

ASX Announcement: 30 January 2020

SUCCESSFUL \$700K PLACEMENT TO ADVANCE GOLD EXPLORATION

Funds raised to facilitate generation and testing of new targets at the Newington and Edjudina Gold Projects in WA

KEY POINTS

- **\$700K raised at 0.5 cents per share comprising a strongly supported \$600K share placement to existing and new sophisticated and professional investors and an additional \$100K share placement to the Company's two new Directors, subject to shareholder approval.**
- **The proceeds of the raising will primarily be used to define new targets, via surface sampling, at the Newington Gold Project and RC drill testing of the compelling Hornet Prospect at the Edjudina Gold Project.**
- **Both drilling and surface sampling programs to commence during Q1 2020.**
- **Funds will also be allocated to expand on the existing project portfolio in line with the new management strategy of systematic exploration in underexplored areas of prospective geology within WA.**

Syndicated Metals (ASX: SMD) (Syndicated or Company) is pleased to advise that it has successfully completed a capital raising of A\$700,000 (before costs) (**Placement**) to underpin exploration programs across its key WA gold projects including the RC drill testing of the Hornet Prospect at the newly acquired Edjudina Project in the Laverton region along with generation of new targets at the Newington Gold Project in the Southern Cross region of Western Australia (refer Figure 1).

The capital raising, which was undertaken at an issue price of 0.5 cents per share, comprises a strongly supported share placement to sophisticated and professional clients of Perth-based JP Equity Partners, as well as some long-standing major shareholders of the Company, and an additional \$100,000 share placement to the Company's two new Directors, subject to shareholder approval.

JP Equity Partners were the lead manager for the Placement.

Details of Share Placement

The Placement will be undertaken in two tranches. 120,000,000 fully-paid ordinary shares will be issued to sophisticated and professional clients of JP Equity Partners and some existing major shareholders of the Company under the Company's available placement capacity under Listing Rules 7.1 (40,938,453 shares) and 7.1A (79,061,547 shares) to raise \$600,000 (**Tranche 1 Placement**). The shares are expected to be issued on 4 February 2020. The issue of shares under the Tranche 1 Placement does not require shareholder approval.

The balance of the Placement shares (20,000,000 fully paid ordinary shares) will be issued to the Company's new directors Bradley Drabsch and Toby Wellman or their related entities, subject to shareholder approval being obtained under Listing Rules 7.1 and 10.11, also at an issue price of 0.5 cents per share to raise \$100,000 (**Tranche 2 Placement**). Shareholder approval will be sought for the issue of the Tranche 2 Placement shares at a General Meeting of Shareholders to be held as soon as practical.

The Company will lodge an Appendix 3B in relation to the Placement and Appendix 2A's upon settlement of the Tranche 1 and Tranche 2 Placements respectively.

Use of Proceeds

The funds raised will be used to fund the following activities:

- Complete RC drill testing (approx. 1,000m) of high priority targets at the Edjudina Project, focussing on the Hornet Prospect, details of which have previously been released to the market;
- Complete a surface sampling program, including mapping, rock and soil sampling (over 2,500 samples in the first round, with follow-up sampling and eventual drill testing, as warranted, to be planned) at the Newington Project;
- Identify and evaluate the potential acquisition of new project areas; and
- General working capital requirements and the expenses of the Placement.

RC drill testing at Edjudina will primarily target the existing, untested bottom of hole anomaly at the Hornet Prospect, as detailed in SMD's ASX announcement dated 6 November 2019. At Hornet, previous workers identified significant gold anomalism within the weathered rock profile with two bottom of hole and near bottom of hole intersections of **1m @ 2.0g/t Au and 3m @ 1.6g/t Au from 47m and 41m** downhole respectively. Refer to the Company's announcement dated 6 November 2019 for further information about these results. The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement. These highly significant intervals, among others remain untested and will be followed-up by SMD in this quarter.

Surface sampling at the Newington Project will initially comprise approximately 2,500 soil samples to extend existing targets and expand on conceptual targets across the project. Second phase infill sampling and subsequent drill testing, where warranted, will then be completed.

Management Comment

Syndicated's new Managing Director, Mr Bradley Drabsch, commented on the exciting opportunity that the current portfolio of projects presents, along with the potential for new discoveries in Western Australia and the support offered by current and new shareholders who have participated in the current placement.

"Toby Wellman and I are very enthusiastic about the potential of SMD. We believe that with our exploration experience and the systematic and rigorous approach that we take towards our work that we can unlock fantastic opportunities within the current project portfolio and identify new, perhaps previously overlooked ones, within Western Australia" he said.

"We appreciate the support from existing and new investors in this capital raising and see this as a new beginning for the Company and look forward to moving ahead in 2020."

Trading Halt

This Announcement ends the Company's trading halt requested on Tuesday 28 January 2020.

ENDS

Authorised for Release by:
Mr Bradley Drabsch
Managing Director
Syndicated Metals Limited
Telephone: 08 9380 9440

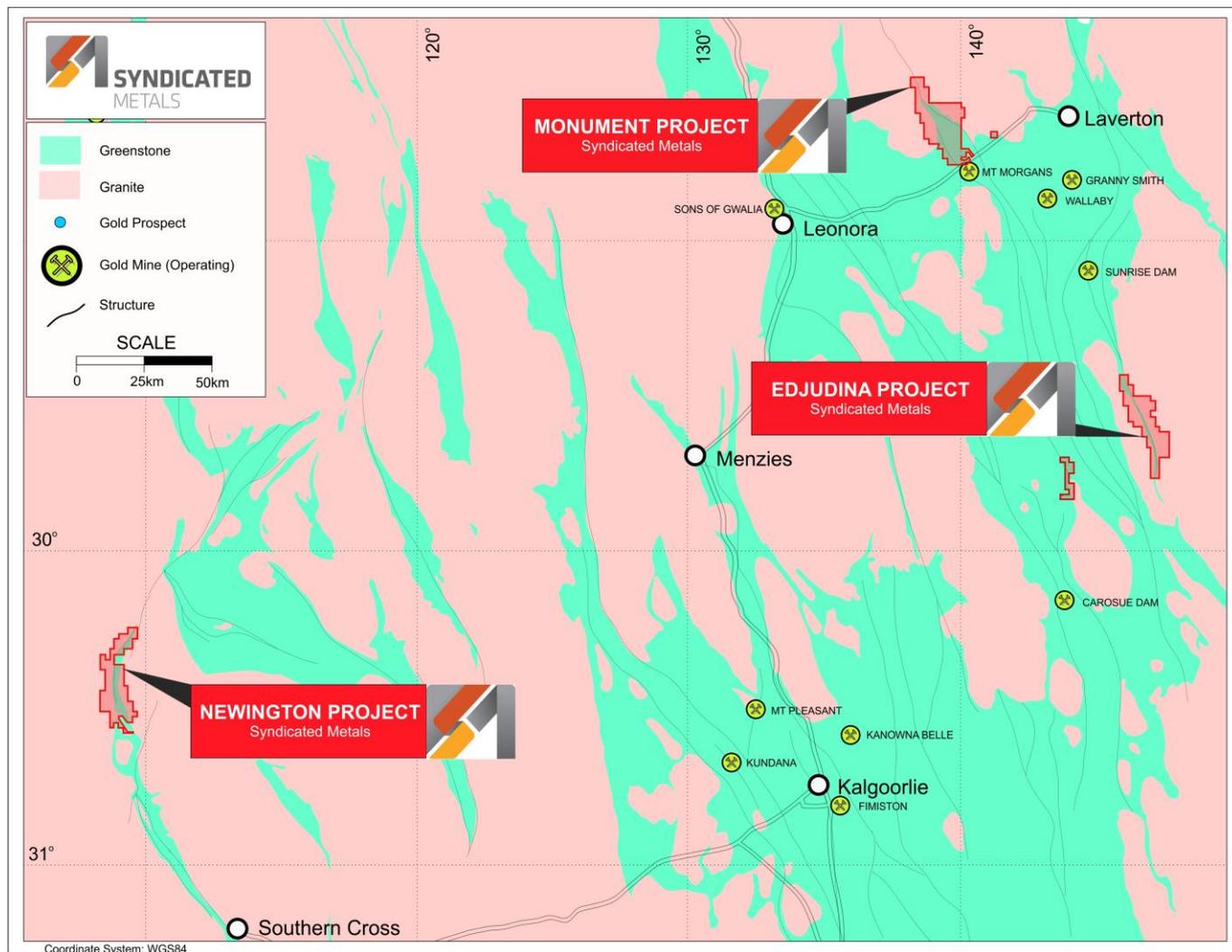


Figure 1: Syndicated Metals Project Location Plan