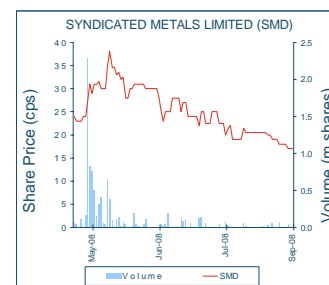


Kalman Deposit Resource Increase
Brief Update Note

Stock:	Syndicated Metals Limited (SMD 17cps)
Market Cap (Full. Dil.):	\$4.6m (\$9.7m)
Issued Capital (Full. Dil.):	27.1m shares (57.35m)
Cash (as at 30 June 2008):	\$4.88m
Date:	11 September 2008
Resources Analyst:	Andrew Muir



Source: Iress

Detail:

Kalman Resource Upgraded, Incorporates Rhenium – Syndicated Metals Limited (“Syndicated”, “SMD”, “Company”), in conjunction with Kings Minerals Limited (“KMN”), its partner in the Pelican Joint Venture (“PJV”) (KMN earning 70%), has updated its resource for the Kalman molybdenum-copper-rhenium-gold deposit, located ~60km southeast of Mt Isa in Queensland. The new resource for the entire Kalman deposit has seen the overall size increase by 22% to 60.8Mt. Of this, the PJV component is 36.7Mt, an increase of 25%.

Pelican JV Kalman Inferred Resource (KMN earning 70%, SMD diluting to 30%)

Domains	Cut-off Grade	Mt	Cu %	Mo %	Re g/t	Au g/t	Cu kt	Mo kt	Re koz	Au koz
<i>Open Pit</i>										
Copper	0.2% Cu	15.3	0.35	0.002	0	0.15	53.6	0.4	0.0	76.1
Molybdenum	0.02% Mo	17.5	0.22	0.11	2.88	0.11	38.7	18.4	1,623.7	61.4
Sub-Total		32.9	0.28	0.06	1.54	0.13	92.3	18.8	1,623.7	137.5
<i>Underground</i>										
Copper	0.5% Cu	2.4	0.66	0.004	0	0.38	16.1	0.1	0.0	29.3
Molybdenum	0.05% Mo	1.3	0.29	0.12	2.15	0.14	3.9	1.5	93.3	6.2
Sub-Total		3.8	0.53	0.04	0.77	0.29	20.0	1.6	93.3	35.5
Total		36.7	0.31	0.06	1.46	0.15	112.4	20.4	1,717.0	173.0

Source: Kings Minerals Limited

The deposit consists of a broader copper zone, which averages ~90m width, as well as an internal high grade molybdenum domain within the copper zone that averages ~25m in width. In addition, the resource has also been split into open pit (shallower than ~500m) and underground (deeper than ~500m) domains.

Further Increases Likely – Significantly, the mineralisation is still open at depth to the south, with potential for additional high grade zones similar to the recent intersection of 7.7m @ 23.4% Cu. Massive chalcopyrite has been identified in recent drill holes below this section, but assays are yet to be received. This high grade mineralisation is likely to be incorporated into the next resource update.

Infill drilling is currently planned to increase the confidence level of the deposit which will be incorporated into the scoping study into the development of the deposit and aid in the calculation of reserves.

In Situ Metal Value Over US\$4.5b, with Molybdenum Almost 50% – Based on the updated resource, and using current metals prices, Kalman contains over US\$4.5 billion worth of metal (see over page). Significantly, the high grade of the molybdenum means it contributes almost half of this value. Syndicated’s component of the deposit is worth almost US\$900m. Whilst these values do not translate to economic returns, it gives a sense of scale to the size of the deposit. In addition, the polymetallic nature of the deposit and substantial widths of the mineralisation should contribute to low operating costs.

Impact:

Kalman continues to grow in size, and is starting to become a very significant poly-metallic deposit. The deposit has good potential to be developed as a large scale open pit operation, with a subsequent underground component.

Considering Syndicated’s share of Kalman’s metal value, the Company is extremely cheap given that it currently has an enterprise value of ~A\$6m; it is free carried to a bankable feasibility stage on Kalman; and has 100% of the very promising Mt Remarkable copper-gold project (recent results of 24m @ 3.1% Cu). We rate **Syndicated Metals Limited** as a **Speculative Buy**.

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Hartleys Recommendation Categories

Strong Buy	Significant share price appreciation anticipated
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but is considered high risk
Accumulate	Buy in periods of weakness
Hold	Take no action
Reduce	Sell in periods of strength
Sell	Significant price depreciation anticipated

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Hartleys has completed capital raisings in the past 12 months for Syndicated Metals Limited ("Syndicated"), for which it fees. Hartleys has also provided corporate advice within the past 12 months to Syndicated, for which it will receive fees. Hartleys acted as Broker to the Offer in respect of the Syndicated initial public offer ("IPO"), for which it received fees and has received shares in Syndicated.

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