

14 December 2015

*[insert Security holder name]*  
*[insert Security holder address]*

Dear Security holder

#### **NON-RENOUNCEABLE ENTITLEMENT OFFER**

On 7 December 2015, Syndicated Metals Limited (ACN 115 768 986) (**Company**) announced that the Company would be conducting a non-renounceable entitlement offer of up to approximately 66,707,350 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one (1) Share for every six (6) Shares held at 5.00pm (WST) on 17 December 2015 (**Record Date**) at an issue price of 0.5 cents per Share and 33,353,675 unlisted options each to acquire one (1) Share having an exercise price of 1.2 cents and expiring on 8 February 2018 (**Options**) on the basis of one (1) free attaching Option for every two (2) Shares subscribed for (**Entitlement**) to raise approximately \$333,537 (before expenses) (**Entitlement Offer**).

The funds raised under the Entitlement Offer will provide the Company with the necessary funds for the 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 Entitlement Offer.

The Entitlement Offer is not underwritten. Shareholders who subscribe for their Entitlement in full will be able to apply to participate in the shortfall, if any, by subscribing for additional Shares and Options on the terms set out in the Prospectus.

The Entitlement Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 10 December 2015 (**Prospectus**) and released to the Australian Securities Exchange (**ASX**) on the same date.

A copy of the Prospectus is available on the Company's website at [www.syndicatedmetals.com.au](http://www.syndicatedmetals.com.au) or on the ASX website (company announcements section, ASX code: SMD) at [www.asx.com.au](http://www.asx.com.au).

It is anticipated that the Prospectus will be sent to all shareholders in Australia and New Zealand on 22 December 2015.

***Summary of key features of the Entitlement Offer***

The Entitlement Offer is open to shareholders who hold shares as at the Record Date with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Entitlement Offer and will be notified by the Company separately (**Excluded Shareholders**). Excluded Shareholders will not be entitled to subscribe for Shares or Options under the Entitlement Offer. The Company's Excluded Shareholders are in Switzerland, Germany, France, United Kingdom, Japan, Singapore and United States of America.

Under the terms of the Entitlement Offer, Eligible Shareholders will be entitled to subscribe for their Entitlement.

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number. Holdings on different sub-registers will not be aggregated for calculating entitlements. Eligible Shareholders may also apply for additional Shares and Options in excess of their Entitlement on the terms set out in the Prospectus.

The Company reserves the right to reduce the number of Shares and Options allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

The Shares will rank equally with the existing ordinary shares from the date of issue.

The current number of Shares on issue in the Company is 400,244,100. Under the Entitlement Offer, up to approximately 66,707,350 Shares will be issued and the number of Shares on issue at the completion of the Entitlement Offer will be up to 466,951,450.

The Company currently has 11,756,757 unquoted options with varying exercise prices and expiry dates, on issue. Under the Entitlement Offer, up to approximately 33,353,675 Options will be issued and the number of options on issue at the completion of the Entitlement Offer will be up to 45,110,432. Existing option holders may participate in the Entitlement Offer upon exercise of their options, provided the resulting Shares are issued by the Record Date. The Company sent a notice to option holders on 10 December 2015 notifying them of their right to participate in the Entitlement Offer upon exercise of their options.

The Company also currently has 19,123,704 performance rights on issue with various performance hurdles and expiry dates. Performance right holders are not eligible to participate in the Entitlement Offer unless those performance rights vest and provided the resulting Shares are issued by the Record Date. The number of performance rights on issue will remain unchanged as a result of the Entitlement Offer.

The Entitlement Offer is non-renounceable, therefore you cannot sell your Entitlements.

No shareholder approval for the Entitlement Offer is required.

***Indicative timetable***

The indicative timetable for the Entitlement Offer is as follows:

<b>Event</b>	<b>Date*</b>
Announcement of Entitlement Offer and Lodgement of Appendix 3B with ASX	7 December 2015
Prospectus lodged at ASIC and ASX	10 December 2015
Notice sent to Shareholders	14 December 2015
"Ex" Date (date Shares are quoted ex-rights)	15 December 2015
Record Date to determine Entitlements	5.00pm (WST) 17 December 2015
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders	22 December 2015
Opening Date	22 December 2015
Closing Date**	1 February 2016
Shares quoted on a deferred settlement basis	2 February 2016
Notification to ASX of under subscriptions	4 February 2016
Issue date for Shares and Options	8 February 2016

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

\*\* The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of Shares is subject to confirmation from ASX.

***Brief instructions for Eligible Shareholders***

If you are an Eligible Shareholder, you may do the following:

- If you wish to take up all or part of your Entitlement, complete the entitlement and acceptance form accompanying the Prospectus (**Entitlement and Acceptance Form**) in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00 pm (WST) on 1 February 2016 (**Closing Date**). Cheques should be made payable to "Syndicated Metals Limited" and crossed "Not Negotiable". BPAY® payments are to be made using the BPAY® code and personalised reference number indicated on your Entitlement and Acceptance Form and funds must be received before 2.00pm (WST) on the Closing Date.
- If you do not wish to accept part or all of your Entitlement, you are not obliged to do anything.

***More information***

Before making a decision whether to apply for Shares and Options, please read the Prospectus carefully in its entirety when you receive it. The Entitlement Offer is scheduled to close at 5:00pm (WST) on 1 February 2016.

This letter is not a prospectus and does not constitute an offer of securities. An offer of Shares and Options under the Entitlement Offer will only be made in, or accompanied by, a copy of the Prospectus sent to all Eligible Shareholders.

The Directors of the Company recommend that if you are in doubt as to the value of the Entitlement Offer then you should contact your financial adviser.

Should you have any queries please contact the Company on +61 8 9380 9440.

Yours faithfully

**SYNDICATED METALS LIMITED**



Paul Bridson  
*Company Secretary*