

31 July 2015

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)
Via email: Sebastian.Bednarczyk@asx.com.au

ASX ANNOUNCEMENT

Response to ASX Aware Query

Stratum Metals Limited (Stratum or the Company) has considered ASX's Aware Query with respect to the trading in the Company's securities on 27 July 2015, the Price Query Letter dated that day and the Company's response, the trading halt requested that day, the announcement titled "LPE Signs 1st Contract to Supply Hot Water Systems to Strata Communities" (Rovella Announcement) and subsequent trading in the Company's securities.

Stratum responds as follows;

1. No.
2. The Contract with Rovella (Contract) covers the Princess Regent Development, which is a new development that is under construction. The timing of any future revenue is dependent upon construction time for the project, and therefore uncertain. In its investor presentation released to ASX on 21/7/15 LPE stated its initial target for energy under management LPE is seeking to achieve within 5 years is 400MW. The Contract's estimated future annual energy consumption of 0.6GW represents only 0.15% of that target, and cannot reasonably be seen to be material.

At the time of your Price Query, Stratum was actively engaging with its shareholder base and the wider investment community, promoting and explaining the contents of its earlier announcements. Stratum's view that;

- i. the Rovella Announcement was not information that a reasonable person would expect to have a material effect on the price or value of its securities; and
- ii. that trading activity was a rational market response to its promotion activities

was reasonably formed when all of the factors set out above are taken into account.

3. N/A.
4. N/A.
5. The Company confirms it is in compliance with the Listing Rules and, in particular, ASX Listing Rule 3.1.

On behalf of the Board
Damon Sweeny
Company Secretary

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29 July 2015

Damon Sweeny
Company Secretary
Stratum Metals Limited
55 Hampden Rd
NEDLANDS WA 6009

By email

Dear Mr Sweeny

Stratum Metals Limited (the "Entity"): ASX aware query

ASX Limited ("ASX") refers to the following:

1. The price query letter sent to the Entity on 27 July 2015 in which it was noted that the Entity's securities had increased from a closing price of \$0.007 on 24 July 2015 to an intra-day high of \$0.014 on 27 July 2015 ("Price Query Letter").
2. The Entity's request for a trading halt dated 27 July 2015, requesting that the securities of the Entity to be placed in a trading halt pending an announcement by the Entity updating the market about the proposed acquisition of Locality Planning Energy Pty Ltd ("LPE").
3. The Entity's response to the Price Query Letter released at 2:33 pm (AEST) on 28 July 2015 ("Price Query Response"), in which the Entity indicated that:

- a) It was not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
- b) The Entity also stated that:

"Stratum advises that it is now actively engaging with its shareholder base and the wider investment community, promoting and explaining the contents of the investor presentation announced on 21 July and the business performance update regarding Locality Planning Energy Pty Ltd ('LPE', the subject of the proposed acquisition announced on 3 July 2015). Stratum believes the recent trading to be a rational market response to those recent activities.

...

We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1. The Company is currently in a trading halt and expects the announcement referred to in the halt request to be released to the market immediately following the release of this response."

4. The Entity's announcement titled "LPE Signs 1st Contract to Supply Hot Water Systems to Strata Communities" (the "LPE Announcement") lodged with the ASX Market Announcements Platform and released at 2:39 pm (AEST) on Tuesday, 28 July 2015 disclosing, amongst other things, LPE signing a contract with Rovella Group covering the Princess Regent Development in Woolloongabba, Queensland ("Rovella Contract").

5. The increase in the Entity's share price from a closing price on 27 July 2015 of \$0.015 to an intraday high of \$0.024 on 29 July 2015.
6. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

8. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

9. ASX's policy position on the concept of "confidentiality" which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "Listing Rule 3.1A.2 – the requirement for information to be confidential"*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Rovella Contract to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the Rovella Contract?

4. If the answer to question 1 is “yes” and the Entity first became aware of the Rovella Contract before the release of the LPE Announcement, did the Entity make any announcement prior to the relevant date which disclosed the Rovella Contract? If so, please provide details. If not, please explain why the Rovella Contract was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the details of the Rovella Contract under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. before 7.30 a.m. WST) on Friday, 31 July 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at allexchperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Sebastian Bednarczyk

Senior Adviser, Listings Compliance (Perth)