

QUARTERLY REPORT September 2008



Syndicated caps off a positive Quarter with updated Inferred Mineral Resource for the Kalman South Project and high grade copper intersections at the Barbara Prospect with initial mineral resource estimate expected by the end of October:

Kalman South Project (EPM13870)

- Updated Inferred Mineral Resource Estimate announced for Kalman deposit – within EPM13870 (Kalman South Joint Venture) - of 36.7 million tonnes at 0.31% Cu, 0.06% Mo, 1.46g/t Re and 0.15g/t Au
- Based on updated estimate, EPM13870 currently contains an estimated 112,400 tonnes of copper, 20,400 tonnes of molybdenum, 1.7 million ounces of rhenium and 173,000 ounces of gold
- Potential for discovery of further high grade zones in drill holes below K106A which returned 232 metres at 1.33% Cu, 0.50g/t Au and 0.06% MoS₂ from 548 metres, including:
 - o 7.65 metres @ 23.4% Cu, 0.51g/t Au and 20g/t Ag from 581.65 metres
 - o 51 metres @ 1.07% Cu, 0.69g/t Au and 0.25% MoS₂ from 667 metres
 - o 59 metres @ 1.11% Cu and 1.24g/t Au from 718 metres

Mt Remarkable Project

- Infill RC and diamond drilling program completed at Barbara
- High grade copper intersections including 20 metres at 4.97% Cu and 0.38g/t Au
- Copper mineralisation remains open along strike and down plunge
- Data provided to resource consultants for calculation of an initial resource estimate for the drilled area - expected to be completed by the end of October

Phosphate Projects

- First phase of sampling at Exmouth completed
- Compilation report on phosphate potential of tenements nearing completion.

ASX Code: SMD

ABN 61 115 768 986

Market Capitalization

(at 30/09/2008) - undiluted
\$8 million (at \$0.14 per share)

Issued Capital

(at 30/09/2008)
57.35 million ordinary shares
7 million unlisted \$0.30 options
0.5 million unlisted \$0.40 options

Cash (at 30/09/2008): \$4.2 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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Mount Isa Region Projects

Syndicated Metals Limited ("Syndicated" or "Company") holds tenements covering 900 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 project areas – the Kalman South Joint Venture located about 60 kilometres southeast of Mount Isa and the Mount Remarkable Project located about 60 kilometres to the northeast of Mount Isa. (Refer to Figure 2.)

The Company has recently applied for tenements covering a further 670 square kilometres which cover sequences within the Georgina Basin that it believes have potential for phosphate.

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. 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. (Refer to Figure 3.)

Syndicated is free-carried on the Kalman South Project by Kings which has the right to earn a 51% interest in EPM 13870 by spending \$4 million, and up to a 70% interest in the tenement by completing a final feasibility study. Kings has met the initial expenditure commitment to earn a 51% interest in the tenement.

Kalman South Project – Updated Mineral Resource Estimate

In its statement to the Australian Securities Exchange (ASX), Kings announced an updated total mineral resource estimate for the Kalman Project of 60.8 million tonnes grading 0.32% Cu, 0.05% Mo, 1.19g/t Re and 0.15g/t Au. The initial mineral resource estimate for the Kalman deposit was reported on December 20th 2007.

The southern part of the deposit as defined to date within EPM 13870 was reported at 36.7 million tonnes grading 0.31% Cu, 0.06% Mo, 1.46g/t Re and 0.15g/t Au, up significantly from the previously reported mineral resource estimate of 29.4 million tonnes at 0.33% Cu, 0.06% Mo and 0.15g/t Au. Rhenium (Re) was not included in the previous estimate.

The Mineral Resource reported by Kings as situated within EPM13870 is shown in Table 1 below. A copper domain and an internal molybdenum domain were modelled, with a further breakdown into mineralisation potentially mineable by open pit methods above the -100m RL and mineralisation potentially mineable by underground methods below the -100m RL. (Refer to Figure 4.)

TABLE 1: UPDATED KALMAN INFERRED MINERAL RESOURCE ESTIMATE AT SEPTEMBER 10TH 2008 WITHIN EPM13870

Domain	Cut-off Grade	Tonnes millions	Cu %	Mo %	Re g/t	Au g/t	Tonnes Cu	Tonnes Mo	Ounces Re	Ounces Au
Copper	0.2%Cu	15.3	0.35	0.002	-	0.15	53,600	400	-	76,100
Molybdenum	0.02%Mo	17.5	0.22	0.11	2.88	0.11	38,700	18,400	1,623,700	61,400
Open Pit		32.9	0.28	0.06	1.54	0.13	92,300	18,800	1,623,700	137,500
Copper	0.5%Cu	2.4	0.66	0.004	-	0.38	16,100	100	-	29,300
Molybdenum	0.05%Mo	1.3	0.29	0.12	2.15	0.14	3,900	1,500	93,300	6,200
Underground		3.8	0.53	0.04	0.77	0.29	20,000	1,600	93,300	35,500
Total		36.7	0.31	0.06	1.46	0.15	112,400	20,400	1,717,000	173,000

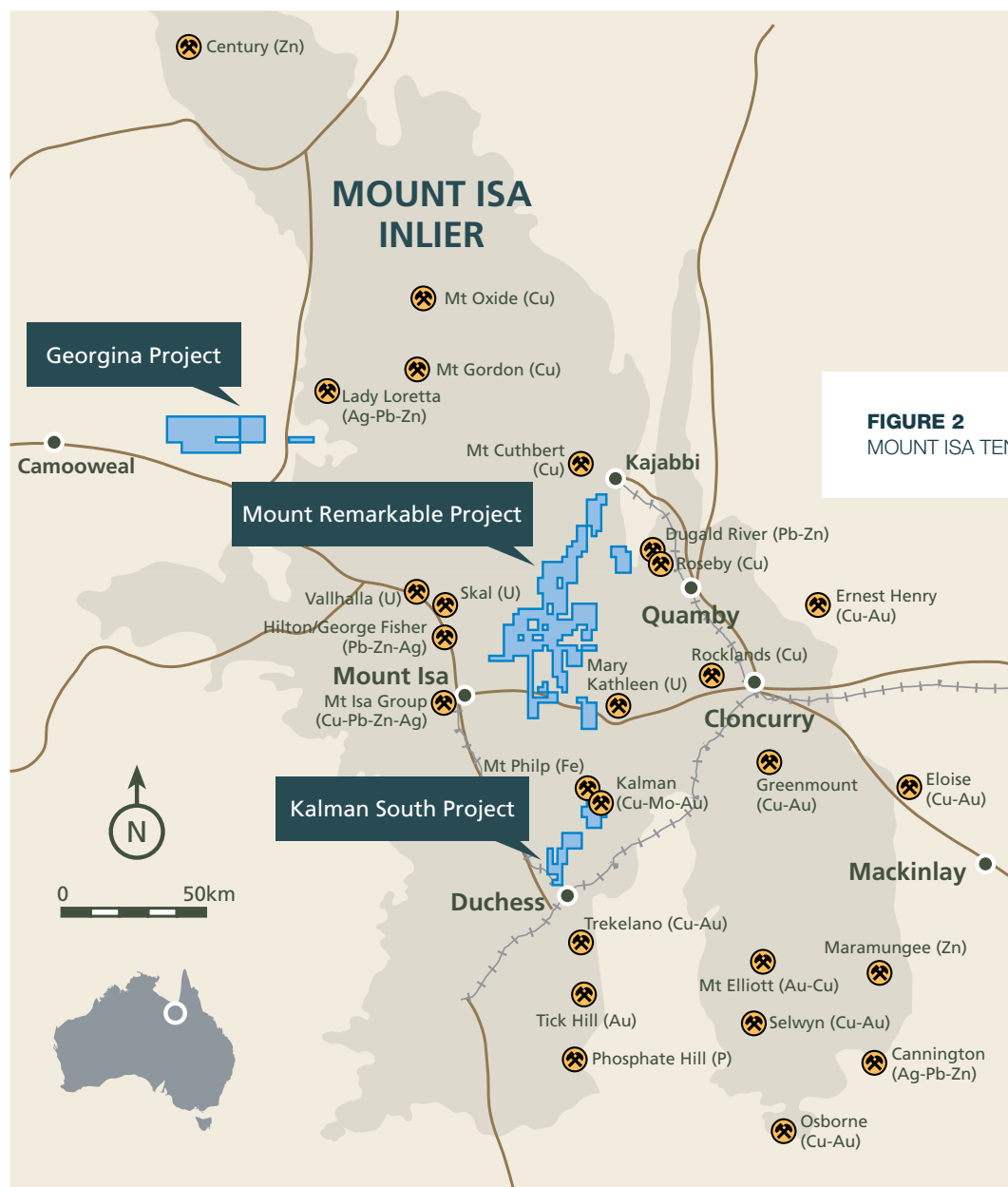


FIGURE 2
MOUNT ISA TENEMENTS QUEENSLAND

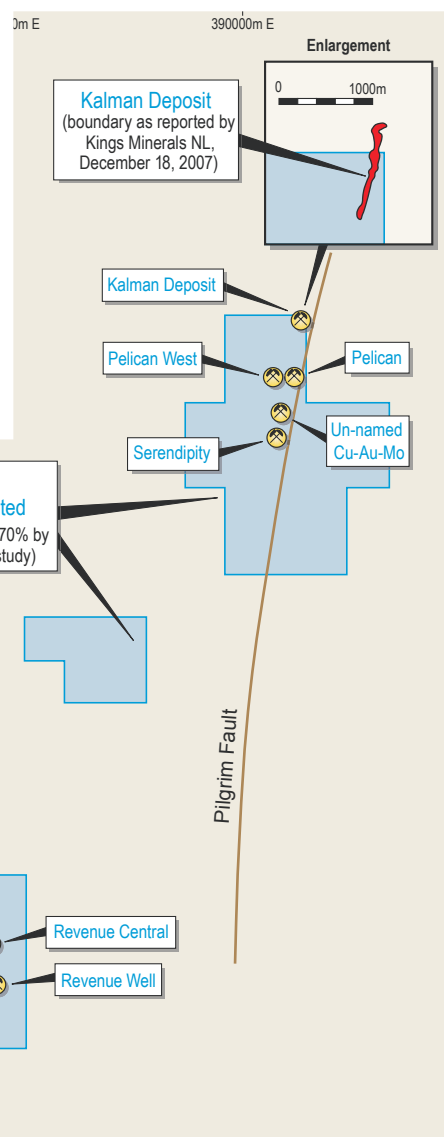
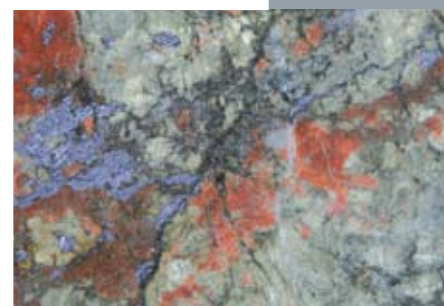
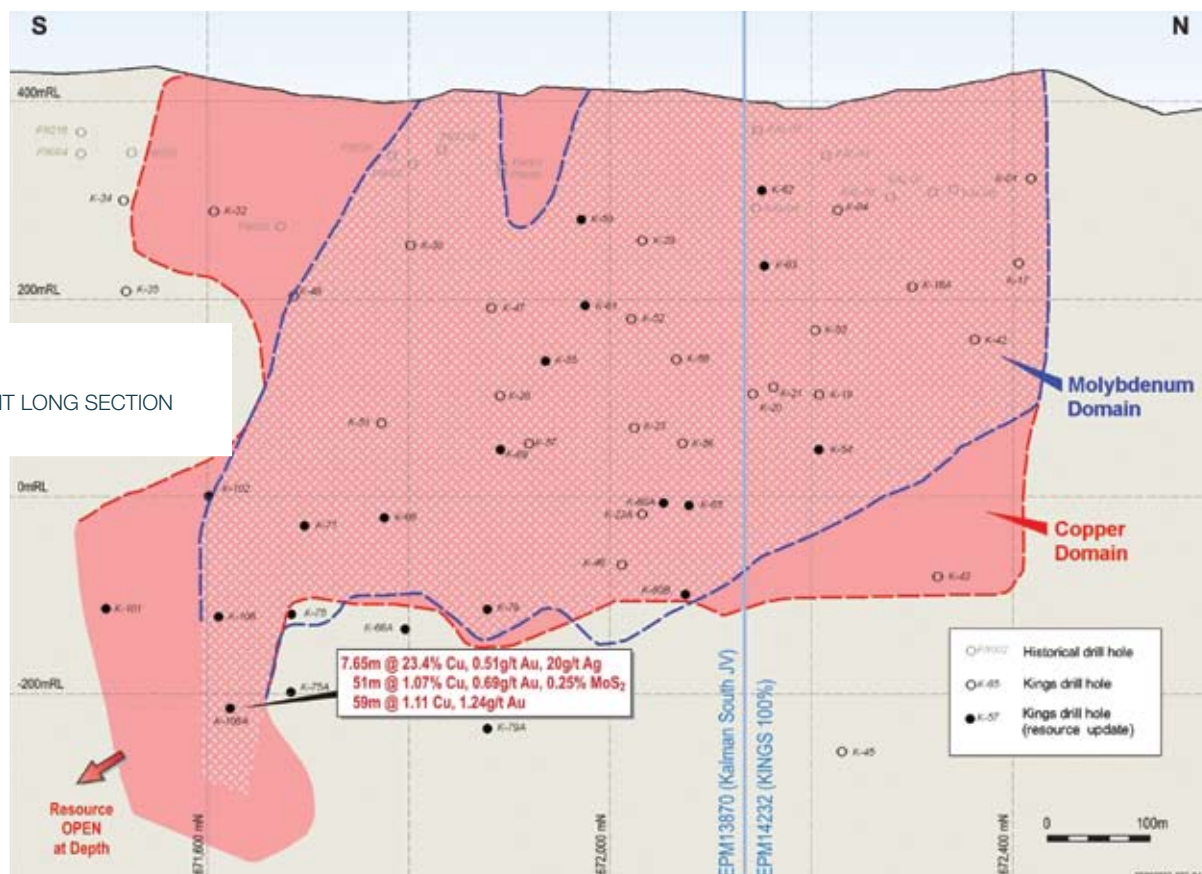


FIGURE 3
KALMAN SOUTH PROJECT

FIGURE 4
KALMAN DEPOSIT LONG SECTION



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.

Considerable potential exists for the discovery of further high grade zones within drill holes below K106A which returned 7.65 metres at 23.4% Cu within a broader zone of 232 metres at 1.33% Cu.

Kings stated that, with the significant amount of contained rhenium and an improved understanding of the controls on mineralisation, it is confident the mineral resource will provide a solid basis for ongoing pre-development studies on the deposit.

Infill drilling is currently being planned and metallurgical testwork and environmental baseline studies have commenced.

(For full details of the Mineral Resource Estimate, refer to the ASX release made by Kings on September 10th 2008.)

High grade copper intercept in K106A

The complete results for drill hole K106A located within EPM13870 - which contained a high grade copper intercept of **7.65 metres @ 23.4% Cu, 0.51g/t Au and 20g/t Ag** from 581.65m as reported to the ASX on July 4th 2008 - were received during the quarter.

In an announcement to the Australian Securities Exchange dated August 22nd 2008 Kings reported the following very significant results for K106A:

232 metres @ 1.33% Cu, 0.50g/t Au and 0.06% MoS₂ from 548 metres, including:

- **7.65 metres @ 23.4% Cu, 0.51g/t Au and 20g/t Ag from 581.65 metres**
- **51 metres @ 1.07% Cu, 0.69g/t Au and 0.25% MoS₂ from 667 metres**
- **59 metres @ 1.11% Cu and 1.24g/t Au from 718 metres**

These results further confirm, in Syndicated's view, the potential of the Kalman mineralised system.

(For full details refer to the ASX release made by Kings on August 22nd 2008.)

Mount Remarkable Project (copper-gold, lead-zinc & uranium)

Syndicated's other interests in the Mt Isa region include the Mt Remarkable Project, located around 60 kilometres northeast of Mt Isa. (Refer to Figure 5.) This project, which comprises mostly contiguous tenements covering around 800 square kilometres are considered prospective for copper-gold, sediment hosted lead-zinc-silver and uranium mineralisation.

The two tenement applications covering the northwestern part of the Barbara copper prospect and the area surrounding the Blockade copper mine are in joint venture with Mount Isa Metals Limited (the Leichhardt Joint Venture) with Syndicated holding 51% and management. Native title negotiations have been completed and it is expected that the tenements will be granted shortly allowing exploration to commence.

RC and Diamond Drilling Program

Assay results for the RC and diamond drilling program at the Barbara copper prospect, located 50 kilometres northeast of Mount Isa within the Mount Remarkable project, have been received. The drilling was undertaken to follow up the moderate to high grade copper-gold intercepts including 24 metres at 3.08% Cu and 0.25g/t Au returned from Syndicated's first phase of drilling at Barbara.

11 RC holes for 1404 metres were drilled, as well as three pre-collared diamond drill holes for 447 metres.

Significant intercepts from this program include:

- 15 metres at 1.28% Cu and 0.13g/t Au from 57 metres in BARC005
- 22 metres at 1.42% Cu and 0.15g/t Au from 77 metres in BARC008
- 27 metres at 1.70% Cu and 0.16g/t Au from 132 metres including 10 metres at 3.69% Cu and 0.31g/t Au from 132 metres in BARC010
- 13 metres at 2.0% Cu and 0.17g/t Au from 100 metres in BARC015
- 16.3 metres at 2.27% Cu and 0.17 g/t Au from 11.7 metres in BADD001
- 31.47 metres at 2.56% Cu and 0.12 g/t Au from 166.53 metres and 13.81 metres at 1.67% Cu and 0.22 g/t Au from 207.19 metres in BADD002
- 20 metres at 4.97% Cu and 0.38 g/t Au from 105 metres in BADD003

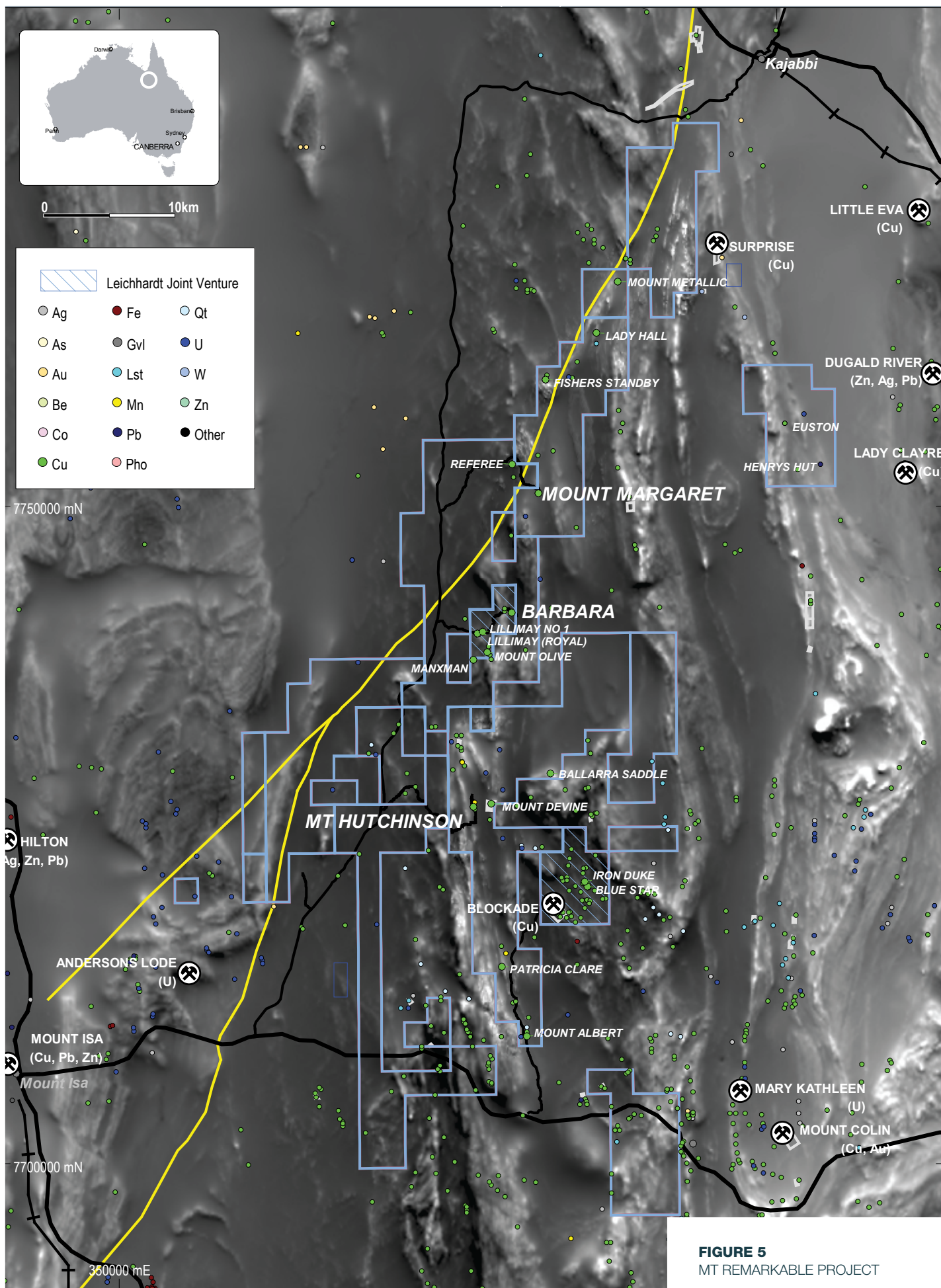
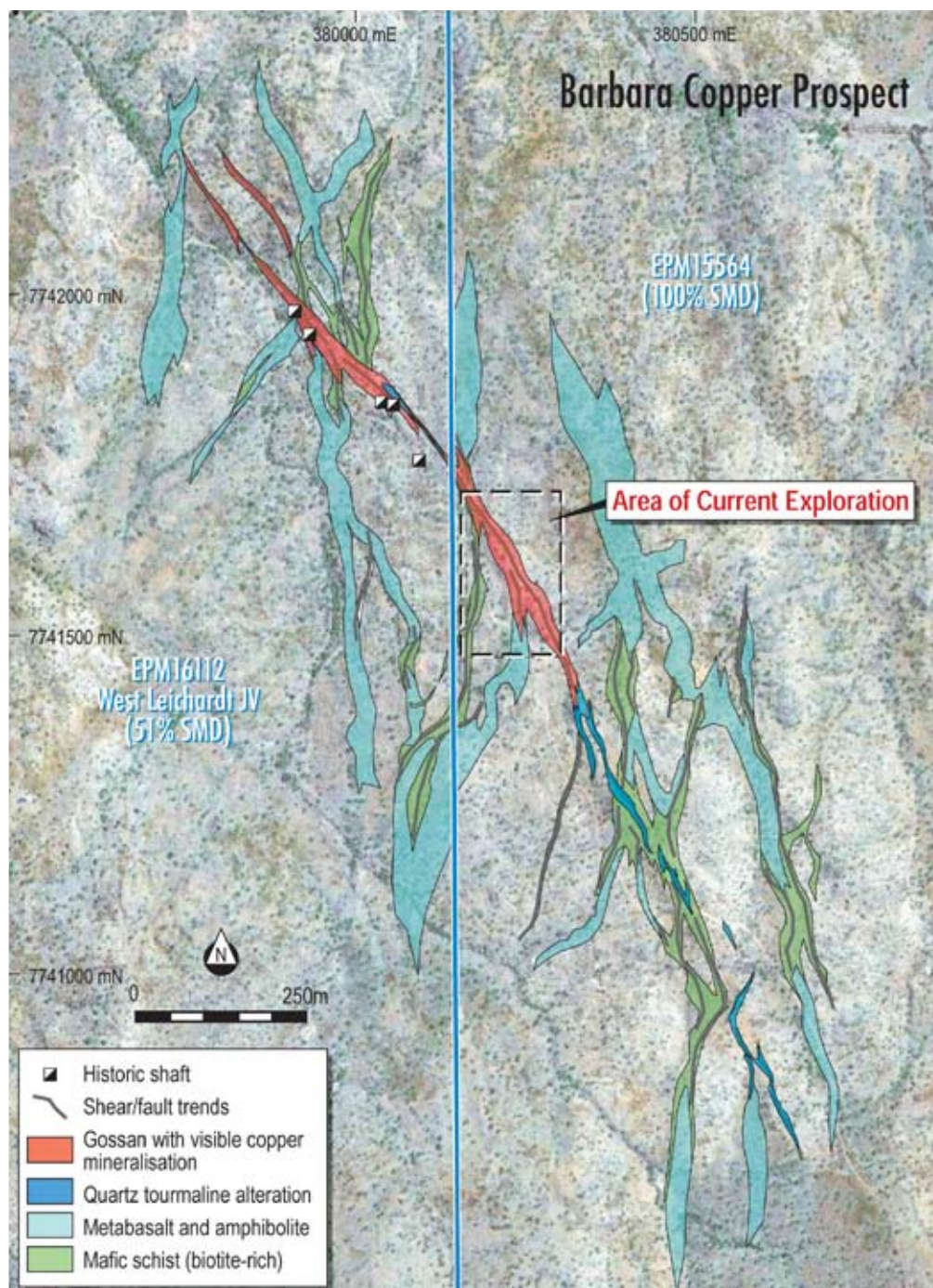


FIGURE 5
MT REMARKABLE PROJECT



FIGURE 6
BARBARA PROSPECT



The mineralised zone at Barbara is related to a northwest trending gossanous shear zone that has been mapped along a length of 1700 metres. Gossanous material extends over a strike length of about 550 metres in the centre of the zone from which several abandoned shafts exploited oxide copper ore. (Refer to Figure 6.)

The mineralisation is between 5 and 40 metres thick and dips at about 60° to the southwest. The base of oxidation is relatively shallow extending to between 10 and 20 metres vertical depth. (Refer to Figure 7.)

As well as significant copper and gold values the deposit contains elevated concentrations of cobalt and silver. Significantly, hole BADD002 that tested the down plunge position of the zone between 160 metres and 220 metres vertical depth returned two strong intersections.

The drilling is indicating the presence of higher grade shoots which may be plunging to the south within the shear. The southern traverse of drilling (BARC012 and BARC013) intercepted strong magnetite-quartz-tourmaline alteration with minor sulphides and may have been too shallow to intercept a south plunging shoot.

Full drill hole details and results are shown in Table 2.

The Barbara mineralised zone straddles the tenement boundary between EPM15564 (100% Syndicated) and EPM16112 (51% Syndicated). The 200 metre long section which was the focus of Syndicated's drilling is at the southern end of the gossanous zone within EPM15564.

EPM16112 is currently under application and forms part of the Leichhardt Joint Venture. Native title negotiations have been completed and it is anticipated that EPM16112 will be granted shortly, allowing Syndicated to extend exploration of the zone to the northwest.

(Results for the RC component of the program were released to the ASX on September 18th 2008 and results for the diamond drill holes on October 17th 2008.)

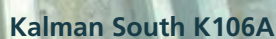
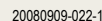


FIGURE 7
BARBARA LONG SECTION



TABLE 2: BARBARA DRILLING RESULTS AT OCTOBER 2008

Hole	E (GDA94)	N (GDA94)	Max Depth (m)	Incl/Az (GDA)	From (m)	To (m)	Down hole length (m)	Cu (%)	Au (g/t)	Ag (g/t)	Co (ppm)
BARC004	380190	7741561	102	-60/57	52	53	1	1.27	0.84	4	77
					57	72	15	1.28	0.13	2	94
BARC005	380150	7741532	180	-84/57	148	158	10	0.57	0.05	1	135
BARC006	380179	7741609	96	-75/57	53	62	9	0.56	0.06	2	57
BARC007	380146	7741582	150	-75/57	111	117	6	0.79	0.04	2	53
BARC008	380143	7741637	120	-85/57	77	99	22	1.42	0.15	4	95
BARC009	380144	7741669	96	-85/57	58	62	4	0.79	0.04	4	137
					65	66	1	0.75	0.07	1	79
BARC010	380147	7741439	192	-60/57	132	159	27	1.70	0.16	3	105
including					132	142	10	3.69	0.31	6	221
					162	164	2	0.60	0.10	1	98
					172	176	4	0.92	0.08	2	47
BARC012	380253	7741464	84	-55/57	no significant results						
BARC013	380208	7741426	126	-55/57	107	108	1	0.63	0.06	1	70
BARC014	380246	7741508	108	-90/57	3	8	5	0.51	0.05	<0.2	44
					38	39	1	0.76	0.05	3	18
					51	82	31	1.05	0.09	2	622
including					54	63	9	2.17	0.24	3	1812
BARC015	380152	7741532	150	-65/57	100	113	13	2.00	0.17	4	228
BADD001	380216	7741593	66.3	-60/56.4	11.70	28.00	16.30	2.27	0.17	3	176
BADD002	380146	7741436	231.1	-80/57.4	166.53	198.00	31.47	2.56	0.12	4	496
including					166.53	182.00	15.47	4.48	0.21	7	929
and					207.19	221.00	13.81	1.67	0.22	3	275
BADD003	380149	7741504	150.0	-65/57.4	105.00	125.00	20.00	4.97	0.38	8	373
including					113.00	115.94	2.94	10.5	1.02	14	318



Forward Program at Mount Remarkable

All data required by Syndicated's resource consultants to calculate the maiden mineral resource estimate for the drilled area has been compiled and provided to the consultants. The initial resource estimate is expected to be announced later this month.

Samples of drill core will be collected for preliminary petrological and metallurgical testwork. Options for the potential early development of the deposit will be pursued.

The mineralised zone at Barbara remains open to the northwest within EPM16112 and at depth. It appears from the disposition of old workings that other high grade shoots may be present along this gossanous zone. Drilling will be extended along this zone when EPM16112 is granted and the heritage clearances completed.

Concurrently with the drilling Syndicated is conducting soil and rock chip sampling programs in order to bring a range of other copper-gold targets to the drilling stage as early as possible.

Geochemical Program

Results for the regional soil sampling traverses were compiled with several interesting base metal anomalies outlined which are yet to be fully assessed. This sampling will continue when personnel become available. The targets are large base metal deposits spatially associated with the regional-scale fault zones and other geophysical targets. A portable XRF analyzer is used to provide multi-element geochemical analyses in the field. Rock chip sampling of old copper mines is progressively being undertaken as part of the assessment of the Company's tenements. Several new drill targets have been generated by this work.

Exmouth Project (WA) (zinc-silver, uranium and phosphate)

The Exmouth Project is considered to have potential for zinc-silver mineralisation, phosphate and sandstone-hosted uranium mineralisation similar to the Manyingee uranium deposit located 100km to the northeast. Syndicated has the rights to a 100% interest in three granted exploration licences (E08/1413, E08/1739, and E08/1740), covering a total area of 480 square kilometres and recently applied for a new exploration license (E08/1854) of 180 square kilometres that covers extensions of the prospective stratigraphy at the southern end of the project.

No field work was undertaken during the quarter pending assessment of the soil and rock chip sampling program completed in the previous quarter.

A desktop assessment of the prospectivity of Syndicated's phosphate tenement portfolio at Exmouth (WA), Dandaragan (WA) and Georgina Basin (Qld) is nearing completion.

Corporate

The Company held \$4.2 million in cash at the end of the quarter. Hartleys Limited has been retained as corporate advisers to the Company.

Russell Davis
Managing Director

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Russell Davis who is an Executive Director of Syndicated Metals Limited and a member of the Australasian Institute of Mining and Metallurgy. Russell Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Russell Davis consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.