

ASX Announcement: 2 September 2019

SYNDICATED RAISES \$1.0M TO EXPAND WA GOLD EXPLORATION

Funds to underpin next phase of drilling at the Newington Gold Project across three key target areas following high-grade results in maiden drill program

KEY POINTS

- **\$1.0M capital raising at 0.8 cents per share comprising a strongly supported \$0.95M share placement to existing and new sophisticated and professional investors and an additional \$50,000 share placement to companies associated with Directors, subject to shareholder approval.**
- **Investors to receive 1 free unlisted option for every 2 shares subscribed for, exercisable at \$0.02 and expiring 3 years from issue date, subject to shareholder approval.**
- **The proceeds of the raising will underpin the next phase of drilling at the recently acquired Newington Gold Project in the Southern Cross region of WA.**
- **Drilling to re-commence this month at several high-priority targets at Newington.**
- **This next phase of drilling will target immediate extensions to the Dawsons, Newfield Central and Newfield East prospects and test several newly-identified anomalies.**
- **Funds will also underpin the next stage of exploration at the Monument Gold Project in Laverton and the assessment of other new growth opportunities in the WA gold sector.**

Syndicated Metals (ASX: SMD) (Syndicated or Company) is pleased to advise that it has successfully completed a capital raising of A\$1.0 million (before costs) (**Placement**) to underpin expanded exploration programs across its key WA gold projects including the next phase of drilling at the Newington Gold Project in the Southern Cross region of Western Australia.

The funds raised will allow Syndicated to re-commence drilling later this month at Newington, building on the strong results reported recently in the Company's maiden drilling program (refer ASX release dated 23 August 2019). The new phase of drilling will target extensions to the three key prospects at Dawsons, Newfield Central and Newfield East and on several recently identified gold anomalies within the broader project area. The planned work also includes a soil sampling program along the northern strike extensions of the Newfield and Dawsons prospects.

The capital raising, which is being undertaken at an issue price of 0.8 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 \$50,000 share placement to companies associated with its 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. 118,873,093 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 (55,323,856 shares) and 7.1A (63,549,237 shares) to raise \$950,984 (**Tranche 1 Placement**). The shares are expected to be issued on Friday, 6 September 2019. The issue of shares under the Tranche 1 Placement does not require shareholder approval.

The balance of the Placement shares (6,250,000 fully paid ordinary shares) will be issued to companies associated with directors Peter Langworthy, David Morgan and Robert Cooper, subject to shareholder approval being obtained, also at an issue price of 0.8 cents per share (**Tranche 2 Placement**) to raise \$50,000. Shareholder approval will be sought for the issue of the Tranche 2 Placement shares at the Company's upcoming 2019 AGM.

The Company will lodge Appendix 3Bs in relation to the Placement upon settlement of the Tranche 1 Placement and Tranche 2 Placements respectively.

Offer of Free Unlisted Options

The offer of the options is subject to shareholder approval at the Company's upcoming 2019 AGM.

Investors who participate in the Tranche 1 Placement or Tranche 2 Placement (subject to obtaining the requisite shareholder approval) will be entitled to apply for 1 free unlisted option for every 2 shares issued to them under the Placement. The options will have an exercise price of \$0.02 and will expire 3 years from their issue date. Each option will entitle the holder to receive one fully paid ordinary share in the capital of the Company upon exercise.

Applications for the options will be made under a prospectus, which is intended to be released following the Company's 2019 AGM. A total of 59,436,547 free unlisted options (subject to rounding) will be issued to investors who participated in the Tranche 1 Placement and a total of 3,125,000 options will be issued to investors who participated in the Tranche 2 Placement.

Use of Proceeds

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

- Underpin the next phase of exploration drilling at the Newington Gold Project in the Southern Cross Greenstone Belt of WA – specifically, further drilling and exploration programs targeting near-surface extensions of known high-grade mineralised structures and to identify potential additional high-grade trends in the immediate vicinity of the Dawsons, Newfield Central and Newfield East prospects;
- Ongoing exploration and evaluation programs at the Monument Gold Project located in the world-class Laverton region of WA;
- Ongoing targeting and evaluation of new exploration and growth opportunities in the WA gold sector; and
- General working capital and administrative expenses and the expenses of the capital raising.

Management Comment

Syndicated's Managing Director, Mr David Morgan, said the Company was pleased with the strong level of investor interest and support for the capital raising, which reflected the quality and potential of its WA gold projects, both of which are located in Tier-1 districts with outstanding exploration potential.

"The strong response also reflects the positive environment for the Australian gold sector, which continues to go from strength to strength against the backdrop of a record price for the metal, high levels of exploration activity and significant consolidation and M&A activity across the WA gold industry," he said.

“The proceeds of this capital raising will put the Company in a strong position, allowing us to move ahead immediately with a focused drilling program at Newington that we expect will deliver exciting news flow over the coming months.”

“Drilling will commence later this month and will begin testing immediate extensions to the Dawsons, Newfield Central and Newfield East prospects, as well as testing a number of newly-generated gold anomalies in the broader project area,” Mr Morgan continued.

“We would like to thank existing and new investors for their support and participation in this capital raising, which really sets Syndicated Metals up for success as a WA gold explorer with some exciting opportunities on the horizon.”

Trading Halt

This Announcement ends the Company’s trading halt requested on Thursday 29 August 2019.

ENDS

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