SYNDICATED METALS

Assets, Experience, Growth

ASX ANNOUNCEMENT – 18 September 2012

STRONG COPPER INTERSECTIONS OVER 2.5KM STRIKE LENGTH AT YAMAMILLA PROJECT, NORTH QUEENSLAND

Maiden drilling returns intersections of up to 3.9% Cu within broader mineralised zones

Key Points

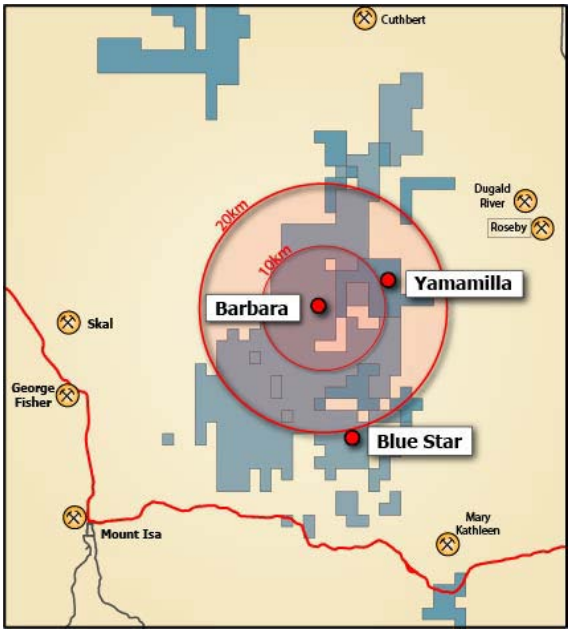
- **Initial drilling at Yamamilla intersects high-grade zones of chalcopyrite within broader 7-11m wide zones of disseminated copper-gold mineralisation, with results including:**
  - **4m @ 3.9% Cu within a broader intersection of 7m @ 2.4% Cu in YMRC004; and**
  - **2m @ 2.5% Cu within a broader intersection of 11m @ 1.2% Cu in YMRC003.**
- **Mineralisation intersected in the predicted structural and geophysical location below a 2.5km strike length of anomalous soil sampling results and historic workings within the broader 6km long Yamamilla-Portal Creek trend.**
- **The intersections feature a central core of high-grade copper sulphide mineralisation within broader stringer sulphide zones.**
- **Drilling intersections correspond with modelled airborne EM plates with further down-hole EM and drilling planned, elevating Yamamilla as a priority focus for exploration.**

INTRODUCTION

Syndicated Metals Limited (ASX: SMD – "Syndicated" or "the Company") is pleased to advise that it has intersected **several zones of high-grade copper**, within broader widths of disseminated copper-gold sulphide mineralisation, over a **2.5km strike length** in its maiden drilling program at the **Yamamilla Copper-Gold Project** in North Queensland.

The Yamamilla Project is located within the northern part of the Company's Mount Isa Project, approximately 60km from Mt Isa and 10km north-east the Company's Barbara Copper-Gold Project (*see map of area*). The project sits on EPM14281, which forms part of the Mt Isa Other Metals Joint Venture with Deep Yellow Limited. Syndicated is earning 80% ownership of the Joint Venture and minerals other than uranium by spending $800,000 over 3 years.

MAP OF AREA



The Yamamilla Project covers the southern part of a larger mineralised system that extends for over 10km and is host to both high-grade shear zone related mineralisation and interpreted Iron Oxide Copper Gold ("IOCG") mineralisation (*Figure 1*).

The controlling mineralising feature within Syndicateds' Project is the Yamamilla Shear Zone as demonstrated by a series of strong copper-in-soil and associated VTEM anomalies (Figures 1 and 2).

EXPLORATION RESULTS

Syndicated has so far completed five Reverse Circulation (RC) drill holes at the Yamamilla Project as part of its ongoing Spring 2012 drilling campaign in North Queensland. Four of the holes have intersected mineralisation in the predicted location based on structural geology and geophysical modelling at locations spaced approximately 2km apart. The fifth hole failed to reach target due to difficult drilling conditions.

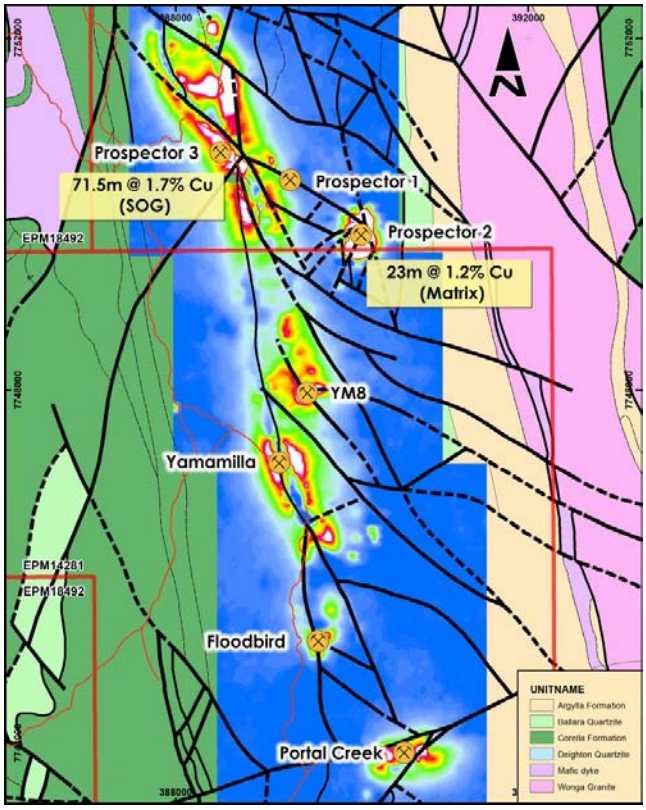


Figure 1 – VTEM Anomalism over the Yamamilla-Portal Creek-Prospector 3 Trend

Three of the four holes intersected significant high-grade copper mineralisation within broader zones of disseminated copper-gold mineralisation, with a best intersection of 4m @ 3.9% copper. Gold assays are awaited for all of the holes.

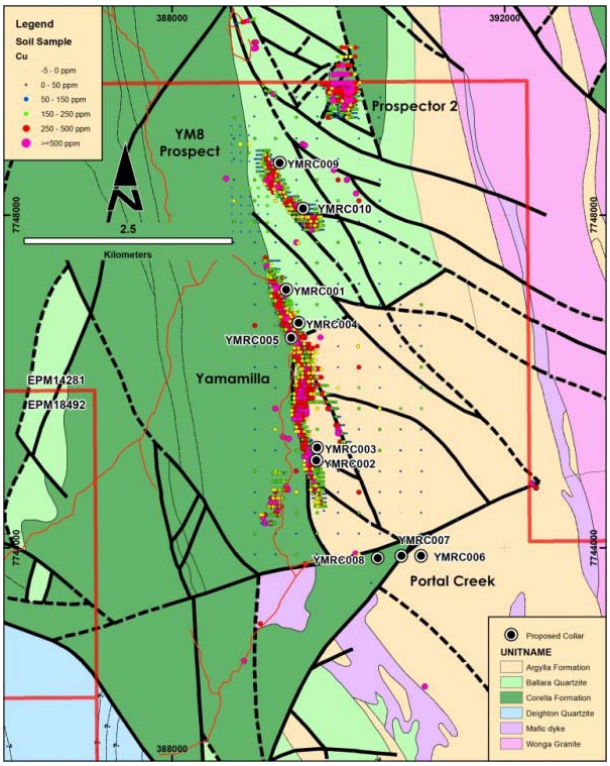


Figure 2

At the ***Yamamilla Prospect*** results include:

- **YMRC005: 7m @ 2.37% Cu, including 4m @ 3.94% Cu from 48 metres.**
- **YMRC001: 13m @ 0.26% Cu from 193m.**

The mineralised intersections consist of stringer copper sulphides (chalcopyrite) with lesser amounts of disseminated copper sulphides. It is significant that there appears to be a direct relationship between the high-grade mineralised intervals and the soil geochemistry and VTEM plates. This is illustrated in Figures 2 and 3.

At the ***Floodbird Prospect*** results include:

- **YMRC003: 11 metres at 1.17% Cu including 2 metres at 2.54% Cu from 193 metres.**
- **YMRC002: 7 metres at 0.81% Cu, including 2 metres at 1.5% Cu from 39 metres.**

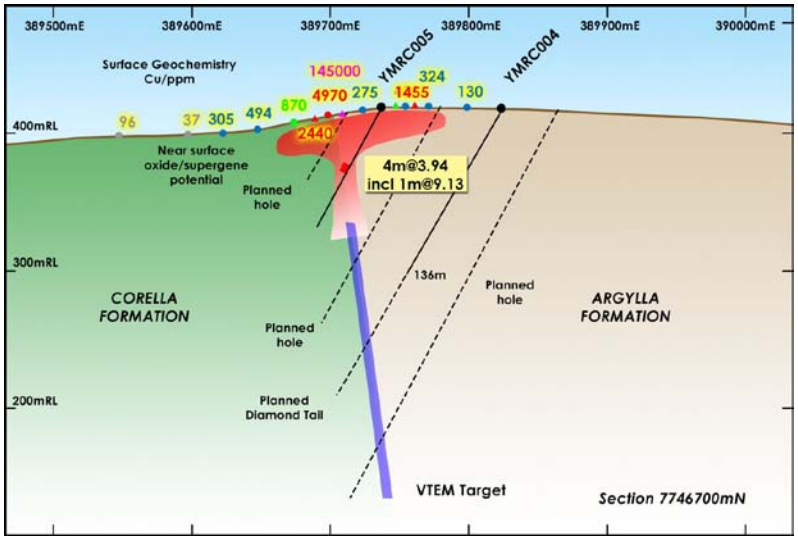


Figure 3

Similar to the Yamamilla Prospect the mineralised intersections at the Floodbird Prospect consist of stringer and minor blebby to disseminated copper sulphide (chalcopyrite) mineralisation. The relationship between the copper mineralisation, soil geochemistry and VTEM plate is clearly illustrated in Figures 2 and 4).

The position of the intersections in all four holes demonstrates that the VTEM anomaly is caused by copper-gold sulphide mineralisation at the contact of the Argylla-Corella Formation. The relationship of the drilling to the VTEM plates, soil anomalies and to historical workings is shown in long section in Figure 5.

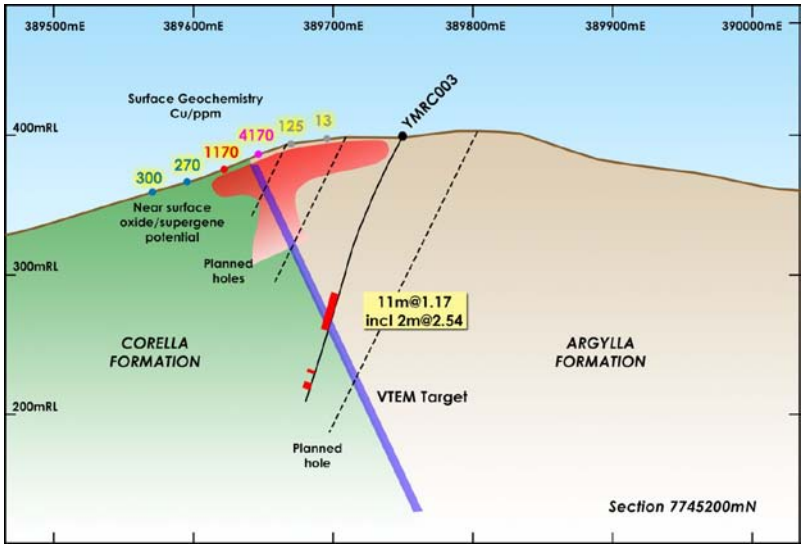


Figure 4

The results of this maiden drilling at the Yamamilla and Floodbird Prospects are considered very encouraging and enhance the potential of the area to host a significant high-grade copper deposit. The project is defined by a 2.5km long copper-in-soil anomaly which is underlain by a series of EM plates. Drilling has demonstrated a consistent style and mode of copper mineralisation coincident with the modelled position of the EM plates. Importantly, the drilling has shown the high-grade copper mineralisation, which sits on the geological contact-EM plate position, can be traced down-dip to a depth of at least 150 metres. The EM plate at the Yamamilla Prospect (7746700mN) can be modelled to extend to approximately 500 metres below surface opening the possibility that there is a significant down dip continuity to the high-grade copper mineralisation.

Down-hole EM surveys on drilling completed to date as well as further drilling in the northern and central sections of the trend is planned to further define the down-dip continuity of the high-grade copper mineralisation and the along-strike continuity of the overall mineralisation package which sits along the Yamamilla Shear Zone.

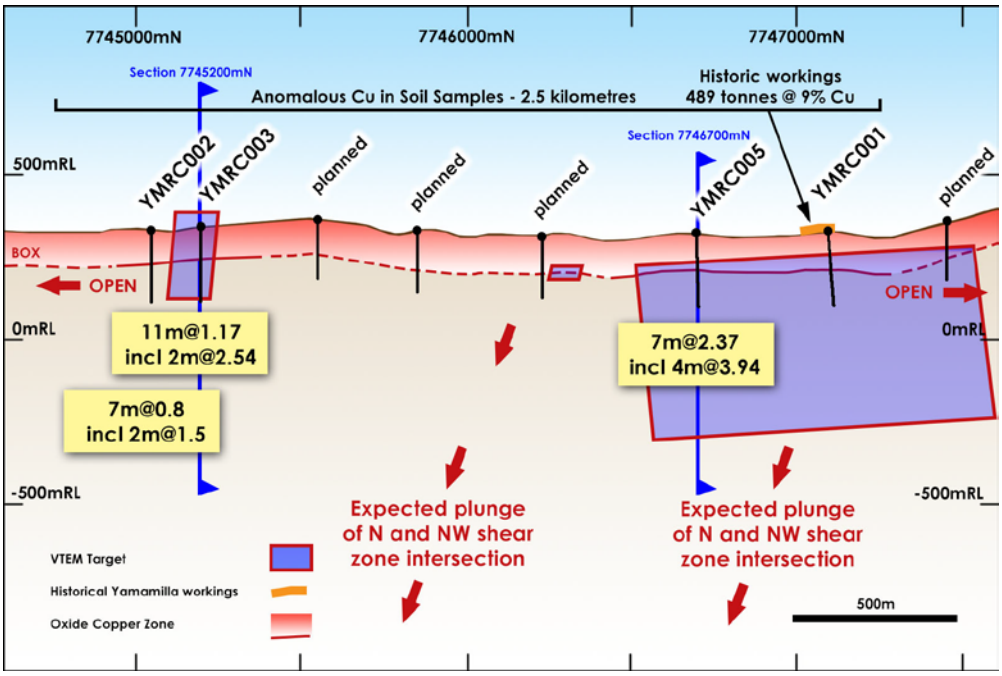


Figure 5

OTHER TARGETS

The VTEM anomaly diagram (*Figure 1*) highlights a series of conductive bodies coincident with copper-in-soil geochemical targets away from the Yamamilla and Floodbird Prospects. These targets include Portal Creek, YM8 and the southern extension of Prospector 2. These prospects are planned to be drilled in the next phase of drilling.

Commenting on the results, Syndicated's Managing Director, Mr Andrew Munckton, said: "These are terrific results from our initial drilling at Yamamilla, indicating the presence of a potentially significant mineralised system extending over a strike length of at least 2.5km. This has confirmed that Yamamilla represents a priority project within our North Queensland portfolio for follow-up exploration."

ENDS

For further information:

Investors
Andrew Munckton – Syndicated Metals
Mobile: 0435 635 598

Media
Nicholas Read – Read Corporate
Mobile: 0419 929 046

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Andrew Munckton who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity

which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Munckton is a full-time employee of Syndicated Metals Limited and consents to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.