

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 29 April 2016

MARCH 2016 QUARTERLY ACTIVITIES REPORT

Syndicated finalises capital raising and continues project evaluations

Quarter Highlights

- Project assessment continued on precious and base metals projects within Australia.
- Barbara Copper Project mining lease objection withdrawn. Mining Lease application is with the Queensland DNRM.
- Mt Remarkable Project under active consideration by potential JV partner(s).
- Entitlement Offer capital raising (inclusive of shortfall placement) completed raising \$261K with further \$89K received from CopperChem top-up right. Total funds raised inclusive of December Placement and Entitlement Issue process was \$551K.

Overview

During the Quarter the Company continued its assessment of gold and base metals resource assets based predominantly in WA, following its decision to pursue a new strategic direction as announced in the December 2015 quarter.

On 29 January the Company obtained shareholder approval to issue 14,000,000 Tranche 2 placement shares to entities associated with directors Mr Langworthy and Mr Morgan, raising \$70,000.

Also at the January shareholders meeting the Company obtained shareholder approval to issue shares to the value of \$89,400 to CopperChem Limited under their top-up right as a result of the issue of the Tranche 1 and Tranche 2 placement shares.

In February the Company announced the closure of its one for six non-renounceable entitlement offer at 0.5 cents per Share, together with one free option for every two Shares subscribed for with an exercise price of 1.2 cents and expiring on 8 February 2018. The entitlement issue raised \$160,500 before expenses.

Subsequent to the end of the Quarter the Company finalised the entitlement issue shortfall placement raising a further \$101,000 (\$25,000 of which requires shareholder approval).

Exploration and Evaluation

Barbara Copper Project

The Barbara Copper Project is part of the Barbara Joint Venture which covers approximately 100km² of tenure within the Mt Remarkable Project area. The Barbara JV is a 50/50 joint venture between CopperChem Limited and the Company with CopperChem being the Manager of the Project. CopperChem are sole funding the project until a Decision to Mine.

During the Quarter the objection to the grant of the Barbara Mining Lease by West Leichhardt Station was withdrawn. The Mining Lease grant application has therefore been referred to the Queensland DNR for consideration.

Minor exploration works and rehabilitation of previous disturbed sites within the tenements was completed principally over the Barbara deposit area.

Mt Remarkable/Northern Hub Regional Exploration

The Mt Remarkable Project consists of twelve EPM tenements covering approximately 1000km² of tenure and straddles the Mt Remarkable Fault from the Barkley Hwy to Kjabbi.

During the quarter, Information Memoranda highlighting the prospectivity of the area for both Iron Oxide Cu-Au and Sedex Pb-Zn-Ag style mineralisation were prepared and circulated to a number of groups interested in undertaking further exploration programs of work over the Project. Proposals from these groups have been received and are currently under consideration by Management.

The Company is seeking to partially divest the Project via an Exploration earn-in JV.

Fountain Range/Southern Hub Regional Exploration

At the Southern Hub, the Company prepared an Information Memorandum highlighting the prospectivity of the project for Iron Oxide Cu-Au and Vein Style Cu-Au within the tenure. The IM was circulated to a number of parties.

While a number of groups expressed interest, to date no firm proposal which reflects Management's view of fair value has been received.

The Company continues to seek a partner for the project.

New Project Assessments

In line with the Company's new corporate and strategic direction aimed at repositioning the Company for future growth, Management has undertaken a number of project reviews over resource assets during the quarter.

The assets reviewed to date lie predominantly, but not exclusively in Western Australia and cover both the precious and base metals suite. The projects are generally at an "Advanced Exploration" or "Development Ready" level of maturity within established geological domains where a number of explorers, developers and producers are active.

Management has recently advanced a small number of projects to a deeper level of evaluation involving project site visits, preliminary resource modelling and initial financial analysis. Discussions and negotiations with owners and or potential vendors are ongoing. Further project evaluation works are expected over the June Quarter.

Corporate

Share Placement and Entitlement Offer

Issue of Entitlement Issue and Shortfall Shares and Options

The Company's 1-for-6 Entitlement Issue at 0.5 cents per share with a free attaching 1 for 2 option exercisable at 1.2 cents and expiring on 8 February 2018 closed on 1 February 2016.

The Company received valid applications totaling \$219,216, comprising \$134,530 (26,906,039 new shares) taken up by shareholders pursuant to their entitlements and an additional \$84,686 (16,937,325 new shares) from shareholders applying for additional shares. This represented a take-up of 65.7% from existing shareholders (including the additional shares applied for by existing shareholders).

The shortfall component from the entitlements issue totaled \$114,319 (being 22,863,987 shares at 0.5 cents per share). An additional \$58,625 (being 11,725,000 shares) was applied for by CopperChem but was unable to be issued until the remaining shortfall was placed so as to ensure that CopperChem did not breach its maximum allowed shareholding of 33.89%. Total shortfall was therefore \$172,944 (being 34,588,987 shares).

Of the shortfall the Directors were able to place 15,200,000 shares raising \$76,000. A total of 7,600,000 free attaching unlisted options were also issued. The shares and options were issued subsequent to the end of the Quarter on 4 April 2016. The Shares were issued under the Company's Prospectus dated 10 December 2015 and were issued under the same terms and pricing as the entitlement issue.

A further \$25,000 shortfall application was received from an entity associated with the Company's Chairman. Shareholder approval will be required to issue the shares and options associated with this application and this will be sought at the next meeting of the Company's shareholders.

The issue of the shortfall shares and options also triggered the CopperChem anti-dilution right. CopperChem exercised its right to subscribe for 7,791,500 shares at 0.5 cents per share with 3,895,750 free attaching options on the same pricing and terms and conditions as the entitlement issue offer. Shareholder approval will also be required to issue these shares and options and this will be sought at the next meeting of the Company's shareholders.

The issue of the shortfall shares and options concluded the entitlement issue process.

Issue of Placement and Top-Up Shares and Options

During the Quarter the Company also issued the following securities in relation to the Placement announced on 7 December 2015:

- 14,000,000 Tranche 2 Placement Shares;
- 17,880,000 Top-Up Shares to CopperChem; and
- 28,940,000 unlisted Options comprising 13,000,000 Options attached to the Tranche 1 Placement Shares issued on 8 December 2015, 7,000,000 Options attached to the Tranche 2 Placement Shares and 8,940,000 Options attached to the Top-Up Shares.

Details of the issues of each of the above securities are detailed below.

Issue of Tranche 2 Placement Shares

On 8 February 2016 the Company issued 14,000,000 fully paid ordinary shares at 0.5 cents per Share to raise \$70,000 under the Tranche 2 Placement as announced on 7 December 2015. The Shares were issued to companies associated with two directors (Mr Langworthy and Mr Morgan).

Shareholder approval was obtained for the issue of these Shares at the shareholders meeting held on 29 January 2016.

Issue of CopperChem Top-Up Shares

On 8 December 2015, Syndicated issued 26,000,000 shares under its Tranche 1 Placement. On 8 February 2016 the Company issued 14,000,000 shares under its Tranche 2 Placement to companies associated with two directors as detailed above.

Pursuant to CopperChem Limited's anti-dilution right granted under the Placement Agreement signed between the Company and CopperChem in September 2013, Syndicated was required to offer to CopperChem new Shares in order for CopperChem to maintain the same percentage interest in the capital of Syndicated as was held prior to the issue of the new Shares. CopperChem exercised its right to subscribe for the new Shares following the issue of the Tranche 1 and Tranche 2 Placement Shares respectively.

The Company issued 17,880,000 fully paid ordinary shares to CopperChem. The Shares were issued at 0.5 cents per Share in line with the pricing of the Tranche 1 and Tranche 2 Placement Shares and raised \$89,400. Approval to issue the shares was obtained at the shareholders meeting held on 29 January 2016.

Issue of Unlisted Options

Subscribers under both the Tranche 1 and Tranche 2 Placements were offered the opportunity to subscribe for 1 free attaching unlisted option for every 2 Shares issued, with each option having an exercise price of 1.2 cents and expiring on 8 February 2018 (**Options**). This offer was made under the prospectus for the Entitlement Offer referred to in the ASX announcement dated 7 December 2015.

Following its election to exercise its anti-dilution right following the Tranche 1 and Tranche 2 Placements, CopperChem was also offered the opportunity to subscribe for Options. This offer was also made under the prospectus for the Entitlement Offer referred to in the ASX announcement dated 7 December 2015.

Following shareholder approval for the above Option issues obtained at the shareholders meeting held on 29 January 2016, the Company issued 28,940,000 Options.

Funds raised from the issue of all of the above Shares will be used for the purposes set out in the Prospectus dated 10 December 2015.

General Meeting

The Company held a General Meeting on 29 January 2016 to seek shareholder approval for resolutions related to its share placement and entitlement issue capital raising process as discussed above. All ten resolutions received strong support and were passed on a show of hands.

Cash Reserves

As at 31 March 2016, the Company had cash reserves of \$0.745 million. The Company has no corporate debt and minimal long-term commitments.

Financials

Net cash inflows for the March Quarter totaled \$0.132 million, predominantly comprising cash outflows for exploration and evaluation expenditure of \$0.069m and administrative and project assessment expenses of \$0.112m and cash inflows from capital raising activities of \$0.351m (\$76,000 of this amount related to shares issued subsequent to the end of the Quarter and \$25,000 is held on trust pending shareholder approval).

Cash outflows for the June 2016 Quarter are expected to total \$0.182 million.

Shareholder Information

As at 31 March, the Company had 464,242,464 fully paid ordinary shares on issue and approximately 706 shareholders. The top 20 shareholders held 63.55% of the Company.

As at the end of the Quarter, the Company had 56,755,939 unlisted options and 19,123,704 performance rights on issue.

For further information on the Company please view our website at: syndicatedmetals.com.au or contact:

Andrew Munckton

Managing Director

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Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Andrew Munckton who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Munckton is a full-time employee of Syndicated Metals Limited and consents to the inclusion in the report of the Exploration Targets and Exploration Results in the form and context in which they appear.

Exploration Targets

This report comments on and discusses Syndicated Metals Limited's exploration in terms of target size and type. The information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

Additional Information Required by Listing Rule 5.3.3

Mining tenements held at the end of the Quarter and their location:

Mt Isa - Northern Hub (Mt Remarkable)	
EPM 14281	Granted
EPM 16112	Granted
EPM 16197	Granted
EPM 17638	Granted
EPM 17914	Granted
EPM 17947	Granted
EPM 18492	Granted
EPM 19049	Granted
EPM 19733	Granted
EPM 25824	Granted
EPM 25915	Application
EPM 26026	Application
Mt Isa - Southern Hub (Fountain Range)	
EPM 9083	Granted
EPM 11013	Granted
EPM 14362	Granted
EPM 14366	Granted
EPM 14369	Granted
EPM 17637	Granted
EPM 18078	Granted
EPM 18082	Granted
EPM 18223	Granted
EPM 18671	Granted
EPM 18980	Granted
EPM 19008	Granted
EPM 25435	Granted
EPM 25439	Granted
EPM 25853	Granted
EPM 25972	Application

Mining tenements acquired during the Quarter and their location:

EPM 14281 (Northern Hub (Mt Remarkable) Project). SMD previously owned 80% of the Base Metal Rights on this tenement and agreement was reached with Deep Yellow Limited to acquire the tenement in full for a 1% NSR on mineral production. The tenement has now been transferred to Syndicated Metals Limited.

Mining tenements disposed of during the Quarter and their location:

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Farm-in Agreements

Nil.

Farm-out Agreements

Syndicated is in Joint Venture with CopperChem Limited over portions of tenements EPM19733 and EPM18492 and all of EPM16112 whereby CopperChem may earn a 50% interest in these tenements by funding and managing a feasibility study over the Barbara Project up to a decision to mine. During the December 2015 quarter the Barbara Feasibility Study was delivered and the 50% interest of CopperChem Limited has been earned.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter:

Syndicated had an 80% interest in the Base Metal Rights on tenements EPM14916, EPM14281 and EPM15070 under the Mt Isa Other Minerals Farm-in and Joint Venture Agreement with Deep Yellow Limited. During the September Quarter the Joint Venture was dissolved. EPM14281 was transferred to Syndicated Metals during the Quarter. EPM14916 and EPM15070 have been returned unencumbered to Deep Yellow.