

# Notice of Annual General Meeting and Explanatory Statement

## Stratum Metals Limited

ABN 90 147 867 301

Date of Meeting: Monday, 10 November 2014

Time of Meeting: 2.00 pm (Brisbane time)

Place of Meeting: Level 5, 10 Market Street  
Brisbane QLD 4000

***Note:** This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

**Stratum Metals Limited ACN 147 867 301**

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ASX Code: SXT | [www.stratummetals.com.au](http://www.stratummetals.com.au)

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**Important Information**

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**TIME AND PLACE OF MEETING**

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Notice is given that the annual general meeting of Shareholders of Stratum Metals Ltd will be held at 2.00pm (Brisbane time) on Monday 10 November 2014 at:

Level 5, 10 Market Street  
Brisbane QLD 4000

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 8 November 2014.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Under sections 250BB and 250BC of the Corporations Act:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Any inquiries in relation to the Notice or the Explanatory Statement should be directed to Duncan Cornish (Company Secretary):

#### **Stratum Metals Limited**

**Street address:** Level 5, 10 Market Street, Brisbane QLD 4000

**Postal address:** GPO Box 2676, Brisbane QLD 4001

**Ph:** (07) 3212 6230 | **Fax:** (07) 3212 6250

**Email:** [info@stratummetals.com.au](mailto:info@stratummetals.com.au)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of Stratum Metals Limited ABN 90 147 867 301 (**Company**) will be held at Level 5, 10 Market Street, Brisbane, QLD, 4000 on Monday 10 November 2014 at 2.00pm (Brisbane time).

## Agenda

### ORDINARY BUSINESS

#### Financial statements and reports

To receive and consider the Company's annual financial report comprising the financial reports, the declaration of the directors, the director's reports, the Remuneration Report and the auditor's reports for the Company and its controlled entities for the financial year ended 30 June 2014.

#### 1. Resolution One – Election of Andrew Pierce as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Andrew Pierce, a Director who was appointed casually on 17 March 2014, retires, and being eligible, is elected as a Director."

#### 2. Resolution Two – Re-Election of John Shepherd as Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 11.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, John Shepherd, a Director, retires by rotation, and being eligible, is re-elected as a Director."

#### 3. Resolution Three - Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."

**Note:** The vote on this Resolution Three is advisory only and does not bind the Directors or the Company.

#### VOTING EXCLUSION STATEMENT

A vote must not be cast (in any capacity) on Resolution Three by or on behalf of either of the following parties:

- a member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report;
- a Closely Related Party of such a member, whether as a shareholder or as a KMP's proxy.

However, a person (the **voter**) described above may cast a vote on this resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies how the proxy is to vote on Resolution Three; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
- expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## SPECIAL BUSINESS

### 4. Resolution Four – Ratification of Previous Issue of Placement Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 10,050,000 Shares at an issue price of \$0.03 per Share on the terms and conditions set out in the Explanatory Statement.”

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on Resolution Four by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### 5. Resolution Five – Ratification of Previous Issue of Patersons Shares

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 3,300,000 Shares to Patersons Securities Limited on the terms and conditions set out in the Explanatory Statement”.

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on Resolution Five by or on behalf of Patersons Securities Limited and any associates of Patersons Securities Limited. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### 6. Resolution Six – Approval for issue of Stage 1 Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 41,666,667 Stage 1 Shares, together with one free attaching Stage 1 Option for every one Stage 1 Share subscribed for and issued, on the terms and conditions set out in the Explanatory Statement”.

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### IMPORTANT NOTE

The proposed allottees of any Stage 1 Shares and the Stage 1 Options are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Stage 1 Shares and the Stage 1 Options), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted. In accordance with Listing Rule 14.11.1, there is no reason to exclude the votes, and the votes will not be excluded, of such Shareholders.

## 7. Resolution Seven – Approval for issue of Stage 2 Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 274,333,333 Stage 2 Shares, together with one free attaching Stage 2 Option for every two Stage 2 Shares subscribed for an issued, on the terms and conditions set out in the Explanatory Statement”.

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### IMPORTANT NOTE

The proposed allottees of any Stage 2 Shares and the Stage 2 Options are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Stage 2 Shares and the Stage 2 Options), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted. In accordance with Listing Rule 14.11.1, there is no reason to exclude the votes, and the votes will not be excluded, of such Shareholders.

## 8. Resolution Eight – Approval for issue of Fee Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 50,000,000 Fee Options to Armada Capital Limited (or its nominee/s) on the terms and conditions set out in the Explanatory Statement”.

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by or on behalf of Armada Capital Limited or any of its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## 9. Resolution Nine – Approval for Additional 10% Placement

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions in the Explanatory Statement.”

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**IMPORTANT NOTE**

The proposed allottees of any Equity Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Equity Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted. In accordance with Listing Rule 14.11.1, there is no reason to exclude the votes, and the votes will not be excluded, of such Shareholders.

**GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution.

Specific comments relating to the Resolutions are set out in the Explanatory Statement.

By order of the Board

Duncan Cornish  
Company Secretary  
8 October 2014

# Explanatory Statement

## Introduction

This Explanatory Statement is provided to Shareholders of **Stratum Metals Limited ABN 90 147 867 301 (Company)** to explain the resolutions to be put to Shareholders at an Annual General Meeting to be held at Level 5, 10 Market Street, Brisbane, QLD, 4000 on Monday 10 November 2014 at 2.00pm (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

## 1. Financial statements and reports

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In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to those reports but no formal resolution to adopt the reports will be put to Shareholders at the Meeting.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.stratummetals.com.au](http://www.stratummetals.com.au).

## 2. Resolution One – Election of Andrew Pierce as a Director

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Clause 11.10 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with clause 11.11 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Andrew Pierce, a Non-Executive Director who was appointed on 17 March 2014 will retire in accordance with clause 11.11 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Pierce is an accomplished and highly regarded accountant and director, having served on the boards of Variety The Children's Charity (NSW), Guide Dogs NSW/ACT, Royal Guide Dogs Australia and Centre For Eye Health Limited. He is highly skilled in the areas of financial reporting, company regulatory and governance areas. During the past three years, Mr Pierce has not served as a director of any ASX listed companies.

Mr Pierce is a Fellow of the Institute of Chartered Accountants in Australia, having been in private practice as a partner or principal since 1972.

Mr Pierce is a member of the Audit and Risk Management Committee.

Mr Pierce holds 4,960,641 shares in the Company.

The ASX Corporate Governance Council (Recommendation 2.1) defines independence as being free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In the context of Director independence, "materiality" is considered from both the Group and the individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.



Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Group.

In accordance with the Council's definition of independence above and the materiality thresholds set, the Directors consider Mr Pierce to be independent.

The Directors are of the view that Mr Pierce has no interest, position, association or relationship that might influence, or reasonable be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

The Directors (with Mr Pierce abstaining) recommend that you vote in favour of this ordinary resolution.

### **3. Resolution Two – Re-Election of John Shepherd as Director**

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ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 11 of the Constitution provides that:

- (1) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director) shall retire from office;
- (2) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (3) a Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election; and
- (4) in determining the number of Directors to retire, no account is to be taken of:
  - (A) a Director who only holds office until the next annual general meeting pursuant to clause 11.11 of the Constitution; or
  - (B) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has three Directors and accordingly one must retire.

John Shepherd retires by rotation and seeks re-election.

Mr Shepherd has had a long, successful career as an investment banker and management consultant, specialising in corporate strategy, corporate recovery, corporate finance and investment analysis for private and public companies.

Mr Shepherd's vast experience includes involvement in a number of mining, exploration and mining related companies all around the world such as Cordillera Gold Ltd (2010-2011), Shoreline Minerals Ltd (2008-2010), The MAC Services Group of Companies (2003-2004), First AU Strategies Corp. (TSXV 2001-2003) and Diversified Mineral Resources (1995-1999).

During the past three years, Mr Shepherd has not served as a director on any ASX listed companies.

Mr Shepherd is Chair of the Audit and Risk Management Committee.

Mr Shepherd does not hold any shares in the Company.

In accordance with the ASX Corporate Governance Council's definition of independence (set out above) and the materiality thresholds set, the Directors consider Mr Shepherd to be independent.

The Directors (with Mr Shepherd abstaining) recommend that you vote in favour of this ordinary resolution.

#### **4. Resolution Three – Remuneration Report**

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##### **4.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Annual Report is available to download on the Company's website, [www.stratummetals.com.au](http://www.stratummetals.com.au).

##### **4.2 Voting consequences**

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors are approved will be the directors of the Company.

At the Company's 2013 Annual General Meeting less than 25% of the votes cast were cast against adoption of the Remuneration Report included in the Company's 2013 Annual Report. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

In summary the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and

- details and explains any performance conditions applicable to the remuneration of executives directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

#### 4.3 Voting restrictions on Key Management Personnel and their proxies and Closely Related Parties

The Directors unanimously recommend that you vote in favour of this non-binding advisory Resolution.

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel <sup>1</sup>	Voted	Not voted <sup>3</sup>
Chair <sup>2</sup>	Voted	Voted at discretion of Proxy <sup>4</sup>
Other	Voted	Voted at discretion of Proxy

#### Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member.

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

## **5. Resolution Four – Ratification of Previous Issue of Placement Shares**

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### **5.1 Introduction**

On 12 March 2014, the Company issued 10,050,000 Shares at an issue price of \$0.03 per Share by way of a private placement to sophisticated investors (**Placement**) to raise \$315,000. Resolution Four seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

### **5.2 ASX Listing Rule 7.4**

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution Four to allow the Company to ratify the issue and allotment of 10,050,000 Shares issued in the Placement not previously approved by Shareholders pursuant to ASX Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the Share issue under the Placement pursuant to and in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company pursuant to the Placement was 10,050,000 Shares; 3,666,667 Shares were issued pursuant to ASX Listing Rule 7.1 and 6,383,333 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the Shares were issued and allotted on 12 March 2014;
- (c) the Shares were allotted for consideration of \$0.03 per Share;
- (d) the issued Shares are fully paid ordinary shares and in the capital of the Company and rank equally with the existing Shares on issue;
- (e) the allottees of the Shares were subscribers to the Placement who are exempt from the disclosure requirements of the Corporations Act. None of the allottees were related parties of the Company at the time of the Placement; and
- (f) the funds raised from this issue were used to meet working capital requirements, ongoing administration costs and exploration costs, principally to progress the Company's East Menzies Goldfield Project in Western Australia.

### **5.3 Director's Recommendation**

None of the Directors has a personal interest in the subject matter of Resolution Four other than Andrew Pierce. Mr Pierce participated in the Placement prior to becoming a Director, at a time when he was not a related party of the Company as the Company did not believe and did not have reasonable grounds to believe that Mr Pierce was likely to become a related party of the Company in the future. The Board believes that the Shareholder approval for the previous issue of Shares pursuant to the Placement is beneficial for the Company. The Board (excluding Andrew Pierce) recommends Shareholders vote in favour of Resolution Four as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

## **6. Resolution Five – Ratification of Previous Issue of Patersons Shares**

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### **6.1 Introduction**

On 3 June 2014, the Company announced that it was offering 5 Shares for every 2 Shares held by eligible shareholders on 11 June 2014 at an issue price of \$0.01 per Share with 1 free attaching new option (exercisable at \$0.02 on or before 31 December 2015) for every 2 Shares issued pursuant to the entitlement offer (**Entitlement Offer**).

Eligible shareholders could also apply for shortfall securities in addition to their entitlements. The Entitlement Offer was underwritten by Patersons Securities Limited for \$845,000 and was conditional upon a minimum subscription of \$1,345,000. As announced on 11 July 2014, the minimum subscription was not reached prior to the close of the Entitlement Offer and the Entitlement Offer was withdrawn.

On 15 July 2014, the Company issued 3,300,000 Shares at an issue price of \$0.01 per Share to Patersons Securities Limited (**Patersons Shares**) as payment for services rendered by Patersons Securities Limited as underwriter to the Entitlement Offer.

Resolution Five seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Patersons Shares.

### **6.2 ASX Listing Rule 7.4**

A summary of ASX Listing Rule 7.1 is set out in Section 5.2 of this Explanatory Statement.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution Five to allow the Company to ratify the issue and allotment of 3,300,000 Shares issued not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the issue of the Patersons Shares pursuant to and in accordance with ASX Listing Rule 7.5:

- (a) the number of Patersons Shares allotted by the Company was 3,300,000 Shares; the Patersons Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the Patersons Shares were issued and allotted on 15 July 2014;
- (c) the Patersons Shares were allotted for a deemed issue price of \$0.01 per Share;
- (d) the Patersons Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the allottee of the Patersons Shares was Patersons Securities Limited; and
- (f) no funds were raised from the issue of the Patersons Shares as the Patersons Shares were issued as in consideration for services rendered by Patersons Securities Limited as underwriter to the Entitlement Offer.

### **6.3 Director's Recommendation**

None of the Directors has a personal interest in the subject matter of Resolution Five. The Board believes that the ratification of the issue of the Patersons Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution Five as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without Shareholder approval.

## **7. Introduction to Resolutions Six, Seven and Eight**

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On 10 September 2014, the Company announced the appointment of Armada Capital Limited (**Armada**) as Lead Manager to raise up to \$2.3 million via a two stage capital raising (**Mandate**), comprising Stages 1 and 2 (described below).

### **Stage 1**

The Stage 1 raising will comprise of unsecured loans from institutional and sophisticated investors (**Lenders**) to Stratum of \$250,000 (**Loans**). The key terms of the Stage 1 raising are:

- Term of Loans = at each Lender's election, its Loan will convert to Shares and free attaching Options on the earlier of six months or completion of Stage 2 raising subject to receipt of Shareholder approval (described below) and, if required, a waiver of ASX Listing Rule 7.3.2
- Interest = 1% per month payable in cash or Shares at each Lender's election
- Lenders must advance Loan proceeds to Stratum within seven (7) days of each Loan being executed
- Stratum is seeking Shareholder approval for the issue of up to 41,666,667 Shares at a deemed issue price of 80% of the Stage 2 raising price (which equates to a deemed issue price of \$0.06 per Share) (**Stage 1 Shares**) and up to 41,666,667 free attaching options (**Stage 1 Options**) upon conversion of the Loans (the Stage 1 Shares and the Stage 1 Options, together the **Stage 1 Securities**, the subject of Resolution Six)
- Lenders may elect to be repaid the Loan advanced (and accrued interest) if the Stage 2 raising is completed by the date that is 6 months from the date of the relevant Loan agreement, provided that Stratum has sufficient proceeds from the completion of the Stage 2 raising to repay the Lender
- If Shareholder approval of Resolution Six is not obtained (or, if required, Stratum does not receive a waiver of ASX Listing Rule 7.3.2), Stratum must repay the Lender an amount equal to 125% of the Loan plus accrued but unpaid interest when it has sufficient funds to do so

### **Stage 2**

The Stage 2 raising will comprise the issue of up to 274,333,333 Shares at \$0.0075 per Share (**Stage 2 Shares**) with one free attaching Option (**Stage 2 Options**) for every two Stage 2 Shares issued to raise a total of up to \$2,057,500.

The key terms of the Stage 2 raising are:

- Raising to comprise the issue of up to 274,333,333 Stage 2 Shares with one free Stage 2 Option for every two Stage 2 Shares issued, being a total of up to 137,166,667 Stage 2 Options (the Stage 2 Shares and the Stage 2 Options, together the **Stage 2 Securities**, the subject of Resolution Seven)

### **Fees**

Upon successful completion of the Stage 1 and Stage 2 raisings, Armada will be paid fees consisting of:

- 5% of the gross amounts raised (excluding GST) from Stages 1 and 2;
- \$25,000 management fee (excluding GST); and
- the issue of 50,000,000 options (exercisable at \$0.02 on or before 29 February 2016) issued to Armada (or its nominee/s) (**Fee Options**, being the subject of Resolution Eight).

### **Use of Funds**

Funds raised pursuant to the Stage 1 raising and the Stage 2 raising will be used to support further evaluation of the Company's East Menzies Goldfield and Gidgee projects, investigate other acquisition opportunities, repurchase convertible notes held by Mountain Gold International Limited, pay trade creditors, provide general working capital and meet the costs of the raisings.

## 8. Resolution Six – Approval for Issue of Capital Raising Stage 1 Securities

A summary of ASX Listing Rule 7.1 is set out in Section 5.2 of this Explanatory Statement.

As noted above, Stratum is seeking Shareholder approval for the issue of up to 41,666,667 Stage 1 Shares and up to 41,666,667 Stage 1 Options to Lenders following the conversion (at each Lender's election) of the Loans.

The effect of Resolution Six will be to allow Stratum to issue the Stage 1 Securities pursuant to the Stage 1 raising during the period of 3 months after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), without using the Company's 15% annual placement capacity.

A summary of the terms and conditions of the Stage 1 Securities is set out below. Pursuant to and in accordance with Listing Rule 7.3, the Company advises as follows:

<b>Number of Securities to be allotted</b>	<ul style="list-style-type: none"><li>▪ The maximum number of Stage 1 Shares to be issued is 41,666,667</li><li>▪ The maximum number of Stage 1 Options to be issued is 41,666,667 (the Stage 1 Options will be issued free attaching with the Stage 1 Shares on a one for one basis)</li></ul>
<b>Price at which the Securities will be issued</b>	<ul style="list-style-type: none"><li>▪ The Stage 1 Shares will issued upon conversion of the Loans for nil cash consideration at a deemed issue price of \$0.006 per Stage 1 Share, accordingly no funds will be raised</li><li>▪ The issue price for the Stage 1 Options will be nil as they will be issued free attaching with the Stage 1 Shares on a one for one basis, accordingly no funds will be raised</li></ul>
<b>Terms of the Securities</b>	<ul style="list-style-type: none"><li>▪ The Stage 1 Shares will be ordinary fully paid shares and will rank equally with the existing Shares on issue</li><li>▪ The Stage 1 Options will be issued on the terms and conditions set out in Schedule 1</li></ul>
<b>Name of the allottees</b>	The Stage 1 Shares and Stage 1 Options will be issued to institutional and sophisticated investors who are clients of Armada and other third parties introduced by the Company and who are not related parties of the Company
<b>Use of the funds</b>	As the Stage 1 Shares and Stage 1 Options are being issued for non-cash consideration to repay the Loans, no cash funds are being raised by the issues, but the issues of the Stage 1 Shares and the Stage 1 Options will extinguish the balance of Stratum's debts owed to the Lenders to the extent that the money owed to the Lenders pursuant to the Loans is converted into Stage 1 Shares and Stage 1 Options
<b>Date of Allotment</b>	The Stage 1 Shares and Stage 1 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Stage 1 Shares and the Stage 1 Options will occur on the same date

### 8.1 Director's Recommendation

None of the Directors has a personal interest in the subject matter of Resolution Six. The Directors unanimously recommend that you vote in favour of Resolution Six.

## 9. Resolution Seven – Approval for Issue of Capital Raising Stage 2 Securities

A summary of ASX Listing Rule 7.1 is set out in Section 5.2 of this Explanatory Statement.

Stratum is seeking Shareholder approval for the issue of up to 274,333,333 Stage 2 Shares and 137,166,667 Stage 2 Options to institutional and sophisticated investors, subject to the Company completing a private placement to institutional and sophisticated investors.

The effect of Resolution Seven will be to allow Stratum to issue the Stage 2 Securities pursuant to the Stage 2 raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A summary of the terms and conditions of the Stage 2 Securities is set out below. Pursuant to and in accordance with Listing Rule 7.3, the Company advises as follows:

<b>Number of Securities to be allotted</b>	<ul style="list-style-type: none"><li>▪ The maximum number of Stage 2 Shares to be issued is 274,333,333</li><li>▪ The maximum number of Stage 2 Options to be issued is 137,166,667 (the Stage 2 Options will be issued free attaching with the Stage 2 Shares on a one for two basis)</li></ul>
<b>Price at which the Securities will be issued</b>	<ul style="list-style-type: none"><li>▪ The issue price of the Stage 2 Shares is \$0.0075 per Stage 2 Share</li><li>▪ The issue price of the Stage 2 Options is nil as they will be issued free attaching with the Stage 2 Shares on a one for two basis, accordingly no funds will be raised</li></ul>
<b>Terms of the Securities</b>	<ul style="list-style-type: none"><li>▪ The Stage 2 Shares will be ordinary fully paid shares and will rank equally with the existing Shares on issue</li><li>▪ The Stage 2 Options will be issued on the terms and conditions set out in Schedule 1</li></ul>
<b>Name of the allottees</b>	The Stage 2 Shares and Stage 2 Options will be issued to institutional and sophisticated investors who are clients of Armada and other third parties introduced by the Company and who are not related parties of the Company
<b>Use of the funds</b>	Stratum intends to use the funds raised pursuant to the issue of the Stage 2 Shares for: <ul style="list-style-type: none"><li>▪ general working capital;</li><li>▪ pay creditors;</li><li>▪ support further evaluation of the Company's East Menzies Goldfield and Gidgee projects;</li><li>▪ repurchase convertible notes held by Mountain Gold International Limited (up to an agreed value of \$675,000 in full and final settlement); and</li><li>▪ investigate other acquisition opportunities.</li></ul>
<b>Date of Allotment</b>	The Stage 2 Shares and Stage 2 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Stage 2 Shares and the Stage 2 Options will occur on the same date

### 9.1 Director's Recommendation

None of the Directors has a personal interest in the subject matter of Resolution Seven. The Directors unanimously recommend that you vote in favour of Resolution Seven.



## 10. Resolution Eight – Approval for Issue of Capital Raising Fee Options

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A summary of ASX Listing Rule 7.1 is set out in Section 5.2 of this Explanatory Statement.

The Company is seeking Shareholder approval to issue up to 50,000,000 unlisted Fee Options to Armada Capital Limited (or its nominee/s).

The effect of Resolution Eight will be to allow Stratum to issue the Fee Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A summary of the terms and conditions of the Fee Options is set out below. Pursuant to and in accordance with Listing Rule 7.3, the Company advises as follows:

<b>Number of Securities to be allotted</b>	The maximum number of Fee Options to be issued will be 50,000,000 unlisted options
<b>Price at which the Securities will be issued</b>	The Fee Options will be issued for nil cash consideration in satisfaction for the capital raising services to be provided by Armada Capital Limited under the Mandate, accordingly no funds will be raised
<b>Terms of the Securities</b>	Unlisted options on the terms and conditions set out in Schedule 1
<b>Name of the allottees</b>	The Fee Options will be issued to Armada Capital Limited (or its nominee/s)
<b>Use of the funds</b>	No funds will be raised from the issue of the Fee Options as the Fee Options will be issued in consideration for the capital raising services to provided by Armada Capital Limited
<b>Date of Allotment</b>	The Fee Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is likely that issue will occur progressively as each service is provided to the Company

### 10.1 Director's Recommendation

None of the Directors has a personal interest in the subject matter of Resolution Eight. The Directors unanimously recommend that you vote in favour of Resolution Eight.

## **11. Resolution Nine – Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period**

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### **11.1 Introduction**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**Additional 10% Placement**). The Company is an Eligible Entity.

If Shareholders approve Resolution Nine, the number of Equity Securities the Eligible Entity may issue under the Additional 10% Placement will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 11.2.2 below).

The effect of Resolution Nine will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the Additional 10% Placement during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

If passed, and provided the number of Shares issued by the Company remains the same as at the date of this Notice of AGM, this Resolution will allow the Company to issue and allot up to 12,517,381 Equity Securities. If all of the Resolutions being put to shareholders in this Notice of AGM are passed at the Meeting, and the maximum number of Shares are issued, then the number of Equity Securities this Resolution would allow the Company to issue would increase to 44,117,381.

Resolution Nine is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution Nine for it to be passed.

### **11.2 Listing Rule 7.1A**

#### **11.2.1 General**

##### **(a) Eligibility**

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less and it is not included in the S&P/ASX300 Index.

The Company is an Eligible Entity as it is not included in the S&P/ASX300 Index as at the time of issue of this Notice of Meeting, the Company does not expect that it will be included in the S&P/ASX300 Index at the date of the AGM and it has a current market capitalisation of \$625,869.

##### **(b) Shareholder approval**

The ability to issue Equity Securities under the Additional 10% Placement is conditional upon the Company obtaining Shareholder approval by way of a special resolution at the AGM. Pursuant to Listing Rule 7.1A, no Equity Securities will be issued under the Additional 10% Placement until and unless this special resolution is passed at AGM.

#### **11.2.2 Calculation for Additional 10% Placement – Listing Rule 7.1A.2**

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one (1) class of Equity Securities on issue, being the Shares (ASX Code: SXT)

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of Shares issued in the 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (iv) less the number of Shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

### **11.2.3 Listing Rule 7.1A.3**

Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company presently has 125,173,810 Shares on issue as at the date of this notice. The Company is only seeking approval to issue ordinary Shares under the Additional 10% Placement in addition to its 15% capacity permitted under Listing Rule 7.1.

### **11.3 Specific Information required by Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution Nine:

#### **11.3.1 Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1**

The minimum price at which the Equity Securities may be issued pursuant to approval under Listing Rule 7.1A is 75% of the VWAP for the Company's Shares over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) immediately above, the date on which the Equity Securities are issued.

#### **11.3.2 Risk of economic and voting dilution – Listing Rule 7.3A.2**

Any issue of Equity Securities under the Additional 10% Placement will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution Nine is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Placement, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the Additional 10% Placement.

**Table 1**

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Issue Price (per Share)	Dilution		
		\$0.0025 50% decrease in Issue Price	\$0.0050 Issue Price	\$0.0100 100% increase in Issue Price
<b>Current Variable A</b> 441,173,810 Shares	Shares issued - 10% Voting Dilution	44,117,381 Shares	44,117,381 Shares	44,117,381 Shares
	Funds raised	\$110,293	\$220,587	\$441,174
<b>50% increase in current Variable A</b> 661,760,715 Shares	Shares issued - 10% Voting Dilution	66,176,072 Shares	66,176,072 Shares	66,176,072 Shares
	Funds raised	\$165,440	\$330,880	\$661,761
<b>100% increase in current Variable A</b> 882,347,620 Shares	Shares issued - 10% Voting Dilution	88,234,762 Shares	88,234,762 Shares	88,234,762 Shares
	Funds raised	\$220,587	\$441,174	\$882,348

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

#### Assumptions and explanations

- The table assumes that there are 441,173,810 Shares on issue (which includes those Shares that are proposed to be issued pursuant to Resolutions Six and Seven) comprising:
  - 125,173,810 existing Shares as at the date of this Notice of Meeting; and
  - 316,000,000 Shares which will be issued if Resolutions Six and Seven are passed at this Meeting.
- The Issue Price is 0.5 cents based on the closing price of the Shares on ASX on 7 October 2014;
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement, based on that Shareholder's holding at the date of the Meeting.
- The above table does not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- The Company issues the maximum possible number of Equity Securities available to it under the Additional 10% Placement;
- The issue of Equity Securities under the Additional 10% Placement consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The Issued Capital (Variable A) has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 7 October 2014; and
- The issue price of the Equity Securities used in the table does not take into account the discount to the Issue Price (if any).

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

### **11.3.3 Final date for issue – Listing Rule 7.3A.3**

The Equity Securities may be issued under the Additional 10% Placement commencing on the date of the AGM and expiring on the first to occur of the following:

- 12 months after the date of this Meeting; and
- the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

If approval is given for the Additional 10% Placement at the AGM on 10 November 2014 then the approval will expire, unless there is a significant change to the Company's business, on 9 November 2015.

### **11.3.4 Purpose – Listing Rule 7.3A.4**

The purpose for which the Equity Securities may be issued under the Additional 10% Placement includes to raise funds for the Company and as non-cash consideration (further details of which are set out below). Any funds raised from the issue of the Equity Securities are intended to be used as follows:

- general working capital;
- support further expenditure and evaluation of the Company's East Menzies Goldfield and Gidgee projects (including ongoing administration of those projects); and
- investigate other acquisition opportunities of new resources, assets and investments (including expenses associated with such an acquisition).

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

### **11.3.5 Shares Issued for Non-cash consideration – Listing Rule 7.3A.4**

The Company may issue Equity Securities under the Additional 10% Placement for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

### **11.3.6 Company's Allocation Policy – Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of Equity Securities pursuant to the Additional 10% Placement. The identity of the allottees of Equity Securities pursuant to the Additional 10% Placement will be determined on a case-by-case basis having regard to the factor including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the prevailing market conditions;
- (v) the financial situation and solvency of the Company; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Equity Securities under the Additional 10% Placement have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Placement will be the vendors of the new assets or investments.

### 11.3.7 Shareholder Approval previously obtained under listing rule 7.1A

The Company obtained Shareholder approval under Listing Rule 7.1A at the 2013 AGM.

### 11.3.8 Equity Securities Issued in the previous 12 months

Pursuant to Listing Rule 7.3A.6(a), in the 12 months preceding the date of this AGM the Company has issued both Shares and Options which represented approximately 82.1% of the total diluted number of Equity Securities on issued in the Company on the date which was 12 months prior to the date of the AGM, which was 75,790,484. The total number of Equity Securities issued in the 12 months preceding this AGM and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period are as follows:

<b>Number of equity securities on issue at commencement of 12 month period</b>	63,440,484 Shares 12,350,000 unlisted Options (exercisable between \$0.25 and \$0.40, expiring between 7-Jun-16 and 15-Apr-18)
<b>Equity securities issued in prior 12 month period</b>	61,733,026 Shares 500,000 unlisted options (exercisable at \$0.40, expiring on 15-Apr-16)
<b>Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period</b>	97.3% increase in Shares; and 4.0% increase in unlisted Options (exercisable between \$0.25 and \$0.40, expiring between 7-Jun-16 and 15-Apr-18)

Pursuant to Listing Rule 7.3A.6(b), details of Equity Securities issued in previous 12 months are as follows:

<b>Date of issue</b>	<b>19 November 2013</b>
<b>Number issued</b>	700,000
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	John Caratti
<b>Price at which equity securities were issued</b>	\$0.065 per Share
<b>Discount to market price (if any)</b>	23.5%
<b>For cash issues</b>	
<b>Total cash consideration received</b>	\$45,500
<b>Amount of cash consideration spent</b>	Cash when raised is held in a common bank account and is not tracked separately. Cash raised was used to progress exploration on the Company's East Menzies Goldfield project and working capital requirements
<b>Intended use for remaining amount of cash (if any)</b>	Cash on hand at the date of this notice will be used to support further evaluation of the Company's East Menzies Goldfield projects, pay creditors and working capital requirements

<b>Date of issue</b>	<b>25 November 2013</b>
<b>Number issued</b>	447,454
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Resource Assets Pty Ltd
<b>Price at which equity securities were issued</b>	444,486 Shares issued at \$0.056283 per Share 2,968 Shares issued at (a deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b><i>For non-cash issues</i></b>	
<b>Non-cash consideration paid</b>	Shares issued on conversion of Convertible Notes and Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>2 December 2013</b>
<b>Number issued</b>	300,000
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	John Caratti
<b>Price at which equity securities were issued</b>	\$0.065 per Share
<b>Discount to market price (if any)</b>	18.7%
<b><i>For cash issues</i></b>	
<b>Total cash consideration received</b>	\$19,500
<b>Amount of cash consideration spent</b>	Cash when raised is held in a common bank account and is not tracked separately. Cash raised was used to progress exploration on the Company's East Menzies Goldfield project and working capital requirements
<b>Intended use for remaining amount of cash (if any)</b>	Cash on hand at the date of this notice will be used to support further evaluation of the Company's East Menzies Goldfield projects, pay creditors and working capital requirements

<b>Date of issue</b>	<b>2 December 2013</b>
<b>Number issued</b>	500,000
<b>Class/type of equity security</b>	Unlisted Options
<b>Summary of terms</b>	Unlisted Options exercisable at \$0.40 each on or before 15-Apr-16
<b>Names of persons who received securities or basis on which those persons were determined</b>	Incentive options issued to a consultant of the Company
<b>Price at which equity securities were issued</b>	Nil – incentive Options
<b>Discount to market price (if any)</b>	n/a
<b><i>For non-cash issues</i></b>	
<b>Non-cash consideration paid</b>	Incentive Options issued to a consultant of the Company
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>17 December 2013</b>
<b>Number issued</b>	1,163,345
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	NDRC Drilling Pty Ltd
<b>Price at which equity securities were issued</b>	\$0.06 per Share
<b>Discount to market price (if any)</b>	n/a
<b><i>For non-cash issues</i></b>	
<b>Non-cash consideration paid</b>	Shares issued for drilling services to the Company
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>13 January 2014</b>
<b>Number issued</b>	221,956
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Man Holdings Pty Ltd; Chifley Portfolios Pty Ltd; RNAJ Pty Ltd; Limits Pty Ltd; Albiano Holdings Pty Ltd; Gurney Capital Nominees Pty Ltd; Bedar Holdings Pty Limited; LSAF Holdings Pty Ltd; Nambia Pty Ltd; and Mountain Gold International Limited
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b><i>For non-cash issues</i></b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>11 March 2014</b>
<b>Number issued</b>	10,050,000
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Institutional, sophisticated and professional investors who were able to receive an offer of securities without a prospectus
<b>Price at which equity securities were issued</b>	\$0.03 per Share
<b>Discount to market price (if any)</b>	n/a
<b><i>For cash issues</i></b>	
<b>Total cash consideration received</b>	\$315,150
<b>Amount of cash consideration spent</b>	Cash when raised is held in a common bank account and is not tracked separately. Cash raised was used to meet working capital requirements, ongoing administration costs and exploration costs
<b>Intended use for remaining amount of cash (if any)</b>	Cash on hand at the date of this notice will be used to support further evaluation of the Company's East Menzies Goldfield projects, pay creditors and working capital requirements



<b>Date of issue</b>	<b>25 March 2014</b>
<b>Number issued</b>	11,972,624
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	RNAJ Pty Ltd; Limits Pty Ltd; Albiano Holdings Pty Ltd; and Nambia Pty Ltd
<b>Price at which equity securities were issued</b>	11,943,764 Shares issued at \$0.016745 per Share 28,860 Shares issued at (deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	30.2%
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued on conversion of Convertible Notes and Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>31 March 2014</b>
<b>Number issued</b>	23,817,095
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Chifley Portfolios Pty Ltd; Bedar Holdings Pty Limited; and LSAF Holdings Pty Ltd
<b>Price at which equity securities were issued</b>	20,901,589 Shares issued at \$0.016745 per Share 2,853,953 Shares issued at \$0.017520 per Share 61,553 Shares issued at (deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	1.5% and n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued on conversion of Convertible Notes and Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>8 April 2014</b>
<b>Number issued</b>	240,585
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Man Holdings Pty Ltd; Gurney Capital Nominees Pty Ltd; and Mountain Gold International Limited
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	Nil
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>9 April 2014</b>
<b>Number issued</b>	2,703
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Man Holdings Pty Ltd; Gurney Capital Nominees Pty Ltd; and Mountain Gold International Limited
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	Nil
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>11 April 2014</b>
<b>Number issued</b>	1,094
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	LSAF Holdings Pty Ltd; Chifley Portfolios Pty Ltd; Bedar Holdings Pty Limited; RNAJ Pty Ltd; Limits Pty Ltd; Albiano Holdings Pty Ltd; Nambia Pty Ltd; and Man Holdings Pty Ltd
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	Nil
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>11 April 2014</b>
<b>Number issued</b>	6,122,461
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Man Holdings Pty Ltd
<b>Price at which equity securities were issued</b>	6,121,000 Shares at \$0.0163372 per Share 1,461 Shares at (deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued on conversion of Convertible Notes and Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>12 May 2014</b>
<b>Number issued</b>	2,942,776
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Gurney Capital Nominees Pty Ltd
<b>Price at which equity securities were issued</b>	2,940,749 Shares at \$0.010201 per Share 2,027 Shares at (deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued on conversion of Convertible Notes and Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>1 July 2014</b>
<b>Number issued</b>	224,384
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Mountain Gold International Limited
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>15 July 2014</b>
<b>Number issued</b>	3,300,000
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Patersons Securities Limited
<b>Price at which equity securities were issued</b>	\$0.01 per Share
<b>Discount to market price (if any)</b>	n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued in settlement of corporate finance fee for an (withdrawn) right issue.
<b>Current value of that non-cash consideration</b>	n/a

<b>Date of issue</b>	<b>1 October 2014</b>
<b>Number issued</b>	226,849
<b>Class/type of equity security</b>	Fully paid ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other Shares on issue in the Company
<b>Names of persons who received securities or basis on which those persons were determined</b>	Mountain Gold International Limited
<b>Price at which equity securities were issued</b>	(Deemed) \$0.12 per Share
<b>Discount to market price (if any)</b>	n/a
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Shares issued for Convertible Note interest pursuant to a Convertible Note Deed.
<b>Current value of that non-cash consideration</b>	n/a

### 11.3.9 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the Additional 10% Placement, it must give to ASX:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

### 11.3.10 Voting Exclusion Statement

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any Equity Securities pursuant to the Additional 10% Placement are not as yet known or identified. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution Nine.

## 12. Glossary

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**Additional 10% Capacity** has the meaning given in Section 11.1 of the Explanatory Statement.

**AGM or Annual General Meeting or Meeting** means the Annual General Meeting of Shareholders to be held on 10 November 2014 and at any adjournment.

**Armada** has the meaning given in Section 7 of the Explanatory Statement.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means the ASX Limited.

**ASX Listing Rules or Listing Rules** means

**Board** means the board of Directors of the Company.

**Business Day** means a day on which all banks are open for business generally in Brisbane.

**Closely Related Party** of a member of Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or

- f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Stratum Metals Limited ACN 147 867 301.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Constitution** means the constitution of the Company from time to time.

**Directors** means the directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Entitlement Offer** has the meaning given in Section 6.1 of the Explanatory Statement.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying this Notice.

**Fee Options** has the meaning given in Section 7 of the Explanatory Statement.

**Key Management Personnel** or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lenders** has the meaning given in Section 7 of the Explanatory Statement.

**Loans** has the meaning given in Section 7 of the Explanatory Statement.

**Listing Rules** means the official listing rules of the ASX as amended from time to time.

**Mandate** has the meaning given in Section 7 of the Explanatory Statement.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Statement.

**Options** means options over ordinary fully paid shares in the issued capital of the Company.

**Patersons Shares** has the meaning given in Section 6.1 of the Explanatory Statement.

**Placement** has the meaning given in Section 5.1 of the Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the director's report section of the Company's annual financial report for the year ended 2014.

**Resolution** means a resolution to be proposed at the Meeting.

**Shares** means ordinary fully paid shares in the issued capital of the Company.

**Shareholder** means a holder of Shares in the Company.

**Spill Meeting** has the meaning given in Section 4.2 of the Explanatory Statement.

**Spill Resolution** has the meaning given in Section 4.2 of the Explanatory Statement.

**Stage 1 Options** has the meaning given in Section 7 of the Explanatory Statement.

**Stage 1 Shares** has the meaning given in Section 7 of the Explanatory Statement.

**Stage 1 Securities** has the meaning given in Section 7 of the Explanatory Statement.

**Stage 2 Options** has the meaning given in Section 7 of the Explanatory Statement.

**Stage 2 Shares** has the meaning given in Section 7 of the Explanatory Statement.

**Stage 2 Securities** has the meaning given in Section 7 of the Explanatory Statement.

**Trading Day** means a day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day and any other day that ASX may declare and publish is not a trading day.

**VWAP** means the volume weighted average share prices of the Shares traded on ASX (excluding special crossings, crossing made prior to the commencement of normal trading, crossings made during the closing phase or the after hours adjust phase, overseas trades and overnight crossings or trades pursuant to the exercise of any options or other securities convertible into the Shares) over the period of 15 Trading Days.

**Variable A** means "A" as set out in the calculation in section 11.2.2 of the Explanatory Statement.

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## Schedule 1 – terms and conditions of Stage 1, Stage 2 and Fee Options

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The terms of the Stage 1, Stage 2 and Fee Options are as follows:

- (a) the Options will be exercisable on 10 business days' notice prior to 5.00pm EST on 29 February 2016 (**Option Expiry Date**). Options not exercised on or before the Option Expiry Date will automatically lapse;
- (b) the exercise price of each Option will be \$0.02;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to Stratum's share registry and received by it any time prior to the Option Expiry Date;
- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. Stratum will apply to ASX to have the Shares granted official quotation;
- (e) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (f) the Options are freely transferable provided that they are not be transferred to another person within 12 months following their issue (other than to another exempt investor pursuant to section 708A of the Corporations Act);
- (g) any Notice of Exercise received by Stratum's share registry on or prior to the Option Expiry Date will be deemed to be a Notice of Exercise as at the last business day of the month in which such notice is received;
- (h) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by Stratum and will be afforded 6 business days before the record date (to determine entitlements to the issue), to exercise Options;
- (i) in the event Stratum proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (j) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Stratum prior to the Option Expiry Date, all rights of an optionholder are to be changed in a manner consistent with the ASX Listing Rules;
- (k) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise; and
- (l) Stratum must satisfy the conditions set out in section 708A(5) of the Corporations Act, and lodge with ASX a cleansing notice that complies with the requirements under section 708A(6) of the Corporations Act within 5 business days following the conversion of the Options issued by Stratum to the optionholder into Shares.



Stratum Metals Limited  
ABN 90 147 867 301

## LODGE YOUR VOTE / PROXY

✉ **By mail:** Stratum Metals Limited  
GPO Box 2676  
Brisbane QLD 4001

☎ **By fax:** +61 7 3212 6250

✉ **By email:** info@stratummetals.com.au

☎ All enquiries to Telephone: +61 7 3212 6230

### PROXY FORM ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 5, 10 Market Street, Brisbane, QLD, 4000, on Monday 10 November 2014 at 2.00p.m. (Brisbane time), and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution Three (except where I/we have indicated a different voting intention below) even though Resolution Three is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution One	Election of Andrew Pierce as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Two	Re-Election of John Shepherd as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Three	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Four	Ratification of Previous Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Five	Ratification of Previous Issue of Patersons Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Six	Approval for issue of Stage 1 Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Seven	Approval for issue of Stage 2 Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Eight	Approval for issue of Fee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution Nine	Approval for Additional 10% Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail in relation to this Proxy Form:

YES  NO



## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Stratum Metals Limited at GPO Box 2676, Brisbane QLD 4001;
  - (b) facsimile to the Company on facsimile number +61 7 3212 6250; or
  - (c) email to the Company at [info@stratummetals.com.au](mailto:info@stratummetals.com.au),so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**