

## QUARTERLY REPORT June 2008



# HIGHLIGHTS

### **Kalman South Project**

- High grade intersection of massive chalcopryrite (**7.65m at 23.4% Cu & 0.51g/t Au**) reported from the Kalman South zone.
- Infill and extensional drilling and metallurgical testwork ongoing at Kalman South Mo-Cu-Au-Re deposit with updated resource estimate anticipated shortly;

### **Mt Remarkable Project**

- Significant copper-gold results including **24m at 3.08% Cu & 0.25g/t Au** from the initial RC drilling program at Mount Remarkable
- Infill drilling commenced at Barbara Prospect
- Regional sampling programs generating new drill targets

### **Exmouth Project**

- Phosphate and base metal exploration commenced at Exmouth;
- Phosphate exploration portfolio expanded with new tenements applied for at Exmouth and Dandaragan in Western Australia and in the Georgina Basin in northwest Queensland.

**ASX Code:** SMD

**ABN** 61 115 768 986

#### **Market Capitalization**

(at 30/06/2008) - undiluted  
\$16 million (at \$0.28 per share)

#### **Issued Capital**

(at 30/06/2008)  
57.35 million ordinary shares  
7 million unlisted \$0.30 options

**Cash** (at 30/06/2008): \$4.88 million

#### **BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**Bruce McCullagh** –  
Executive Chairman &  
Company Secretary

**Russell Davis** –  
Managing Director

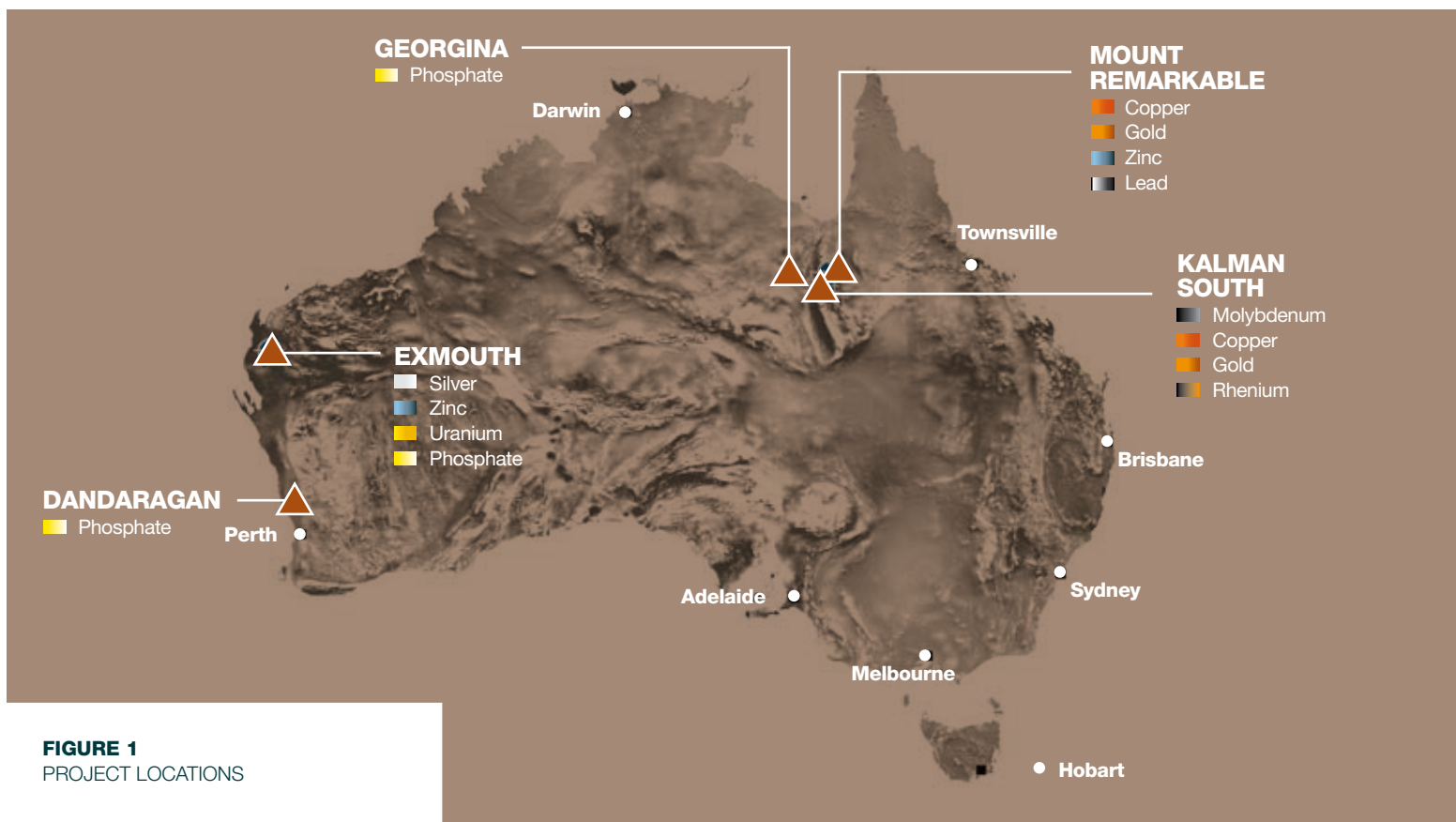
**Andrew Dinning** –  
Non-executive Director

**Jan Hope** –  
Non-executive Director

**Mark Whittle** –  
Exploration Manager

#### **CONTACT DETAILS**

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**FIGURE 1**  
PROJECT LOCATIONS

**Mount Isa Region Projects**

Syndicated Metals Limited (“Syndicated” or “Company”) holds tenements covering 900 square kilometres within the Mount Isa Inlier. The Company considers the tenements to be prospective for copper-gold, copper-molybdenum-gold, lead-zinc-silver and uranium deposits.

The tenements form two project areas – the Kalman South Joint Venture located about 60 kilometres southeast of Mount Isa and the Mount Remarkable Project located about 60 kilometres to the northeast of Mount Isa. (Refer to Figure 2.)

The Company has recently applied for tenements covering a further 670 square kilometres which cover sequences within the Georgina Basin that it believes have potential for phosphate.

**Kalman South Joint Venture (copper-molybdenum-gold-rhenium)**

The Kalman South Project comprises EPM13870, a joint venture between Kings Minerals NL (“Kings”) (ASX: KMN) and Syndicated. EPM13870 covers a significant portion of the Kalman molybdenum-copper-gold-rhenium deposit which is open at depth and has potential for extensions along strike. The tenement also contains a number of other targets prospective for copper-gold+/- molybdenum. (Refer to Figure 3.)

Syndicated is free-carried on the Kalman South Project by Kings which has the right to earn a 51% interest in EPM 13870 by spending \$4 million, and up to a 70% interest in the tenement by completing a final feasibility study. Kings has met the initial expenditure commitment to earn a 51% interest in the tenement.

Kings is presently conducting infill drilling and metallurgical and baseline environmental studies on the Kalman Deposit and drilling new prospects located along strike to the south of the Kalman deposit within EPM13870. The targets have highly anomalous copper-gold and molybdenum values in rock chips and shallow historical drilling.

**Continuity of copper-molybdenum continues to be confirmed.**

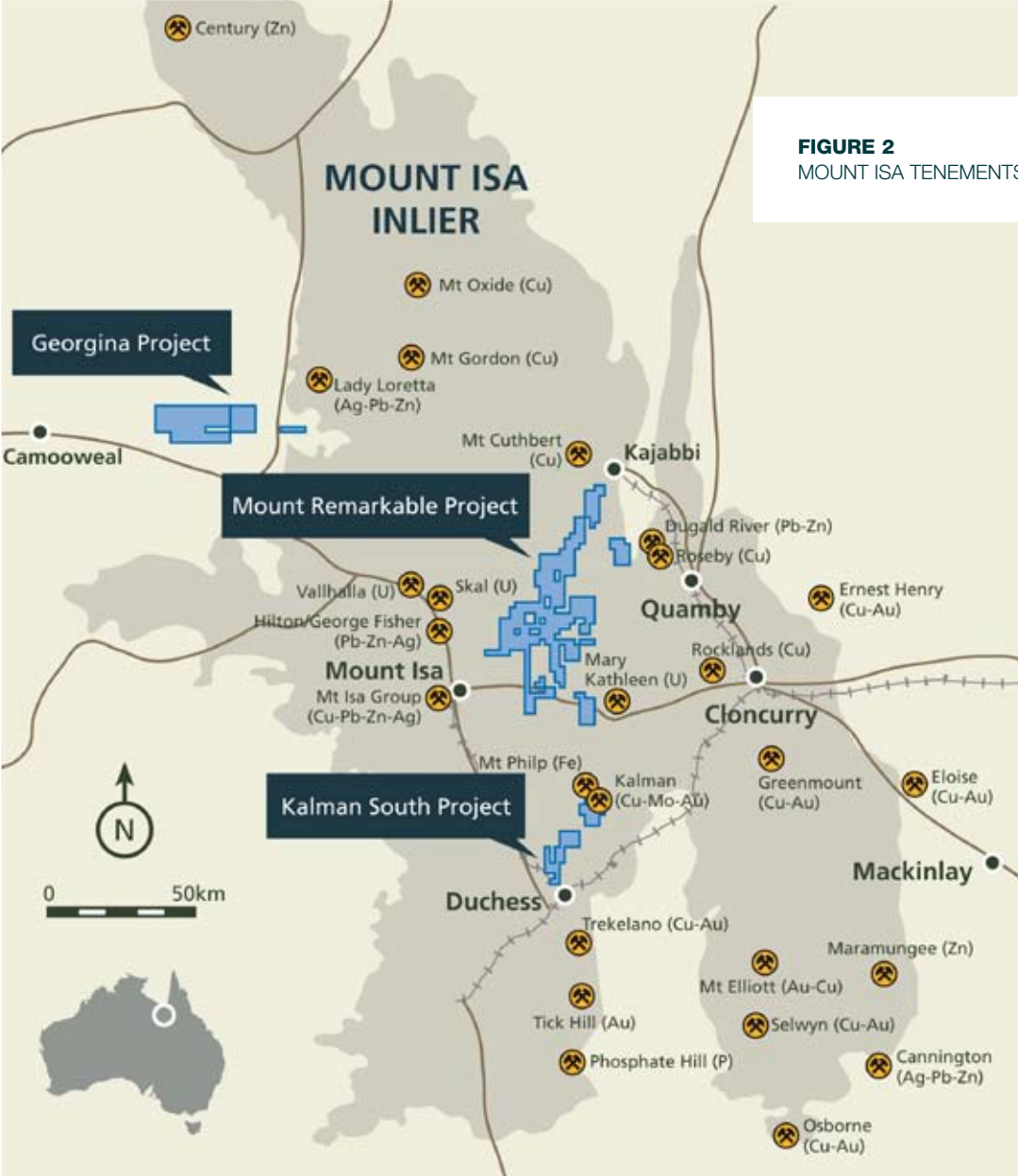
Kings has reported further encouraging results of ongoing drilling within the Kalman deposit. Significant results from within the Kalman South Joint Venture include 253 metres at 0.12% Cu, 0.09g/t Au and 0.19% MoS<sub>2</sub> from 365 metres in K-71 including 41 metres at 0.42% Cu, 0.49g/t Au and 0.66% MoS<sub>2</sub>.

(Refer to the Kings Minerals NL ASX announcement dated June 25th 2008 for details of the drilling updates)

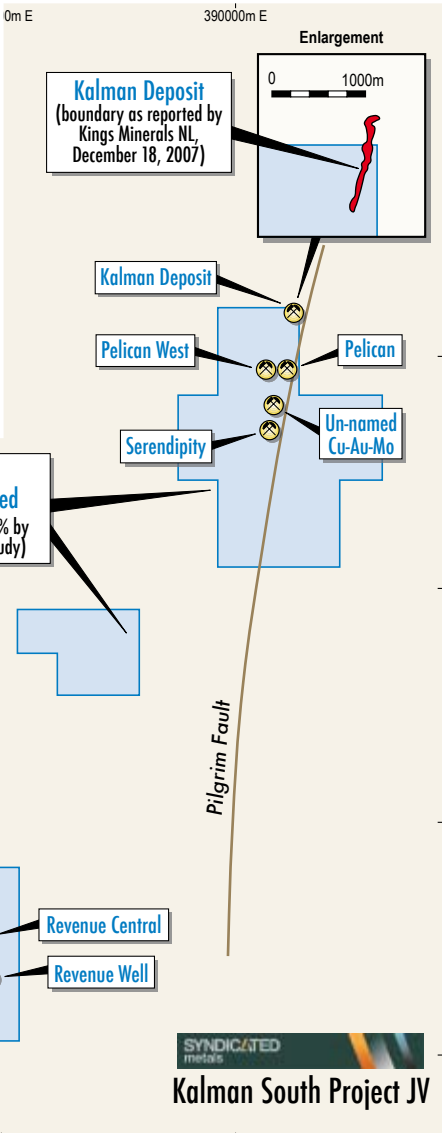
**High grade copper intercept announced**

Kings announced a highly significant intersection from hole K106A within the Kalman South Joint Venture. A massive chalcopyrite intersection was encountered in drill hole K106A of 7.65 metres at 23.4% Cu, 0.51g/t Au and 20g/t Ag from 581.65 metres. The intersection was reported to occur within a broader zone of mineralization similar in style to the existing Kalman resource. Drilling to follow-up the dip continuity of this intersection has commenced.

(Refer to the Kings Minerals NL ASX announcement dated July 4th 2008 for details of the massive chalcopyrite intersection)



**FIGURE 2**  
MOUNT ISA TENEMENTS QUEENSLAND



**FIGURE 3**  
KALMAN SOUTH PROJECT





### Mount Remarkable Project (copper-gold, lead-zinc & uranium)

Syndicated's other interests in the Mt Isa region include the Mt Remarkable Project, located around 60 kilometres northeast of Mt Isa. (Refer to Figure 4.) This project, which comprises mostly contiguous tenements covering around 800 square kilometres is considered prospective for copper-gold, sediment hosted lead-zinc-silver and uranium mineralization. Tenement applications for ground adjacent to the project area were made during the quarter.

The two tenement applications covering the northwestern part of the Barbara copper prospect and the area surrounding the Blockade copper mine are in joint venture with Mount Isa Metals Limited (the Leichhardt Joint Venture) with Syndicated holding 51% and management. Native title negotiations have been completed and it is expected that the tenements will be granted shortly allowing exploration to commence.

### RC Drilling Program

The final results were received for the RC drilling program completed during the first quarter at the Barbara, Mount Hutchinson and Mount Margaret copper-gold targets. Refer to Figure 4 for the locations of the prospects. Significant intersections are shown in Table 1 (opposite).

Each of the three holes drilled at the Barbara prospect intercepted the mineralized zone at vertical depths between 50 and 80 metres and returned significant copper and gold results. Based on these results and the results of previous drill holes at the prospect the Company believes there is potential for a copper deposit to be delineated at Barbara and a program of infill and extensional drilling commenced late in the quarter. Assay results are anticipated in September. (Refer to Figure 5 for the location of the Barbara drill holes.)

Two holes were drilled at the Mount Margaret prospect where extensive red-rock alteration is considered to have affinities with alteration seen at iron-oxide copper-gold deposits such as Ernest Henry. MMRC02 returned an encouraging intersection of 40 metres at 0.12% Cu adjacent to the Mount Margaret fault zone. MMRC01 located 200 metres along strike to the south did not return any significant results.

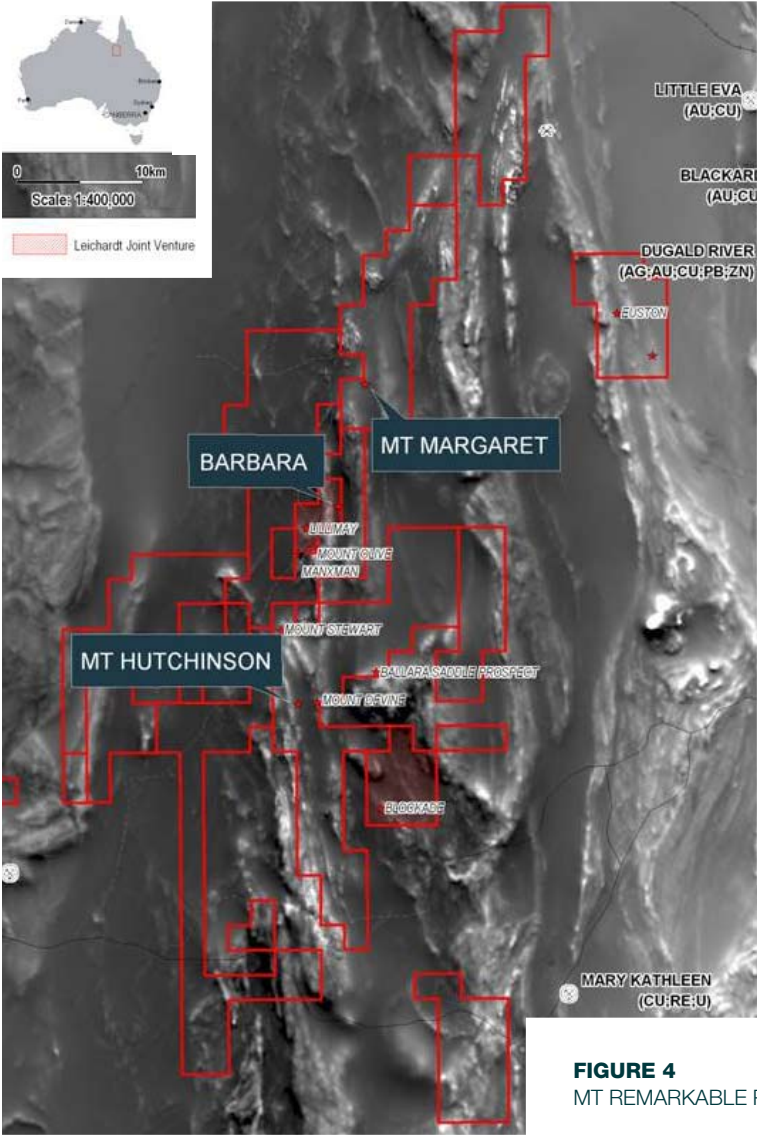
Four holes were drilled at the Mount Hutchinson prospect along a strike length of about 600 metres. Each drill hole intercepted broad zones of low grade oxidized copper +/- cobalt mineralization within a steeply west dipping deeply oxidized shear zone. The initial assaying was done on four metre composite samples. Selected intervals were resampled at one metre intervals and reassayed. The peak values over any one metre interval are 0.67% Cu and 0.11% Co.

Given the width of the mineralized zone and the deep oxidation (>120metres depth) further work is considered warranted to test for primary and supergene copper mineralization at Mount Hutchinson.

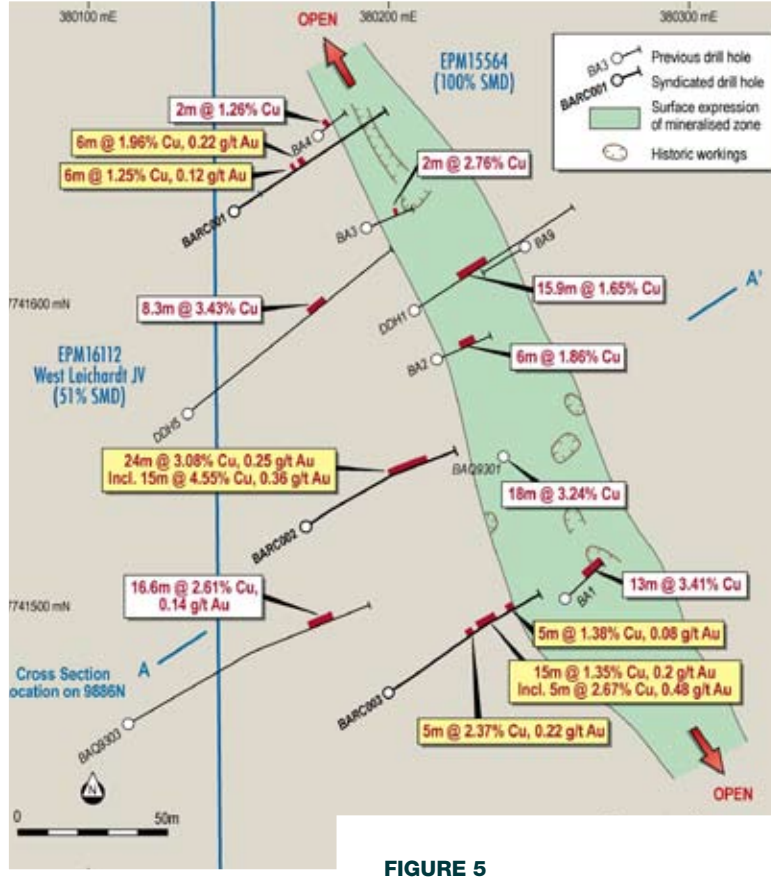
(Refer to the ASX releases by Syndicated dated May 6th 2008 and May 14th 2008 for the results of the program.)

### Geochemical Program

Regional soil sampling traverses continued with a total of 1677 samples collected to date. The targets are large base metal deposits spatially associated with the regional-scale fault zones and other geophysical targets. A portable XRF analyzer is used to provide multi-element geochemical analyses in the field. Rock chip sampling of old copper mines is progressively being undertaken as part of the assessment of the Company's tenements. Several new drill targets have been generated by this work.



**FIGURE 4**  
MT REMARKABLE PROJECT



**FIGURE 5**  
BARBARA PROSPECT - DRILLING

**TABLE 1: MOUNT REMARKABLE PROJECT DRILL RESULTS**

| Hole                    | E (GDA94) | N (GDA94) | Max Depth (m) | Incl/Az | From (m) | To (m) | Down hole length (m) | Cu (%) | Au (g/t) | Ag (g/t) | Co (ppm) |
|-------------------------|-----------|-----------|---------------|---------|----------|--------|----------------------|--------|----------|----------|----------|
| <b>Barbara</b>          |           |           |               |         |          |        |                      |        |          |          |          |
| BARC001                 | 380148    | 7741631   | 157           | -60/56  | 54       | 60     | 6                    | 1.23   | 0.12     | 6        | 67       |
|                         |           |           |               |         | 65       | 71     | 6                    | 1.96   | 0.22     | 6        | 61       |
| BARC002                 | 380171    | 7741528   | 121           | -60/56  | 73       | 97     | 24                   | 3.08   | 0.25     | 5        | 174      |
| Including               |           |           |               |         | 73       | 88     | 15                   | 4.55   | 0.36     | 7        | 207      |
| BARC003                 | 380199    | 7741473   | 121           | -60/56  | 65       | 70     | 5                    | 1.38   | 0.08     | 3        | 84       |
|                         |           |           |               |         | 77       | 92     | 15                   | 1.35   | 0.20     | 2        | 142      |
| including               |           |           |               |         | 78       | 83     | 5                    | 2.67   | 0.48     | 3        | 191      |
|                         |           |           |               |         | 96       | 101    | 5                    | 2.37   | 0.22     | 5        | 163      |
| <b>Mount Margaret</b>   |           |           |               |         |          |        |                      |        |          |          |          |
| MMRC001                 | 381917    | 7751093   | 151           | -60/256 |          |        |                      |        |          |          |          |
|                         |           |           |               |         |          |        |                      |        |          |          |          |
| MMRC002                 | 381819    | 7751219   | 186           | -60/256 | 26       | 39     | 13                   | 0.14   | <0.01    | <0.2     | 206      |
|                         |           |           |               |         | 48       | 66     | 18                   | 0.15   | 0.01     | <0.2     | 26       |
| <b>Mount Hutchinson</b> |           |           |               |         |          |        |                      |        |          |          |          |
| MHRC001                 | 376983    | 7727069   | 157           | -60/90  | 12       | 16     | 4                    | 0.1    | <0.01    | <0.2     | 59       |
|                         |           |           |               |         | 92       | 144    | 52                   | 0.17   | <0.01    | <0.2     | 80       |
|                         |           |           |               |         | 156      | 157    | 1                    | 0.10   | <0.01    | <0.2     | 59       |
| MHRC002                 | 377057    | 7727062   | 145           | -60/90  | 0        | 72     | 72                   | 0.28   | <0.01    | <0.2     | 73       |
| MHRC003                 | 377037    | 7727242   | 151           | -60/230 | 24       | 112    | 88                   | 0.15   | <0.01    | <0.2     | 214      |
| including               |           |           |               |         | 52       | 60     | 8                    | 0.29   | <0.01    | <0.2     | 568      |
| MHRC004                 | 376851    | 7727417   | 187           | -60/15  | 28       | 52     | 24                   | 0.38   | <0.01    | <0.2     | 136      |
| including               |           |           |               |         | 36       | 47     | 11                   | 0.47   | 0.01     | <0.2     | 130      |

(Intersections at Barbara were calculated using a 0.5% Cu cut-off. Intersections at Mount Margaret and Mount Hutchinson were calculated using a 0.1% Cu cut-off)





### **Exmouth Project (WA)** (zinc-silver, uranium and phosphate)

The Exmouth Project is considered to have potential for zinc-silver mineralization, phosphate and sandstone-hosted uranium mineralization similar to the Manyingee uranium deposit located 100 kilometres to the northeast. Syndicated has the rights to a 100% interest in three granted exploration licences (E08/1413, E08/1739, and E08/1740), covering a total area of 480 square kilometres and recently applied for a new exploration license (E08/1854) of 180 square kilometres that covers extensions of the prospective stratigraphy at the southern end of the project. (Refer to Figure 6.)

The Company's initial field program comprised geological reconnaissance and soil and rock chip sampling with a view to locating the outcropping and near surface positions of the key phosphate bearing units. Assaying for base metals and silver as well as phosphate will be undertaken across the previously defined base metal and silver targets. A total of 1770 soil samples were collected in the first program. Assay results are not yet available.

(Refer to the ASX release by Syndicated on June 23rd 2008.)

### **Additional Tenement Applications for Phosphate**

Several tenements in districts containing known phosphate deposits have been selectively added to Syndicated's portfolio.

The Company has submitted three tenement applications (EPM 17676, EPM 17678 and EPM 17689) covering 716 square kilometres targeting phosphate in the Georgina Basin in northwest Queensland.

Two tenement applications (E70/3484 and E70/3497) covering 360 square kilometres were submitted over interpreted extensions of the prospective phosphate bearing units near the Dandaragan phosphate deposits, 175 kilometres north of Perth.

The results of historical phosphate exploration undertaken on these tenement applications are presently being compiled.

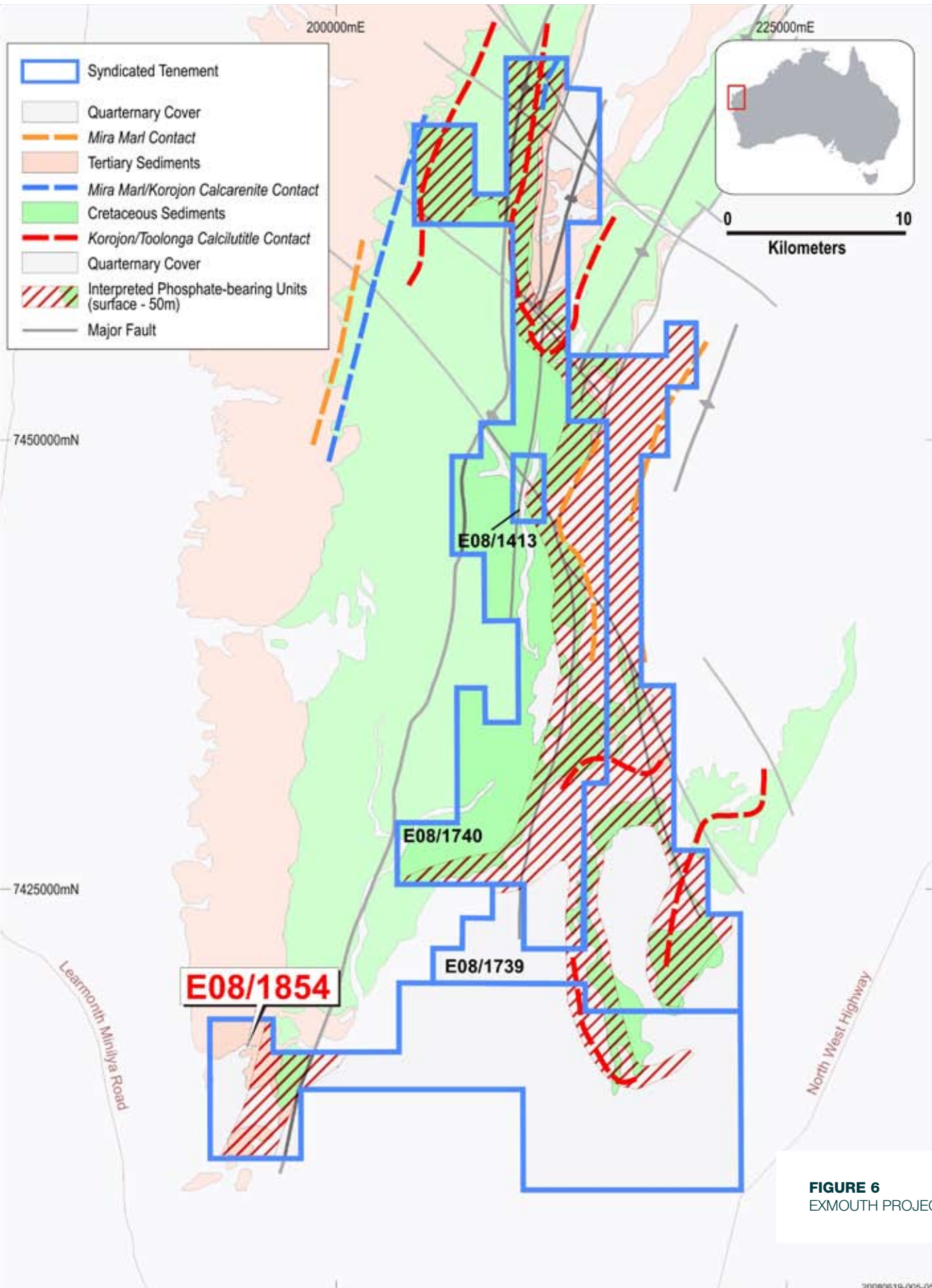
### **Corporate**

The Company held \$4.88 million in cash at the end of the quarter.

**Russell Davis**

Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Russell Davis who is an Executive Director of Syndicated Metals Limited and a member of the Australasian Institute of Mining and Metallurgy. Russell Davis has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Russell Davis consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.



**FIGURE 6**  
EXMOUTH PROJECT GEOLOGY

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