

ASX ANNOUNCEMENT – 4 April 2016

ISSUE OF SHORTFALL SHARES

Syndicated Metals Limited (ASX: SMD) (**Company**) is pleased to announce that it has issued 15,200,000 shares in the capital of the Company (**Shares**) at 0.5 cents per Share raising \$76,000 and 7,600,000 free attaching unlisted options with each option having an exercise price of 1.2 cents and expiring on 8 February 2018 (**Options**).

The Shares were issued under the shortfall offer made pursuant to the Company's Prospectus dated 10 December 2015 and formed part of the shortfall from the Company's recently completed 1-for-6 entitlement issue. The Shares and Options were issued under the same terms and pricing as the entitlement issue.

A further \$25,000 was received from an entity associated with the Company's Chairman, Mr Peter Langworthy. Shareholder approval will be required to issue the Shares and Options associated with this application and this will be sought at the next meeting of the Company's shareholders.

Funds raised from the issue of the new Shares will be used for the purposes set out in the Prospectus dated 10 December 2015.

An Appendix 3B is attached in relation to the above Share and Option issue.

ENDS

For further information:

Andrew Munckton
Syndicated Metals Limited
Mobile: 0435 635 598

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 | 1. Fully paid ordinary shares (Shares).
2. 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 | 1. 15,200,000 Shares issued under the shortfall offer made pursuant to the Company's Prospectus dated 10 December 2015.
2. 7,600,000 Options 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. |
| 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) | 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 	<ol style="list-style-type: none"> 1. Yes. 2. Shares issued on exercise of the Options will rank equally with existing fully paid ordinary shares on issue.
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. 0.5 cents per Share. 2. Nil. The Options are free attaching Options for which no additional consideration is payable.
<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 and exercise of the Options 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	1. 15,200,000 Shares. 2. 7,600,000 Options.
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)	Nil.
6f	Number of +securities issued under an exception in rule 7.2	1. 15,200,000 Shares. 2. 7,600,000 Options.
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>	4 April 2016

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
8	479,442,464	Ordinary shares

	Number	+Class
9	2,252,250	16.4c options expiry 29/5/16
	2,252,250	20.5c options expiry 29/5/16
	2,252,257	24.6c options expiry 29/5/16
	5,000,000	6.4c options expiry 9/1/17
	2,500,000	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.	
52,599,182	1.2c options expiry 8/2/18	

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

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

- | | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 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

--

39 +Class of +securities for which quotation is sought

--

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

--

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)

--

	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: 4 April 2016
Company Secretary

Print name: Paul Bridson

== == == == ==

+ 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	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	274,445,673
Add 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 <ul style="list-style-type: none"> 99,798,427 (20 April 2015) 32,118,364 (8 February 2016) 15,200,000 (4 April 2016) • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <ul style="list-style-type: none"> 26,000,000 (8 December 2015) 31,880,000 (8 February 2016) • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	0
Note: <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> 	0
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	479,442,464

+ 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	71,916,369
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>	71,916,369
<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>	71,916,369 <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>	479,442,464
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	47,944,246
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	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	47,944,246
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	0
<p>Total [“A” x 0.10] – “E”</p>	<p style="text-align: center;">47,944,246</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.