

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity	
Stratum Metals Limited	
ABN	Quarter ended ("current quarter")
90 147 867 301	31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(220)	(1,054)
(b) development	-	-
(c) production	-	-
(d) administration	(68)	(576)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D)	-	-
Net Operating Cash Flows	(288)	(1,626)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	20	62
(c) other fixed assets	-	-
1.10 Loans from other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	20	62
1.13 Total operating and investing cash flows (carried forward)	(268)	(1,564)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(268)	(1,564)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	287	1,107
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	50*	50*
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(8)
Net financing cash flows		337	1,149
Net increase (decrease) in cash held		69	(415)
1.20	Cash at beginning of quarter/year to date	286	770
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	355	355

* Note: See item 1.24 below

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	26
1.24	Aggregate amount of loans from the parties included in item 1.16	50
1.25	Explanation necessary for an understanding of the transactions	
<p>1.23 includes salaries, superannuation contributions & expense reimbursement for all directors</p> <p>1.24 a Director subscribed for shares (as part of a placement) during the quarter and provided the funds (\$50,000) to the Company. These funds are being treated as an unsecured loan from the Director until shareholder approval (at a future general meeting) is provided for the Director's participation in the placement.</p>		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

600,000 Convertible Notes were converted in to 35,699,306 Ordinary Shares during the quarter (refer item 7.4(a))
--

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		200

Reconciliation of cash

	Current quarter \$A'000	Previous quarter \$A'000	
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.			
5.1	Cash on hand and at bank	355	286
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		355	286

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer Attachment A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer Attachment A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	112,112,658	112,112,658		
7.4	(a)			
	221,956	221,956	\$0.12 (Note interest)	\$0.12
	10,050,000*	10,050,000*	\$0.03 (Private Placement)	\$0.03
	11,943,764	11,943,764	\$0.016745 (Note conversion)	\$0.016745
	28,860	28,860	\$0.12 (Note interest)	\$0.12
	20,901,589	20,901,589	\$0.016745 (Note conversion)	\$0.016745
	2,853,953	2,853,953	\$0.01752 (Note conversion)	\$0.01752
	61,553	61,553	\$0.12 (Note interest)	\$0.12
	(b) Decreases through returns of capital, buy-backs			

*Note: Part of the placement (500,000 shares @ \$0.03 \$15,000) was paid off by offsetting an invoice (for prior services from the subscriber).

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5 *Convertible debt securities <i>(description)</i>	1,480,000	-	\$1.00	\$1.00
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	(600,000)	-	n/a	n/a
7.7 Options <i>(description and conversion factor)</i>	3,000,000	-	Exercise price \$0.25	Expiry date 7-Jun-16
	3,000,000	-	\$0.35	7-Jun-16
	500,000	-	\$0.25	15-Apr-18
	600,000	-	\$0.25	23-Jan-17
	250,000	-	\$0.25	15-Apr-16
	5,500,000	-	\$0.40	15-Apr-16
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance Rights <i>(description and conversion factor)</i>				
7.12 Issued during quarter				
7.13 Exercised during quarter				
7.14 Expired during quarter				
7.15 Debentures (totals only)				
7.16 Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

On behalf of the Board
DP Cornish
Company Secretary
30 April 2014

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

Attachment A

Changes in interests in mining tenements and petroleum tenements

6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed

Project	Tenement reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Canning Basin	E04/1993	WA	Surrendered	100%	0%
Canning Basin	E04/2124	WA	Surrendered	100%	0%
Laverton	E38/2156	WA	Surrendered	100%	0%

6.2 Interests in mining tenements and petroleum tenements acquired or increased

Project	Tenement reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Menzies	P29/2337	WA	Granted	0%	100%