



**GARIMPEIRO**  
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## LET'S MAKE A DEAL

The Mount Isa-Cloncurry explorer Syndicated Metals hopes it has done just that in a deal to be announced today with the renamed Kings Minerals, Cerro Resources.

Under the deal, Syndicated is to pick up the running at the Kalman molybdenum-rhenium-copper-gold discovery and surrounding tenement package, while Cerro focuses on its gold and silver projects in Mexico.

Syndicated has the right to earn an 80 per cent interest in all of Cerro's 900-square-kilometre plus Mount Isa tenements (apart from some iron ore interests) in return for shares and spending commitments. The deal overrides the previous deal in which Cerro had Kalman and shared Kalman South with Syndicated.

It may not sound much at first pass, but the deal instantly establishes Syndicated as one of the biggest landholders in the Mount Isa-Cloncurry region at a time when \$US4 (\$3.78) a pound-plus copper is fuelling renewed interest in the region – still home to one-third of Australia's copper production.

It is already home to Syndicated's wholly owned Barbara copper deposit (5.3 million tonnes grading 1.4 per cent copper for 76,000 tonnes of contained copper) and Kalman/Kalman South (Syndicated now on its way to 80 per cent).

With Cerro's focus now in Mexico, not much has happened at Kalman/Kalman South since 2008. It was then

that the total mineral resource at Kalman was estimated at 60.8 million tonnes grading 0.32 per cent copper, 0.05 per cent molybdenum, 1.19 grams a tonne rhenium, and 0.15 grams a tonne gold. So it is not the highest-grade show in town. But Syndicate hopes a drill-out of the near-surface copper-gold mineralisation could add to the resource already in hand at Barbara to give momentum to a regional copper-gold production play. Additional drilling to improve the definition of the higher-grade molybdenum, rhenium, copper and gold of the Kalman deposit could also excite.

Syndicated last traded at 16.5¢ a share for a market capitalisation of \$15 million.

Consideration for the deal with Cerro is weighted towards expenditure commitments at Kalman rather than scrip, so its capital base is going to remain nice and tight for a group that has the resource base it already has at Barbara, and what some work at a reactivated Kalman could yield in a hurry.

And before leaving Syndicated it is worth pointing out that by one recent measure its current resource at Barbara alone could be valued at as much as \$28 million, or twice the company's current market cap. The valuation measure there was the \$175 million that the London-listed Xstrata has agreed to pay Exco Resources for its Cloncurry copper project.



Can you dig it? ... Syndicated Metals has high hopes for Kalman. Photo: Rob Homer