

20 March, 2012

## TERMS OF ENGAGEMENT FOR NEW SYNDICATED DIRECTORS

### Changes to the Board

Following completion of a strategic review, Syndicated Metals Limited (ASX: SMD) has announced the appointment of three highly regarded mining executives to its Board to spearhead the Company's next stage of growth and development.

The new appointments include experienced geologist and former Jubilee Mines NL Executive General Manager – Exploration, **Peter Langworthy**, as Non-executive Chairman, former Gindalbie Metals Ltd and Avalon Minerals Ltd executive, **Andrew Munckton**, as Managing Director and former Gindalbie Metals Ltd, Rio Tinto Ltd, Equigold NL and Sundance Resources Ltd executive, **David Morgan**, as Operations Director.

Further to the previous announcement Syndicated is pleased to provide details regarding the terms of engagement for the new Directors.

### Strategic Share Placement – Participation by new directors

In conjunction with the Board and Management changes, Syndicated will, subject to shareholder approval, undertake a share placement to a group of strategic resource investors to support the Company's ongoing exploration activities in North Queensland (**Placement**).

Under the Placement, Syndicated will issue 13,485,881 Shares to sophisticated and professional investors (**New Shares**) at an issue price of 7.4 cents per New Share to raise \$997,955. The New Shares will be fully paid ordinary shares in the capital of the Company and rank pari passu with existing ordinary shares.

Subject to shareholder approval, Mr Langworthy, Mr Munckton and Mr Morgan will participate in the Placement as follows:

Director	Number of New Shares	Number of New Options
Peter Langworthy	2,027,027	337,838 Series A New Options 337,838 Series B New Options 337,838 Series C New Options
Andrew Munckton	4,729,729	788,288 Series A New Options 788,288 Series B New Options 788,288 Series C New Options
David Morgan	4,054,054	675,676 Series B New Options 675,676 Series B New Options 675,676 Series C New Options

For every 2 New Shares subscribed for, the subscribers will receive 1 free attaching option (equally apportioned from each of the series below) to subscribe for fully paid ordinary shares (**New Options**) as follows<sup>1</sup>:

Series	Exercise Price	Vesting Date	Expiry Date
A	\$0.164	12 months from the date of issue	4 years from the date of issue
B	\$0.205	18 months from the date of issue	4 years from the date of issue
C	\$0.246	24 months from the date of issue	4 years from the date of issue

## Employment Terms

Mr Langworthy will, subject to a formal agreement being executed, be paid a Chairman's fee of \$70,000 per annum, and will be appointed as a consultant and be paid a once off consulting fee of \$50,000.

Mr Munckton will, subject to a formal agreement being executed, be paid a base salary of \$280,000 per annum plus statutory superannuation.

Mr Morgan will, subject to a formal agreement being executed, be paid a base salary of \$280,000 per annum plus statutory superannuation.

Each of the new directors will also, subject to shareholder approval, be issued fully paid ordinary shares in the capital of the Company (**Shares**) based on the performance of the Company as follows:

Peter Langworthy	<ul style="list-style-type: none"> <li>500,000 Shares when the Company's volume weighted average price per share for 10 trading days on ASX ("<b>VWAP</b>") exceeds \$0.30;</li> <li>750,000 Shares when the Company's VWAP exceeds \$0.45; and</li> <li>750,000 Shares when the Company's VWAP exceeds \$0.60.</li> </ul>
Andrew Munckton	<ul style="list-style-type: none"> <li>1,000,000 Shares when the Company's VWAP exceeds \$0.30;</li> <li>2,000,000 Shares when the Company's VWAP exceeds \$0.45; and</li> <li>2,000,000 Shares when the Company's VWAP exceeds \$0.60.</li> </ul>
David Morgan	<ul style="list-style-type: none"> <li>1,000,000 Shares when the Company's VWAP exceeds \$0.30;</li> <li>2,000,000 Shares when the Company's VWAP exceeds \$0.45; and</li> <li>2,000,000 Shares when the Company's VWAP exceeds \$0.60.</li> </ul>

<sup>1</sup> New Options will be issued in three equal tranches against the subscriber's total entitlement for New Options. For example if a subscriber has subscribed for 1,200,000 New Shares, the New Option entitlement will be 600,000 New Options, the subscriber will be issued 200,000 New Options from each of Series A, B and C.

## Summary

The new directors bring a significant depth of experience in all facets of the exploration and mining sectors, from project evaluation and acquisition, exploration and discovery through to resource evaluation, feasibility, project financing, development and mining operations.

The Board of Syndicated is confident that the expanded Board and Management team has the capability to progress the Company's high quality portfolio of copper-gold assets in North Queensland towards development, and to reposition Syndicated as a successful mid-tier mining company.

The first task to be undertaken by the new Board and Management team will be to review the outcomes of the recently concluded strategic review of the Company and to develop a program for progressing and adding value to the Company's mineral assets in the Mt Isa District of North Queensland.

**Bruce McCullagh**  
**Company Secretary**

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