

18 March 2015

[insert Shareholder name]

[insert Shareholder address]

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE

On 17 March 2015, Syndicated Metals Limited (ACN 115 768 986) (**Company**) announced that the Company would be conducting a non-renounceable entitlement offer 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 \$0.02 per Share to raise approximately \$1,995,968 (before issue costs) (**Entitlement Offer**).

The funds raised under the Entitlement Offer will provide the Company with the necessary funds to undertake exploration activities associated with the Barbara Copper-Gold Project, undertake exploration activities over the Company's Queensland copper-gold projects, fund general working capital and administrative expenses and fund the expenses of the Entitlement Offer.

The Entitlement Offer is fully underwritten by Pitt Capital Partners Limited, a 100% owned subsidiary of Washington H. Soul Pattinson and Company Limited. The Company's largest shareholder, CopperChem Limited (18.94%) is also a wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited. Pitt Capital Partners Limited has indicated it will seek to procure commitments for the entire shortfall from sub-underwriters, namely CopperChem Limited and/or Washington H. Soul Pattinson and Company Limited. The Company will pay Pitt Capital Partners an underwriting fee equal to 6% of the underwritten amount of \$1,995,968 (being approximately \$119,758).

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). A copy of the Offer Document is available on the Company's website at www.syndicatedmetals.com.au or on the ASX website (company announcements section, ASX code: SMD) at www.asx.com.au.

Summary of key features of the Entitlement Offer

The Entitlement Offer is open to shareholders who hold shares as at the Record Date with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Entitlement Offer and will be notified by the Company separately (**Excluded Shareholders**). Excluded Shareholders will not be entitled to subscribe for Shares under the Entitlement Offer. The Company's Excluded Shareholders are in Switzerland, Germany, France, United Kingdom, Japan, Singapore and United States of America.

Under the terms of the Entitlement Offer, Eligible Shareholders will be entitled to subscribe for 4 Shares for every 11 Shares held at the Record Date at an issue price of A\$0.02 per Share (**Entitlements**). Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of Shares. Holdings on different sub-registers will not be aggregated for calculating entitlements. Eligible Shareholders may also apply for additional Shares in excess of their Entitlement on the terms set out in the Offer Document.

The Company reserves the right to reduce the number of Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

The Shares will rank equally with the existing ordinary shares from the date of issue.

The current number of Shares on issue in the Company is 274,445,673. Under the Entitlement Offer, approximately 99,798,427 Shares will be issued and the number of Shares on issue at the completion of the Entitlement Offer will be 374,244,100. The number of options and performance rights on issue will remain unchanged as a result of the Entitlement Offer.

The Company currently has 11,756,757 unquoted options with varying exercise prices and expiry dates, on issue. Existing option holders may participate in the Entitlement Offer upon exercise of their options. The Company sent a notice to option holders on 17 March 2015 notifying them of their right to participate in the Entitlement Offer upon exercise of their options.

The Company currently has 19,123,704 performance rights on issue with various performance hurdles and expiry dates. Performance right holders are not eligible to participate in the Entitlement Offer.

The Entitlement Issue is non-renounceable, therefore you cannot sell your Entitlements.

No shareholder approval for the Entitlement Offer is required.

Indicative timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Release of Offer Document, Entitlements Issue Appendix 3B & section 708AA Notice to ASX	17 March 2015
Letter to Shareholders	18 March 2015
“Ex” Date	19 March 2015
Record Date	5.00pm (WST) 23 March 2015
Despatch Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	26 March 2015
Offer Opening Date	26 March 2015
Offer Closing Date	13 April 2015
Securities quoted on a deferred settlement basis	14 April 2015
ASX notified of under subscriptions	16 April 2015
Issue of Shares under Entitlements Issue	20 April 2015
Normal ASX trading for Shares commences	21 April 2015

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001 (Cth)*, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of Shares is subject to confirmation from ASX.

More information

Before making a decision whether to apply for Shares, please read the Offer Document carefully in its entirety when you receive it. The Entitlement Offer is scheduled to close at 5:00pm (WST) on 13 April 2015.

The Directors of the Company recommend that if you are in doubt as to the value of the Entitlement Offer then you should contact your financial adviser.

Should you have any queries please contact the Company on +61 8 9380 9440 or the Company's share registry - Computershare Investor Services Pty Ltd on 1300 763 574 (within Australia) or +61 3 9415 4862.

Yours faithfully

SYNDICATED METALS LIMITED



Paul Bridson
Company Secretary