

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 14 April 2015

## MARCH 2015 QUARTERLY ACTIVITIES REPORT

***Feasibility Study for Barbara Copper Project extended and expanded.  
Syndicated to raise \$1.996M via fully underwritten Entitlements Issue to underpin  
multi-pronged exploration program aimed at growing copper inventory.***

*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 outlined for the Barbara Copper-Gold Project with the joint venture partners (Syndicated and CopperChem) committing to an expanded Feasibility Study which is targeted for completion in Q3 2015.
- 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 Feasibility Study until its 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.
- Syndicated to raise \$1.996 million before costs via a 4-for-11 Entitlements Issue, fully underwritten by Pitt Capital Partners, with the funds raised to drive a multi-pronged exploration program designed to further expand the Company's copper inventory in North Queensland.
- Ongoing regional soil sampling programs undertaken across the 100%-owned Mt Remarkable tenements in the Northern Hub, aimed at identifying new exploration targets.

### Overview

In January 2015, Syndicated announced that the scope of the Feasibility Study on the Barbara Copper Project had been significantly expanded to include on-site processing at Barbara. This decision was made by the joint venture partners, Syndicated and CopperChem Limited, following an internal review of the work completed to date, coupled with the successful drilling programmes undertaken during 2014.

Based on the internal review and the expanding resource base within the JV area, CopperChem, as manager of the JV, proposed an extension of the Barbara Feasibility Study scope, 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 and RCs 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 project 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 (refer ASX Announcement dated 16 December 2014). The Joint Venture believes there is excellent 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 on 100%-owned ground.

Elsewhere, the Company continued 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 the introduction of 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 recent months.

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 CopperChem's Cloncurry plant.

In support of the expanded scope, the Barbara Joint Venture will undertake further drilling programs at Barbara and at the identified satellite deposits with the overall objective of increasing Mineral Resources to support a 5-7 year LOM. The drilling programs 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.

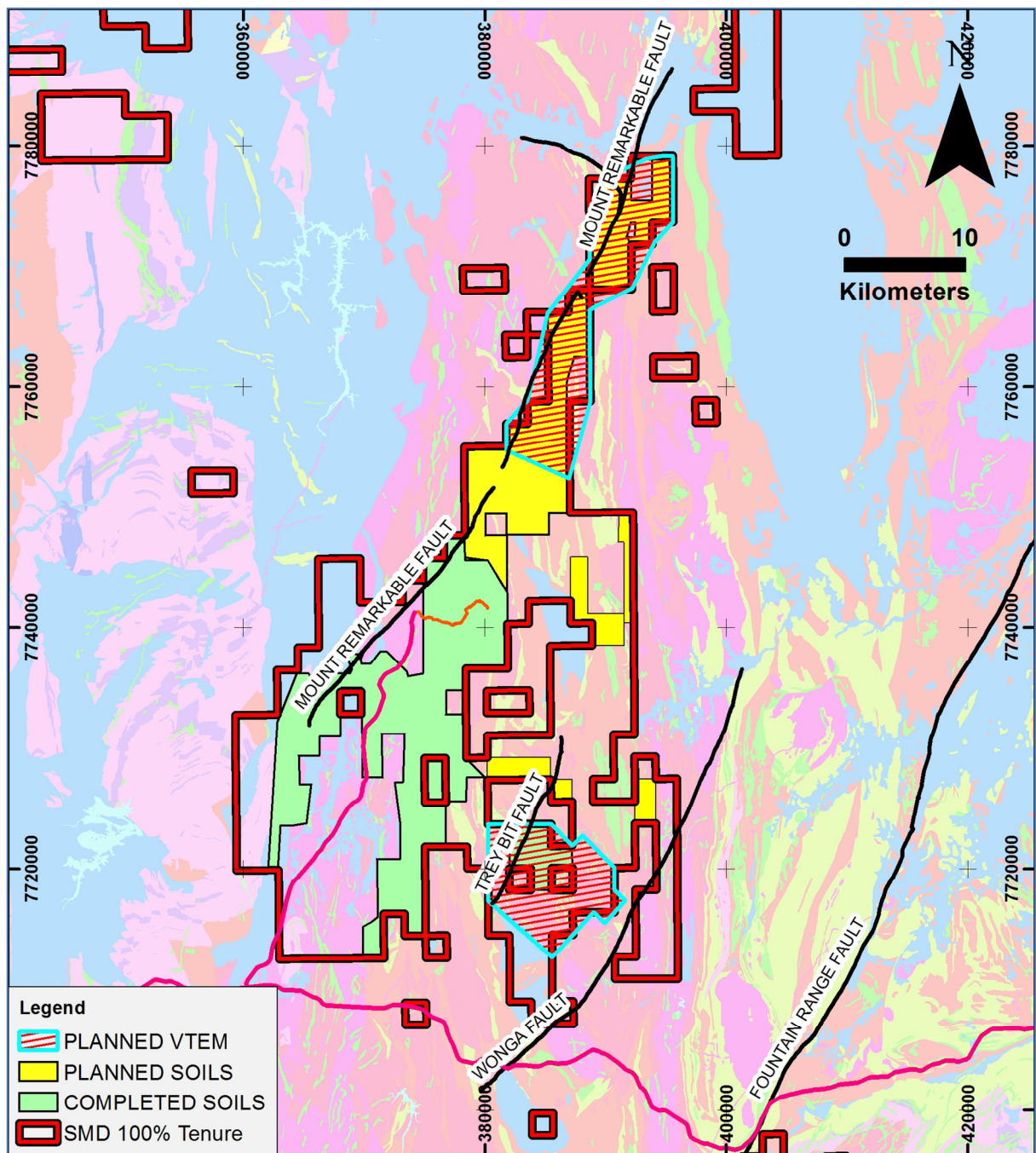
The study work completed to date, including the permitting and approvals and the Mining Lease application, will enable the Joint Venture partners to advance the project rapidly, subject to a positive result from the expanded Feasibility Study. It is anticipated that the expanded study will be completed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

#### **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 program continued 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 program focused on the highly prospective Leichhardt Volcanics to the south, and within viable trucking distance of, the Barbara Project. The target area covered 74km<sup>2</sup> from which 3,993 samples were submitted for assay, including 152 duplicates and 190 standards. Results and analysis are pending.

Further soil sampling and airborne geophysical surveys are planned to commence in the June quarter to follow up existing soils programs and prioritise projects generated in the 2014 and March quarter soils programs. Proposed programs are highlighted in Figure 1.



**Figure 1: Northern Hub Regional Geology Showing Planned Work Areas**

#### **Fountain Range/Southern Hub Regional Exploration**

On 29 December 2014 the Company announced the acquisition of the Tick Hill Copper-Gold Project from Straits Resources. During the Quarter, the Company completed field checking of all prospects and conducted a desktop geological review of prospective new targets within the newly acquired project.

Exploration proposals for the area have been planned and documented and await approval.

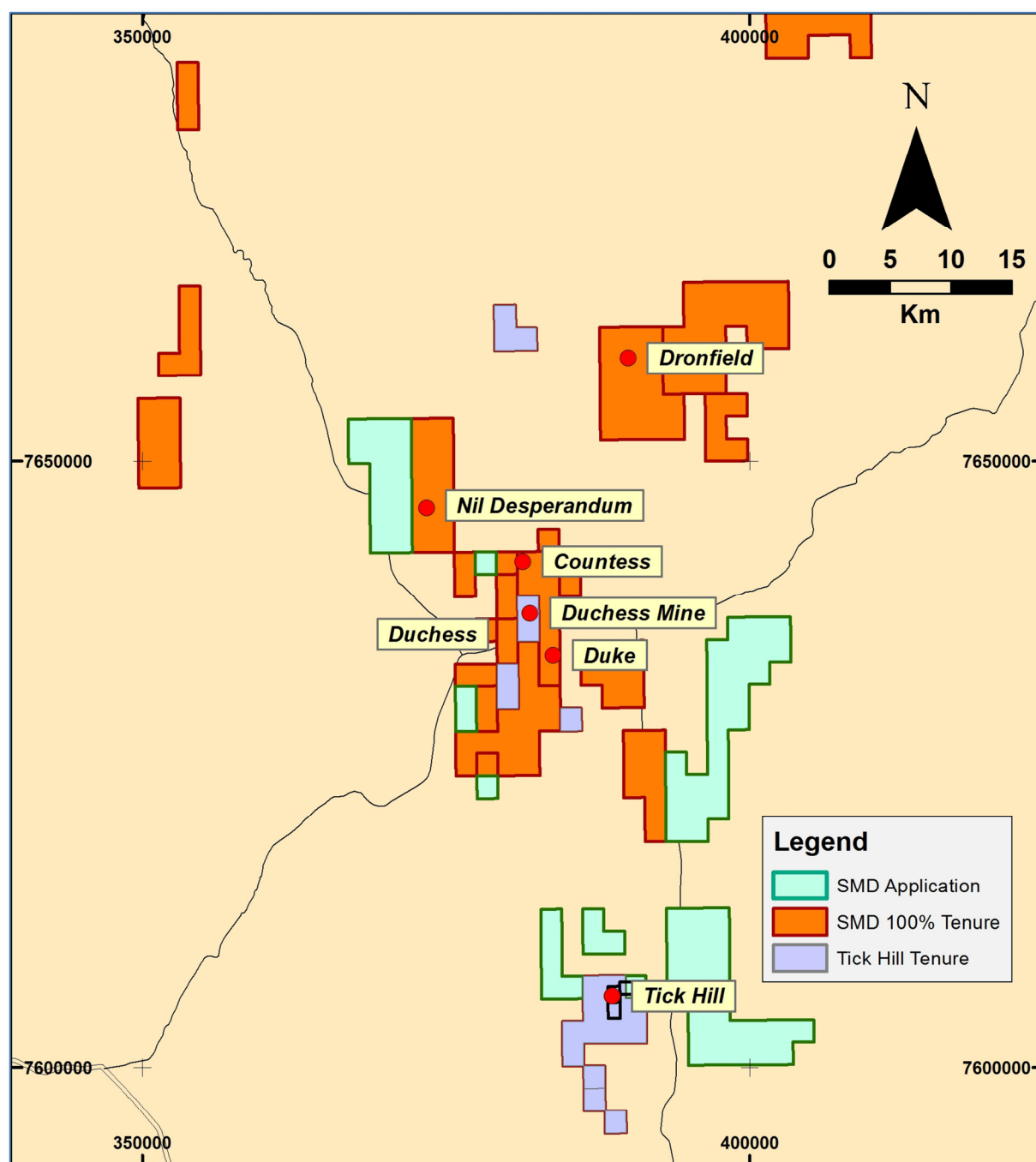


Figure 2: Southern Hub Tenement Status

## Corporate

### Entitlements Issue

On 17 March 2015 the Company announced a fully underwritten non-renounceable 4-for-11 Entitlements Issue at 2 cents per share to raise \$1.996 million before costs.

Under the Entitlements Issue, the Company is offering approximately 99.79 million shares to shareholders with a registered address in Australia and New Zealand on the record date of 23 March 2015. The Offer opened on 26 March 2015 and closed on 13 April 2015. The Company awaits finalisation and confirmation of the total take-up by shareholders.



Shareholders who applied for their full entitlement were also able to apply for additional Shares in excess of their entitlements.

Pitt Capital Partners Limited, a 100%-owned subsidiary of Washington H. Soul Pattinson and Company Limited, is underwriting the Entitlements Issue. CopperChem Limited is also a 100%-owned entity of Washington H. Soul Pattinson & Company Limited. Pitt Capital Partners Limited will seek to procure commitments for the entire shortfall from sub-underwriters, namely CopperChem Limited and/or Washington H. Soul Pattinson and Company Limited.

The funds raised will be used to advance the exploration on the Company's 100%-owned tenements at both the Mt Remarkable Project and the Southern Hub Project as well as its 50% contribution to the resource extension drilling at Barbara and Lillymay as part of the Barbara JV.

### Cash Reserves

As at 31 March 2015, the Company had cash reserves of \$0.677 million. The Company has no corporate debt and minimal long-term commitments.

### Financials

Net cash outflows for the March Quarter totalled \$0.482 million, predominantly comprising exploration and evaluation expenditure (\$0.227m) net of funds received from the Company's Joint Venture partner, CopperChem Limited (\$0.098m) and administrative expenses.

Cash outflows for the June 2015 Quarter are expected to total \$0.631 million, inclusive of \$0.413 million of expenditure on exploration field activities (net of expected cash call receipts from CopperChem) and the purchase of the Tick Hill Project from Straits Resources.

### Shareholder Information

As at 31 March, the Company had 274,445,673 fully paid ordinary shares on issue and approximately 712 shareholders. The top 20 shareholders held 55.17% 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](http://syndicatedmetals.com.au) or contact:

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**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.*

## Additional Information Required by Listing Rule 5.3.3

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

<b>Mt Isa - Northern Hub (Mt Remarkable)</b>	
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
<b>Mt Isa - Southern Hub (Fountain Range)</b>	
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:

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*

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.