Company") is pleased to advise that it has delineated another significant copper exploration target within its 100%-owned **Mt Remarkable Project** in North Queensland (see Figure 1).

The new target area, known as the **Winston Churchill** prospect, is located approximately 15km south-east of the Barbara Copper Project, 5km north east of the Company's Blockade Project and 5km east of the recently identified Ballara Saddle prospect (see Figure 1).

The Winston Churchill target, which was also identified through regional soil sampling programs, will be included in upcoming drilling programs planned to test the recently discovered Ballara Saddle and Drought Master prospects (*see ASX Announcement – 21 May 2015*).

The overall objective of these multi-pronged regional exploration programs is to delineate additional copper resources within a 15km radius of the Barbara Copper Project, where a Feasibility Study is being progressed by the Company's joint venture partner, CopperChem Limited.

As outlined recently, an extensive soil sampling program has been underway at Mt Remarkable to define areas of elevated copper-in-soil geochemistry in and around previously identified mineralisation and historical workings, and to identify potential targets for high-grade vein and/or IOCG-style copper mineralisation.

This work has already delivered extremely encouraging results with the identification of the Ballara Saddle and Drought Master prospects (*see ASX Announcement – 21 May 2015*).

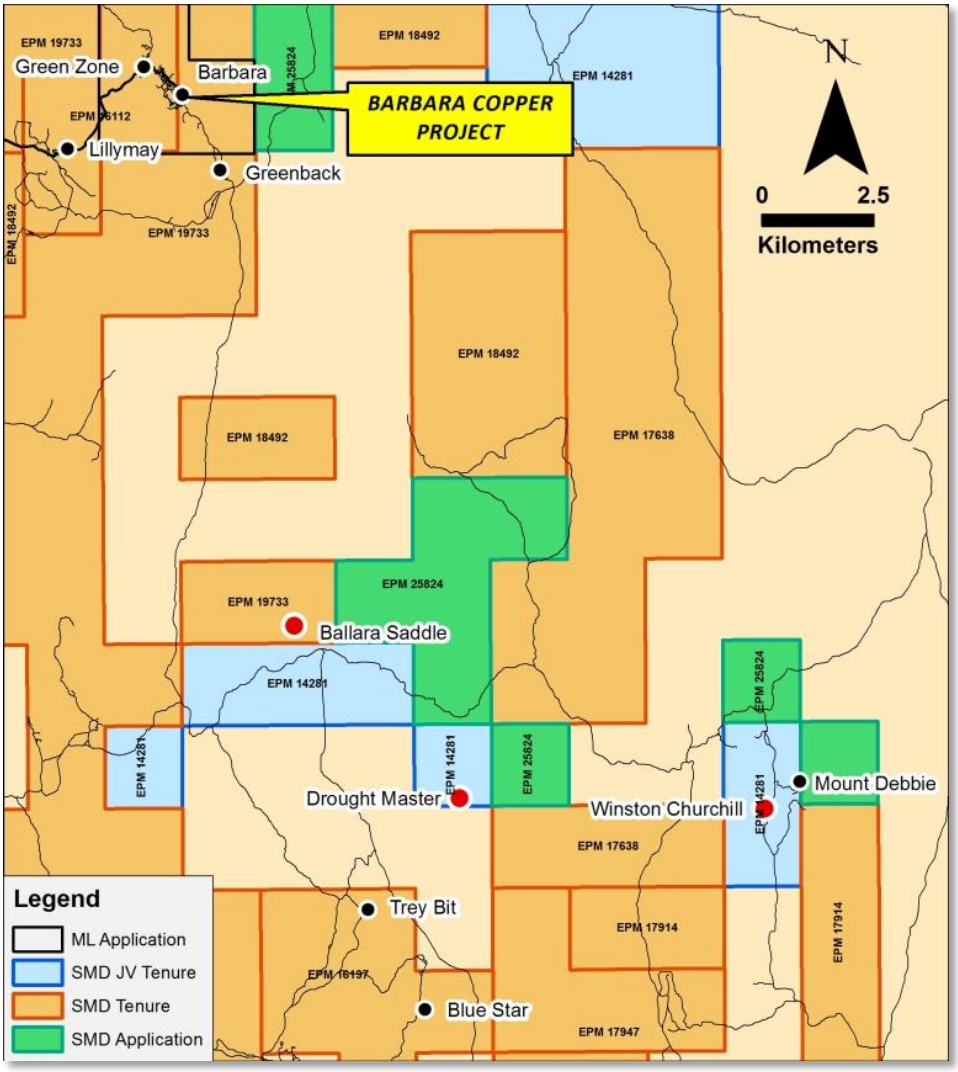

Figure 1 – Project Location Plan

Winston Churchill

The Winston Churchill prospect lies within EPM14281 (80% SMD) and sits adjacent to an important regional structure believed to control mineralisation locally.

Syndicated has undertaken a comprehensive soil sampling program across the Winston Churchill tenements on a 400m by 50m grid.

The results, which were determined by portable hand-held XRF after screening soils to minus 0.25mm, are presented in Figures 2 and 3 below.

Shown over regional geology in Figure 2, the results reveal anomalous values over the Winston Churchill prospect, associated with north trending faults within Ballara Quartzite rocks and associated with Wonga Granite intrusive rocks and dolerite dykes.

Mapping of the prospect shows continuation of veining and surface oxide copper north of the previously mined Winston Churchill underground mine.

The historical mine lies within an excised tenement within EPM14281, and sits within the copper-in-soil anomaly which lies along the Winston Churchill Fault, as illustrated in Figure 3. The remainder of the tenement has a generally subdued copper-in-soil response away from faulted zones.

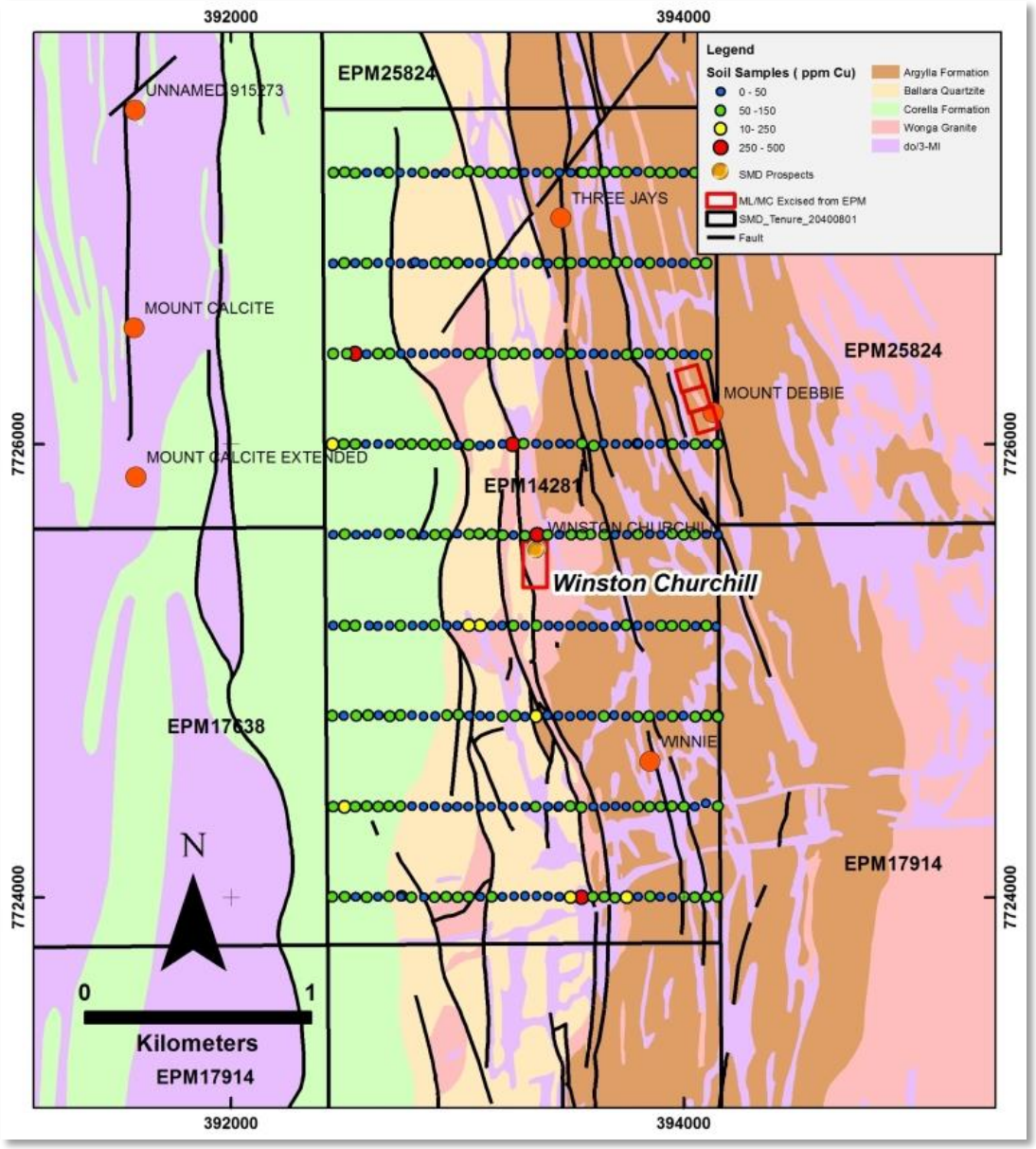

Figure 2 – Winston Churchill copper-in-soil results over regional geology

The tenement exhibits a subdued magnetic response except on the western side of the Winston Churchill Fault north of the historical mine. The magnetic anomaly is associated with Wonga Granite intrusion into Ballara Quartzite rocks.

Previous exploration and historical mining at Winston Churchill resulted in the production of 7,046 tonnes of ore grading 11.2% Cu between 1965 and 1972, after which the historical mine was abandoned.

The previous exploration was confined to an area immediately adjacent to the Winston Churchill historical workings within the Mining Lease which is currently owned by QMC Limited.

Underground mining plans and surface expressions of mineralisation are reproduced from open file reports and integrated with the Company's soil sampling results in Figure 4.

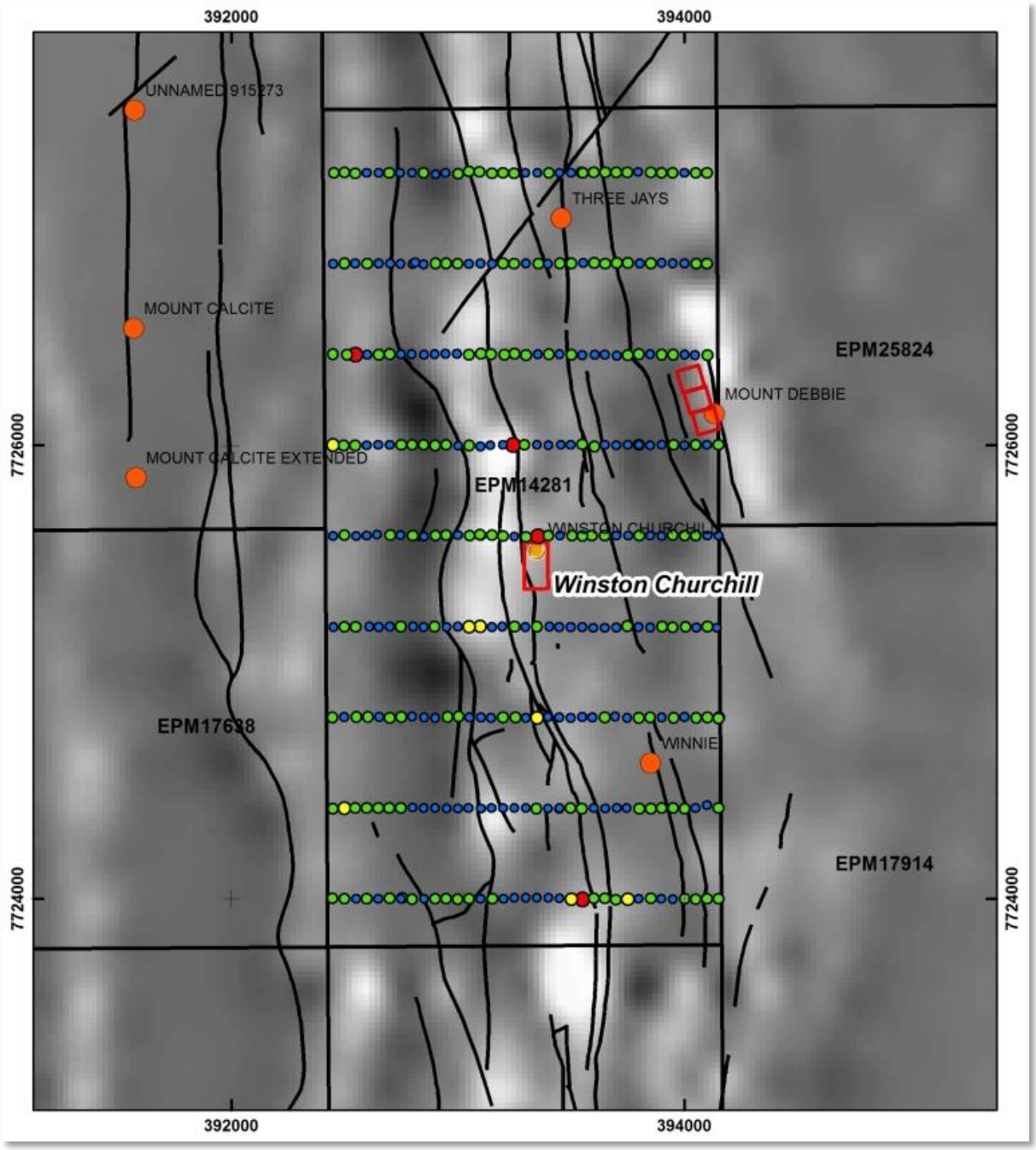

Figure 3 – Winston Churchill Cu-in-Soil results over regional magnetics

The most significant results from this previous production and exploration included:

- After discovery of the lode in 1965, mining of high-grade underground ore was undertaken between 1967 and 1972. Production occurred over a strike length of approximately 59m (195 feet) to a depth of approximately 61m (200 feet) in a shoot of high-grade primary mineralisation, resulting in:

  - *Mined ore average width of 1.8-2.4m (6-8 feet); and*
  - *Mined ore average grade 11-12% Cu.*

- Mineralisation was described as containing massive chalcopyrite with tenorite and minor bornite, pyrite and pyrrhotite in a siliceous biotite schist in a south-plunging shoot below approximately 8m (26 feet from surface) of weaker secondary enriched copper carbonate mineralisation;

- The Lode, when discovered, did not outcrop strongly and consisted of siliceous, ferruginous biotite schist with minor copper carbonate staining.

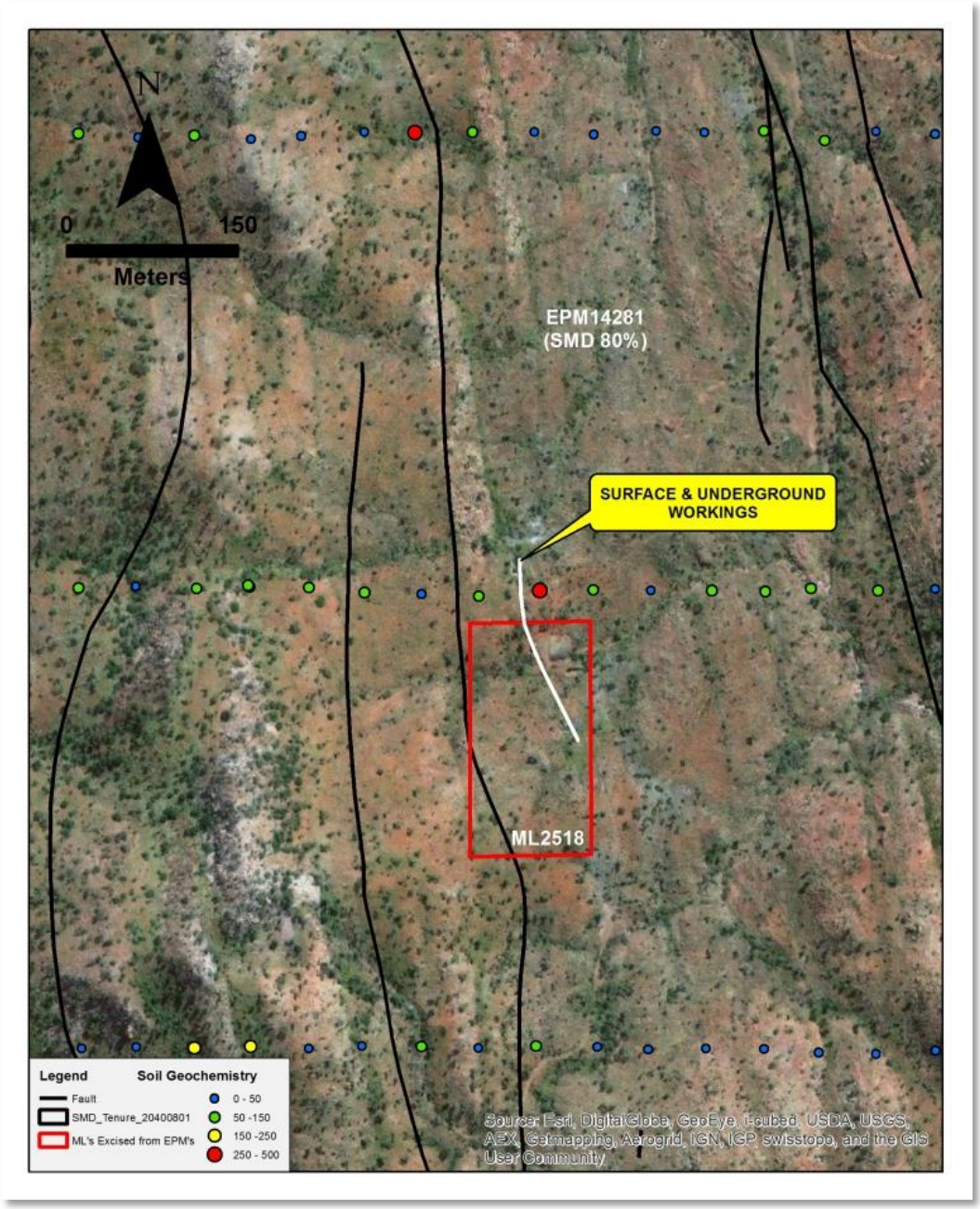

Figure 4 – Geological mapping and copper-in-soil geochemistry over the Winston Churchill historical workings

Management Comment

Syndicated's Managing Director, Andrew Munckton, said, "the identification of the Winston Churchill target has added another priority area to the Company's regional exploration portfolio, building on the new targets announced last week at Ballara Saddle and Drought Master".

Mr Munckton added, "The results from soil sampling and mapping at Winston Churchill indicate the presence of copper mineralisation both north and south of the historical workings along the Winston Churchill Fault. Copper-in-soil anomalies exist up to 400m north and 800m south of the historical workings".

"Indications of the continuation of the narrow but high-grade vein-style mineralised zone include surface carbonate copper staining and scree along the fault and contact zones around Winston Churchill".

"The potential new zones of mineralisation outlined along the Winston Churchill Fault coupled with the historical Winston Churchill mine information provides the Company with a well understood and proven mineralisation model to follow and delivers additional exploration targets in the area, both north and south of Winston Churchill, and in parallel structures.

"The next phase of work in the area is an airborne EM survey over the Blockade and Ballara Saddle/Drought Master prospects. The EM work will commence in early June with several prospects in the region to be flown. The Winston Churchill prospect will be ranked alongside these regional prospects for EM testing before initial drilling".

"In summary, we are further encouraged by the results of our systematic exploration work to date which is leading to a number of new projects in the area. We continue to believe there are further high-grade copper-gold deposits yet to be discovered in this region and we are working diligently across our portfolio of tenements to identify and rank them."

ENDS

For further information:

Investors
Andrew Munckton – Syndicated Metals
Mobile: 0435 635 598

Media
Nicholas Read – Read Corporate
Mobile: 0419 929 046

Competent Person's Statement
The information in this report that relates to Exploration Targets and Exploration Results 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 2012 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 Targets and Exploration Results in the form and context in which they appear.

Exploration Targets
This report comments on and discusses Syndicated Metals Limited's exploration in terms of target size and type. The information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

JORC Code, 2012 Edition - Table 1

Criteria	JORC Code explanation	
Section 1 - Sampling Techniques and Data		
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Soil samples were collected via the following process. An area 1m x 1m was cleared to remove crust and vegetation. Within this clearing a hole was dug to a depth of approx. 25cm and homogenised. From within the hole a sample was scooped from 2 to 25 cm and dry sieved to collect 100gms at 0.25mm (-60mesh). Rock chips collected by chipping outcrop with hammer along traverse length.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sampling was carried out using Syndicated Metals Limited (SMD) sampling protocols and QAQC procedures.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Each soil sample was analysed using a Niton Portable XRF for multi element determination.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	N/A
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	N/A
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	N/A
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	N/A
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	N/A
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	N/A
	The total length and percentage of the relevant intersections logged.	N/A
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	N/A
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Soil samples were analysed by a hand held Niton XRF
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	For the analysis of soil samples the Quality Control (QC) procedures involved the use of certified reference material and duplicates to determine accuracy and precision. The Standards used were prepared by Ore Research and Exploration Pty Ltd and were analysed at a rate of 1 per 20 and duplicate soil samples were a separate soil sample collected within one metre of the original sample. Duplicate samples were collected at a

		rate of 1 per 50 samples. No QAQC information is available for historically reported production or exploration data.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Field sample duplicates were taken at a rate of 1 per 50 samples. The field duplicate was a separate sample collected in the field within close proximity to the original sample.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are believed to be appropriate to correctly represent the style of copper and gold mineralisation in the Mt Isa Inlier.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The use of hand held Niton XRF analysis is believed to be appropriate for soil sample analysis in determining anomalous base metal locations.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.	No geophysical tools were used to determine any element concentrations used in the resource estimate. A handheld XRF instrument was used to determine base metal concentration in soil samples.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Syndicated Metals inserted certified standards and duplicates into the sample sequence. Field duplicates and standard control samples have been used at a frequency of 2 field duplicates and 5 standards per 100 samples. ALS is a commercial laboratory which have routine QAQC protocols which were industry standard at the time of analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	N/A
	The use of twinned holes.	N/A
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Geological and sampling information was collected using an electronic system through GPS location capture and Niton data interface.
	Discuss any adjustment to assay data.	None undertaken in this program.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Soil sample locations were determined by handheld GPS device.
	Specification of the grid system used.	GDA94 MGA Zone 54 datum.
	Quality and adequacy of topographic control.	GPS and SRTM information available.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Sample spacing in this program is at approximately 400m x 50m (northing x easting).
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	N/A
	Whether sample compositing has been applied.	All samples were collected as single point intervals.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	N/A
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	NA
Sample security	*The measures taken to ensure sample security.*	Soil samples were only handled by SMD employees.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been undertaken.

Criteria	JORC Code explanation	
Section 2 - Reporting of Exploration Results		
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Winston Churchill prospect is located within EPM14281. EPM14281 is subject to the Mt Isa Other Metals JV with Deep Yellow Limited and Superior Uranium Pty Ltd. Syndicated Metals is a beneficial owner of 80% of the metals other than uranium on EPM14281. The tenements sit within the Kalkadoon People #4 Native Title claim.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration and other mining related work completed by Syvret Pty Ltd is reported from open file report Copper Mining in the Cloncurry and Mt Isa Mining Fields, 1971 published by Queensland Department of Mines, Brisbane. 1972.
Geology	*Deposit type, geological setting and style of mineralisation.*	The deposit(s) are shear hosted deposits within acid volcanics within the Kalkadoon-Leichhardt belt of the Mt Isa Inlier. The N and NW striking surface expressions of copper and gold mineralisation indicate near vertical dips associated with shear zones, and varies from 1m to 3m true thickness within an alteration zone generally considered to be typical of IOCG mineralisation found elsewhere in the Mt Isa inlier.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	N/A
	Easting and northing of the drill hole collar	N/A
	Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar	N/A
	Dip and azimuth of the hole	N/A
	Down hole length and interception depth	N/A
	Hole length.	N/A
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	N/A
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	N/A
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	No metal equivalent values are used for reporting exploration results.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	N/A
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	N/A
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures 1, 2, 3 and 4.

Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results are reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	N/A
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Refer to Figures 2, 3 and 4.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to Figures 2, 3 and 4.