

February 6 2012

## KALMAN DELIVERS STRONG NEAR SURFACE Cu-Au & Mo-Re RESULTS

**ELEVATED GOLD GRADES UP TO 2.87 g/t OVER 9 METRES**

- **10 Hole RC drilling program completed at Kalman in December 2011;**
- **Results highlight clusters of near surface high grade copper-gold values at the southern end of the Kalman deposit above deep high grade intersections from previous drilling that included 9 metres @ 20% Cu;**
- **Significant results from December RC drilling at Kalman include:**
  - **22 metres at 0.84% Cu and 1.31g/t Au from 37 metres (1.65% Cu equivalent\*) including 9 metres @ 1.3% Cu and 2.87 g/t Au (2.9% Cu equivalent\*) from 50 metres in K-127;**
  - **6 metres at 0.24% Mo and 4.78 g/t Re (1.1% Cu equivalent\*) from 73 metres and 5 metres at 1.53% Cu and 0.33g/t Au (1.7% Cu equivalent\*) from 132 metres in K-124;**
- **Follow up of these high value intersections a priority in 2012.**

Syndicated Metals Limited (**ASX: SMD**) is pleased to announce that results from the 10 hole RC drilling program completed at the Kalman Cu-Au & Mo-Re deposit in December 2011 continue to confirm the potential for a substantial near surface mineral resource.

The Kalman project is located around 60 kilometres southeast of Mount Isa in Northwest Queensland close to major infrastructure.

Syndicated's initial drilling programs at Kalman are targeted at shallow open-pit copper-gold and molybdenum-rhenium mineralisation in the upper parts of the deposit. Deeper drilling to improve the definition of the underlying high grade core of the Kalman deposit will follow.

The drilling was carried out by Syndicated as manager of the restructured Kalman Joint Venture with Cerro Resources NL (**ASX:CJO**). Under the new joint venture Syndicated can earn up to an 80% interest in the +700 km<sup>2</sup> tenement package which includes the Kalman polymetallic deposit.

Results for the 10 holes completed in Stage 2 of the program (K-121 to K-130) are shown in Table 1. The holes tested along a 600 metre strike length of the mineralised zone south of the Stage 1 holes (K-116 to K-120) completed at the northern end of the deposit last August.

Of particular interest are the group of near surface copper-gold results around Hole K-127 (22 metres at 0.88% Cu and 1.3g/t Au) at the southern end of the deposit that possibly reflect the up-plunge position of significant intercepts in earlier deeper holes such as K-30 (11 metres at 1.65% Cu and 1.4g/t Au) and K106C (44 metres at 2.4% Cu and 0.61g/t Au) and K-106A (77 metres at 1.4% Cu and 1.3g/t Au and 9 metres @ 20% Cu).

### BOARD OF DIRECTORS

**Russell Davis**

Chairman and Managing Director

**Bruce McCullagh**

Non-Executive Director

**Jan Hope**

Non-Executive Director

**Ki Deok (KD) Park**

Non-Executive Director

**Trevor Leahey**

Project Manager Mount Isa

### CORPORATE

**ABN 61 115 768 986**

**Market Capitalisation**

(3.2.2012)

\$9.8 million (at 8.5 cents per share)

**Issued Capital** (3.2.2012)

116 million ordinary shares

22 million unlisted options

**Cash** (31.12.2012): \$2.1 million

### CONTACT DETAILS

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### ASX CODE

SMD



Similarly at the northern end of the deposit around K-119 (20 metres at 0.82% Cu and 0.3g/t Au) there are several shallow intercepts up-plunge of previous drill holes K-19 (47 metres at 1% Cu and 0.5g/t Au), K-53 (32 metres at 1% Cu and 1.1g/t Au) and K-20 (59 metres at 1.16% Cu and 0.65g/t Au). (Refer to Drill Hole Location Plan for hole locations.) There is considered significant potential to extend and better define these high value intersections through targeted drilling.

Results of the drilling will now be passed on Syndicated's independent geological and mining consultants for integration into the current resource model for Kalman.

*Commenting on the Kalman results, Syndicated's Chairman and Managing Director, Mr Russell Davis said: "We continue to be excited by the picture emerging at Kalman. It is clear that we have a highly mineralised area with the potential for significant additional discoveries, as demonstrated by our recent announcements including the high grade copper-gold results from rock chip sampling at Pandora's Gift and the results of the diamond drilling at Andy's Hill.*

*Thanks to the most recent drilling results we now have a clear focus for the targeting of follow-up infill drilling in 2012 as part of a strategy to chase the up-plunge extensions of the deeper high grade copper-gold mineralisation. The significant gold credits with the copper at Kalman are also a nice boost."*

### **Competent Person's Statements**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Russell Davis 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 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 is a full-time employee of Syndicated Metals Limited and consents to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear

### **Company Background**

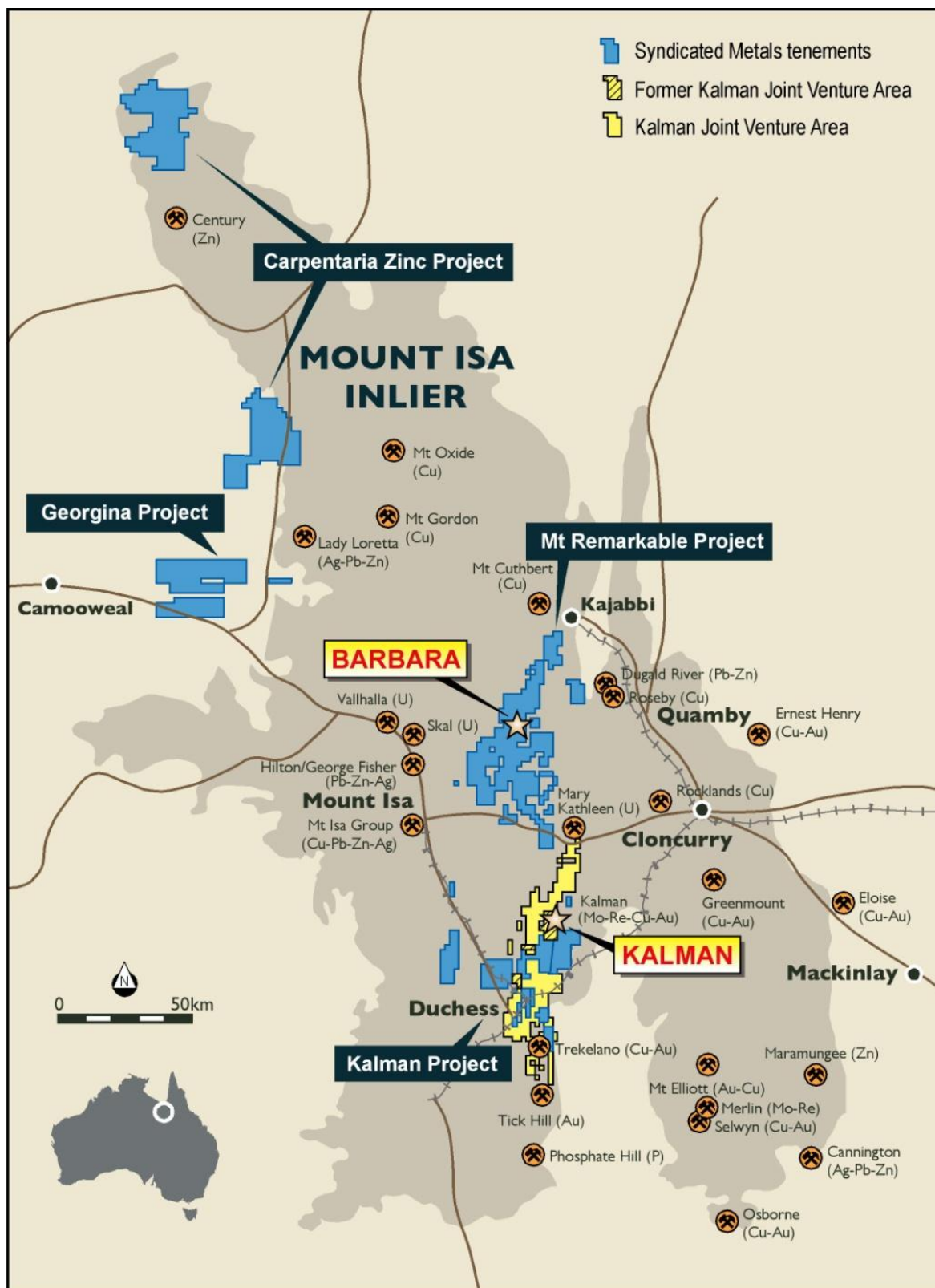
Syndicated is focused on the discovery and development of base metal deposits within its prospective project areas in the mineral-rich Mount Isa region in Northwest Queensland.

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.

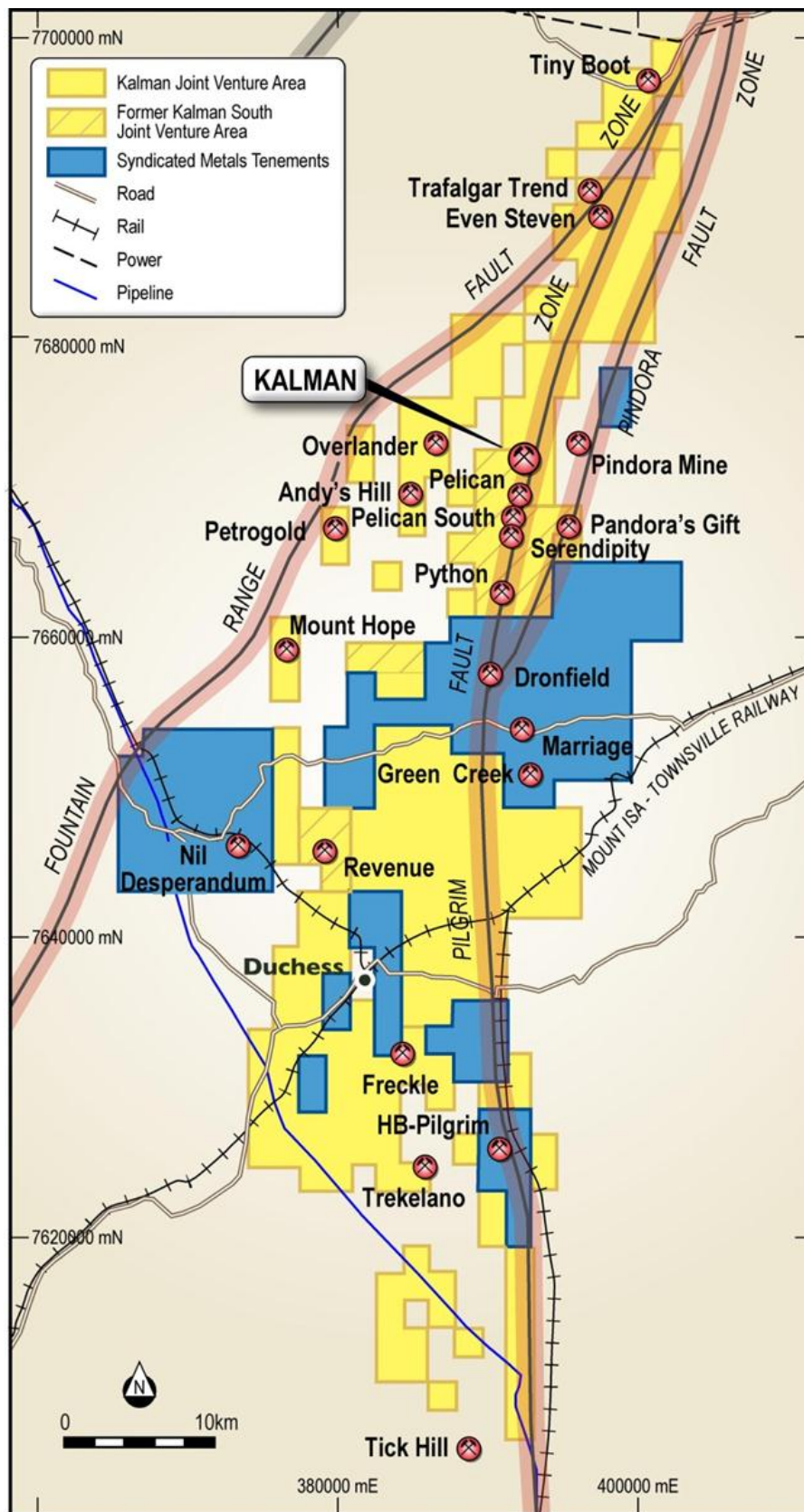
Korea Zinc Company Ltd, through its Australian subsidiaries holds a 12% interest in Syndicated.

For further information on the Company view our website at [www.syndicatedmetals.com.au](http://www.syndicatedmetals.com.au) or contact:

**Russell Davis**  
**Chairman and Managing Director**  
**T: 0419 195 087**

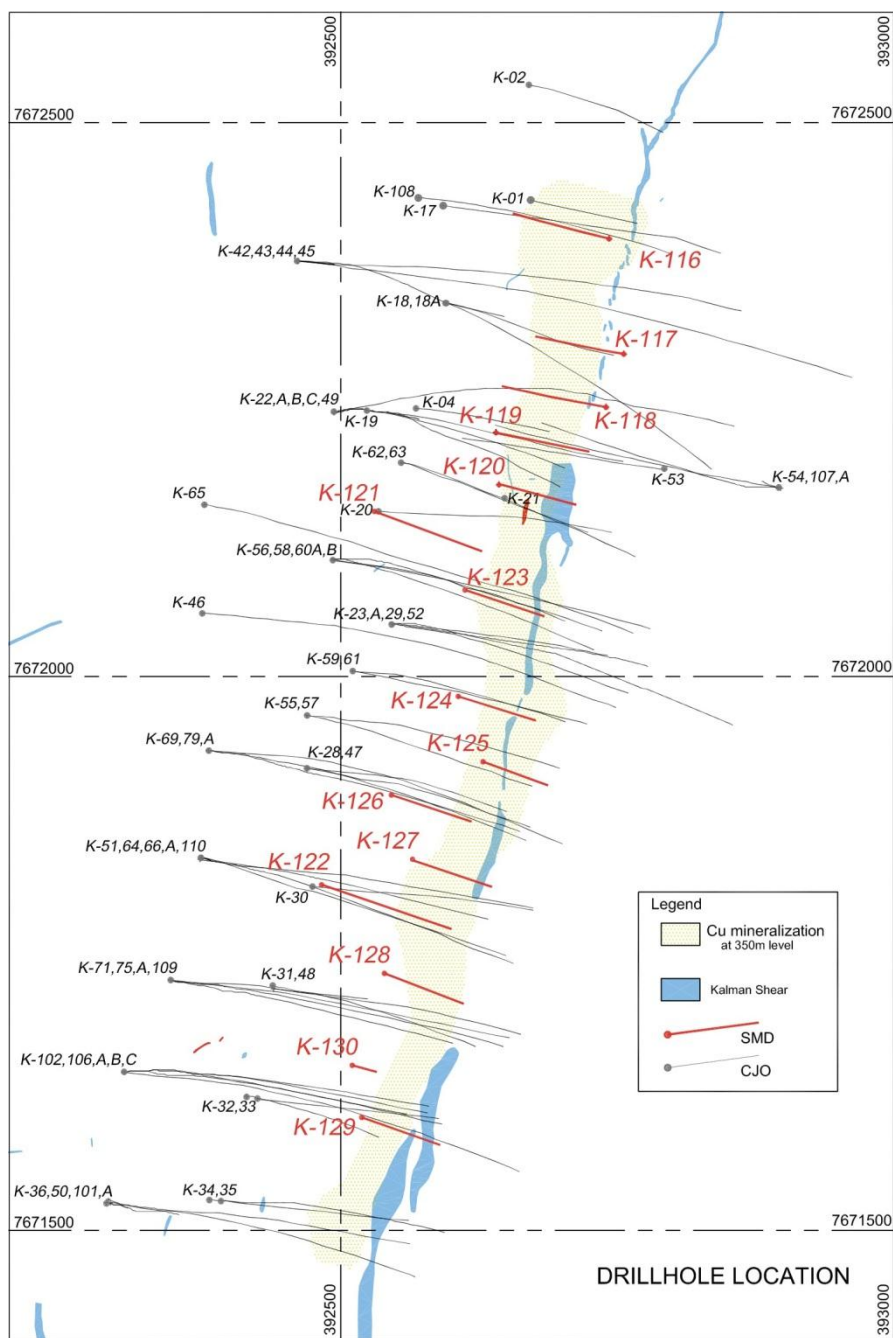


**Project Locations**



**Kalman Project Area**





| Hole Number | Depth Drilled (m) | Location (GDA54) |         |     | Collar Details |     |
|-------------|-------------------|------------------|---------|-----|----------------|-----|
|             |                   | North            | East    | RL  | Azimuth (M_n)  | Dip |
| K-121       | 211               | 7672151          | 0392532 | 420 | 100            | 50  |
| K-122       | 223               | 7671811          | 0392481 | 433 | 100            | 50  |
| K-123       | 150               | 7672065          | 0392607 | 411 | 101.5          | 50  |
| K-124       | 150               | 7671982          | 0392606 | 399 | 101            | 50  |
| K-125       | 126               | 7671923          | 0392629 | 401 | 100            | 50  |
| K-126       | 150               | 7671894          | 0392547 | 401 | 100            | 60  |
| K-127       | 150               | 7671838          | 0392558 | 402 | 100            | 50  |
| K-128       | 126               | 7671732          | 0392539 | 404 | 100            | 50  |
| K-129       | 150               | 7671599          | 0392526 | 424 | 100.5          | 50  |
| K-130       | 36 (abandoned)    | 7671648          | 0392515 | 414 | 100            | 50  |

**Kalman Drill Hole Locations**

**Table 1: Kalman RC Drilling Results (K-121 to K-130) at a 0.5% Cu & 500ppm Mo cut-off**

| Hole Number               | From m                 | To m | Length m | Cu % | Au g/t | Ag g/t | Mo ppm | Re g/t | Cueq* % |
|---------------------------|------------------------|------|----------|------|--------|--------|--------|--------|---------|
| K-121                     | 162                    | 166  | 4        | 0.60 | 0.32   | <1     | 600    | ap     | 1.0     |
|                           | 180                    | 189  | 9        | 0.55 | 0.49   | <1     | 951    | ap     | 1.17    |
|                           | 185                    | 196  | 11       | 0.21 | 0.33   | <1     | 2050   | ap     | 1.16    |
| K-122                     | 150                    | 151  | 1        | 0.41 | 0.32   | <1     | 3720   | ap     | 1.98    |
|                           | 180                    | 182  | 2        | 0.22 | 0.16   | <1     | 1316   | ap     | 0.80    |
|                           | 182                    | 185  | 3        | 0.81 | 0.31   | <1     | 86     | ap     | 0.98    |
| K-123                     | 57                     | 63   | 6        | 0.13 | 0.16   | 2.8    | 2892   | 2.9    | 1.4     |
|                           | 84                     | 94   | 10       | 0.68 | 0.35   | <1     | 14     | ap     | 0.88    |
|                           | 133                    | 139  | 6        | 0.50 | 0.12   | <1     | 2      | ap     | 0.57    |
| K-124                     | 73                     | 79   | 6        | <0.1 | <0.01  | 4.4    | 2396   | 4.7    | 1.11    |
|                           | 132                    | 137  | 5        | 1.53 | 0.33   | <1     | 2      | ap     | 1.71    |
| K-125                     | 11                     | 17   | 6        | 0.11 | 0.04   | 1.9    | 684    | <1     | 0.41    |
| K-126                     | 125                    | 128  | 3        | <.1  | 0.02   | 4.3    | 1769   | 1.4    | 0.77    |
|                           | 131                    | 134  | 3        | <0.1 | 0.01   | 1.7    | 552    | 0.9    | 0.31    |
| K-127<br>including<br>and | 37                     | 59   | 22       | 0.84 | 1.31   | <1     | 274    | ap     | 1.65    |
|                           | 46                     | 48   | 2        | 0.44 | 0.35   | <1     | 1647   | ap     | 1.25    |
|                           | 50                     | 59   | 9        | 1.29 | 2.87   | <1     | 117    | ap     | 2.90    |
|                           | 90                     | 94   | 4        | <0.1 | 0.01   | 2.3    | 902    | ap     | 0.36    |
| K-128                     | No significant results |      |          |      |        |        |        |        |         |
| K-129                     | 34                     | 37   | 3        | 0.37 | 0.36   | <1     | 20     | ap     | 0.57    |
| K-130                     | 30                     | 35   | 5        | 0.74 | 0.24   | <1     | 4      | ap     | 0.87    |

**\* - 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, molybdenum and rhenium. The copper metal equivalent calculation is based on a copper price of \$US8,800/t, gold price of \$US1,500/oz, silver price of \$US35/oz, a molybdenum price of \$US33,000/t and a rhenium price of \$US3000/kg. 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 and molybdenum at this stage of the project's development.

(ap: rhenium assays pending)