

April 28th 2011

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED MARCH 31st 2011



Syndicated Metals Limited (Syndicated) (ASX:SMD) is focused on advancing its base metal projects in the Mount Isa Mineral Province in Northwest Queensland towards production.

Highlights

- 2011 exploration and resource expansion drilling program commenced at Mount Remarkable copper-gold project near Mount Isa in Northwest Queensland;
- 10,000 metre program to follow up targets including Green Zone and Blue Star plus new zones of copper-gold mineralization discovered at Bloodwood and Ironbark;
- Ongoing scoping studies confirm the economic potential of open pit and underground mining at the Barbara deposit;
- Environmental baseline studies and surveys underway at Barbara in preparation for mining lease application;
- Growth opportunities in the Mount Isa region complementary to the Company's existing activities being actively pursued.

DIRECTORS & MANAGEMENT

Martin Pyle

Chairman

Russell Davis

Managing Director

Bruce McCullagh

Non-Executive Director

Jan Hope

Non-Executive Director

Ki Deok (KD) Park

Non-Executive Director

Mark Whittle

Exploration Manager

CORPORATE

ABN 61 115 768 986

Market Capitalisation

(31/3/2011)

\$18.3 million (at 20c per share)

Issued Capital (31/3/2011)

91.72 million ordinary shares

21.5 million unlisted options

6.95 million listed 20c options

Cash (31/3/2011): \$3.85 million

CONTACT DETAILS

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ASX CODE

SMD



Mount Remarkable Project

The substantial resource upgrade achieved in the 2010 drilling program confirmed the potential of the Barbara copper-gold deposits within the Mount Remarkable Project to form the basis of a substantial long-term mining operation. The Mount Remarkable Project is located around 60 kilometres northeast of Mount Isa in Northwest Queensland.

During 2011, Syndicated's exploration program will be focused on defining additional open pittable sulphide copper-gold mineralisation at Mount Remarkable, as well as pursuing an extensive regional exploration program to maintain continuity of its pipeline of high quality drilling targets.

At the same time further detailed environmental, metallurgical and mining studies into the most advantageous development option for the Barbara deposits are ongoing.

Drilling

Syndicated's planned 2011 drilling program, comprising approximately 10,000 metres of RC and diamond core drilling, at the Mount Remarkable copper-gold project got underway ahead of schedule in early March. Work was subsequently interrupted by wet weather but has now recommenced and is proceeding well. A total of 1885 metres of RC drilling in 29 holes have been drilled to date.



RC Drilling Rig at Blue Star – March 2011

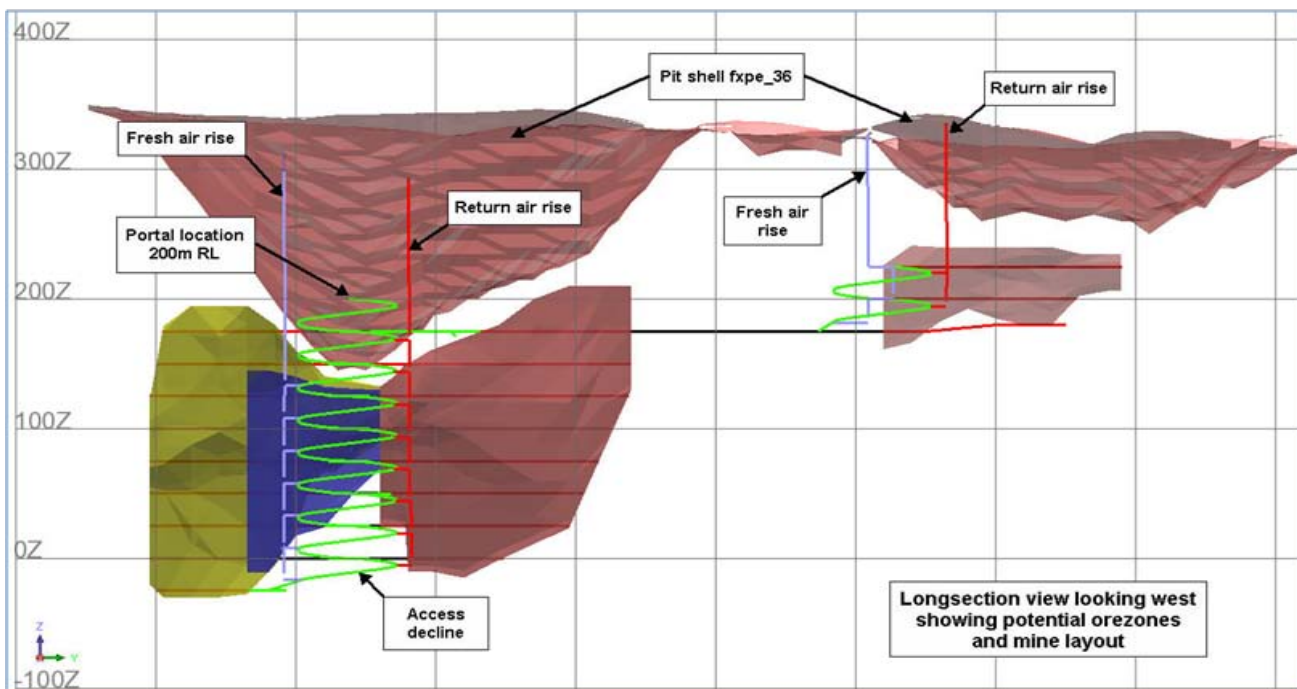
The first 15 holes in the program were drilled at Green Zone which lies within the Leichhardt Joint Venture 400 metres west of the Barbara deposit. The rig then completed three shallow holes in the area between the North and South lodes at Barbara and is currently drilling at the Blue Star prospect – also within the Leichhardt Joint Venture. It is anticipated that assay results will be available in 3 to 4 weeks.

Scoping Studies

Following the resource upgrade for the Barbara deposits announced in November 2010, Syndicated has undertaken preliminary scoping study work on the potential viability of open pit and/or underground mining of the current indicated and inferred resource (5.33 million tonnes @ 1.4% Cu, 0.1g/t Au and 2.5g/t Ag at 0.5% Cu cut-off). Refer to Appendix 1 for details of the Resource Estimate.

Syndicated has based its investigations on the results of its own metallurgical testwork and a range of typical industry assumptions on geotechnical requirements, operating assumptions and using a range of copper prices.

These studies indicate that the combined Measured, Indicated and Inferred resource has the potential to support an economically attractive open pit and underground mining operation. Figure 1 shows the outline of an initial pit with a crown pillar separating it from the later underground operation. Initial development layouts show the south and north underground shapes would be joined via a cross linking drive and share a common access from a portal in the pit.

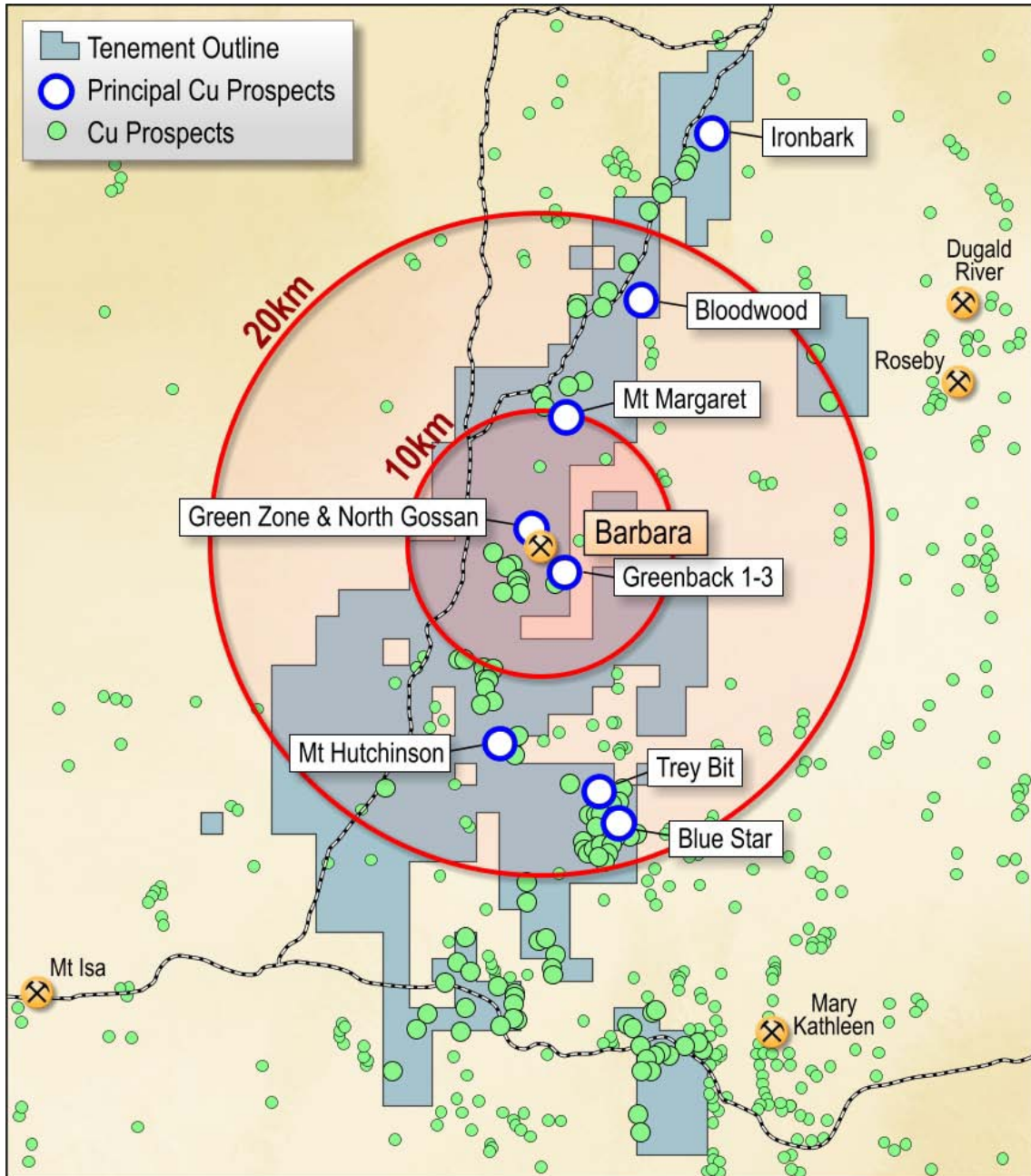


Conceptual Mine Plan - Barbara

As the resource continues to be upgraded, on-going mine planning work will include a review of the open pit and underground interface. Additional studies and test work will be carried out to confirm the validity of the mine planning assumptions used to date.

Baseline environmental studies of the Barbara area are now underway including flora and fauna surveys as part of the Mining Lease application process.

Further metallurgical test work on the Barbara sulphide mineralisation will also be carried out including studies to determine the amenability of the near surface oxide material to concentration by flotation.



2011 Drilling Targets

Bloodwood and Ironbark

Initial rock chip sampling by the Company late in 2010 identified high grade oxide copper and gold mineralisation at surface at these two prospects located to the northeast of the Barbara copper-gold deposit. The strongly elevated gold values in the samples are considered particularly encouraging.

These two exciting new copper-gold prospects will be drilled during the second quarter following more detailed sampling and mapping.

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Kalman South

Syndicated holds a 49% interest in EPM13870 which hosts a substantial portion of the Kalman molybdenum-rhenium-copper-gold resource located 60 kilometres southeast of Mount Isa. Syndicated also holds a 2% Net Smelter Royalty on production from EPM13870.

Syndicated's joint venture partner on EPM13870, Cerro Resources NL (ASX:CJO) (formerly Kings Minerals NL), holds a 51% interest in EPM13870 and can earn up to a 70% interest by fully funding and completing a final feasibility study by July 2011.

No substantive field work was completed on the Joint Venture tenement during the Quarter. However the joint venture partners are discussing options for moving the project forward.

Tenement Acquisition & Project Generation

Syndicated has continued to progress a number of project generation opportunities with a focus on advanced base metal opportunities capable of significantly complementing the Company's activities in the Mount Isa region.

Corporate

Syndicated's cash balance was \$3.85 million at the end of March.

An application for registration of the Company's research and development activities to allow tax concessions for eligible R&D expenditure made to AusIndustry was successful.

Competent Persons' Statements

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Russell Davis and Mr Mark Whittle who are Members of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who have 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 Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Davis and Mr Whittle are full-time employees of Syndicated Metals Limited and consent to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear

Company Background

Syndicated is focused on the discovery and development of base metal deposits within its prospective project areas in the mineral-rich Mount Isa region in Northwest Queensland.

Syndicated is building a significant metal resource inventory in the Mount Isa region with its interests in the Barbara (copper-gold) and Kalman South (molybdenum-rhenium-copper-gold) deposits, both within 60 kilometres of existing infrastructure at the Mount Isa mining centre.

Korea Zinc Company Ltd, through its Australian subsidiaries holds a 14.9% interest in Syndicated.

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

Russell Davis
Managing Director
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Martin Pyle
Chairman
T: 0429 999 552

APPENDIX 1

The Indicated and Inferred Mineral Resources for the Barbara Deposit as at November 2010 are tabulated below. Refer also to Syndicated's ASX announcement dated November 17th 2010 for details. The upgraded resource is reported at cut-offs of 0.5% and 1% by JORC category (Table 1) and by tenement - EPM 15564 (100% Syndicated) and EPM 16112 (51% Syndicated / 49% Mount Isa Metals Limited), (Table 2).

Table 1: Barbara Deposit Mineral Resource Tabulation

(Both tonnage and grade values have been rounded; therefore the table may contain rounding errors)

Resources By Classification - Copper Zone - 0.5% Cu cut-off											
Category	Tonnes	Cu %	Au g/t	Ag g/t	Co ppm	Cueq%	Cu t	Au ozs	Ag ozs	Co t	CuEq t
Indicated	3,778,000	1.6	0.2	2.7	265	1.8	59,000	18,000	328,000	1,000	68,000
Inferred	1,552,000	1.1	0.1	2.0	272	1.3	17,000	6,000	102,000	400	20,000
Total	5,331,000	1.4	0.1	2.5	267	1.7	76,000	25,000	430,000	1,400	89,000
Resources By Classification - Copper Zone - 1% Cu cut-off											
Category	Tonnes	Cu %	Au g/t	Ag g/t	Co ppm	Cueq%	Cu t	Au ozs	Ag ozs	Co t	CuEq t
Indicated	1,913,000	2.4	0.2	4.1	366	2.7	45,000	14,000	249,000	700	52,000
Inferred	686,000	1.5	0.2	2.9	297	1.8	10,000	4,000	64,000	200	12,000
Total	2,598,000	2.1	0.2	3.7	348	2.5	56,000	17,000	312,000	900	64,000

* - Note on the use of copper equivalent grades.

The estimate summary table above shows a copper equivalent grade. The equivalent grade is based on copper, gold, silver and cobalt. The copper metal equivalent calculation is based on a copper price of \$US8,340/t, gold price of \$US1,300/oz, silver price of \$US23.66/oz and a cobalt price of \$US21/lb. Grade and price units are converted to percent and tonnes respectively. The sum product is calculated and then divided by the copper price to arrive at a copper equivalent grade. It is the opinion of Syndicated Metals that the metals included in the equivalent calculation have a reasonable potential to be recovered although definitive metallurgical testwork has only been conducted on copper at this stage of the projects development.

Table 2: Barbara Deposit Mineral Resource Tabulation – Based on Tenement

(Both tonnage and grade values have been rounded; therefore the table may contain rounding errors)

Resources by Tenement - Copper Zone - 0.5% Cu cut-off												
Tenement	Category	Tonnes	Cu %	Au g/t	Ag g/t	Co ppm	Cueq%	Cu t	Au ozs	Ag ozs	Co t	CuEq t
EPM15564 (100% SMD)	Indicated	2,977,000	1.6	0.2	2.7	270	1.8					
	Inferred	362,000	1.3	0.1	2.4	296	1.5					
	EPM15564	3,339,000	1.6	0.2	2.7	272	1.8	52,000	16,000	286,000	900	61,000
EPM16112 (51% SMD)	Indicated	801,000	1.4	0.1	2.7	247	1.7					
	Inferred	1,191,000	1.0	0.1	1.9	265	1.2					
	EPM16112	1,992,000	1.2	0.1	2.2	258	1.4	24,000	8,000	143,000	500	28,000
	Total	5,331,000	1.4	0.1	2.5	267	1.7	76,000	25,000	430,000	1,400	89,000
Resources by Tenement - Copper Zone - 1% Cu cut-off												
Tenement	Category	Tonnes	Cu %	Au g/t	Ag g/t	Co ppm	Cueq%	Cu t	Au ozs	Ag ozs	Co t	CuEq t
EPM15564 (100% SMD)	Indicated	1,524,000	2.4	0.2	4.1	382	2.8					
	Inferred	181,000	1.8	0.1	3.6	348	2.1					
	EPM15564	1,705,000	2.3	0.2	4.0	379	2.7	40,000	12,000	221,000	600	46,000
EPM16112 (51% SMD)	Indicated	388,000	2.2	0.2	3.9	300	2.5					
	Inferred	505,000	1.4	0.2	2.6	279	1.7					
	EPM16112	893,000	1.8	0.2	3.2	288	2.0	16,000	5,000	92,000	300	18,000
	Total	2,598,000	2.1	0.2	3.7	348	2.5	56,000	17,000	312,000	900	64,000

(*See Table 1 comments)

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

SYNDICATED METALS LIMITED

ABN

61 115 768 986

Quarter ended ("current quarter")

March 31 2011

Consolidated statement of cash flows

	Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	33	278
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(367)	(1,575)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	24	115
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(683)	(2,022)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(60)	(65)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	25	25
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	(35)	(40)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(718)	(2,062)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(718)	(2,062)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,410	3,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	(60)	(159)
	Net financing cash flows	1,350	2,841
	Net increase (decrease) in cash held	632	779
1.20	Cash at beginning of quarter/year to date	3,222	3,075
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,854	3,854

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	166
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees and professional services

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,094
4.2 Development	
4.3 Production	
4.4 Administration	119
Total	1,213

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	104	222
5.2 Deposits at call	3,750	3,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,854	3,222

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EPM17676		Nil	100%

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	91,726,896	91,250,005		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,400,000	9,400,000		
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	<i>Number</i>		<i>Exercise price</i>	<i>Expiry date</i>
		500,000		40 cents	Aug 30 2011
		6,950,000	6,950,000	20 cents	Dec 30 2011
		8,000,000		30 cents	Sep 3 2012
		1,000,000		40 cents	Oct 31 2012
		1,600,000		25 cents	Nov 30 2014
		1,000,000		30 cents	Nov 30 2014
		3,800,000		35 cents	Nov 30 2014
		2,800,000		45 cents	Nov 30 2014
		2,800,000		55 cents	Nov 30 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: April 15 2011
(Director/Company secretary)

Print name: BR McCullagh

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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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