

30 October 2013

ASX ANNOUNCEMENT

**Stratum secures 100% of the East Menzies Goldfield Project
through acquisition of JV interest**

Highlights

- East Menzies Goldfield Project JV to be dissolved
- Mountain Gold International to become a major shareholder of Stratum Metals Ltd
- Mr John Shepherd to join the Stratum board

Stratum Metals Limited (ASX: SXT) (“Stratum”) is pleased to announce that Menzies Goldfield Ltd joint venture partner, Mountain Gold International (“MGI”), has decided to take a direct stake in Stratum in exchange for its 40% interest in the joint venture.

Stratum is to issue 1.35M convertible notes (valued at \$1 each), to MGI in return for MGI’s entire shareholding in Menzies Goldfield Ltd (the incorporated joint venture) subject to the receipt of shareholder approval at the Company’s upcoming annual general meeting. The notes will be issued on largely the same terms and conditions as those previously announced on 3 September 2013. The new notes will however only be able to be converted to shares in the first 12 months at a minimum conversion price of 12 cents per share and subject to a 12 month escrow provision.

The decision is a significant move in simplifying the group’s corporate structure and will result in the addition of a new sophisticated investment company to Stratum’s share register. As part of the process Mr John Shepherd, MGI’s representative director on the Menzies Goldfield Board, will join the Stratum board (subject to election at the Company’s upcoming annual general meeting).

Mr Shepherd offers significant experience to the Stratum board, as outlined in the ASX announcement of his appointment to the Menzies Goldfield Board dated 19 February 2013.

The simplified corporate structure will allow current and future investors in Stratum to easily understand and attribute the value of the highly prospective East Menzies Goldfield Project to the Company. It will also eliminate the additional administration and management requirements associated with operating the East Menzies Goldfield Project as a joint venture and, most importantly allows Stratum to set a clear path to focus on unlocking the project’s potential.

The board of Stratum looks forward to the upcoming drilling program on the Company’s high priority targets and to building our relationship with MGI, who will end up being one of Stratum’s largest shareholders.



Martin Holland
Managing Director

About Stratum Metals Limited

Stratum Metals Limited was formed to utilise some of the latest innovations in geosciences to target areas in Western Australia prospective for the discovery of gold and copper-gold ore bodies.

Stratum Metals has acquired a tenement portfolio located in the prospective gold and copper mineralisation region of Yilgarn in Western Australia. These tenements cover a range of mineralising systems in known and emerging mineral provinces in Western Australia, where potential exists for new gold, copper and nickel discoveries.

Stratum Metals has commenced comprehensive and intensive exploration of the targets identified in the search for new ore bodies.