

ASX ANNOUNCEMENT – 29 December 2014

SYNDICATED EXPANDS REGIONAL COPPER PORTFOLIO WITH ACQUISITION OF TICK HILL PROJECT

*STRATEGIC ACQUISITION INCLUDING THREE COPPER GOLD DEPOSITS ADJACENT TO SMD'S
DUCHESS PROJECT*

HIGHLIGHTS

- **Syndicated acquires two strategic tenements, EPM9083 and EPM11013, covering the Tick Hill, Duchess and Spring Creek prospects from Straits Resources.**
- **The Duchess Prospect contains three extensively-drilled deposits at the Ivanhoe, Central and Duchess Lodes, proximal to Syndicated's existing Southern Hub tenement holding.**
- **Tick Hill tenements surround the high-grade Tick Hill gold mine with recorded production of more than 0.5M ounces of gold.**
- **Tenure straddles the highly prospective Mt Erle Granite complex and includes several large geochemical and geophysical datasets containing numerous untested anomalies.**

Syndicated Metals Limited (ASX: SMD – “Syndicated” or “the Company”) is pleased to advise that it has further strengthened its regional copper portfolio in North Queensland's Mt Isa-Cloncurry district with the strategic acquisition of the **Tick Hill** tenement package from Straits Resources (ASX: SRQ).

The acquisition, which includes three deposits previously estimated under the 2004 JORC Code (see below), complements the Company's Southern Hub Project in North Queensland (see Figure 1).

The acquisition is subject to and conditional upon indicative approval being given by the Department of Natural Resources and Mines to the transfer of the tenements and also the execution of a deed of assignment and assumption with relevant third parties by the vendor and purchaser.

The 100%-owned Southern Hub Project now comprises 466km² of tenure providing Syndicated with a strong pipeline of resource development and exploration opportunities alongside its Northern Hub Project, which includes the advanced Barbara Copper-Gold Joint Venture Project with CopperChem Limited.

The Tick Hill tenement purchase includes:

- Tenements EPM9083 and EPM11013 covering the Tick Hill, Duchess and Spring Creek prospects;
- Three well-drilled deposits at the Ivanhoe, Central and Duchess prospects, all of which lie within the Duchess tenement. The Duchess deposit itself produced 205,000t at 12.5% Cu from underground mining during the early 1900's;
- The Tick Hill prospect tenements surrounding the historical high-grade Tick Hill gold mine, which produced 706,000t at 22.5g/t Au between 1991 and 1994; and
- Extensive geochemical and geophysical datasets which contain numerous untested anomalies associated with the Mt Erle Granite intrusion and the dominant structural architecture which controls the location of high-grade copper and gold deposits in the region.

The tenement purchase is complementary to the tenure already held by Syndicated in the area and allows the Company to extend its understanding of the regional geology of the area into the newly acquired tenure.

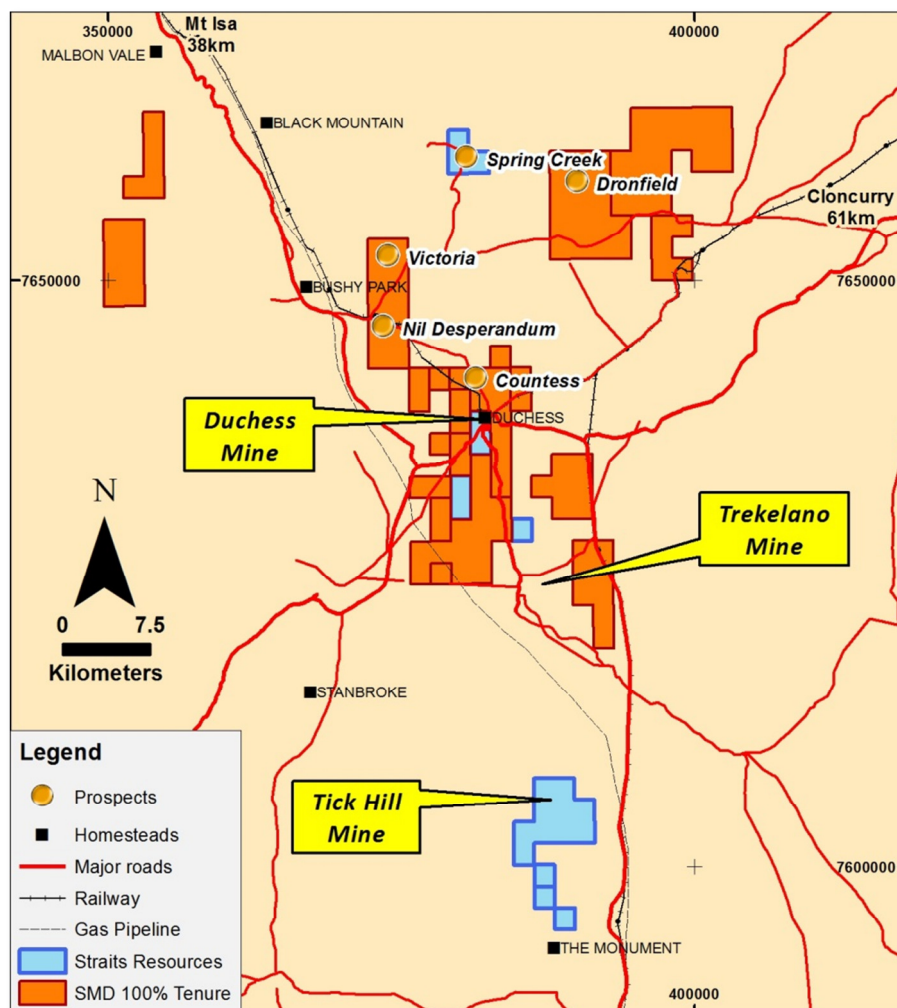


Figure 1 – Project Location Plan indicating Southern Hub Project and highlighting the newly acquired tenure

Duchess Area deposits

The Ivanhoe, Central and Duchess deposits, which lie within EPM9083, have been extensively drilled by previous owners and explorers (see Figure 2). Drilling at each of the deposits has targeted strike and depth extensions of surface mineralisation and/or historical underground mining areas.

Mineral Resource estimates were undertaken at Ivanhoe by Barrick (Osborne) in 2008 and Golder Associates in 2012. Golder also undertook estimates for the Central and Duchess lodes in 2012 as part of a regional analysis of deposits available within 100km of their operation at Osborne at the time.

While these estimates complied with the 2004 JORC code and were considered valid for internal technical and financial analysis at the time, Syndicated considers that it is not appropriate at this time to classify them as Mineral Resources under the 2012 JORC code. The Company considers them Exploration Targets until sufficient work has been undertaken to classify them as Mineral Resources.

Further information on the Exploration Targets at each deposit is provided below:

1. Ivanhoe Lode: Exploration Target – 2.2 to 3.0Mt @ 1.2 to 1.8% Cu and 0.1 to 0.2ppm Au

The exploration target is based upon a total of 50 drill holes (43 RC and 7 diamond) that were completed by Barrick, MIM, Cullen Resources and Penarroya at this deposit between 1969 and 2000. The Ivanhoe Lode extends for over 1,000m with surface exposure consisting of gossanous quartz, calcite, malachite and chrysocolla. Below the water table at 20m mineralogy turns to chalcopyrite, pyrite and calcite. Mineralisation is confined to shear and vein related zones within the Corella formation. Surface exposure widths vary between 10m and 30m. Multiple parallel lodes of mineralisation are observed in drill core. The potential of the lode is highlighted by deeper diamond drilling which has encountered high grade mineralisation such as:

- **7.8m @ 4.22% Cu from 260.4m down-hole in IVO001**
- **2.0m @ 2.92% Cu from 179.0m down-hole in DUNK0037**

2. Central Lode: Exploration Target – 0.2 to 0.6Mt @ 0.6 to 1.2% Cu and 0.1 to 0.2ppm Au

The exploration target is based upon a total of 7 RC holes that were drilled by Penarroya and MIM between 1985 and 1990. Mineralisation was targeted in the shallower zones above 100m depth. Mineralisation was encountered over 250m of strike and remains open along strike. Similar mineralisation styles and controls were observed as for the Ivanhoe Lode. The best intersection was:

- **7.0m @ 1.5% Cu from 75.0m down-hole in DURC0052**

3. Duchess Lode: Exploration Target – 0.1 to 0.2Mt @ 2.0 to 4.0% Cu and 0.2 to 0.4ppm Au

The Duchess Underground Mine operated intermittently between 1900 and 1940 and in that time approximately 205,000 tonnes at 12.5% Cu was extracted from a 1-3m wide vein down to approximately 260m below surface. The Duchess Lode had a mined strike extent of approximately 150m. The exploration target is based upon extending the mineralisation 200m further down plunge of the underground workings over 150m of strike and 3m of

width. RC drilling along strike of the Lode position has intersected minor mineralisation. Drilling into the lode position and underneath the old underground workings has intersected mineralised back-fill with a single RC hole intersecting in-situ mineralisation. This hole encountered:

- **3.0m @ 1.66% Cu from 80.0m down-hole in DURC008A**

The locations of the drill holes completed and used by both MIM and Golder in their estimates of Mineral Resource are illustrated in Figure 2. Syndicated Metals intends to estimate the Mineral Resources associated with each of these deposits in due course.

The information relating to the above three 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 in compliance with the JORC code. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

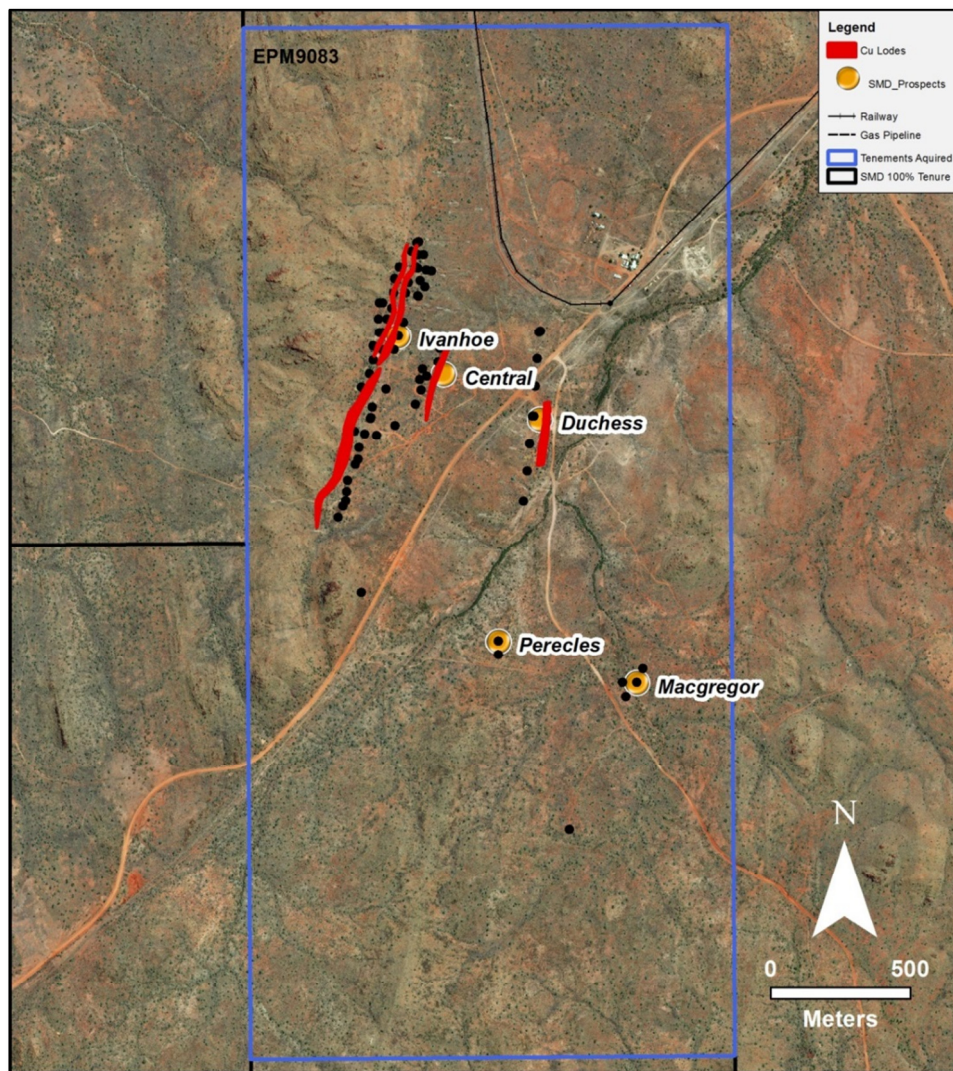


Figure 2 – Duchess Area Deposits indicating historical copper occurrences and drilling associated with assessment of the surface expression of each deposit.

Duchess Area Prospects

Within the central part of the Southern Hub tenure lies the Duchess block of tenements. The Duchess area mineralisation is controlled by the interaction of the Mt Erle granite intrusion with the Railway Fault and numerous subsidiary faults that splay from the Railway Fault. See Figure 3.

Mineralisation is characterized by high-grade, shear zone and narrow vein hosted chalcopyrite mineralisation.

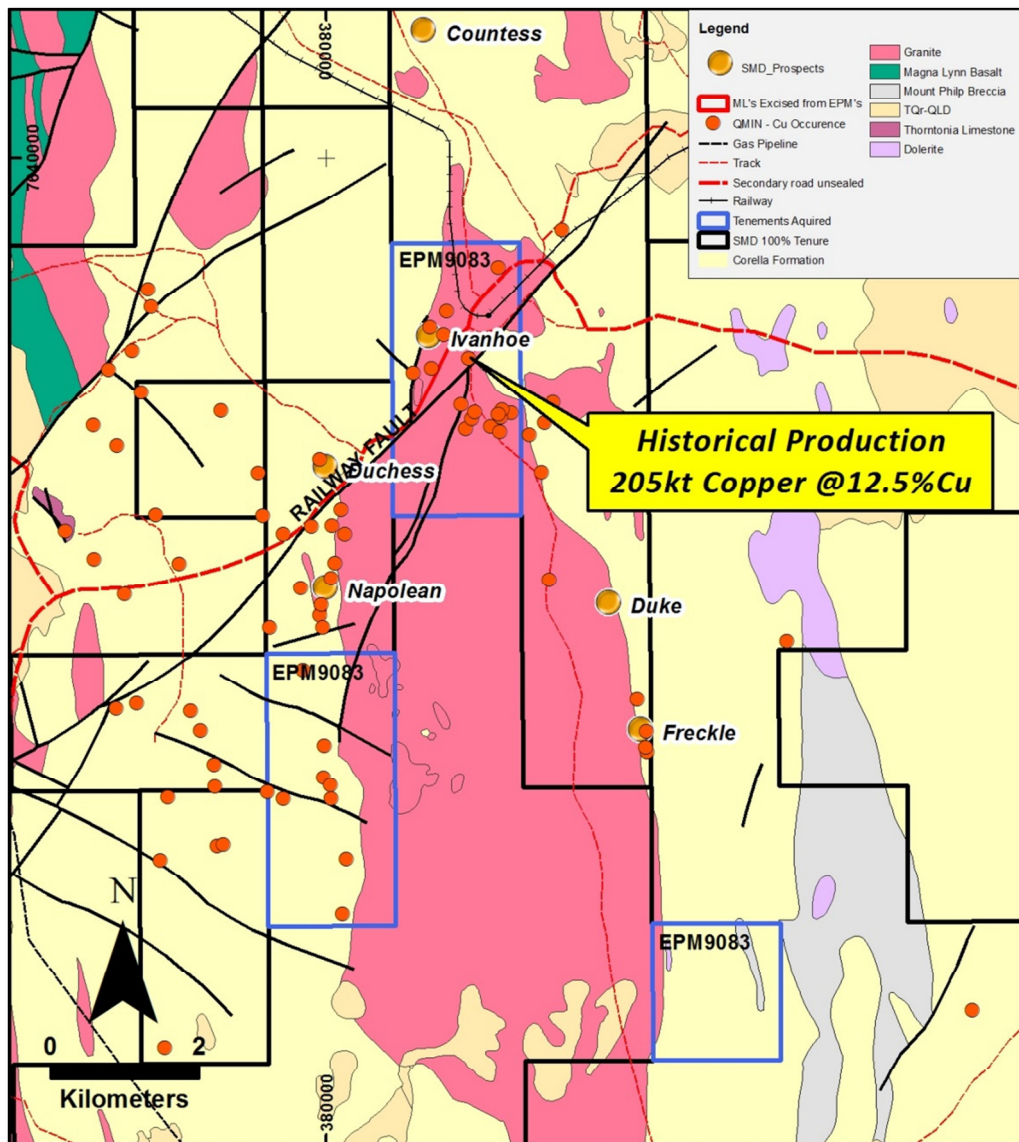


Figure 3 – Duchess Area prospects indicating historical copper occurrences associated with the Mt Erle Granite and Railway Fault.

Figure 4 illustrates the tenement holding over Total Magnetic Intensity (TMI) image which clearly indicate the low magnetic granitic rocks (blue and light green colours) from the magnetic Corella formation and doleritic rocks (red to magenta colours). Copper and gold mineralisation occurs within the magnetite alteration zones immediately adjacent to the Mt Erle Granite contacts and within structural architecture that provide fluid pathways and metal trap sites distal to the granite intrusions.

The consolidation of the tenure over this area will allow the Company to build on the Mineral Resources purchased as part of the Tick Hill acquisition.

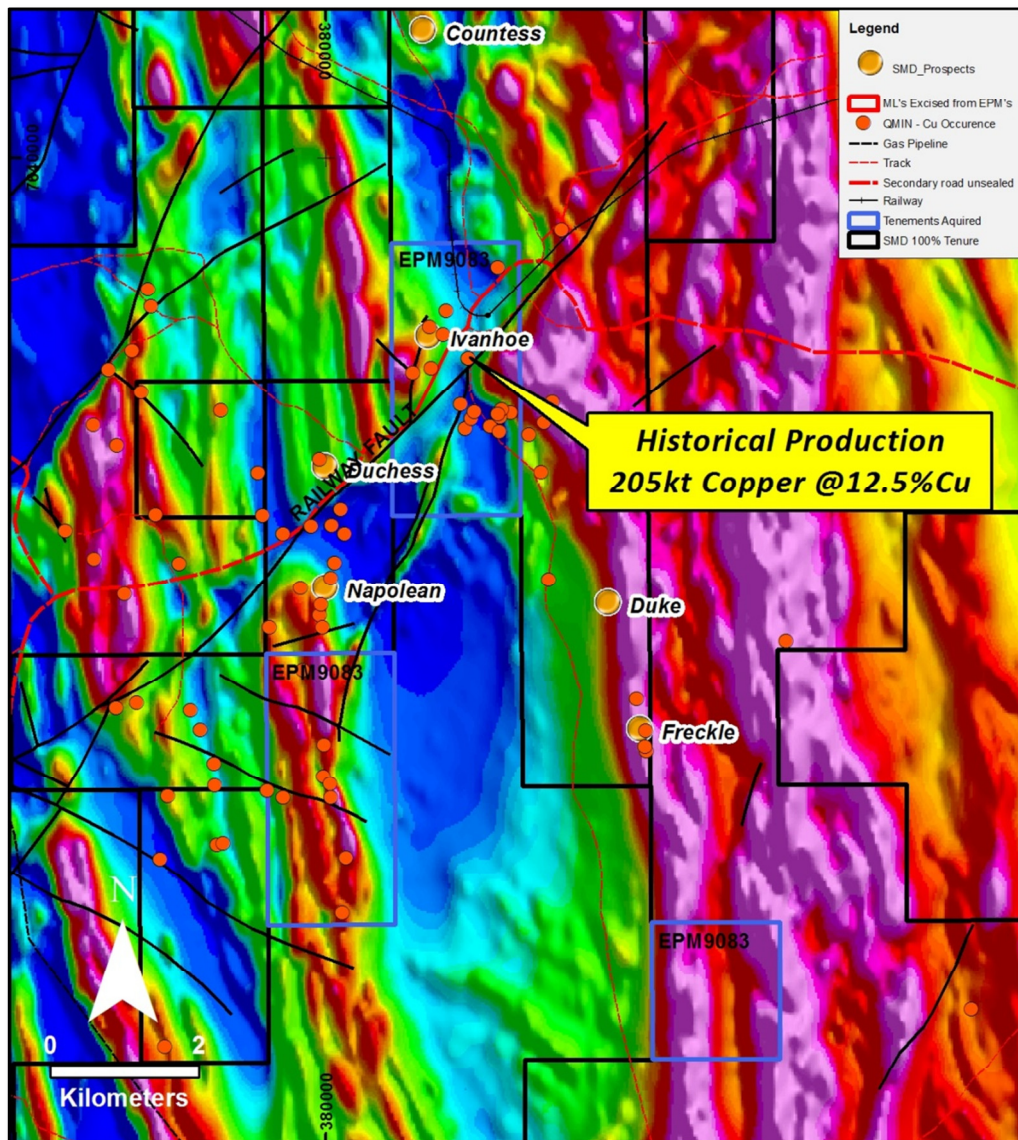


Figure 4 – Duchess Area prospects over Total Magnetic Intensity (TMI) image.

Tick Hill Prospects

The Tick Hill exploration leases are located approximately 35km south of Duchess and surround the historical Tick Hill Mining Leases. The Tick Hill mine was operated by Mt Isa Mines (MIM) between 1991 and 1994 and extracted 706,000t @ 22.5g/t Au with minor copper mineralisation from a small open pit and underground mine.

The Mining Leases have been extensively explored for extensions to the Tick Hill style mineralisation. The Tick Hill style mineralisation has been extensively studied and characterised by MIM and subsequent explorers.

The exploration leases acquired by Syndicated have undergone regional geophysical and soil geochemical programs with initial RC drilling of defined geochemical targets.

Historical drilling results from these tenements include several 10-30m intersections of low-grade copper mineralisation (generally 0.2-0.35% Cu and 0.05-0.10ppm Au) in IOCG-style mineralisation at the Monastery prospect.

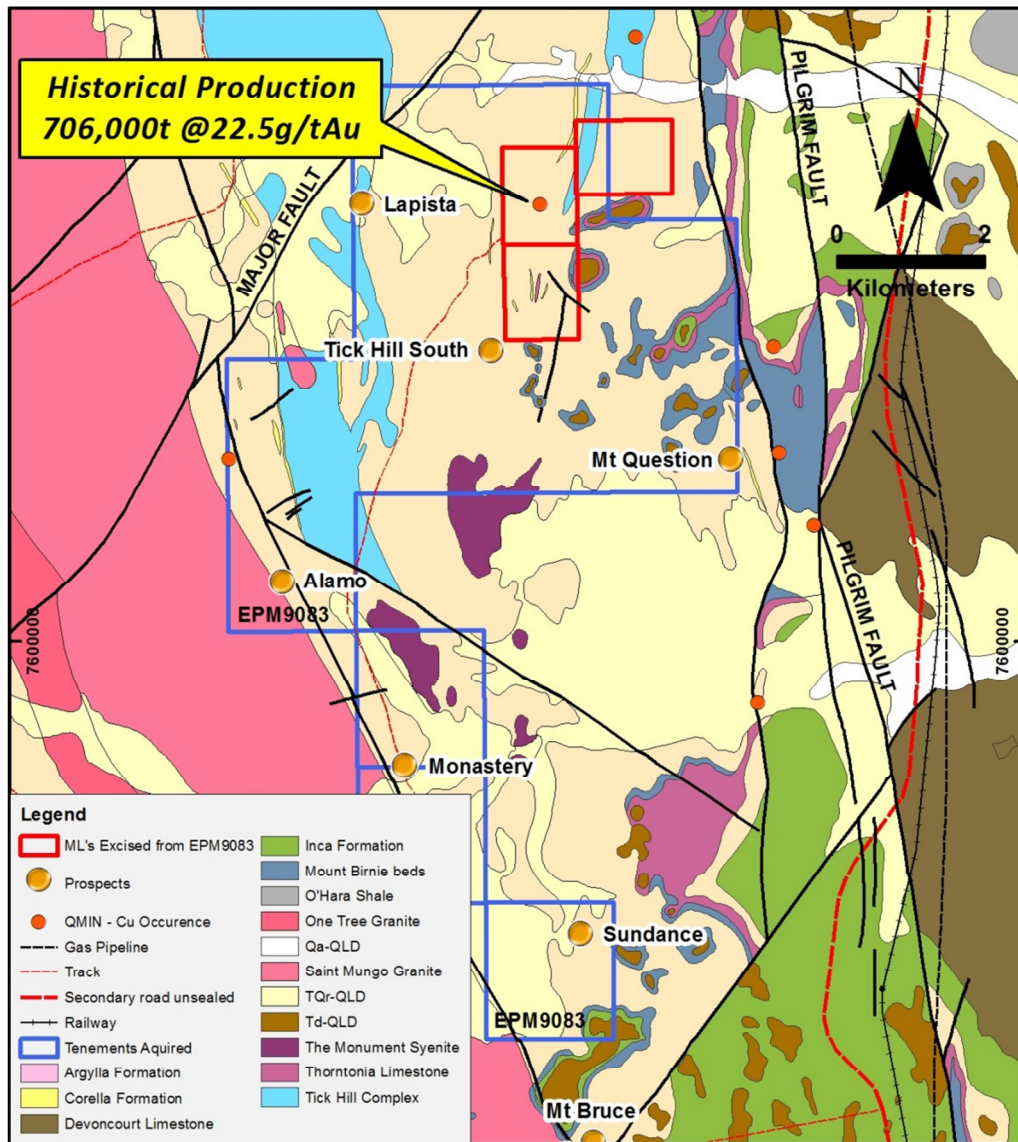


Figure 5 – Tick Hill Area prospects over Geology indicating locations of prospects identified by historical explorers.

The Company believes the area remains prospective for both high-grade, vein-style copper and gold mineralisation in structurally prepared sites associated with the fault architecture of the region and IOCG style mineralisation associated with the magnetically defined alteration zones associated with the Saint Mungo Granite contact. See Figure 5 and Figure 6.

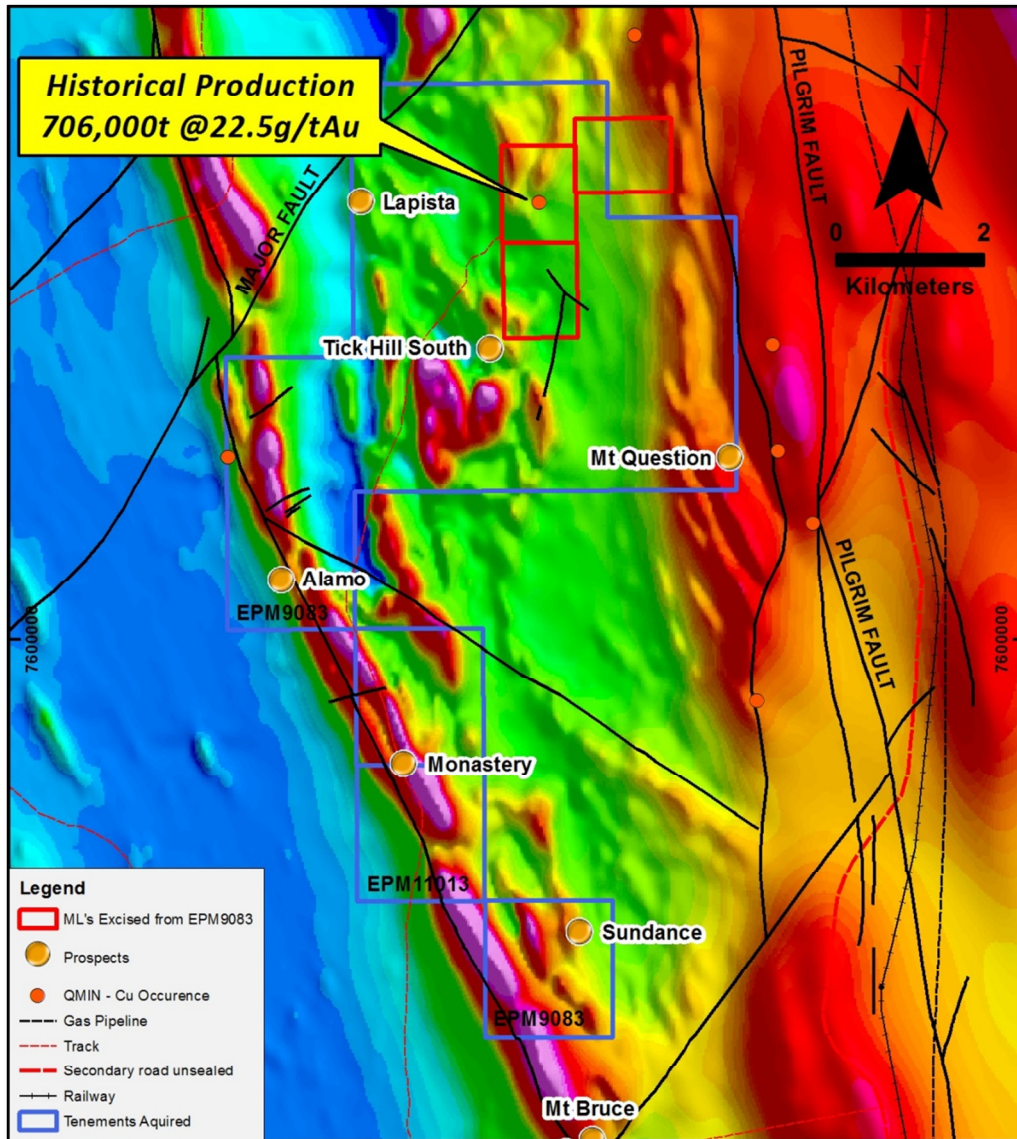


Figure 6 – Tick Hill Area prospects over Total Magnetic Intensity (TMI) image.

Spring Creek Prospects

The Spring Creek prospect lies approximately 25km north of the Duchess Prospect and 10km west of the Company's Dronfield tenure.

Extensive soil geochemistry has been undertaken over the western third of the tenement with a large soil anomaly encountered over a mapped dolerite unit. The soil anomaly and historical workings have been targeted by previous explorers with 9 RC drill holes. This drilling encountered several narrow, high grade copper +/- gold intersections within a halo of generally low grade copper mineralisation. Several of the RC holes warrant follow up. Drilling results include:

- 4m @ 1.24% Cu and 0.12g/t Au from 60m in SCRC003
- 14m @ 0.67% Cu and 0.17g/t Au from 21m in SCRC007
- 5m @ 0.63% Cu and 0.65g/t Au from 34m in SCRC009

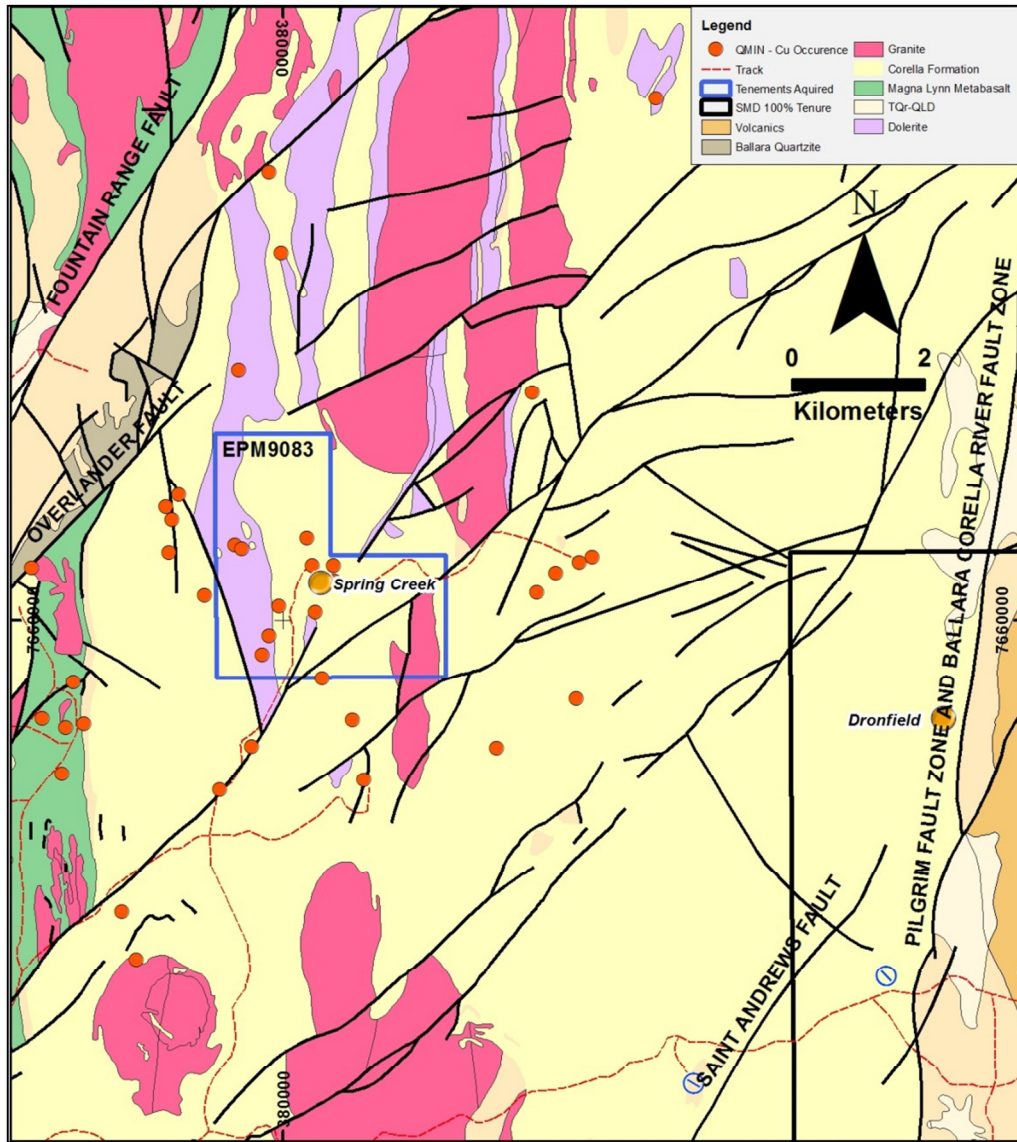


Figure 7 – Spring Creek Area prospects over Geology indicating locations of prospects identified by historical explorers.

The style of mineralisation targeted for the area is high-grade vein and shear zone hosted copper-gold mineralisation and larger IOCG targets associated with granitic intrusions in the area. IOCG-style mineralisation is characterised by magnetite alteration within Corella formation adjacent to Wonga age granite intrusions. Refer Figure 7 and Figure 8.

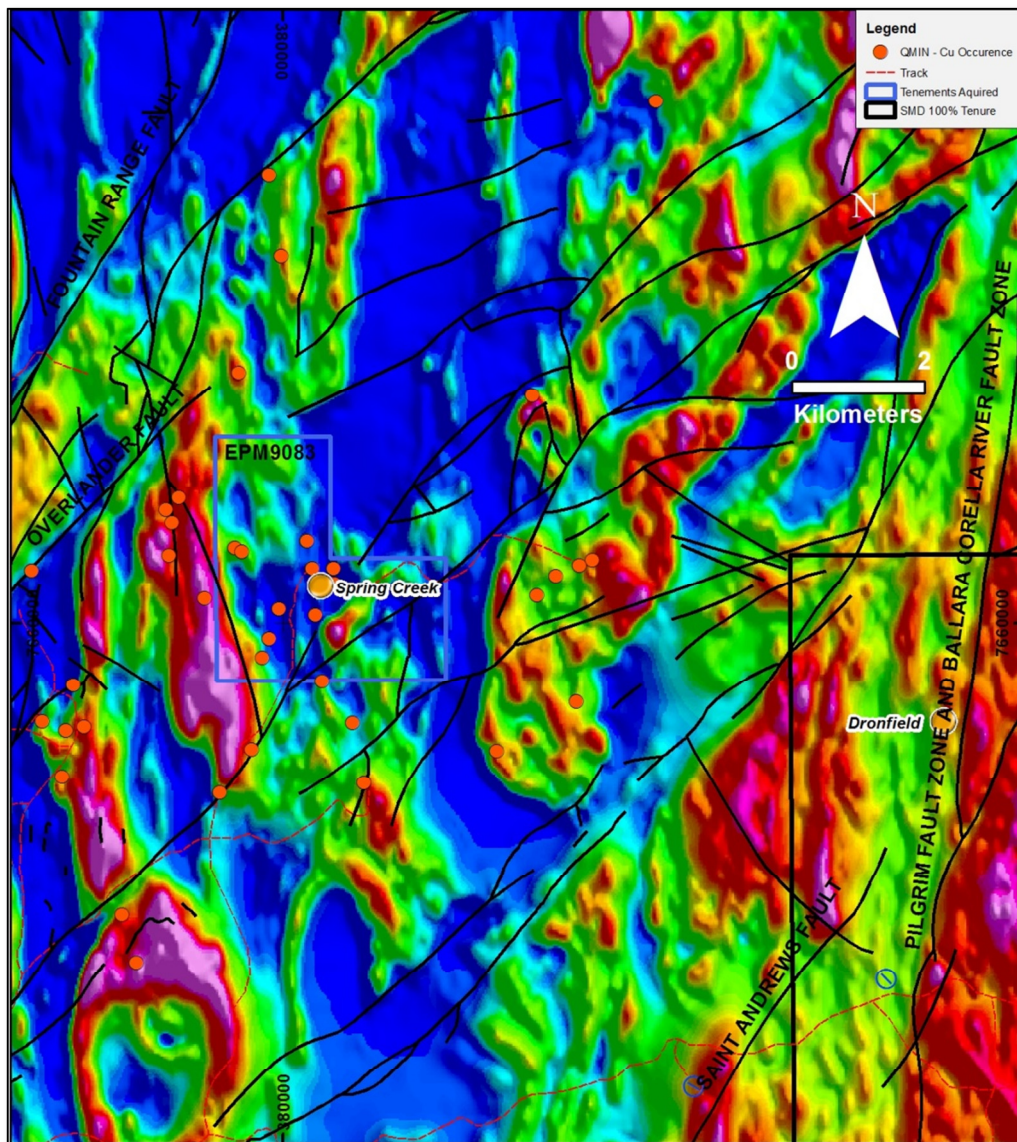


Figure 8 – Spring Creek Area prospects over Total Magnetic Intensity (TMI) image.

Management Comment

Syndicated’s Managing Director, Mr Andrew Munckton, said the acquisition of the Tick Hill tenement package represented a low-cost, low-risk addition to the Company’s Southern Hub tenure which was consistent with its longer-term growth strategy in the Mt Isa-Cloncurry District.

“While our focus in the Northern Hub is on advancing the Barbara open pit and underground project towards production, in conjunction with various satellite opportunities, we are also aiming to build a pipeline of 100 per cent owned copper-gold opportunities across the district.

“With extensively-drilled prospects capable of rapid conversion to Mineral Resources, walk-up drill targets and highly prospective geological structures, the Tick Hill tenement package ticks all of the boxes for us as a strategic and complementary addition to our regional copper portfolio, and we look forward to commencing exploration programs there,” he said.

ENDS

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Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources 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, Exploration Results and Mineral Resources 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.