

ASX ANNOUNCEMENT – 4 February 2016

CLOSURE OF SYNDICATED METALS ENTITLEMENTS ISSUE

Strong take-up by existing shareholders results in a total of \$0.219M being raised

Syndicated Metals Limited (ASX: SMD) (**Company**) advises that its 1-for-6 Entitlement Issue for up to 66,707,350 new shares at an issue price of 0.5 cents per share with a free attaching 1 for 2 option exercisable at 1.2 cents and expiring on 8 February 2018 for up to 33,353,675 options, has closed.

The Company received valid applications from shareholders 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 under the shortfall facility.

This represents a take-up of 65.7% from existing shareholders (including the shortfall applied for by existing shareholders).

The shortfall component from the Entitlements Issue totals \$114,319 (being 22,863,987 shares at an issue price of \$0.005). As noted in the Prospectus, the Directors reserve the right to separately place shortfall shares within three months of the closing date. Additional funds raised will be used for the purposes set out in the Prospectus.

The Company has received expressions of interest regarding the opportunity to subscribe for the remaining shortfall. Additionally some of the Company's directors as well as the Company's largest shareholder, CopperChem Limited received shareholder approval on 29 January 2016 to participate in shortfall up to approved limits. Allocation of shortfall to CopperChem is also limited under the 3% creep provision of the Corporations Act such that following the allocation of shortfall CopperChem's ownership in the Company may not exceed 33.89%. Accordingly, CopperChem has been allotted its full entitlement under the entitlement issue and a portion of the shortfall shares applied for pending finalisation of the placement of the remaining shortfall by the directors.

After the allotment of Entitlement Issue shares the Company will have funds totaling approximately \$0.720m. Shareholders who have applied for shares under the Entitlements Issue including shortfall shares will have their new shares and attaching free 1 for 2 options allotted on 8 February 2016.

Syndicated Metals Managing Director, Mr Andrew Munckton said the Company was pleased with the strong support and take-up of shares from existing shareholders in what remains a difficult market for junior resource companies.

"We appreciate the support shown by our major shareholder CopperChem and all other shareholders who have participated," he said.

“With cash resources now totaling \$0.720 million and the opportunity to further strengthen our financial position by placing and allocating the remaining shortfall from the entitlements issue in the coming weeks, Syndicated is in a strong position to move forward with the assessment of new gold and base metal project opportunities,” Mr Munckton added.

ENDS

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