

QUARTERLY REPORT

March 2009



- Activity focused on Syndicated's Mount Isa region projects.
- Results of preliminary mining studies and flotation testwork of the Barbara copper-gold deposit considered highly encouraging, justifying further exploration to expand the resource and assess potential development scenarios.
- A ground geophysical program testing for strike and depth extensions of the Barbara deposit recently completed with results to assist in directing extensional drilling.
- A program of RC and diamond drilling planned for Barbara in the second quarter.
- Scoping studies to evaluate development of the Kalman molybdenum-rhenium-copper-gold deposit were continued by Syndicated's joint venture partner.
- New joint venture announced (Dronfield JV) on a tenement covering extensions of the Pilgrim Fault along strike to the south of the Kalman deposit. Syndicated to commence field work on completion of formal documentation.
- Alternatives being assessed to add value to Syndicated's phosphate tenements.
- \$3.74 million in cash held at end of the quarter.

ASX Code: SMD

ABN 61 115 768 986

Market Capitalisation (at 31/3/2009)
\$6.9 million (at \$0.12 per share)

Issued Capital (at 31/3/2009)
57.35 million ordinary shares
8 million unlisted \$0.30 options
0.5 million unlisted \$0.40 options

Cash (at 31/3/2008): \$3.74 million

Board of Directors and Senior Management

Bruce McCullagh –
Executive Chairman &
Company Secretary

Russell Davis –
Managing Director

Andrew Dinning –
Non-executive Director

Jan Hope –
Non-executive Director

Mark Whittle –
Exploration Manager

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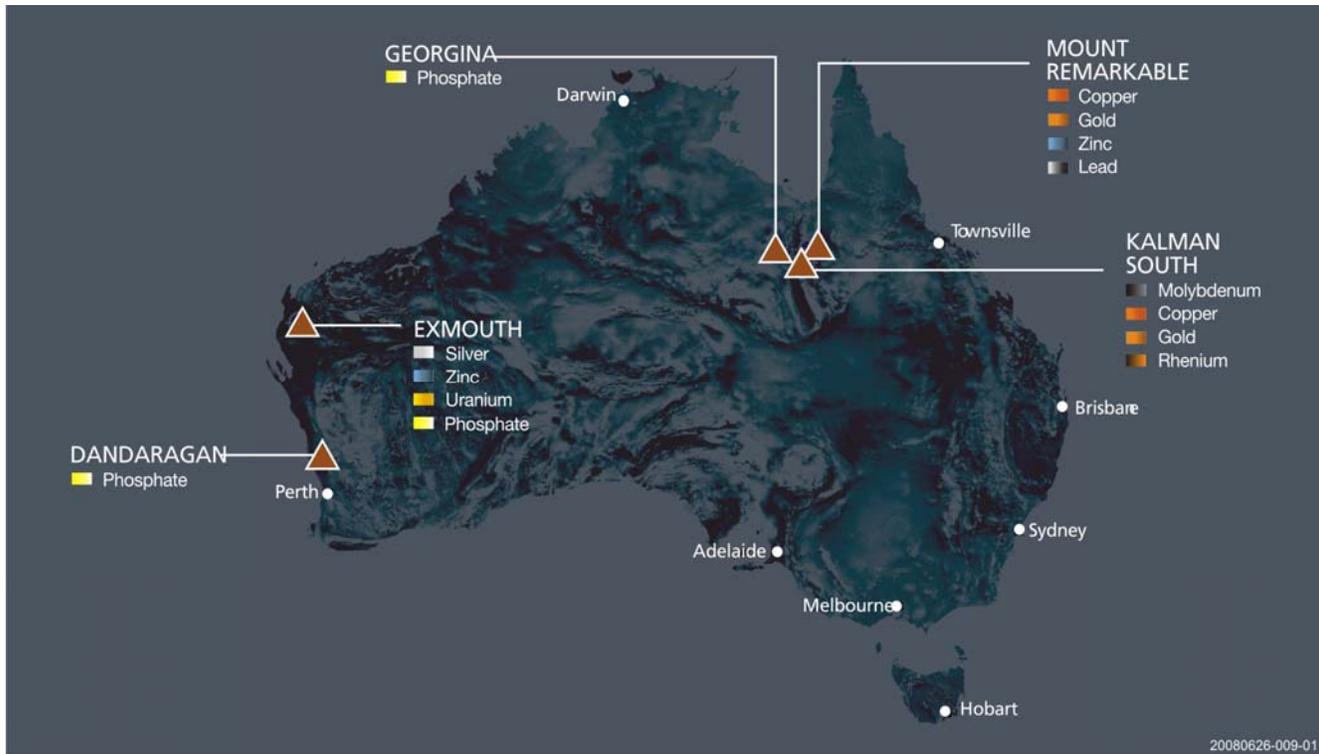


Figure 1: Project Locations

Mount Isa Region Projects

Syndicated Metals Limited (“Syndicated” or “Company”) holds tenements covering about 1000 square kilometres within the Mount Isa Inlier. The Company considers the tenements to be prospective for copper-gold, copper-molybdenum-gold, lead-zinc-silver and uranium deposits.

The tenements form two principal project areas – the **Mount Remarkable Project** including the Barbara deposit located about 60 kilometres to the northeast of Mount Isa and the **Kalman South Joint Venture** located about 60 kilometres southeast of Mount Isa. (Refer to Figure 2.)

The Company recently announced the terms of a joint venture with Universal Resources Limited on the Dronfield tenement located immediately along strike to the south of the Kalman South Joint Venture.

Syndicated also has tenement applications over a further 670 square kilometres covering sequences within the Georgina Basin considered to have potential for phosphate.

Mount Remarkable Project

(copper-gold, lead-zinc & uranium)

The Mount Remarkable project comprises approximately 900 square kilometres of tenements centred about 60 kilometres to the northeast of the mining centre of Mount Isa.

Syndicated is exploring for large copper and lead-zinc deposits with regional sampling programs along major fault structures and prospective geophysical anomalies.

The Company also holds an array of known copper prospects within the Mount Remarkable tenement block that represent immediate drilling targets. These prospects have potential for modest-sized but high grade copper deposits that could provide an early cash flow to the Company. Barbara represents one of these targets and Syndicated, through its work in 2008, has announced a maiden resource estimate followed up with positive results from initial mine planning and metallurgical testwork. Pathways for the early development of this deposit are being actively pursued.

Other targets showing similar potential to Barbara are being prioritised prior to drilling in due course.

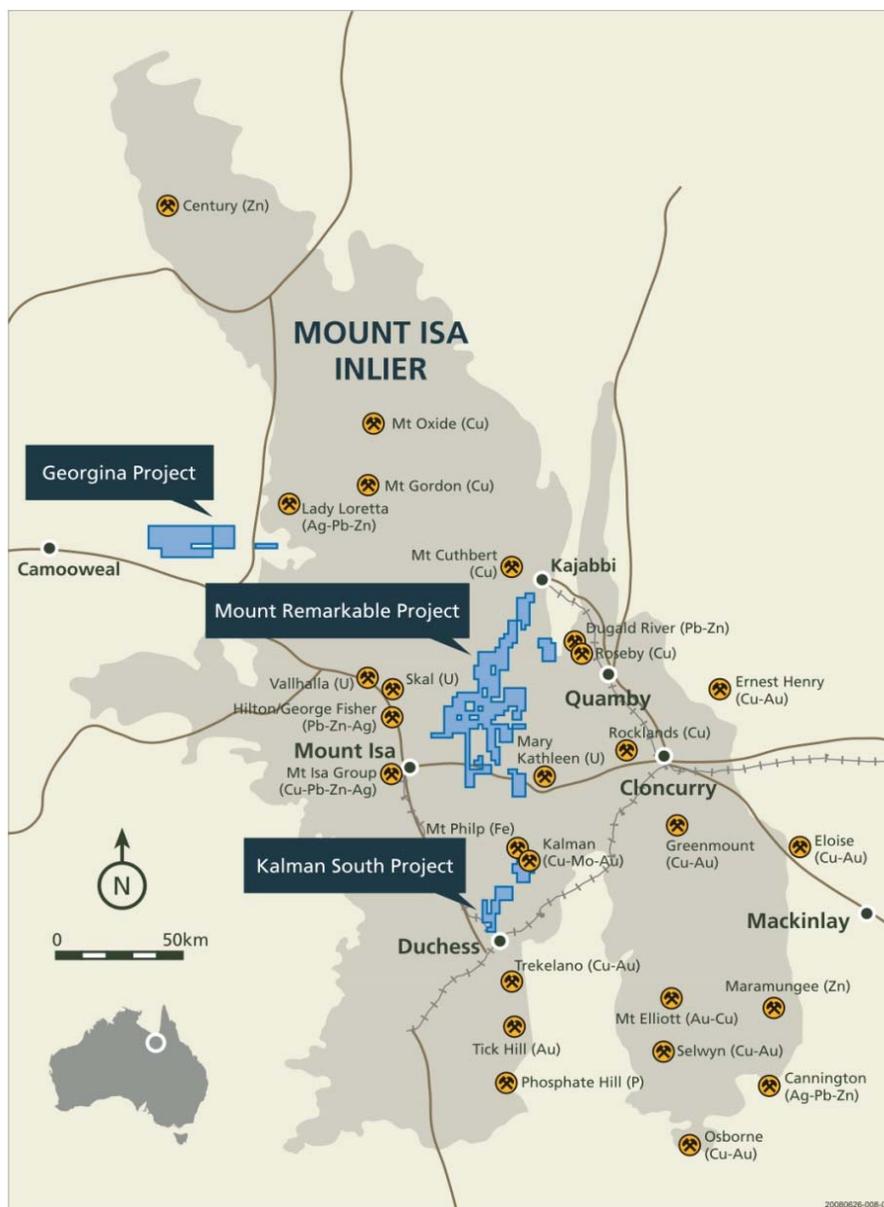


Figure 2: Mount Isa Region Projects

Barbara Deposit

The maiden resource estimate for the Barbara copper deposit located wholly within EPM15564 was reported in the previous quarter. (Refer to Syndicated's ASX announcement dated October 28th 2008 for details of the Barbara Mineral Resource Estimate.)

The resource estimates based on a 0.5% copper and 1% copper cut off are tabulated below:

0.5% Cu					
Category	Tonnes	Cu %	Au g/t	Cu Tonnes	Au ozs
Indicated	401,933	1.51	0.17	6,069	2,197
Inferred	1,966,895	1.63	0.15	32,128	9,425
Total	2,368,828	1.61	0.15	38,197	11,622

1% Cu					
Category	Tonnes	Cu %	Au g/t	Cu Tonnes	Au ozs
Indicated	245,733	1.99	0.21	4,890	1,659
Inferred	1,279,708	2.11	0.19	27,053	7,628
Total	1,525,441	2.09	0.19	31,943	9,287

Table 1: Resources for the Barbara Deposit (100% Syndicated) - October 2008

*(Based on modelled density, minor rounding errors may occur;
use of significant figures does not imply precision)*

The mineralised and gossanous shear zone which hosts the Barbara deposit straddles the tenement boundary between EPM15564 (100% Syndicated) and EPM16112 (51% Syndicated). (EPM16112 forms part of the West Leichhardt Joint Venture with Mount Isa Metals Limited.) The 300 metre long section which was the focus of Syndicated's drilling is at the southern end of the gossanous zone wholly within EPM15564. (Refer to Figure 3.)

Syndicated engaged consultants to commence assessment for in-house planning purposes of the potential for mining the Barbara deposit. Indicative open-pit optimisations using what are considered to be reasonable assumptions on metal prices and mining, transport and treatment costs have been undertaken. The deeper section of the deposit which may not be recoverable by open-pit methods has also had some early-stage assessment for its potential for recovery by underground mining.

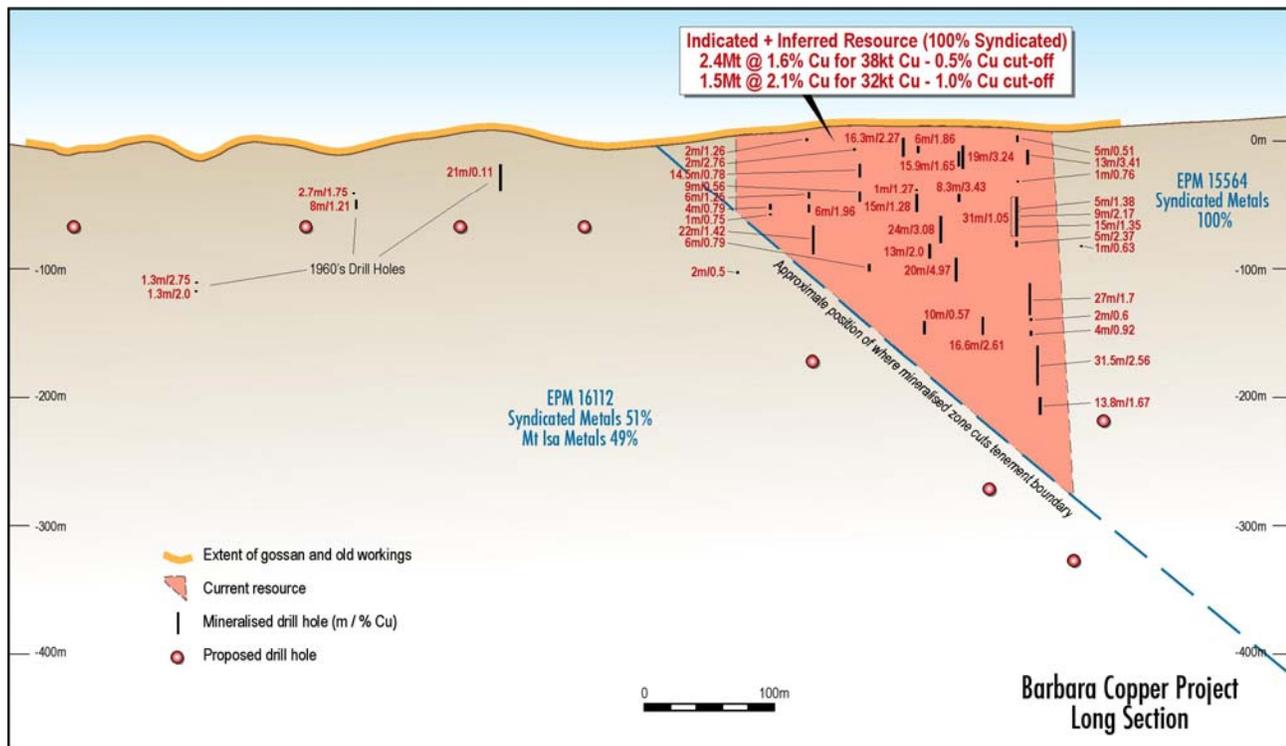


Figure 3: Barbara Long Section

Preliminary flotation testwork was undertaken by AMDEL Mineral Laboratories in Perth on two composite samples of sulphide ore grading 3.5% Cu and 4.9% Cu collected from Syndicated's recent diamond drilling program. The testwork comprised tests to assess the effect of grind size on flotation performance and flotation cleaner tests. The results show that a saleable copper concentrate grade of 25% with copper recoveries of 91% and 96% could be achieved from these composites. A mineralogical examination of the cleaner concentrates showed both samples to be very similar consisting of 80-85% chalcopyrite, 15% iron sulphide and less than 5% non-opaque gangue.

The results of the preliminary mining and metallurgical assessments provide strong encouragement for Syndicated to advance the Barbara project and determine its full potential. There is scope to extend the known shoot at depth and also to locate additional shoots along strike to the northwest within the West Leichhardt joint venture area.

A Fixed Loop Transient Electromagnetic (FLTEM) Survey was completed over a strike length of 1600 metres of the known Barbara mineralised zone late in the quarter. When interpreted, the results from the EM survey will be incorporated with the current drilling and geological datasets to plan an extensional RC and diamond drilling program expected to commence during the second quarter. Much of the drilling will be undertaken within EPM16112 within the Leichhardt Joint Venture with costs of the program to be shared in proportion to each party's contributing interest - Syndicated 51% and Mount Isa Metals 49%.

Kalman South Joint Venture

(copper-molybdenum-gold-rhenium)

The Kalman South Project comprises EPM13870, a joint venture between Kings Minerals NL (“Kings”) (ASX: KMN) and Syndicated. Syndicated holds a 49% interest in the tenement and is free carried to completion of a final feasibility study. Kings can earn a 70% interest by completing a final feasibility study within 3 years. EPM13870 covers a significant portion of the Kalman molybdenum-copper-gold-rhenium deposit which is open at depth and has potential for extensions along strike. The tenement also contains a number of other targets prospective for copper-gold+/- molybdenum.

The most recent resource estimate for the Kalman Deposit announced in September 2008 is 60.8 million tonnes at 0.32% Cu, 0.05% Mo, 1.19g/t Re and 0.15g/t Au with the southern part of the deposit as defined to date within EPM13870 reported at 36.7 million tonnes grading 0.31% Cu, 0.06% Mo, 1.46g/t Re and 0.15g/t Au . (*Kings Minerals NL September 10th 2008 ASX Announcement.*)

EPM13870 contains approximately 60% of the tonnes of the total updated resource, 58% of the estimated contained copper, 67% of the estimated contained molybdenum, 74% of the estimated contained rhenium and 59% of the estimated contained gold equating to an estimated 112,400 tonnes of copper, 20,400 tonnes of molybdenum, 1.7 million ounces of rhenium and 173,000 ounces of gold.

Project scoping studies by Kings to evaluate opportunities for the development of the Kalman deposit have commenced.

The recent announcement by Ivanhoe of the Merlin rhenium-molybdenum deposit adjacent to the Mount Dore copper deposit demonstrates the potential of the Mount Isa region for this style of mineralisation.

Dronfield Joint Venture

(copper, molybdenum, gold and uranium)

As announced to the ASX on February 4th 2009 Syndicated has reached agreement with Universal Resources Limited (Universal) on the terms of a joint venture in which Syndicated may earn up to an 80% interest in Universal’s Dronfield tenement, (EPM14369) located approximately 70 kilometres southeast of Mount Isa. The tenement abuts the southern margin of the Kalman South Joint Venture tenement (EPM13870) which hosts a substantial portion of the Kalman molybdenum-copper-rhenium-gold deposit and covers the southern extension of the regional scale Pilgrim Fault. (*Refer to Figure 4.*)

A formal agreement is now being prepared. Under the terms of the agreement Syndicated may expend:

- \$250,000 on exploration within 2 years, to earn a 40% equity interest;
- a total of \$500,000 on exploration within 3 years to earn a 60% interest;
- a total of \$1,000,000 on exploration within 4 years to earn 70% interest.

Either party may then choose to contribute or dilute.

Should Universal choose to dilute, then Syndicated may sole fund a further \$1,000,000 on exploration over two years to increase its equity to 80% interest.

If Syndicated earns 80%, then Universal will be free carried to a decision to mine.

If either party's equity falls to 10% or less then that interest will be converted to a 1.5% net smelter return.

EPM14369 contains several known copper, gold, molybdenum and uranium prospects and covers nine kilometres of strike length of the Pilgrim Fault. The tenement complements Syndicated's current 49% interest in EPM13870 (Kalman South Joint Venture) and attests to Syndicated's confidence in the potential of the Pilgrim Fault zone to host further significant mineral deposits.

Syndicated will commence field work on completion of formal documentation.

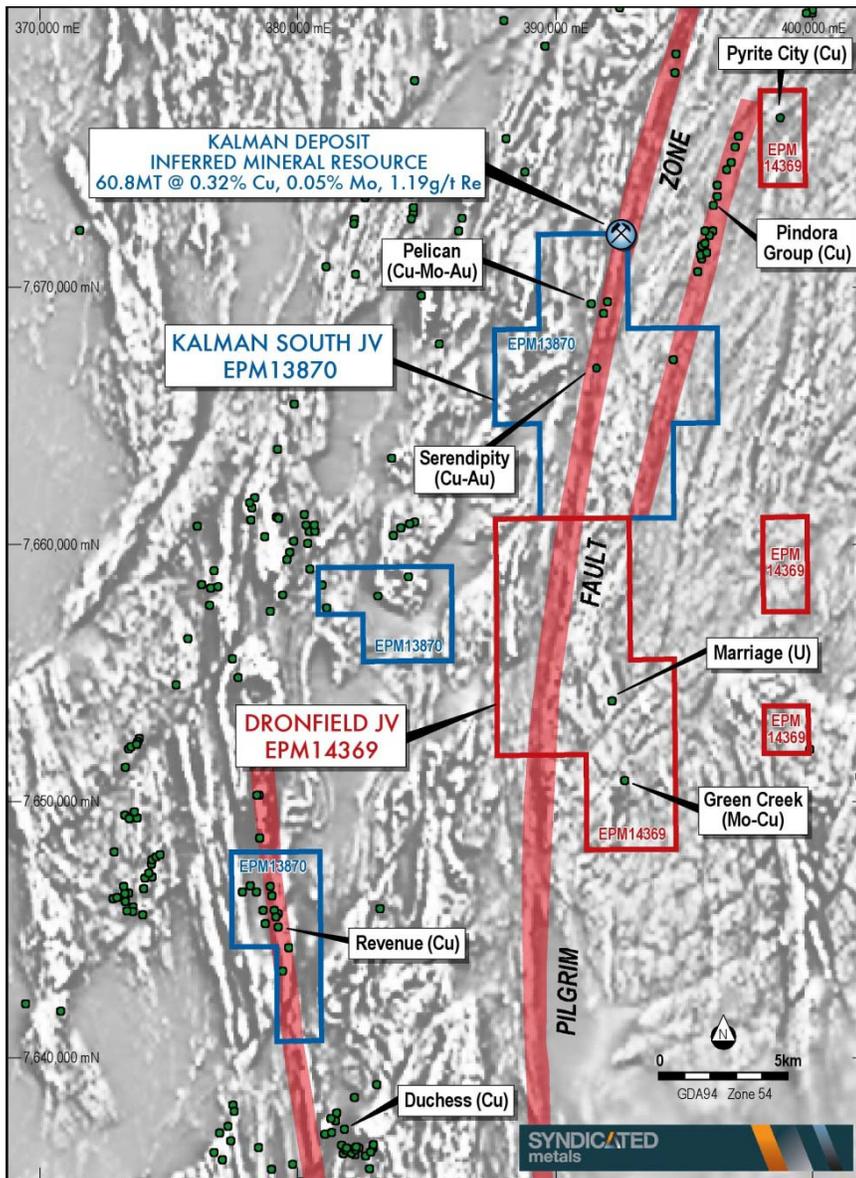


Figure 4: Dronfield Joint Venture

Exmouth & Dandaragan (WA) & Georgina (Qld)

(phosphate)

As announced previously the Company considers the projects have considerable potential for phosphate deposits, however in order to focus on its Mount Isa region projects the Company is investigating options including seeking joint venture partners to assist in progressing exploration for phosphate.

Exmouth (WA)

(base metals and silver)

Base metal results were received for the 1770 soil samples collected as part of a regional soil sampling survey. Several zones with elevated lead (up to 530ppm), zinc (up to 109ppm) were outlined. Infill soil and rock chip sampling is required to further define the anomalies and to determine their significance. No significant uranium results were returned. Silver has yet to be analysed.

Corporate

The Company held \$3.74 million in cash at the end of the quarter.



Russell Davis
Managing Director

Company Background

Syndicated is focused on the discovery of base metal deposits, principally in the mineral-rich Mount Isa region in Northwest Queensland.

Syndicated listed in December 2007 and has since generated a significant resource inventory in the Mount Isa region comprising its interests in the Kalman South and Barbara deposits.

Syndicated holds an interest in EPM13870 forming part of the Kalman molybdenum-copper-gold-rhenium deposit, where Syndicated is free carried to completion of a final feasibility study. An updated resource estimate has recently been announced for the Kalman South project.

The Mount Remarkable Project (including the Barbara copper deposit) comprises a group of mostly contiguous tenements covering over 900 square kilometres. The project tenements are located about 60 kilometres northeast of Mount Isa within close proximity to existing infrastructure and are considered prospective for copper-gold and sediment hosted lead-zinc-silver style mineralisation. Historical uranium prospects are also present within the tenements.

In addition Syndicated has assembled a phosphate tenement portfolio in Western Australia and Queensland, including its 100% interest in the Exmouth project in Western Australia which is considered prospective for silver, base metals and uranium as well as phosphate.

Sun Metals Corporation Pty Ltd, a subsidiary of Korea Zinc Company Ltd, holds a 10.5% interest in Syndicated.

Competent Persons Statement

The data in this report that relates to Exploration Results, the accuracy and quality of data forming the basis of all resource estimates, and the interpretation of mineralisation of the Barbara Deposit, are based on information compiled by Mr Russell Davis and Mr Mark Whittle who are Members of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who have 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 and Mr Whittle are full-time employees of Syndicated Metals Limited and consent to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SYNDICATED METALS LIMITED

ABN

61 115 768 986

Quarter ended ("current quarter")

March 31 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(181)	(1,040)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	21	288
1.5	Interest and other costs of finance paid	(2)	(4)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(259)	(1,135)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(1)	(4)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(1)	(4)
1.13	Total operating and investing cash flows (carried forward)	(260)	(1,139)

1.13	Total operating and investing cash flows (brought forward)	(260)	(1,139)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held	(260)	(1,139)
1.20	Cash at beginning of quarter/year to date	4,001	4,880
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,741	3,741

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	103
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors Fees and Professional Services

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	213
4.2 Development	
Total	213

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	241	196
5.2 Deposits at call	3,500	3,800
5.3 Bank overdraft		
5.4 Other (provide details) Security deposit		5
Total: cash at end of quarter (item 1.22)	3,741	4,001

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	57,350,005	30,510,005		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,000,000	Nil	<i>Exercise price 30 cents</i>	<i>Expiry date September 3 2012</i>
	500,000	Nil	<i>Exercise price 40 cents</i>	<i>Expiry date August 30 2011</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: .. April 6 2009.....
(Director/Company secretary)

Print name: B R McCullagh.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.