

# Syndicated Metals Limited

ABN 61 115 768 986

## Notice of General Meeting

Notice is hereby given that a General Meeting of Syndicated Metals Limited ABN 61 115 768 986 ("**Company**") will be held at 9am (WST) on 7 January 2011 at Level 1, 68 Hay Street Subiaco, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

Please note terms used in the Resolutions contained in this Notice of Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice.

### AGENDA

#### 1. Resolution 1 – Ratification of issue of 10.6 million Shares

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue of 10.6 million Shares (at an issue price of 15 cents each) on 7 December 2010 to the persons and on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### 2. Resolution 2 – Proposed issue of up to 9.4 million Shares

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 9.4 million Shares at an issue price of 15 cents per Share to the persons and on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 3. Resolution 3 – To amend the Constitution

To consider and, if thought fit, pass with or without amendment the following as a **special resolution**:

*"That pursuant to section 136 of the Corporations Act, Article 32 of the Company's Constitution be deleted and replaced with the following new Article 32:*

#### **Approval of proportional takeover bids**

##### 32.1 Resolution to Approve Proportional Takeover Bid

*Where offers have been made under a proportional takeover bid (as defined in the Corporations Act) ("**Proportional Takeover Bid**") in respect of Shares included in a class of shares in the Company:*

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Takeover Bid is prohibited unless and until a resolution (in this Article 32.1 referred to as an "**approving resolution**") to approve the Proportional Takeover Bid is passed in accordance with the provisions of this Constitution;*
- (b)*
  - (i) a person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to one vote for each of the last mentioned shares;*
  - (ii) the bidder or a person associated with the bidder is not entitled to vote on an approving resolution; and*
  - (iii) an approving resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; and*
- (c) an approving resolution, being a resolution that has been voted on, is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one half, and otherwise is taken to have been rejected.*

##### 32.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting*

that is convened pursuant to this Article 32.2 as if the last mentioned meeting was a general meeting of the Company.

- (b) Where takeover offers have been made under a Proportional Takeover Bid, the Directors are to ensure that a resolution to approve the Proportional Takeover Bid is voted on in accordance with this Article 32 before the approving resolution deadline specified by subsection 648D(2) of the Corporations Act ("**approving resolution deadline**").

### 32.3 Notice of Resolution

Where a resolution to approve a Proportional Takeover Bid is voted on in accordance with this Article 32 in relation to the Proportional Takeover Bid, before the approving resolution deadline, the Company is, on or before the approving resolution deadline:

- (a) to give to the bidder; and
- (b) to serve on each relevant financial market in relation to the Company,

a notice in writing stating that a resolution to approve the Proportional Takeover Bid has been voted on and that the resolution has been passed, or has been rejected, as the case requires.

### 32.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the approving resolution deadline no resolution to approve the Proportional Takeover Bid has been voted on in accordance with this Article 32, a resolution to approve the Proportional Takeover Bid is to be, for the purposes of this Article 32, deemed to have been passed in accordance with this Article 32.

### 32.5 Takeover Resolution Rejected

Where a resolution to approve a Proportional Takeover Bid under which offers have been made is voted on, in accordance with this Article 32, before the approving resolution deadline and is rejected, then:

- (a) despite section 652A of the Corporations Act, all offers under the Proportional Takeover Bid that have not as at the end of the approving resolution deadline, been accepted, and all offers (in this Article 32.5 referred to as the "**accepted offers**") under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not, at the end of the approving resolution deadline, resulted, are deemed to be withdrawn at the end of the approving resolution deadline;
- (b) the bidder is, as soon as practicable after the end of the approving resolution deadline, to return to each person in respect of their accepted offer any documents that were sent by the person to the bidder with the acceptance of the offer;

- (c) *the bidder is entitled to rescind, and must, as soon as practicable after the end of the approving resolution deadline, rescind each contract resulting from the acceptance of an offer made under the Proportional Takeover Bid; and*
- (d) *a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the contract (if any) resulting from that acceptance.*

32.6 *Renewal*

*This Article 32 ceases to have effect on the third anniversary of the date of the adoption or last renewal of this Article 32."*

By Order of the Board

A handwritten signature in blue ink, appearing to read 'B R McCullagh', is written over a faint, light blue circular stamp.

B R McCullagh.  
Director and Company Secretary  
2 December 2010

## NOTES

These notes form part of the Notice of General Meeting and should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of General Meeting are defined in the Glossary contained in the accompanying Explanatory Memorandum.

### How to vote

Shareholders can vote by either:

- Attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- Appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of General Meeting and by submitting their proxy appointment and voting instructions in person, by post, by person, in post or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (ie. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any Resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- For personal use only
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
  - Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in the place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director, that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice.
  - To be effective, proxies must be lodged before 9am (WST) on 5 January 2011. Proxies lodged after this time will be invalid.
  - Proxies may be lodged using any of the following methods:
    - By returning a completed proxy form in person to Level 1, 68 Hay Street Subiaco; or
    - By post to GPO Box 2810, Perth WA 6000; or
    - By faxing a completed proxy form to (08) 9380 9449.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 9am (WST) on 5 January 2011. If facsimile transmission is used, the power of attorney must be certified.

#### **Shareholders who are entitled to vote**

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm (WST) on 5 January 2011.

**PROXY FORM**  
**SYNDICATED METALS LIMITED**  
**ABN 61 115 768 986**

The Company Secretary  
Syndicated Metals Limited  
Level 1, 68 Hay Street  
SUBIACO WA 6008

**Appointment of Proxy**

I/We.....

of.....

being a Shareholder / Shareholders of Syndicated Metals Limited hereby appoint

☐

The Chairman of  
the Meeting (mark  
with an "X")

OR

Write here the name/s of the person you  
are appointing if this person is someone  
other than the Chairman of the Meeting.

Write here the name of the person you are  
appointing as a second proxy (if any)

Of failing him/her (if no proxy is specified above), the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/ our behalf at the General Meeting to be held at 9am (WST) at Level 1, 68 Hay Street, Subiaco, Western Australia, on 7 January 2011 and at any adjournment of that Meeting.

This proxy is to be used in respect of \_\_\_\_\_% of the ordinary shares I/ we hold.

RESOLUTION	FOR	AGAINST	ABSTAIN
1. Ratification of issue of 10.6 million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Proposed issue of up to 9.4 million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To amend the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**PLEASE SIGN HERE**

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual of Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director/Company Secretary

Dated this \_\_\_\_\_

day of \_\_\_\_\_ 2010

Contact name

Contact Business Telephone/Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual Shareholders from attending the General Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the General Meeting.
2. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll
5. Should any Resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that Resolution as they think fit.
6. If a representative of a company Shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting.
7. If a representative as a Power of Attorney of a Shareholder is to attend the Meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the General Meeting.
8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

**Individual:** Where the holding is in one name, the holder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your complete Proxy Form.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

This Proxy Form (and any power of attorney under which it is signed) must be received at the address below not later than 9am (WST) on 5 January 2011 (48 hours before the commencement of the Meeting).

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

**Hand deliveries:** Level 1, 68 Hay Street Subiaco, Western Australia

**Postal Address:** GPO Box 2810, Perth, WA 6000

**Fax Number:** (08) 9380 9449



## SYNDICATED METALS LIMITED

ABN 61 115 768 968

### EXPLANATORY MEMORANDUM

#### INTRODUCTION

This Explanatory Memorandum has been prepared for the information of the Shareholders of Syndicated Metals Limited ("**Company**"), in connection with the business to be conducted at the General Meeting of the Company to be held on 7 January 2011 at 9am WST at Level 1, 68 Hay Street Subiaco, Western Australia.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Shareholders are specifically referred to the Glossary in this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of General Meeting and this Explanatory Memorandum.

#### BACKGROUND TO RESOLUTIONS 1 AND 2

As announced on 1 December 2010, the Company announced an equity raising of up to 20 million Shares ("**Offer**") to raise up to \$3,000,000. The funds raised will predominantly be used to advance Syndicated's Mount Remarkable copper-gold project located in the Mount Isa region of Northwest Queensland, as well as general working capital. The broker to the Offer is Veritas Securities Limited.

The Offer will take place in two tranches, the first tranche of Shares was issued on 7 December 2010 within the Company's 15% placement capacity pursuant to Listing Rule 7.1. The second tranche of Shares is subject to the receipt of Shareholder approval, the subject of Resolution 2. Subject to the receipt of Shareholder approval pursuant to Resolution 2, the second tranche is expected to close seven days after Shareholder approval is granted pursuant to Resolution 2.

#### 1. RESOLUTION 1 – RATIFICATION OF ISSUE OF 10.6 million SHARES

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold rule pursuant to Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Pursuant to Resolution 1, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 10.6 million Shares that was made on 7 December 2010 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 10.6 million Shares were allotted and issued;
- (b) the Shares were issued at an issue price of 15 cents each;

- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to sophisticated and institutional clients, all of whom are unrelated parties of the Company; and
- (e) the funds raised will predominantly be used to advance Syndicated's Mount Remarkable copper-gold project located in the Mount Isa region of Northwest Queensland, as well as general working capital.

## **2. RESOLUTION 2 - PROPOSED ISSUE OF UP TO 9.4 million SHARES**

Resolution 2 seeks Shareholder approval to the issue of a maximum of up to 9.4 million Shares at an issue price of 15 cents each.

As noted above, Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 9.4 million;
- (b) the Company will allot and issue the Shares no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the shares will be allotted and issued on one date;
- (c) the Shares will be issued at an issue price of 15 cents each;
- (d) the allottees will be sophisticated and institutional clients. None of the allottees will be related parties of the Company;
- (e) the Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue; and
- (f) the funds raised will predominantly be used to advance Syndicated's Mount Remarkable copper-gold project located in the Mount Isa region of Northwest Queensland, as well as general working capital.

## **3. RESOLUTION 3 - TO AMEND THE CONSTITUTION**

Resolution 3 proposes to amend the Constitution by deleting the current wording in Article 32 of the Constitution and replacing it with the wording outlined in Resolution 3. The proposed new Article 32 largely reflects the current Article 32 but reflect changes to the Corporations Act.

Article 32 of the Constitution provides that where a proportional takeover bid is made for the Company then the transfer of shares to the bidder in such a proportional takeover will be conditional upon the passing of an ordinary resolution approving that proportional takeover ("**Takeover Resolution**"). Article 32 of the Constitution ceases to have effect on the third anniversary of the date

of the adoption or last renewal of this Article 32. Article 32 was previously approved by Shareholders in April 2007.

A proportional takeover bid is one where the offer made to each shareholder is only for a proportion of that shareholder's shares. If a proportional takeover bid is made, directors must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid.

The proportional takeover provisions do not apply to full takeover bids.

The Takeover Resolution will be required to be passed in general meeting before the time stated in section 648D of the Corporations Act, being the 14<sup>th</sup> day before the last day of the bid period ("**approving resolution deadline**"). The bidder, or a person associated with the bidder will not be entitled to vote on the Takeover Resolution to approve the proportional takeover.

If no Takeover Resolution is put to members of the Company in general meeting (i.e.: no vote is held) then the Takeover Resolution will be deemed to have been past at the end of the approving resolution deadline.

If the Takeover Resolution is put to members and rejected, all offers which have been accepted into the bid are deemed to be withdrawn at the end of the approving resolution deadline.

Without the proportional takeover approval provisions, a proportional takeover bid may enable control of the Company to pass without members having the opportunity to sell all their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The proposed proportional takeover provisions lessen this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

At the date of this Notice, no director of the Company is aware of any proposal by any person to acquire, or to increase the extent of a substantial interest in the Company.

The Directors of the Company consider that the proposed adoption of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved or accepted. The potential advantages of the proposed proportional takeover provisions for Shareholders are:

- they give Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- they may assist Shareholders in not being locked in as a minority;
- they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced;
- knowing the view of the majority of Shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential disadvantages to shareholders of the Company are:

- it is a hurdle and may discourage the making of proportional takeover bids in respect of the Company;

- this hurdle may depress the share price or deny Shareholders an opportunity of selling their Shares at a premium;
- it may reduce the likelihood of a proportional takeover being successful.

However, the Directors of the Company do not perceive those or any other possible disadvantages as justification for not implementing the proportional takeover provisions.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

## GLOSSARY

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Company**" or "**Syndicated**" means Syndicated Metals Limited ABN 61 115 768 986;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Explanatory Memorandum**" means this explanatory memorandum;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Meeting**" means the general meeting the subject of the Notice;

"**Notice**" means the notice of general meeting which accompanies this Explanatory Memorandum;

"**Resolution**" means a resolution proposed pursuant to the Notice;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholders**" means a holder of a Share; and

"**WST**" means Australian Western Standard Time.