



DECEMBER 2013 QUARTERLY ACTIVITIES REPORT

Transformational quarter for Syndicated as evaluation and development of Barbara JV Project commences

Syndicated Metals Limited ("Syndicated") (ASX: SMD) is focused on building a long-term copper-gold business through the development of its Barbara Project in cooperation with CopperChem Limited and a program of complementary exploration on its surrounding land-holding in the world-class Mount Isa region of Northwest Queensland.

Quarter Highlights

- Several thick, high-grade copper-gold intersections returned from Barbara in-fill drilling program, including:
 - 42m @ 1.57% Cu incl. 9m @ 3.36% Cu
 - 27m @ 1.73% Cu incl. 11m @ 2.88% Cu
 - 20m @ 1.48% Cu incl. 9m @ 2.61% Cu
 - 18m @ 1.45% Cu incl. 10m @ 2.40% Cu
 - 14m @ 1.72% Cu incl. 6m @ 3.30% Cu
- Extensions to Northern Shoot mineralisation discovered at depth.
- Oxide and Transitional ore boundaries defined above Northern and Southern Shoots.
- Significant high-grade mineralisation intersected at depth in the "Fault Gap" area below the near-surface barren zone, confirming the potential to expand the open pit in this area.
- Barbara drilling scheduled to re-commence in mid-January 2014.
- \$2.2M raised through successful entitlements issue including placement of shortfall to existing and new investors. Cash of \$2.9M at Quarter-end.



Board of Directors

Peter Langworthy *Chairman*
 Andrew Munckton *Managing Director*
 David Morgan *Non-Executive Director*
 Brendan James *Non-Executive Director*

Corporate

ABN: 61 115 768 986
 Market Capitalisation (31/12/2013):
 \$9.2 million (at 3.4¢ per share)
 Issued Capital (31/12/2013):
 271.95 million ordinary shares
 20.3 million listed options
 19.7 million unlisted options
 13.2 million performance rights

Contact Details

Principal and Registered Office

68A Hay Street
 Subiaco WA 6008
 Tel: +61 (8) 9380 9440
 Fax: +61 (8) 9380 9449
 Postal Address: GPO Box 2810, Perth WA 6000
 Email: info@syndicatedmetals.com.au

ASX CODE: SMD



Quarterly Activities Report

For the 3 months ended 31 December 2013



Overview

Work during the Quarter focused on undertaking an initial in-fill and extensional drilling program at the flagship **Barbara Joint Venture Copper-Gold Project** in North Queensland as part of the recently commenced Feasibility Study being undertaken by Syndicated and its joint venture partner, North Queensland copper producer CopperChem Limited.

Forty-five (45) Reverse Circulation (RC) drill holes were completed during the Quarter for 4,332m of drilling in and around the high-grade Southern Shoot, the Northern Shoot and the intervening "Fault Gap" area. A large number of significant intersections were encountered including:

Southern Shoot:

- 42m @ 1.57% Cu *including* 9m @ 3.36% Cu in BARC083
- 18m @ 1.45% Cu *including* 10m @ 2.40% Cu in BARC081
- 27m @ 1.73% Cu *including* 11m @ 2.88% Cu in BARC112

Northern Shoot:

- 6m @ 2.52% Cu in BARC113

Fault Gap:

- 14m @ 1.72% Cu *including* 6m @ 3.30% Cu in BARC088
- 20m @ 1.48% Cu *including* 9m @ 2.61% Cu in BARC090
- 16m @ 0.69% Cu *including* 3m @ 2.02% Cu in BARC118

The results have confirmed the strength of the mineralisation at Barbara and enabled the known shoots of mineralisation to be more clearly delineated. In addition, the drilling has indicated that there is significant potential for expansion of the proposed open pit at Barbara, particularly in the "Fault Gap" area at the northern end of the open pit, which was previously believed to be barren. Drilling has confirmed that the "Fault Gap" area hosts wide zones of continuous, ore grade mineralisation at depth.

Other key outcomes of the drilling include confirmation that the oxide zone persists only to 10-20m below surface and that high-grade, copper oxide ore extends to surface above the Southern Shoot.

Drilling for water supply, geotechnical and metallurgical testwork programs is scheduled to commence in mid-January 2014, subject to weather and access. The program for 2014 is designed to enable all outstanding technical data for the Barbara Project to be collected by mid-2014, enabling the Feasibility Study to be completed during the calendar year.

Exploration and Development

Barbara Joint Venture – Resource and Extension Drilling

During the Quarter, the Company commenced in-fill resource drilling as part of the Feasibility Study on the Barbara Joint Venture Copper-Gold Project in North Queensland. The 2013 drilling program, which commenced in October and comprised 45 RC holes for 4,332m, was primarily designed to in-fill and upgrade the current Indicated and Inferred Mineral Resource (5.3Mt grading 1.4% Cu and 0.1ppm Au) and also to test for zones of high-grade mineralisation that potentially extend outside of the existing resource.

Results have either met or exceeded expectations, providing a strong foundation for drilling to resume in early 2014. The drilling has confirmed the mineralisation in the near-surface environment within both the Northern Shoot and the Fault Gap Area and defined the extent of the Southern Shoot of high-grade mineralisation. In addition, drilling has highlighted potential extensions at the northern end of the current open pit with a number of significant deeper intersections in the "Fault Gap" area.

Quarterly Activities Report

For the 3 months ended 31 December 2013

The results – which include **42m @ 1.57% Cu from 75m including 9m @ 3.36% Cu** (hole BARC083) and **27m @ 1.73% Cu from 192m including 11m @ 2.88% Cu** (hole BARC112) and are supported by a number of other significant intersections in the 2013 program and historical drilling – have confirmed the interpretation of a high grade (+2.5% Cu) Hangingwall lode sitting above a wider zone of lower grade (0.5% to 1.5% Cu) mineralisation at the Southern Shoot.

Other results – which include **14m @ 1.72% Cu from 67m including 6m @ 3.30% Cu** (hole BARC088) and **20m @ 1.48% Cu from 115m including 9m @ 2.61% Cu** (hole BARC090) beneath the “Fault Gap” area – indicate the presence of significant widths of high-grade mineralisation at depth, despite the surface environment in this area being either barren or low-grade (see Figure 2).

These results suggest that the “Fault Gap” area may be underlain by a significant body of copper mineralisation which plunges more shallowly south than previously interpreted (refer to Figure 2). The shallow, south-plunging Northern Shoot of mineralisation corresponds to the near-surface, high-grade mineralisation previously drilled at the northern end of the Barbara deposit and the upper DHEM plate modelled from down-hole EM surveys conducted on BARC048 in late 2012.

Results from holes **BARC096 to BARC104** have confirmed the Northern Shoot of copper mineralisation, where the mineralisation within the near-surface oxide zone is generally lower grade than at depth and the oxidization level is generally between 10m and 20m below surface.

Assays have now been received for all 45 holes completed as part of the 2013 drilling campaign. The location of the new drill holes completed is shown on Figures 1 and 2 and summarized in Table 1.

Subject to weather and access, the Company has agreed with its joint venture partner, CopperChem Limited, to resume drilling at Barbara in mid-January 2014 following completion of this highly successful initial round of in-fill and extensional RC drilling.

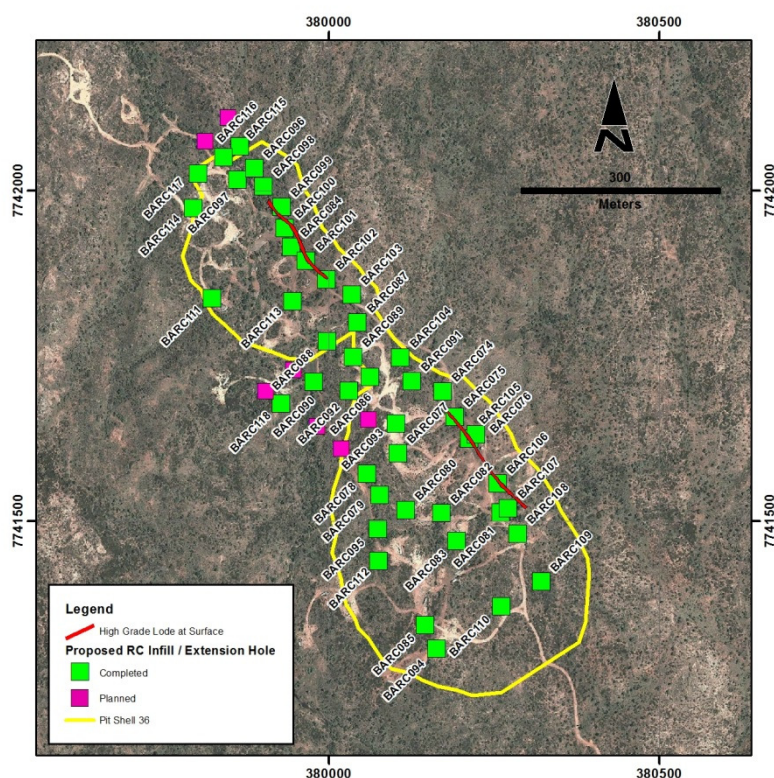


Figure 1 – Plan Showing Completed and Planned in-fill RC and extensional drilling



Quarterly Activities Report

For the 3 months ended 31 December 2013



2014 Program

Drilling is scheduled to re-commence at Barbara in mid-January 2014. The proposed upcoming program will consist of:

- Water bore drilling for production and water table observation purposes;
- RC drilling to test for further mineralisation in the "Fault Gap" area and potential northern extension of the open pit;
- Diamond drilling for geotechnical, metallurgical testwork and waste rock characterisation purposes; and
- Initial drilling of deep geophysical targets south of the Barbara Southern Shoot.

Barbara Joint Venture – Spectre Geophysical Survey

During the Quarter the Company completed an IP (Induced Polarisation) geophysical survey over the Spectre – Scaramanga trend, located to the south-west of Barbara. The results of this survey indicate that a body of chargeable material (potentially disseminated sulphide material) is present along the trend.

The location of the IP anomaly is coincident with north-west trending faults and shear zones mapped in the area and also the copper-in soil anomaly highlighted in the mid-year soil sampling program (see ASX Announcement – 1 July 2013).

This geophysical information is being re-processed and integrated with other geophysical data sets to develop initial drilling targets over the trend. Once re-processing of the data has been completed, targets identified at Spectre and Scaramanga will be ranked alongside the historical workings at Lilly May, Mt Olive and Manxman for initial RC drilling once the Barbara resource drilling program is complete.

Corporate

Entitlements Issue and Shortfall Placement

On 28 October the Company announced a non-renounceable entitlement offer on the basis of one fully paid ordinary share for every three shares held on the record date at an issue price of 3.2 cents per share to raise up to \$2.17 million.

The Company received valid applications from existing shareholders totaling \$818,145, comprising \$654,123 (20,441,357 new shares) taken up by shareholders pursuant to their entitlements and an additional \$164,022 (5,125,714 new shares) from shareholders applying for additional new shares under the shortfall facility.

This represented a take-up of 37.6% from existing shareholders (including the shortfall taken up by existing shareholders).

The Company's Directors subscribed for their entitlements in full, as did the Company's largest shareholder, CopperChem Limited.

The Company received a strong response from existing shareholders and from new professional and sophisticated investors for the shortfall, totalling \$1,521,222 (47,547,561 shares) and this amount was taken up in full. The shortfall placement process was coordinated by Sydney-based broking firm Blue Ocean Equities.

The funds raised will underpin ongoing copper-gold exploration programs at the Company's Barbara Project in North Queensland, including work associated with the Barbara Joint Venture with CopperChem Limited and regional exploration programs on surrounding tenements.



Quarterly Activities Report

For the 3 months ended 31 December 2013



Annual General Meeting

The Company's 2013 Annual General Meeting was held on 27 November with all five resolutions receiving strong support and being passed on a show of hands.

Cash Reserves

As at 31 December 2013, the Company had cash reserves of \$2.869 million. The Company has no corporate debt and minimal long-term commitments.

Financials

Net cash inflows for the December Quarter totalled \$1.702 million, which was influenced by the capital raising totalling \$2.175. Cash outflows for the March 2014 Quarter are expected to total \$0.506 million, including \$0.184 million of expenditure on exploration field activities, net of cash call receipts from Joint Venture partner, CopperChem Limited.

Shareholder Information

As at 31 December 2013, the Company had 271,955,673 fully paid ordinary shares on issue and approximately 671 shareholders. The top 20 shareholders held 54.4% of the Company. During the Quarter the Company issued 67,988,918 fully paid ordinary shares under its Entitlement Issue and Shortfall Placement as detailed above.

Listed options on issue total 20,318,468 with 19,756,757 unlisted options and 13,200,000 performance rights.

For further information on the Company view our website at: syndicatedmetals.com.au or contact:

Andrew Munckton

Managing Director

T: 08 9380 9440

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Andrew Munckton who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Munckton is a full-time employee of Syndicated Metals Limited and consents to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.

Exploration Targets

This report comments on and discusses Syndicated Metals Limited's exploration in terms of target size and type. The information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

Quarterly Activities Report

For the 3 months ended 31 December 2013

Table 1: Drill-Hole Summary and Significant Intercepts

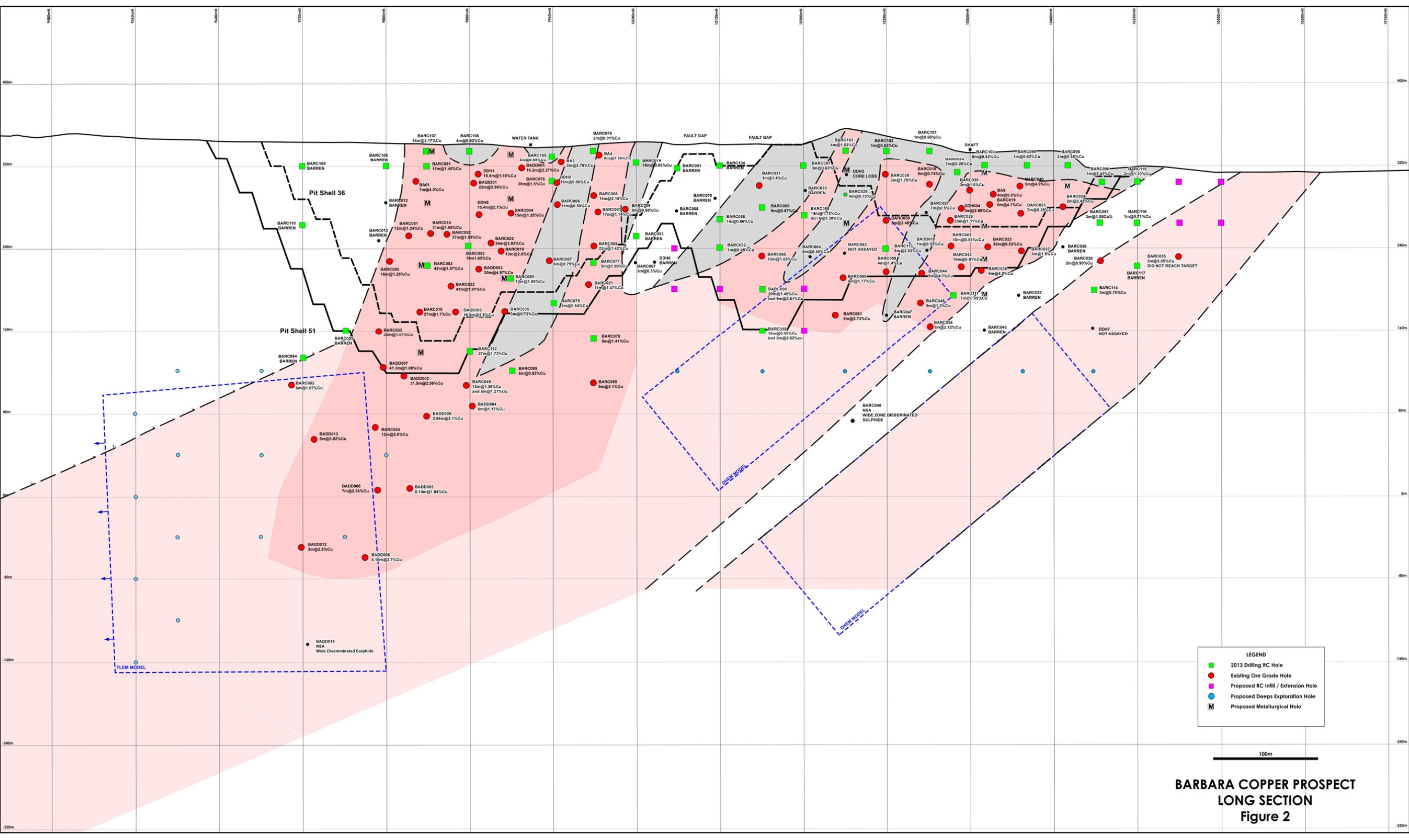
Hole ID	Northing (m)	Easting (m)	Depth (m)	Dip	Azi	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	S (%)
BARC074	10041	10055	40	-90	0	0	10	10	0.86	0.05	2.39	68	0.00
BARC075	10000	10050	30	-60	90	3	5	2	0.91	0.03	1.70	37	0.00
						7	9	2	0.79	0.01	1.65	42	0.00
BARC076	9960	10050	39	-60	90	0	28	28	1.50	0.15	1.82	133	0.36
					incl	0	9	9	3.04	0.33	4.88	262	0.01
					incl	14	17	3	0.83	0.04	0.05	54	0.00
					incl	22	28	6	1.32	0.10	1.08	144	1.64
BARC077	10000	9949	140	-68	90	115	130	15	0.94	0.10	NR	95	2.38
					incl	115	120	5	1.90	0.19	NR	170	4.74
BARC078	10000	9891	200	-70	90	188	192	5	1.41	0.11	NR	95	3.58
BARC079	9962	9886	180	-60	90	167	170	3	0.64	0.06	NR	56	1.81
BARC080	9921	9910	192	-62	90	134	144	10	1.86	0.16	NR	165	4.00
BARC081	9838	10030	100	-60	90	13	31	18	1.45	0.14	NR	102	0.30
					incl	13	23	10	2.40	0.20	NR	147	0.05
BARC082	9888	9954	117	-60	90	77	96	19	1.65	0.15	NR	153	3.00
					incl	77	82	5	3.68	0.37	NR	191	5.03
BARC083	9840	9950	140	-60	90	75	117	42	1.57	0.13	NR	103	2.47
					incl	75	84	9	3.36	0.26	NR	245	5.05
BARC084	10347	9980	39	-60	90	No Intersection >0.50% Cu							
BARC085	9760	9840	240	-60	90	No Intersection >0.50% Cu							
BARC086	10120	9975	80	-64	90	38	39	1	0.81	0.04	NR	33	0.86
BARC087	10200	10005	30	-60	90	20	23	3	0.63	0.05	NR	90	0.29
BARC088	10200	9950	90	-60	90	67	81	14	1.72	0.19	NR	123	3.09
					incl	67	73	6	3.30	0.32	NR	202	5.54
BARC089	10160	9970	80	-67	90	72	77	5	0.87	0.09	NR	43	3.11
BARC090	10160	9900	150	-64	90	115	135	20	1.48	0.16	NR	120	3.32
					incl	124	133	9	2.61	0.29	NR	198	5.78
BARC091	10080	10025	50	-60	90	No Intersection >0.50% Cu							
BARC092	10120	9938	120	-60	90	No Intersection >0.50% Cu							
BARC093	10040	9970	110	-65	90	No Intersection >0.50% Cu							
BARC094	9720	9836	250	-60	90	No Intersection >0.50% Cu							
BARC095	9920	9860	230	-68	90	213	219	6	0.93	0.13	NR	260	4.77
BARC096	10480	10000	20	-60	90	14	15	1	2.43	0.11	NR	95	3.99

Quarterly Activities Report

For the 3 months ended 31 December 2013

Table 1: Drill-Hole Summary and Significant Intercepts (continued)

Hole ID	Northing (m)	Easting (m)	Depth (m)	Dip	Azi	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	S (%)
BARC097	10480	9970	60	-60	90	29	32	3	1.08	0.03	NR	177	4.56
						38	39	1	2.27	0.28	NR	380	6.79
BARC098	10450	9998	25	-60	90	1	3	2	0.65	0.09	NR	34	0
						7	9	2	0.56	0.06	NR	50	0.12
BARC099	10409	10003	20	-60	90	4	5	1	0.62	0.05	NR	131	0.01
BARC100	10380	9990	60	-60	90	2	10	8	0.82	0.11	NR	133	0
						22	23	1	0.77	0.06	NR	175	2.42
BARC101	10320	9990	30	-60	90	2	3	1	0.56	0.2	NR	151	0
						14	16	2	1.04	0.33	NR	69	0
BARC102	10280	10000	60	-60	90	14	15	1	0.63	0.08	NR	266	0
BARC103	10240	10020	20	-60	90	0	4	4	1.83	0.19	NR	234	0.02
BARC104	10120	10030	25	-60	90	No Intersection >0.50% Cu							
BARC105	9960	10062	25	-60	90	13	15	2	0.85	0.05	NR	173	0
BARC106	9880	10050	40	-60	90	0	4	4	0.82	0.07	NR	109	0.01
						8	11	3	0.57	0.08	NR	129	0.01
						27	28	1	0.59	0.03	NR	24	0.08
BARC107	9840	10043	35	-60	90	0	14	14	2.17	0.28	NR	190	0.01
BARC108	9800	10033	50	-60	90	No Intersection >0.50% Cu							
BARC109	9720	10025	50	-60	90	No Intersection >0.50% Cu							
BARC110	9720	9953	110	-60	90	No Intersection >0.50% Cu							
BARC111	10350	9840	178	-60	90	139	146	7	0.99	0.02	NR	59	2.15
						149	153	4	0.55	0.01	NR	72	1.70
BARC112	9880	9835	250	-60	90	192	219	27	1.73	0.18	NR	352	4.09
					incl	205	216	11	2.88	0.29	NR	629	6.13
BARC113	10280	9940	90	-78	90	47	48	1	0.51	0.06	NR	385	2.44
						81	87	6	2.52	0.19	NR	252	4.42
						92	93	1	0.63	0.07	NR	146	3.94
						96	98	2	1.35	0.09	NR	147	3.13
BARC114	10480	9890	150	-60	90	78	81	3	0.75	0.02	NR	396	6.48
						114	117	3	0.65	0.05	NR	44	0.98
						134	135	1	1.18	0.11	NR	131	1.85
BARC115	10520	10000	30	-60	90	23	25	2	1.30	0.74	NR	73	2.20
BARC116	10520	9970	60	-60	90	32	33	1	0.71	0.12	NR	55	1.27
BARC117	10520	9925	120	-60	90	No Intersection >0.50% Cu							
BARC118	10520	9840	220	-60	90	177	193	16	0.69	0.05	NR	198	3.58
					incl	177	178	3	2.02	0.10	NR	161	3.58
						196	198	2	0.87	0.07	NR	172	3.14



BARBARA COPPER PROSPECT
LONG SECTION
Figure 2