

16 July 2015
ASX ANNOUNCEMENT

Variation to Option Agreement

Further to the announcement on 3 July Stratum Metals Limited (ASX:SXT) (**Stratum**) is pleased to announce that the parties have varied the Heads of Agreement in order to clarify the mechanisms for calculating the number of performance shares to be issued. The agreement now explicitly excludes options from the calculation base for performance shares. An updated illustration of the proposed change in Stratum's capital structure appears below, as does a revised indicative timetable.

Indicative Capital Structure

The following table illustrates the change in Stratum's capital structure (pre Consolidation basis) following the LPE acquisition and Capital Raising with a Settlement Date of 30 September 2015:

	Shares	Options	Convertible Loans/Notes	Performance Shares
Current	236,140,512	56,699,104	1,500,000	
Conversion of Mt Gold Note and interest ¹	43,230,514	21,093,750	(1,350,000)	
Conversion of Stratum Loans and interest ²	27,243,835	27,243,835	(150,000)	
Capital Raising ³	200,000,000	-		
Sub-Total	506,614,861	105,036,689	-	
Consideration for acquisition of LPE	506,614,861	-		675,486,482
Armada Options	-	75,000,000		
TOTAL	1,013,229,723	180,036,689	-	675,486,482

Notes:

- ¹ Assuming that MG Noteholders and Stratum shareholders agree to reduce the face value of the MG Note and convert at a 20% discount to the Capital Raising price (assuming a Capital Raising price of \$0.02 per Stratum Share) together with one free attaching Stratum Option (exercisable at \$0.02 on or before 29 February 2016) for every two Stratum Shares issued. This value assumes that 6 months interest has accrued under the Mt Gold Note prior to conversion.

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- ² Stratum has been granted loans to the value of \$150,000 (**Stratum Loans**) which will convert at Settlement into Stratum Shares together with one free attaching Stratum Option (exercisable at \$0.02 on or before 29 February 2016) for every Stratum Share issued. The Stratum Loans accrue simple interest at a rate of 1% per month. This value assumes that 9 months interest has accrued under the Stratum Loans prior to conversion.
- ³ Assuming a Capital Raising price of \$0.02 per Stratum Share.

Indicative Timetable*

The indicative timetable for completion of the transaction and Stratum's re-compliance with the ASX listing rules is outlined below:

Event	Date
Execute option agreement for the acquisition of LPE	1 July 2015
Exercise of Option	30 July 2015
Due diligence completion	30 July 2015
Despatch notice of meeting seeking approval for the acquisition of LPE	31 July 2015
General meeting of shareholders to approve the acquisition of LPE	3 September 2015
Lodgement of Capital Raising prospectus with ASIC	4 September 2015
Closing date of Capital Raising under the prospectus	18 September 2015
Despatch holding statements for Capital Raising and acquisition of LPE	25 September 2015
Re-quotations of Stratum Shares on ASX	30 September 2015

* Please note this timetable is indicative only and the directors of Stratum reserve the right to amend the timetable as required.

On behalf of the Board
Damon Sweeny
Company Secretary