

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Stratum Metals Limited

ABN

90 147 867 301

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Quoted Ordinary Shares
And
Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 303,555,693 Quoted Ordinary Shares
151,777,846 quoted Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Quoted Ordinary Shares (New Shares) and quoted Options (New Options), exercisable at \$0.02 each on or before 31-Dec-15, to be offered pursuant to a renounceable rights issue on the basis of 5 New Shares for every 2 Existing Shares held at the Record Date with 1 free New Option for every 2 New Shares issued. |

+ See chapter 19 for defined terms.

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4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Quoted Ordinary Shares – Yes</p> <p>Options – No. Upon exercise of the options in to fully paid ordinary shares they will rank equally with ordinary shares in issue.</p>
5	Issue price or consideration	\$0.01 per New Share
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To explore, develop and aim for early gold production (subject to positive economic evaluation) from the Company's East Menzies Goldfield Project, repurchase convertible notes held by Mountain Gold International Ltd, provide general working capital and meet the costs of the Offer.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2013
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	303,555,693 New Shares and 151,777,846 New Options

+ See chapter 19 for defined terms.

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

N/A

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

Current* Remaining Issued Capacity:

- Rule 7.1 = 9,407,053
- Rule 7.1A = 4,481,536

*does not include the effects of the renounceable rights issue (as the securities have not been issued on the date of this notice)

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

30 June 2014

8 Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)

Number	+Class
424,977,970	Ordinary Shares
151,777,846	Options (\$0.02 @ 31-Dec-15)

9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
3,000,000	Options (\$0.25 @ 7-Jun-16)
3,000,000	Options (\$0.35 @ 7-Jun-16)
500,000	Options (\$0.25 @ 15-Apr-18)
600,000	Options (\$0.25 @ 23-Jan-17)
250,000	Options (\$0.25 @ 15-Apr-16)
5,500,000	Options (\$0.40 @ 15-Apr-16)

+ See chapter 19 for defined terms.

1,350,000	<p>Convertible Notes</p> <ul style="list-style-type: none"> ▪ Face value of \$1.00 ▪ 8% coupon rate (payable in shares @ \$0.12 each) ▪ Expire 2-Dec-14 ▪ Convertible in to shares (various conditions) at: <ul style="list-style-type: none"> ○ \$0.12 per share within 12 months (subject to escrow); thereafter: ○ 20% discount to 15-day VWAP prior to conversion
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

No

12 Is the issue renounceable or non-renounceable?

Renounceable

13 Ratio in which the +securities will be offered

5 New Shares for every 2 Existing Shares held on the Record Date

14 +Class of +securities to which the offer relates

Quoted Ordinary Shares (New Shares) and quoted Options (New Options), exercisable at \$0.02 each on or before 31-Dec-15, on the basis of 5 New Shares for every 2 Existing Shares held at the Record Date with 1 free New Option for every 2 New Shares issued

15 +Record date to determine entitlements

11 June 2014

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

N/A

17 Policy for deciding entitlements in relation to fractions

Rounded up to the nearest whole number

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand and Singapore
19	Closing date for receipt of acceptances or renunciations	24 June 2014
20	Names of any underwriters	Patersons Securities Limited (partial underwriting for up to \$845,000)
21	Amount of any underwriting fee or commission	\$30,000 corporate fee plus a management fee of 1% of total amount raised and a placement fee of 5% on any shortfall placed other than amount underwritten
22	Names of any brokers to the issue	see item 20
23	Fee or commission payable to the broker to the issue	see item 22
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Board discretion
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	13 June 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	4 June 2014
28	Date rights trading will begin (if applicable)	6 June 2014
29	Date rights trading will end (if applicable)	17 June 2014
30	How do security holders sell their entitlements in full through a broker?	Complete the section marked "Instructions to your Stockbroker" on the front of the Entitlement and Acceptance Form and lodge it with their stockbroker
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	Complete the section marked "Instructions to your Stockbroker" on the front of the Entitlement and Acceptance Form and lodge it with their stockbroker

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

If you hold Existing Shares (at the Record Date) on the issuer sponsored sub-register, you can forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Share Registry by the Closing Date.

33 +Issue date

30 June 2014

Part 3 - Quotation of securities

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

34 Type of securities

(tick one)

(a) Securities described in Part 1

(b) All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

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

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

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

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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

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

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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

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

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

	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

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

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

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

DP Cornish
Company Secretary
3 June 2014

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Appendix 3B – Annexure 1

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

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

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate "A", the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	63,440,484
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	45,208,209
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
"A"	108,648,693

+ See chapter 19 for defined terms.

<i>Step 2: Calculate 15% of "A"</i>	
"B"	0.15
<i>Multiply</i> "A" by 0.15	16,297,304
<i>Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used</i>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	6,890,251
"C"	6,890,251
<i>Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1</i>	
"A" x 0.15	16,297,304
<i>Subtract</i> "C"	6,890,251
<i>Total</i> ["A" x 0.15] – "C"	9,407,053

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" <i>Note: number must be same as shown in Step 1 of Part 1</i>	108,648,693
Step 2: Calculate 10% of "A"	
"D"	0.10
Multiply "A" by 0.10	10,864,869
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	6,383,333
"E"	6,383,333
Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	10,864,869
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	6,383,333
Total ["A" x 0.10] – "E"	4,481,536

+ See chapter 19 for defined terms.