

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 11 SEPTEMBER 2018

AGREEMENT WITH ROUND OAK MINERALS ON ROYALTY INTEREST IN BARBARA COPPER PROJECT

Proposed relinquishment arrangement, which is subject to shareholder approval, will realise \$460,000 in cash for Syndicated – crystallising additional value from its former North Queensland asset base

Syndicated Metals Limited (ASX: SMD – **Syndicated** or **the Company**) is pleased to advise that it has entered into an agreement to relinquish its royalty entitlement over the Barbara Copper Project in North Queensland in exchange for cash consideration from its former joint venture partner, Round Oak Minerals Pty Ltd (**Round Oak** – formerly CopperChem Pty Ltd).

Syndicated owns the right to a production royalty payable on the first 10,000 tonnes of copper-in-concentrate (or ore equivalent) produced by the Barbara Project. The royalty interest formed part of the consideration which Syndicated received from the sale of its 50% interest in the Barbara Project to Round Oak in June last year (refer ASX announcements, 24 April 2017 and 14 June 2017). The royalty is payable based on a sliding scale of 1-2% of the net smelter return (NSR) generated from the sale of concentrate or ore equivalent, determined by the copper price.

Under the terms of the Deed of Termination between Syndicated and Round Oak, the total consideration for Syndicated's relinquishment of its royalty entitlement is \$460,000 in cash.

Because Round Oak is Syndicated's major shareholder and the value of the transaction represents a substantial asset, the transaction will require shareholder approval. Syndicated intends to convene a shareholder meeting as soon as practicable to seek approval for the transaction. Other than obtaining shareholder approval, there are no other key conditions to be satisfied.

The Company has also commissioned an Independent Expert to prepare a report on the transaction for the benefit of non-associated shareholders of Syndicated. The Independent Expert's Report will be sent to shareholders with the Notice of Meeting.

Background

The Barbara Copper Project is located 60km north-east of Mt Isa in North Queensland and contains a JORC 2012 Mineral Resource (refer to ASX Announcement dated 18 July 2014 for full details).

Syndicated had been in joint venture with Round Oak at the project since 2013 but sold its 50% interest to Round Oak in June last year for A\$2.3 million in cash and the production royalty as part of a strategic refocus on gold exploration in the Laverton region of Western Australia.

The relinquishment of the royalty provides an opportunity for Syndicated to crystallise additional upfront value from its former interest in the Barbara Project well before the deposit moves into development and production.

The transaction is consistent with the recent divestment of other parts of Syndicated's former North Queensland exploration portfolio, including the recently completed sale of its Northern Hub exploration tenements to Minotaur Exploration (ASX: MEP) for \$400,000 in cash and shares and its current agreement with Carnaby Resources to divest an 82.5% interest in its Southern Hub tenements for shares in Carnaby.

Management Comment

Syndicated Metals' Managing Director, Mr David Morgan, said: "This transaction, once completed, will represent a positive outcome for both parties. Round Oak has always been in the best position to develop this asset given their strong operational base in North Queensland. This transaction represents a strong vote of confidence by them in the future of the Barbara Project.

"For Syndicated, it allows us to crystallise additional significant upfront value for the asset without having to wait for it to move into development and production. The cash proceeds, assuming the transaction is approved by shareholders and is completed, will predominantly be used to advance ongoing gold exploration programs at the Monument Gold Project in WA."

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