

SYNDICATED METALS LIMITED

ABN 61 115 768 986

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

April 1 2010

Time of Meeting

9 am

Place of Meeting

Level 1, 68 Hay Street
Subiaco, Western Australia, 6008

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

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SYNDICATED METALS LIMITED

ABN 61 115 768 986

NOTICE OF MEETING

Notice is hereby given that the Meeting of Shareholders of Syndicated Metals Limited ABN 61 115 768 986 ("Company") will be held at Level 1, 68 Hay Street, Subiaco, Western Australia on Thursday, April 1, 2010 at 9am for the purpose of transacting the following business referred to in this Notice of Meeting.

AGENDA

ITEMS OF BUSINESS

1. Resolution 1 - Ratification of grant of 1,000,000 Options

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and grant of 1,000,000 Options (each having an exercise price of 40 cents and an expiry date of 31 October 2012) to Veritas Securities Limited on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 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.

2. Resolution 2 - Ratification of grant of 6,950,000 Options

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and grant of 6,950,000 Options (each having an exercise price of 20 cents and an expiry date of 31 December 2011) to the persons and on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 2 by any person who participated in the issue the subject of Resolution 2 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.

OTHER BUSINESS

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

Capitalised terms are defined in the glossary in the Explanatory Memorandum.

By order of the Board

Bruce McCullagh
Company Secretary

Dated: February 23, 2010

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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 Meeting and by submitting their proxy appointment and voting instructions in person, by 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.

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 9am (Perth time) on March 30, 2010. 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 or by post to:
Syndicated Metals Limited
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 9am (Perth time) on March 30 2010. 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 Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm (Perth time) on March 30, 2010.

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PROXY FORM
SYNDICATED METALS LIMITED
ABN 61 115 768 986

Name Address 1
 Name Address 2
 Name Address 3
 Name Address 4

Appointment of Proxy

If appointing a proxy to attend the Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We _____ of _____ being a shareholder/shareholders of Syndicated Metals Limited pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Meeting to be held at Level 1, 68 Hay Street, Subiaco WA on April 1 2010, at 9am and at any adjournment of that meeting.

This proxy is to be used in respect of _____% of the ordinary shares I/we hold.

The Chair intends to vote 100% of all open proxies in favour of each resolution.

Voting directions to your proxy – please mark to indicate your directions

| RESOLUTION | For | Against | Abstain * |
|---|--------------------------|--------------------------|--------------------------|
| 1. Ratification of grant of 1,000,000 Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Ratification of grant of 6,950,000 Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director

Director/ Company Secretary

Dated this _____ day of _____ 2008

Contact Name

Contact Business Telephone / Mobile

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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attend the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the 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 evidence of appointment. The appoint must comply with section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment to including any authority under which it is signed.
7. If a representative as power of attorney of a shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate power of attorney under which they have been authorised should be produced for admission to the 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 9am on March 30 2010 (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 61 115 768 986

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting of Syndicated Metals Limited ("**Company**").

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. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

RESOLUTION 1 - RATIFICATION OF GRANT OF 1,000,000 OPTIONS

As announced, on 4 November 2009, the Company appointed Veritas Securities Limited ("**Veritas**") as its corporate advisor for an initial 12 month period. On 5 November 2009, the Company granted Veritas 1,000,000 Options (each having an exercise price of 40 cents and an expiry date of 31 October 2012) consideration for Veritas' new role.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring Shareholder approval.

Pursuant to Resolution 1, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 1,000,000 Options (each having an exercise price of 40 cents and an expiry date of 31 October 2012) that was made on 5 November 2009 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

The following information in relation to the options is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 1,000,000 Options were allotted and granted;
- (b) the Options were granted for no consideration following the appointment of Veritas as corporate advisor to the Company;
- (c) each Option has an exercise price of 40 cents and an expiry date of 31 October 2012. The terms and conditions of the Options are set out in Annexure A;
- (d) the Options were issued to Veritas, an unrelated party of the Company; and
- (e) no funds were raised from the grant of the Options.

RESOLUTION 2 - RATIFICATION OF GRANT OF 6,950,000 OPTIONS

On 18 December 2009, the Company announced the completion of a placement of 13,900,000 Shares at an issue price of 17 cents each and 1 free attaching Option for every 2 Shares issued. The Options (each having an exercise price of 20 cents and expiry date of 31 December 2011). The free attaching Options were offered pursuant to a prospectus dated 28 January 2010 and were granted on 18 February 2010. The issue of the 13,900,000 Shares was approved at the Company's annual general meeting.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring Shareholder approval.

Pursuant to Resolution 2, the Directors are seeking ratification under Listing Rule 7.4 of the grant of 6,950,000 Options made on 18 February 2010 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

The following information in relation to the Options is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 6,950,000 Options were allotted and granted;
- (b) the Options were granted for no consideration;
- (c) the Options granted (each having an exercise price of 20 cents and an expiry date of 31 December 2011). The terms and conditions of the Options are set out in Annexure B;
- (d) the Options were granted to sophisticated investor clients of Veritas, all of whom are unrelated parties of the Company; and
- (e) no funds were raised from the grant of the Options.

GLOSSARY

"**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.

"**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).

"**Director**" means a director of the Company.

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

"**Meeting**" means the meeting the subject of the Notice.

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

"**Option**" means the right to acquire Shares at a fixed price and by a certain date.

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

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

"**Veritas**" means Veritas Securities Limited ABN 94 117 124 535.

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ANNEXURE A

The following are the terms and conditions of the Options (each having an exercise price of 40 cents and an expiry date of 31 October 2012) granted to Veritas:

1. The options referred to in these terms and conditions are the options to subscribe for ordinary shares in Syndicated Metals Limited ACN 115 768 986 referred to in a letter from Veritas Securities Limited to the Company dated 30 October 2009. Each option entitles the holder to subscribe one share upon payment of the Exercise Price of \$0.40.
2. The options will lapse at 5.00pm, Western Standard Time on 31 October 2012.
3. The options are freely transferable. However, official quotation on the Australian Securities Exchange of the Options, will not be sought.
4. 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 Options.
5. Optionholders have the right to exercise their Options 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.
6. 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 (the "Listing Rules"), but in all other respects, the terms of exercise will remain unchanged.
7. The Options shall be exercisable at any time during the period commencing on the date the Company issued the Options, and ending on the Expiry Date by the delivery to the registered office of the Company of a notice in writing 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 Option holder to the balance of the Options held by him or her.
8. The Company shall allot the resultant Shares and deliver a statement of shareholdings with the shareholders' identification number within 5 business days of exercise of the Options.
9. The Shares allotted shall rank from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
10. Subject to paragraph 6 above, there is no right to change the Exercise Price, nor the number of underlying Shares over which the Options can be exercised, if the Company completes any bonus or pro rata issue.
11. The Company will notify the Option holder at least 20 business days before Expiry Date that the relevant Options will expire and will advise the due date for payment of the Exercise Price, the consequences of non-payment, and such details as the Listing Rules at the time prescribe.

ANNEXURE B

The following are the terms and conditions of the Options (each having an exercise price of 20 cents and an expiry date of 31 December 2011) granted to sophisticated investor clients of Veritas:

- (a) each Option entitles the holder to subscribe for one ordinary share in the Company upon payment of \$0.20;
- (b) the Options will lapse at 5pm Western Standard Time on 31 December 2011 ("Expiry Date");
- (c) the Company will apply to the ASX for official quotation of the Options;
- (d) there are no participating rights or entitlements inherent in the 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 Options;
- (e) optionholders have the rights to exercise their Options 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;
- (f) in the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged;
- (g) the Options shall be exercisable at any time on or before the Expiry Date by the delivery of the registered office of the Company of a notice in writing 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 notice 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 optionholders to the balance of Options held by him or her;
- (h) the Company shall allot the resultant Shares and deliver a statement of shareholdings with a holder's identification number within 5 business days of exercise of the Options;
- (i) the Shares allotted shall rank, from date of allotment, equally with the existing ordinary Shares of the Company in all respects; and
- (j) there is no right to change the exercise price or 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.