

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 11 January 2016

DECEMBER 2015 QUARTERLY ACTIVITIES REPORT

Syndicated delivers results for Barbara Mining and Off-Site Processing Study, announces new strategic direction and commences capital raising

Quarter Highlights

- Feasibility Study completed for the Barbara Copper-Gold Project, located near Mt Isa in North Queensland (in joint venture with CopperChem).
- The Feasibility Study defined a financially robust, short-term open pit copper project capable of delivering pre-tax free cash flow of A\$17M, based on total payable metal production of 16,223t of copper, 2,753oz of gold and 43,327oz of silver.
- Implementation of a new corporate and strategic direction aimed at repositioning the Company for future growth.
- Completion of assessment of the Reverse Circulation drilling program undertaken during the September Quarter across several target areas within the 100%-owned Northern Hub tenements.
- Placement and Entitlement Offer capital raising commenced to raise \$0.533m.

Overview

During the Quarter the Company announced the results of the Barbara Copper-Gold Project mining and off-site processing study and outlined its new strategic direction.

In December the Company announced that it was undertaking a share placement at 0.5 cents per share to raise \$200,000.

The Placement is being undertaken in two tranches. Tranche 1 (T1) consisted of 26,000,000 fully paid ordinary Shares which were issued on 8 December to sophisticated and professional investors under the Company's 15% placement capacity, raising \$130,000. The Tranche 2 (T2) Placement consisting of 14,000,000 Shares will be issued to entities associated with directors Mr Langworthy and Mr Morgan to raise \$70,000, subject to shareholder approval being obtained. A meeting of shareholders will be held on 29 January 2016 to seek this approval.

Subscribers under the Placement will be offered the opportunity to subscribe for 1 free attaching unlisted Option for every 2 Shares issued, with each Option having an exercise price of 1.2 cents and expiring on 8 February 2018. The issue of Options to subscribers under the T2 Placement will also be subject to shareholder approval.

In addition, the Company announced that it is offering existing eligible shareholders the opportunity to participate in a non-renounceable entitlement offer on the basis of one Share for every six Shares held on the record date at an issue price of 0.5 cents per Share, together with one free Option for every two Shares subscribed for with an exercise price of 1.2 cents and expiring on 8 February 2018, to raise up to \$333,500 before expenses.

Exploration and Development

Barbara Copper Project – Feasibility Study

During the Quarter the Company reported the key results of the Feasibility Study on open pit mining at its Barbara Joint Venture Copper-Gold Project in north-west Queensland. The Feasibility Study was funded and undertaken by its joint venture partner CopperChem Limited as part of its earn-in requirements to the Barbara Joint Venture.

The Feasibility Study defined a financially robust, short-term open pit copper project (Probable Ore Reserve of 818Kt at 2.23% Cu, 0.20g/t Au and 2.78g/t Ag) with a pre-tax free cash flow of A\$17 million, based on total payable metal production of 16,223 tonnes of copper, 2,753 ounces of gold and 43,327 ounces of silver.

The Project has an estimated 21-month mine life, based on the development of two open pits with processing to be completed in Cloncurry and Mt Isa under a toll-treatment scenario.

Full details of the Feasibility Study are contained in the ASX Announcement released on 28 October 2015. The Company's plans in regard to further development of the Barbara Project are detailed in the Corporate Section of this Report.

Mt Remarkable/Northern Hub Regional Exploration

During the Quarter Syndicated completed an assessment of a reverse circulation (RC) drilling program undertaken during September across several target areas within its 100%-owned Northern Hub tenements in north-west Queensland. The overall objective of this program was to test copper-gold targets within a 10-25km radius of the Barbara Copper-Gold Project that were generated by recent VTEM and soil sampling programs completed within the Company's Mt Remarkable Project.

Exploration is targeting both high-grade Barbara-style deposits as well as larger, IOCG-style deposits associated with the Mt Remarkable Fault with a view to identifying potential areas where additional near-surface resources can be delineated relatively quickly and cheaply. Any additional resources defined within economic haulage distance of the Barbara deposit would enhance the potential of the Barbara project.

The targets were delineated following analysis of airborne VTEM data, soil sampling data and geological mapping and ground-checking over the Neso, Nereid and Proteus prospects.

RC drill holes were targeted approximately 75m to 100m below surface and towards conductive plates modelled from the recent VTEM survey results for both the Neso and Proteus prospects. Drilling was aimed at determining the relationship between the modelled VTEM plates and the sampled and mapped surface geology.

At Neso, 250m of RC drilling was completed in two holes. Drilling intersected an iron-rich (in weathered rock) and pyrite rich (in fresh rock) altered breccia zone at the contact of the dolerite and Leichardt Volcanics. The target zone contained low grade (less than 0.2% Cu) mineralisation in strongly pyritic alteration which corresponded to the modelled position of the VTEM plate. No high grade (greater than 1% Cu) mineralisation was encountered within the broader mineralised zone.

The intersection of a pyrite rich breccia zone at approximately 75m below surface in NSRC001 is consistent with the interpretation of a steeply west dipping and north-west striking vein and shear zone derived from the Hardaway Granite intrusion located underneath and to the south-west of the Neso prospect. The vein and shear zone is interpreted from surface geological mapping and 3D modelling of the VTEM data.

At Proteus, 241m of RC drilling was completed in two holes. Results included:

- 14m @ 0.24% Cu from 33m down-hole; and
- 26m @ 0.40% Cu and 0.02g/t Au from 44m down-hole.

The intersection of low-grade copper mineralisation at approximately 30m below surface in PTRC002 in a pyrite-rich alteration zone associated with quartz-calcite veining is consistent with the interpretation of a steeply west-dipping and north-west striking vein structure interpreted from surface geological mapping and 3D modelling of the VTEM data.

Fountain Range/Southern Hub Regional Exploration

At the Southern Hub, the Company continued desktop studies during the Quarter.

The area is being targeted 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 is also targeting large-scale IOCG-style mineralisation associated with granite intrusions and the Pilgrim Fault.

Priority projects include the completion of soil sampling over the tenements which cover the Mt Erle Granite (see Figure 1).

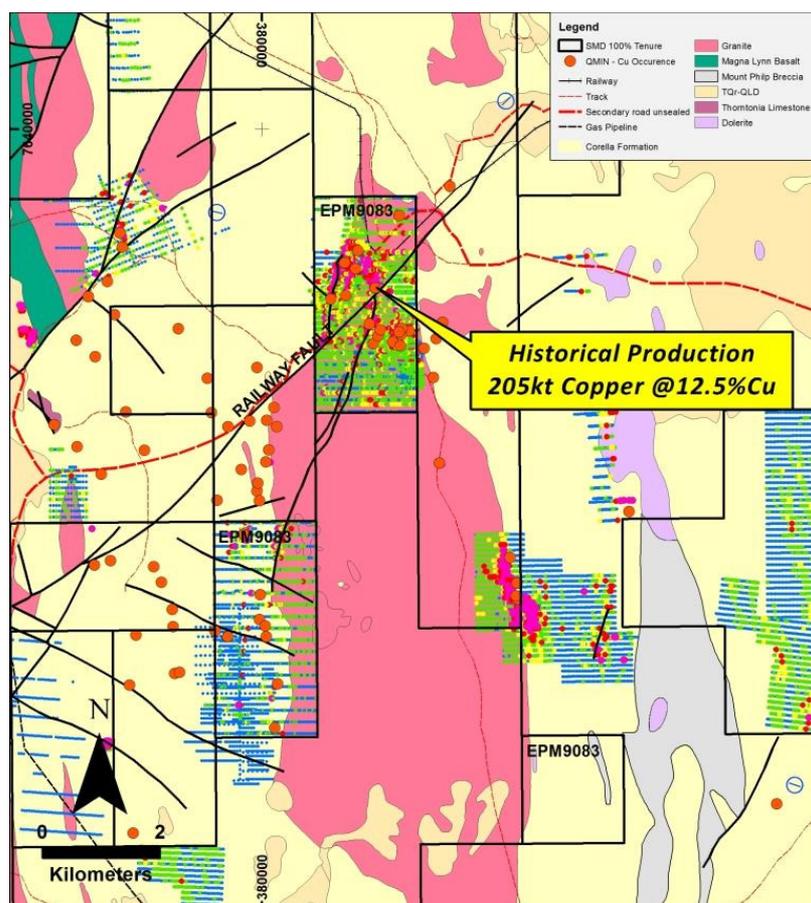


Figure 1 – Southern Hub Duchess soil geochemistry

Corporate

New Strategic Direction & Cost Reductions

During the Quarter, Syndicated announced the implementation of a new corporate and strategic direction aimed at repositioning the Company for future growth.

The two-pronged strategy is aimed at progressing opportunities to unlock the value of the Company's existing north-west Queensland copper assets – including the advanced Barbara copper deposit and Syndicated's extensive exploration tenure in the region – while at the same time identifying and acquiring new resource assets and project opportunities outside of north-west Queensland.

One of Syndicated's key strategies this year has been to undertake an extensive regional exploration program in the Barbara region in order to identify opportunities to expand its resource inventory and support the potential for an alternative standalone treatment facility at Barbara.

The Company has completed a review of the results of this exploration program and received the Barbara Feasibility Study completed by CopperChem.

While exploration has delineated a large number of exploration targets – with only a limited number of these opportunities tested by the recent drilling program – the review has concluded that there are limited opportunities, in the short term, to delineate additional Barbara-style mineralisation in the near-surface environment.

Therefore it is unlikely that additional resources will be defined to complement the Barbara project and allow establishment of on-site processing facilities. Accordingly, the exploitation of the Barbara Mineral Resource will be confined to the scope of works defined in the Mining and Off-Site Processing Study (MOSP) (refer to the ASX announcement of 28 October 2015).

Accordingly, Syndicated has reached in-principle agreement with CopperChem to embark on a new strategic direction, which is based on:

- Pursuing opportunities to progress and/or monetise the Company's existing north-west Queensland resource assets, including the Barbara Joint Venture assets; and
- Identifying new resource assets and project opportunities outside of north-west Queensland with the potential to create value for Syndicated shareholders, including projects where the Company can leverage the experience and contact network of its Board of Directors.

It should be noted that CopperChem's support of this strategy is conditional on any new opportunities being consistent with CopperChem's corporate and strategic objectives, and each asset or opportunity will be assessed on a case-by-case basis.

Syndicated remains open-minded about which assets and opportunities it will pursue, but its preference is for advanced, high quality Australian gold and/or base metals resource assets.

In light of the Company's new strategic direction, Syndicated implemented a number of Board, management and corporate changes as part of an ongoing cost reduction program across all aspects of its operations to ensure that it appropriately manages its cash position and remains well placed for future growth.

The Company has retained its current Managing Director and three Non-executive Director positions, however the Board including the Managing Director agreed to reduce their remuneration levels by 33% effective 1 October 2015.

The Company has also reduced costs in relation to its office overheads in both Perth and Mt Isa. The Mt Isa office lease was terminated in mid-November and the Company continues to seek to relocate from its existing Perth office location to smaller premises. The Company will engage consultants on a casual basis in order to continue to meet the requirements of its tenement, joint venture, corporate and statutory commitments.

Share Placement and Entitlement Offer

On 7 December the Company announced that it has received acceptances from sophisticated and professional investors and from entities associated with two directors (Mr Langworthy and Mr Morgan) under a placement at 0.5 cents per share to raise \$200,000.

The Placement is being undertaken in two tranches. Tranche 1 (T1) consists of 26,000,000 fully paid ordinary shares which were issued on 8 December to sophisticated and professional investors under the Company's 15% placement capacity raising \$130,000. The balance of the Placement Shares (T2) consisting of 14,000,000 Shares will be issued to entities associated with directors Mr Langworthy and Mr Morgan to raise \$70,000, subject to shareholder approval being obtained. These funds are currently being held on trust. A meeting of shareholders will be held on 29 January 2016 to seek this approval.

Subscribers under the Placement will be offered the opportunity to subscribe for 1 free attaching unlisted option for every 2 Shares issued, with each option having an exercise price of 1.2 cents and expiring on 8 February 2018. This offer will be made under the prospectus for the Entitlement Offer referred to below. The issue of Options to subscribers under the T2 Placement will also be subject to shareholder approval.

In addition, the Company is offering existing eligible shareholders the opportunity to participate in a non-renounceable entitlement offer on the basis of one Share for every six Shares held on the record date at an issue price of 0.5 cents per Share, together with one free Option for every two Shares subscribed for with an exercise price of 1.2 cents and expiring on 8 February 2018, to raise up to \$333,500 before expenses.

The funds raised under the Placement and the Entitlement Offer will be used to fund the assessment of new gold and base metals project opportunities outside of the existing North-West Queensland tenement holding, exploration and asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited, general working capital and administrative expenses and the expenses of the offers.

Under the Entitlement Offer, the Company will offer up to approximately 66,707,350 Shares to shareholders with a registered address in Australia and New Zealand on the record date of 5:00pm (WST) on 17 December 2015, on a 1-for-6 basis, at an issue price of 0.5 cents per Share, and up to approximately 33,353,675 Options on the basis of one free attaching Option for every two Shares subscribed for.

Shareholders who apply for their full entitlement may also apply to participate in the shortfall, if any, by subscribing for additional Shares and attaching Options in excess of their entitlement. The Entitlement Offer is not underwritten and there is no minimum subscription in relation to the Entitlement Offer.

As the Entitlement Offer is non-renounceable, rights cannot be transferred or sold. Shares issued under the Entitlement Offer will rank equally with existing ordinary shares in the Company. Shareholder approval is not required in relation to the Entitlement Offer.

Further details of the Entitlement Offer and Option Offer are set out in the prospectus that was sent to eligible shareholders on 22 December. The Entitlement Offer will not be offered to eligible shareholders who reside outside of Australia or New Zealand.

An indicative timetable (as amended and announced on 10 December) for the Entitlement Offer is set out below:

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

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

Annual General Meeting

The Company's 2015 Annual General Meeting was held on 26 November with all five resolutions receiving strong support and being passed on a show of hands.

Cash Reserves

As at 31 December 2015, the Company had cash reserves of \$0.613 million. The Company has no corporate debt and minimal long-term commitments.

Financials

Net cash outflows for the December Quarter totaled \$0.189 million, predominantly comprising cash outflows for exploration and evaluation expenditure of \$0.434m and administrative expenses of \$0.211m and cash inflows from R&D benefits received of \$0.251m and share placements of \$0.200m (\$70,000 of this amount is subject to shareholder approval at the General Meeting to be held on 29 January 2016).

Cash outflows for the March 2016 Quarter are expected to total \$0.283 million.

Shareholder Information

As at 31 December, the Company had 400,244,100 fully paid ordinary shares on issue (inclusive of the T1 Shares issued on 8 December 2015) and 703 shareholders. The top 20 shareholders held 60.74% of the Company.

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 OmniGeox and provides contracted geological services to 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 Ore Reserves 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 Ore Reserves 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.

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 14281	Application to Transfer from Deep Yellow Limited
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	Granted
EPM 25915	Application
EPM 26026	Application
Mt Isa - Southern Hub (Fountain Range)	
EPM 9083	Granted
EPM 11013	Granted
EPM 14362	Granted
EPM 14366	Granted
EPM 14369	Granted
EPM 17637	Granted
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	Granted
EPM 25972	Application

Mining tenements acquired during the Quarter and their location:

EPM 14281 (Northern Hub (Mt Remarkable) Project). SMD previously owned 80% of the Base Metal Rights on this tenement and agreement was reached with Deep Yellow Limited to acquire the tenement in full for a 1% NSR on mineral production. The tenement is currently under application to transfer to Syndicated Metals Limited.

Mining tenements disposed of during the Quarter and their location:

EPM 14916 and EPM 15070 (Northern Hub (Mt Remarkable) Project) in which Syndicated Metals Limited previously owned 80% of the Base Metal Rights and were part of the Mt Isa Other Minerals Farm-in and Joint Venture Agreement with Deep Yellow Limited have been returned unencumbered to Deep Yellow.

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

Farm-in Agreements

Nil.

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. During the quarter the Barbara Feasibility Study was delivered and the 50% interest of CopperChem Limited has been earned.

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

Syndicated had an 80% interest in the Base Metal Rights on tenements EPM14916, EPM14281 and EPM15070 under the Mt Isa Other Minerals Farm-in and Joint Venture Agreement with Deep Yellow Limited. During the September Quarter the Joint Venture was dissolved. EPM14281 is currently in the process of being transferred to Syndicated Metals. EPM14916 and EPM15070 have been returned unencumbered to Deep Yellow.