



19 January 2015

ASX ANNOUNCEMENT

Section 708a Notice: Share Issue

Stratum Metals Limited (ASX: SXT) (“Stratum” or the “Company”) hereby provides notice to the ASX for the purpose of section 708A(5)(e) of the Corporations Act that it has issued 8,539,964 ordinary fully paid shares and 8,539,964 unlisted options (exercisable at \$0.02 each on or before 29-Feb-16) without disclosure to investors under Part 6D.2 of the Corporations Act.

The Company states that as at the date of this notice:

- it has complied with the relevant provisions of Chapter 2M of the Corporations Act as they apply to the Company and Section 674 of the Corporations Act; and
- it is not aware of any excluded information within the meaning of Sections 708A(7) and 708A(8) of the Corporations Act.

On behalf of the Board
DP Cornish
Company Secretary

Stratum Metals Limited ACN 147 867 301

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

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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. Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 8,539,964 Ordinary Shares
2. 8,539,964 Unlisted Options |
| 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. Unlisted Options, exercisable at \$0.02 each on or before 29-Feb-16 |

+ See chapter 19 for defined terms.

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 	<ol style="list-style-type: none"> Ordinary Shares - Yes Unlisted Options - N/A
5	<p>Issue price or consideration</p>	<ol style="list-style-type: none"> Ordinary Shares - \$0.006 per share Unlisted Options – Nil, free attaching options issued on a 1:1 basis
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> Conversion of Loan into 8,333,333 shares, plus 206,631 shares issued as consideration for Loan interest – per Loan Agreement Free attaching options pursuant to conversion of Loan (8,333,333 options), plus Loan interest (206,631 options) – per Loan Agreement
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 <i>in relation to the +securities the subject of this Appendix 3B</i>, 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>206,631 Ordinary Shares and 206,631 Unlisted Options</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</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>8,333,333 Ordinary Shares and 8,333,333 Unlisted Options, as approved by Shareholders at the AGM held on 10-Nov-14</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.	N/A																		
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	<p>Remaining Issued Capacity:</p> <ul style="list-style-type: none"> ▪ Rule 7.1 = 26,477,972 ▪ Rule 7.1A = 18,605,066 																		
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	19 January 2015																		
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>187,273,656</td> <td>Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	187,273,656	Ordinary Shares														
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187,273,656	Ordinary Shares																			
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>3,000,000</td> <td>Options (\$0.25 @ 7-Jun-16)</td> </tr> <tr> <td>3,000,000</td> <td>Options (\$0.35 @ 7-Jun-16)</td> </tr> <tr> <td>500,000</td> <td>Options (\$0.25 @ 15-Apr-18)</td> </tr> <tr> <td>600,000</td> <td>Options (\$0.25 @ 23-Jan-17)</td> </tr> <tr> <td>250,000</td> <td>Options (\$0.25 @ 15-Apr-16)</td> </tr> <tr> <td>5,500,000</td> <td>Options (\$0.40 @ 15-Apr-16)</td> </tr> <tr> <td>35,206,631</td> <td>Options (\$0.02 @ 29-Feb-16)</td> </tr> <tr> <td>1,350,000</td> <td> Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 8% coupon rate (payable in shares @ \$0.12 each) ▪ Expire 2-Dec-14 (extended by agreement) ▪ Convertible in to shares (various conditions) at: <ul style="list-style-type: none"> ○ \$0.12 per share within 12 months (subject to escrow); thereafter: ○ 20% discount to 15-day VWAP prior to conversion </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)	35,206,631	Options (\$0.02 @ 29-Feb-16)	1,350,000	Convertible Notes <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 8% coupon rate (payable in shares @ \$0.12 each) ▪ Expire 2-Dec-14 (extended by agreement) ▪ Convertible in to shares (various conditions) at: <ul style="list-style-type: none"> ○ \$0.12 per share within 12 months (subject to escrow); thereafter: ○ 20% discount to 15-day VWAP prior to conversion
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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

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39 Class of +securities for which quotation is sought

--

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- 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

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41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

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.

DP Cornish
Company Secretary
19 January 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	
<i>Step 1: Calculate "A", the base figure from which the placement capacity is calculated</i>	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	66,272,939
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> 	119,777,721
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
"A"	186,050,660

+ 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	27,907,599
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> 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> 	1,429,627
"C"	1,429,627
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15	27,907,599
Subtract "C"	1,429,627
Total ["A" x 0.15] – "C"	26,477,972

+ 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>	186,050,660
Step 2: Calculate 10% of "A"	
"D"	0.10
Multiply "A" by 0.10	18,605,066
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> 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> 	0
"E"	0
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>	18,605,066
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	18,605,066

+ See chapter 19 for defined terms.