

ASX ANNOUNCEMENT – 12 October 2012

## **SYNDICATED RAISES \$2.85M TO FUND FURTHER COPPER-GOLD EXPLORATION AT MT ISA, NORTH QUEENSLAND**

### **Key Points**

- **\$2.85M Share Placement completed at 7 cents per share with free attaching 1-for-2 option.**
- **Two-tranche capital raising to sophisticated and professional investors, including clients of Blue Ocean Equities and existing shareholders.**
- **Proceeds to be used to fund further exploration and development work at the Company's copper-gold projects surrounding Mt Isa, further drilling at the emerging Yamamilla Project, metallurgical testwork on the Barbara Project and working capital.**

### **INTRODUCTION**

Syndicated Metals Limited (ASX: SMD – “Syndicated” or “the Company”) is pleased to advise that it has completed a Share Placement to professional and sophisticated investors to raise **\$2.85 million** to underpin the continued exploration and evaluation of its portfolio of copper-gold projects surrounding Mt Isa in North Queensland.

The proceeds will be used to fund further drilling at the Yamamilla Project, where Syndicated recently reported strong copper intersections over a 2.5km strike length, drilling at other key exploration prospects within both its Northern and Southern Project Hubs and development work at the Barbara Copper-Gold Project.

The Company has secured the support of a number of new high net worth and strategic investors, as well as existing shareholders, to underpin this important next phase of its development.

### **DETAILS OF PLACEMENT**

The Placement, which was managed by Sydney-based Blue Ocean Equities, has been undertaken at \$0.07 per share, which represents a 21% discount to the 5 day volume weighted average price (VWAP) immediately before the trading halt was requested.

The Placement will be undertaken in two tranches. Tranche 1 comprises the issue of 13,500,000 fully paid ordinary shares at \$0.07 per share to raise \$945,000 to professional and sophisticated investors comprising new shareholders, existing major shareholders and clients of Blue Ocean Equities, and will be completed using the Company's 15% placement capacity.

A free attaching 1-for-2 option will also be issued. The option will be exercisable at 20 cents and have a term of 2 years from the date of issue. The intention is for the options to be listed on ASX subject to listing conditions being met and Board approval.

Tranche 2 comprises the issue of 27,137,000 fully paid ordinary shares at \$0.07 per share to raise \$1.90 million to the same participants as Tranche 1, as well as Directors and senior managers of the Company. The Tranche 2 participants will also receive a free attaching 1-for-2 option with the same conditions as the Tranche 1 options. Tranche 2 is subject to shareholder approval. A General Meeting of Syndicated shareholders will be held as soon as practicable.

#### **USE OF PROCEEDS**

The funds raised from the Placement will be applied to the following activities:

- Continued exploration programs over the Company's Queensland copper-gold projects;
- Development works associated with the Barbara copper-gold-cobalt project;
- Metallurgical testwork;
- General corporate and working capital requirements; and
- The costs of the issue.

#### **MANAGEMENT COMMENT**

Commenting on the Placement, Syndicated's Managing Director, Mr Andrew Munckton, said: "The Board is very pleased to have secured the support of a number of major existing shareholders as well as several new high net worth and strategic investors to underpin this \$2.85 million capital raising, with the introduction of several clients of Blue Ocean Equities to the share register.

"The funds raised will enable us to continue with an aggressive and focused exploration and development program on our Mt Isa copper-gold assets. We are looking forward to applying the funds raised to what we believe is an exciting opportunity for significant future discovery and mine developments in and around Mt Isa."

This Announcement brings to an end the current trading suspension.

**ENDS**

#### ***For further information:***

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