

Syndicated Metals Limited

ABN 61 115 768 986

Notice of Annual General Meeting

Notice is hereby given that the 2013 Annual General Meeting of Syndicated Metals Limited ABN 61 115 768 986 (**Company**) will be held at 10am (Perth time) on Wednesday 27 November 2013 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

Please note terms used in this Notice of Annual General Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

AGENDA

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2013, together with the Directors Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 – Election of Director – Brendan James

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

"That Mr James, who ceases to hold office in accordance with clause 13.5 of the Constitution and, being eligible for election, be elected as a Director."

3. Resolution 3 – Re-election of Director – David Morgan

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

"That Mr Morgan, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

4. Resolution 4 – Ratification of issue of 26,100,000 Shares

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 issue of 26,100,000 Shares on 17 September 2013 to CopperChem Limited on the terms and conditions set out in the Explanatory Memorandum".

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue the subject of Resolution 4 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purpose of this voting exclusion statement "associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the of the Corporations Act and on the basis that the Company is the "designated body".

5. Resolution 5 – Additional 10% Placement Capacity

To consider and, if thought fit to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, the Company approves the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, 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.

For the purpose of this voting exclusion statement "associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the of the Corporations Act and on the basis that the Company is the "designated body".

6. Resolution 6 – Spill Resolution (if required)

The following resolution will only be put to the Meeting if at least 25% of the votes cast on Resolution 1 in this Notice of Meeting are AGAINST the adoption of the Remuneration Report. A vote “for” Resolution 6 is a vote for a spill meeting.

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

“That:

- (a) a general meeting (**Spill Meeting**) be held within 90 days of the 2013 AGM;
- (b) all the Company’s Directors (other than the Managing Director of the Company) who were Directors of the Company when the resolution to make the Directors’ Report for the year ended 30 June 2013 considered at the 2013 AGM was passed (being Mr Langworthy and Mr Morgan), cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting pursuant to paragraph (b) above must be put to the vote at the Spill Meeting.”

The Company will disregard any votes cast on Resolution 6 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies against Resolution 6.

Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

By Order of the Board

Paul Bridson
Company Secretary
15 October 2013

NOTES

These notes form part of the Notice of Annual General Meeting and should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of Annual General Meeting are defined in the Glossary contained in the accompanying Explanatory Memorandum.

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 Annual General 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 unless previously given to the Company's Share Registry.

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 (ie. 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 the 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 before 10am (Perth time) on 25 November 2013. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:

By Post:

Computershare Investor Services Pty Limited
GPO Box 242,
Melbourne, Victoria 3001,
Australia

By Fax:

(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Electronically:

Submit proxy voting instructions online at www.investorvote.com.au
Please refer to the enclosed Voting Form for more information about submitting proxy voting instructions online.

For intermediary online subscribers only (custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 763 574
(outside Australia) +61 (03) 9415 4862

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 at the above address, or by facsimile, and by 10am (Perth time) on 25 November 2013. 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) 25 November 2013.

SYNDICATED METALS LIMITED

ABN 61 115 768 986

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of the shareholders of Syndicated Metals Limited (**Company**), in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Wednesday 27 November 2013 at 10am (Perth time) at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6005.

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. Shareholders are specifically referred to the Glossary in this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of Annual General Meeting and this Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2013 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts;
and
- the independence of the Auditor in relation to the conduct of the audit.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's 2013 Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report 2013 and is also available on the Company's website (www.syndicatedmetals.com.au).

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast are against adoption of the Remuneration Report at an AGM, and then again at the following AGM (**Following AGM**), the Company will be required to put a resolution to the Following AGM, to approve calling an extraordinary general meeting (**Spill Resolution**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a general meeting (**Spill Meeting**) within 90 days of the Following AGM. All of the Directors who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the Following AGM) was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

It is noted that at the Company's 2012 AGM, the votes cast against the 2012 Remuneration Report were more than 25%. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, Resolution 6 will be put to Shareholders. As a result of last year's "first strike", the Board has increased its engagement with key shareholders to understand their concerns, and undertaken a review of the company's remuneration arrangements for its Key Management Personnel. In determining the Company's remuneration structure for 2013, the Board took into account shareholder feedback, current economic conditions, and the remuneration structures of peer ASX listed companies. In particular, the Board would like to point out:

- salary reductions of 10% for all Key Management Personnel were negotiated;
- no share based payments were granted to directors during the reporting period;
- Mr Morgan stepped down from an executive director role to a non-executive director role effective 1 September 2013 in recognition of the operational requirements of the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and sets out the details of any share based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Annual General Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

2. RESOLUTION 2 – ELECTION OF BRENDAN JAMES

On 16 September 2013, the Company announced that it had formed a strategic alliance with CopperChem Limited (**CopperChem**) to develop the Company's Barbara Copper Gold Project located in Queensland (**Barbara Project**).

The Company and CopperChem have entered into the following agreements:

- (a) a placement agreement pursuant to which CopperChem agreed to subscribe for 26,100,000 Shares (**Placement Shares**) in the Company at an issue price of \$0.02 per Share (**Placement**)(**Placement Agreement**); and
- (b) a development joint venture agreement pursuant to which the parties agreed to form a joint venture to develop the Barbara Project.

Under the Placement Agreement, following completion of the Placement and for so long as CopperChem and any of its related bodies corporate hold in aggregate not less than 15% of the Shares on issue, CopperChem will be entitled to appoint nominee director(s) to the Board as follows:

- (a) a nominee to the Board (**Nominee Director**) where the Board is comprised of 4 or less Directors (including the Nominee Director);
- (b) an additional Nominee Director where the Board is expanded to between 5 and 9 Directors (including the Nominee Director and the additional Nominee Director); and
- (c) an additional Nominee Director where the Board is expanded to between 9 and 12 Directors (including all of the Nominee Directors).

The Placement was completed on 17 September 2013. As announced on 23 September 2013, CopperChem have exercised their right to appoint Mr Brendan James as their Nominee Director on the Board.

Clause 13.5 of the Company's Constitution provides that the Directors may at any time appoint a person to be a Director (but not as an alternate Director), either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following AGM and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Accordingly, Resolution 2 seeks Shareholder approval for the election of Mr James. A brief profile of Mr James is set out below.

Mr James' diverse career spans senior operational and technical management, investment banking and funds management. Originally a Metallurgical Engineer, he has had operational roles with Straits Resources, the CSA mine in Cobar and WMC's Olympic Dam. He headed WMC's Copper/Gold/Uranium technical groups from Melbourne, before moving to Rio Tinto to lead its OTX Global Hydrometallurgy Group. He was previously a senior mining analyst for Deutsche Bank and a partner at Perennial Growth Funds Management. More recently, Mr James was Managing Director and CEO of an Australian listed uranium mining company in Spain.

Mr James is currently the CEO of CopperChem Limited and also Exco Resources Limited both of which are 100% owned subsidiaries of the WH Soul Pattinson Group of companies.

3. RESOLUTION 3 – RE-ELECTION OF DAVID MORGAN AS A DIRECTOR

Clause 13.2 of the Constitution provides that at each AGM of the Company, 1/3 of the Directors (other than alternate Directors and the Managing Director) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the managing Director holds office for more than 3 years, shall retire from office. The Directors to retire are those who have been in office the longest since their last election. A retiring Director is eligible for re-election.

Pursuant to clause 13.2 of the Constitution, David Morgan, being a Director, retires by rotation and, being eligible, offers himself for re-election as a Director.

Mr Morgan was appointed as Operations Director of the Company in March 2012. On 1 September 2013 Mr Morgan stepped down to perform a Non-Executive Director role due to operational requirements of the Company. He is a mining engineer and mechanical engineer with a 30 year career in the mining industry in Australia and Africa. He has previously held a number of executive development and mine operations roles involving project engineering, maintenance and contract earthmoving for companies such as Rio Tinto Limited, Macmahon Holdings Limited and WMC Resources Limited. He was General Manager Operations for Equigold NL in Queensland where he was responsible for the building, commissioning and management of the Mt Rawdon Gold Mine. Most recently he was General Manager Mining and Metallurgy for Sundance Resources Limited's Mbalam Iron Ore Project in Cameroon where he oversaw the completion of a PFS on a \$3.3 billion Direct Shipping Ore and Itabirite project for that company, including the delivery of 10 years of JORC compliant high grade ore reserves and the establishment of project metallurgical and processing parameters.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF 26,100,000 PLACEMENT SHARES

As detailed in the explanatory notes to Resolution 2, the Company issued 26,100,000 Placement Shares to CopperChem under the Placement Agreement on 17 September 2013 at an issue price of 2 cents per Share, to raise \$522,000.

The Placement Shares were issued under the Company's existing 15% placement capacity under Listing Rule 7.1.

Funds raised from the Placement will be used for exploration programs over the Company's Queensland copper-gold projects, exploration works associated with the Barbara copper-gold-cobalt project, corporate and working capital requirements and the costs of the issue. Blue Ocean Equities Pty Ltd acted as corporate advisors to the Company in respect of the Placement.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may issue (or agree to issue) Equity Securities up to 15% of its issued share capital in any 12 month period without shareholder approval. Shareholder approval is required for a company to issue (or agree to issue) Equity Securities if the issue is in excess of its 15% capacity under Listing Rule 7.1.

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 pursuant to 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.

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of 26,100,000 Placement Shares for the purposes of Listing Rule 7.4 in order to refresh the Company's 15% placement capacity under Listing Rule 7.1. The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 26,100,000 Placement Shares were allotted and issued;
- (b) the Placement Shares were issued at a price of 2 cents per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Placement Shares were issued to CopperChem Limited; and
- (e) the proposed use of funds raised is set out above.

5. RESOLUTION 5 – ADDITIONAL 10% PLACEMENT CAPACITY

Listing Rule 7.1A enables eligible entities to seek shareholder approval at an AGM to issue Equity Securities of up to 10% of their issued share capital through placements over the 12 month period following the AGM (**10% Placement Capacity**). The 10% Placement Capacity is in addition to a company's 15% placement capacity under Listing Rule 7.1. A resolution seeking approval for the 10% Placement Capacity must be a **special resolution** of shareholders passed by at least 75% of the votes cast by shareholders entitled to vote.

To be eligible for the 10% Placement Capacity, a company must, at the time of their AGM:

- have a market capitalisation of \$300 million or less; and
- not be included in the S&P/ASX 300 Index.

The Company is eligible to seek Shareholder approval for the 10% Placement Capacity. Resolution 5 seeks a special resolution of Shareholders to issue Equity Securities under the 10% Placement Capacity over the 12 months following the AGM.

The approval of the 10% Placement Capacity provides greater flexibility for the Board to conduct capital raisings through placements in the 12 month period following the Meeting.

Capital markets have recently been in a state of fluctuation and the Directors acknowledge that they may need to act quickly to raise funds when favourable markets emerge. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has quoted Shares and quoted Options (exercisable at 20 cents and expiring on 4 December 2014) on issue.

The capacity to issue Equity Securities under the 10% Placement Capacity is in addition to the Company's capacity to issue Equity Securities under Listing Rule 7.1. The number of Equity Securities which the Company may issue or agree to issue under the 10% Placement Capacity is calculated in accordance with the formula set out in Listing Rule 7.1A.2 which is set out below:

$$(A \times D) - E$$

where,

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months,

("Variable A").

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Shareholders will be kept fully informed of any issue of Equity Securities under the 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable listing rules.

For the reasons set out above, the Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 5.

Additional Information

The following information in relation to the 10% Placement Capacity is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at a price not less than 75% of the volume weighted average price of the relevant Equity Securities on the ASX on the 15 trading days on which sales are recorded immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. the issue date if the Equity Securities are not issued within 5 trading days of the date on which the issue price is agreed.

- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such placement of Equity Securities will have their existing interest and voting power in the Company diluted. This means that each Share will represent a lower proportion of the ownership and voting power in the Company. In addition, Shareholders should note that there is a risk that:
 - i. the market price for Equity Securities may be significantly lower on the issue date of the Equity Securities under the 10% Placement Capacity than on the date of the AGM; and
 - ii. the Equity Securities issued under the 10% Placement Capacity may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Shares under the 10% Placement Capacity using different variables for the number of ordinary securities for Variable A and the market price of Shares. The table shows:

- (i) examples of where Variable A is 203,966,755 Shares (which is the value of Variable A as at the date of this Notice), and where Variable A has increased by 50% and 100%; and

- (ii) examples of where the issue price of Shares is the current market price as at close of trade on 9 October 2013 (**current market price**) and where the issue price is halved and doubled.

Variable A	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.022 Issue Price at half the current market price	\$0.044 Issue Price at current market price	\$0.088 Issue Price at double the current market price
Current Variable A 203,966,755 Shares	Shares issued	20,396,675	20,396,675	20,396,675
	Funds raised	\$448,727	\$897,454	\$1,794,907
	Dilution effect	10%	10%	10%
50% increase in current Variable A 305,950,132 Shares	Shares issued	30,595,013	30,595,013	30,595,013
	Funds raised	\$673,090	\$1,346,181	\$2,692,361
	Dilution effect	10%	10%	10%
100% increase in current Variable A 407,933,510 Shares	Shares issued	40,793,351	40,793,351	40,793,351
	Funds raised	\$897,454	\$1,794,907	\$3,589,815
	Dilution effect	10%	10%	10%

Note this table assumes:

- (i) No other Shares are issued before the date of the issue of the Equity Securities (including any Shares which may be issued under Resolution 5). If further Shares are issued and Shareholders do not participate in the issue, their ownership and voting power in the Company will be further diluted;
- (ii) No Options or Performance Rights are exercised before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- (c) The Company will allot and issue the Equity Securities under the 10% Placement Capacity no later than 12 months after the date of the Meeting, unless Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking) before this date in which case the Shareholder approval under Resolution 5 will cease to be valid;
- (d) The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration or non-cash consideration (such as assets or investments). If the Company issues Equity Securities for cash consideration, funds raised will be used for exploration programs over the Company's Queensland copper-gold projects, exploration works associated with the Barbara copper-gold-cobalt project, corporate and working capital requirements and the costs of the issue. If the Company issues Equity Securities for non-cash consideration, it will release to the market a valuation of the non-cash consideration prepared by an independent expert, or by the directors if they determine that they have appropriate expertise to carry out such a valuation.

- (e) At the time of any proposed issue pursuant to the 10% Placement Capacity, the Directors will determine the allottees of the relevant Shares on a case-by-case basis. As at the date of this Notice, no decision has been made by the Directors in respect of determining the identity of the allottees, save that the allottees will be unrelated parties of the Company. The Company's allocation policy will be significantly influenced by the market conditions at the time of any proposed issue of Equity Securities as well as the Company's situation. The Directors may have regard to factors including but not limited to the following:
- i. what methods of raising funds are available to the Company, including other capital-raising alternatives;
 - ii. the financial situation and solvency of the Company, including the reasons for raising the funds;
 - iii. the effect on control or the acquisition of a substantial interest;
 - iv. market factors leading up to the issue and those reasonably likely to occur during the issue;
 - v. advice from financial advisers;
 - vi. the structure of the issue including the size, price, discount to market and timing; and
 - vii. the Shareholder register, including the spread and the representation of institutional, sophisticated and retail investors, as well as other considerations such as the geographical representation of Shareholders.
- (f) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A. The Company sought approval under Listing Rule 7.1A at its 2012 AGM however the resolution was not passed by the required 75% majority.
- (g) A voting exclusion applies to Resolution 5 in accordance with the statement set out in the Notice of Annual General Meeting. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 5.

6. RESOLUTION 6 – SPILL RESOLUTION

Resolution 6 will only be put to Shareholders if at least 25% of the votes cast on Resolution 1 regarding adoption of the Remuneration Report are cast against adoption of the report. Details of the provisions of the Corporations Act regarding voting on remuneration reports are set out in the explanatory notes to Resolution 1. If Resolution 6 is put to Shareholders and is passed by ordinary resolution, it will be necessary for the Board to convene a further general meeting (the **Spill Meeting**) within 90 days of the Meeting in order to consider the composition of the Board.

If a Spill Meeting is held, Mr Peter Langworthy and Mr David Morgan will automatically vacate office at the conclusion of the Spill Meeting unless they stand for re-election and are re-elected at that meeting.

The Managing Director, Mr Andrew Munckton, is not subject to retirement at the Spill Meeting.

Shareholders should be aware that the convening of a Spill Meeting will result in the Company incurring not immaterial additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

The explanatory notes to Resolution 1 contain information relevant to Resolution 6.

As the Directors' have an interest in the outcome of Resolution 6, the Directors do not make any recommendation to Shareholders as to how the Shareholders should vote on Resolution 6.

Voting

Note that a voting exclusion applies to Resolution 6 in the terms set out in the Notice. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote against the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

GLOSSARY

AGM means annual general meeting.

Annual Report means the annual report of the Company for the year ended 30 June 2013.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Barbara Project means the Company's Barbara Copper Gold Project located in Queensland.

Board means the board of Directors of the Company.

Closely Related Party has the meaning given in the Corporations Act.

Company means Syndicated Metals Limited ABN 61 115 768 986.

Constitution means the constitution of the Company.

CopperChem means CopperChem Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Securities has the meaning given to it in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Glossary means the Glossary set out in the Explanatory Memorandum.

JORC means the Australasian Joint Ore Reserves Committee.

Key Management Personnel has the meaning given in the accounting standards.

Listing Rules means the Listing Rules of the ASX.

Meeting means the annual general meeting the subject of the Notice.

Notice means the notice of annual general meeting which accompanies this Explanatory Memorandum.

Option means an option to acquire a Share.

Placement means the placement of the Placement Shares to Copperchem under the Placement Agreement.

Placement Agreement means the placement agreement between the Company and CopperChem dated 13 September 2013.

Placement Shares means 26,100,000 Shares issued to CopperChem on 17 September 2013 at an issue price of \$0.02 per Share under the Placement Agreement.

Resolution means a resolution proposed pursuant to the Notice.

Restricted Voter means the Key Management Personnel and their Closely Related Parties.

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

Shareholder means the holder of Shares.

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