Assets, Experience, Growth

ASX ANNOUNCEMENT – 14 May 2014

BARBARA: EXCEPTIONAL THICK, HIGH-GRADE COPPER HITS

New results include 25.9m @ 4.24% Cu incl. 7.5m @ 10.76% Cu highlighting the potential for a future underground mining operation

HIGHLIGHTS

- **Assays received from final 8 holes from the recently completed 25-hole in-fill and extensional diamond drilling program at Barbara, with best results including:**
    - **25.9m @ 4.24% Cu from 125.7m including 7.5m @ 10.76% Cu in BADD021 (Southern Shoot);**
    - **29.0m @ 3.24% Cu from 22m including 19.0m @ 4.07% Cu in BADD022 (Southern Shoot);**
    - **13.0m @ 1.53% Cu from surface in BADD016 (Southern Shoot); and**
    - **17.0m @ 2.11% Cu from 13m in BADD044 (Southern Shoot).**

- **The intersection in BADD021 occurs 130m below surface and 20m above the base of the proposed open pit, highlighting the potential for high grade mineralisation to extend into underground mining positions below the open cut mine.**

- **Work has commenced on the Barbara Mineral Resource upgrade, with assay results from all in-fill diamond holes and all metallurgical holes now returned. The upgraded Mineral Resource is expected to be completed in the June 2014 Quarter.**

Syndicated Metals Limited (ASX: SMD – "Syndicated" or "the Company") is pleased to advise that work is now underway on a Mineral Resource upgrade for its flagship **Barbara Copper-Gold Joint Venture Project** (*Figure 1*) in northern Queensland, with the final batch of assays from recent in-fill and metallurgical drilling returning further exceptional thick, high-grade copper intersections.

Results from the final eight diamond holes included a thick, near-surface intersection in the Southern Shoot of **29.0m @ 3.24% Cu from 22m down-hole** including a high-grade, hangingwall intersection of **19m @ 4.07% Cu.** In addition, a second thick intersection of **25.9m @ 4.24% Cu from 125.7m down-hole** including a significant high-grade, hangingwall intersection of **7.5m @ 10.76% Cu** was encountered at depth in the deposit.

Other results from near surface in the Southern Shoot included **13.0m @ 1.53% Cu from surface** and **17.0m @ 2.11% Cu from 13m down-hole**, confirming the tenor, grade and predictable nature of the mineralisation in the Barbara deposit**.** These new intersections build on the outstanding results reported last week, which included a thick intersection in the Southern Shoot of **31.2m @ 3.38% Cu** including a significant high-grade, hangingwall intersection of **11.7m @ 7.92% Cu**, and other Southern Shoot intersections of **22.0m @ 2.27% Cu** and **26.0m @ 2.13% Cu**.

Importantly, the new intersections within the Southern Shoot were encountered both close to surface and near the base of the proposed open pit.

The intersections indicate that the near-surface, high grade mineralisation extends over a strike length of approximately 300m where ore grade mineralisation is encountered from surface. The intersection in BADD021 indicates that the high-grade hangingwall style of mineralisation persists at depth and potentially extends into underground mining positions below the proposed open cut mine at Barbara.

In addition gold grades recently received from this high grade hangingwall style of mineralisation are generally higher than previously appreciated with hole BADD020 returning an intersection of 11.1m @ 0.49ppm Au from the high-grade copper zone. This has positive implications for the economics of the Barbara Project.

Assay results from the final eight diamond drill holes from the in-fill drilling program will be incorporated into the updated Mineral Resource estimate which will underpin the ongoing Feasibility Study on the development of the Barbara Project.

The Barbara JV is a 50/50 joint venture with CopperChem Limited, which is funding the Feasibility Study for the development of Barbara Project up to a Decision to Mine.

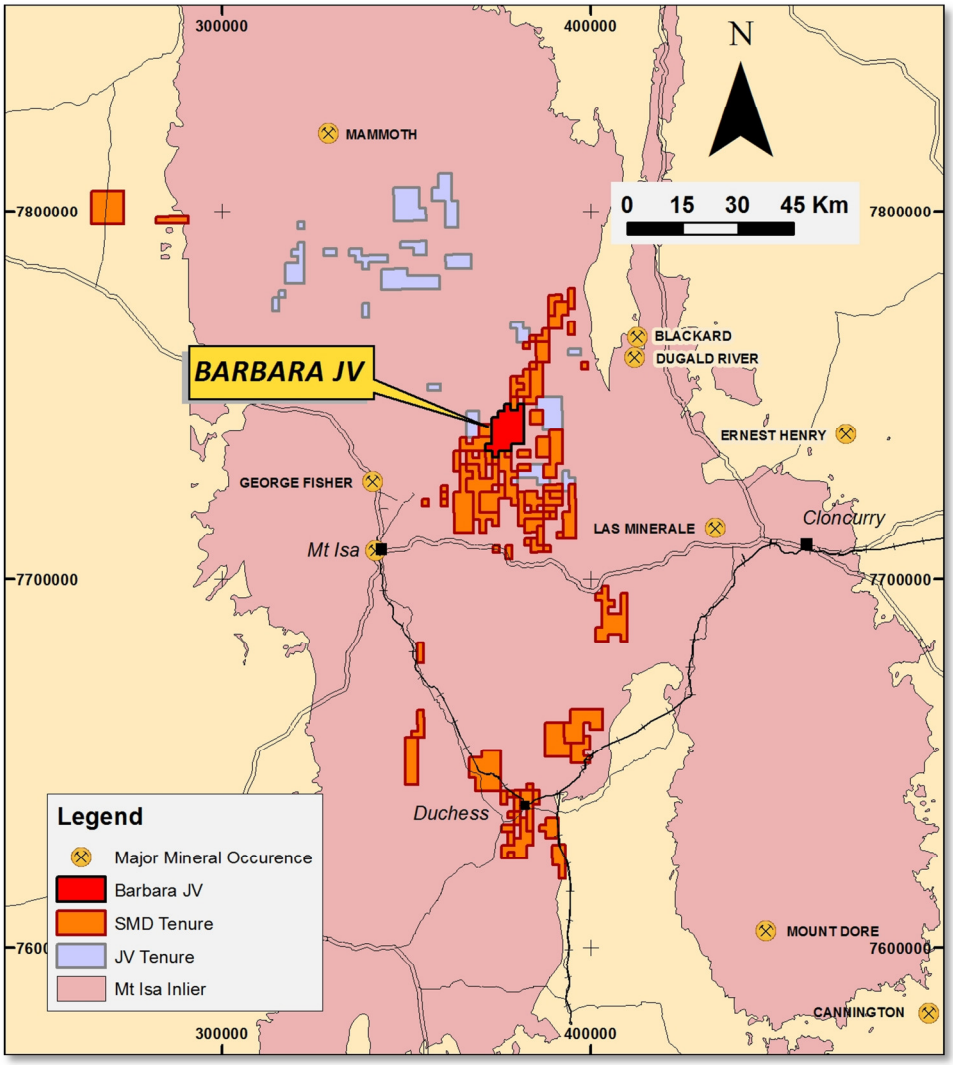

Figure 1 – Project Location Plan

Barbara Resource In-fill Diamond Drilling

The recently completed in-fill diamond drilling program at Barbara consisted of 25 holes (9 with RC pre-collars) for 661m of RC drilling and 1,499m of HQ and PQ diamond drilling.

The program was designed to in-fill and upgrade the current Barbara Mineral Resource (**Indicated Mineral Resource of 3.8Mt at 1.6% Cu and 0.2ppm Au and Inferred Mineral Resource of 1.6Mt at 1.1% Cu and 0.1ppm Au**) and to demonstrate the continuity and style of mineralisation, both at the thick, high-grade Southern Shoot and the generally thinner Northern Shoot. The holes were designed primarily on 20m in-fill sections.

The results have either met or exceeded expectations both from a geological interpretation and grade perspective, providing a strong foundation for the next phase of Mineral Resource estimation work. The location of the diamond drill holes completed and subject to reporting here is shown on Figures 2 and 3.

Results

Drilling results reported previously (BARC074 to BARC118) have provided coverage for resource definition within and around both the Southern Shoot and the Northern Shoot, confirming the interpretation of a high-grade (>2.5% Cu) hangingwall lode of mineralisation, supported by thick zones of lower grade (0.5% to 1.5% Cu) mineralisation.

Previously reported results (see ASX Announcement – 3 April and 7 May 2014) confirmed the interpretation at the Southern Shoot and have highlighted the potential to extend the Barbara Southern Shoot mineralisation into underground mining positions immediately below the proposed open pit design in this area.

Results from holes **BADD016, BADD019, BADD022 and BADD044** (this announcement) have demonstrated the high-grade nature of the near surface hangingwall lode within the Southern Shoot. The hangingwall lode mineralisation is coarse grained chalcopyrite associated with quartz-carbonate veining.

Results from hole **BADD021**, which intersected mineralisation approximately 130m below surface and 20m above the base of the proposed open pit mine (see Figure 2), indicate that the high-grade hangingwall style of mineralisation persists at depth within the deposit and corresponds to further coarse grained chalcopyrite mineralisation. The mineralisation style in BADD021 is illustrated by drill core in Figure 4.

Results from holes **BADD024, BADD025 and BADD026** have confirmed the previous interpretation of shallowly plunging shoots of copper mineralisation within the Northern Shoot. The thickness of ore grade intersections in the Northern Shoot is generally thinner than the Southern Shoot but is in line with previous RC drilling results.

2014 Feasibility Study Program

Sampling of representative composites for a variety of purposes has commenced at the Barbara Project. These composites will cover representative samples of material likely to be encountered within the proposed open pit mine and include:

- Two (2) oxide composites of PQ sized drill cores to test the near-surface oxide copper environment and provide samples for heap and column leach test work;
- Five (5) sulphide composites of HQ sized drill cores along with cores from the completed in-fill program which will be used to test the grinding, flotation and consumption performance of various material types and both high and low grade ores;
- A number of grade defined composites to test ore sorting performance;
- Samples to test waste rock leaching and buffering characteristics;
- Samples to test the materials handling characteristics of waste, oxide and sulphide ores; and
- Samples to test for construction material applications.

Management Comment

Syndicated's Managing Director Andrew Munckton said: "We thought we'd seen the best results Barbara had to offer with the intersections we put out last week but the final batch of assays have lifted the bar even further, delivering two of the best intersections we've yet seen at the Project from within the Southern Shoot.

"Hits of 25.9m @ 4.24% Cu including a high-grade zone of 7.5m @ 10.76% Cu and 29.0m @ 3.24% Cu including 19.0m @ 4.07% Cu are some of the best intersections you could ever wish to see from an emerging copper project, and we're absolutely delighted with the results we have received from the recently completed program.

"Importantly we have intersected wide zones of high grade copper mineralisation in the near surface environment which should allow flexibility and underpin the performance of the project by generating strong cash flows during the critical start-up phase.

"In addition the intersection of high grade, coarse grained chalcopyrite near the base of the proposed open pit gives us confidence that we will be able to extend this mineralisation into potential underground mining positions below the open pit mine demonstrating the potential upside in the project," he continued.

"The Southern and Northern Shoot diamond drilling results have confirmed the previous year's RC drilling results and increased our confidence in the robustness of the interpretation and the deposit's grade and geometry. This has allowed us to commence the interpretation and modelling work for the new Mineral Resource estimate.

"All aspects of the Barbara development are moving ahead on schedule. The next key milestones will be the announcement of the Mineral Resource upgrade incorporating all of these results and providing the foundation for the ongoing Feasibility Study. This will put us in a great position to move the project towards development during the second half of this year," Mr Munckton added.

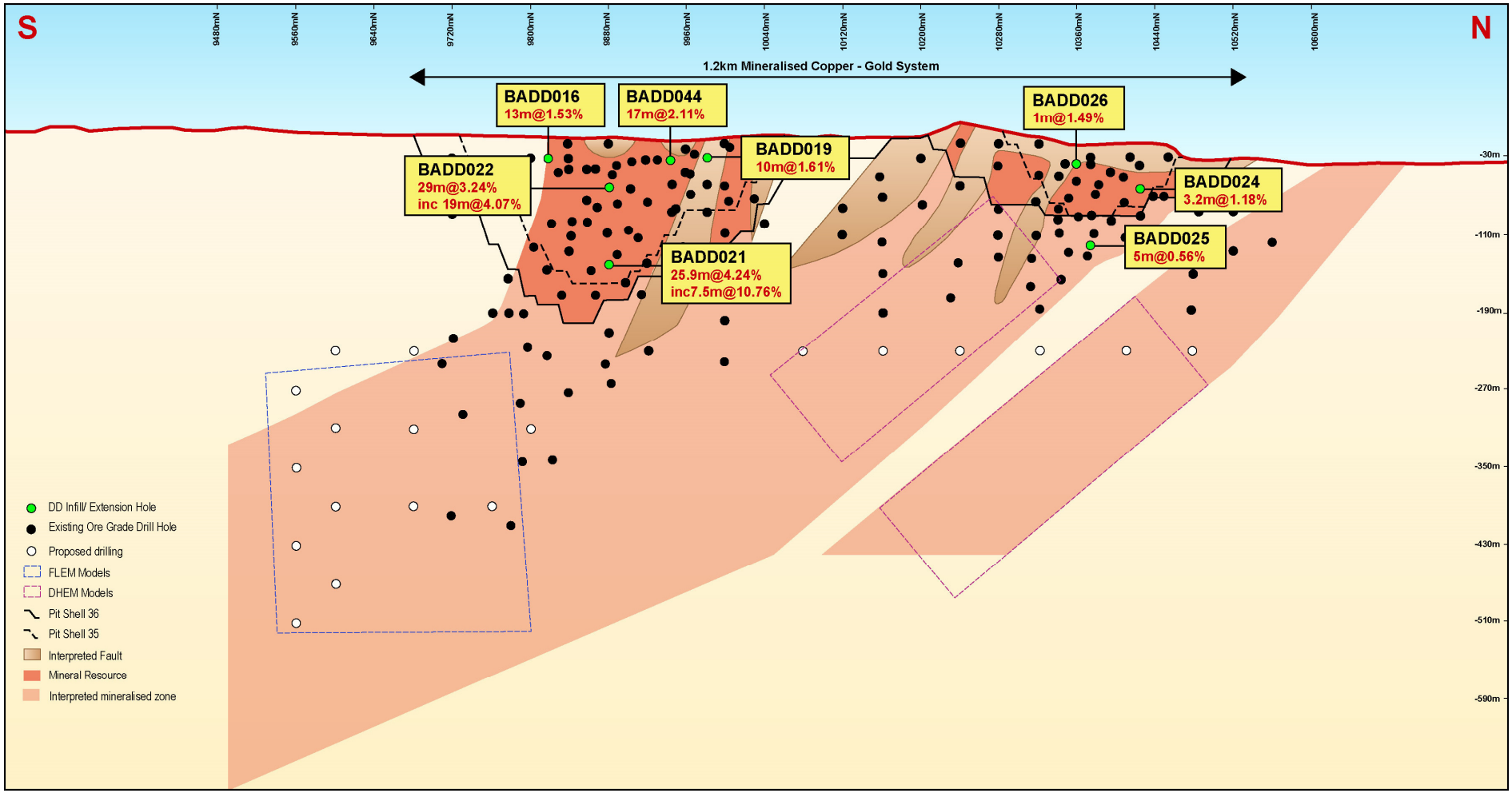

Figure 2 – Long Section showing recent diamond drilling results

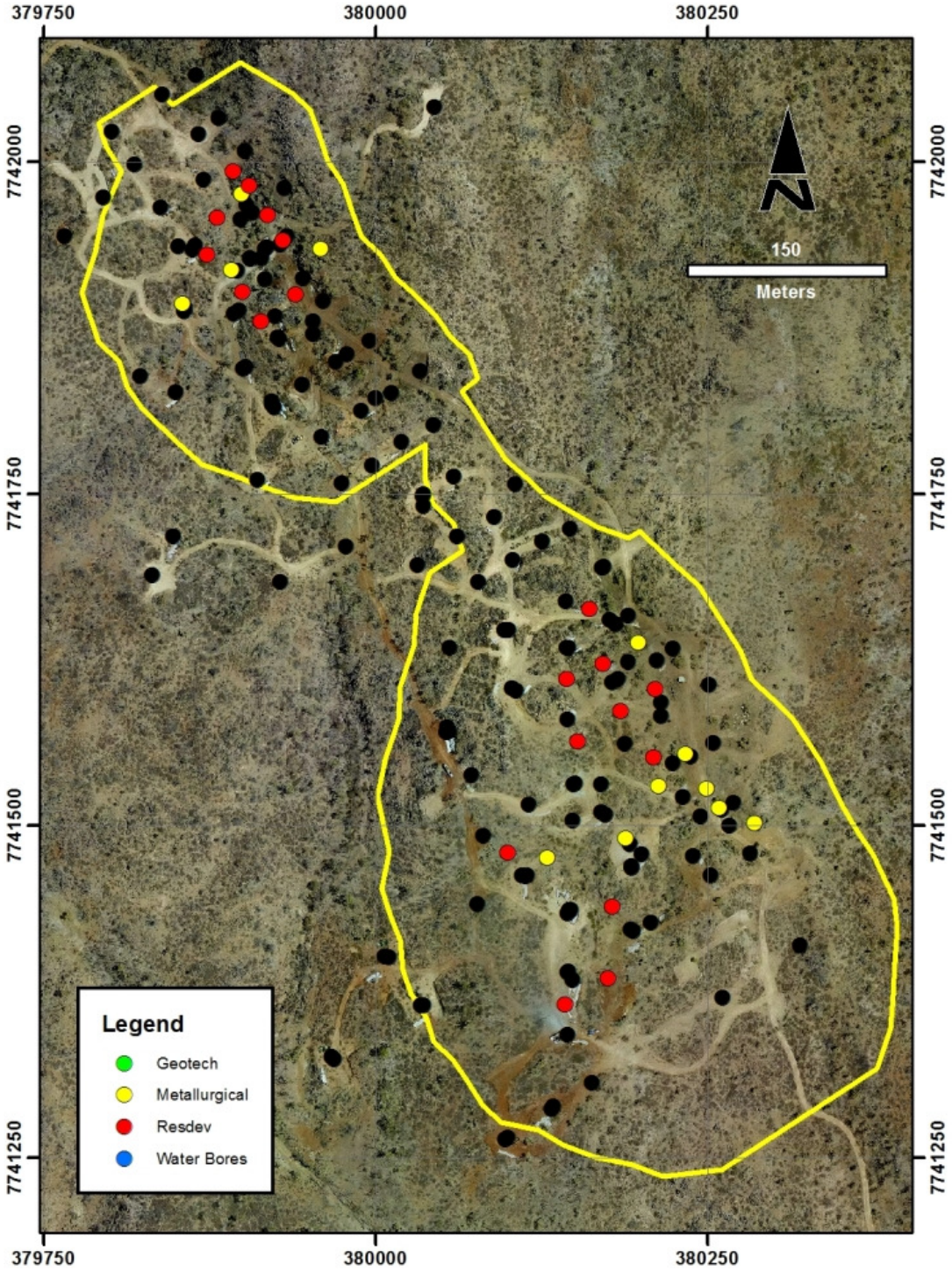

Figure 3 – Plan showing completed in-fill diamond drilling

Figure 4 – Photographs of coarse grained chalcopyrite-rich hangingwall lode Cu mineralisation from BADD021.

Table 1: Drill-Hole Summary and Significant Intercepts

Hole ID	Northing (m)	Easting (m)	Depth (m)	Dip	Azi	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	S (%)
BADD015	7741513	380259	59.6	-60	051	14.0	25.0	11.0	2.22	0.14	3.14	106	0.23
BADD016	**7741502**	**380286**	**32.6**	**-60**	**051**	**0**	**13**	**13**	**1.53**	**0.20**	**4.67**	**94**	**0**
BADD017	7741528	380250	41.7	-60	051	9.0	35.0	26.0	2.13	0.19	2.84	219	2.53
		including				10.0	25.0	15.0	3.09	0.29	3.35	249	0.88
BADD018	7741554	380234	45.2	-60	051	0.0	22.0	22.0	2.27	0.17	3.12	174	0.39
BADD019	**7741638**	**380198**	**40**	**-60**	**051**	**12**	**22**	**10**	**1.61**		**3.45**	**108**	**0.02**
BADD020	7741491	380189	125	-60	051	69.7	100.8	31.2	3.38	0.21	3.90	165	3.75
		including				70.3	82.0	11.7	7.92	0.49	9.04	369	7.38
BADD021	**7741475**	**380129**	**165.5**	**-60**	**051**	**125.7**	**151.6**	**25.9**	**4.24**		**5.23**	**564**	**5.89**
		including				**125.7**	**133.2**	**7.5**	**10.76**		**13.76**	**899**	**+10**
						153.5	**154.2**	**0.7**	**2.53**		**4.3**	**36**	**5.37**
BADD022	**7741530**	**380213**	**82.8**	**-60**	**051**	**22**	**51**	**29**	**3.24**		**3.94**	**215**	**4.96**
		including				**27**	**46**	**19**	**4.07**		**5.08**	**267**	**6.14**
BADD023	7741914	379904	81.6	-60	051	49.0	69.0	20.0	0.75	0.07	0.63	78	1.84
BADD024	**7741976**	**379899**	**45.7**	**-60**	**051**	**7**	**10.2**	**3.2**	**1.18**	**0.11**	**2.44**	**254**	**0.04**
BADD025	**7741893**	**379855**	**120**	**-60**	**051**	**96**	**101**	**5**	**0.56**	**0.04**	**0.78**	**58**	**1.94**
BADD026	**7741935**	**379959**	**21.6**	**-60**	**051**	**7**	**8**	**1**	**1.49**	**0.14**	**0.00**	**131**	**0.00**
BADD036	7741623	380171	69.1	-60	051	41.0	52.0	11.0	0.73	0.05	2.07	58	1.55
BADD037	7741660	380162	62.7	-60	051	26.0	31.0	5.0	1.03	0.09	3.38	85	1.42
BADD040	7741609	380144	99.4	-60	051	77.0	81.0	5.0	1.47	0.21	6.63	63	2.01
BADD041	7741879	379912	95	-60	051	70.0	71.0	1.0	1.15	0.17	1.50	15	1.39
BADD042	7741901	379898	75.6	-60	051	45.0	56.0	11.0	0.60	0.04	2.12	61	1.88
	and					65.3	67.5	2.2	1.12	0.22	0.82	61	2.36
BADD043	7741932	379873	90.55	-60	051	60.8	66.0	5.2	1.86	0.18	2.28	210	5.04
BADD044	**7741603**	**380211**	**41.7**	**-60**	**051**	**13**	**30**	**17**	**2.11**	**0.13**	**3.87**	**119**	**0.53**
BADD045	7741901	379941	58.04	-60	051	33.0	34.0	1.0	1.09	0.08	1.20	61	1.08
BADD046	7741937	379932	44.5	-60	051	7.0	13.0	6.0	1.03	0.12	1.32	238	0.05
BADD047	7741958	379920	29.4	-60	051	4.0	10.0	6.0	1.65	0.10	2.45	279	0.02
BADD048	7741983	379910	53.36	-60	051	12.0	13.0	1.0	1.72	0.14	2.10	46	0.03
BADD049	7741989	379894	53.4	-60	051	25.0	27.8	2.8	0.75	0.05	0.91	31	1.09
	and					30.4	31.1	0.7	0.92	0.02	1.10	442	3.89
BADD050	7741956	379880	79	-60	051	30.4	35.0	4.6	2.28	0.19	3.98	321	7.21

Note : The mineralised interval length of intercepts shown in the table are down-hole distances and are not corrected for angle of dip. A cut-off grade of 0.5% Cu was used for calculating mineralised intervals. Downhole widths are reported. True width is approximately 80-85% of Downhole width.

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 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 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.

Exploration Targets

This report comments on and discusses Syndicated Metals Limited's exploration in terms of target size and type. The information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

ENDS

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Criteria	JORC Code explanation	
Sampling Techniques and Data		
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	25 Diamond drill holes, 9 with Reverse Circulation (RC) precollars completed by Syndicated Metals Limited (SMD). RC drillholes were sampled at 1m intervals using a rig mounted cyclone with an 87.5-12.5% riffle splitter to collect a 3.5kg to 4kg sample. Selected ore zone samples were selected based on Geology and Handheld XRF analysis and were sent to SGS laboratories in Townsville for multi-element analysis and Au analysis. Reject samples are bagged and will be retained on site for 12 months before discarding. HQ and PQ sized diamond core was filleted using a diamond core saw machine. Samples of approximately 1/3 core (20 mm thick) were sampled at intervals of between 60cm and 1.2m cut to geological boundaries. The majority of samples were 1m in length. Sample weights vary from 2.0 kg to 3.5kg for filleted HQ and PQ sized core.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sampling was carried out using Syndicated Metals Limited (SMD) sampling protocols and QAQC procedures.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	RC and diamond core drilling was used to obtain a generally 1m in RC and 40cm to 1.2m sample in diamond core representative sample. A multi element concentration reading of each interval was taken using a Niton Portable XRF. The samples submitted for assay were given a unique sample ID and shipped to SGS Laboratories, Townsville. Samples were dried, pulverised by an LM2 and Analysed for Cu, Co, S, Ca, Mg, Fe, V, As, Cd, Cr, Pb, Zn, Zr, K, Ti, Ag by four acid digest with an ICP finish. Gold was analysed using fire assay.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC Drilling has been undertaken using a face sampling percussion hammer with 5 ¼" to 5 ½" bits. Diamond drilling was undertaken on HQ (63mm diameter) and PQ (83mm diameter) diamond core.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC drilling recoveries were monitored visually by means approximating bag weight to theoretical weight followed by checking sample loss through outside return and sampling equipment. Diamond core recoveries were monitored and logged. Recoveries were uniformly high exceeding 95%.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC holes were collared with a well-fitting stuffing box to ensure material to outside return was minimized. Drilling was undertaken using auxiliary compressors and boosters to keep the hole dry and lift the sample to the sampling equipment. Cyclone and sampling equipment was checked regularly and cleaned. Hole was flushed at end of each sample and end of each rod. Bit was pulled back after every metre to reduce contamination through the ore zone. Diamond cores were collared from RC precollars in fresh rock ensuring no sample loss or when collared from surface "triple tube" drilling techniques were employed to ensure maximum core recovery and integrity of the material structure.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Recovery was visually checked and sample loss of the fine or coarse fraction was minimised by following SMD drilling protocols and procedures.

Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Logging was completed by a Geologist using SMD logging procedures that were developed to accurately reflect the geology of the area and mineralisation styles.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is qualitative and quantitative in nature and captured downhole depth, colour, lithology, texture, alteration, sulphide type, sulphide percentage and structure. All core is digitally photographed for historical reference.
	The total length and percentage of the relevant intersections logged.	All drillholes are logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	HQ and PQ sized core was filleted using automatic diamond core saw. Filleting takes approximately 1/3 of the core sample consisting of a 20mm thick arc in HQ sized (63mm diameter) core. In PQ sized (83mm diameter) core the 20mm thick arc of core is halved to provide a sample less than 3.5Kg in weight.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The RC samples were split (87.5%-12.5%) by the multi-tiered riffle splitter within the cyclone of the drilling rig. Majority of the samples were recorded as dry and minimal wet samples were encountered. Sample duplicates were obtained by splitting the reject sample in the field using the multi-tier riffle splitter.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The samples were sent to an accredited laboratory for sample preparation and analysis. SGS Laboratory follows industry best standards in sample preparation including: optimal drying of the sample (temperature and time for base metal sample), crushing and pulverization of the entire sample in a LM2 to a grind size of 85% passing at 75 microns.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Quality Control (QC) procedures involved the use of certified reference material - Base metals standards prepared by Ore Research and Exploration Pty Ltd, along with blanks and field sample duplicates.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Field sample duplicates were taken twice in every 100 samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are believed to be appropriate to correctly represent the style, thickness of copper and gold mineralisation in the Mt Isa Inlier.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The use of Four Acid digest and Fire assay are classified as total assays. Sequential assaying (acid soluble and cyanide soluble) assaying was undertaken on all oxide and transitional ore samples submitted for assay.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.	No geophysical tools were used to determine any element concentrations used in the resource estimate. A handheld XRF instrument was used to determine if samples are to be submitted for chemical analysis (assay).
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Syndicated Metals inserted certified standards and duplicates into the sample sequence. Field duplicates and standard control samples have been used at a frequency of 2 field duplicates and 6 standards per 100 samples. ALS Laboratories QAQC included insertion of certified standards, blanks, check replicates and fineness checks to ensure grind size of 85% passing 75 micron as part of their own internal procedures.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	None undertaken in this programme.
	The use of twinned holes.	None undertaken in this programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Geological and sampling information was collected using an electronic logging system.

	Discuss any adjustment to assay data.	No adjustments were undertaken.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Initial collar locations were determined by handheld GPS device and will be surveyed using RTK-60 GPS by licensed surveyors before resource estimates are completed.
	Specification of the grid system used.	GDA94 MGA Zone 54 datum North.
	Quality and adequacy of topographic control.	Drillholes are surveyed by licensed surveyors at the conclusion of the program. Prior to the hole being surveyed the hole is picked up using handheld GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill spacing in this program is at approximately 20m x 40m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The drill spacing in this program is at 20m x 40m, which is believed to be sufficient to classify the Barbara Copper gold deposit as Measured, Indicated and Inferred Mineral Resource.
	Whether sample compositing has been applied.	All samples were collected at 1m sample intervals except a small amount of diamond core samples which were between 40cm and 120cm in length and cut to geological boundaries. No compositing was necessary or completed.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The predominant drill orientation of the drilling is –60 to local grid east. At this orientation the intercepts are close to true widths. However, there are a number of holes which have been drilled between -60 and -90 degrees to the grid east which are at an angle to the main ore zone. From the sampling to date no bias has been identified due to the orientation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No bias is currently known.
Sample security	*The measures taken to ensure sample security.*	Samples were stored on site and transported to SGS Laboratories in Townsville for preparation and multi-element and fire assay analyses. The samples were labeled from the point of collection and retained this unique number throughout the analytical process.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been undertaken at this point.

Criteria	JORC Code explanation	
Exploration Results		
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Barbara Resource is located within EPM16112 and EPM15564. The current registered holder for EPM16112 and EPM15564 is Syndicated Metals Limited (SMD). These tenements are currently in the process of being transferred to the CopperChem/Syndicated Metals JV. The area covered by the Barbara Resource is subject to two separate MDL applications MDL499 (covering the whole extent of EPM16112) and MDL500 (covering the single sub block CLON 383 B within EPM15564). EPM16112 and EPM15564 and their respective MDL applications were recently subject to the Barbara Joint Venture Earn-in Agreement with CopperChem Limited (CopperChem) for the joint evaluation, development, mining and processing of the Barbara Resource. CopperChem have a 50% interest in MDL499, MDL500 and EPM16112 and a portion of EPM15564. The tenements sit within the Kalkadoon People #4 Native Title claim.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Barbara Resource: 19 holes out of 192 have been drilled by various companies in the 1960's - 1990's including Nippon Mining Australia Limited (Nippon), Cyprus Gold Corporation (Cyprus) and Murchison United NL (Murchison). Nippon conducted exploration in the area from 1965 to 1995, during which time 7 diamond holes were completed (DDH1-DDH7). Cyprus held the Barbara tenement from 1993 to 1995, and completed holes BAQ9301, BAQ9302 and BAQ9303. A diamond tail (NQ2 core from 120.3 to 193.2m was completed for BAQ9303. The RC holes were sampled at 1m intervals and analysed for Cu and Au by ALS Laboratories in Mt Isa. Murchison held the ground between 1995 and 2000. During their tenure they completed 9 shallow RC holes. The holes were sampled at 1-2m intervals in the mineralised zones and at 5m outside of mineralisation. Samples were sent to Amdel for Cu analysis.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Barbara Resource is a shear hosted deposit within acid volcanics within the Kalkadoon-Leichhardt belt of the Mt Isa Inlier. The NW striking lode dips at approximately 60°to the south west, and varies from 2m to 30m true thickness.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	Refer to attached Table 1.
	Easting and northing of the drill hole collar	Refer to attached Table 1.
	Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar	Refer to attached Table 1.
	Dip and azimuth of the hole	Refer to attached Table 1.
	Down hole length and interception depth	Refer to attached Table 1.
	Hole length.	Refer to attached Table 1.

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Refer to attached Table 1.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Refer to attached Table 1.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	The high grades in the exploration results have not been cut. Weighted averaging has only occurred in diamond drilling, where irregular sample intervals were taken.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	No metal equivalent values are used for reporting exploration results.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Drilling at Barbara was undertaken at an azimuth of 51 Degrees to NNE and a dip of -60 to -90, The orientation of the target area/ore zone has a strike of 310 degrees and dips -60 to the west. The intersection angles for the majority of drilling were at an angle -75 to 90 degrees to the mineralised zones. Therefore reported downhole intersections for -60 to -75 degree holes are approximate to true width and the intersection honours' the true width of the ore zone. However, the drillholes completed with dips from -75 to -90 overstate the thickness of the target/orezone. The degree of this, depends on the orientation of the hole.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Refer to attached Table 1. See above.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures 1, 2 and 3.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results are reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Not applicable.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Refer Figures 2 and 3 for locations of metallurgical drill holes.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to Figures 2 and 3.