

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT – 22 NOVEMBER 2019

SYNDICATED METALS APPOINTS NEW SENIOR MANAGEMENT TEAM TO DRIVE WA GOLD STRATEGY

Company to focus on exploration of its three high-quality, strategically located WA gold projects

HIGHLIGHTS

- Experienced geologists and mining executives **Bradley Drabsch** and **Toby Wellman** appointed as Managing Director and Executive Technical Director respectively.
- Appointments mark the final stage of Syndicated Metals' strategic repositioning to gold exploration in Western Australia.
- New management team to drive next phase of exploration across the three high-quality WA gold projects in highly endowed greenstone belts:
 - Syndicated controlled Newington Gold Project – northern end of Southern Cross Greenstone Belt (*recent high-grade drill results and broad-scale regional exploration planned*);
 - 100%-owned Monument Gold Project – adjacent to 3.3Moz Mt Morgans Gold Operations in Laverton Gold District (*50koz Resource with significant upside*); and
 - 80%-owned Edjudina Gold Project – second major land holding in Laverton Gold District (*exceptional early-stage gold anomalies*).
- Systematic exploration programs being developed across all three assets.

Syndicated Metals Limited (ASX: SMD – **Syndicated** or **the Company**) is pleased to announce the appointment of a new senior management team to drive the Company's gold exploration strategy across its three high-quality projects located in Western Australia.

The new appointments – of highly experienced exploration geologists and mining executives **Bradley Drabsch** (Managing Director) and **Toby Wellman** (Executive Technical Director) – mark the final stage of the Company's strategic repositioning to advanced gold exploration in WA.

Both Mr Drabsch and Mr Wellman are highly regarded and experienced geologists with a strong track record of exploration success in WA's major gold districts. Both are Directors of Centrepark Resources Group Pty Ltd (CRG), which purchased the Karlawinda Gold Project from Independence Group in 2015. CRG ultimately sold the project to Capricorn Metals Limited (ASX: CMM) becoming one of its major shareholders. With Karlawinda as its sole asset, CMM now has a market capitalisation of over \$300M.

As part of the change, David Morgan will step down as Managing Director but will remain on the board as a non-executive Director. Also, following the appointment of the new directors, long serving non-executive Director, Rob Cooper, will resign from the board to focus on his role as CEO of Round Oak Minerals Pty Ltd.

The board changes will be effective from 1st December 2019.

New Appointments

Bradley Drabsch is a highly regarded mining executive and experienced geologist who has worked in a wide range of commodities and roles globally. He was most recently Managing Director of ASX-listed Trek Metals Limited (ASX: TKM) where he led the restructure and recapitalisation of Zambezi Resources into Trek and brought the Kroussou zinc-lead project in Gabon into the company. The project has now been joint ventured to Apollo Minerals Ltd (ASX: AON) (part of the Ian Middlemas led, Apollo Group).

Mr Drabsch is a founding director of Centrepeak Resources Group Pty Ltd, a niche resources investment company which sold the Karlawinda Gold Project into ASX-listed gold developer Capricorn Metals (ASX: CMM). He is also currently a Technical Director for ASX listed High Grade Metals (ASX: HGM).

He previously held roles as Exploration Manager for gold producer Doray Minerals and explorers Duketon Mining Ltd (ASX: DKM) and Montezuma Mining Co. Ltd (now Element 25 Ltd, ASX: E25). He spent many years as a Senior Exploration Geologist for Independence Group and before that worked in a range of geological roles for companies including BHP Billiton, Ivanhoe Mines, St Barbara Mines and Strike Mining.

He is a Fellow of the Society of Economic Geologists and a Member of the Australian Institute of Geoscientists.

Details of Mr Drabsch's remuneration package are provided in Appendix 1 to this announcement.

Toby Wellman has more than 19 years' experience across exploration, development and production geology with exposure to varied mineralisation styles and commodities including gold, copper, lead, zinc, lithium and cobalt.

During his career, Mr Wellman made a significant contribution to the development of the Andy Well and Deflector Projects in WA as Senior Development Geologist and Senior Geologist for gold producer Doray Minerals. He was an integral part of the exploration team that discovered the Judy and Suzy deposits at Andy Well.

Other roles included senior geological positions for Boliden Minerals AB, where Mr Wellman led the targeting team that identified the Ravlidan Norra polymetallic deposit in Kristineberg, Northern Sweden and as Exploration Manager for Mont Royal Resources (ASX: MRZ).

Details of Mr Wellman's remuneration package are provided in Appendix 2 to this announcement.

Management Comment

Syndicated Metals Chairman Peter Langworthy said the Company was delighted to have secured the services of two talented and highly experienced geologists and mining executives, with the appointments marking the completion of its strategic repositioning as a focused WA gold explorer and the beginning of an exciting new growth chapter.

"Over the past 18 months, Syndicated Metals has completed the process of transitioning from a copper-gold explorer in North Queensland to become a WA-focused gold explorer with strong strategic positions in highly prospective greenstone belts and well-established mining districts," he said.

“Our orderly withdrawal from Queensland has seen us retain significant value and optionality over future exploration success via our 5 per cent holding in Carnaby Resources and 17.5 per cent free-carried interest in the Southern Hub tenements around the Tick Hill gold mine,” he added.

“As a result of the strategic initiatives undertaken over the past year, the Company has been able to supplement its high-quality Monument Gold Project in the Laverton district with the acquisition of two outstanding gold exploration opportunities at the Newington Project in the Southern Cross greenstone belt and the more recent acquisition of the Edjudina Project in the Laverton District.

“We believe these projects require a systematic exploration approach and we are delighted to have two outstanding individuals in Brad and Toby on board to lead the charge in this regard. They bring significant energy, enthusiasm and new ideas to the table, and I am confident they will be able to design and implement the exploration programs required to unlock the full potential of our projects.

“On behalf of my fellow directors and shareholders, I would like to welcome Brad and Toby on board and look forward to their contribution and leadership of Syndicated Metals,” he added.

“I would like to acknowledge the strong contribution made by David Morgan over the past 18 months as Managing Director. David has overseen the completion of the agreements required to rationalize our North Queensland tenement holding while also guiding our more recent acquisitions of the Newington and Edjudina Projects and the maiden exploration drilling programs at Newington – which have delivered encouraging high-grade results.

“As a result, Syndicated is in a strong position with high-quality gold exploration assets and a clear pathway to create value for shareholders. We would like to thank David for his efforts and look forward to his continued contribution at board level as a non-executive Director.”

“I would also like to acknowledge and thank Rob Cooper for the contribution he has made to the Company over the last 4 years.”

“Rob’s experienced input and guidance has been invaluable during a time of great challenge in the industry and great change for the Company. We wish Rob all the best in his demanding role as CEO of Round Oak Minerals Pty Ltd.”

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APPENDIX 1 – Remuneration Details: Mr Bradley Drabsch

Mr Drabsch will be engaged for 3 days per week under a consultancy services agreement and be paid an all-inclusive monthly fee of \$12,000, plus long-term incentives in the form of three tranches of unlisted options. The key terms and conditions for the options are detailed in Tables 1, 2 and 3 below and will be subject to shareholder approval.

Summary:

Contract: Consultancy Services Agreement
 Engagement: Part time, 3 Days per week
 Commencement Date: 1st December 2019
 Remuneration: \$12,000 per month
 Long Term Incentives: See Tables 1, 2 & 3

Table 1

TRANCHE	ONE
Options	8,000,000
Vesting Date	Immediately on the date of shareholder approval
Exercise Price	The greater of 1.7 cents and 170% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	Nil
Expiry Date	4 years

Table 2

TRANCHE	TWO
Options	8,000,000
Vesting Date	12 months from the Commencement Date.
T2 Vesting Period	The 12-month period following the Commencement Date.
Exercise Price	The greater of 2.25 cents and 225% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	<p>(i) At least 60% of all Company expenditure during the T2 Vesting Period being incurred on activities included in categories A, B, C, D or F of the Form 5 expenditure reports submitted by the Company in accordance with the Mining Act 1978 (WA) as verified by the Directors who do not have an interest in the Options;</p> <p>(ii) During the T2 Vesting Period there being no fatalities or other serious injuries or serious incidents, as defined by sections 76(4), 78(3) and 79(1) of the Mines Safety and Inspection Act 1994 (WA) and regulation 6.36(1) of the Mines Safety and Inspection Regulations 1995 (WA); and</p> <p>(iii) The average lost time injury frequency rate and the average restricted work injury frequency rate measured over the T2 Vesting Period are at or below the five-year rolling average for the Western Australian Minerals Industry Exploration sub-section as most recently reported at the end of the T2 Vesting Period.</p>
Expiry Date	4 years

Table 3

TRANCHE	THREE
Options	8,000,000
Vesting Date	30 months from the Commencement Date.
T3 Vesting Period	The 18-month period commencing at the end of the T2 Vesting Period and ending 30 months from the Commencement Date.
Exercise Price	The greater of 3.15 cents and 315% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	<p>(i) At least 60% of all Company expenditure during the T3 Vesting Period being incurred on activities included in categories A, B, C, D or F of the Form 5 expenditure reports submitted by the Company in accordance with the Mining Act 1978 (WA) as verified by the Directors who do not have an interest in the Options;</p> <p>(ii) During the T3 Vesting Period there being no fatalities or other serious injuries or serious incidents, as defined by sections 76(4), 78(3) and 79(1) of the Mines Safety and Inspection Act 1994 (WA) and regulation 6.36(1) of the Mines Safety and Inspection Regulations 1995 (WA); and</p> <p>(iii) The average lost time injury frequency rate and the average restricted work injury frequency rate measured over the T3 Vesting Period are at or below the five-year rolling average for the Western Australian Minerals Industry Exploration sub-section as most recently reported at the end of the T3 Vesting Period.</p>
Expiry Date	4 years

APPENDIX 2 – Remuneration Details: Mr Toby Wellman

Mr Wellman will be engaged as a full-time employee of the Company and be paid \$190,000 p.a. inclusive of superannuation, plus long-term incentives in the form of three tranches of unlisted options. The key terms and conditions for the options are detailed in Tables 1, 2 and 3 below and will be subject to shareholder approval.

Summary:

Contract: Executive Services Agreement
 Engagement: Full time
 Commencement Date: 1st December 2019
 Remuneration: \$190,000 p.a. inclusive of superannuation
 Long Term Incentives: See Tables 1, 2 & 3

Table 1

TRANCHE	ONE
Options	8,000,000
Vesting Date	Immediately on the date of shareholder approval
Exercise Price	The greater of 1.7 cents and 170% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	Nil
Expiry Date	4 years

Table 2

TRANCHE	TWO
Options	8,000,000
Vesting Date	12 months from the Commencement Date.
T2 Vesting Period	The 12-month period following the Commencement Date.
Exercise Price	The greater of 2.25 cents and 225% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	<p>(i) At least 60% of all Company expenditure during the T2 Vesting Period being incurred on activities included in categories A, B, C, D or F of the Form 5 expenditure reports submitted by the Company in accordance with the Mining Act 1978 (WA) as verified by the Directors who do not have an interest in the Options;</p> <p>(ii) During the T2 Vesting Period there being no fatalities or other serious injuries or serious incidents, as defined by sections 76(4), 78(3) and 79(1) of the Mines Safety and Inspection Act 1994 (WA) and regulation 6.36(1) of the Mines Safety and Inspection Regulations 1995 (WA); and</p> <p>(iii) The average lost time injury frequency rate and the average restricted work injury frequency rate measured over the T2 Vesting Period are at or below the five-year rolling average for the Western Australian Minerals Industry Exploration sub-section as most recently reported at the end of the T2 Vesting Period.</p>
Expiry Date	4 years

Table 3

TRANCHE	THREE
Options	8,000,000
Vesting Date	30 months from the Commencement Date.
T3 Vesting Period	The 18-month period commencing at the end of the T2 Vesting Period and ending 30 months from the Commencement Date.
Exercise Price	The greater of 3.15 cents and 315% of the VWAP for Shares during the five Business Days prior to the date on which Shareholder Approval is obtained.
Performance KPI's for Vesting	(i) At least 60% of all Company expenditure during the T3 Vesting Period being incurred on activities included in categories A, B, C, D or F of the Form 5 expenditure reports submitted by the Company in accordance with the Mining Act 1978 (WA) as verified by the Directors who do not have an interest in the Options;
	(ii) During the T3 Vesting Period there being no fatalities or other serious injuries or serious incidents, as defined by sections 76(4), 78(3) and 79(1) of the Mines Safety and Inspection Act 1994 (WA) and regulation 6.36(1) of the Mines Safety and Inspection Regulations 1995 (WA); and
	(iii) The average lost time injury frequency rate and the average restricted work injury frequency rate measured over the T3 Vesting Period are at or below the five-year rolling average for the Western Australian Minerals Industry Exploration sub-section as most recently reported at the end of the T3 Vesting Period.
Expiry Date	4 years