

3 June 2014

## ASX ANNOUNCEMENT

### Renounceable Entitlement Offer

---

**RENOUNCEABLE ENTITLEMENT ISSUE TO RAISE UP TO \$3.036 million**

**PARTIALLY UNDERWRITTEN FOR \$0.845 million**

**STRATEGY AIMING FOR COMMENCEMENT OF GOLD PRODUCTION (subject to positive economic evaluation) 1st QTR 2015**

Stratum Metals Limited (**Stratum** or **Company**) is pleased to announce a partially underwritten renounceable pro-rata entitlement issue of 5 fully paid ordinary shares (**New Shares**) for every 2 existing shares held by eligible shareholders on 11 June 2014 (**Record Date**) at an issue price of \$0.01 per New Share with 1 free attaching New Option (exercisable at \$0.02 on or before 31 December 2015) for every 2 New Shares issued (**Offer**).

Eligible shareholders can apply for shortfall securities in addition to their entitlements. As the Offer is renounceable, eligible shareholders can also sell part or all of their entitlement.

The Offer is conditional upon raising a minimum of \$1.345 million, of which Patersons Securities Limited (**Patersons**) has agreed to underwrite \$0.845 million.

The Offer will raise up to approximately \$3.036 million before costs if fully subscribed. Funds raised will be used to explore, develop and aim for commencement of 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. In the event the minimum amount is raised, \$0.845 million will be used to repurchase convertible notes and the balance for working capital.

#### Company highlights<sup>1</sup>:

- Focus on East Menzies Goldfield Project (EMGP), an historic goldfield in WA
- Strategy aiming for commencement of gold production (1<sup>st</sup> QTR 2015), via toll treating (subject to positive economic evaluation), initially from shallow targets (including known unmined mineralization) in and around former open cut mines (80% owned G-VAN Project), mines that historically produced approx. 60K ozs Au (534Kt @ 3.42 g/t Au)
- Consolidation of EMGP tenements in 2012/13 provided opportunity for the first time to merge the extensive historic datasets; undertake a regional review of mineralization controls and structure; and then target exploration

**Stratum Metals Limited ACN 147 867 301**

Level 5, 10 Market Street (GPO Box 2676) Brisbane QLD 4001

Ph +61 7 3212 6230 | Fax +61 7 3212 6250

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

- Proximity to existing infrastructure, service providers and gold processing plants (<2 hours from Kalgoorlie on sealed road) supports early gold production strategy
- Significant exploration upside potential identified at EMGP that may provide opportunity to continue/expand gold production e.g. Goodenough Gold Mine area and Four O’Clock gold target<sup>1</sup>
- Potential indicated by the shaft spoil sampling programme undertaken during mid-2013, identifying 444 old mine shafts over 11km of strike, including 13 shaft spoil sample sites with av. sample grade > 5 g/t Au<sup>2</sup>
- Board recently reorganized, strengthening corporate, technical and operational experience to support focus on achieving early gold production

**Offer highlights:**

- Offer price of \$0.01 per New Share represents approx. 23.1% discount to the last sale price (28 May 2014)
- If fully subscribed provides funding to support strategy for early gold production (subject to positive economic evaluation) in 1<sup>st</sup> QTR 2015 and allows repayment of 100% of convertible notes
- Attaching New Option with a low \$0.02 cent exercise price and if exercised by 31 December 2015, will provide approx. \$3M to further explore the significant upside potential identified at EMGP and provide the opportunity to continue/expand gold production

The Company has decided it is unreasonable to make the Offer to shareholders who have a registered address outside Australia, New Zealand and Singapore (**Ineligible Shareholders**), and has appointed Patersons as a nominee to arrange for the sale of the entitlements of the Ineligible Shareholders. The net proceeds of the sale of the entitlements, if any, will be sent to the Ineligible Shareholders.

The Offer will be made under a prospectus which was lodged with ASIC today and will then be available on both the ASX website and the Company’s website. A copy of the Prospectus will be mailed to eligible shareholders shortly after the Record Date.

Shareholders should consider the prospectus in deciding whether to acquire new shares under the Offer, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

The proposed timetable for the Offer is set out below.

<b>Event</b>	<b>Date<sup>3</sup></b>
Lodge prospectus with ASIC	3 June 2014
Shares quoted on an “ex” basis	6 June 2014
Rights trading starts	6 June 2014
Record Date	11 June 2014
Dispatch prospectus to Shareholders	13 June 2014
Opening date	13 June 2014
Rights trading ends	17 June 2014
Closing date	24 June 2014

<b>Event</b>	<b>Date<sup>3</sup></b>
Issue of New Shares	30 June 2014
Trading of New Shares on ASX	1 July 2014

For further information on the Company's activities, please refer to ASX announcements or the Company's website [www.stratummetals.com](http://www.stratummetals.com), for the latest Investor Presentation.

On behalf of the Board  
DP Cornish  
Company Secretary

**Notes:**

<sup>1</sup> Further details, including references to the source of technical information summarised here, are included in the Investor Presentation released along with the Prospectus via the ASX Website and the Company's website.

<sup>2</sup> Further details of shaft spoil sampling and assays available in ASX announcements dated 12 August 2013 and 7 November 2013 from the ASX Website and the Company's website.

<sup>3</sup> The Directors may extend the closing date by giving at least 3 business days' notice to ASX prior to the closing date, subject to such date being no later than 3 months after the date of the prospectus. As such the date the new shares are expected to commence trading on ASX may vary.

The information in this release that relates to Exploration Results is based on information compiled by Todd Axford, who is a member of the Australasian Institute of Mining and Metallurgy. Todd Axford is contracted to the company, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Todd Axford consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.