

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 12 MARCH 2019

SYNDICATED ENTERS INTO NEW AGREEMENT WITH BERKUT MINERALS TO DIVEST 82.5% INTEREST IN SOUTHERN HUB TENEMENTS, NORTH QUEENSLAND

Transaction will see Syndicated emerge with an ~5% interest in ASX-listed explorer Berkut Minerals and a 17.5% free-carried interest in the Southern Hub tenement portfolio

Key Points:

- New transaction announced with ASX-listed company Berkut Minerals (ASX: BMT).
- Berkut Minerals proposes to acquire 100% of the issued capital of Carnaby Resources, the original counter-party in the deal (announced 5 June 2018).
- Consideration now comprises 5,128,205 fully-paid shares in Berkut Minerals at a deemed price of \$0.078 per share, escrowed for 12 months.
- Syndicated to retain a 17.5% free-carried interest in the Southern Hub tenements, plus an ~5% stake in Berkut Minerals.
- Once completed, the transaction will complete the rationalisation of Syndicated's North-West Queensland copper exploration portfolio – consistent with its focus on existing and new gold exploration opportunities in Western Australia.

Further to its ASX announcements of 5 June, 2 July and 26 November 2018, Syndicated Metals Limited (ASX: SMD – **Syndicated** or **the Company**) is pleased to advise that it has entered into a binding heads of agreement with ASX-listed explorer Berkut Minerals Limited (ASX: BMT; **Berkut**) to divest an 82.5% interest in the Company's Southern Hub exploration tenements in North-West Queensland (see Figure 1 below).

This transaction replaces the original agreement with Carnaby Resources Limited (**Carnaby**) announced last year. Carnaby has entered into a separate share sale agreement with Berkut which will see Berkut acquire 100% of the issued capital of Carnaby.

Commenting on the transaction, Syndicated's Managing Director, David Morgan, said: *"We have worked with the team at Carnaby over the past nine months to advance this transaction. We are pleased that, as a result of the revised structure where Carnaby have teamed up with Berkut Minerals, we have been able to secure a revised agreement that delivers a similar result for Syndicated shareholders."*

"Subject to the remaining conditions being satisfied, principally Berkut Minerals shareholder approval which is expected by 30 April, the transaction is expected to result in Syndicated holding a stake of approximately 5% in Berkut Minerals while also retaining a 17.5% free-carried interest in the Southern Hub tenements."

"In addition to having ongoing exposure to the consolidation of tenure around the Tick Hill Gold Project by Carnaby and the exploration upside of its other WA Projects, our shareholding will also give us exposure to the other international mineral assets already held by Berkut."

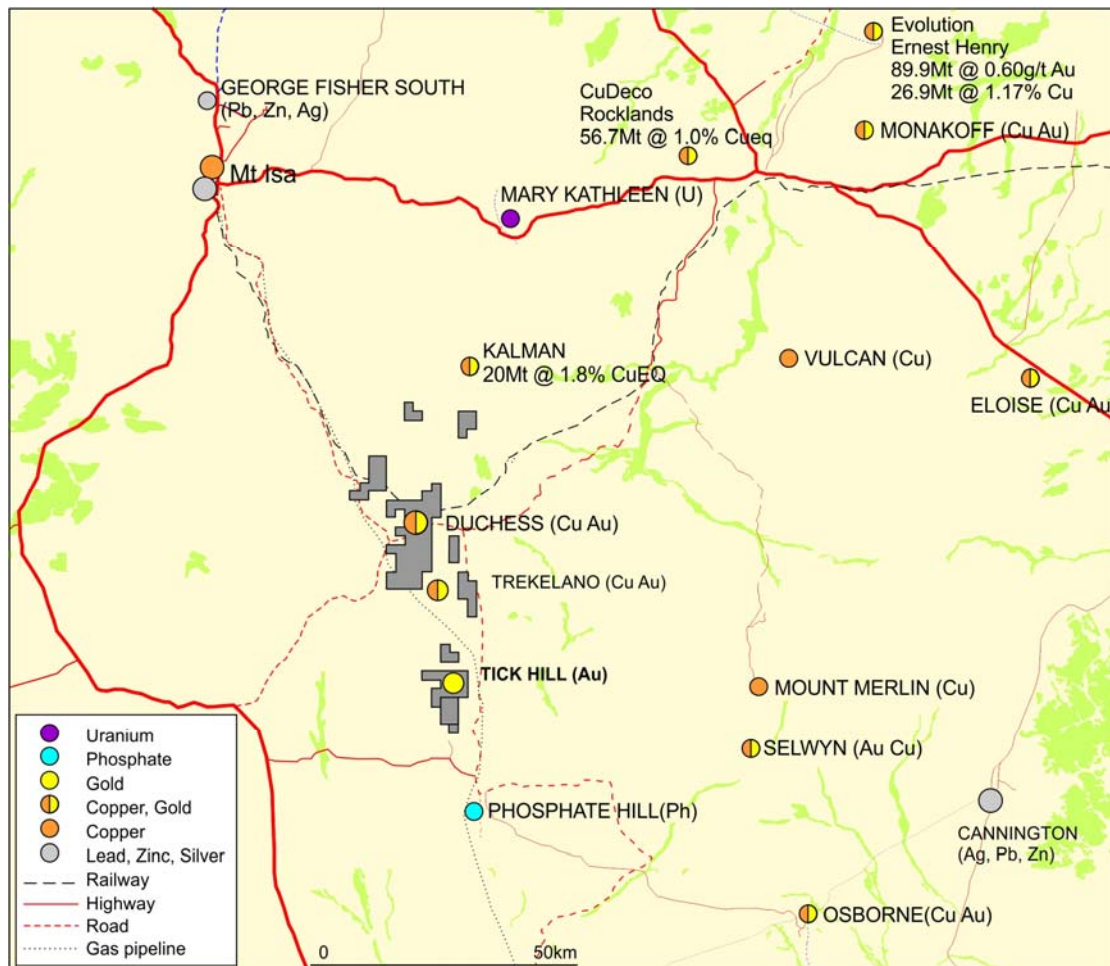


Figure 1 – Southern Hub tenement package (shaded grey)

The transaction is consistent with Syndicated's strategy of crystallising value from its extensive North-West Queensland exploration portfolio, while maintaining its focus on its Monument Gold Project and other new gold project opportunities in WA.

In 2017, Syndicated sold its 50% share of the Barbara Copper Project in North Queensland to its joint venture partner, Round Oak Minerals Pty Limited (formerly CopperChem Ltd), for \$2.3 million in cash and a future production royalty.

The Company recently disposed of its Northern Hub tenements to Minotaur Exploration (ASX: MER) for \$400,000 in cash and shares (refer SMD ASX announcement dated 23 May 2018).

And, most recently, Syndicated received \$460,000 in cash from Round Oak Minerals Pty Limited as consideration for the relinquishment of the Barbara production royalty (refer SMD ASX announcement dated 11 September 2018).

Key Terms of Agreement with Berkut

Under the binding agreement, Syndicated has agreed to assign to Berkut 82.5% of its right, title and interest in the portfolio of 12 exploration tenements that make up the Southern Hub Project.

The consideration for the sale is 5,128,205 fully-paid ordinary shares in Berkut at a deemed issue price of \$0.078 per share. The shares will be escrowed for a period of 12 months from the date the shares are issued to Syndicated.

The parties acknowledge that, in conjunction with the acquisition, Berkut have commitments to raise \$1.6 million through the issue of Berkut shares at an issue price of \$0.078 per share and will issue an aggregate of a further 16,025,641 Berkut shares in consideration for the Carnaby acquisition and other associated acquisitions.

Completion of the sale is conditional upon the satisfaction or waiver of several conditions precedent including Berkut obtaining all shareholder and regulatory approvals and all conditions to the Carnaby acquisition being waived or satisfied.

If the conditions are not satisfied or waived by 5.00pm (WST) on 30 April 2019, or another date as agreed in writing, then either party may terminate the agreement.

About Carnaby and Berkut

As disclosed in previous ASX releases, Carnaby is an Australian exploration company which has established a highly prospective portfolio of gold and copper projects in Queensland and Western Australia.

Carnaby has executed a share sale agreement with Berkut Minerals whereby Berkut will agree to acquire 100% of the issued capital of Carnaby. Additional information about Berkut is available at their website: www.berkutminerals.com.au.

Investors:

David Morgan
Managing Director
T: 08 9380 9440

Media:

Nicholas Read
Read Corporate
T: 08 9388 1474