

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 9 February 2017

SYNDICATED TO FAST-TRACK DRILLING OF SIGNIFICANT NEW GOLD TARGET AT MONUMENT PROJECT, WA

Initial results from recent IP survey reveal strong chargeability anomaly at A1 North

Highlights

- Induced Polarisation (IP) geophysical survey at Syndicated Metals' 100%-owned Monument Gold Project in WA identifies a high-priority exploration target 1.2km north of the recently drilled Korong Prospect.
- Modelling and interpretation by respected geophysical consultants Terra Resources Pty Ltd and Southern Geoscience Consultants reveals a well-defined, shallow, discrete IP chargeability anomaly (+20mV/V).
- The new chargeability anomaly is much stronger than the IP/resistivity response associated with the Korong Prospect itself, where drilling last year returned encouraging intercepts such as 6m at 7.28g/t Au from 79m in MRC003.
- Because of its strength and definition, the A1 North target has been rated by both Southern Geoscience and Terra Resources as a high-quality, high-priority target, recommended for immediate drilling.
- 6-10 hole Reverse Circulation (RC) drilling program planned to begin later this month.
- The tenement covering the A1 North prospect has been recently granted, and drilling approvals are currently underway.
- The IP survey has revealed other lower-order anomalies away from the main mineralised Korong-Waihi Corridor. These require investigation once final processing and interpretation of the data has been completed.

Syndicated Metals Limited (ASX: SMD – **Syndicated** or **the Company**) is pleased to advise that modelling and interpretation of the IP geophysical survey completed late last year at its 100%-owned **Monument Gold Project** in WA has revealed a new high-priority gold target which it plans to drill test later this month.

Syndicated engaged respected Perth-based geophysical consultants, Southern Geoscience Consultants, to review, evaluate and interpret the data from the IP survey, which comprised 47 line kilometres over 200 and 400 metre spaced sections.

Southern Geoscience concluded that the survey data was good quality and that the survey had effectively tested the prospective stratigraphy at the Korong to A1 North area to a depth of ~300m. QC, data editing and 3D inversion modelling completed by Terra Resources was used to represent the data.

The known gold (and associated pyrite) mineralisation at the Korong prospect, which was targeted by Syndicated last year in its maiden drilling program (see ASX Announcements, 28 November and 9 December 2016) shows a weak IP and resistivity response which is well correlated with the strength and position of the mineralisation encountered in the drilling.

A much stronger, well-defined, discrete IP anomaly (+20mV/V) was identified at the A1 North Prospect, which is located 1.2km immediately along strike to the north of Korong (see Figure 1).

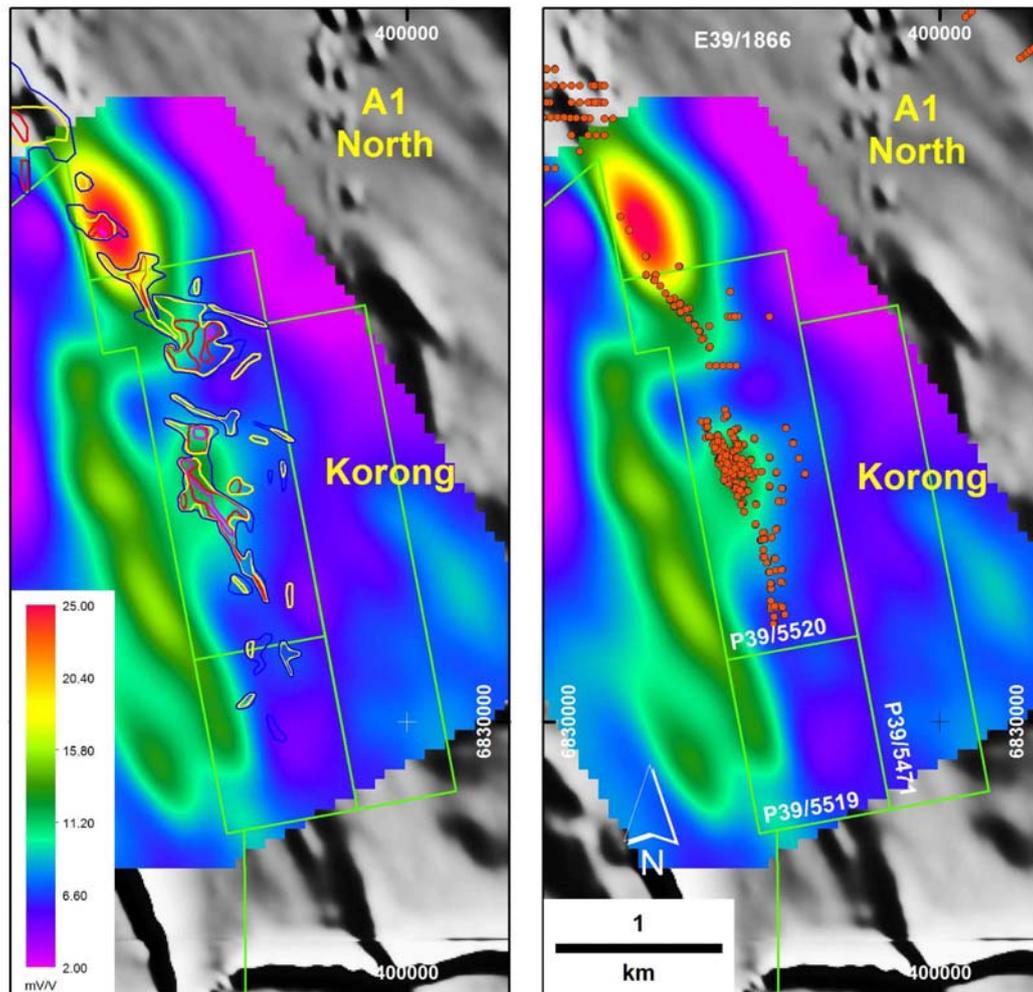


Figure 1 – Korong and A1 North Prospects. Soil Geochemistry contours for Au over IP-3D slice image (left hand panel) and drill holes over IP-3D slice image (right hand panel).

3D inversion modelling of the A1 North anomaly reveals a peak chargeability response of ~25mV/V with measured chargeability of up to 18mV/V. The asymmetry in the chargeability iso-surfaces could indicate a north-easterly dip for the source (see Figure 1). The A1 North anomaly, its strike and dip continuations, do not appear to have been effectively drill tested.

Importantly, the A1 North target is located in a favourable structural and geological setting, where the Korong-Waihi Trend, including the main banded iron formation (BIF) stratigraphy which is mineralised at Korong is intersected by a major cross-cutting fault.

High-grade gold mineralisation has been encountered at Dacian Gold's (ASX: DCN) neighbouring Mt Morgan's Project, where BIF, ultramafic and felsic porphyry stratigraphy is intersected by north-east trending faults that reactivate pre-existing shear zones, intrusions and faults during later gold mineralising events, e.g. the Westralia footwall mineralisation.

Summary

The key conclusions and recommendations of the Southern Geoscience report are as follows:

- The IP survey data was high quality with good primary voltages and repeatability. The estimated depth of effective exploration is ~300m from surface. QC and data editing has been completed well.
- The A1 North anomaly is by far the strongest and best defined IP anomaly identified to date along the Korong-Waihi Trend. From a geophysical perspective, A1 North rates as a high quality and high priority target.
- By comparison, the response from the Korong Prospect (drilled last year) is relatively weak and limited in lateral and depth extent. Nevertheless, there is good correlation between drill-defined sulphidic, gold mineralisation at Korong and the IP modelling and data, confirming IP as an effective geophysical technique for identifying drill targets at the Monument Project.

Syndicated's Managing Director, Mr Andrew Munckton, said the A1 North IP anomaly was a compelling drill target with a combination of strong and highly favourable geophysical, geological and structural indicators.

"Our initial round of drilling was focused at the Korong Prospect for the simple reason that this was the most advanced exploration prospect where historical drilling returned ore grade intercepts," he said. "We always had a view that Korong was just the first of many exploration opportunities along the 16km strike length of the Korong-Waihi Trend stratigraphy at the Monument Project, and this has now been strongly supported by the initial results of our successful IP geophysical survey."

"Not only has the independent review and evaluation of the IP survey by Southern Geoscience confirmed that IP is an appropriate and effective exploration technique at Monument, but evaluation and modelling of the first batch of data has revealed a standout drilling target. Given the strong conclusions and recommendations from both geophysical consultants, Terra Resources and Southern Geoscience, who have recommended this target for immediate drilling, the Board has approved a fast-tracked 6-10 hole RC drill program which will commence towards the end of this month, subject to obtaining final clearances."

"In parallel with this, we are completing our evaluation of the remainder of the IP data including the details of additional lower order anomalies from this recent survey and previous historical IP work. This will form part of a broader exploration program which we intend to progress over the course of this year to unlock the potential of the Monument Project."

"This is an exciting time for Syndicated as we begin to step beyond the initial drilling program, which delineated a significant zone of shallow, ore grade mineralisation at Korong. However, it is already evident that there is significant exploration upside along the Korong-Waihi Trend and the broader tenement package that warrants a sustained exploration program."

About the Monument Project

The Monument Gold Project comprises a 210km² tenement package located approximately 55km west of Laverton in the Laverton gold district of WA, which hosts numerous multi-million ounce gold mines such as Sunrise Dam (+10Moz), Wallaby (+8Moz), Granny Smith (+2Moz) and Lancefield (+2Moz).

The package comprises six contiguous tenements (all of which are granted) which lie immediately to the north-west of the 3.3Moz Mount Morgans Gold Project, currently being explored and developed by Dacian Gold Limited (ASX: DCN) (refer Dacian Gold announcement 25 July 2016) (see Figure 2).

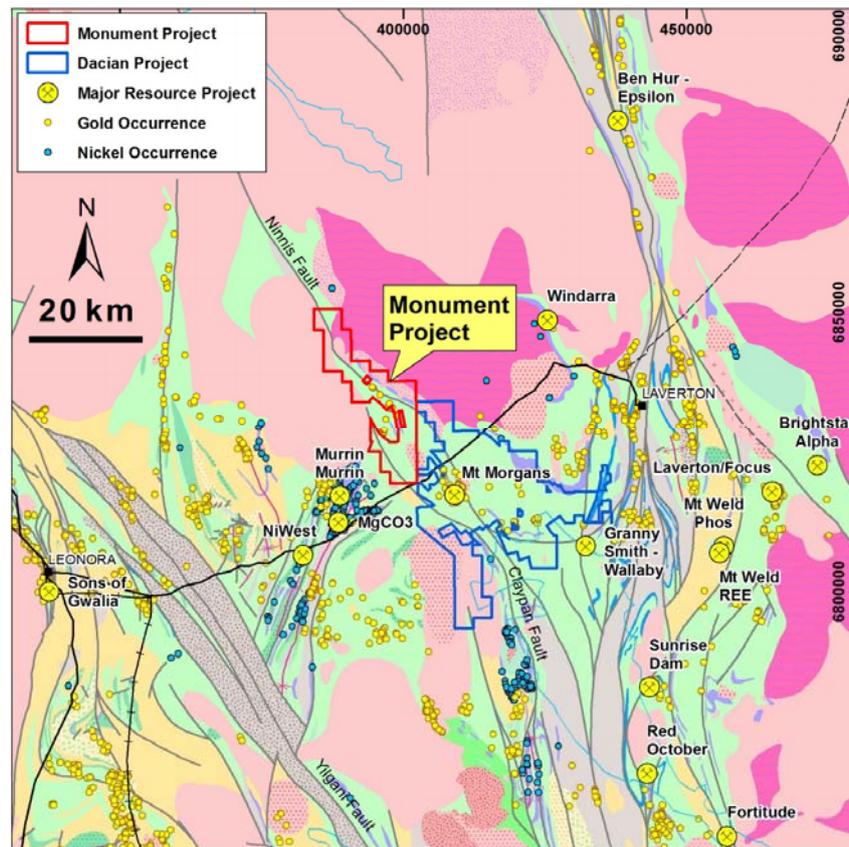


Figure 2 – Location of the Monument Gold Project showing regional geology and nearby mining operations

Investors:

Andrew Munckton
Managing Director
T: 08 9380 9440

Media:

Nicholas Read
Read Corporate
T: 08 9388 1474

Competent Person's Statement

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a Fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The Geophysical Exploration Results in this report have been reviewed by Mr Bruce Craven, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience. Mr Craven is a Fellow of the Australian Institute of Geoscientists and a member of the AusIMM and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Craven consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Criteria	JORC Code explanation	
Section 1 - Sampling Techniques and Data		
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Ground based Pole-Dipole Induced Polarisation ("IP") survey conducted by Zonge Engineering for Monument Exploration in 2016. Base Frequency 0.125Hz time Domain. Survey consists of Offset Pole-Dipole 13 x 2500 metre lines at 200 metre and 400m separation. Station setting is 100m receiver Dipoles on each line using a fixed array with varying coverage up to 16 stations.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	At least two readings were acquired at each station to ensure data repeatability.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Not Applicable
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Not Applicable
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not Applicable
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not Applicable
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Not Applicable
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Not Applicable
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not Applicable
	<i>The total length and percentage of the relevant intersections logged.</i>	Not Applicable
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not Applicable
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not Applicable

	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not Applicable
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not Applicable
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Not Applicable
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not Applicable
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Not Applicable
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.</i>	Geophysical tools used in the IP survey include: Transmitter: GGT30 Receiver: GDD Sensor: Porous Pots Data was delivered to Zonge Engineering (a geophysical survey company) who performed QA/QC daily and ensured tool calibration daily.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Not Applicable
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Quality Assurance and Quality Control of the IP data was independently verified by Value Adding Resources and Terra Resources (Geophysical Consultants).
	<i>The use of twinned holes.</i>	Not Applicable
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Geophysical IP data was provided to Value Adding Resources and Terra Resources (Geophysical Consultants) who undertook preliminary modelling using Zonge 2D TSDIP Smooth Model Inversion Software. Final modelling was performed with UBDCIP3D.
	<i>Discuss any adjustment to assay data.</i>	Not Applicable
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Geophysical IP line survey location control undertaken by handheld GPS.
	<i>Specification of the grid system used.</i>	Local grid converted to AMG.
	<i>Quality and adequacy of topographic control.</i>	Drill holes are surveyed by licensed surveyors at the conclusion of the program. Soil Geochemical data points are located using "end of line" survey by licensed surveyors at the conclusion of the program. Geophysical IP survey DTM elevation controlled by hand held GPS.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Geophysical IP survey data spacing is: Transmitter Lines: 400m spaced lines with 100m and 200m spaced TX pits along lines. Receiver Lines: 200m spaced lines offset 200m either side of TX Lines with Receiver locations spaced at 100m along lines.

	<p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p>	<p>The drill spacing in these historical programs is sufficient to establish geological continuity at Korong prospects only. The spacing is considered not sufficient to classify these prospects as a Mineral Resource.</p> <p>Away from Korong and Waihi prospects the drill spacing is insufficient to establish geological continuity.</p> <p>The geophysical data spacing is considered sufficient to establish geological continuity of gross geological units along strike.</p> <p>The geophysical data spacing is not considered sufficient to establish continuity of minor structural dislocations and faults.</p>
	<p><i>Whether sample compositing has been applied.</i></p>	<p>Not Applicable</p>
<p>Orientation of data in relation to geological structure</p>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p>	<p>The predominant drill orientation of the drilling is –60 to local grid west. At this orientation the intercepts are approximately 90% of true widths.</p> <p>Deeper drilling at Korong was oriented vertically. At this orientation intercepts are approximately 75% of true width.</p> <p>Geophysical Survey undertaken at approximately 90 degrees to the strike of the underlying geological stratigraphy. Generally the stratigraphy dips at approximately 45 degrees to local grid east.</p>
	<p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Not Applicable</p>
<p>Sample security</p>	<p><i>The measures taken to ensure sample security.</i></p>	<p>No documentation of the sample security procedures is available for the historical information.</p> <p>Geophysical data was acquired by Zonge Engineering (Geophysical survey company) and reported to Value Adding Resources (Geophysical Consultants)</p>
<p>Audits or reviews</p>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>No audits or reviews have been undertaken.</p>

Criteria	JORC Code explanation	
Section 2 – Reporting of Exploration Results		
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The A1 North prospect is located within E39/1866. The current registered holder for E39/1866 is Monument Exploration Pty Ltd.</p> <p>The Korong deposit is located within P39/5520. The current registered holder of tenements P39/5520, P39/5519 and E39/1846 is Robin C Cooper. These tenements are currently in the process of being transferred to Monument Exploration Pty Ltd.</p> <p>5 small registered Aboriginal Sites are located within the boundary of the Application E39/1866.</p> <p>No native title exists over P39/5520, P39/5519, E39/1846 or E39/1866.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Work by Zonge Engineering (Geophysical Contractor) and Terra Resources (Geophysical Consultants) is reported as part of this announcement. Data is reviewed by Southern Geoscience Consultants.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The deposit(s) are shear hosted deposits within Banded Iron Formation of the Laverton belt associated with the Ninnis and Claypan Fault Zones. The N and NW striking surface expressions of gold mineralisation indicate steep east dips associated with shear zones, and varies from 2m to 15m true thickness within an alteration zone generally considered to be typical of shear zones and vein style gold mineralisation found elsewhere in the Laverton district.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	Not Applicable
	<i>Easting and northing of the drill hole collar</i>	Not Applicable
	<i>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i>	Not Applicable
	<i>Dip and azimuth of the hole</i>	Not Applicable
	<i>Down hole length and interception depth</i>	Not Applicable
	<i>Hole length.</i>	Not Applicable
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	Not Applicable
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Not Applicable
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not Applicable

	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not Applicable
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Not Applicable
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Not Applicable
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Not Applicable
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer Figure 1.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not Applicable
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Geological observations reported for Korong and A1 North deposits are taken from historical mapping and drilling reports by Carpentaria Exploration and Western Mining Corporation.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	6 – 10 hole program of RC drilling to test the extent and source of the A1 North IP geophysical anomaly.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer Figure 1.