

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SYNDICATED METALS LIMITED

ABN

61 115 768 986

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(434)	(1,140)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	17
1.5 Interest and other costs of finance paid		
1.6 Income taxes (paid)/R&D benefit received	251	251
1.7 Other (provide details if material)	2	2
<b>Net Operating Cash Flows</b>	<b>(390)</b>	<b>(1,296)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(2)	(4)
1.9 Proceeds from sale of: (a) prospects (b) joint venture earn-in (c) listed securities	5	10
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>3</b>	<b>6</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(387)</b>	<b>(1,290)</b>

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1.13	Total operating and investing cash flows (brought forward)	(387)	(1,290)
1.14	<b>Cash flows related to financing activities</b>		
	Proceeds from issues of shares, options, etc.	130	130
	Funds held in trust for share issue awaiting shareholder approval	70	70
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Capital raising costs	(2)	(3)
1.19	(Payments for)/refunds of security deposits		
	<b>Net financing cash flows</b>	198	197
	<b>Net increase (decrease) in cash held</b>	(189)	(1,093)
1.20	Cash at beginning of quarter/year to date	802	1,706
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	613	613

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	74
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors remuneration

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (net of JV cash calls)	95
4.2 Development	-
4.3 Production	-
4.4 Administration (including capital raising costs)	188
<b>Total</b>	<b>283</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	613	802
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>613</b>	<b>802</b>

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#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPM 14916 EPM 15070 (Northern Hub – Mt Remarkable Project)	Syndicated Metals Limited owned 80% of the Base Metal Rights on the tenements which were part of the now dissolved Mt Isa Other Minerals JV with Deep Yellow Limited. Both tenements have been returned unencumbered to Deep Yellow.	80% of Base Metal Rights.	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM 14281 (Northern Hub – Mt Remarkable Project)	Syndicated Metals Limited 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 from the tenement. The tenement is currently under application to transfer to Syndicated Metals Limited.	80% of Base Metals Rights.	100%. Transfer of tenement to SMD from Deep Yellow in progress.

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	400,244,100	400,244,100	

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7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	26,000,000	26,000,000		
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	2,252,250 2,252,250 2,252,257 5,000,000		<i>Exercise price</i> 16.4 cents 20.5 cents 24.6 cents 6.4 cents	<i>Expiry date</i> 29 May 2016 29 May 2016 29 May 2016 9 Jan 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				

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7.11	Performance Rights	2,500,000		<i>Vesting conditions</i> 10 day VWAP exceeds \$0.30	<i>Expiry date</i> 29 May 2016
		4,750,000		10 day VWAP exceeds \$0.45	29 May 2016
		4,750,000		10 day VWAP exceeds \$0.60	29 May 2016
		250,000		10 day VWAP exceeds \$0.30	8 Nov 2016
		250,000		10 day VWAP exceeds \$0.45	8 Nov 2016
		250,000		10 day VWAP exceeds \$0.60	8 Nov 2016
		150,000		10 day VWAP exceeds \$0.30	19 Feb 2017
		150,000		10 day VWAP exceeds \$0.45	19 Feb 2017
		150,000		10 day VWAP exceeds \$0.60	19 Feb 2017
		2,452,473		10 day VWAP exceeds \$0.06675	21 Oct 2018
		3,471,231		10 day VWAP exceeds \$0.11125	21 Oct 2018
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  .....

(Company secretary)

Date: 11 January 2016

Print name: Paul Bridson

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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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