

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 18 January 2018

DECEMBER 2017 QUARTERLY ACTIVITIES REPORT

Major aircore drilling program outlines five separate zones of shallow gold mineralisation and extends Korong South prospect to the south

Highlights

Gold Exploration – Monument Gold Project, WA (SMD: 100%)

- 9,900m of aircore drilling program completed to further evaluate soil anomalies over the Korong to Old Copper area and the Korong East felsic intrusion, with shallow gold mineralisation encountered over a strike length of ~4km.
- Final assay results from the aircore drilling outline five separate zones of shallow gold mineralisation at the Korong South, Old Copper and Korong East Prospects.
- Mineralisation was focused along three structures – all associated with the Korong Shear Zone and Korong East Felsic intrusion. Significant assay results included:
 - MAC0055 8m @ 1.06g/t from 16m
 - MAC0063 8m @ 0.66g/t from 24m
 - MAC0126 4m @ 1.01g/t from 36m
 - MAC0192 4m @ 0.98g/t from 72m
 - MAC0237 4m @ 1.55g/t from 36m
 - MAC0238 4m @ 0.88g/t from 44m and
4m @ 1.02g/t from 68m
 - MAC0242 2m @ 1.43g/t from 36m EOH
 - MAC0341 8m @ 0.53g/t from 4m
- The mineralisation remains open along strike at Korong East, with strong potential for down-dip extensions at all three locations. These positions will be tested by further aircore and RC drilling in the coming months.

Exploration and Evaluation

Monument Gold Project (WA)

The Monument Gold Project comprises a 215km² tenement package located approximately 55km west of Laverton in the Laverton gold district of WA. The Laverton district hosts numerous multi-million ounce gold mines such as Sunrise Dam (+10Moz), Wallaby (+8Moz), Granny Smith (+2Moz) and Lancefield (+2Moz).

The package comprises twelve contiguous tenements (eight of which are granted and four applications) which lie immediately to the north-west of the 3.3Moz Mount Morgans Gold Project owned by Dacian Gold Limited (ASX: DCN) (see Figure 1).

Prior to the drilling completed in the December quarter, Syndicated Metals (Syndicated) had completed two programs of RC drilling at the Monument Project: an initial program comprising 29 RC holes and 7 diamond holes at the Korong prospect in 2016, and a limited 6-hole program at the A1 North geophysical target in early 2017. Both programs confirmed the presence of BIF-hosted gold mineralisation associated with sulphides at both Korong and A1 North, which lie within a 16km long strike length of prospective BIF and ultramafic rocks.

While this BIF horizon remains of interest to the Company, its focus has shifted towards the potential for gold mineralisation in structural positions related to the Korong East felsic intrusion.

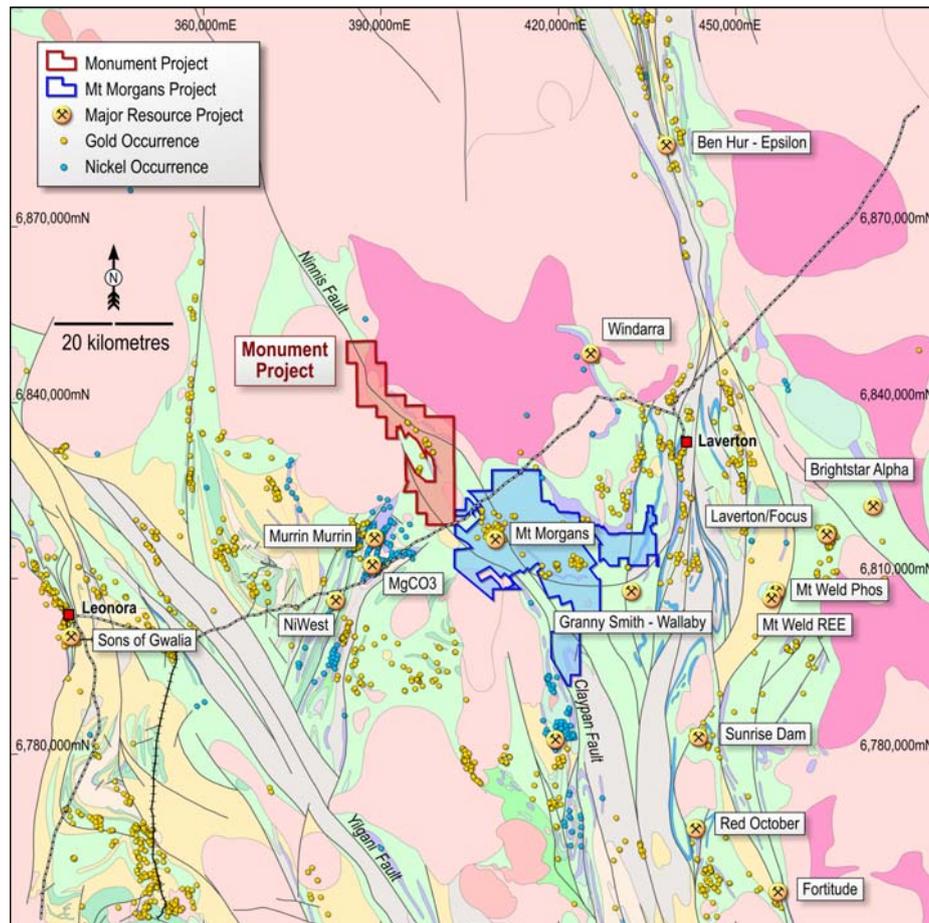


Figure 1 – Location of the Monument Gold Project showing regional geology and nearby mining operations

Aircore Drilling Program

During the quarter, the Company completed a 417-hole, 9,902m aircore drilling program at the Monument Project, successfully defining extensive zones of shallow gold mineralisation at five prospect areas.

Holes were drilled at predominantly 400m by 50m spacing with in-fill lines at 200m by 50m spacing over a strike length of approximately 4.8km. Significant zones of shallow gold mineralisation were encountered at the Korong South, Old Copper and Korong East prospects.

The results further enhance the Company's view that these prospects, when combined with the detailed geological understanding established from RC drilling at the Korong Prospect in 2016/17, form part of a large-scale, gold mineralisation system at Monument which is related to the interaction between the Korong East Felsic Intrusion and the late stage Korong Shear Zone (see Figure 2).

Gold mineralisation in the area has now been delineated over a strike length of 4.4km including the Korong Trend, the Old Copper Trend and the Korong East mineralisation.

The drilling also demonstrated that the mineralisation remains open in several directions, with significant potential to be expanded with further drilling. This potential will be tested with follow-up aircore and RC drilling in the coming months.

The program drilled across parts of the new Korong East felsic intrusion target, which bears strong geological, geophysical, geochemical and structural similarities with other syenite-hosted gold deposits in the immediate area.

These include the Cameron Well prospect, the 1.4Moz Jupiter deposit located within the immediately adjoining 3.3Moz Mount Morgans Gold Project, currently being explored and developed by Dacian Gold (ASX: DCN) (refer Dacian Gold announcement 25 July 2016), as well as the +7.5Moz Wallaby gold deposit, owned by Gold Fields (see Figure 1).

Key points:

- The Korong South, Old Copper and Korong East prospects are the first new targets of the many identified gold prospects within the Monument Gold Project to be drill tested by the Company.
- Significant assay results are summarised below (refer ASX Announcement dated 18 December 2017 for complete drilling results):
 - **Korong South**
 - **MAC0192** **4m @ 0.98g/t from 72m**
 - **MAC0237** **4m @ 1.55g/t from 36m**
 - **MAC0238** **4m @ 0.88g/t from 44m and**
4m @ 1.02g/t from 68m
 - **MAC0241** **1m @ 0.94g/t from 33m EOH**
 - **MAC0242** **2m @ 1.43g/t from 36m EOH**

The Korong mineralisation had previously had RC and diamond drilling completed to a maximum depth of 200m below surface. Mineralisation is characterised by quartz and sulphide in BIF/chert immediately east of the east-dipping Korong ultramafic unit. Aircore drilling at Korong South (see Figure 3) has extended the mineralisation approximately 1,000m further south.

- **Old Copper**
 - **MAC0055** **8m @ 1.06g/t from 16m**
 - **MAC0091** **4m @ 0.61g/t from 0m**
 - **MAC0093** **4m @ 0.63g/t from 36m**
 - **MAC0192** **4m @ 0.98g/t from 72m**
 - **MAC0341** **8m @ 0.53g/t from 4m**

The Old Copper mineralisation was delineated by drilling over a strike length of approximately 1,800m. Mineralisation is characterised by minor quartz veining and sulphide mineralisation in sheared mafic rocks immediately west of the Korong Ultramafic unit. Mineralisation at Old Copper is anomalous (>0.2 g/t Au) in several holes per section with generally wider (8-12m) intersections encountered to date.

- **Korong East**
 - **MAC0063** **8m @ 0.66g/t from 24m**
 - **MAC0126** **4m @ 1.01g/t from 36m**

The Korong East mineralisation was intersected over a strike length of approximately 400m. Mineralisation is characterised by quartz veining in syenitic rocks, part of the large Korong East Felsic Intrusion. Further work is required to define the lateral and vertical extent of the mineralisation.

- The drill results confirm the earlier interpretation of east-dipping zones of gold mineralisation controlled by the interaction of the Korong East Felsic Intrusion and late stage Korong Shear Zone.

The Korong South, Old Copper and Korong East Prospects were first highlighted by low-level soil geochemical programs completed in early 2017. Drilling intersections generally lie immediately below anomalous (10 to 80ppb) gold-in-soil results. Further untested soil anomalies lie along a 16km strike of major gold-bearing structures to the north-west of Korong (see ASX announcement 9 October 2017).

The intersection of strong mineralised trends in a variety of structural and geological settings highlights the potential for a substantial mineralised system which can be delineated using detailed, surface-based, soil geochemical surveys.

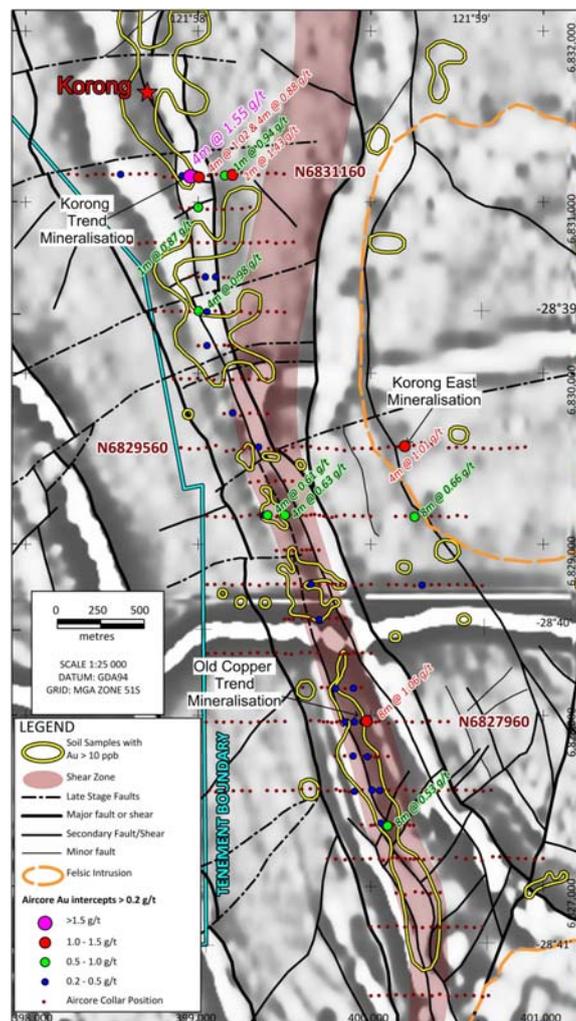


Figure 2 – Aircore drilling plan over magnetics, structure and gold-in-soil anomalies showing holes encountering anomalous (+0.2g/t) gold mineralisation.

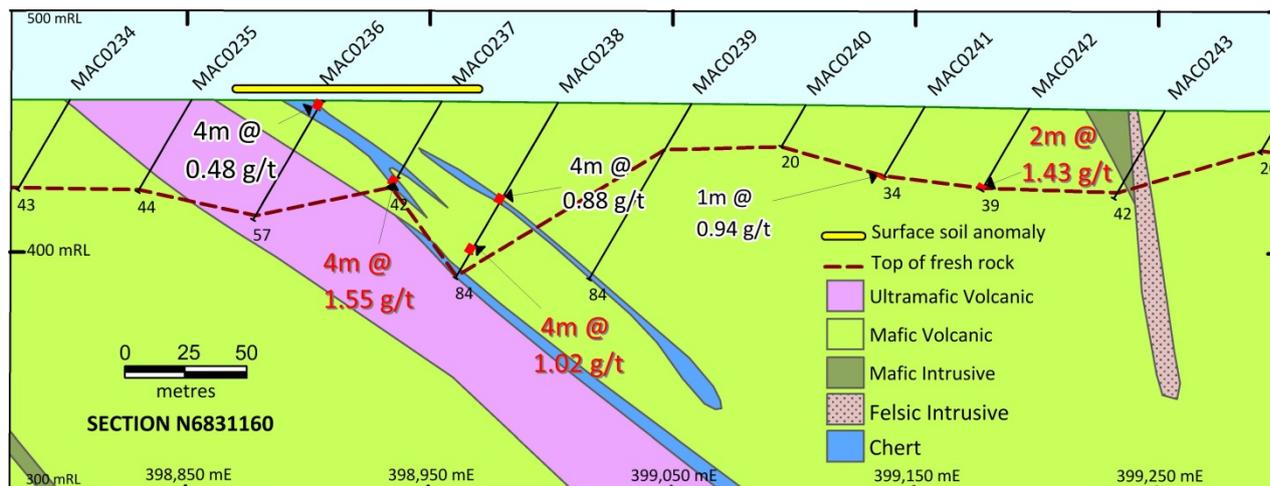


Figure 3 – Korong South Prospect: Interpreted Cross Section 6831160N. Note the relationship between mineralisation east of the Ultramafic unit associated with Chert and Felsic Intrusive rocks.

North Queensland Copper-Gold Projects

In June 2017, Syndicated sold its 50% share of the Barbara Copper Project, located 60km north-east of Mt Isa, to its joint venture partner CopperChem Limited for A\$2.3 million in cash plus a production royalty.

Syndicated retains 100% ownership of its Northern and Southern Hub Projects in North Queensland, comprising a ~1600 km² ground package containing numerous high-grade copper-gold targets plus multiple IOCG and SEDEX-style targets.

Mt Remarkable/Northern Hub (Syndicated 100%) (Qld)

The Mt Remarkable Project consists of eleven EPM tenements covering 1,082km² of tenure and straddles the Mt Remarkable Fault from the Barkley Hwy to Kajabbi.

The project has reverted to an exploration-based assessment of potential new discoveries following the divestment of the Barbara Copper Project to CopperChem.

During the quarter, the Company sought expressions of interest for joint venture partners to undertake exploration for IOCG and SEDEX lead-zinc-silver style mineralisation given the project's prospectivity for these metals.

Syndicated is seeking to partially divest the project via an exploration earn-in joint venture.

Fountain Range/Southern Hub (Syndicated 100%) (Qld)

The Fountain Range Project consists of sixteen EPM tenements covering approximately 460km² of tenure 100km south-east of Mt Isa.

During the quarter, the Company sought expressions of interest for joint venture partners to undertake exploration for IOCG and high-grade lode style gold mineralisation, given the project's prospectivity for this style of mineralisation.

Syndicated is seeking to divest the project via an exploration earn-in joint venture or outright sale.

Corporate

Annual General Meeting

The Company's 2017 Annual General Meeting was held on 11 October 2017. All eight resolutions received strong support and were passed on a show of hands.

Issue of Employee Options

On 18 October, the Company issued 16,000,000 unlisted Options as approved by shareholders and under the Company's Employee Equity Incentive Plan. The issue of Options to Directors and the Employee Equity Incentive Plan were approved by shareholders at the Company's Annual General Meeting. The purpose of the issue of the options to Directors and consultants is to provide an ongoing incentive and retention tool for key personnel within the organisation.

The principal terms of the options are as follows:

Tranche 1 – 5,333,331 options with an exercise price of 2.26 cents each, vesting on the date of issue and expiring on 30 August 2021.

Tranche 2 – 5,333,334 options with an exercise price of 2.34 cents each, vesting 6 months from issue and expiring on 30 August 2021.

Tranche 3 – 5,333,335 options with an exercise price of 3.12 cents each, vesting 12 months from issue and expiring on 30 August 2021.

Issue of Shares upon Exercise of Options

On 14 December the Company issued 361,108 ordinary shares upon the exercise of unlisted options with an exercise price of 1.2 cents and expiring 8 February 2018.

Cash Reserves

As at 31 December 2017, Syndicated had cash reserves of \$1.41 million, no corporate debt and minimal long-term commitments.

Shareholder Information

As at 31 December, Syndicated had 634,845,249 fully-paid ordinary shares on issue and approximately 1,220 shareholders. The top 20 shareholders held approximately 54% of the Company's shares. Syndicated also had 59,803,074 unlisted options on issue exercisable at 1.2 cents each and expiring on 8 February 2018, 16,000,000 unlisted options exercisable at 2.26 cents, 2.34 cents and 3.12 cents and expiring on 30 August 2021 and 5,182,682 performance rights with various vesting conditions and expiry dates.

For further information on Syndicated Metals please 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 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 in the form and context in which they appear.

Additional Information Required by Listing Rule 5.3.3

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

Northern Hub (Mt Remarkable) – Mt Isa, Qld	
EPM 14281	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	Granted
EPM 26026	Granted
Southern Hub (Fountain Range) – Mt Isa, Qld	
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	Granted

Monument Gold Project – Laverton, WA	
E39/1846	Granted
E39/1866	Granted
P39/5519	Granted
P39/5520	Granted
P39/5154	Granted
P39/5471	Granted
P39/5456	Granted
P39/5457	Granted
E39/2024	Application
E39/2035	Application
E39/2036	Application
P39/5837	Application

Mining tenements acquired during the Quarter and their location:

Nil.

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

Nil.

Farm-out Agreements

In June 2017 the Company and CopperChem Limited terminated the Barbara Copper Project joint venture and the Company's interests in tenements EPM16112 and ML90241 were sold to CopperChem. CopperChem retains exploration rights over portions of tenements EPM19733 and EPM18492. Syndicated retains a production royalty payable on the first 10,000 tonnes of copper-in-concentrate (or ore equivalent) produced by the Barbara Copper Project. The royalty will be payable as follows:

- 1% of the net smelter return (NSR) generated from the sale of concentrate or ore equivalent subject to a minimum invoiced copper price of US\$2.50/lb;
- 2% of the NSR generated from the sale of concentrate or ore equivalent subject to a minimum invoiced copper price of US\$3.00/lb;
- Where no production royalties are payable due to the invoiced price being below US\$2.50/lb, copper sold from the Barbara Copper Project does not count towards the 10,000 tonne production royalty cap.

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

Nil.