



16 September 2014

## **STRATOS RESOURCES LIMITED**

### **SHARE PURCHASE PLAN**

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Stratos Resources Ltd ("Stratos" or "the Company") (ASX: SAT) is pleased to announce a Share Purchase Plan (SPP), providing existing shareholders with an opportunity to increase their holdings in the Company as it advances the Yinchon Project and explores new investment opportunities. The Company also confirms that all outstanding convertible noteholders have agreed to convert their existing notes on the same terms as the SPP which leaves the Company with a stronger capital structure going forward.

#### **SPP Terms**

Under the SPP, eligible shareholders will be able to purchase additional shares in Stratos at an issue price of 0.5 cents per share. This price equates to a 8.3% discount to the VWAP for the last 5 trading days and a 16.7% discount to the last traded price. The Company is seeking a maximum of \$100,000 in new funds.

Shareholders who are recorded on the share register as at 15 September 2014 with a registered address in either Australia or New Zealand will be eligible to participate in the SPP.

Under the SPP, each eligible shareholder will be entitled to apply for up to \$15,000 of new shares without incurring brokerage or transaction costs.

All new shares issued under the SPP will rank equally with existing ordinary shares of the Company. Full details of the SPP including acceptance forms are expected to be sent to shareholders on 17 September 2014.

The SPP is expected to close on 26 September 2014 and is not subject to shareholder approval. Directors have indicated their intention to participate in the SPP.

#### **Use of Funds**

The funds raised through the SPP will be used to advance the Yinchon Project, review new investment opportunities and improve the Company's working capital position.

Stratos Resources Limited  
Level 1, 981 Wellington St  
West Perth WA 6005  
Australia

Tel: +61 (0) 8 6555 2950  
Fax: +61 (0) 8 9321 3102  
info@stratosresources.com.au

[www.stratosresources.com.au](http://www.stratosresources.com.au)

### **Convertible Notes Conversion**

The Company is pleased to advise that it has received confirmation from all existing convertible note holders that they have agreed to convert their notes to shares on the same terms as this capital raising (as per the approval given by shareholders at the general meeting held on 3 September 2014).

Following this conversion, Stratos will have a clear and stronger capital structure with no remaining convertible notes on issue.

### **Capital Structure**

Following conversion of the notes and issue of shares under the SPP (assuming the maximum SPP subscription is taken up), the pro forma capital structure for Stratos will be as follows:

#### **Pro Forma Capital Structure (in millions)**

Existing ordinary shares	237
New Shares (Convertible Notes)	57
New Shares (SPP)*	20

<b>Total Shares</b>	<b>314</b>
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Options (2c exercise, 30/11/15 expiry)	20
Options (6c exercise, 30/11/15 expiry)	19

<b>Total Options</b>	<b>39</b>
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*\*assumes SPP is fully subscribed*

The Company looks forward to providing further updates on the status of existing and potential new projects shortly.

Board of Directors  
Stratos Resources Ltd

**ENDS**

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