

ASX ANNOUNCEMENT

21 May 2015

Appendix 3B and Section 708A(5) Notice

Stratum Metals Limited (**Stratum** or the **Company**) is pleased to announce that it has issued 40,054,246 fully paid ordinary shares to investors (as described in Section 708 of the Corporations Act 2001 (Corporations Act)). 20,615,847 shares were issued from its 15% capacity pursuant to Listing Rule 7.1, and a further 19,438,399 shares were issued from its 10% capacity pursuant to Listing Rule 7.1A.

The Corporations Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the Securities noted above will fall within the exemption in section 708A(5) of the Corporations Act.

The Company hereby notifies under section 708A(5)(e) of the Corporations Act that:

- (a) the Securities were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (c) as at the date of this notice, the Company has complied with section 674 of the Corporations Act as it applies to the Company; and
- (d) as at the date of this notice, there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B. The rights and liabilities attaching to the Securities.

In accordance with the requirements of ASX Listing Rule 3.10.5A, the Company advises the following particulars in respect to the 19,438,399 Shares issued pursuant to ASX Listing Rule 7.1A:

(a) Details of dilution:

Percentage of pre-placement issued capital represented by securities issued	9.0%
Percentage of post-placement issued capital (including Shares issued under rule 7.1) held by pre-placement security holders who did not participate in the placement	92.0%
Percentage of post-placement issued capital (including Shares issued under rule 7.1) held by pre-placement security holders who participated in the placement	0.6%
Percentage of post-placement issued capital (including Shares issued under rule 7.1) held by participants in the placement who were not previously security holders	7.6%

Stratum Metals Limited ACN 147 867 301

Suite 8, 55 Hampden Road, Nedlands WA 6009

Ph +61 8 9389 5885 | Fax +61 8 6389 0576

ASX Code: **SXT** | www.stratummetals.com.au

(b) Reasons for issue of Shares as a placement under rule 7.1A:

The Company did not offer not a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate, as the timing of the requirement for capital did not allow for such. The Company also took the opportunity to secure a number of new investors who offered a long term commitment to the Company.

(c) Details of any underwriting arrangements:

Not applicable

(d) Details of other fees:

The placement attracted standard capital raising fees at 5% of capital raised.

On behalf of the Board

Damon Sweeny
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Stratum Metals Limited

ABN

90 147 867 301

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Ordinary Shares
2. Ordinary Shares
3. Ordinary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 54,246
2. 20,561,601
3. 19,438,399

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

1. Ordinary Shares
2. Ordinary Shares
3. Ordinary Shares

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. Yes 2. Yes 3. Yes</p>
5	<p>Issue price or consideration</p>	<p>1. \$0.12 2. \$0.007 3. \$0.007</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. consideration for Convertible Note interest, pursuant to Convertible Note Deed Poll 2. Placement 3. Placement</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>10 November 2014</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>20,615,847</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>19,438,399</p>
6e	<p>Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
6f	<p>Number of securities issued under an exception in rule 7.2</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes • Issue Date 20 May 2015 • Issue Price: \$0.0070 • 15day VWAP: \$0.0066 • Source : IRESS																				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A																				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1																				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	1. 1 May 2015 2. 20 May 2015 3. 20 May 2015																				
8	Number and +class of all +securities quoted on ASX (including the securities in section)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">236,140,512</td> <td style="text-align: center;">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	236,140,512	Ordinary Shares																
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236,140,512	Ordinary Shares																					
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3,000,000</td> <td>Options (\$0.25 @ 7-Jun-16)</td> </tr> <tr> <td style="text-align: center;">3,000,000</td> <td>Options (\$0.35 @ 7-Jun-16)</td> </tr> <tr> <td style="text-align: center;">500,000</td> <td>Options (\$0.25 @ 15-Apr-18)</td> </tr> <tr> <td style="text-align: center;">600,000</td> <td>Options (\$0.25 @ 23-Jan-17)</td> </tr> <tr> <td style="text-align: center;">250,000</td> <td>Options (\$0.25 @ 15-Apr-16)</td> </tr> <tr> <td style="text-align: center;">5,500,000</td> <td>Options (\$0.40 @ 15-Apr-16)</td> </tr> <tr> <td style="text-align: center;">43,849,104</td> <td>Options (\$0.02 @ 29-Feb-16)</td> </tr> <tr> <td style="text-align: center;">1,350,000</td> <td> Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 8% p.a. coupon rate (payable in shares @ \$0.12 each) ▪ Expire 2-Dec-14 (extended by agreement) ▪ Convertible in to shares at: 20% discount to 15-day VWAP prior to conversion </td> </tr> <tr> <td style="text-align: center;">150,000</td> <td> Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 1% monthly coupon rate ▪ Expire 31 Jul 2015 ▪ Convertible into shares at \$0.006 </td> </tr> </tbody> </table>	Number	+Class	3,000,000	Options (\$0.25 @ 7-Jun-16)	3,000,000	Options (\$0.35 @ 7-Jun-16)	500,000	Options (\$0.25 @ 15-Apr-18)	600,000	Options (\$0.25 @ 23-Jan-17)	250,000	Options (\$0.25 @ 15-Apr-16)	5,500,000	Options (\$0.40 @ 15-Apr-16)	43,849,104	Options (\$0.02 @ 29-Feb-16)	1,350,000	Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 8% p.a. coupon rate (payable in shares @ \$0.12 each) ▪ Expire 2-Dec-14 (extended by agreement) ▪ Convertible in to shares at: 20% discount to 15-day VWAP prior to conversion 	150,000	Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 1% monthly coupon rate ▪ Expire 31 Jul 2015 ▪ Convertible into shares at \$0.006
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

+ See chapter 19 for defined terms.

25 If the issue is contingent on +security holders' approval, the date of the meeting

26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders

28 Date rights trading will begin (if applicable)

29 Date rights trading will end (if applicable)

30 How do +security holders sell their entitlements in full through a broker?

31 How do +security holders sell part of their entitlements through a broker and accept for the balance?

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Damon Sweeny
Company Secretary
20 May 2015

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	121,422,277
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	73,299,999
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	194,722,276

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of "A"	
"B"	0.15
Multiply "A" by 0.15	29,208,341
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	22,498,074
"C"	22,498,074
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15	29,208,341
Subtract "C"	22,498,074
Total ["A" x 0.15] – "C"	6,710,267

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	194,722,276
Step 2: Calculate 10% of “A”	
“D”	0.10
Multiply “A” by 0.10	19,472,227
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	19,438,399
“E”	19,438,399
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	19,472,227
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	19,438,399
Total [“A” x 0.10] – “E”	33,828

+ See chapter 19 for defined terms.