



5 September 2014

## **STRATOS RESOURCES LIMITED**

### **CORPORATE UPDATE**

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Stratos Resources Limited ("Stratos" or "the Company") (ASX: SAT) is pleased to provide the following update to shareholders

#### **PROJECT UPDATE**

Stratos continues to pursue the acquisition and development of the Yinchen tin project in Indonesia. The project is located on Belitung Island which is the heart of the Bangka/ Belitung tin production area of Indonesia. Indonesia is the largest exporter of tin globally (accounting for over 30% of global tin production) with the Bangka/ Belitung region in turn producing 90% of Indonesia's tin.

The project consists of a 60% interest in 11 production IUPs covering 1,200 Ha of onshore deposits on Belitung Island. The IUPs have potential for near term production from the low cost alluvial tin deposits with exploration upside potential from adjacent hard rock deposits.

Stratos plans to develop the project on a 50/50 basis in conjunction with its partner, Tennant Metals. Tennant are an international commodities trading house with substantial experience with tin trading, including many years of operating on Belitung Island. Tennant continue to be strongly supportive of the transaction. Please see June quarterly activities update for further details.

Stratos has received approval from the BKPM (foreign investment) authority to proceed with the Yinchen transaction and is currently awaiting final approvals from local authorities to register its interests in the project.

The Board and its advisers also continue to review new projects that have the potential to add shareholder value and deliver diversification by project, commodity and geography. During the

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quarter the decision was made to terminate discussions and any further due diligence on the Sambas offshore tin project.

## **CORPORATE AND CAPITAL STRUCTURE**

For the last 3 years, Stratos has been impacted by its unwieldy corporate structure with 4,749,545,144 shares on issue, a situation which was inherited by the current board. On 3 September 2014 shareholders voted to undertake a 1 for 20 share and option consolidation so as to have a more suitable capital structure going forward.

As of 5 September 2014, SAT shares will commence trading on a deferred basis with the following post-consolidation capital structure:

<b>Capital Structure (Post-consolidation)</b>	<b>Number</b>
Ordinary shares	237,477,258
Options (Unlisted, 30/11/15 expiry, 2 c exercise)*	19,744,438
Options (Unlisted, 30/11/15 expiry, 6c exercise)	18,750,000

\*includes options issued at general meeting on 3 September 2014.

At the General Meeting held on 3 September 2014, shareholders approved the grant of convertible loans in relation to certain funds advanced to the company over the 2013/14 period by directors and a number of unrelated parties. The outstanding loans of \$285,000 are able to be converted into SAT shares at the lower of 2c/share (on a post-consolidation basis) or 80% of VWAP or on the same terms as the next capital raising.

We look forward to providing further updates as appropriate.

Board of Directors  
Stratos Resources Ltd

**ENDS**

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