

ASX ANNOUNCEMENT – 8 February 2016

ISSUE OF NEW SHARES AND UNLISTED OPTIONS

Syndicated Metals Limited (ASX: SMD) (“**Company**”) is pleased to announce that it has issued the following securities:

- 14,000,000 Tranche 2 Placement Shares;
- 17,880,000 Top-Up Shares to CopperChem; and
- 28,940,000 unlisted Options comprising 13,000,000 Options attached to the Tranche 1 Placement Shares issued on 8 December 2015, 7,000,000 Options attached to the Tranche 2 Placement Shares and 8,940,000 Options attached to the Top-Up Shares.

Details of the issues of each of the above securities are detailed below.

Issue of Tranche 2 Placement Shares

The Company has issued 14,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at 0.5 cents per Share to raise \$70,000 under the Tranche 2 Placement as announced on 7 December 2015. The Shares were issued to companies associated with two directors (Mr Langworthy and Mr Morgan). Shareholder approval was obtained for the issue of these Shares at the shareholders meeting held on 29 January 2016.

Issue of CopperChem Top-Up Shares

On 8 December 2015, Syndicated issued 26,000,000 shares under its Tranche 1 Placement. The Company today issued 14,000,000 shares under its Tranche 2 Placement to companies associated with two directors as detailed above.

Pursuant to CopperChem Limited’s (**CopperChem**) anti-dilution right granted under the Placement Agreement signed between the Company and CopperChem in September 2013, Syndicated is required to offer to CopperChem new Shares in order for CopperChem to maintain the same percentage interest in the capital of Syndicated as was held prior to the issue of the new Shares. CopperChem exercised its right to subscribe for the new Shares following the issue of the Tranche 1 Placement Shares and Tranche 2 Placement Shares respectively.

The Company has today issued 17,880,000 fully paid ordinary shares to CopperChem. The Shares were issued at 0.5 cents per Share in line with the pricing of the Tranche 1 Placement Shares and Tranche 2 Placement Shares and raised \$89,400. Approval to issue the shares was obtained at the shareholders meeting held on 29 January 2016.

Funds raised from the issue of the new Shares will be used for assessment of new gold and base metals project opportunities outside of the existing North-West Queensland tenement holding, exploration and asset maintenance activities associated with the Company’s Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited and general working capital and administrative expenses.

An Appendix 3B and a Secondary Trading Notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) is attached in relation to the Tranche 2 Placement Shares and the CopperChem Top-Up Shares.

Issue of Unlisted Options

Subscribers under both the Tranche 1 and Tranche 2 Placements were offered the opportunity to subscribe for 1 free attaching unlisted option for every 2 Shares issued, with each option having an exercise price of 1.2 cents and expiring on 8 February 2018 (**Options**). This offer was made under the prospectus for the Entitlement Offer referred to in the ASX announcement dated 7 December 2015.

Following its election to exercise its anti-dilution right following the Tranche 1 and Tranche 2 Placements, CopperChem was also offered the opportunity to subscribe for Options. This offer was also made under the prospectus for the Entitlement Offer referred to in the ASX announcement dated 7 December 2015.

Following shareholder approval for the above Option issues obtained at the shareholders meeting held on 29 January 2016, the Company has today issued 28,940,000 Options.

The attached Appendix 3B includes the issue of these Options.

ENDS

For further information:

Andrew Munckton
Syndicated Metals Limited
Mobile: 0435 635 598

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

SYNDICATED METALS LIMITED

ABN

61 115 768 986

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Fully paid ordinary shares (Shares).2. Fully paid ordinary shares (Shares).3. Unlisted options each to acquire one Share exercisable at 1.2 cents each expiring on 8 February 2018 (Options). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 14,000,000 Shares (Tranche 2 Placement)2. 17,880,000 Shares (Top-Up Issue)3. 28,940,000 Options under the Option Offer made pursuant to the Company's Prospectus dated 10 December 2015 on the basis of one (1) free attaching Option for every two (2) Shares issued to eligible option subscribers under the Placements or the Top-Up Issue as the case may be. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. The Shares are fully paid ordinary shares in the capital of the Company ranking equally with existing fully paid ordinary shares on issue.2. The Options are unquoted options, each to acquire one Share, exercisable at 1.2 cents on or before 8 February 2018. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. Yes.</p> <p>2. Shares issued on exercise of the Options will rank equally with existing fully paid ordinary shares on issue.</p>
<p>5 Issue price or consideration</p>	<p>1. 0.5 cents per Share.</p> <p>2. Nil. The Options are free attaching Options for which no additional consideration is payable.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised from the issue of the Shares will be used as follows:</p> <ul style="list-style-type: none"> • assessment of new gold and base metals project opportunities outside of the existing North-West Queensland tenement holding; • exploration and asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing; • finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited; • general working capital and administrative expenses; and • the expenses of the issue.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>

+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	26 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	Nil.
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<ol style="list-style-type: none"> 1. 14,000,000 Shares (Tranche 2 Placement) 2. 17,880,000 Shares (Top-Up Issue) 3. 28,940,000 Options <p>Shareholder approval obtained at the shareholders meeting held on 29 January 2016.</p>
6f	Number of +securities issued under an exception in rule 7.2	Nil.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1.
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	8 February 2016

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	464,242,464 Ordinary shares

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	2,252,250 2,252,250 2,252,257 5,000,000 2,500,000	16.4c options expiry 29/5/16 20.5c options expiry 29/5/16 24.6c options expiry 29/5/16 6.4c options expiry 9/1/17 Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.30. Expire 29/5/2016.
		4,750,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.45. Expire 29/5/2016.
		4,750,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.60. Expire 29/5/2016.
		250,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.30. Expire 8/11/2016.
		250,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.45. Expire 8/11/2016.
		250,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.60. Expire 8/11/2016.
		150,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.30. Expire 19/2/2017.
		150,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.45. Expire 19/2/2017.
		150,000	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.60. Expire 19/2/2017.
		2,452,473	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.06675. Expire 21/10/2018.
		3,471,231	Performance Rights vesting when the Company's 10 day VWAP exceeds \$0.11125. Expire 21/10/2018.
		44,999,182	1.2c options expiry 8/2/18

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	
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12	Is the issue renounceable or non-renounceable?	
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13	Ratio in which the +securities will be offered	
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14	+Class of +securities to which the offer relates	
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15	+Record date to determine entitlements	
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
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17	Policy for deciding entitlements in relation to fractions	
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18	<p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	
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19	Closing date for receipt of acceptances or renunciations	
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1 (Shares Only)
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 8 February 2016
Company Secretary

Print name: Paul Bridson

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	274,445,673
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <div style="text-align: right;">99,798,427 (20 April 2015) 32,118,364 (8 February 2016)</div> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <div style="text-align: right;">26,000,000 (8 December 2015) 31,880,000 (8 February 2016)</div> • Number of partly paid +ordinary securities that became fully paid in that 12 month period <div style="text-align: right;">0</div> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	464,242,464

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	69,636,369
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	69,636,369
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	0
<p>Total [“A” x 0.15] – “C”</p>	69,636,369 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	464,242,464
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	46,424,246
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
“E”	0

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	46,424,246
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	46,424,246 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

8 February 2016

Issue of Syndicated Metals Limited Shares
Secondary Trading Notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Act)

Further to the announcement of 8 February 2016, Syndicated Metals Limited (**Company**) has issued 14,000,000 fully paid ordinary shares (**Shares**) at an issue price of 0.5 cents per Share to companies associated with two directors (Mr Langworthy and Mr Morgan) following shareholder approval obtained at the shareholders meeting held on 29 January 2016. The Shares are in a class of securities quoted on ASX.

The Company has also issued 17,880,000 Shares to CopperChem Limited (**CopperChem**) pursuant to CopperChem's anti-dilution right granted under the Placement Agreement signed between the Company and CopperChem in September 2013. The Shares were issued at 0.5 cents per share. Approval to issue the Shares was obtained at the shareholders meeting held on 29 January 2016. The Shares are in a class of securities quoted on ASX.

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By the Company giving this notice, a sale of the Shares noted above will fall within the exemptions in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this notice the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, other than section 319 in relation to the financial year ended 30 June 2007 (as set out in relief granted to the Company by the Australian Securities and Investments Commission under paragraph 741(1) of the Act on 19 August 2008) and section 674 of the Act; and
- (c) as at the date of this notice there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; or
 - B. the rights and liabilities attaching to the Shares.

Yours faithfully,



Paul Bridson
Company Secretary