

By e-Lodgement

Mr Sebastian Bednarczyk
Senior Advisor, Listings Compliance (Perth)
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000
Email: Sebastian.Bednarczyk@asx.com.au

17 March 2015

ENTITLEMENT OFFER - NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 AS MODIFIED BY ASIC CLASS ORDER 08/35

Syndicated Metals Limited (ASX:SMD) (the **Company**) today announced that the Company would be conducting an underwritten non-renounceable entitlements offer to eligible shareholders of up to approximately 99,798,427 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of four (4) Shares for every eleven (11) Shares held at 5.00pm (WST) on 23 March 2015 (**Record Date**) at an issue price of 2.0 cents per Share (**Entitlement Offer**). The Entitlement Offer will raise up to approximately \$1,995,968 (before expenses).

The Entitlement Offer is underwritten by Pitt Capital Partners Limited (**Pitt Capital Partners**), a wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (**WHSP**). The Company's largest shareholder, CopperChem Limited (**CopperChem**) (18.94%) is also a wholly owned subsidiary of WHSP. Pitt Capital Partners has indicated it will seek to procure commitments for the entire shortfall from sub-underwriters, namely CopperChem or WHSP.

The Entitlement Offer is being conducted without a prospectus, pursuant to an offer document dated 17 March 2015 (**Offer Document**), in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by the Australian Securities and Investments Commission (**ASIC**) Class Order 08/35 and ASIC Instrument 13-0326).

NOTICE UNDER SECTION 708AA OF THE ACT

The Company hereby notifies ASX under the Corporations Act that:

1. The Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company is providing this notice under paragraph (2)(f) of section 708AA of the Corporations Act.
3. As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act (other than section 319 in relation to the financial year ended 30 June 2007, as set out in relief granted to the Company by the Australian Securities and Investments Commission under section 741(1) of the Corporations Act on 10 September 2013).

4. As at the date of this notice, the Company has complied with section 674 of the Corporations Act.
5. As at the date of this notice, there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the Shares.
6. The potential effect that the issue of the Shares will have on the control of the Company is as follows:
 - a. Assuming no existing options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Entitlement Offer is 99,798,427. This equates to approximately 26.67% of all the issued Shares in the Company following completion of the Entitlement Offer.
 - b. If all shareholders as at the Record Date take up their full entitlements under the Entitlement Offer, the Entitlement Offer will have no effect on the control of the Company.
 - c. If some shareholders do not take up their entitlements (whether because they are ineligible shareholders or otherwise), their interest in the Company will be diluted. The interest of shareholders who only take up part of their entitlement will also be diluted but to a lesser extent.
 - d. As at the date of this notice, Pitt Capital Partners, CopperChem and WHSP (who are associates for the purposes of the Corporations Act) have a relevant interest in 51,987,976 Shares (being 18.94% of the Company's issued capital).

As Pitt Capital Partners is a wholly owned subsidiary of WHSP, any increase in Pitt Capital Partners' relevant interest in the Company by virtue of underwriting the Entitlement Offer or sub-underwriting the Offer will also result in a corresponding increase in CopperChem's and WHSP's relevant interest in the Company. As such, the Entitlement Offer may have an impact on the control of the Company.

Similarly, as CopperChem is a wholly owned subsidiary of WHSP, any increase in CopperChem's relevant interest in the Company by virtue of participating in the Entitlement Offer will reduce Pitt Capital Partners' underwriting obligation by a corresponding amount but will result in a corresponding increase in Pitt Capital Partners' and WHSP's relevant interest in the Company as the parties are associates.

As Pitt Capital Partners and CopperChem are associates of WHSP, any increase in WHSP's relevant interest in the Company by virtue of sub-underwriting the Offer will reduce Pitt Capital Partners' underwriting obligation by a corresponding amount but will result in a corresponding increase in Pitt Capital Partners' and CopperChem's relevant interest in the Company as the parties are associates.

For the purposes of this notice, WHSP, Pitt Capital Partners and CopperChem will be referred to as the **WHSP Shareholding Group**.

WHSP Shareholding Group is not a related party of the Company for the purposes of the Corporations Act. WHSP Shareholding Group's present relevant interest and changes under several scenarios are set out in the table below.

Event	Number of Shares in which WHSP Shareholding Group has a relevant interest	Voting power of WHSP Shareholding Group (%)
Date of this notice / Offer Document	51,987,976	18.94
Entitlement Offer is fully subscribed (no Shortfall)	51,987,976 ¹	18.94
75% subscribed (25% Shortfall)	76,937,583 ¹	20.56
50% subscribed (50% Shortfall)	101,887,190 ¹	27.22
25% subscribed (75% Shortfall)	126,836,796 ¹	33.89
0% subscribed (100% Shortfall)	151,786,403 ¹	40.56

Note:

1. As both Pitt Capital Partners and CopperChem are part of the WHSP Shareholding Group, whether or not CopperChem takes up its full entitlement under the Entitlement Offer will not change the relevant interest of the WHSP Shareholding Group for the purposes of the above table as Pitt Capital Partners will be required to underwrite the shortfall.

The number of Shares held by WHSP Shareholding Group and its voting power in the table above show the potential effect of Pitt Capital Partners underwriting of the Entitlement Offer as Pitt Capital Partners is an associate of WHSP. The underwriting obligation of Pitt Capital Partners and therefore voting power of WHSP Shareholding Group will reduce by a corresponding amount for the amount of entitlements taken up by other eligible shareholders.

Yours sincerely
SYNDICATED METALS LIMITED



Paul Bridson
Company Secretary