28 October 2013

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ENTITLEMENT OFFER - NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 AS MODIFIED BY ASIC CLASS ORDER 08/35

Syndicated Metals Limited (ASX:SMD) (the **Company**) today announced that the Company would be conducting a non-renounceable entitlements offer to eligible shareholders of up to approximately 67,988,918 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one (1) new Share (**New Share**) for every three (3) Shares held at 5.00pm (WST) on 7 November 2013 (**Record Date**) at an issue price of 3.2 cents per New Share (**Entitlement Offer**). The Entitlement Offer will raise up to approximately $2.17m (before expenses), if all of the entitlements are taken up (excluding any New Shares that may be issued as a result of any options exercised prior to the Record Date).

The Entitlement Offer is being conducted without a prospectus, pursuant to an offer document dated 28 October (**Offer Document**), in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by the Australian Securities and Investments Commission Class Order 08/35 and ASIC Instrument 13-0326) (**Corporations Act**).

Any entitlements not taken up by eligible holders of Shares (**Shareholders**) may become available as shortfall (**Shortfall**) which may be placed by the Company.

NOTICE UNDER SECTION 708AA OF THE ACT

The Company hereby notifies ASX under the Corporations Act that:

1. the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. the Company is providing this notice under paragraph (2)(f) of section 708AA of the Corporations Act;
3. as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act (other than section 319 in relation to the financial year ended 30 June 2007, as set out in relief granted to the Company by the Australian Securities and Investments Commission under section 741(1) of the Corporations Act on 10 September 2013);
4. as at the date of this notice, the Company has complied with section 674 of the Corporations Act;
5. as at the date of this notice, there is no information:

a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

   i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

   ii. the rights and liabilities attaching to the Shares; and

6. Any effect the Offer will have on the control of the Company will depend upon the extent to which holders of Shares (**Shareholders**) take up their entitlements, and the extent to which the Shortfall (if any) is placed, however the Directors do not consider, taking into account the structure of the Entitlement Offer, that the Entitlement Offer will have a significant effect on the capital of the Company. The following information is provided to Shareholders:

   a. If all Shareholders as at the Record Date take up their full entitlements under the offer, the Entitlement Offer will have no effect on the control of the Company.

   b. If some Shareholders do not take up their entitlements (whether because they are ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interest of Shareholders who only take up part of their entitlement will also be diluted but to a lesser extent.

   c. CopperChem Limited (**CopperChem**) currently has a relevant interest in 18.94% of the issued Shares in the Company. If CopperChem takes up its entitlement under the Entitlement Offer it will do so only to such extent so as to ensure its relevant interest in Shares will not exceed 19.99% of the issued capital of the Company on completion of the Entitlement Offer.

   d. National Health Recovery Agents Pty Ltd (**National Health**) currently has a relevant interest in 5.49% of the issued Shares in the Company. If National Health takes up its full entitlement, and no other Shareholders take up their entitlement, National Health will hold approximately 7.20% of the issued Shares in the Company.

   e. Korea Zinc Company Limited (**Korea Zinc**) currently has a relevant interest in 6.67% of the issued Shares in the Company. If Korea Zinc takes up its full entitlement, and no other Shareholders take up their entitlement, Korea Zinc will hold approximately 8.70% of the issued Shares in the Company.

Yours sincerely
SYNDICATED METALS LIMITED

Paul Bridson
Company Secretary