



ASX ANNOUNCEMENT

January 9th 2012

DRILLING AT ANDY'S HILL IOCG TARGET HITS WIDE ZONE OF INTENSE ALTERATION WITH VISIBLE CHALCOPYRITE

HIGHLIGHTS

- Diamond drilling to test the exciting Andy's Hill IOCG (Ernest Henry style) target intercepts wide zone of intense alteration with visible disseminated and vein style chalcopryrite (copper sulphide);
- Hole AH-001 was drilled to a depth of 494 metres terminating in altered and mineralized rock;
- Initial assays return up to 1.3% Cu and 0.5g/t Au as well as up to 0.21% Lanthium;
- Results constitute a significant exploration intersection within a new IOCG field in the Mount Isa craton.

Syndicated Metals Limited (ASX:SMD) ("Syndicated") is pleased to announce initial results from the first diamond drill hole completed at the exciting Andy's Hill IOCG prospect.

The Andy's Hill prospect is considered to be a prime iron-oxide copper-gold target (IOCG or Ernest Henry style). Modelling of recent magnetic and EM geophysical data has enhanced the prospectivity of the target.

Andy's Hill is located just 8 kilometres west of the Kalman Cu-Au-Mo-Re deposit within the Kalman Joint Venture with Cerro Resources NL (ASX:CJO). Kalman is situated approximately 60 kilometres to the southeast of the major mining centre of Mount Isa in Northwest Queensland.

Commenting on the initial Andy's Hill results, Syndicated's Chairman and Managing Director, Mr Russell Davis said the drilling had intersected the alteration and mineralisation at the predicted level and confirmed the considerable potential of this target.

"We now await the remainder of the assay results which are expected in late January and will conduct a down-hole EM survey before planning a follow up program for 2012," he said. Syndicated is focused on building a long-term base metals business based on its interests in the Mount Isa region. Andy's Hill has the potential to add significantly to this strategy."

Syndicated has also recently completed a shallow RC drilling program at Kalman with the aim of outling a shallow open-pittable resource above the already defined copper-gold-molybdenum-rhenium resource. Results of this program are expected to be announced within the next few weeks.

BOARD OF DIRECTORS

Russell Davis

Chairman and Managing Director

Bruce McCullagh

Non-Executive Director &
Company Secretary

Jan Hope

Non-Executive Director

Ki Deok (KD) Park

Non-Executive Director

CORPORATE

ABN 61 115 768 986

Market Capitalisation (5.1.2012)

\$8 million (at 7c per share)

Issued Capital (5.1.2012)

112.93 million ordinary shares

21.5 million unlisted options

Cash (30.9.2011): \$2.3 million

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ASX CODE

SMD



Background

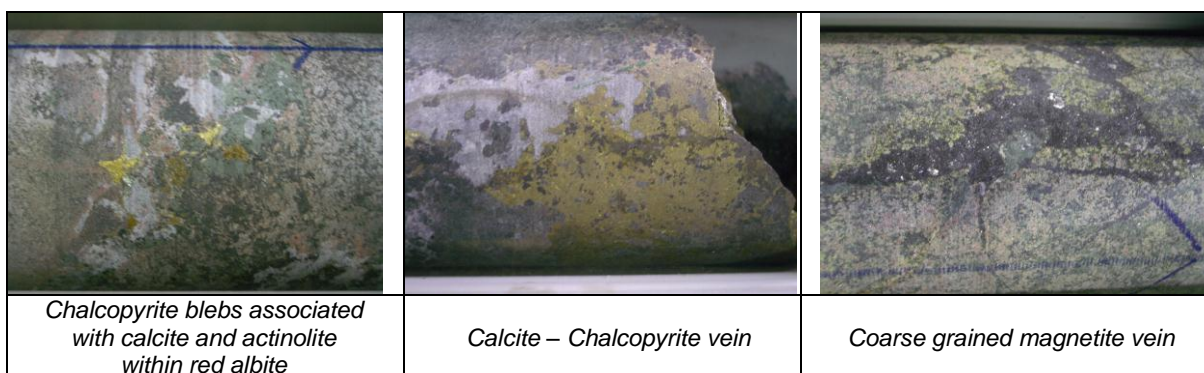
At Andy's Hill a surface zone of strong "red-rock" alteration and copper soil anomalism is coincident with a strong magnetic anomaly and a ground EM anomaly.

A diamond drill hole completed by a previous explorer in 1976 intersected 125 metres averaging 0.12% copper but is considered to have terminated above the interpreted positions of the deeper EM and magnetic anomalies.

The Andy's Hill alteration anomaly forms the southern part of a more extensive altered and mineralized zone which incorporates the Overlander copper workings and magnetic anomaly 5 kilometres to the north. Drill hole AH-001 was positioned on the western side of the Andy's Hill alteration zone drilling to the east with a target depth of 275 metres to the interpreted position of the EM anomaly.

Strong hematite-albite "redrock" alteration along with disseminated sulphides are visible from 14 metres down hole and extended through to the end of the hole at 494 metres. The hole was terminated in altered and mineralised rock.

Alteration and mineralisation intensity varied throughout the hole. In general the alteration consists of hematitic albite overprinted with actinolite and magnetite and variably flooded with calcite. Several discrete zones of massive magnetite and quartz-magnetite, varying from 10 to 20 metres wide, were intersected. Sulphide mineralisation is generally associated with calcite as disseminations and vein infill but also occurs as disseminations in the magnetite-actinolite alteration. The sulphide is dominantly pyrite and chalcopyrite with a number of zones carrying pyrrhotite.



Assays have been returned for the 50 metres (250 to 300 metres) containing the visually stronger copper mineralisation. This includes 27 metres, from 260 metres, grading 0.28% copper and includes one metre from 286 metres of 1.3% copper and 0.5g/t gold. In addition there are zones within the section of the hole sampled that are strongly elevated in the rare earth element lanthanum; including 19 metres from 260 metres grading 844ppm La and a further 10 metres from 290 metres grading 0.13% lanthanum. This latter intersection is open at depth. The peak

lanthium value is 0.21%. Assays for the remainder of the hole including the remainder of the rare earth element suite are pending. Hole details are as follows:

Hole No.	GDA94_N	GDA94_E	RL (m)	Dip	AZ	Depth (m)
AH-001	7669400	384710	495	55	090	494.5

Table 1: AH-001 – Hole Details

Hole	From	To	Length	Cu %	Au g/t	Co ppm	La ppm
AH-001	260	287	27	0.28	0.07	213	635
Including	260	279	19				844
And	290	300	10				1273

Table 2: Andy's Hill Assay Results (incomplete)

Conclusions & Follow-Up Program

These results constitute a significant exploration intersection within a new IOCG field in the Mount Isa craton. The presence of +400 metres of strong redrock-magnetite alteration (which is open at depth) containing base metal sulphides throughout with a rare earth element signature are considered important ingredients for this style of deposit. As drillhole AH-001 intersected strengthening copper mineralization at the expected position of the EM conductor further downhole EM will now be used to assist in targeting the next stage of drilling into this large anomaly.

This drill program is considered to have demonstrated the significance of the Andys Hill magnetic anomaly and enhanced the prospectivity of its "sister" anomaly at Overlander, which has comparable surface geology overlying a magnetic anomaly of similar size and tenor.

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

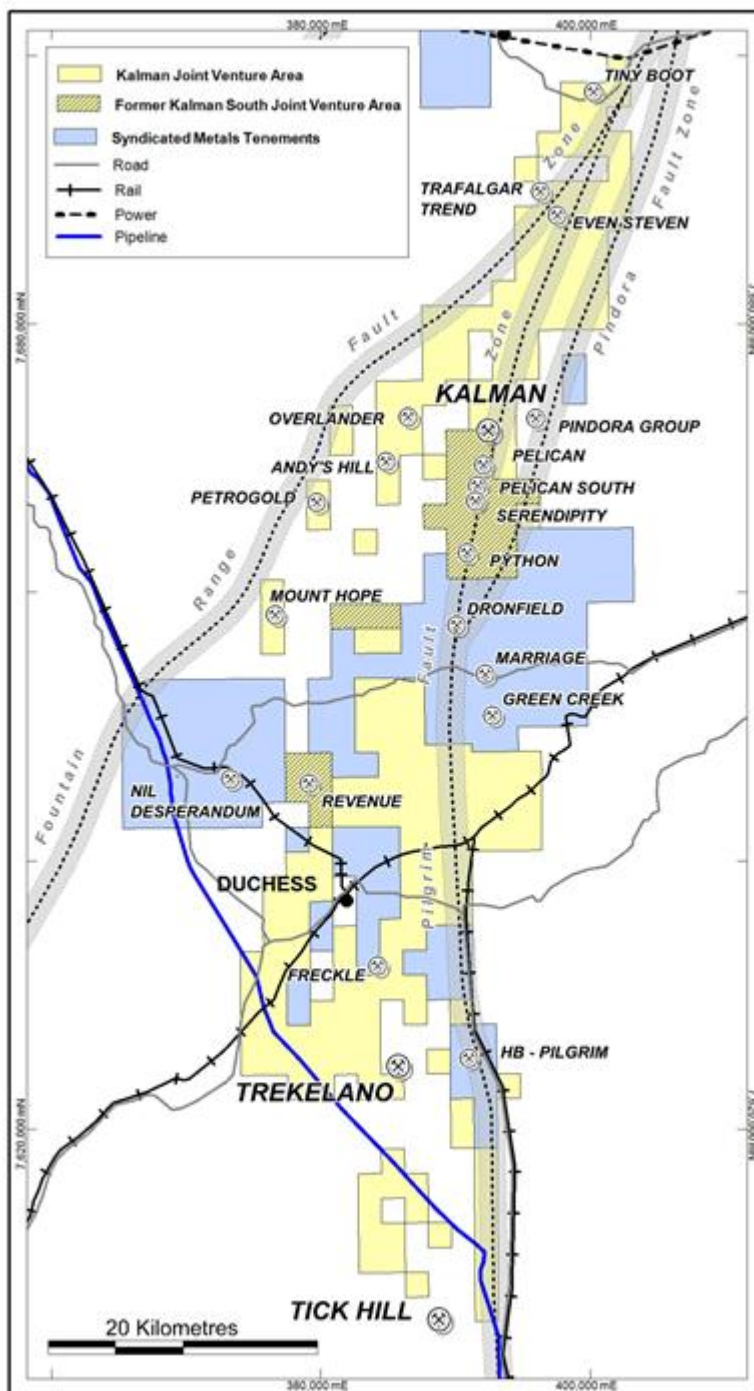
Syndicated is focused on the discovery and development of base metal deposits within its prospective project areas in the mineral-rich Mount Isa region in Northwest Queensland.

Syndicated is building a significant metal resource inventory in the Mount Isa region with its interests in the Barbara, Blue Star and Green Zone copper-gold deposits and the Kalman molybdenum-rhenium-copper-gold deposit, all of which are within 60 kilometres of existing infrastructure at the Mount Isa mining centre.

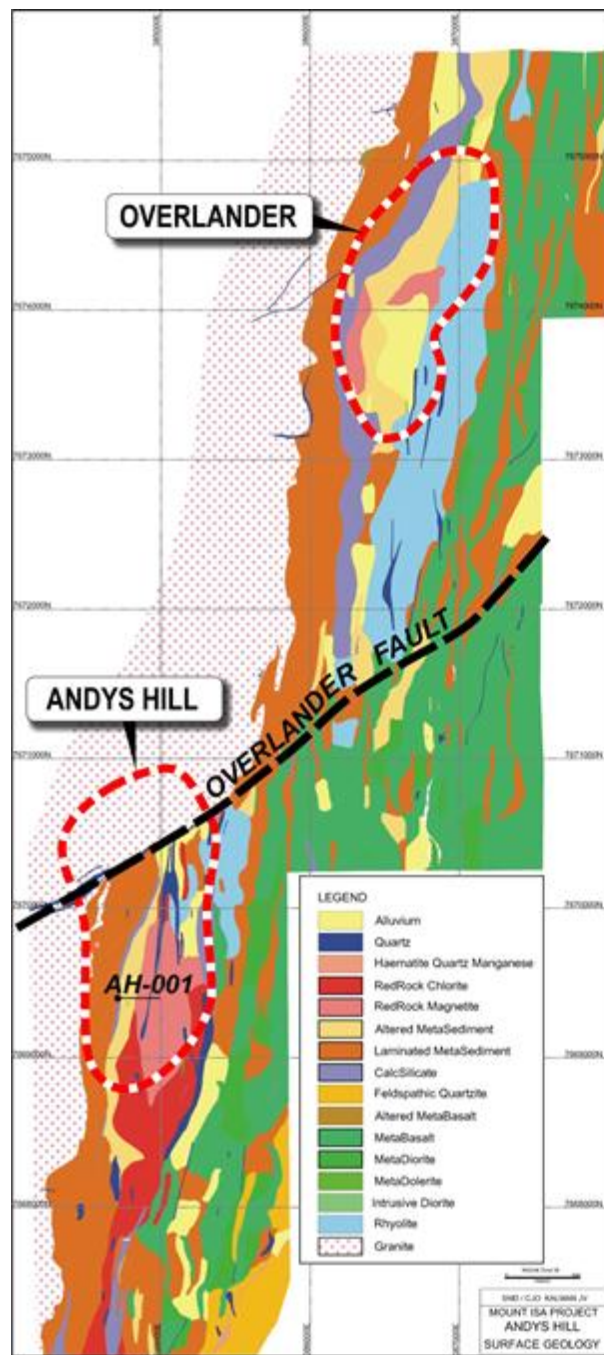
Korea Zinc Company Ltd, through its Australian subsidiaries holds a 12% interest in Syndicated.

For further information on the Company view our website at www.syndicatedmetals.com.au or contact:

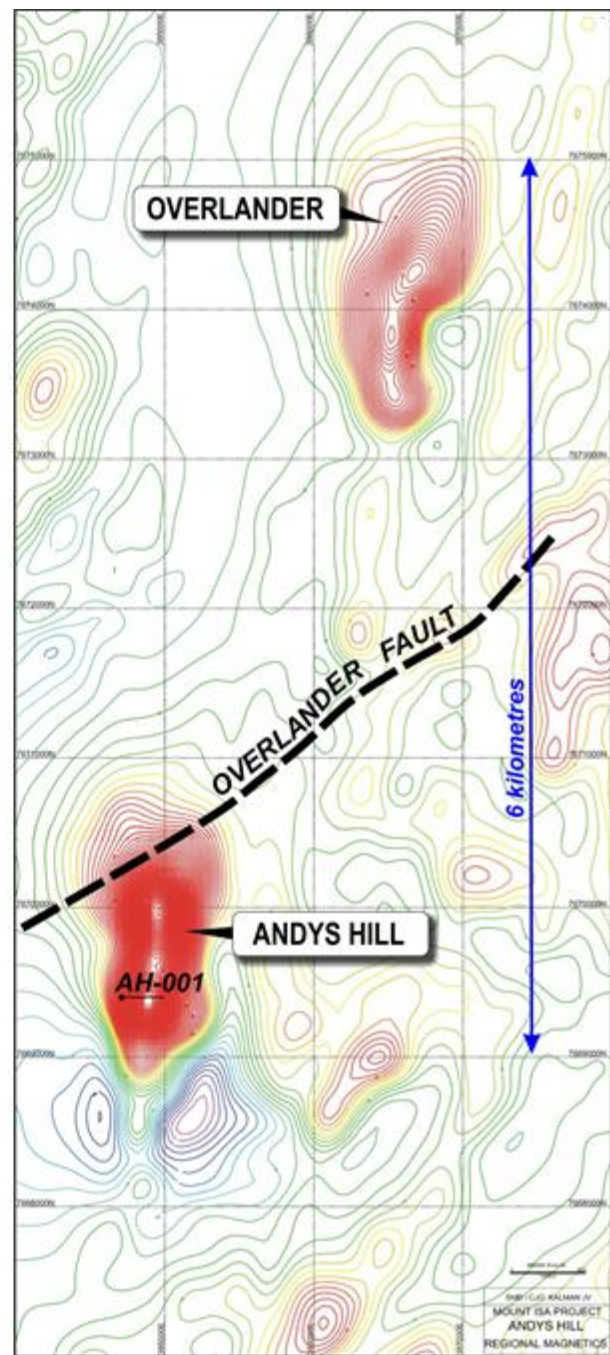
Russell Davis
Chairman and Managing Director
T: 0419 195 087



Kalman Project



SURFACE GEOLOGY



REGIONAL MAGNETICS

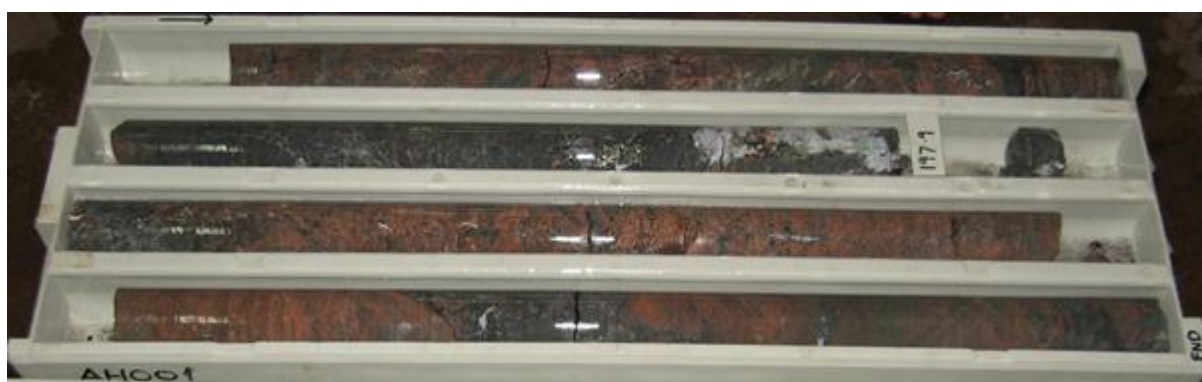
Andy's Hill / Overlander Geology and Magnetics



Quartz-feldspar-magnetite rock with veins and disseminations of chalcopyrite and pyrite in association with calcite



Albite-actinolite rock with veins of pyrite and chalcopyrite



Quartz-magnetite vein with redrock alteration with disseminated chalcopyrite and pyrite