

Notice meeting 2009.11

Syndicated Metals Limited

ABN 61 115 768 986

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Syndicated Metals Limited ABN 61 115 768 986 ("**Company**") will be held on Monday 30 November 2009 at 2.pm (Perth time) at the Vic Hotel, 226 Hay Street, Subiaco, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

Please note terms used in the Resolutions contained in this Notice of Annual General Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice.

AGENDA

Financial Report for the Year Ended 30 June 2009

To receive and consider the financial statements of the Company for the year ended 30 June 2009, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2009 be adopted."

Note. The vote on this Resolution is advisory only and does not bind the Directors of the Company.

2. Resolution 2 – Re-election of Director Andrew Dinning

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That Mr Andrew Dinning, who retires in accordance with clause 13.2 of the Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

3. Resolution 3 – Approval for Proposed Share Issue

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

"That in accordance with the requirements of Listing Rule 7.1 and for all other purposes, the Company approves and authorizes the Directors at their discretion to allot and issue up to 30,000,000 Shares, to be issued at a minimum issue price equal to not less than 80% of the average market price of the Company's Shares trading on the ASX, over the last five days on which sales of the Shares were recorded, before the day of issue, as more particularly described in the Explanatory Memorandum

Note. The Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 – Grant of Options to Russell Davis

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorized to grant and issue up to 1,000,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), 1,000,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and 1,000,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014) all for no consideration, to Russell Davis or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A, B and C to the Explanatory Memorandum)."

Note. The Company will, in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 4 by Russell Davis and any associate of Russell Davis or any of their nominees. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Russell Davis or an associate of Russell Davis.

5. Resolution 5 – Grant of Options to Jan Hope

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorized to grant and issue up to 500,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), 500,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and 500,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014) all for no consideration, to Jan Hope or her nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A, B and C to the Explanatory Memorandum)."

Note. The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 5 by Jan Hope and any associate of Jan Hope or any of their nominees. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Jan Hope or an associate of Jan Hope.

6. Resolution 6 – Grant of Options to Bruce McCullagh

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**:

"That pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorized to grant up to 500,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), 500,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and 500,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014) all for no consideration, to Bruce McCullagh or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A, B and C to the Explanatory Memorandum)"

Note. The Company will disregard any votes cast on Resolution 6 by Bruce McCullagh and any associate of Bruce McCullagh or any of their nominees. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Bruce McCullagh or an associate of Bruce McCullagh.

7. Resolution 7 – Grant of Options to Andrew Dinning

To consider and, if thought fit, pass with or without amendment the following as an **ordinary resolution**

“That pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorized to grant and issue up to 300,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), 300,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and 300,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014) all for no consideration, to Andrew Dinning or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A, B and C to the Explanatory Memorandum)

Note. The Company will disregard any votes cast on Resolution 7 by Andrew Dinning and any associate of Andrew Dinning or any of their nominees. However, the Company need not disregard a vote if:

- (a) appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Andrew Dinning or an associate of Andrew Dinning.

8. Resolution 8 – Grant of Options to Mark Whittle

To consider and if thought fit, pass with or without amendment the following as an **ordinary resolution**


“That, for the purpose of Listing Rule 7.1 and for all other purposes, the Directors be and are hereby authorized to grant and issue up to 500,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), 500,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and 500,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014) all for no consideration, to Mark Whittle or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A, B and C to the Explanatory Memorandum)

Note. The Company will disregard any votes cast on Resolution 8 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with direction on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Other Business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By Order of the Board

A handwritten signature in black ink, appearing to read 'B R McCullagh', written in a cursive style.

B R McCullagh

Director and Company Secretary

21 October 2009

NOTES

These notes form part of the Notice of Annual General Meeting. The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of Annual General Meeting are defined in the Glossary contained in the accompanying Explanatory Memorandum.

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Annual General Meeting and by submitting their proxy appointment and voting instructions in person, by post, by person, in post or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by proxy

- A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be lodged by 2 pm (Perth time) on 28 November 2009. Proxies lodged after this time will be invalid.

- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person to Level 1, 68 Hay Street, Subiaco WA 6008; or
 - by post to GPO Box 2810, Perth WA 6000; or
 - by faxing a completed proxy form to (08) 9380 9449.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2 pm (Perth time) on 28 November 2009. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm (Perth time) on 28 November 2009.

Annual General Meeting
Proxy Form

Syndicated Metals Ltd
ABN 61 115 768 986

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting.
8. **Signing Instructions**
You must sign this form as follows in the spaces provided:
 - Individual:** Where the holding is in one name, the holder must sign.
 - Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.
 - Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
 - Companies:** Where the company has a Sole Director who is also the Sole Company Secretary this form must be signed by that person.
If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.
Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.
9. **Lodgement of a Proxy**
This Proxy Form (and any power of attorney under which it is signed) must be received at the address below not later than 2 pm (Perth time) on 28 November 2009 (48 hours before the commencement of the Meeting).
Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Hand deliveries: Level 1, 68 Hay Street, Subiaco, WA 6008
Postal address: GPO Box 2810, Perth, WA 6000
Fax number: (08) 9380 9449

SYNDICATED METALS LIMITED**ABN 61 115 768 968****EXPLANATORY MEMORANDUM****INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of the shareholders of Syndicated Metals Limited ("**Company**"), in connection with the business to be conducted at the Annual General Meeting of the Company to be held on 30 November 2009 at 2 pm at the Vic Hotel, 226 Hay Street, Subiaco, Western Australia 6008.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Shareholders are specifically referred to the Glossary in this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of Annual General Meeting and this Explanatory Memorandum.

2009 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the annual financial report of the Company for the year ended 30 June 2009 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements will be tabled at the Annual General Meeting. Shareholders will have the opportunity of discussing these documents and making comments and raising queries in relation to these documents and on the business, operations and management of the Company.

No resolution is required to be moved in respect of this item.

Representatives from the Company's auditors, Mack & Co, will be present to take shareholders questions, and comments, about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company in relation to the preparation of accounts and the independence of the auditor in relation to the conduct of the audit.

As you may be aware, changes to legislation mean that companies are no longer required to mail out a printed copy of their annual report to shareholders, except where shareholders have made a specific election to receive a printed copy and notified the Company to that effect. If you haven't already made an election, you can obtain a printed copy by contacting the Company. Alternatively, it is available on the Company's website at www.syndicatedmetals.com.au for you to download or read on screen.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

The Remuneration Report, as disclosed in the Company's Annual Report 2009, is required to be considered in accordance with section 250R(2) of the Corporations Act . The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report 2009 and is also available on the Company's website (www.syndicatedmetals.com.au).

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and sets out the details of any share based compensation.

2. RESOLUTION 2 – RE-ELECTION OF ANDREW DINNING AS A DIRECTOR

Clause 13.2 of the Company's Constitution requires that at every Annual General Meeting one third of the directors (other than alternate directors and the Managing Director) shall retire from office. Andrew Dinning therefore retires by way of rotation and, being eligible, has offered himself for re-election as a Director.

Mr Dinning has over 20 years industry experience, including 12 years with the WMC group of companies in a number of senior management roles including the management of some of WMC's principal gold assets. Mr Dinning also has experience working in Russia and raising money in the London capital markets. He has been chief operating officer for Moto Goldmines Limited ("Moto") since October 2005 and an executive director of Moto since August 2006. Mr Dinning has a Mining Engineering Degree, First Class Mine Managers Certificate and Masters of Business Administration.

3. RESOLUTION 3 – APPROVAL FOR ISSUE OF SHARES

Resolution 3 seeks shareholder approval for the Directors to have the discretion to issue up to a maximum of 30,000,000 Shares at an issue price of not less than 80% of the weighted average of the closing sale price of the Company's Shares on the ASX on the 5 trading days on which sales are recorded immediately proceeding the date of issue. The Company intends to use any amounts raised to fund future ongoing mineral exploration, additional working capital and acquisition of assets.

Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares which may be issued pursuant to this Resolution is 30,000,000;
- (b) the Company will allot and issue the Shares no later than 3 months after date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the proposed allottees are unknown at the date of the Notice of Meeting but the Company will disclose the names of the allottees when shares are issued;
- (d) the Shares will be allotted progressively;
- (e) the Shares will be issued at a price not less than 80% of the weighted average of the closing sale price of Shares on the ASX on 5 trading days on which sales are recorded immediately preceding the date of issue;
- (f) the Shares will be issued and allotted to applicants to be determined by the Directors. No decision has, as yet, been made by the Directors in respect of determining the identity of the allottees, save that the allottees will be unrelated parties of the Company;
- (g) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (h) the purpose of the issue is for ongoing mineral exploration, additional working capital and acquisition of assets.

4. RESOLUTIONS 4 TO 7 - GRANT OF OPTIONS TO RUSSELL DAVIS, JAN HOPE, BRUCE McCULLAGH AND ANDREW DINNING

The Company proposes to issue up to a total of 2.3 million Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), up to 2.3 million Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and up to 2.3 million Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014), a total of 6.9 million Options, for no consideration to Russell Davis, Jan Hope, Bruce McCullagh and Andrew Dinning ("**Participating Directors**"), or their nominees.

The Class A Options will vest immediately upon grant, the Class B Options will vest on 30 November 2010 and the Class C Options will vest on 30 November 2011. The full terms of the Class A Options, Class B Options and Class C Options are set out in Annexures A, B and C to this Explanatory Memorandum, respectively.

The Class A Options, Class B Options and Class C Options will be issued as follows:

Director	Number of Class A Options	Number of Class B Options	Number of Class C Options	Total
Russell Davis, or his nominee(s)	1,000,000	1,000,000	1,000,000	3,000,000
Jan Hope, or her nominee(s)	500,000	500,000	500,000	1,500,000
Bruce McCullagh, or his nominee(s)	500,000	500,000	500,000	1,500,000
Andrew Dinning, or his nominee(s)	300,000	300,000	300,000	900,000
Total	2,300,000	2,300,000	2,300,000	6,900,000

The issue of the Class A Options, Class B Options and Class C Options to the Participating Directors is to recognise and reward the Participating Directors' efforts to date on the Company's behalf as well as to provide additional incentive to continue these efforts for the benefit of the Company and its shareholders. The Class A Options, Class B Options and Class C Options form part of the Participating Directors' remuneration packages.

Under the Company's current circumstances the Directors consider (in the absence of the relevant Participating Director) that the incentives intended for the Participating Director represented by the grant of these Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The Company has a policy of offering Directors a share option package as part of their total remuneration, and is considered appropriate given the reduced pool of senior competent and industry experienced directors and the risk associated with being a director of a public company.

Shareholders should note that for the reasons noted above, it is proposed to grant Class A Options, Class B Options and Class C Options to Jan Hope and Andrew Dinning notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* ("**Principles**") which states that non-executive directors should not receive Options.

The number of Class A Options, Class B Options and Class C Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- the remuneration of the Directors;
- the Directors wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Class A Options, Class B Options and Class C Options to be issued will ensure that the Participating Directors' overall remunerations is in line with market standards; and
- incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

In the event the Class A Options, Class B Options and Class C Options are exercised, the following amounts will need to be paid to the Company by the Participating Directors:

Director	Amount to be paid for Class A Options	Amount to be paid for Class B Options	Amount to be paid for Class C Options	Total amount to be paid
Russell Davis, or his nominee(s)	\$350,000	\$450,000	\$550,000	\$1,350,000
Jan Hope, or her nominee(s)	\$175,000	\$225,000	\$275,000	\$675,000
Bruce McCullagh, or his nominee(s)	\$175,000	\$225,000	\$275,000	\$675,000
Andrew Dinning, or his nominee(s)	\$105,000	\$135,000	\$165,000	\$405,000
				\$3,105,000

The Company will therefore receive \$3,105,000 from the Participating Directors should all the Class A Options, Class B Options and Class C Options be exercised.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
2. shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is considered to be a related party of the Company.

Resolutions 4 to 7 provides for the grant of Class A Options, Class B Options and Class C Options to the Participating Directors which is a financial benefit which requires shareholder approval.

Current Holdings

Set out below are details of each of the Participating Directors' relevant interest in Shares of the Company as at the date of this Notice:

Director	Number of Shares
Russell Davis, or his nominee(s)	5,728,597 ¹
Jan Hope, or her nominee(s)	520,000 ²
Bruce McCullagh, or his nominee(s)	5,430,000 ³
Andrew Dinning, or his nominee(s)	240,000 ⁴
Total	11,918,597

Notes:

1. 5,000,005 Shares are held directly. 525,000 Shares are held indirectly by Russell John Davis and Susan Valerie Davis as trustees for the Davis Superfund Account. 203,592 Shares are held by the Davis Family Investment Trust. Russell Davis is a beneficiary of the Davis Family Investment Trust.
2. Shares are held indirectly by Jan Lockett Superannuation Fund. Jan Hope is a beneficiary of the Jan Lockett Superannuation Fund.

3. Shares are held indirectly by McCullagh Accounting Pty Ltd as trustee for McCullagh Superannuation Fund. Bruce McCullagh is a director and shareholder of McCullagh Accounting Pty Ltd and a beneficiary of the McCullagh Superannuation Fund.
4. Shares are held directly.

Set out below are details of each of the Participating Directors' relevant interest in Options of the Company as at the date of this Notice:

Director	Number of Options
Russell Davis, or his nominee(s)	3,000,000 ¹
Jan Hope, or her nominee(s)	1,000,000 ²
Bruce McCullagh, or his nominee(s)	2,000,000 ³
Andrew Dinning, or his nominee(s)	1,000,000 ⁴
Total	7,000,000

Notes:

1. Options are held indirectly by Russell John Davis and Susan Valerie Davis as trustees for the Davis Superfund Account.
2. Options are held indirectly by Jan Lockett Superannuation Fund. Jan Hope is a beneficiary of the Jan Lockett Superannuation Fund.
3. Options are held indirectly by McCullagh Accounting Pty Ltd as trustee for McCullagh Superannuation Fund. Bruce McCullagh is a director and shareholder of McCullagh Accounting Pty Ltd and a beneficiary of the McCullagh Superannuation Fund.
4. Options are held directly.

INFORMATION REQUIREMENTS

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related parties to whom the proposed resolutions would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Class A Options, Class B Options and Class C will be issued to the following related parties or their respective nominees:

Director	Number of Class A Options	Number of Class B Options	Number of Class C Options	Total
Russell Davis, or his nominee(s)	1,000,000	1,000,000	1,000,000	3,000,000
Jan Hope, or her nominee(s)	500,000	500,000	500,000	1,500,000
Bruce McCullagh, or his nominee(s)	500,000	500,000	500,000	1,500,000
Andrew Dinning, or his nominee(s)	300,000	300,000	300,000	900,000
Total	2,300,000	2,300,000	2,300,000	6,900,000

The nature of the financial benefit

The proposed financial benefit to be given is the issue of Class A Options, Class B Options and Class C Options for no consideration to the Participating Directors as noted above.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Directors Bruce McCullagh, Jan Hope and Andrew Dinning (who have no interest in the outcome of Resolution 4) recommend that shareholders vote in favour of Resolution 4. Russell Davis declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Class A Options, Class B Options and Class C Options to him or his nominee(s).

Directors Bruce McCullagh, Russell Davis and Andrew Dinning (who have no interest in the outcome of Resolution 5) recommend that shareholders vote in favour of Resolution 5. Jan Hope declines to make a recommendation about Resolution 5 as she has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Class A Options, Class B Options and Class C Options to her or her nominee(s).

Directors Jan Hope, Russell Davis and Andrew Dinning (who have no interest in the outcome of Resolution 6) recommend that shareholders vote in favour of Resolution 6. Bruce McCullagh declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Class A Options, Class B Options and Class C Options to him or his nominee(s).

Directors Bruce McCullagh, Russell Davis and Jan Hope (who have no interest in the outcome of Resolution 7) recommend that shareholders vote in favour of Resolution 7. Andrew Dinning declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Class A Options, Class B Options and Class C Options to him or his nominee(s).

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors.

The proposed ordinary Resolutions 4 to 7 would have the effect of giving power to the Directors to issue up to a total of 6.9 million Options (being up to 2.3 million Class A Options, up to 2.3 million Class B Options and up to 2.3 million Class C Options) on the terms and conditions as set out in Annexures A, B and C to this Explanatory Memorandum respectively and as otherwise mentioned above.

The Company currently has 30,510,005 quoted Shares, 26,840,000 unquoted Shares and the following unquoted Options on issue:

Number	Exercise Price	Expiry Date
500,000	\$0.40	30 August 2011
8,000,000	\$0.30	3 September 2012

If all Class A Options, Class B Options and Class C Options granted as proposed above are exercised, and assuming no existing Options issue have been exercised, the effect would be to dilute the share holding of existing shareholders by 12.03%. The market price of the Company's Shares during the period of the Class A Options, Class B Options and Class C

Options will normally determine whether or not the Participating Directors exercise those Options. At the time any Class A Options, Class B Options or Class C Options are exercised and Shares are issued pursuant to the exercise of those Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Class A Options, Class B Options or Class C Options, as relevant.

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of the Class A Options, Class B Options and Class C Options the subject of Resolutions 4 to 7 are as follows:

Director	Fees p.a. (\$)	Value of Class A Options (\$)	Value of Class B Options (\$)	Value of Class C Options (\$)	Total Financial Benefit (\$)
Russell Davis	218,000	231,000	225,000	220,000	894,000
Jan Hope	49,050	115,500	112,500	110,000	387,050
Bruce McCullagh	114,000	115,500	112,500	110,000	452,000
Andrew Dinning	49,050	69,300	67,500	66,000	251,850

The indicative option valuations of 23.1 cents, 22.5 cents and 22 cents are a theoretical valuation of each Class A Option, Class B Option and Class C Option respectively using the Black and Scholes Option Pricing Model.

Valuation of Options

The Company's advisers have valued the Class A Options, Class B Options and Class C Options to be granted to the Participating Directors using the Black & Scholes Model. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The valuation of the Class A Options, Class B Options and Class C Options have been prepared using the following assumptions:

Variable	Input for Class A Options	Input for Class B Options	Input for Class C Options
Share price - cents	27.5	27.5	27.5
Exercise price - cents	35	45	55
Risk Free Interest Rate	5.24%	5.24%	5.24%
Volatility	125%	125%	125%
Time (years to expiry)	5	5	5

The Company's advisers have calculated the value of each Class A Option, Class B Option and Class C Option based on the following assumptions:

1. They have based the underlying value of each share in the Company on the Australian Securities Exchange closing price of 27.5 cents on 12 October 2009;
2. Risk free rate of return of 5.24% (estimated, based on the Australian government 5 year treasury bond rate);
3. They used a volatility of the share price of 125% as determined from the daily movements in share price since the Company listed on the ASX on 13 December 2007, adjusted for abnormal trading.

Based on the assumptions, it is considered that the estimated average value of the Class A Options, Class B Options and Class C Options to be granted to the Participating Directors are 23.1 cents, 22.5 cents and 22 cents per Class A Option, Class B Option and Class C Option respectively.

Any change in the variables applied in the Black & Scholes calculation between the date of the valuation and the date the Class A Options, Class B Options and Class C Options are granted would have an impact on their value.

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 12 October 2009:

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price / Date
\$0.28 / 21 September 2009 and 14 October 2009	\$0.082 on 22, 23 and 27 January 2009	\$0.275 on 12 October 2009

Other Information

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Class A Options, Class B Options and Class C Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Class A Options, Class B Options and Class C Options pursuant to Resolutions 4 to 7.

Neither the Directors nor the Company are aware of other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the grant of Class A Options, Class B Options and Class C Options to the Participating Directors.

Additional Information

The following information in relation to the Class A Options, Class B Options and Class C Options to be granted pursuant to Resolutions 4 to 7 is provided to shareholders for the purposes of Listing Rule 10.13:

- (a) the Class A Options, Class B Options and Class C Options will be granted to the Participating Directors, or their nominees, as noted above;

- (b) the maximum number of Options to be granted is 6,900,000 (being up to 2.3 million Class A Options, up to 2.3 million Class B Options and up to 2.3 million Class C Options);
- (c) the Class A Options, Class B Options and Class C Options will be allotted and granted on one date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Class A Options, Class B Options and Class C Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Class A Options, Class B Options and Class C Options; and
- (f) the terms and conditions of the Class A Options, Class B Options and Class C Options are set out in Annexures A, B and C to this Explanatory Memorandum respectively.

If approval is given for the grant of the Class A Options, Class B Options and Class C Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

5. RESOLUTION 8 – GRANT OF OPTIONS TO MARK WHITTLE

The Company proposes to issue up to 500,000 Class A Options (each with an exercise price of \$0.35 and an expiry date of 30 November 2014), up to 500,000 Class B Options (each with an exercise price of \$0.45 and an expiry date of 30 November 2014) and up to 500,000 Class C Options (each with an exercise price of \$0.55 and an expiry date of 30 November 2014), a total of 1.5 million Options, for no consideration to Mark Whittle, or his nominee.

The Class A Options will vest immediately upon grant, the Class B Options will vest on 30 November 2010 and the Class C Options will vest on 30 November 2011. The terms of the Class A Options, Class B Options and Class C Options the subject of this Resolution 8 are the same as those Options the subject of Resolutions 4 to 7 to be issued to the Participating Directors and are set out in Annexures A, B and C to this Explanatory Memorandum respectively.

The purpose of the issue of the Class A Options, Class B Options and Class C Options to Mark Whittle contemplated by Resolution 8 is to recognise and reward his efforts to date on the Company's behalf as well as to provide additional incentive to continue these efforts for the benefit of the Company and its shareholders.

The Directors consider that the grant of these Class A Options, Class B Options and Class C Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

In the event the Class A Options, Class B Options and Class C Options are exercised, Mark Whittle will need to contribute a total of \$675,000 to the Company, as follows:

Recipient of Options	Amount to be paid for Class A Options	Amount to be paid for Class B Options	Amount to be paid for Class C Options	Total amount to be paid
Mark Whittle, or his nominee(s)	\$175,000	\$225,000	\$275,000	\$675,000

As noted above, Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Options the Company can issue pursuant to Resolution 8 is 1,500,000 (being up to 500,000 Class A Options, up to 500,000 Class B Options and up to 500,000 Class C Options);
- (b) the Company will allot and issue the Class A Options, Class B Options and Class C Options no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) The Class A Options, Class B Options and Class C Options will be allotted and issued on one date;
- (d) the Class A Options, Class B Options and Class C Options will be issued for no consideration;
- (e) the Class A Options, Class B Options and Class C Options will be issued to Mark Whittle or his nominee. Mr Whittle is not a related party of the Company;
- (f) the terms and conditions of the Class A Options, Class B Options and Class C Options are set out in Annexures A, B and to this Explanatory Memorandum respectively; and
- (g) no funds will be raised by the issue of the Class A Options, Class B Options and Class C Options.

GLOSSARY

For the purposes of this Explanatory Memorandum, and the accompanying Notice of Annual General Meeting, the following definitions apply:

"Annual Report" means the annual report of the Company for the year ended 30 June 2009.

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

"Board" means the board of Directors of the Company.

"Class A Option" means an Option having the terms and conditions set out in Annexure A to this Explanatory Memorandum.

"Class B Option" means an Option having the terms and conditions set out in Annexure B to this Explanatory Memorandum.

"Class C Option" means an Option having the terms and conditions set out in Annexure C to this Explanatory Memorandum.

"Company" means Syndicated Metals Limited ABN 61 115 768 986.

"Constitution" means the constitution of the Company.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Explanatory Memorandum" means this explanatory memorandum accompanying the Notice.

"Director" means a director of the Company.

"Listing Rules" means the Listing Rules of the ASX.

"Meeting" means the annual general meeting the subject of the Notice.

"Notice" means the notice of annual general meeting which accompanies this Explanatory Memorandum.

"Option" means an option to acquire a Share.

"Resolution" means a resolution proposed pursuant to the Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

ANNEXURE A

TERMS AND CONDITIONS OF CLASS A OPTIONS

1. Each option entitles the holder to subscribe for one ordinary share in Syndicated Metals Limited ACN 115 786 986 ("**Company**").
2. The exercise price of the option is \$0.35 each ("**Exercise Price**").
3. The options will lapse at 5.00pm, Western Standard Time on 30 November 2014 ("**Expiry Date**").
4. The options are not transferable and will not be listed for official quotation on the Australian Securities Exchange.
5. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
6. Optionholders have the right to exercise their options, after vesting, prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options.
7. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules of the Australian Securities Exchange, but in all other respects the terms of exercise will remain unchanged.
8. The options shall be exercisable at any time, after vesting, and ending on or before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notices and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him or her.
9. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the options.
10. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
11. There is no right to change the exercise price of options, nor the number of underlying fully paid ordinary shares over which the options can be exercised, if the Company completes any bonus or pro rata issue.

ANNEXURE B

TERMS AND CONDITIONS OF CLASS B OPTIONS

1. Each option entitles the holder to subscribe for one ordinary share in Syndicated Metals Limited ACN 115 786 986 ("**Company**").
2. Subject to condition 13, the options will vest on 30 November 2010.
3. The exercise price of the option is \$0.45 each ("**Exercise Price**").
4. The options will lapse at 5.00pm, Western Standard Time on 30 November 2014 ("**Expiry Date**").
5. The options are not transferable and will not be listed for official quotation on the Australian Securities Exchange.
6. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
7. Optionholders have the right to exercise their options, after vesting, prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules of the Australian Securities Exchange, but in all other respects the terms of exercise will remain unchanged.
9. The options shall be exercisable at any time, after vesting, and ending on or before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notices and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him or her.
10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the options.
11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. There is no right to change the exercise price of options, nor the number of underlying fully paid ordinary shares over which the options can be exercised, if the Company completes any bonus or pro rata issue.
13. Notwithstanding condition 2, all options may be exercised by the Optionholder:
 - i. in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - ii. at any time after a Change of Control Event has occurred; or

- iii. if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

In these Terms and Conditions:

Corporations Act means Corporations Act 2001 (Cth).

Change of Control Event means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the board of Directors of the Company as constituted from time to time.

ANNEXURE C

TERMS AND CONDITIONS OF CLASS C OPTIONS

1. Each option entitles the holder to subscribe for one ordinary share in Syndicated Metals Limited ACN 115 786 986 ("**Company**").
2. Subject to condition 13, the options will vest on 30 November 2011.
3. The exercise price of the option is \$0.55 each ("**Exercise Price**").
4. The options will lapse at 5.00pm, Western Standard Time on 30 November 2014 ("**Expiry Date**").
5. The options are not transferable and will not be listed for official quotation on the Australian Securities Exchange.
6. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
7. Optionholders have the right to exercise their options, after vesting, prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules of the Australian Securities Exchange, but in all other respects the terms of exercise will remain unchanged.
9. The options shall be exercisable at any time, after vesting, and ending on or before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notices and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him or her.
10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the options.
11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. There is no right to change the exercise price of options, nor the number of underlying fully paid ordinary shares over which the options can be exercised, if the Company completes any bonus or pro rata issue.
13. Notwithstanding condition 2, all options may be exercised by the Optionholder:
 - i. in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - ii. at any time after a Change of Control Event has occurred; or

- iii. if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

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