SYNDICATED METALS LIMITED

ABN 61 115 768 986

NOTICE OF ANNUAL GENERAL MEETING

AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Thursday 25 October 2018

Time of Meeting

10am (AWST)

Place of Meeting

The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Syndicated Metals Limited

ABN 61 115 768 986

Notice of Annual General Meeting

Notice is hereby given that the 2018 Annual General Meeting of Syndicated Metals Limited ABN 61 115 768 986 (**Company**) will be held at 10am (Perth time) on Thursday 25 October 2018 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia.

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

A Proxy Form is enclosed. If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

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

AGENDA

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2018, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 – Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"*That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2018 be adopted.*"

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:*

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

(a) the appointment specifies the way the proxy is to vote on Resolution 1; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 – Re-election of Director – Peter Langworthy

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"*That Mr Peter Langworthy, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director*."

3. Resolution 3 – Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 3 by any person who is expected to participate in, or who will obtain a material benefit as a result of ,the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities if Resolution 3 is passed, and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) 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.

4. Resolution 4 – Approval of Disposal of 82.5% Interest in the Southern Hub Project to Carnaby Resources Limited

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"*That, for the purposes of Listing Rule 11.4 and for all other purposes, Shareholders approve the disposal of an 82.5% interest in the Southern Hub Project to Carnaby Resources Limited, on the terms and conditions set out in the Explanatory Memorandum.*"

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 4 by Carnaby Resources Limited and its Associates. However, the Company need not disregard a vote if the vote is cast by:*

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) *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.*

5. Resolution 5 – Approval to Terminate Barbara Copper Project Royalty

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"*That, for the purposes of Listing Rule 10.1 and for all other purposes, Shareholders approve the termination of the Royalty Deed, including the obligations of the Company and Round Oak Minerals Pty Ltd in respect of the Barbara Copper Project Royalty, and the relinquishment by the Company of all of its rights and interests in the Barbara Copper Project Royalty in consideration for the Termination Payment , on the terms and conditions set out in the Explanatory Memorandum.*"

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under Listing Rule 10.1. The Independent Expert has concluded that the disposal the subject of Resolution 5 is **not fair but reasonable** to Shareholders not associated with Round Oak Minerals. Please refer to the Explanatory Memorandum and Schedule B to this Notice.

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 5 by Round Oak Minerals and its Associates. However, the Company need not disregard a vote if the vote is cast by:*

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) *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.*

6. Resolution 6 – Approval for issue of Incentive Options to David Morgan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"*That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 5,000,000 Incentive Options for no consideration, to Mr David Morgan (or his nominee) on the terms and conditions specified in the Explanatory Memorandum.*"

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 6 by Mr David Morgan and any Associate of Mr David Morgan. However, the Company need not disregard a vote if it is cast by:*

(a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

(a) the appointment specifies the way the proxy is to vote on Resolution 6; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 6. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 6, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By Order of the Board

Paul Bridson
Company Secretary
18 September 2018

NOTES

These notes form part of the Notice of Meeting and should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of 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 Meeting and by submitting their proxy appointment and voting instructions in person, by 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. A properly executed original (or certified copy) of the power of attorney under which an attorney has been authorised to attend and vote at the Meeting must be lodged with the Company's share registry before 10am (Perth time) on Tuesday 23 October 2018 (48 hours before the commencement of the Meeting). If facsimile transmission is used, the power of attorney must be certified.

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. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 6 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- 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.
- 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, provided they are entitled to cast votes as proxy under the voting exclusion rules which apply to some of the proposed Resolutions. However, in exceptional circumstances, the Chair of the Meeting may change his or her voting intention, in which case an ASX announcement will be made. These rules are explained in this Notice.
- To be effective, proxies must be received by 10am (Perth time) on Tuesday 23 October 2018. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

  Electronically:
  Submit proxy voting instructions online at www.investorvote.com.au
  Please refer to the enclosed Proxy Form for more information about submitting proxy voting instructions online.

  For intermediary online subscribers only (custodians) at www.intermediaryonline.com

  By Post:
  Computershare Investor Services Pty Limited
  GPO Box 242,
  Melbourne, Victoria 3001,
  Australia

  By Fax:
  (within Australia) 1800 783 447
  (outside Australia) +61 3 9473 2555

  For all enquiries call:
  (within Australia) 1300 763 574
  (outside Australia) +61 3 9415 4862

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 at the above address, or by facsimile, and by 10am (Perth time) on Tuesday 23 October 2018. 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* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Company's register of Shareholders as at 5pm (Perth time) Tuesday 23 October 2018.

SYNDICATED METALS LIMITED

ABN 61 115 768 986

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 Annual General Meeting of the Company to be held on Thursday 25 October 2018 at 10am (Perth time) at The Park Business Centre, 45 Ventnor Avenue, West Perth, 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 Meeting and this Explanatory Memorandum.

1. FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2018 together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No Resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

2. RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2018 Annual Report be adopted. The Remuneration Report is set out in the Company's 2018 Annual Report and is also available on the Company's website (www.syndicatedmetals.com.au).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the year ended 30 June 2017 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 11 October 2017. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and sets out the details of any equity based compensation.

The Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER LANGWORTHY

Clause 13.2 of the Constitution provides that at each annual general meeting of the Company, one third of the Directors (other than alternate Directors and the Managing Director) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office. The Directors to retire are those who have been in office the longest since their last election, but, as between Directors who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.

Mr Langworthy was last elected as a non-executive Director at the Company's 2016 annual general meeting held on 27 October 2016, and is the Director who has been in office the longest since his last election. Pursuant to clause 13.2 of the Constitution, Peter Langworthy, being a Director, has agreed to retire by rotation and, being eligible, offers himself for re-election as a Director.

Mr Langworthy is a geologist with a career spanning more than 30 years in mineral exploration and project development in Australia and Indonesia. He has specific expertise in building successful teams that have been responsible for significant mineral discoveries and in integrating technically sound exploration and resource development strategies into corporate planning. His industry experience includes 12 years in senior management roles with WMC Resources, four years with PacMin Mining as Exploration Manager, five years with Jubilee Mines where he built the team responsible for numerous discoveries at the Cosmos Nickel Mine and the Sinclair Nickel Project, and three years with Talisman Mining as Technical Director. At Jubilee he was part of the corporate team responsible for the growth of the company until it was taken over by Xstrata.

Mr Langworthy has also held non-executive directorships with other ASX-listed companies namely Northern Star Resources, Falcon Minerals and Pioneer Resources. Mr Langworthy has been a Non-Executive Director of Capricorn Metals Ltd (formerly Malagasy Minerals Limited) since July 2013, a Non-Executive Director of Silver Mines Limited since June 2016 and was appointed as Managing Director of Gateway Mining Limited in March 2018.

Mr Langworthy is considered to be an independent Director of the Company.

The members of the Board (other than Mr Langworthy) support the re-election of Mr Langworthy as a director of the Company.

4. RESOLUTION 3 – ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to issue Equity Securities of up to 10% of their issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**10% Placement Capacity**). The 10% Placement Capacity is in addition to a company's 15% placement capacity under Listing Rule 7.1. A resolution seeking approval for the 10% Placement Capacity must be a **special resolution** of shareholders passed by at least 75% of the votes cast by shareholders entitled to vote.

To be eligible for the 10% Placement Capacity, a company must, at the time of their annual general meeting:

- have a market capitalisation of $300 million or less; and
- not be included in the S&P/ASX 300 Index.

The Company has a market capitalisation of $4.44m as at 18 September 2018 (the day before the Notice of Meeting was sent to print) and is an eligible entity for the purposes of Listing Rule 7.1A. Resolution 3 seeks a special resolution of Shareholders to approve the issue of Equity Securities under the 10% Placement Capacity over the 12 months following the Annual General Meeting. The approval of the 10% Placement Capacity provides greater flexibility for the Board to conduct capital raisings through placements in the 12 month period following the Meeting.

Capital markets continue to be in a state of fluctuation and the Directors acknowledge that they may need to act quickly to raise funds when favourable markets emerge. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a materially adverse effect on the Company's activities.

It is anticipated that funds raised from the 10% Placement Capacity would be applied towards exploration and evaluation of the Company's Monument Gold Project located in the Laverton region of WA, new WA-based project assessments, asset maintenance activities associated with the Company's Queensland Southern Hub copper-gold project to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses.

Listing Rule 7.1A

The effect of Resolution 3 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has quoted Shares and unlisted Options on issue.

Based on the number of Shares on issue 12 months before the date of this Notice, the Company may, subject to Shareholder approval being obtained under Resolution 3, issue up to 63,549,237 Equity Securities in accordance with Listing Rule 7.1A.

The capacity to issue Equity Securities under the 10% Placement Capacity is in addition to the Company's capacity to issue Equity Securities under Listing Rule 7.1. The number of Equity Securities which the Company may issue or agree to issue under the 10% Placement Capacity is calculated in accordance with the formula set out in Listing Rule 7.1A.2 which is set out below:

(A x D) – E

where,

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval; and
- less the number of fully paid shares cancelled in the 12 months,

("**Variable A**").

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. Shareholders will be kept fully informed of any issue of Equity Securities under the 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable Listing Rules. The table further below demonstrates various examples as to the number of Equity Securities that may be issued under the 10% Placement Capacity.

For the reasons set out above, the Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 3.

Additional information

The following information in relation to the 10% Placement Capacity is provided to Shareholders for the purposes of Listing Rule 7.3A:

(a) The Equity Securities will be issued at a price not less than 75% of the VWAP of the relevant Equity Securities on the ASX on the 15 Trading Days on which trades in the class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) the issue date if the Equity Securities are not issued within 5 Trading Days of the date on which the issue price is agreed.

(b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such placement of Equity Securities will have their economic and voting interests in the Company diluted. This means that each Share will represent a lower proportion of the ownership and voting power in the Company. In addition, Shareholders should note that there is a risk that:

(i) the market price for Equity Securities may be significantly lower on the issue date of the Equity Securities under the 10% Placement Capacity than on the date of the Meeting;

(ii) the Equity Securities issued under the 10% Placement Capacity may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date; and

(iii) the Equity Securities issued under the 10% Placement Capacity may be issued for non-cash consideration, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders from the issue of the maximum number of Shares under the 10% Placement Capacity using different variables for the number of ordinary securities for Variable A and the market price of Shares. The table shows:

(i) examples of where Variable A is 635,492,379 Shares (which is the value of Variable A as at the date of this Notice), and where Variable A has increased by 50% and 100%;

(ii) examples of where the issue price of Shares is the current market price as at close of trade on 18 September 2018, being $0.007 (**current market price**) and where the issue price is halved and where it is doubled; and

(iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Capacity are issued.

Variable A	**Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect**	**Dilution**		
		$0.0035 **Issue Price at half the current market price**	**$0.007** **Issue Price at current market price**	**$0.014** **Issue Price at double the current market price**
Current Variable A 635,492,379 Shares	**Shares issued**	63,549,237	63,549,237	63,549,237
	Funds raised	$222,422	$444,845	$889,689
	Dilution effect	10%	10%	10%
50% increase in current Variable A 953,238,568 Shares	**Shares issued**	95,323,856	95,323,856	95,323,856
	Funds raised	$333,633	$667,267	$1,334,534
	Dilution effect	10%	10%	10%
100% increase in current Variable A 1,270,984,758 Shares	**Shares issued**	127,098,475	127,098,475	127,098,475
	Funds raised	$444,845	$889,689	$1,779,379
	Dilution effect	10%	10%	10%

Note this table assumes:

(i) No other Shares are issued before the date of the issue of the Equity Securities (including any Shares which may be issued under Resolution 3). If further Shares are issued and Shareholders do not participate in the issue, their ownership and voting power in the Company will be further diluted;

(ii) No Options are exercised before the date of the issue of the Equity Securities;

(iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;

(iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares; and

(v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(c) Approval of the 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Meeting and will expire on the earlier of:

(i) the date that is 12 months after the date of the Meeting; and

(ii) the date of the approval of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking);

(d) The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration or non-cash consideration (such as assets or investments). If the Company issues Equity Securities for cash consideration, the Company intends to use funds raised for exploration and evaluation of works associated with the Company's Monument Gold Project located in the Laverton region of WA, new WA-based project assessments, asset maintenance activities associated with the Company's Queensland Southern Hub copper-gold project to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses. If the Company issues Equity Securities for non-cash consideration, it will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release to the market a valuation of the non-cash consideration prepared by an independent expert, or by the Directors if they determine that they have appropriate expertise to carry out such a valuation. The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.A upon issue of any Equity Securities.

(e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case-by-case basis. As at the date of this Notice, no decision has been made by the Directors in respect of determining the identity of the persons to whom Shares will be issued under the 10% Placement Capacity, save that they will not include related parties (or their Associates) of the Company.

The Company's allocation policy will be significantly influenced by the market conditions at the time of any proposed issue of Equity Securities as well as the Company's situation. The Directors may have regard to factors including but not limited to the following:

(i) what methods of raising funds are available to the Company, including other capital-raising alternatives;

(ii) the financial situation and solvency of the Company, including the reasons for raising the funds;

(iii) the effect on control or the acquisition of a substantial interest;

(iv) market factors leading up to the issue and those reasonably likely to occur during the issue;

(v) advice from financial advisers;

(vi) the structure of the issue including the size, price, discount to market and timing; and

(vii) the Shareholder register, including the spread and the representation of institutional, sophisticated and retail investors, as well as other considerations such as the geographical representation of Shareholders.

(f) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 11 October 2017 at its 2017 annual general meeting. In the 12 months preceding the date of the Meeting, the Company has issued 16,000,000 Equity Securities, which represents 2.23% of the total number of Equity Securities on issue at the commencement of that 12 month period. Set out in Schedule A is information in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting.

(g) A voting exclusion applies to Resolution 3 in accordance with the statement set out in the Notice of Meeting. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 3.

5. RESOLUTION 4 – APPROVAL OF DISPOSAL OF 82.5% INTEREST IN THE SOUTHERN HUB PROJECT TO CARNABY RESOURCES LIMITED

5.1 Background

As announced on 5 June 2018 and updated on 2 July 2018, the Company entered into an agreement with recently established Australian gold company Carnaby Resources Limited (**Carnaby**) for the sale of (**Proposed Disposal**) an 82.5% interest in its Southern Hub exploration tenements together with certain related agreements and environmental authorities in North Queensland (**Southern Hub Project Interest**), under an option which was exercised by Carnaby on or before 30th June 2018 (**Sale and JV Agreement**).

Subject to the conditions to completion (as detailed below) being satisfied or waived, including the lodgment of an IPO prospectus by Carnaby and receipt of conditional approval to be admitted to the Official List of the ASX on conditions satisfactory to Carnaby, the sale of the tenement portfolio is expected to result in Syndicated holding a 4% to 5.6% stake in Carnaby, while retaining a 17.5% free-carried interest in the Southern Hub tenements up to a Decision to Mine – giving it exposure to the consolidation of tenure around the Tick Hill Gold Project and future exploration upside in Carnaby's Western Australian and Queensland projects.

Carnaby is an Australian exploration company which has established a prospective portfolio of gold and copper projects in Queensland and Western Australia and is aiming to list on the ASX following its planned IPO.

Post completion, Carnaby's assets are expected to include:

- 310km^2 land package centered on the Tick Hill Gold Mine and the Southern Hub copper-gold assets in Queensland, where it plans to commence a 15,000m drilling program shortly after listing (the Tick Hill gold deposit was discovered in 1989 and was mined over four years from 1991-1995, at a time when the average gold price was approximately US$350 per ounce. The 70m deep open pit produced 180,000oz at 18.1g/t Au, while an underground operation produced 331,000oz at 26g/t Au);
- 173km^2 Porphyry North land package in a lightly explored section of the prolific Carosue Dam/Porphyry Belt of the Eastern Goldfields; and
- 810km^2 Malmac land package on the Proterozoic age, Yilgarn Block margin.

Carnaby is led by Peter Bowler as non-executive chairman and Robert Watkins as managing director who are key founding executive directors of the Brazilian gold company Beadell Resources and previous to that Agincourt Resources prior to being taken over by Oxiana.

5.2 About the Southern Hub Project

The Southern Hub (also known as Fountain Range) Project consists of twelve exploration tenements covering approximately 293km^2 of tenure 100km south-east of Mt Isa in North Queensland, together with certain related agreements and environmental approvals.

The Company believes that the area is a target for high-grade copper and gold mineralisation similar to deposits historically mined at Duchess (205Kt @ 12.5% Cu), Tick Hill (705Kt @ 22.5g/t Au) and Trekelano (2.4Mt @ 2.5% Cu and 0.3g/t Au).

In addition, the Company believes the Southern Hub Project is prospective for large-scale IOCG-style mineralisation associated with granite intrusions and the Pilgrim Fault and vein style copper-gold within the tenure.

For further details on the Southern Hub Project refer to the Company's annual reports and quarterly reports. For further information in respect of the tenements the subject of the Proposed Disposal, refer to Section 5.3 below.

5.3 Terms of Proposed Disposal

As set out in section 5.1, the Company entered into the Sale and JV Agreement with Carnaby to sell the Southern Hub Tenement Interest located in the Tick Hill/Duchess area of Northern Queensland to Carnaby under an option that has been exercised by Carnaby. The tenements, which cover a total area of 293km^2, comprise Syndicated's Southern Hub Project.

The consideration for the sale is 4,000,000 fully paid ordinary shares in Carnaby (**Consideration Shares**) at a deemed issue price of 25c per share. The shares are expected to be escrowed for a period of 12 months from the date the shares are issued to Syndicated.

Completion of the sale of the Southern Hub Tenement Interest is conditional upon the satisfaction or waiver of the following conditions precedent on or before 2 November 2018[1] (or such other period agreed by the parties):

(a) Carnaby lodging a Prospectus with ASIC, and raising no less than $10,000,000 (before costs) via an initial public offer of shares at an issue price of $0.25 per share for the purpose of satisfying the ASX conditions for the Company's admission to the Official List;

(b) the receipt of written indicative approval under the *Mineral and Energy Resources (Common Provisions) Act 2014 (Qld)* from the relevant Minister to the transfer of the 82.5% interest in the Southern Hub Project tenements under the Sale and JV Agreement on terms acceptable to Syndicated and Carnaby;

(c) Carnaby receiving conditional approval to be admitted to the Official List of the ASX, on conditions satisfactory to Carnaby; and

(d) Syndicated obtaining all necessary shareholder and regulatory approvals under the ASX Listing Rules, Corporations Act and applicable laws for the proposed sale, including Shareholder approval under ASX Listing Rule 11.4.1.

[1] Initially, 2 October 2018 but extended by the parties by letter agreement dated 24 August 2018.

If all of the conditions to completion are not satisfied or waived (apart from condition (b) which cannot be waived) on or before 2 November 2018 (or such other period agreed by the parties) the Proposed Disposal will not be completed. A condition can be waived only by written agreement between Carnaby and Syndicated.

Following completion, the parties will be deemed to have established a joint venture for the purpose of exploration and development of the Southern Hub Project tenements on the commercial terms set out in the Sale and JV Agreement (**Southern Hub JV**), under which Syndicated will retain a 17.5% free-carried interest in the Southern Hub Project tenements up to a Decision to Mine.

The Sale and JV Agreement also contains:

- A right for Carnaby to buy out Syndicated's interest in the Southern Hub JV for agreed fair value or independently determined fair value at the Decision to Mine;
- A small developments clause which allows the Southern Hub JV or Carnaby to develop smaller projects (defined at less than 100,000 oz of gold or gold equivalent) without triggering Carnaby's buy-out right over the whole of Syndicated's joint venture interest; and
- A right for Syndicated to dilute its joint venture interest if Carnaby does not acquire the interest upon a Decision to Mine and the Company does not contribute to further joint venture expenditure.
- If the Company's interest is diluted to less than 5% then Carnaby must acquire that remaining interest for fair market value.

The Southern Hub Project exploration tenements subject to the Sale and JV Agreement are: EPM9083, EPM11013, EPM14366, EPM14369, EPM17637, EPM18223, EPM18980, EPM19008, EPM25435, EPM25439, EPM25853 and EPM25972.

Syndicated provides Carnaby with representations and warranties which are standard for a Sale and JV Agreement of this nature.

5.4 Listing Rule 11.4

Listing Rule 11.4 provides that, subject to Listing Rule 11.4.1, a listed entity must not dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed.

Listing Rule 11.4.1 provides that Listing Rule 11.4 does not apply in the following cases:

(a) the securities except those to be retained by the listed entity, are offered pro rata to shareholders, or in another way that in ASX's opinion is fair in all the circumstances; or

(b) the listed entity's shareholders approve the disposal without a pro-rata offer being made.

The Company is seeking shareholder approval under Listing Rule 11.4.1(b) to enable the Company to sell an 82.5% interest in the Southern Hub tenements without Carnaby making an offer of shares to shareholders which satisfies Listing Rule 11.4.1(a).

Pursuant to ASX Guidance Note 13, ASX treats an asset as a major asset if:

(a) the value of, or the value of the consideration for the asset represents 20% or more of consolidated equity interests;

(b) the value of, or the value of the consideration for the asset represents 15% or more of consolidated assets;

(c) the revenue attributable to the asset represents 15% or more of consolidated operating revenue; and

(d) the market capitalisation of the acquiring entity is 20% or more of the market capitalisation of the selling entity.

At 30 June 2018, the Company carried the Southern Hub tenements on its balance sheet at nil value. However:

(a) the value of the consideration for the Southern Hub Project Interest is more than 20% of Syndicated's consolidated equity interests as at 30 June 2018 of $4,024,846;

(b) the value of the consideration for the Southern Hub Project Interest is more than 15% of Syndicated's consolidated assets as at 30 June 2018 of $4,274,447; and

(c) Carnaby's market capitalisation is expected to be between $18 million and $25 million, which is more than 20% of Syndicated's market capitalisation of approximately $4.5 million as at 18 September 2018.

On 22 May 2018, the ASX informed Syndicated that the proposed disposal by Syndicated of its interest in the Southern Hub tenements to Carnaby is of the nature referred to in Listing Rule 11.4.

5.5 Impact of the Proposed Disposal on the Company

As outlined in Section 5.1 above, the Company will retain a 17.5% free carried interest in the Southern Hub Project.

The Company will also have a shareholding of 4 million shares in Carnaby at a deemed issue price of 25 cents per share or $1 million in aggregate.

5.6 Advantages and disadvantages of the Proposed Disposal

The Directors believe that following an assessment of the advantages and disadvantages disclosed below, the Proposed Disposal is in the best interests of the Company.

Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 4:

(a) the Proposed Disposal allows the Company to reduce costs incurred in maintaining the Southern Hub Project tenements in good standing whilst allowing continuing exploration to be funded on the tenements;

(b) the Proposed Disposal allows the Company to retain exposure to the prospectivity of the Southern Hub Project through its retained 17.5% free carried interest and to the other assets owned by Carnaby without having all of the associated risks and financing requirements;

(c) the Proposed Disposal has no dilutionary impact on Shareholders, in a current market environment where it is difficult to raise capital; and

(d) the Proposed Disposal is consistent with the Company's stated strategy of focussing on its 100% owned Monument Gold Project in the Laverton region of WA and intention to divest its Mt Isa assets in Queensland by joint venture or outright sale.

Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 4:

(a) the Proposed Disposal involves the sale of an 82.5% interest in the Company's exposure to the prospectivity of the Southern Hub Project which may not be consistent with the investment objectives of all Shareholders;

(b) the Company will no longer be the owner of an 82.5% interest in the Southern Hub Project and will therefore no longer directly control the exploration activities on the tenements;

(c) there is no guarantee that, after any trading restrictions in respect of the Consideration Shares are lifted, the market for the Shares in Carnaby will be liquid so that the Company can realise cash from the Consideration Shares; and

(d) there is no guarantee that the market price of Consideration Shares will increase, and as such the deemed value attributable to the Company's Consideration Shares and its indirect interest in Carnaby's assets, may decrease.

There will be no Board or management changes as a result of the Proposed Disposal.

5.7 Future direction of the Company following the Proposed Disposal

Following completion of the Proposed Disposal, the Company intends to focus on exploration and evaluation of its Monument Gold Project in WA and the ongoing assessment of other WA-based projects. For further details on the Monument Gold Project refer to the Company's quarterly and annual reports.

5.8 Director Recommendations

Based on the information available, each of the Directors considers that the Proposed Disposal is in the best interests of the Company. The Directors therefore unanimously recommend Shareholders vote in favour of Resolution 4.

The Directors intend to vote all of their Shares in favour of Resolution 4.

6. RESOLUTION 5 - APPROVAL TO TERMINATE BARBARA COPPER PROJECT ROYALTY

On 7 June 2017 Syndicated obtained shareholder approval to dispose of its 50% interest in a copper exploration project located near Mt Isa in Queensland covering approximately 100km^2 of tenure within the Mt Remarkable project area including portions of tenements EPM19733 and EPM18492 and all of EPM16112 and ML90241 (**Barbara Copper Project**). The Barbara Copper Project was sold to Syndicated's joint venture partner at the time, CopperChem Limited (now Round Oak Minerals Pty Ltd) (**Round Oak Minerals**) for $2.3 million cash plus a royalty.

Pursuant to the Royalty Deed, Round Oak Minerals was to pay Syndicated a royalty, in Australian dollars, on the first 10,000 tonnes of copper in concentrate (or ore equivalent) produced from the Project Area (**Barbara Copper Project Royalty**). The Barbara Copper Project Royalty was payable as follows:

(i) 1% of the net smelter return (**NSR**) generated from the sale of copper-in-concentrate (or its ore equivalent) subject to a minimum invoiced copper price of US$2.50/lb; and

(ii) 2% of the NSR generated from the sale of copper-in-concentrate (or its ore equivalent) subject to a minimum invoiced copper price of US$3.00/lb.

NSR is defined as:

(i) in relation to copper-in-concentrate, net revenue received from the sale of the products, excluding credits from other metals; and

(ii) in relation to ore sales, net revenue received from the sale of the products, excluding credits from other metals and less processing costs.

Where no production royalties were payable due to the copper invoiced price being below US$2.50/lb, copper sold by the Barbara Copper Project did not count towards the 10,000 tonne production royalty cap.

Further details of the Barbara Copper Project are set out in the Independent Expert's Report attached.

Syndicated is proposing to extract further value from the Barbara Copper Project by terminating the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquishing its rights and interests in the Barbara Copper Project Royalty in consideration for $460,000 (inclusive of GST) (**Termination Payment**). In doing so, Syndicated will obtain funding to direct towards further exploration and evaluation of its WA tenure and new WA-based project assessments.

6.1 Background of the Proposed Transaction

Syndicated was in joint venture with Round Oak Minerals in relation to the Barbara Copper Project from September 2013 until June 2017. Syndicated and Round Oak Minerals each held a 50% interest in the Barbara Copper Project pursuant to the Barbara Joint Venture. The Barbara Joint Venture covered portions of tenements EPM19733 and EPM18492 and all of EPM16112 and ML90241. Round Oak Minerals earned a 50% interest in these tenements by funding and managing a feasibility study over the Barbara Copper Project.

The development of the Barbara Copper Project was not viable at that time and the Directors concluded that it was in the best interests of the Company and its Shareholders to dispose of the Barbara Joint Venture Interest to Round Oak Minerals. Shareholder approval was obtained for the disposal on 7 June 2017 and the Barbara Copper Project was sold for $2.3m cash plus a royalty (see further details below).

As at the date of this Notice, Round Oak Minerals is a substantial holder in Syndicated with a shareholding of 182,556,392 Shares (being approximately 28.73% of the total number of Shares on issue as at the date of this Notice).

The proposal is for Round Oak Minerals to pay Syndicated the Termination Payment as consideration for the termination of the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquishment by Syndicated of its rights and interests in the Barbara Copper Project Royalty.

6.2 Overview of the Proposed Transaction

The Company has reviewed its long term strategy to determine the optimal course of action which will provide the maximum benefit to its Shareholders. The Directors have concluded that it is in the best interests of the Company and its Shareholders for Syndicated to terminate the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquish its rights and interest in the Barbara Copper Project Royalty in consideration for the Termination Payment (**Proposed Transaction**). This course of action will provide the Company with cash of $0.46m to fund its 100%-owned Monument Gold Project in the Laverton region of WA as well as continue the assessment of new WA-based project opportunities.

The Company has limited cash resources and the termination of the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquishment of its rights and interest in the Barbara Copper Project Royalty will provide a substantial amount of cash in one lump sum which would otherwise have had to be obtained via an equity raising. The royalty termination therefore avoids dilution to existing Shareholders that would occur through an equity raising.

The Directors consider that the Proposed Transaction is in the best interests of the Company and will allow it to add Shareholder value via the dedication of additional capital and resources towards the further exploration and evaluation of the Company's WA based minerals projects and its continuing assessment of new WA-based project opportunities.

A summary of the key terms of the Proposed Transaction are set out below.

6.3 Regulatory Requirements

Listing Rule 10.1 deals with transactions between an entity (or any of its Child Entities) and persons in a position to influence the entity.

Listing Rule 10.1 provides that an entity (or any of its Child Entities) must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the approval of the entity's security holders. These persons include:

(a) a related party;

(b) a Child Entity of the entity;

(c) a substantial holder, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities of the entity;

(d) an associate of a person referred to in (a) to (c) above; or

(e) a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

Round Oak Minerals has a relevant interest in 182,556,392 Shares, being approximately 28.73% of the total Shares on issue as at the date of this Notice and as such, is a 'substantial holder' for the purpose of Listing Rule 10.1. The Company has determined that the termination of the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquishment of its rights and interest in the Barbara Copper Project Royalty in consideration for the Termination Payment would constitute the disposal of a substantial asset.

Accordingly, ASX requires the Company to seek approval under Listing Rule 10.1 for the termination of the Royalty Deed, including the obligations of the Company and Round Oak Minerals in respect of the Barbara Copper Project Royalty, and relinquishment by the Company of its rights and interest in the Barbara Copper Project Royalty in consideration for the Termination Payment.

Resolution 5 seeks Shareholder approval for the Proposed Transaction.

6.4 Key Terms of the Proposed Transaction

The key terms of the Proposed Transaction are set out in the Deed of Termination entered into by the Company and Round Oak Minerals on 11 September 2018.

A summary of the Deed of Termination is as follows:

(a) Termination and release

Subject to the satisfaction of the conditions precedent set out below, with effect from the date of payment of the Termination Payment and subject to receipt of the Termination Payment:

(i) Syndicated relinquishes all of its rights and interests in the Barbara Copper Project Royalty;

(ii) Syndicated's and Round Oak Minerals' obligations in respect of the Barbara Copper Project Royalty are terminated;

(iii) the Royalty Deed ceases to have effect and is terminated; and

(iv) Syndicated waives all claims it may have in relation to the Barbara Copper Project Royalty and releases Round Oak Minerals from all obligations and liabilities in connection with the Barbara Copper Project Royalty.

(b) Conditions Precedent

The termination of the Barbara Copper Project Royalty is subject to and conditional upon the Company obtaining all necessary Shareholder approvals required under the Listing Rules to give effect to the termination of the Royalty, including Shareholder approval under Listing Rule 10.1 (the **Condition Precedent**).

If the Condition Precedent regarding the obtaining of Shareholder approval is not satisfied (or waived by agreement) on or before 2 November 2018, or such later date as is agreed between the parties, then the Deed of Termination will automatically terminate and the Proposed Transaction will not proceed.

(c) Termination Payment

The Termination Payment is payable in one instalment within 5 business days after satisfaction of the Condition Precedent.

6.5 Syndicated's intentions

As a result of the Proposed Transaction, other than as disclosed elsewhere in this Explanatory Memorandum, the Company:

(a) does not currently intend to make any significant changes to the existing business or business model of the Company;

(b) does not have any present intention to raise further capital, however future funding will be required by the Company to explore its current tenement holdings and the Company may seek to raise additional funds as needed. Should Resolution 5 not be approved by the Shareholders, additional capital would be required in due course;

(c) does not currently intend to increase its number of employees or alter the future employment status of the Company's present employees and contemplates that they will continue in the ordinary course of business;

(d) does not currently intend for any property to be transferred by the Company;

(e) does not currently intend to redeploy the fixed assets of the Company; and

(f) does not currently intend to change the Company's existing financial or dividend policies.

The Company's intentions mentioned in this Explanatory Memorandum are based on the facts and information regarding the Company and the general business environment which is known to it as at the date of this Notice. Any future decisions will be reached by the Company based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, the Company's intentions could change.

6.6 Capital Structure

The capital structure of the Company will not change as a result of the Proposed Transaction. The current capital structure is set out below:

Quoted Securities	**Number**
Fully paid ordinary shares (SMD)	635,492,379

Unquoted Securities	**Number**
Options expiring 30 August 2021 with an exercise price of $0.0226	5,333,331
Options expiring 30 August 2021 with an exercise price of $0.0234	5,333,334
Options expiring 30 August 2021 with an exercise price of $0.0312	3,000,001

Note: This table excludes the Incentive Options referred to in Resolution 6 and assumes that no other securities are issued or converted.

6.7 Indicative Use of Funds

The Company intends to use its existing cash reserves and the funds received from the Proposed Transaction of $1.144m in aggregate over the 12 months following termination of the Royalty Deed as follows:

Description	**Use of funds**	
	$	**%**
Exploration and evaluation activities associated with the Company's Monument Gold Project in WA	640,000	55
Assessment of new WA-based project opportunities	50,000	4
Asset maintenance activities associated with the Company's Queensland Southern Hub project to ensure the tenure is kept in good standing	50,000	4
General working capital and administrative expenses	400,000	35
Expenses of the Proposed Transaction	4,000	2
TOTAL	**1,144,000**	**100**

The above table includes current cash reserves of $0.684M and assumes that Shareholders approve Resolution 4 and no further expenditure will be incurred by the Company in relation to the Southern Hub Tenements.

The above table is a statement of current intentions as at the date of this Notice. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.8 Financial Effect of the Proposed Transaction on the Company

The impact of the Proposed Transaction on the Company's financial position will be an increase of $460,000 to its cash balance.

There will be no impact on the capital structure of the Company as a result of the Proposed Transaction.

The change in the Company's financial position is shown below:

	Consolidated 30 June 2018 Pre-Disposal (audited) $	Adjustments $	Consolidated 30 June 2018 Post-Disposal (pro-forma unaudited)[1] $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	499,089	460,000	959,089
Non-current asset held for sale	400,000	-	400,000
Trade and other receivables	97,461	-	97,461
TOTAL CURRENT ASSETS	996,550	460,000	1,456,550
NON-CURRENT ASSETS			
Property, plant and equipment	30,816	-	30,816
Exploration & Evaluation	3,247,081	-	3,247,081
TOTAL NON-CURRENT ASSETS	3,277,897	-	3,277,897
TOTAL ASSETS	4,274,447	460,000	4,734,447
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	246,300	-	246,300
Provisions	3,301	-	3,301
TOTAL CURRENT LIABILITIES	249,601	-	249,601
NON-CURRENT LIABILITIES			
Provisions	-	-	-
TOTAL NON-CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	249,601	-	249,601
NET ASSETS	4,024,846	460,000	4,484,846
EQUITY			
Contributed equity	26,195,890	-	26,195,890
Share based payments reserve	150,719	-	150,719
Accumulated losses	(22,321,763)	460,000	(21,861,763)
TOTAL EQUITY	4,024,846	460,000	4,484,846

Notes:

1 The pro-forma position in the table above has not been audited and has been prepared for illustrative purposes only and gives effect to the Proposed Transaction as if it had occurred on 30 June 2018. The pro-forma position is not intended to be a statement of the Company's current financial position.

6.9 Reasons for the Proposed Transaction

The Directors believe that following an assessment of the advantages and disadvantages disclosed below, the Proposed Transaction is in the best interests of the Company.

Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 5:

(a) the Proposed Transaction allows the Company to crystallise proceeds from the Barbara Copper Project Royalty without the requirement for the Barbara Copper Project to enter production. There is a risk that the Barbara Copper Project may never enter production or do so at a copper price that is less than that required for the royalty to be payable and as such no funds will ever flow from the royalty;

(b) the $0.46m consideration from the Proposed Transaction will allow the Company to fund exploration and evaluation work on its 100%-owned Monument Gold Project in WA, new WA-based project assessment activities, general working capital, administrative expenses and the expenses of the Proposed Transaction; and

(c) the Proposed Transaction has no dilutionary impact on Shareholders, in a current market environment where it is difficult to raise capital.

Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 5:

(a) the Proposed Transaction involves the sale of the Company's exposure to a potentially significant royalty revenue flow from the Barbara Copper Project which may not be consistent with the investment objectives of all Shareholders; and

(b) the Company would lose any future direct benefit of an increase in the copper price and a subsequent increase in the royalty payable.

There will be no Board or management changes as a result of the Proposed Transaction.

6.10 Director Recommendations

Mr Robert Cooper is a nominee on the Board of the Company for Round Oak Minerals. As such, he has abstained from making a recommendation in relation to Resolution 5. Mr Robert Cooper also refrained from participating in the Board's decision to proceed with the Proposed Transaction and to execute the Deed of Termination.

Both of the remaining Directors do not have any material interest in the outcome of Resolution 5 other than as a result of their interest arising solely in the capacity as security holders, and recommend that Shareholders vote in favour of Resolution 5.

Each of the Directors intend to vote all of their Shares in favour of Resolution 5.

7. RESOLUTION 6 – APPROVAL FOR ISSUE OF INCENTIVE OPTIONS TO DAVID MORGAN

7.1 Background

Resolution 6 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of Options to Mr David Morgan ("**Incentive Options**").

The Incentive Options are being issued to Mr Morgan to align his level of long term incentives with his new role of Managing Director. Mr Morgan was appointed as Managing Director of the Company effective from 27 April 2018. Up until this date Mr Morgan was a Non-Executive Director of the Company.

Details of the exercise price, vesting and expiry dates of the Incentive Options are as follows:

Tranche	Number of Incentive Options	Exercise Price	Vesting Date	Expiry Date
1	1,666,666	Note (i)	Vest on issue date	48 months after grant date
2	1,666,667	Note (i)	Vest 6 months after issue date	48 months after grant date
3	1,666,667	Note (i)	Vest 12 months after issue date	48 months after grant date
Total	**5,000,000**			

Note (i): *The exercise price of the Incentive Options will be equal to a 50% premium (for Tranche 1), 75% premium (for Tranche 2) and 100% premium (for Tranche 3) to the greater of the VWAP of Shares on ASX for the 10 Trading Days prior to the Annual General Meeting and $0.009 being the market price of Shares as at the date of Director approval for the Option issue.*

The number of Incentive Options to be granted to the Managing Director has been determined based upon a consideration of:

(a) the extensive experience and reputation of the Director within the industry;

(b) the current market price of Shares;

(c) the current market practice when determining the terms of the Incentive Options and the number of Incentive Options to be issued to the Director; and

(d) the factors set out below.

Each Incentive Option will, on exercise, confer the right to acquire one Share in the Company. The Incentive Options are exercisable at any time after they vest and on or prior to their expiry date. The Incentive Options will be issued no later than 1 month after the date of the Meeting and it is anticipated that allotment will occur on one date. The Incentive Options will otherwise be issued on the terms and conditions set out in Section 7.4 below.

The primary purpose of the issue of the Incentive Options is to allow the Company to provide a cost effective incentive for the ongoing dedication and efforts of the Managing Director. The issue of Incentive Options is considered by the Board to be reasonable in the circumstances to assist the Company in retaining Mr Morgan, whilst maintaining the Company's cash reserves.

The Company's rationale for issuing Incentive Options to its sole executive Director, Mr David Morgan, is to incentivise him at a time when real cash remuneration levels have been declining whilst concurrently his Director obligations and commitments have increased as a result of moving from a non-executive to an executive role.

The non-executive Directors believe that the grant of Incentive Options will encourage Mr Morgan to have a strong involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances it is considered that the incentives represented by the grant of the Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The Company's executive team is not large and Mr Morgan is being asked to undertake significant work commitments to establish the Company's WA based gold project in the market. It is considered that it would be a hindrance to undertake the Company's plans and maintain existing strong key stakeholder relationships should Mr Morgan leave the Company.

It is believed that the proposed Incentive Option issue to Mr Morgan will assist to motivate Mr Morgan above what might be considered normal effort, and reward success where the Company has delivered increased Shareholder returns over a sustained period.

7.2 Technical information required by Listing Rules 10.11 and 10.13

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Incentive Options to Directors.

The following information is provided to Shareholders in relation to Resolution 6 for the purposes of Listing Rule 10.13:

(a) The Incentive Options will be granted to the Managing Director (Mr Morgan), or his nominee, as noted above.

(b) Details of the maximum number of Incentive Options that may be issued by the Company under Resolution 6 are as follows:

Allottee	Position	Tranche 1	Tranche 2	Tranche 3	Total
Mr David Morgan (or his nominee)	Managing Director	1,666,666	1,666,667	1,666,667	5,000,000
Total		**1,666,666**	**1,666,667**	**1,666,667**	**5,000,000**

(c) The Incentive Options will be granted for no consideration and the terms and conditions of the Incentive Options are set out at section 7.4 below.

(d) No funds will be raised by the grant of the Incentive Options.

(e) The Incentive Options will be granted on a date which will be no later than 1 month after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.

(f) A voting exclusion statement is included in the Notice in respect of Resolution 6.

If approval is given for the grant of the Incentive Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

7.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either:

(a) the giving of the financial benefit falls within one of the exceptions to the provisions; or

(b) prior Shareholder approval is obtained to the giving of the financial benefit.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company.

A "financial benefit" for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Mr David Morgan is a related party of the Company due to the fact that he is a Director of the Company. The issue of 5,000,000 Incentive Options to Mr David Morgan constitutes a "financial benefit" as described in the Corporations Act. Accordingly, the proposed issue of 5,000,000 Incentive Options pursuant to Resolution 6 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of Directors (excluding Mr Morgan) that the proposed issue of 5,000,000 Incentive Options pursuant to Resolution 6 falls within the exception under section 211 of the Corporations Act (reasonable remuneration) for the reasons outlined in Section 7.1 of this Explanatory Memorandum. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

Directors' recommendation

In relation to Resolution 6, Mr Morgan abstains from making a recommendation to Shareholders, regarding the issue of the Incentive Options given that he has an interest in the outcome of this Resolution. The Board is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

Voting

Note that a voting exclusion applies to Resolution 6 in the terms set out in the Notice of Meeting. In particular, the Managing Director who would receive 5,000,000 Incentive Options under Resolution 6 and any Associates of that Director and other Restricted Voters may not vote on that Resolution and may not cast a vote as proxy, unless the appointment specifies the way the proxy is to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 6 in which case an ASX announcement will be made. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

7.4 Terms and Conditions of the Incentive Options

The terms of issue of the Incentive Options are as follows:

(a) Each Incentive Option entitles the holder to acquire one Share upon exercise of that Incentive Option.

(b) The amounts payable on exercise of the Incentive Options, the vesting and expiry dates are as follows:

Tranche	Number of Incentive Options	Exercise Price	Vesting Date	Expiry Date
1	1,666,666	Note (i)	Vest on issue date	48 months after grant date
2	1,666,667	Note (i)	Vest 6 months after issue date	48 months after grant date
3	1,666,667	Note (i)	Vest 12 months after issue date	48 months after grant date
Total	**5,000,000**			

Note (i): *The exercise price of the Incentive Options will be equal to a 50% premium (for Tranche 1), 75% premium (for Tranche 2) and 100% premium (for Tranche 3) to the greater of the VWAP of Shares on ASX for the 10 Trading Days prior to the Annual General Meeting and $0.009, being the market price of Shares as at the date of Director approval for the Option issue.*

(c) On the occurrence of a change of control event to the Company all Incentive Options which have not yet vested will vest immediately on the occurrence of that event.

A "**change of control event**" means a takeover offer being made for Shares in the Company and being declared, or becoming, unconditional, any merger transaction or scheme of arrangement recommended by the Board in relation to the Shares in the Company or a greater than 30% change in the shareholding of the Company from that which existed on 18 September 2018.

(d) Incentive Options may be issued to a permitted nominee of a Director. A permitted nominee is a third party nominated by the Director and approved by the Board in its absolute discretion.

(e) Incentive Options that have vested may be exercised at any time prior to expiry by completing an Incentive Option exercise form and delivering it together with the payment for the number of Shares for which the Incentive Options are exercised to the registered office of the Company.

(f) The Company shall as soon as practicable, and no later than within 15 Business Days of the exercise of the Incentive Options:

(i) allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number; and

(ii) take steps so that any offer of those Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act;

(g) If an optionholder (or if the Incentive Options are issued to a permitted nominee, the person who nominated that permitted nominee) ceases to be a Director or an employee after an Incentive Option has vested and become exercisable, the Incentive Options may be exercised during the period of 3 months following that cessation or such longer period as the Board determines. Incentive Options not exercised within such period will automatically lapse.

(h) All unvested Incentive Options immediately lapse if an optionholder (or if the Incentive Options are issued to a nominee, the person who nominated that nominee) ceases to be a Director or an employee, unless otherwise determined by the Board.

(i) All Shares issued upon exercise of the Incentive Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Incentive Options.

(j) The optionholder will be entitled to participate in any new issue of securities to existing holders of Shares in the Company provided the optionholder has exercised their Incentive Options prior to the record date for determining entitlements.

(k) The Incentive Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Incentive Options.

(l) Subject to paragraph (m), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Incentive Option or any other terms of those Incentive Options.

(m) On a reorganisation of the Company's capital, the rights of optionholders (including the number of Incentive Options and the exercise price) will be changed to the extent necessary to comply with the Listing Rules.

(n) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Incentive Options are transferable subject to the prior written approval of the Board in its absolute discretion. The Incentive Options will not be listed for quotation on the ASX.

GLOSSARY

$ means Australian dollars.

10% Placement Capacity or **Placement Capacity** has the meaning given to that term on page 9.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional Placement Period has the meaning given to that term on page 12.

Annual General Meeting means the annual general meeting set out in the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2018.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2018.

AWST means western standard time as recognised in Perth, Western Australia.

Barbara Copper Project has the meaning given to the term in Section 6 of the Explanatory Memorandum.

Barbara Copper Project Royalty has the meaning given to the term in Section 6 of the Explanatory Memorandum.

Barbara Joint Venture means the joint venture between September 2013 and June 2017 between Syndicated and Round Oak Minerals in relation to the Barbara Copper Project where each held a 50% interest in the Barbara Copper Project.

Barbara Joint Venture Interest means the Company's 50% interest in the Barbara Joint Venture.

Board means the board of Directors of the Company.

Business Day has the same meaning given to it in the Listing Rules.

Carnaby means Carnaby Resources Limited.

Chair or **Chairman** means the individual elected to chair meetings of the Company from time to time.

Child Entity has the same meaning given to it in the Listing Rules.

Closely Related Party has the meaning given in the Corporations Act.

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

Conditions Precedent has the meaning given to the term in Section 6.4(b) of the Explanatory Memorandum.

Consideration Shares means the 4,000,000 fully paid ordinary shares in Carnaby as consideration for the sale of the Southern Hub Project Interest to Carnaby.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Deed of Termination means the deed entered into by the Company and Round Oak Minerals on 11 September 2018.

Director means a director of the Company.

Directors' Report means the report of the Directors contained in the Annual Report for the year ended 30 June 2018.

Eligible Employee has the meaning given to that term under the Employee Equity Incentive Plan.

EPM means exploration permit for minerals.

Equity Securities has the meaning given to it in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Glossary means this Glossary set out in the Explanatory Memorandum.

Incentive Option has the meaning given to that term in section 7.1 of the Explanatory Memorandum.

Independent Expert means **Stantons International Securities Pty Ltd**

Independent Expert's Report means the report prepared by the Independent Expert for the purposes of Listing Rule 10.1 forming Schedule B to the Notice.

IPO means initial public offering.

Key Management Personnel has the meaning given in the Accounting Standards.

Listing Rules means the listing rules of the ASX.

Meeting means the annual general meeting the subject of the Notice.

Managing Director means the managing director of the Company.

Monument Gold Project means the Company's 100% owned gold project in the Laverton region of WA.

Non-Executive Director means a non-executive director of the Company.

Notice or **Notice of Meeting** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

NSR means net smelter return as defined in Section 6 of the Explanatory Memorandum.

Official List means official list of ASX.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Proposed Disposal has the meaning given to the term in Section 5.1 of the Explanatory Memorandum.

Proposed Transaction has the meaning given to the term in Section 6.2 of the Explanatory Memorandum.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2018.

Resolution means a resolution proposed pursuant to the Notice.

Restricted Voter means the Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Round Oak Minerals means Round Oak Minerals Pty Ltd ACN 130 641 691.

Royalty Deed means the royalty deed entered into by the Company and Round Oak Minerals on 21 April 2017.

Section means a section of the Explanatory Memorandum.

Sale and JV Agreement has the meaning given to the term in Section 5.1 of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of Shares.

Southern Hub means the region in North Queensland where the Company's exploration tenements and related assets are located.

Southern Hub JV has the meaning given to the term in Section 5.3 of the Explanatory Memorandum.

Southern Hub Project means the Company's copper-gold projects located in the Southern Hub consisting of 12 EPM tenements.

Southern Hub Project Interest has the meaning given to the term in Section 5.1 of the Explanatory Memorandum.

Spill Resolution has the meaning given to that term in Section 2 of the Explanatory Memorandum.

Spill Meeting has the meaning given to that term in Section 2 of the Explanatory Memorandum.

Termination Payment has the meaning given to the term in Section 6 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means in relation to a particular period, the volume weighted average price of trading in Shares on ASX over that period.

WA means Western Australia.

SCHEDULE A

Equity Securities Issued by the Company during the 12 months preceding the Annual General Meeting

Date	Type of Equity Securities	Number issued	Summary of Terms	Allottees	Issue Price and discount to market price on date of issue (if any)	Consideration
18/10/2017	Unlisted Options	16,000,000	5,333,331 Options with an exercise price of 2.26 cents each, vesting immediately and expiring on 30 August 2021; 5,333,334 Options with an exercise price of 2.34 cents each, vesting 11 April 2018 and expiring on 30 August 2021; 5,333,335 Options with an exercise price of 3.12 cents each, vesting 11 October 2018 and expiring on 30 August 2021.	Entities associated with the Company's Directors and consultant Company Secretary.	Nil.	Nil. The value of the non-cash consideration as at the date of this Notice, being 13,666,666 options, is $43,716. Note that 2,333,334 of the 3.12 cent options were cancelled on 1 May 2018 upon the resignation of the former Managing Director.

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10 September 2018

The Directors
Syndicated Metals Limited
68A Hay Street
SUBIACO WA 6008

Dear Sirs

RE: INDEPENDENT EXPERT REPORT

SUMMARY OF CONCLUSION

Due to a lack of available information to apply Valmin code methodologies to a contingent royalty, we are unable to form an opinion on the fairness of the transaction. Accordingly we must opine the transaction is not fair to the non-associated shareholders. Taking into account the limited information available and various qualitative factors noted elsewhere in this report on balance we consider the transaction to be reasonable for those shareholders not associated with Round Oak Minerals Pty Limited (and its deemed associates) at the date of this report.

1. Introduction

1.1 We have been requested by the directors of Syndicated Metals Limited ("**SMD**" or "the **Company**") (ABN 61 115 768 986) to prepare an independent expert's report to determine the fairness and reasonableness relating to the proposal as outlined in Resolution 5 to the notice of meeting ("**Notice**") and the explanatory memorandum ("**EM**") attached to the Notice relating to the proposal to sell (by way of termination) the company's royalty interest in the Barbara Copper Project (the "**Barbara Project**) ("**SMD Royalty Interest**") to Round Oak Minerals Pty Limited ("**ROM**"), (formerly Copperchem Limited ("**CCL**"), a wholly owned subsidiary of Washington H Soul Pattinson and Company Limited ("**WHSP**") and a substantial shareholder of SMD.

ROM currently owns the Barbara Project and if the sale of the SMD Royalty Interest is successfully completed, SMD will no longer have any interest in the Barbara Project.

1.2 The proposed consideration ("**Consideration**") for the sale of the SMD Royalty Interest to ROM is $460,000 cash, inclusive of any goods and services tax ("**GST**") applicable under a definitive Deed of Termination between SMD and ROM.

1.3 ROM holds approximately 29% of the voting shares of SMD and accordingly SMD is seeking shareholder approval to dispose of a substantial asset to a related party under Australian Stock Exchange ("**ASX**") Listing Rule 10.1.

1.4 The SMD Royalty Interest is contracted pursuant to a royalty deed signed between SMD and CCL (now ROM) dated 21 April 2017. ROM will pay SMD a production royalty (the "**Production Royalty**") on the first 10,000 tonnes of copper concentrate (the "**Royalty Cap**"). The Production Royalty will be payable as follows:

- 1% of the net smelter return ("**NSR**") generated from the sale of copper concentrate or copper ore, where the relevant copper price is equal to or greater than US$2.50; plus

- 2% of the NSR generated from the sale of copper concentrate or copper ore, where the relevant copper price is equal to or greater than US$3.00.

1.5 For the sake of clarity, where no Production Royalty is payable due to the copper price being below US$2.50, the copper produced does not count towards the Royalty Cap.

1.6 NSR is defined as net revenue received from the sale of the copper products less treatment charges, refining charges and transportation costs.

1.7 In the event of ore sales, an NSR equivalent will be calculated by adding back estimated production costs and any other charges that may be included other than treatment, refining and transportation costs as well as the application of processing cost estimates used in the ore sale agreement.

1.8 The Production Royalty will be payable in Australian dollars based upon the exchange rate applied in each applicable period.

1.9 For the purpose of this report, the proposed sale of the SMD Royalty Interest is referred to as the "**Sale Transaction**".

Purpose of This Report

1.10 Listing Rule 10.1 of the ASX Listing Rules provides that shareholder approval is required before a listed company may sell a substantial asset to various persons in a position of influence. This includes acquiring or selling a substantial asset from a related party or a substantial shareholder that has a relevant interest in at least 10% of the total votes attached to voting securities.

ROM owns 182,556,392 shares in SMD that represents an approximate 28.73% shareholding in SMD and thus ROM is a substantial shareholder that has a relevant interest in at least 10% of the total votes attached to the voting securities in SMD.

1.11 An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The proposal under Resolution 5 for the Company to sell the SMD Royalty Interest to ROM represents a sale of a substantial asset, as the SMD Royalty Interest represents greater than 5% of the Company's equity interests as set out in the 30 June 2018 Annual Report (based on the Sale Transaction terms).

1.12 Furthermore, where a sale of a substantial asset takes place to or from a related party or a substantial shareholder that has a relevant interest in at least 10% of the total votes attached to voting securities, the Listing Rules require an Independent Expert's Report to report as to whether the relevant transactions are fair and reasonable to the non-associated shareholders.

1.13 To assist shareholders in making a decision on the Sale Transaction, the SMD directors have requested that Stantons International Securities Pty Ltd ("**SIS**") prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the Sale Transaction as noted in Resolution 5 is fair and reasonable to the non-associated SMD shareholders (not associated with ROM).

Report Contents

1.14 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals on SMD
- Corporate history and nature of business
- Future direction of SMD
- Value of consideration as to the Sale Transaction
- Description of the Barbara Project
- Consideration and conclusion as to fairness of the Sale Transaction
- Consideration and conclusion as to reasonableness of the Sale Transaction
- Other shareholder decision considerations
- Sources of information
- Appendix A and our Financial Services Guide

1.15 In determining the fairness and reasonableness of the Sale Transaction pursuant to Resolution 5, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("**ASIC**") in its *Regulatory Guide 111, "Content of Expert Reports"* ("**RG 111**"). RG 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is, where securities are being offered, taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above-mentioned offer. In this case, securities are not being issued and fairness is taken to be where the consideration receivable is deemed greater than the asset being disposed of (in this case, the SMD Royalty Interest in the Barbara Project). This is the RG 111 guidance under takeover bids, not related party transactions, however it is a useful guide as to the meaning of fairness in determining whether the Sales Transaction is considered fair.

1.16 Past regulatory guidance provided to us is that where an expert is unable to form an opinion on the fair value for an asset being sold, the expert must conclude that the transaction is not fair.

1.17 An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. Again, whilst this RG 111 guidance is applicable to takeover bids, as opposed to related party transactions, we have used this guidance in determining whether the Sale Transaction is reasonable.

1.18 Our report in relation to Resolution 5 comprising the approval to dispose of the SMD Royalty Interest to ROM is concerned with the fairness and reasonableness of the proposal with respect to the existing non-associated shareholders of SMD. This report is limited only to Resolution 5, and we do not report or opine on the other Resolutions (Resolutions 1,2,3,4 and 6) being put to the shareholders as part of the Notice.

1.19 We have consulted a geological firm who regularly undertakes technical valuations of mineral interests. The technical consultant was of the view that the definition of the underlying mineral resources pertaining to the Barbara Project was not sufficiently advanced in order to conduct a discounted cash flow based valuation of the Barbara project and therefore the contingent royalty that could potentially flow to SMD.

1.20 Due to a lack of available information to apply a Valmin code compliant methodology, (i.e. a discounted cash flow methodology), to a contingent royalty asset, we are unable to form an opinion on the fairness of the transaction. Accordingly, we must opine the transaction is not fair to the non-associated shareholders. Taking into account the limited information available, non-compliant methodologies and various qualitative factors noted elsewhere in this report on balance we consider the transaction to be reasonable for those shareholders not associated with ROM at the date of this report.

2. Implications of the Proposal on SMD

Balance Sheet

2.1 SMD's audited Statement of Financial Position as at 30 June 2018, adjusted for estimated movements since that date, is outlined below together with the impact of the Sale Transaction on SMD's balance sheet.

	30-Jun-18	Adjustments *	Adjusted	Royalty Sale	Post Royalty Sale
Current Assets					
Cash and cash equivalents	499,089	118,400	617,489	460,000	1,077,489
Trade and other receivables	97,461		97,461		97,461
Asset held for sale	400,000	(400,000)	0		0
Investments	0	275,000	275,000		275,000
Total Current Assets	**996,550**	**(6,600)**	**989,950**	**460,000**	**1,449,950**
Non-Current Assets					
Property, plant and equipment	30,816		30,816		30,816
Exploration and evaluation costs	3,247,081		3,247,081		3,247,081
Total Non-Current Assets	**3,277,897**		**3,277,897**		**3,277,897**
Total Assets	**4,274,447**	**(6,600)**	**4,267,847**	**460,000**	**4,727,847**
Current Liabilities					
Trade and other payables	246,300	(246,300)	0		0
Provisions	3,301		3,301		3,301
Total Current Liabilities	**249,601**	**(246,300)**	**3,301**		**3,301**
Non-Current Liabilities					
Provisions	0		0		0
Total Non-Current Liabilities	**0**		**0**		**0**
Total Liabilities	**249,601**	**(246,300)**	**3,301**		**3,301**
Net Assets	**4,024,846**	**239,700**	**4,264,546**	**460,000**	**4,724,546**

* Adjustments after the 30 June 2018 balance date include the following:

- A cash decrease of $246,300 for the payment of creditors and accruals between 30 June 2018 and the date of this report;

- A cash decrease of $220,300 for operating expenses between 30 June 2018 and the date of this report;
- The receipt of $125,000 in cash from the sale of tenements to Minotaur Exploration Limited ("**Minotaur**") in July 2018;
- The reclassification of $275,000 of Minotaur shares also received in July 2018 as a current investment; and
- A cash increase of $460,000 relating to the receipt in July 2018 of a research and development claim for the year ended 30 June 2017.

We note that SMD announced to the ASX on 2 July that Carnaby Resources Limited ("**Carnaby**") had exercised an option to acquire an 82.5% interest in SMD Southern Hub tenements in northern Queensland, in exchange for shares in Carnaby with a notional value of $1 million. We note this transaction is still subject to a number of conditions and accordingly we have not adjusted for this transaction.

2.2 The primary financial impact of the Sale Transaction is to increase SMD's cash position by $460,000, as opposed to possibly receiving a future cash flow stream from the SMD Royalty Interest. We note the consideration is inclusive of any applicable GST, however we have been advised that no GST is applicable to the Transaction.

Share capital

2.3 As at 7 September 2018, there are 635,492,379 ordinary fully paid shares on issue in SMD. The largest registered fully paid shareholders as at 7 August 2018, based on the top 20 shareholders list were as follows:

	No. of fully paid shares	**% of issued fully paid shares**
Round Oak Minerals Pty Ltd	182,556,392	28.73
Harmanis Holdings Pty Ltd	24,000,000	3.78
Jericho Exploration Pty Ltd	15,814,907	2.49
Sun Metals Corporation Pty Ltd	13,600,000	2.14
	235,971,299	37.14

The top 20 shareholders at 7 August 2018 owned approximately 55.10% of the ordinary issued capital of the Company.

As noted above, the main substantial shareholder is ROM.

2.4 As at 7 September 2018, the Company had the following share options outstanding:

- 5,333,331 share options exercisable at 2.26 cents each, on or before 30 August 2021
- 5,333,334 share options exercisable at 2.34 cents each, on or before 30 August 2021
- 3,000,001 share options exercisable at 3.12 cents each, on or before 30 August 2021

2.5 The Sale Transaction will have no direct impact on SMD's capital structure.

3. Corporate History and Nature of Business

3.1 SMD is a listed company on the ASX. Its significant operations are:

- 100% ownership of the Monument Gold Project near Laverton in Western Australia. This is the Company's most significant project and major area of focus; and

- the Fountain Range/Southern Hub project near Mt Isa in Queensland (SMD 17.5% interest retained following sale of 82.5% interest to Carnaby Resources Limited in July 2018 subject to conditions being met).

3.2 SMD was previously in a joint venture with ROM which held the Barbara Project, which covered portions of tenements EPM19733 and EPM18492, and all of EPM16112 and ML90241. ROM had earned a 50% interest in these tenements by sole funding and managing a feasibility study, and funding 50% of the exploration expenditure on the tenements. In June 2017, SMD sold its 50% share of the Barbara Project to ROM for $2.3 million in cash and the SMD Royalty Interest (the latter being subject of the current Sale Transaction).

3.3 The Company recently disposed of its Northern Hub tenements to Minotaur for $125,000 in cash and $275,000 worth of Minotaur shares.

3.4 Further details are in announcements made by SMD to the ASX and shareholders are encouraged to read recent reports on SMD's activities before determining whether to vote for or against Resolution 5 (and the other resolutions) in the Notice.

Future Direction of SMD

3.5 We have been advised by the directors of SMD that:

- The composition of the Board is not expected to change in the short term as a result of the proposed Sale Transaction
- The proceeds from the proposed sale of the Royalty Interest in the Barbara Project will be used to advance the Monument Gold Project, evaluate other WA based opportunities, keep the Queensland tenements in good standing and for working capital
- The Company has no plans at the date of this report to enter into further transactions with ROM in the short to medium term (other than the Sale Transaction)
- No dividend policy has been determined

4. Value of Consideration received from the Sale

4.1 The consideration payable by ROM to SMD is $460,000 in immediately available cash funds, inclusive of any GST applicable.

5. Description of the Barbara Project

5.1 The Barbara Project is located 60 km northeast of Mt Isa, Queensland, and covers a total area of approximately 29.2 km^2.

5.2 The project was subject to a mining and off-site processing study ("**MOPS**") that was completed in October 2015. The study was completed by ROM as part of its earn-in requirements to the Project.

5.3 The MOPS outcomes announced to the ASX on 28 October 2015 were as follows:

- Life-of-mine pre-tax cash-flow of $A17.0 million (based on copper price of A$7,450/t, gold price of A$1,308/oz and silver price of A$22/oz);
- Ore to be transported to Mt Isa and Cloncurry for toll treatment;

- Total payable metal production of 16,223 tonnes of copper, 2,753oz of gold and 43,327oz of silver;
- Mine life of 21 months, based on production from two open pits;
- JORC (2012) Indicated Mineral Resource of 3.25Mt at 1.71% Cu, 0.15g/t Au and 2.76g/t Ag and Inferred Mineral Resource of 1.49Mt at 1.34% Cu, 0.16g/t Au and 2.17g/t Ag;
- Probable Ore Reserve of 818,000t grading 2.23% Cu, 0.20g/t Au and 2.78g/t Ag; and
- Pre-tax Net Present Value (NPV8%) of A$14.0 million and an Internal Rate of Return of 87%.

5.4 The MOPS determined the Barbara Project was financially robust however highly sensitive to the copper price and the Australian dollar exchange rate. The economics for the Barbara Project required a toll treatment approach in Mt Isa, however in October 2015 SMD did not have economic toll treatment alternatives available to them, and did not find sufficient resources in the surrounding area to justify a different approach.

5.5 ROM is a private company and hence publically available information is limited however in March 2018, ROM CEO Rob Cooper reported via a media interview[1] that ROM had invested more than $14 million at its Cloncurry hydrometallurgical and copper concentrator processing facility to support the commencement of mining at a cluster of projects in the region.

5.6 The cluster of mining projects referred to includes a number of small gold projects and the Mt Colin underground copper mine, followed by the Barbara Project. The most likely timing cited for development of the Barbara project was during 2019.

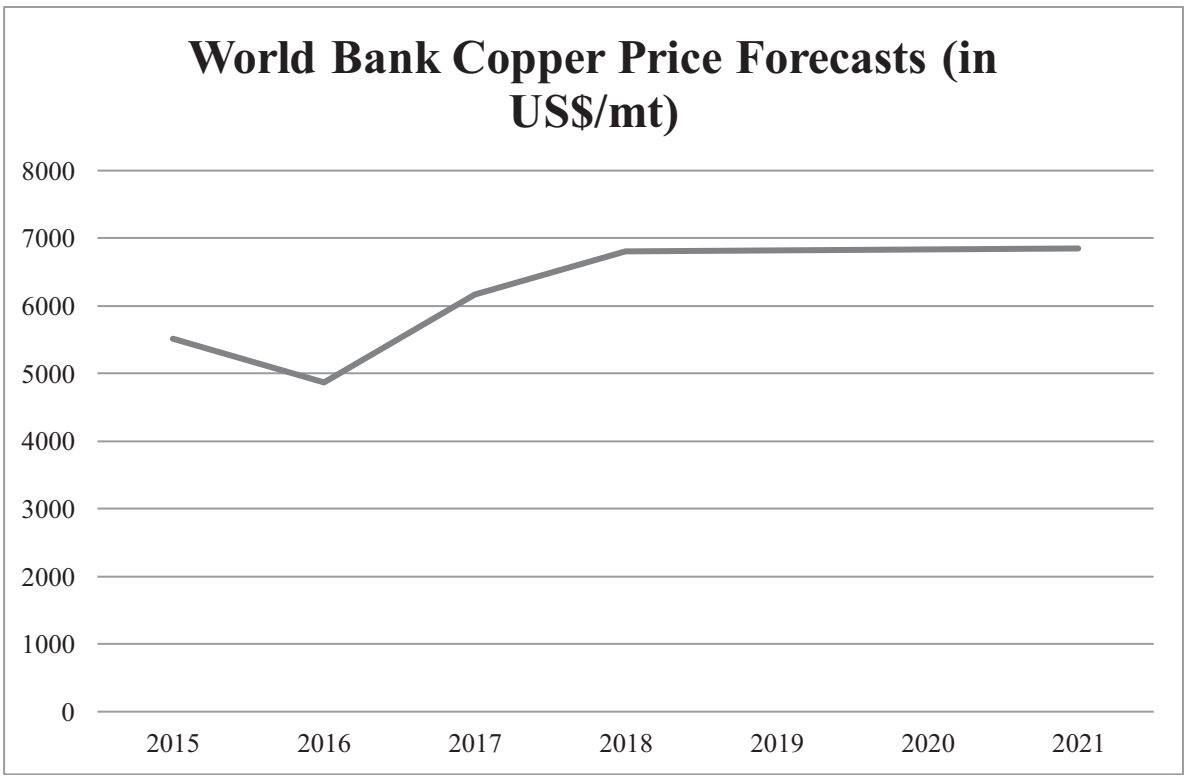
5.7 In July 2018 media reported that ROM had agreed to a 4 year underground mining contract with Barminco, and also that ROM had a toll treatment agreement with Glencore for processing ore from Mt Colin[2].

5.8 As at 5 September 2018, the copper price was US$2.65/lb. The copper price over the past 5 years is shown below.

[1] *Source: "Multi-pronged mining drive for CopperChem",* 5 March 2018, Industry Queensland website
[2] *Source: "New copper and gold mines kick off at Cloncurry",* 27 June 2018, Industry Queensland website

Source: InfoMine.com

5.9 The World Bank is forecasting copper prices to be relatively flat during the next 3 years.



Source: World Bank, Commodity Markets Outlook, April 2018

6. Valuation Considerations - Fairness

Methodologies

6.1 In considering the proposal to sell the SMD Royalty Interest in the Barbara Project to ROM, we have sought to determine if the consideration payable by ROM is fair and reasonable to the existing non-associated shareholders of SMD.

6.2 The proposal to sell the SMD Royalty Interest in the Barbara Project to ROM would be fair to the existing non-associated shareholders if the value of the consideration being offered by ROM is greater than or equal to the value of the Royalty Interest in the Barbara Project. Accordingly, we have sought to determine a theoretical value that could reasonably be placed on the Royalty Interest in the Barbara Project for the purposes of this report.

Regulatory requirements

6.3 RG 111 requires that Independent Expert Reports assessing the value of mineral assets must adhere to the Valmin Code.

6.4 The Valmin Code defines value as the fair market value of a mineral asset. The fair market value is the amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion.

6.5 The Valmin Code also prescribes appropriate valuation methodologies for mineral assets depending on their stage of development. In general, an income based approach using discounted cash flow methodology is only appropriate for development projects supported by proved and probable ore reserves. For less advanced projects (i.e. in exploration or advanced exploration) the compliant methodologies are either a market based approach, using comparable sale evidence metrics, or a cost based approach using sunk or replacement costs of the project as the basis for the valuation.

Available information

6.6 The MOPS completed by ROM prior to October 2015 is considered to be at a scoping study level and the JORC 2012 code requires that a study to at least PFS level has been undertaken to convert mineral resources to reserves. We have been provided the cash flow model generated by the MOPS and do not have access to any updated model since the date of sale of the SMD project interest to ROM in June 2017. Hence the model is considered out of date and to not be reliable.

6.7 Under the Valmin Code the Barbara Project is considered to be at advanced exploration stage and therefore should be valued using a market or cost based approach.

6.8 The asset being valued is a royalty stream as opposed to an entire project. As the royalty asset has a structured payoff profile, it lends itself to a discounted cash flow methodology however this methodology is not available under the Valmin Code for the reasons described above.

6.9 We have considered using a comparable sales metric for royalty streams on mining assets however we do not consider this approach to be appropriate due to an insufficient number of comparable transactions with enough publically available information to conduct a robust assessment.

6.10 Furthermore, a cost based approach is not appropriate as the royalty asset does not have a sunk or replacement cost basis.

Conclusion on fairness

6.11 Due to a lack of available information, and the impracticability of being able to obtain required information, we are unable to use a Valmin Code compliant methodology. Accordingly we are unable to form an opinion on the value of the SMD Royalty Interest being sold and thus we conclude that the sale transaction is not fair to the non-associated shareholders of SMD.

6.12 Based on the reasons outlined above, the proposed sale of SMD Royalty Interest in the Barbara Project to ROM as outlined in Resolution 5 of the Notice is considered to be not fair to the non-associated shareholders of SMD.

7. Reasonableness

Valuation considerations based on limited information – DCF model

7.1 The cash flow model produced by the MOPS included a net present value ("**NPV**") of the SMD Royalty Interest, assuming the Barbara Project enters production which cannot be assured.

7.2 We emphasize the model, in regard to the Royalty valuation, is not reliable given the stage of the project and we have not reviewed the assumptions of the model nor the calculations performed by the model.

7.3 However, we note we have been advised this model was used as the basis of the negotiation between ROM and non-associated directors representing SMD. In other words, that the parties negotiating on an arms length basis agreed the model was the most relevant data source on which to base negotiations for the sale of the SMD Royalty Interest.

7.4 Whilst the MOPS preliminary cash flow model has not been updated fully since initial preparation and is not based on feasibility level proven or probable ore reserves, we have attempted to quantify a range of values for the SMD Royal Interest based on inputting a range of low, medium and high financial inputs (copper price, USD/AUD exchange rate and discount rate) to provide an indication as to what the potential royalty stream may be.

7.5 We would emphasise that any potential future royalty stream would be dependent on the Barbara Project entering into production and this is not assured at this point of time. The Production Royalties could be higher if copper prices exceeded US$3.00 per pound.

7.6 Using the MOPS cash flow financial model as updated by us (but bearing in mind the limitations of the model), we have arrived at a range of discounted cash flow values for the SMD Royalty Interest.

7.7 The key assumptions used are:

Preferred case

- Copper price of US$2.65 /lb
- An exchange rate of US$0.72: A$1
- A pre-tax nominal discount rate of 8% on royalty cash flows assuming the project is developed

Low case

- Copper price of US$2.45 /lb
- An exchange rate of US$0.75: A$1
- A pre-tax nominal discount rate of 8% on royalty cash flows assuming the project is developed

High case

- Copper price of US$2.85/lb
- An exchange rate of US$0.69: A$1
- A pre-tax nominal discount rate of 8% on royalty cash flows assuming the project is developed

This generates the following outputs, which do not take into account the risk and time delay of the project entering production.

	Low AUS$	Preferred AUS$	High AUS$
SMD Royalty Interest NPV (undiscounted)	0	584,000	668,000

7.8 In our opinion, based on the circumstances as at the date of this report, we believe it is more likely than not that the Barbara Project will be developed, however given the uncertainties regarding:

- the copper price remaining above US$2.50/lb to justify production;
- the risk of movements in exchange rates;
- the time delay between now and when production may begin; and
- the risk of other events affecting a decision to mine,

we believe the following discount rates are appropriate to adjust for the cost of capital (time value), and risk that the Barbara Project does not enter into production, or does so at copper prices that do not generate the modelled royalty cash flows.

	Low	Preferred	High
Discount	40%	30%	20%

Accordingly, our best estimate of the current, risk adjusted value of the SMD Royalty Interest as at the date of this report is as follows:

	Low AUS$	Preferred AUS$	High AUS$
SMD Royalty Interest Current Fair Value	0	408,800	534,400

7.9 We note that our preferred value of $408,800 is below the Consideration being offered for the SMD Royalty Interest, being $460,000.

Qualitative Considerations

7.10 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed sale of the SMD Royalty Interest in the Barbara Project.

Advantages

7.11 The Company's financial position is relatively poor with cash and cash equivalents of around $500,000 as at 30 June 2018; and has limited funds to commit to the Monument Gold Project, although this cash position has been subsequently boosted by cash proceeds received as part consideration for the sale of the Company's Northern Hub tenements to Minotaur and receipt of a Research and Development Concession claim. SMD wishes to concentrate on advancing the Monument Gold Project in Western Australia and possibly seek new mineral opportunities to create shareholder value.

We note that junior exploration companies are generally considered a high risk and reward investment for shareholders, and therefore have a high cost of capital. The injection of $460,000 upfront brings forward a future, uncertain cash flow stream and mitigates the need to raise additional high cost capital.

7.12 The Barbara Project's life of mine (if it proceeds) is limited and is heavily dependent on future copper prices. We understand that ROM intend to mine and process the Barbara Project ore as supplementary to the underground mining operations at the Mt Colin copper project (4 year estimated life) where ROM have recently appointed a contractor to provide mine development and production services. In addition, ROM have signed a toll agreement with Glencore for the processing of Mt Colin ore which will include the Barbara Project ore as a supplementary feed.

That said, while the likelihood of mining at the Barbara Project by ROM has improved over the last year or so, it is uncertain as to exactly when (and if) the Barbara Project will enter into production. Therefore, there is no guarantee that the Company will receive a direct future benefit from the SMD Royalty Interest. The sale of the Royalty Interest in the Barbara Project would yield a guaranteed upfront direct financial benefit of $460,000 in cash.

7.13 Given ROM's surrounding assets we believe ROM is the most logical buyer of the SMD Royalty Interest and it is unlikely than an alternative buyer would pay a higher price.

Disadvantages

7.14 Conversely to paragraph 7.11, the Company would lose any future direct benefit of a royalty stream should mining commence at the Barbara Project. The Company may receive future Production Royalties that potentially could exceed $668,000 (the high value as set out in paragraph 7.7) and depending on copper prices, may well be significantly more.

Other Factors

7.15 The Company discloses the SMD Royalty Interest as a contingent asset in their financial reporting, hence the accounting implications relating to the Sale Transaction primarily relate to the cash movement as discussed in paragraph 2.1.

Conclusion on Reasonableness

7.16 **In our opinion, in the absence of a superior proposal, and after taking into account the factors noted elsewhere in this report, including the factors (positive, negative and other factors) noted in section 8 of this report, the proposal as outlined in paragraph 1.2 and Resolution 5 may collectively be considered to be reasonable to those shareholders not associated with ROM (and its associates) at the date of this report.**

8. Other Shareholder Decision Considerations

8.1 SIS has been engaged to prepare an Independent Expert's Report setting out whether in its opinion the proposals as outlined in Resolution 5 and as more fully described in the Notice are fair and reasonable and state reasons for that opinion. SIS has not been engaged to provide a recommendation to shareholders in relation to the proposals under Resolutions 1,2,3,4 and 6. The responsibility for such a voting recommendation lies with the independent directors of SMD.

8.2 In any event, the decision whether to accept or reject Resolution 5 (and all other Resolutions) is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposal under Resolution 5 (and all other Resolutions) shareholders should consult their own professional adviser.

8.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in SMD. This is an investment decision upon which SIS does not offer an opinion and is independent on whether to accept the proposal under Resolution 5 (and all other Resolutions). Shareholders should consult their own professional adviser in this regard.

9. Sources of Information

9.1 In making our assessment as to whether the proposal to sell the SMD Royalty Interest in the Barbara Project to ROM is fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company and the Barbara Project that is relevant to the current circumstances. In addition, we have held discussions with the directors of SMD about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors of SMD.

9.2 Information we have received includes, but is not limited to:

- Draft Notice of Meeting and Explanatory Memorandum to Shareholders of SMD prepared to 27 August 2018;
- Discussions with directors of SMD;
- Details of historical market trading of SMD ordinary fully paid shares recorded by ASX to 7 September 2018;
- Shareholding details of SMD as at 7 August 2018;
- Announcements made to the ASX by SMD from 1 June 2016 to 10 September 2018 ;
- Reviewed financial accounts of SMD for the half year ended 31 December 2017;

- Audited financial accounts of SMD for the years ended 30 June 2017 and 30 June 2018;
- The Royalty Deed signed between ROM (formerly CCL) and SMD of 21 April 2017;
- Draft and final (signed 10 September 2018) of the Deed of Termination regarding the SMD Royalty Interest in the Barbara Project between ROM and SMD;
- Forecasted copper prices and AUD/USD exchange rates for 2018 onwards; and
- The cash flow model on the Barbara Project as part of the October 2015 MOPS.

9.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)

J P Van Dieren – FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd dated 10 September 2018, relating to the proposed sale of the SMD Royalty Interest in the Barbara Project to ROM as outlined in paragraph 1.2 of the report and Resolution 5 in the Notice of Meeting to Shareholders and the Explanatory Memorandum proposed to be distributed to the SMD shareholders in October 2018.

At the date of this report, Stantons International Securities Pty Ltd does not have any interest in the outcome of the proposals. There are no relationships with SMD and with ROM other than acting as an independent expert for the purposes of this report. Before accepting the engagement, Stantons International Securities Pty Ltd considered all independence issues and concluded that there were no independence issues in accepting the assignment to prepare the Independent Experts Report. There are no existing relationships between Stantons International Securities Pty Ltd and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at a maximum of $10,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities Pty Ltd nor James Turnbull and John Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities Pty Ltd does not hold any securities in SMD. There are no pecuniary or other interests of Stantons International Securities Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities Pty Ltd, James Turnbull and John Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services Licence (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. The directors of Stantons International Audit and Consulting Pty Ltd are the directors of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic issues for both listed and unlisted companies and businesses.

Mr John Van Dieren, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies, in advising corporations on corporate finance matters generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of corporate transactions.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the Directors of SMD in order to assist them to assess the merits of the proposed Sale Transaction as outlined in Resolution 5 of the Notice of Meeting to which this report relates. This report has been prepared for the benefit of SMD's shareholders and does not provide a general expression of Stantons International Securities Pty Ltd opinion as to the longer-term value of SMD, its subsidiaries and their assets. Stantons International Securities Pty Ltd does not imply, and it should not be construed, that is has carried out any form of audit on the accounting or other records of SMD. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities Pty Ltd, to the form and context in which it appears.

DUE CARE AND DILIGENCE

This report has been prepared by Stantons International Securities Pty Ltd with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposal set out in Resolution 5 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolution 5.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities Pty Ltd may rely on information provided by SMD and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities Pty Ltd experience and qualifications), SMD has agreed:

(a) To make no claim by it or its officers against Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which SMD may suffer as a result of reasonable reliance by Stantons International Securities Pty Ltd on the information provided by SMD; and

(b) To indemnify Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from SMD or any of its officers providing Stantons International Securities Pty Ltd any false or misleading information or in the failure of SMD or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities Pty Ltd.

A draft of this report was presented to SMD directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 10 September 2018

1. Stantons International Securities ABN 42 128 908 289 and Financial Services Licence 448697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we, our staff and/or any associate receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. Stantons International Audit and Consulting Pty Ltd trades as Stantons International that provides audit, corporate services, internal audit, probity, management consulting, accounting and IT audits.

From time to time, SIS and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001

Toll Free: 1800 367 287
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out below.

Telephone 08 9481 3188
Fax 08 9321 1204
Email jvandieren@stantons.com.au

SYNDICATED METALS

Syndicated Metals Limited
ABN 61 115 768 986

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 763 574
(outside Australia) +61 3 9415 4862

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182048

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10am (Perth time) Tuesday, 23 October 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Syndicated Metals Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Syndicated Metals Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Thursday, 25 October 2018 at 10am (Perth time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Non-binding resolution to adopt Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Peter Langworthy	☐	☐	☐
Resolution 3	Additional 10% Placement Capacity	☐	☐	☐
Resolution 4	Approval of Disposal of 82.5% Interest in Southern Hub Project to Carnaby Resources Limited	☐	☐	☐
Resolution 5	Approval to Terminate Barbara Copper Project Royalty	☐	☐	☐
Resolution 6	Approval for issue of Incentive Options to David Morgan	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /