

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 23 October 2017

## SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT

Identification of new gold targets at Monument Gold Project in WA paves way for major new aircore drilling program, now underway

### Highlights

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

- Extensive exploration review completed, supported by results from soil sampling programs, resulting in the identification of a significant new gold target adjacent to a large felsic intrusion.
- Analysis of the target area by independent consultants confirms presence of an elongate felsic intrusion at Korong East, 1km to the east of the Korong-Old Copper mineralised trend.
- The 3km x 1.5km felsic intrusion is defined by a low magnetic response coincident with a gravity low and bears many similarities to other major deposits and discoveries in the region, including the Cameron Well and Jupiter prospects at Dacian Gold's 3.3Moz Mt Morgans Project.
- The presence of a major north-south trending fault east of the felsic intrusion which intersects the Korong-Old Copper stratigraphy with coincident gold-in-soil anomalism makes the area an attractive target for gold exploration.
- Additional targets identified by comprehensive soil sampling programs conducted over the Korong East felsic intrusion, as well as other target positions along the Korong-Waihi trend.
- These include a strongly anomalous mineralised corridor up to 4km long and 300m wide, which represents a priority target for exploration.
- An initial program of approximately 11,000m of aircore drilling commenced subsequent to Quarter-end to evaluate these targets.

### Exploration and Evaluation

#### Monument Gold Project (WA)

The Monument Gold Project comprises a 215km<sup>2</sup> 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 12 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).

Syndicated has so far completed two programs of RC drilling at the Monument Project: an initial program comprising 29 RC holes and seven diamond holes at the Korong prospect (completed in 2016) and a limited 6-hole program at the A1 North geophysical target (completed earlier this year).

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 recently shifted towards the potential for gold mineralisation in structural positions related to the Korong East felsic intrusion.

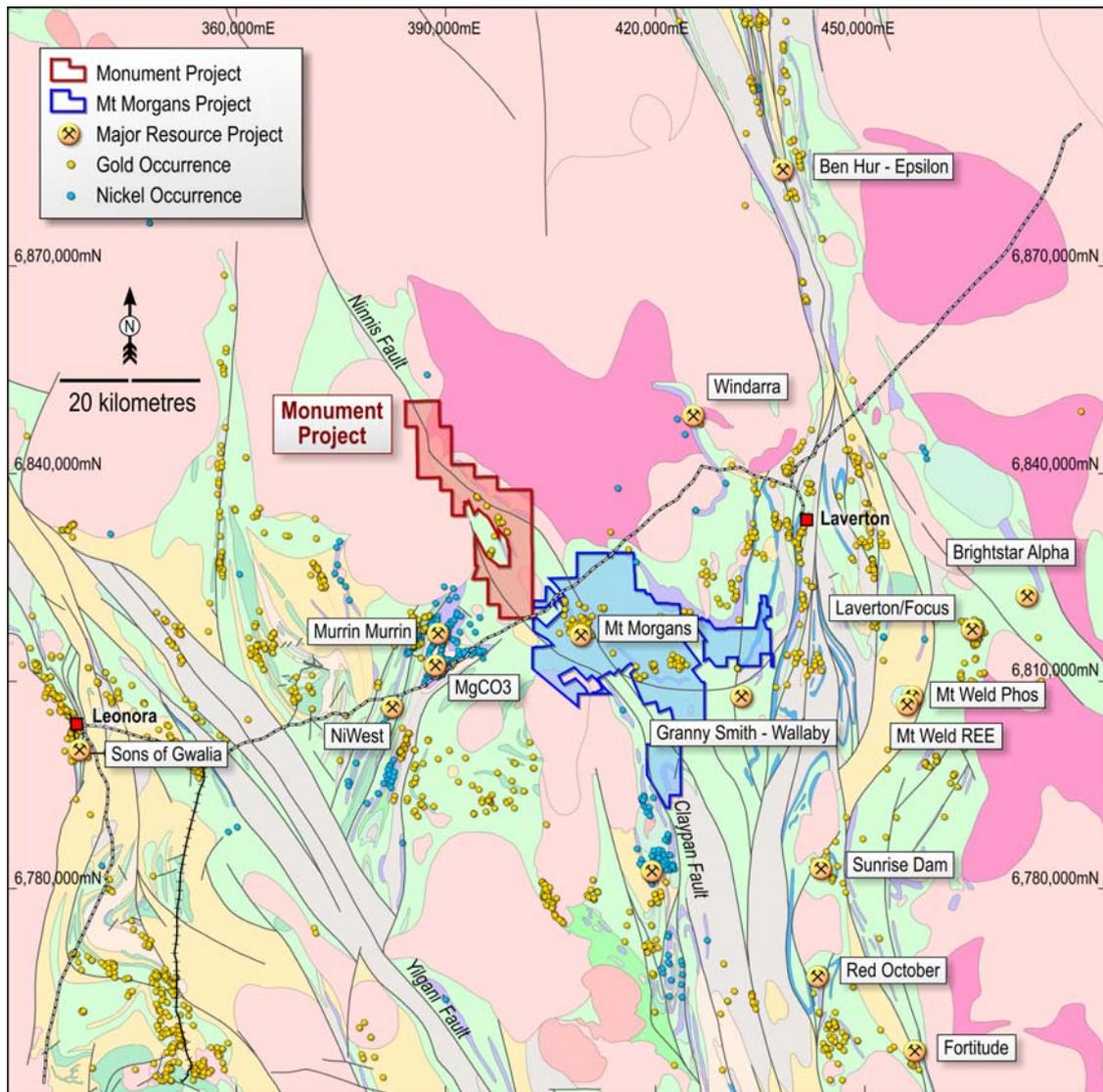


Figure 1 – Location of the Monument Gold Project showing regional geology and nearby mining operations

**Monument Project Exploration Review**

During the Quarter, the Company identified an extensive felsic intrusion-related gold target at the Monument Project.

The new target, which was defined through a geological review of intrusion-related gold mineralisation in the Laverton District combined with the results of recent soil sampling programs, 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).

A large, elongate felsic intrusion was defined at Korong East adjacent to the north-south trending Korong Fault which intersects the Korong-Waihi Trend between the Korong and Old Copper prospects (see Figure 3). This area contains a significant gold-in-soil anomaly approximately 4,000m long by 300m wide between Korong and Old Copper. In addition, a number of scattered gold-in-soil anomalies also lie over the Korong East felsic intrusion itself.

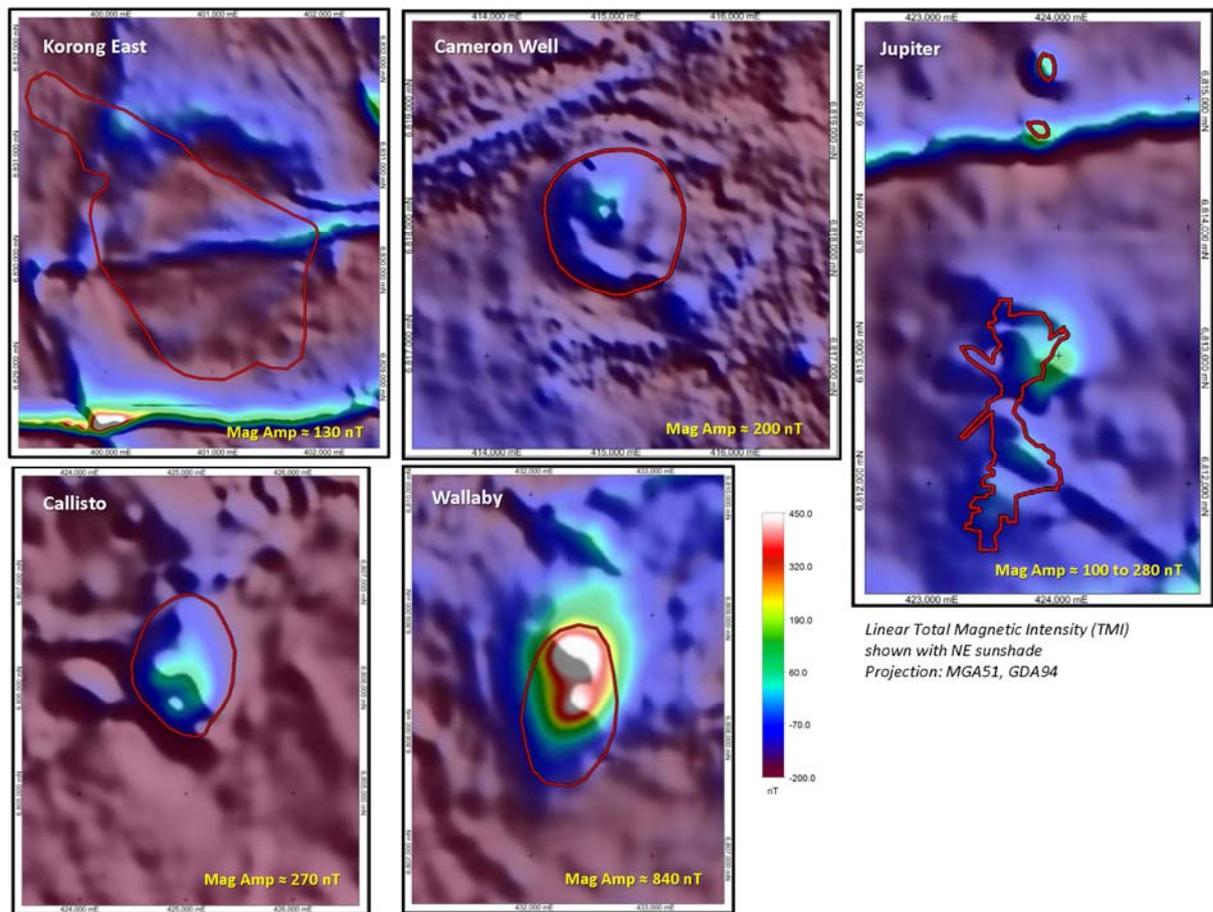
### **Geological Review of Intrusion-Related Gold Deposits (IRGD)**

During the Quarter, Syndicated commissioned Southern Geoscience Consultants and Geochemical Services Pty Ltd to undertake a review of the intrusion-related gold potential of the Laverton district and its relationship to the Monument Project. The key objective of this review was to compare the geophysical and geochemical responses of intrusion-related gold deposits in the area to an interpreted large felsic body identified at the Korong East prospect at Monument.

Intrusion-related prospects or deposits (generally termed syenites) in the study included Dacian Gold's 1.4Moz Jupiter deposit and its Cameron Well and Callisto prospects, Gold Fields's +7.5Moz Wallaby deposit as well as the Granny Smith and Beasley Creek deposits further afield.

The study was based on publicly available regional magnetic data, ground gravity data, soil and drilling geochemical data, as well as information published by Dacian Gold and Gold Fields. Magnetic responses of the known deposits are illustrated in Figure 2. Geochemical comparison of the deposits is incomplete and ongoing. The key conclusions from the review included:

- The magnetic anomalies over the Laverton syenite bodies are generally elongate to ovoid in shape, with the size of the magnetic features ranging from 1-2km.
- The amplitude of the magnetic responses varies between 100 and 280nT, except for Wallaby, which has an exceptionally high amplitude of 840nT due to late stage magnetite alteration that post-dates the intrusion.
- The magnetic anomalies are generally zoned, comprising areas of higher and lower magnetic responses. According to Dacian Gold, these zones may be associated with separate intrusive phases or may relate to the depth of cover and the location of structures. Both magnetic highs and lows related to the intrusion can be mineralised.
- Syenite bodies generally produce gravitational lows or are located at the contact between a gravitational high grading to a low. The contact may indicate the position of the fault/shear structures associated with the intrusion and its mineralisation.
- The Korong East felsic intrusion is elongate in shape, slightly larger than the known mineralised syenite bodies. It has a maximum magnetic amplitude on the low end of the range (130nT). It is associated with a distinct gravitational low response. There is a distinct east-west Proterozoic dyke that bisects it. The northern rim of the magnetic feature has a higher magnetic amplitude response than the core of the feature or its southern rim.



**Figure 2 – Magnetic responses of known mineralised Syenites in the Laverton district compared to Korong East felsic intrusion. Syenite/felsic intrusion surface projection outline shown in red.**

### Soil Sampling Results

An extensive regional soil sampling program was completed during the Quarter with three areas within the tenement package highlighted for follow up and in-fill soil sampling, including over the Korong to Old Copper area, the Korong East felsic intrusion and the Perseverance area.

All three areas previously have received very little exploration attention. Each area was sampled on a 400m by 100m spacing initially with follow up and in-fill sampling at 50m x 50m spacing over Korong to Old Copper, 100m x 100m spacing over Korong East and 100m x 25m spacing over Perseverance. Samples were submitted to Intertek laboratories for multi-element assay and low level (0.1ppb) detection of gold. Zones of anomalous gold in soil responses are highlighted at all three locations.

At Korong to Old Copper a zone of anomalous gold mineralisation approximately 4,000m long by 150m to 300m wide is encountered over the mapped ultramafic unit that sits adjacent to and west of the Korong mineralisation further north. This 4,000m long corridor has received only minor drilling at the southern end of the Korong deposit to date (see Figure 3).

The anomalous gold-in-soil positions correspond with the intersection of the Korong Ultramafic with the north-south oriented Korong Fault. This ultramafic unit hosts a number of narrow, high-grade mineralised horizons at the Westralia deposit(s) of Dacian Gold, located approximately 10km to the south-east.

At Korong East, soil sampling highlighted low-level gold-in-soil anomalism on the eastern edge of the interpreted felsic intrusive position. Gold anomalism is associated with sheared and quartz veined oxidized felsic scree and rubble, generally adjacent to the interpreted positions of north-south trending faults (refer to Figure 3).

No outcrop or subcrop of the underlying rocks was encountered in the soil sampling program.

The results generally have one or two moderately anomalous (+15ppb) samples surrounded by broader areas of weakly anomalous samples (3ppb to 15ppb). This pattern of soil anomalism may reflect the generally flat lying nature of the gold mineralisation encountered at other syenite hosted gold deposits in the area (e.g. Wallaby, Jupiter and Cameron Well).

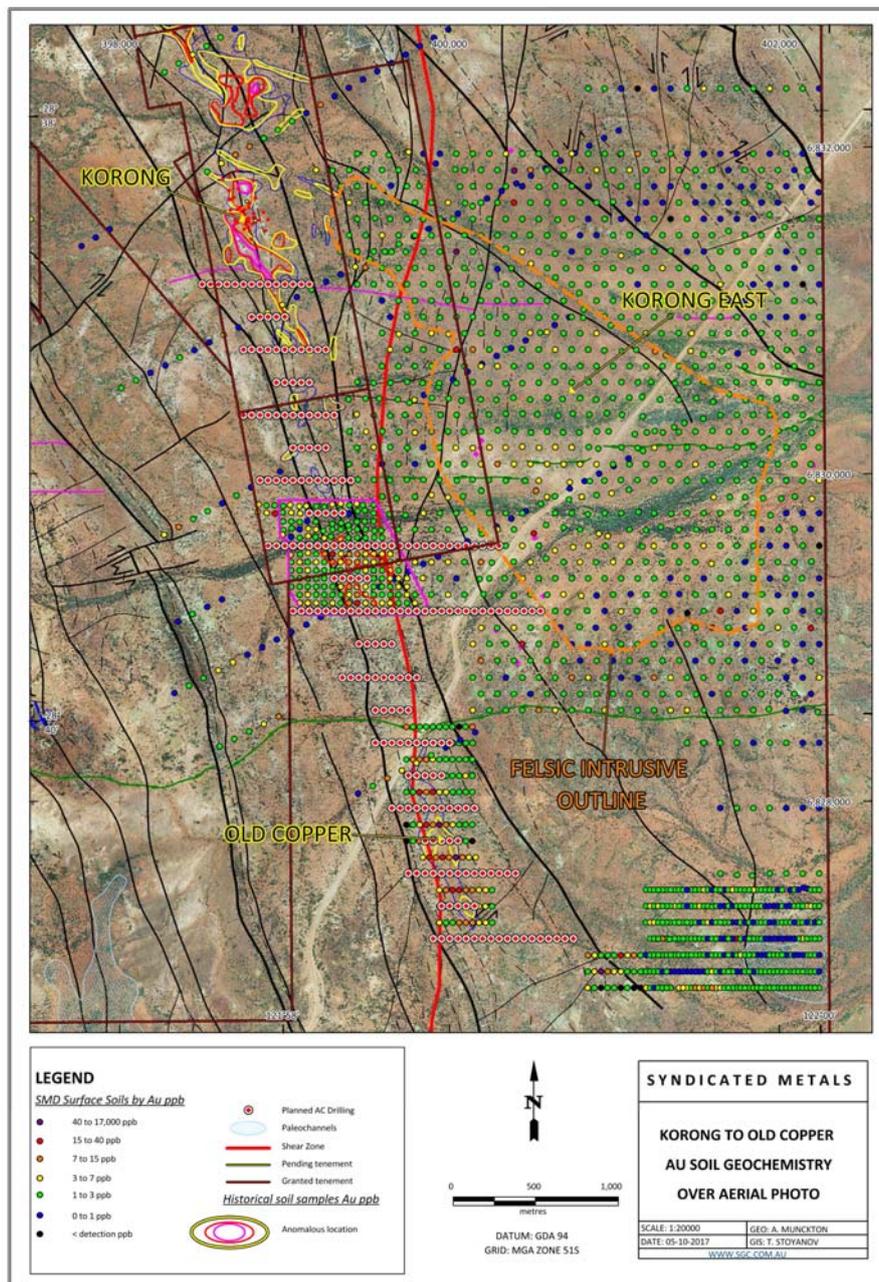
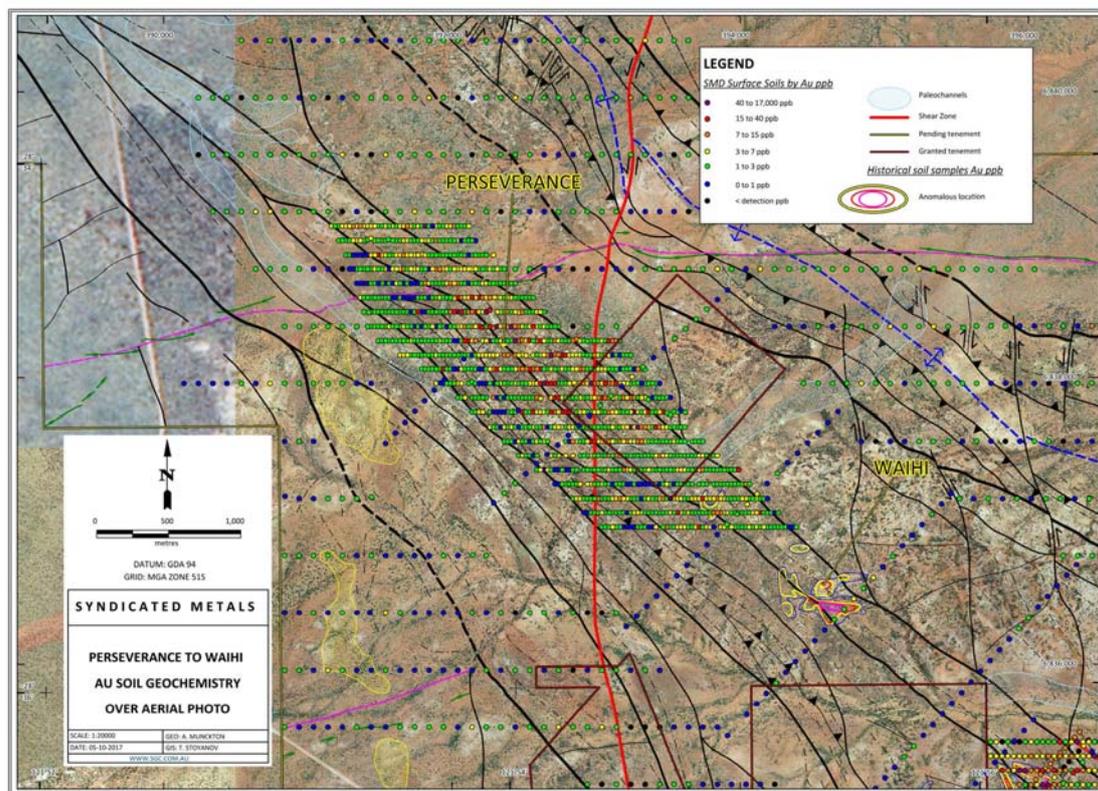


Figure 3 – Gold-in-soil geochemical results for the Korong to Old Copper and Korong East Prospects. Note: historical areas of Au anomalism north of Korong were outlined by pre-1990, detailed LAG sampling conducted by MIM and WMC. It is included for illustration of historically sampled areas only.

At Perseverance, a strongly anomalous zone approximately 2,000m in length and 100m to 200m wide, 2km north-west of the Waihi prospect was highlighted.

The prominent BIF ridge that hosts the Waihi mineralisation and historical workings further south-east is not present but detailed mapping shows BIF and mafic to ultramafic sub-crop with minor historical workings underlying the gold-in-soil anomaly (see Figure 4). Gold anomalism lies generally north-west of the interpreted north-south oriented Perseverance Fault.



**Figure 4 – Gold in soil geochemical results for the Perseverance Prospect. Note - historical areas of Au anomalism at Waihi were outlined by pre-1990, detailed LAG sampling conducted by MIM and WMC. It is included for illustration of historically sampled areas only.**

### Aircore Programs

An 11,000m aircore drilling program commenced on 12 October, to assess the gold-in-soil anomalism highlighted at Korong to Old Copper and Korong East. Ethnographic and WA Mines Department approvals have recently been received for the proposed program.

Drilling is being undertaken by Raglan Drilling and scheduled for 4-5 weeks duration. Aircore drilling will initially take place at 400m line spacings and 50m hole spacings to drill refusal. See Figure 3 for proposed drilling locations.

Two lines of holes are also planned to test the eastern contact and gold-in-soil anomalism associated with the Korong East felsic intrusion. This work is aimed at giving the geological team an initial understanding of the nature, structure and geological features associated with this large intrusive body. In-fill drilling, if required, will be undertaken once assay results are received.

### **North Queensland Copper-Gold Projects**

In June, 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 km<sup>2</sup> 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 1,082 km<sup>2</sup> 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 460 km<sup>2</sup> of tenure 100km south-east of Mt Isa.*

During the Quarter, the Company sought expressions of interest for JV 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**

### **Cash Reserves**

As at 30 September 2017, Syndicated had cash reserves of \$2.21 million, no corporate debt and minimal long-term commitments.

### **Shareholder Information**

As at 30 September, Syndicated had 634,484,141 fully-paid ordinary shares on issue and approximately 1,260 shareholders. The top 20 shareholders held approximately 54% of the Company's shares. Syndicated also had 60,164,182 unlisted options on issue exercisable at 1.2 cents each and expiring on 8 February 2018, 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](http://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:

<b>Northern Hub (Mt Remarkable) – Mt Isa, Qld</b>	
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
<b>Southern Hub (Fountain Range) – Mt Isa, Qld</b>	
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

<b>Monument Gold Project – Laverton, WA</b>	
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:

During the Quarter the Company applied for tenement P39/5837 located in the Laverton region of WA close to the existing Monument Gold Project tenement holding.

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

During the June 2017 Quarter 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.