
Syndicated Metals Limited

ABN 61 115 768 986

Entitlements Issue Offer

For the non renounceable entitlements issue to Eligible Shareholders of New Shares on the basis of 1 New Share for every 3 Shares held on the Record Date of 7 November 2013, at an issue price of A\$0.032 per New Share, for the purpose of raising up to approximately A\$2.17m.

THE ENTITLEMENTS ISSUE CLOSES AT 2.00 PM WST ON 4 December 2013.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered. This document is important and requires your immediate attention. It should be read in its entirety before deciding to participate. If you are in doubt as to whether to accept your Entitlement, you should consult your stockbroker or other professional adviser.

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Important Notices and Statements

This Offer Document is dated 28 October 2013 and was lodged with the ASX on this date.

An application for the New Shares will only be accepted on the Entitlement and Acceptance Form accompanying this Offer Document.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered.

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and will use that information to assess your Application. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Share Registry at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, the Company may not be able to accept or process your Application.

Key Definitions

Capitalised terms used in this Offer Document are defined in Section 5 of this Offer Document.

Corporate Directory

| | |
|--|---|
| Directors | Mr Peter Langworthy (Non Executive Chairman) Mr Andrew Munckton (Managing Director) Mr David Morgan (Non Executive Director) Mr Brendan James (Non Executive Director) |
| Secretary | Mr Paul Bridson |
| Registered and Principal Office | 68A Hay Street SUBIACO WA 6008 AUSTRALIA Telephone: +61 8 9380 9440 Facsimile: +61 8 9380 9449 Email: info@syndicatedmetals.com.au |
| Share Registry | Computershare Investor Services Pty Ltd Level 2, 45 St George's Terrace PERTH WA 6000 Telephone: (08) 9323 2000 Facsimile: (08) 9323 2033 |
| ASX Code | SMD |
| Website | www.syndicatedmetals.com.au |
| Legal Advisor | Gilbert + Tobin 1202 Hay Street WEST PERTH WA 6005 Phone: +61 8 9413 8400 Fax: +61 8 9413 8444 |

Letter from the Chairman

28 October 2013

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in this Entitlements Issue. This Entitlements Issue provides you with the opportunity to maintain your equity interest in the Company, and to participate in the continued growth of the Company.

Under the Entitlements Issue, Eligible Shareholders are invited to apply for 1 New Share for every 3 Shares held on the Record Date of 7 November 2013 at an issue price of \$0.032 per New Share. If the Entitlements Issue is fully subscribed, the Company will issue 67.98m New Shares and raise approximately \$2.17m before costs.

The exact amount of funds raised is dependent on the participation rate of Eligible Shareholders and ultimately, the Directors' ability to place any Shortfall. In order to encourage maximum participation, Shareholders will also be able to subscribe for Shortfall under the Shortfall Facility in addition to subscribing for their full Entitlement under the Offer. The allocation of any Shortfall is however at the discretion of the Directors.

The Directors have committed to take up their Entitlements in full. The Company's largest investor, CopperChem Limited, may take up its entitlement under the Entitlement Offer but only to such extent to ensure its relevant interest in Shares will not exceed 19.99% of the issued capital of the Company on completion of the Entitlement Offer.

The Company intends to use funds raised under the Entitlements Issue to:

- (a) undertake exploration works associated with the Barbara copper-gold-cobalt project;
- (b) undertake exploration programs over the Company's Queensland copper-gold projects;
- (c) general working capital and administrative expenses; and
- (d) expenses of the Offer.

Details of the Entitlements Issue are set out in this Offer Document and I encourage you to read the Offer Document in its entirety before making your investment decision. A summary of risk factors that you should consider in applying for New Shares is set out in Section 4.

Finally, on behalf of the Board I thank you for your continued support in the Company and encourage you to take up your Entitlements under the Entitlements Issue.

Yours faithfully

Mr Peter Langworthy
Non-Executive Chairman
Syndicated Metals Limited

1 Key Information

1.1 Summary of the Offer

| | |
|--|--|
| Entitlement | 1 New Share for every 3 Shares held on the Record Date |
| Number of Shares on issue as at the date of this Offer Document | 203,966,755 |
| Number of New Shares to be issued under the Offer assuming full subscription | 67,988,918 |
| Number of Shares on issue on completion of the Offer assuming full subscription | 271,955,673 |
| Issue price per New Share | \$0.032 |
| Maximum amount to be raised under the Offer | \$2,175,645 (before costs) |

1.2 Indicative Timetable*

| | |
|---|------------------|
| Release of Offer Document, Entitlements Issue Appendix 3B & Section 708AA Notice to ASX | 28 October 2013 |
| Letter to Shareholders | 30 October 2013 |
| “Ex” Date | 31 October 2013 |
| Record Date | 7 November 2013 |
| Despatch Offer Document and Entitlement and Acceptance Form to Eligible Shareholders | 13 November 2013 |
| Offer Opening Date | 13 November 2013 |
| Offer Closing Date | 4 December 2013 |
| Securities quoted on a deferred settlement basis | 5 December 2013 |
| ASX notified of under subscriptions | 9 December 2013 |
| Issue of New Shares under Entitlements Issue | 12 December 2013 |
| Normal ASX trading for New Shares commences | 12 December 2013 |

*These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Corporations Act and the Listing Rules. The commencement of quotation of new securities is subject to confirmation from the ASX.

2 Details of the Entitlements Issue

2.1 The Offer

This Offer Document invites Eligible Shareholders to participate in a pro-rata non renounceable Entitlements Issue of up to 67,988,918 New Shares in the Company on the basis of 1 New Share for every 3 Shares held on the Record Date, at an issue price of A\$0.032 per New Share, for the purpose of raising up to approximately A\$2.17m before costs.

Any fractional Entitlements to New Shares will be rounded up to the nearest whole number in calculating each Eligible Shareholder's entitlement to New Shares.

The proposed use of funds raised under the Offer, assuming full subscription, is set out below:

| Description | (\$) | % of proceeds |
|---|--------------------|---------------|
| Exploration activities associated with the Barbara copper-gold-cobalt project | 700,000 | 32% |
| Exploration activities over the Company's Queensland copper-gold projects | 700,000 | 32% |
| General working capital and administrative expenses | 700,000 | 32% |
| Expenses of the Offer | 75,645 | 4% |
| Total | \$2,175,645 | 100% |

There is no minimum subscription under the Offer. To the extent that funds raised pursuant to this Offer Document are insufficient to meet the Company's proposed use of funds as described above, funds raised will be applied in the following order of priority:

- (a) expenses of the Offer up to a maximum of \$75,645;
- (b) undertake exploration works associated with the Barbara copper-gold-cobalt project up to \$700,000;
- (c) undertake exploration programs over the Company's Queensland copper-gold projects up to \$700,000; and
- (d) the balance (if any) will be spent on general working capital and administrative expenses.

2.2 Effect of the Offer on the Company's Capital Structure

The capital structure of the Company following completion of the Entitlements Issue, assuming all Entitlements are accepted in full and no Options or performance rights are exercised prior to the Record Date, is set out below:

| | |
|---|--------------------|
| Number of Shares on issue as at the date of this Offer Document | 203,966,755 |
| Number of New Shares offered under the Entitlements Issue | 67,988,918 |
| Total number of Shares on issue on completion of Entitlements Issue assuming full subscription | 271,955,673 |
| Number of listed Options on issue as at the date of this Offer Document | 20,318,468 |
| Number of unlisted Options on issue as at the date of this Offer Document | 19,756,757 |
| Number of performance rights on issue as at the date of this Offer Document | 13,200,000 |

No new Options or performance rights are being offered under the Entitlements Issue. Options and performance rights do not entitle the holder to participate in the Entitlements

Issue, however any Shares issued on exercise of Options or performance rights prior to the Record Date will carry entitlements to participate in the Entitlements Issue. The exercise price of the Options range from 16.4 cents to 55 cents. The performance rights are subject to vesting conditions which are linked to the Company's 10 day volume weighted average price as traded on ASX. The Board considers it reasonable to assume that none of the Options or performance rights will be exercised or vest (as applicable) prior to the Record Date given the Company's closing Share price on 25 October 2013 was \$0.035.

2.3 Effect of the Offer on control of the Company

Any effect the Offer will have on the control of the Company will depend upon the extent to which Shareholders take up their Entitlements, and the extent to which the Shortfall (if any) is placed. The following information is provided to Shareholders:

- (a) If all Shareholders as at the Record Date take up their full Entitlements under the offer, the Offer will have no effect on the control of the Company.
- (b) 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.
- (c) CopperChem Limited (**CopperChem**) currently has a relevant interest in 18.94% of the issued Shares in the Company. If CopperChem takes up its entitlement under the Entitlement Offer it will do so only to such extent so as to ensure its relevant interest in Shares will not exceed 19.99% of the issued capital of the Company on completion of the Entitlement Offer. CopperChem will not be allocated any Shares under the Shortfall Facility if issuing Shortfall Shares to them will cause a breach of the takeover provisions of the Corporations Act.
- (d) National Health Recovery Agents Pty Ltd (**National Health**) currently has a relevant interest in 5.49% of the issued Shares in the Company. If National Health takes up its full Entitlement, and no other Shareholders take up their Entitlement, National Health will hold approximately 7.20% of the issued Shares in the Company.
- (e) Korea Zinc Company Limited (**Korea Zinc**) currently has a relevant interest in 6.67% of the issued Shares in the Company. If Korea Zinc takes up its full Entitlement, and no other Shareholders take up their Entitlement, Korea Zinc will hold approximately 8.70% of the issued Shares in the Company.
- (f) Entitlements and Acceptance

Participation in the Entitlements Issue is open to all Shareholders who are registered on the Company's register of members at 5.00pm (WST) on the Record Date of 7 November 2013 with a registered address in Australia and New Zealand. The number of New Shares to which you are entitled (**Entitlement**) is shown in the accompanying Entitlement and Acceptance Form. If you do not take up your Entitlement by the Closing Date of 2pm (WST) on 4 December 2013, the Offer to you will lapse.

You may take any of the following actions:

- (g) take up all of your Entitlement;
- (h) take up all of your Entitlement and apply for additional New Shares which may be available under the Shortfall;

- (i) take up some of your Entitlement and allow the balance of your Entitlement to lapse; or
- (j) do nothing and allow all of your Entitlement to lapse.

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Offer Document. The Entitlement and Acceptance Form does not need to be signed to be binding.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Further details regarding action required to be taken by Shareholders is contained in Section 3.

2.4 Opening and Closing Dates

The Entitlements Issue will open for receipt of acceptances at 9.00 am WST on 13 November 2013 and will close at 2.00 pm WST on 4 December 2013, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change in accordance with the Listing Rules.

2.5 Brokerage

No brokerage or stamp duty will be payable by investors for New Shares offered under the Entitlement Issue.

2.6 Issue of New Shares

New Shares offered by this Offer Document are expected to be issued on the date specified in the indicative timetable in Section 1.2.

It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares prior to receiving their holding statements do so at their own risk.

2.7 Entitlement Issue Shortfall

The Directors reserve the right to separately place any New Shares which are not taken up by Eligible Shareholders under the Entitlement Issue within 3 months after the Closing Date. Eligible Shareholders who take up their Entitlement in full may apply for any New Shares which may be available under the Shortfall (**Shortfall Facility**). New Shares offered under the Shortfall Facility will be issued at the same issue price as offered to Eligible Shareholders under the Entitlement Issue. Further details regarding how Eligible Shareholders may apply for additional New Shares under the Shortfall Facility is set out in Section 3.2.

The ability of the Company to satisfy applications for additional New Shares under the Shortfall Facility will be dependent on there being a Shortfall in applications by Eligible Shareholders for their Entitlements under the Entitlement Issue.

The allocation of New Shares under the Shortfall Facility will be at the discretion of the Directors. The Directors reserve the right to reject any application for New Shares under the Shortfall Facility, or to issue a lesser number of New Shares than those applied for or none at all. Where the number of New Shares issued under the Shortfall Facility is less than the number applied for, surplus application monies will be refunded without interest.

The Directors will not issue any New Shares under the Shortfall Facility where to do so would be in breach of the Corporations Act, the Listing Rules or any applicable law.

2.8 Rights Attaching to New Shares

The New Shares issued will rank equally with existing Shares on issue. The rights and liabilities attaching to the New Shares are set out in the constitution of the Company and in the Corporations Act.

2.9 ASX Listing

The Company will make an application to ASX for Official Quotation of the New Shares. If approval is not granted by ASX, the Company will not allot any New Shares and will repay all Application Monies (where applicable) as soon as practicable, without interest.

2.10 CHESS

The Company participates in CHESS, operated by ASX Settlement, a wholly-owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company.

If an investor is broker-sponsored, ASX Settlement will send them a CHESS statement. The CHESS statement will set out the number of New Shares allotted to each holder under the Offer Document and give details of their holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

In the case of an issuer sponsored sub-register, the statement will be dispatched by the Share Registry and will contain the number of New Shares allotted under the Offer Document and the Shareholder's security reference number (**SRN**).

A CHESS statement or Issuer Sponsored statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however a charge may be incurred for additional statements.

2.11 Excluded Overseas Investors

The Company is of the view that it is unreasonable to make an offer under this Offer Document to Shareholders outside of Australia and New Zealand (**Excluded Shareholders**) having regard to:

- (a) the number of Excluded Shareholders;
- (b) the number and value of the securities to be offered to Excluded Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Offer Document to Shareholders outside of Australia or New Zealand.

2.12 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares. The Company, its advisers and its officers do not accept any responsibility for any such taxation consequences to Shareholders. Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Entitlements Issue.

3 Action required by Shareholders

3.1 How to Participate in the Entitlements Issue

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may choose to take up all, part or none of your Entitlement (as set out below).

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any Application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any applications for New Shares.

Acceptance of All of Your Entitlement

If you wish to take up **all** of your Entitlement under the Entitlements Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form. If you take up your Entitlement in full, you may also apply for additional New Shares under the Shortfall Facility.

Acceptance of Part of Your Entitlement

If you wish to take up **part** of your Entitlement under the Entitlements Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares for which you wish to accept the Offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Non-Acceptance of Your Entitlement

If you do not wish to take up any part of your Entitlement under the Entitlements Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will form the Shortfall, which will be dealt with as set out in Section 2.7 above.

3.2 Application for additional New Shares under the Shortfall

If you wish to take up more than your Entitlement under the Entitlement Issue, you may apply to participate in any shortfall that may arise under the Shortfall Facility.

If you wish to participate in any shortfall that may arise under the Entitlement Issue you should complete the section titled "Additional Number of New Shares Applied For" in the Entitlement and Acceptance Form (**Shortfall Application**).

Eligible Shareholders who apply for and are successful in receiving additional New Shares under a Shortfall Application will receive those additional Shares separately to the New Shares which comprise their Entitlements under the Entitlement Issue. Eligible

Shareholders who take up their Entitlements will be allotted their New Shares on 12 December 2013 while any Shortfall Shares will be allotted and issued separately and after that date but no later than 12 March 2014.

3.3 Payment Methods

Payments will only be accepted in Australian currency and may be made by one of the following methods:

- BPAY[®]. Those who elect to pay via BPAY[®] must follow the instructions for BPAY[®] set out in the Entitlement and Acceptance Form. If you choose to pay by BPAY[®], you do not need to return the Entitlement and Acceptance Form;
- bank cheque in Australian dollars drawn on and redeemable at any Australian bank; or
- personal cheque in Australian dollars drawn on and redeemable at any Australian bank.

For payment by BPAY[®], please follow the instructions on your personalised Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY[®], you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form. Your BPAY[®] payment must be received by 2.00pm WST on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times in regard to electronic payment and you should take this into account when making payment.

If you are paying by cheque, the completed Entitlement and Acceptance Form and your cheque must be received by the Company's Share Registry at the address below by no later than 2.00pm WST on 4 December 2013 or such later date as the Directors advise:

By Post:
Computershare Investor Services
Pty Limited
GPO Box 2975
MELBOURNE VIC 3001

Bank cheques or personal cheques should be made payable to "Syndicated Metals Limited" and crossed "Not Negotiable". Entitlement and Acceptance Forms must be accompanied by payment of A\$0.032 per New Share. Receipts for payments will not be issued.

You must ensure your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. The Company will not re-present any dishonoured cheques. Your payment must be for the full amount required to pay for the New Shares applied for.

Cash payments will not be accepted but returned and the application deemed invalid.

3.4 Enquiries

If you have any queries regarding your Entitlement, please contact Computershare by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or your stockbroker or professional adviser.

4 Risk Factors

4.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Offer Document in order to fully appreciate such matters and the manner in which the Company intends to operate before deciding whether to apply for New Shares pursuant to this Offer Document.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

4.2 Risks specific to the Company

Exploration and operational risks

Mining exploration and production is inherently risky and speculative in nature. There is no guarantee that base metal or gold deposits will be discovered in the locations being explored by the Company. In the event that deposits are discovered, there is no guarantee that they will be in commercially viable quantities or economically profitable.

In addition, the Company's operations and profitability are subject to the successful outcome of its exploration activities and will be affected by operational risks. These risks include geological conditions, technical difficulties, securing and maintaining tenements, weather and construction of efficient processing facilities. The operation may be affected by force majeure, engineering difficulties and other unforeseen events.

Further, the Company may require approvals and licences necessary to conduct the exploration and mining, which may impose conditions the Company must satisfy in order to proceed with the exploration or production of the base metals or gold deposit. It may not be possible for the Company to satisfy these conditions.

These factors affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and will affect the Company's share price.

Mineral Resource estimates may be inaccurate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Fluctuation in commodity prices

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on base metal and gold prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of the base metals.

If the price of base metals and gold seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

Access to land

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

Environmental regulation risk

The Company's operations are subject to environmental regulations in Australia. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

Native Title

The High Court of Australia, the *Native Title Act 1993* (Cth) and State legislation recognise Aboriginal heritage and land rights. The risks include the following:

- (a) the Company may have to seek permits or licences to access land the subject of an Aboriginal heritage or land right claim. There is no guarantee that any such permit or licence will be granted;
- (b) the Company may have to comply with restrictions or conditions on accessing land the subject of an Aboriginal heritage or land right claim. This may result in the Company facing unplanned expenditure or delays. Failure to comply with any conditions on the permits may result in the Company losing its title to its tenements or forfeiting its permits;
- (c) the Company may have to pay compensation in order to settle native title claims. It is not possible to quantify the amount of compensation which may have to be paid at this stage; and
- (d) in the event the Company discovers evidence of Aboriginal heritage on land accessed by the Company, the Company must comply with regulations prohibiting the disturbance of physical evidence of prehistoric or historical significance without statutory permission and legislation prohibiting or restricting access to Aboriginal cultural heritage or native title land. Accordingly, delays or additional costs in the exploration or production of the Company's business may be experienced. Further, the disturbance of any such land or objects may expose the Company to additional fines or other penalties.

Metallurgical risks

The economic viability of base metal and gold recovery depends on a number of factors such as the development of an economic process route for metal concentrates. Further, changes in mineralogy may result in inconsistent metal recovery.

4.3 General Risks

Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Additional requirements for capital

The Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Insurance coverage risk

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Share market risk

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

Joint venture parties, contractors and agents

The Directors are unable to predict the risk of:

- financial failure or default by a participant in any joint venture to which the Company is or may become a party;
- insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or

- insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

4.4 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document.

5 Defined Terms

A\$ means Australian dollars, unless otherwise stated;

Applicant means a person who submits an Application Form.

Application Form means the Entitlement and Acceptance Application Form accompanying this Offer Document;

ASX means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532;

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement;

Board means the board of Directors from time to time;

Business Day means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

CHESS means ASX Clearing House Electronic Subregistry System;

Closing Date means 2.00pm WST on 4 December 2013;

Company means Syndicated Metals Limited ABN 61 115 768 986;

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

Directors means the directors of the Company;

Eligible Shareholder means Shareholders who are registered on the Company's register of members at 5.00pm (WST) on the Record Date of 7 November 2013 with a registered address in Australia and New Zealand;

Entitlement means the entitlement of an Eligible Shareholder to apply for New Shares pursuant to the Entitlements Issue;

Entitlements Issue means the pro-rata non renounceable Entitlements Issue of New Shares in the Company on the basis of one (1) New Share for every three (3) Shares held on the Record Date, at an issue price of A\$0.032 per New Share, for the purpose of raising approximately A\$2.17 million before costs;

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Document;

Listing Rules means the Listing Rules of ASX;

New Shares means the Shares in the Company being offered pursuant to this Offer Document;

Offer means the offer of New Shares under the Entitlements Issue;

Offer Document means this offer document for the pro-rata non renounceable Entitlements Issue of New Shares on the basis of 1 New Share for every 3 Shares held on the Record Date, at an issue price of A\$0.032 per New Share, for the purpose of raising approximately A\$2.17 million before costs;

Official List means the Official List of ASX;

Official Quotation means quotation of the Shares on the Official List;

Opening Date means 9.00am WST on 13 November 2013;

Option means an option that has been granted by the Company over an unissued Share;

Record Date means 5.00pm WST on 7 November 2013;

Section means a section of this Offer Document;

Share means an ordinary fully paid share in the capital of the Company;

Shareholder means a holder of Shares;

Shortfall means the New Shares forming Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders;

Shortfall Application means an application for New Shares under the Shortfall;

Shortfall Facility means the shortfall facility described in Section 2.7; and

WST means Australian Western Standard Time.