

ASX ANNOUNCEMENT – 20 MAY 2019

SYNDICATED METALS COMMENCES FARM-IN OF NEWINGTON GOLD PROJECT AT SOUTHERN CROSS, WA

Maiden exploration activities including initial drill program scheduled for next month

HIGHLIGHTS

- Farm-in agreement has commenced for the advanced Newfield Gold Project in the Southern Cross Greenstone Belt, WA.
- Option exercised by the cash payment of a further \$25,000 and issuing 30M Syndicated shares and 10M options for Syndicated to purchase the right to earn up to 85% of the project.
- Syndicated has also secured the adjacent Carterton Gold Project, with the combined projects to be known as the Newington Gold Project.
- This gives Syndicated a commanding land-holding in the highly prospective but under-explored northern Southern Cross Greenstone Belt.
- Nearby deposits include Ramelius Resources' (ASX: RMS) 1.7Moz Edna May Gold Mine, as well as its recently-acquired 1Moz Tampia Hill Gold Project and 0.5Moz Marda Gold Project.
- Maiden exploration program scheduled to commence next month including an initial drilling program targeting extensions of the previously mined Newfield Central deposit, which delivered 32,366oz at an average recovered head grade of 24.53g/t Au^{1, 2, 3}.

Further to its ASX announcement of 11 April 2019, **Syndicated Metals (ASX: SMD)** is pleased to advise that, following the satisfaction of all conditions precedent it has exercised its option to purchase the right to farm-into the advanced high-grade Newfield Gold Project, located at the northern end of the Southern Cross Greenstone Belt in WA, from Newfield Resources Limited (ASX: NWF).

Together with the separate Option Agreement over the adjacent Carterton Gold Project, this gives Syndicated a high-quality regional exploration tenement package in one of the least explored yet highly prospective parts of the Yilgarn Craton – providing it with an exciting new growth opportunity in the WA gold sector alongside its Monument Gold Project.

The Newington Project lies at the northern end of the Southern Cross Greenstone Belt, which is located around 380km east of Perth and hosts more than 150 known gold deposits which have produced over 15Moz of gold (Figure 1).

The region has recently attracted strong interest following Ramelius Resources' (ASX: RMS) major acquisitions in the area surrounding its operating Edna May Gold Mine, including the 1Moz Tampia Hill Project (acquired through its takeover of Explaurum Ltd) and the 0.5Moz Marda Gold Project.

Further details of the acquisition/farm-in terms for the Newfield Project are set out below.

Syndicated's Managing Director, Mr David Morgan, said the Newfield Project formed the cornerstone of its newly-established regional-scale Newington Project in the Southern Cross belt,

with the commencement of the farm-in agreement clearing the way for the start of exploration activity.

“With the deal now complete, we expect to be on the ground commencing our exploration activities as soon as Departmental approvals are received. The Project hosts a number of walk-up drilling targets that will be progressively tested, commencing with an initial drill program targeting extensions of the historically mined Newfield Central Deposit and including test holes at the Dawsons and Newfield East prospects.

“We look forward to providing further information on these upcoming exploration programs in due course.”



Figure 1: Regional location of the Newington Gold Project

ACQUISITION TERMS

Under the terms of the farm-in agreement with Newfield Resources Limited, Syndicated has:

- Made an initial cash payment of \$25,000 and completed due diligence on the project;
- Upon the satisfaction of all conditions precedent, exercised the option to purchase the right to earn up to 85% of the project by making a further cash payment of \$25,000 and issuing 30 million Syndicated shares at a deemed price of 1.0c per share and 10 million Syndicated options to Newfield. The shares and options will be subject to a 12-month escrow restriction from the date of allotment. The Options will have an exercise price of 3.0c each and a 3-year expiry term from the date of issue. Shareholder approval will not be sought for the issue of the shares and options and they will be issued under the Company’s available Listing Rule 7.1 capacity; and
- Commenced the farm-in agreement for staged exploration expenditure of \$900,000 over two years.

On reporting a JORC Mineral Resource estimate containing >150,000oz of gold, a further milestone payment of \$250,000 is payable to Newfield Resources.

Syndicated has already secured an option over the adjacent Carterton Project (see Figure 2), with the combined projects to be referred to as the Newington Gold Project moving forward.



Figure 2: Location of Newfield Project and Carterton Project (E77/2309)

1. Pre-2000 production data sourced from the Dept of Mines, Industry, Regulation and Safety (DMIRS) open file databases.(7,807 tonnes @ 32.4g/t Au recovered grade for 8,132oz)
2. The 2001-2005 production records sourced from the Newfield Resources Limited Prospectus lodged with ASX on 27 April 2012 and Newfield Central Pty Ltd records (33,232 tonnes @ 22.68g/t Au recovered grade for 24,234 oz)
3. Combined historical production (pre-2000 & 2001 – 2005) of 41,039 tonnes @ 24.53g/t Au recovered grade for 32,366oz.

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Competent Person Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Peter Langworthy 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 a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Langworthy is the Non-Executive Chairman of Syndicated Metals Limited and consents to the inclusion in the announcement of the Exploration Results in the form and context in which they appear.