



**ASX Announcement: 10 October 2014**

## **DUE DILIGENCE UPDATE**

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**ASX: SAT**

**Capital structure:**

Ordinary shares

321.7m

Options (Unlisted)

18.7m 6c (30/11/15)

19.7m 2c (30/11/15)

**Shareholders:**

Institutional 13%

Board/ Mgt 19%

Retail 68%

Top 20: 56%

The board of Stratos Resources Ltd (ASX: SAT) is pleased to announce the following due diligence update in relation to the Canadian projects (under option) which was announced to the ASX on 7 October 2014.

**Manitouwadge Graphite**

The board has formally appointed CSA Global to assist with a review of historical information and oversight of channel sampling, assaying and metallurgical work.

A team is expected to be mobilised to site late next week to commence a channel sampling program which will seek to confirm graphite grades and grain size distribution (including significant proportions of jumbo and large flake graphite shown in previous metallurgical work) in the existing trenches. The channel sampling program will target significant conductors that have been located via aerial electromagnetic ("AEM") surveys and ground based Horizontal Loop EM ("HLEM") surveys.

Results from the sampling and a geophysical review of existing AEM and HLEM data will also be used to determine drill hole locations which will target the EM anomalies. An application for drilling approval has been made on behalf of the Company to the Ontario Ministry of Northern Development & Mines.

**Hinton North Project**

Discussions have commenced with a Canadian based geological consultant in relation to the cost and timing to prepare a potential JORC compliant resource from existing historical data, which includes 7,000m of drilling. A review of historical mining studies is also being undertaken.

Further updates will be provided as information becomes available.

Board of Directors  
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**ENDS**