

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 28 January 2015

DECEMBER 2014 QUARTERLY ACTIVITIES REPORT

Scope of Feasibility Study for Barbara Copper Project significantly expanded as Syndicated unveils maiden Lillymay resource and consolidates regional copper portfolio with acquisition of Tick Hill Project

Syndicated Metals Limited (“Syndicated”) (ASX: SMD) is focused on building a long-term copper-gold business through the development of its Barbara Project in joint venture with North Queensland copper producer CopperChem Limited, and a program of complementary exploration on its surrounding land-holding in the world-class Mount Isa region of NW Queensland.

Quarter Highlights

- New development proposal for Barbara Copper-Gold Project unveiled subsequent to Quarter-end, with the JV partners committing to an expanded Feasibility Study.
- The key element of the CopperChem proposal and the expanded Feasibility Study is the inclusion of on-site ore processing at Barbara using a transportable plant to be sourced, installed and managed by CopperChem.
- CopperChem will continue to fund the expanded Feasibility Study until conclusion.
- This approach has the potential to unlock a number of compelling benefits for the JV in the areas of operating costs, treatment, refining and selling charges, reduced upfront capital expenditure and infrastructure investment, and an extended mine life.
- Maiden Mineral Resource defined for the Lillymay Satellite Deposit (located 4km from Barbara), representing the first step in the Company’s strategy of expanding the inventory of satellite copper resources adjacent to the Barbara Deposit:
 - *Inferred Resource of 225,295t @ 2.3% Cu, 0.02g/t Au, containing 5,250t of copper.*
- New drilling targets identified at Lillymay with further drilling planned for early 2015 targeting resource extensions, particularly below the higher grade drilling intersections.
- Strategic acquisition of the Tick Hill Project from Straits Resources expands the Company’s regional copper portfolio and consolidates its tenement holdings in the 100%-owned Southern Hub Project.
- Next stage of the extensive regional soil sampling program commenced across the 100%-owned Mt Remarkable tenements in the Northern Hub.

Overview

The December 2014 Quarter saw work on the Barbara Open Pit Feasibility Study progress to an advanced stage. An internal review of the work completed to date, coupled with the successful drilling programmes undertaken during 2014, highlighted the potential of on-site processing at Barbara.

Based on the internal review and the expanding resource base within the JV area, CopperChem, as manager of the JV, proposed an expansion of the Barbara Feasibility Study scope to include on-site processing at Barbara. The JV parties reached agreement in January 2015 to adopt the expanded scope (refer ASX Announcement dated 21 January 2015), the key elements of which include:

- A plan to develop Barbara using an innovative, on-site but transportable processing facility which would result in the production of copper concentrate on-site. This would significantly reduce the transportation and treatment costs (TCs) which would otherwise be incurred by hauling ore to Cloncurry and/or selling Barbara ores to existing operators in the region. TCs in the copper industry are currently at a cyclical high;
- The on-site plant would be sourced, installed and managed by CopperChem; and
- An option to produce rougher concentrate at Barbara and transport it to CopperChem's Cloncurry processing plant for final processing into high grade concentrate.

The expanded scope provides a significant opportunity to increase the overall copper mineral resource inventory, both at Barbara and in the surrounding area as a result of a number of recent developments, including:

- The discovery of a strong EM conductor at depth between Barbara South Lode and Barbara Mid Lode, which represents a priority target for extending the Barbara Mineral Resources;
- The establishment of satellite developments such as at the Lillymay deposit, for which Syndicated announced a maiden Inferred Mineral Resource of 225,295t @ 2.33% Cu for 5,250 tonnes of contained copper during the Quarter (refer ASX Announcement dated 16 December 2014 and further information below). The Joint Venture believes there is outstanding potential to further increase the resource at Lillymay and define additional resources at other regional prospects including Mt Olive, Greenback and Greenzone; and
- The delineation of a number of prospective new exploration targets, located both within the Barbara Joint Venture tenure and 100%-owned ground.

In its 100%-owned Southern Hub, the Company signed an agreement to purchase the Tick Hill tenement package from Straits Resources, thereby significantly expanding its regional copper portfolio and consolidating tenement holdings in the 100%-owned Southern Hub area (refer ASX Announcement dated 29 December 2014).

Elsewhere, the Company commenced the next stage of its programme of regional soil sampling over the 100%-owned Mt Remarkable tenements in the Northern Hub area.

Exploration and Development

Barbara Copper Project – Expanded Feasibility Study

The JV parties reached agreement in January 2015 to proceed with an expanded scope for the Barbara Feasibility Study, the key element being on-site processing at Barbara.

The expanded scope allows for the inclusion of recent and any future additions to the Barbara Mineral Resource inventory which could provide significantly improved financial returns based on a 5-7 year life-of-mine (LOM) plan.

The work completed to date as part of the Feasibility Study indicates that the Barbara Project is highly leveraged both to improvements in the Australian Dollar copper price as a result of the weakening currency and increases in the resource inventory. The expanded study will incorporate updated assumptions for both the copper price and exchange rate, both of which have moved considerably over the past eight weeks.

CopperChem has agreed to continue to fund the expanded Feasibility focusing on the on-site processing scenario, which includes initial treatment to a sulphide concentrate at Barbara followed by optional further treatment at the Cloncurry plant.

In support of the expanded scope, the Barbara Joint Venture will undertake further drilling programmes at Barbara and at the identified satellite deposits to deliver the Mineral Resources to support a 5-7 year LOM. The drilling programmes will target extensions to the Barbara deposit into underground mining positions and already identified satellite deposits.

The permitting and approvals process for the Barbara open pit operation is well advanced with Landholder access agreements signed and Mining Lease applications under consideration by the regulators.

The study work completed to date, including the permitting and approvals and the Mining Lease application, will enable the Joint Venture partners to advance the project rapidly, pending a positive result from the expanded Feasibility Study. It is anticipated that the expanded study will be completed in Q3 2015.

Lillymay Mineral Resource

In December the Company announced a maiden Mineral Resource estimate for the Lillymay deposit. Lillymay is located 4km south-west of Barbara and forms part of the **Barbara Copper-Gold Joint Venture Project** with CopperChem Limited (refer to Figure 1).

The maiden Inferred Resource, of **225,295 tonnes grading 2.33% Cu** for **5,250 tonnes** of contained copper, represents a first step for the Barbara Joint Venture towards establishing a regional copper resource inventory outside of the Barbara deposit itself with potential to contribute high-grade feed to an operation at Barbara.

The Lillymay Mineral Resource estimate is set out in Table 1 below (also refer to the ASX Announcement dated 16 December 2014 and Appendix 1 attached):

Resource Class	Domain	Volume m ³	Tonnes	Cu %	Au ppm	S %	Density g/cm ²
Inferred	Western Lode	23,762	65,243	1.83	0.02	2.80	2.75
Inferred	Eastern Lode	58,438	160,052	2.53	0.02	3.19	2.74
Grand Total		82,200	225,295	2.33	0.02	3.08	2.74

Table 1 – Lillymay deposit, December 2014 Mineral Resource Estimate at 0.5% Cu COG

The mineralisation at Lillymay remains open in all directions and there is excellent potential to significantly expand the resource with a third round of drilling to extend the mineralisation along strike in the near-surface, open pittable environment as well as targeting extensions down-dip and down-plunge of the higher grade sections of both the Western Lode and Eastern Lode mineralisation.

The Mineral Resource provides a solid foundation for assessment of the Lillymay mineralisation as a potential contributor to the mining inventory for the Barbara Project and the expanded Feasibility Study.

The Company maintains an Exploration Target for this deposit of 0.4-0.8Mt at 2-3% Cu. This is based on the drilling results encountered to date and extension of the mineralisation to 600m of strike to a depth of 150m below surface which will be assessed in the next round of drilling (planned for early 2015). The Exploration Target at Lillymay is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource in compliance with the JORC Code. It is uncertain if further exploration will result in the estimation of a Mineral Resource as defined by the JORC code.

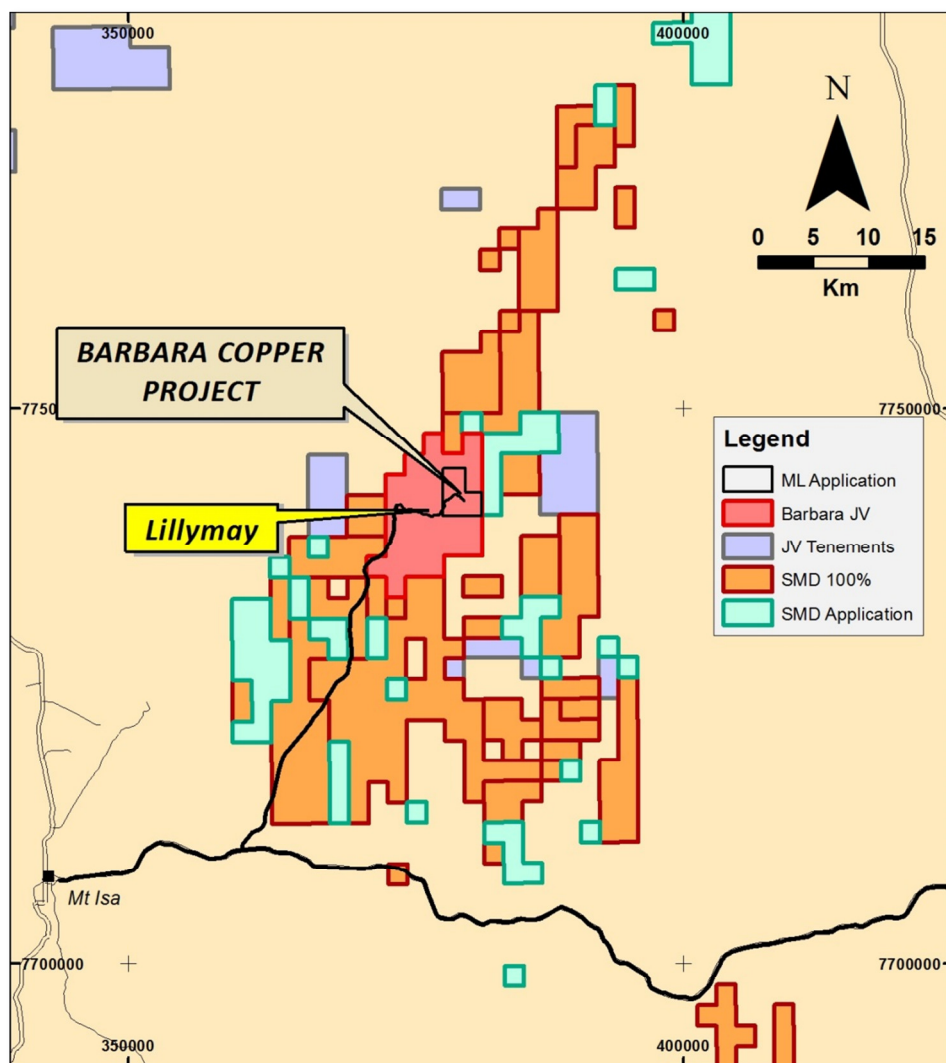


Figure 1 – Project Location Plan

Acquisition of Tick Hill Tenement Package

In late December, Syndicated further strengthened its regional copper portfolio in North Queensland's Mt Isa-Cloncurry district with the strategic acquisition of the **Tick Hill** tenement package from Straits Resources (ASX: SRQ) (refer ASX Announcement dated 29 December 2014).

The acquisition, which includes three deposits previously estimated under the 2004 JORC Code (see below), complements the Company's Southern Hub Project in North Queensland (refer to Figure 2).

The tenement purchase is complementary to the tenure already held by Syndicated in the area and allows the Company to extend its understanding of the regional geology of the area into the newly acquired tenure.

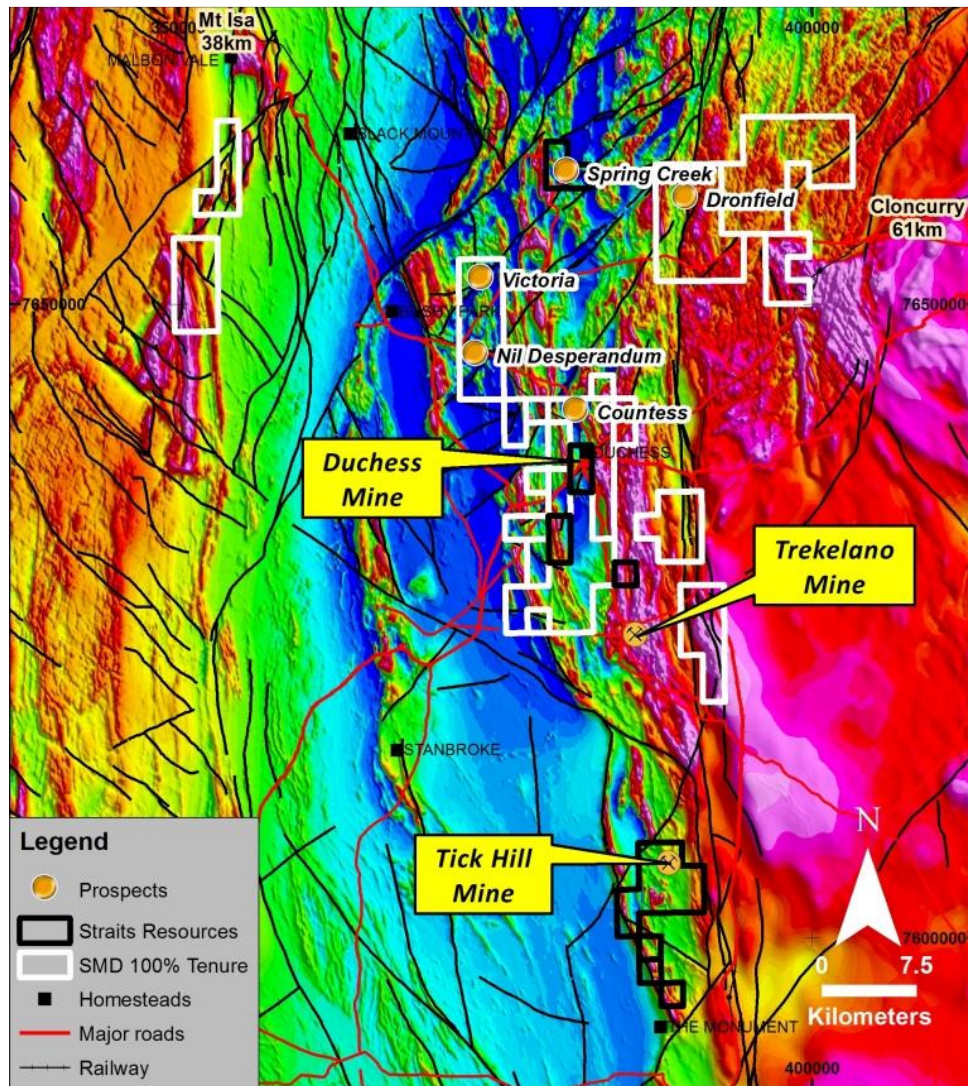


Figure 2 – Southern Hub tenements including Tick Hill over Total Magnetic Intensity (TMI).

Duchess Area deposits

The Ivanhoe, Central and Duchess deposits, which lie within EPM9083, have been extensively drilled by previous owners and explorers.

Mineral Resource estimates were undertaken at Ivanhoe by Barrick (Osborne) in 2008 and Golder Associates in 2012. Golder also undertook estimates for the Central and Duchess lodes in 2012.

While these estimates complied with the 2004 JORC code and were considered valid for internal technical and financial analysis at the time, Syndicated considers that it is not appropriate at this time to classify them as Mineral Resources under the 2012 JORC code. The Company considers them Exploration Targets until sufficient work has been undertaken to classify them as Mineral Resources.

The Exploration Targets for the 3 key deposits are as outlined below:

1. Ivanhoe Lode: Exploration Target – 2.2 to 3.0Mt @ 1.2 to 1.8% Cu and 0.1 to 0.2ppm Au

The exploration target is based upon a total of 50 drill holes that were completed by Barrick, Mt Isa Mines (MIM), Cullen Resources and Penarroya at this deposit between 1969 and 2000.

2. Central Lode: Exploration Target – 0.2 to 0.6Mt @ 0.6 to 1.2% Cu and 0.1 to 0.2ppm Au

The exploration target is based upon a total of 7 RC holes that were drilled by Penarroya and MIM between 1985 and 1990.

3. Duchess Lode: Exploration Target – 0.1 to 0.2Mt @ 2.0 to 4.0% Cu and 0.2 to 0.4ppm Au

The Duchess Underground Mine operated intermittently between 1900 and 1940 and in that time approximately 205,000 tonnes at 12.5% Cu was extracted from a 1-3m wide vein down to approximately 260m below surface. The exploration target is based upon extending the mineralisation 200m further down plunge of the underground workings over 150m of strike and 3m of width. RC drilling along strike of the Lode position has intersected minor mineralisation.

Syndicated Metals intends to estimate the Mineral Resources associated with each of these deposits in due course.

The information relating to the above three 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 in compliance with the JORC code. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

Tick Hill Prospects

The Tick Hill exploration leases are located approximately 35km south of Duchess and surround the historical Tick Hill Mining Leases. The Tick Hill mine was operated by MIM between 1991 and 1994 and extracted 706,000t @ 22.5g/t Au with minor copper mineralisation from a small open pit and underground mine.

The exploration leases acquired by Syndicated have undergone regional geophysical and soil geochemical programs with initial RC drilling of defined geochemical targets.

Historical drilling results from these tenements include several 10-30m intersections of low-grade copper mineralisation (generally 0.2-0.35% Cu and 0.05-0.10ppm Au) in IOCG-style mineralisation at the Monastery prospect.

The Company believes the area remains prospective for both high-grade, vein-style copper and gold mineralisation.

Spring Creek Prospects

The Spring Creek prospect lies approximately 25km north of the Duchess Prospect and 10km west of the Company's Dronfield tenure.

Extensive soil geochemistry has been undertaken over the western third of the tenement with a large soil anomaly encountered over a mapped dolerite unit. The soil anomaly and historical workings have been targeted by previous explorers with 9 RC drill holes. This drilling encountered several narrow, high grade copper +/- gold intersections within a halo of generally low grade copper mineralisation. Several of the RC holes warrant follow up.

The style of mineralisation targeted for the area is high-grade vein and shear zone hosted copper-gold mineralisation and larger IOCG targets associated with granitic intrusions in the area.

Mt Remarkable/Northern Hub Regional Exploration

As part of the Company's strategy of developing a pipeline of exploration targets and development opportunities, the next stage of the regional soil sampling programme commenced during the Quarter across a large section of the Mt Remarkable Project Area.

The target areas of this most recent stage of the soil sampling programme focused on the highly prospective Liechhardt Volcanics to the south, and within viable trucking distance of, the Barbara Project. The target area covered 74km² from which 3,993 samples were submitted for assay, including 152 duplicates and 190 standards. Results and analysis are pending.

Corporate

Annual General Meeting

The Company's 2014 Annual General Meeting was held on 8 October with all seven resolutions receiving strong support and being passed on a show of hands.

Cash Reserves

As at 31 December 2014, the Company had cash reserves of \$1.055 million. The Company has no corporate debt and minimal long-term commitments.

Financials

Net cash outflows for the December Quarter totalled \$0.560 million, predominantly comprising exploration and evaluation expenditure (\$0.310m) net of funds received from the Company's Joint Venture partner, CopperChem Limited (\$0.529m) and administrative expenses.

Cash outflows for the March 2015 Quarter are expected to total \$0.633 million, inclusive of \$0.382 million of expenditure on exploration field activities, net of cash call receipts from CopperChem.

Shareholder Information

As at 31 December, the Company had 274,445,673 fully paid ordinary shares on issue and approximately 730 shareholders. The top 20 shareholders held 55.35% of the Company.

During the Quarter, 20,318,468 listed options and 12,000,000 unlisted options expired and the Company issued 5,923,704 Performance Rights.

As at the end of the Quarter, the Company had 11,756,757 unlisted options and 19,123,704 performance rights on issue.

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

Andrew Munckton

Managing Director

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Competent Person's Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Jim Whitelock and Mr Michael Martin. Both Mr Whitelock and Mr Martin are Members of The Australasian Institute of Geoscientists (AIG) and both has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 Whitelock is a full-time employee of Exco Resources Limited a 100% owned subsidiary of CopperChem Limited and Mr Martin is a full time employee of Syndicated Metals Limited. Both Mr Whitelock and Mr Martin consent to the inclusion in the report of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Exploration Targets and Exploration Results 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 Targets and Exploration Results 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.

Appendix 1: Lillymay Mineral Resource Drill Hole Summary

Hole ID	Northing (m)	Easting (m)	Depth (m)	Dip	Azi	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	S (%)
LMRC001	7740263	377702	143	-60	5.2	106	109	3	7.41	0.05	5.37	86	8.34
LMRC002	7740293	377386	136	-60	5.2	43	44	1	0.68	<0.01	<0.01	37	0.91
			and			99	104	5	2.16	0.03	0.34	49	2.82
LMRC003	7740278	377653	111	-60	6.2	83	89	6	2.75	0.11	1.13	41	3.24
LMRC004	7740280	377548	111	-60	6.2	88	92	2	1.70	0.02	0.65	60	2.34
LMRC005	7740313	377696	69	-60	6.2	43	45	2	1.02	0.01	1.25	30	1.54
LMRC006	7740316	377648	33	-60	6.2	Intersected Workings							
LMRC007	7740301	377661	81	-60	6.2	59	60	1	1.9	0.01	1.4	29	2.45
LMRC008	7740260	377750	129	-60	355	No Significant Assays							
LMRC009	7740280	377600	135	-60	355	91	93	2	1.80	0.01	0.33	15	2.86
LMRC010	7740280	377500	117	-60	355	98	101	3	1.69	0.02	1.95	150	5.32
LMRC011	7740280	377450	129	-60	355	No Significant Assays							
LMRC012	7740345	377348	39	-60	355	23	26	3	3.70	0.02	0.83	32	4.61
LMRC013	7740351	377390	39	-60	355	28	29	1	0.69	0.01	0.5	100	4.02
LMRC014	7740289	377345	111	-60	355	87	89	2	1.16	0.01	0	32	1.6
LMRC015	7740320	377550	36	-60	355	25	27	2	2.97	0.03	1.95	48	3.28
LMRC016	7740325	377600	45	-60	355	33	37	4	1.86	0.01	0.53	45	2.32
LMRC017	7740335	377500	45	-60	355	27	28	1	1.84	0.01	0.7	155	3.27
LMRC018	7740344	377447	45	-60	355	No Significant Assays							

Note: The mineralised interval length of intercepts shown in the above table are down-hole distances and are not corrected for angle of dip. A cut-off grade of 0.5% Cu, minimum 1 metre interval and maximum 1 metre waste was used for calculating mineralised intervals. Downhole widths are reported. True width is approximately 80-85% of Downhole width.

Company	Hole Type	Size	Year	No. Holes	Metres
Syndicated (LMRC001-LMRC018)	RC	5.25-5.50 Inch	2014	18	1,425
TOTAL				18	1,425

Additional Information Required by Listing Rule 5.3.3

Mining tenements held at the end of the Quarter and their location:

Mt Isa - Northern Hub (Mt Remarkable)	
EPM 16112	Granted
EPM 16197	Granted
EPM 17638	Granted
EPM 17914	Granted
EPM 17947	Granted
EPM 18492	Granted
EPM 19049	Granted
EPM 19733	Granted
EPM 25824	Application
Mt Isa - Southern Hub (Fountain Range)	
EPM 14362	Granted
EPM 14366	Granted
EPM 14369	Granted
EPM 17637	Application
EPM 18078	Granted
EPM 18082	Granted
EPM 18223	Granted
EPM 18671	Granted
EPM 18980	Granted
EPM 19008	Granted
EPM 25435	Granted
EPM 25439	Granted
EPM 25853	Application

Mining tenements acquired during the Quarter and their location:

Mt Isa – Northern Hub (Mt Remarkable)	
EPM 19049	Granted

Mining tenements disposed of during the Quarter and their location:
Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Farm-in Agreements

Syndicated has an 80% interest in tenements EPM14916, EPM14281 and EPM15070 under the Mt Isa Other Minerals Farm-in and Joint Venture Agreement with Deep Yellow Limited. This interest did not change during the Quarter.

Farm-out Agreements

Syndicated is in Joint Venture with CopperChem Limited over portions of tenements EPM19733 and EPM18492 and all of EPM16112 whereby CopperChem may earn a 50% interest in these tenements by funding and managing a feasibility study over the Barbara Project up to a decision to mine. As at the end of the quarter the feasibility study was ongoing and the relevant interest had not been earned.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter:

Nil.