

30 October 2013

## **STRATOS RESOURCES LIMITED**

### **QUARTERLY ACTIVITIES REPORT**

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Stratos Resources Limited ("Stratos" or "the Company") (ASX: SAT) is pleased to provide the following quarterly activities report for the September 2013 Quarter.

#### **Key Highlights**

- Stratos acquired an option to purchase 70% of the Sambas offshore tin project in West Kalimantan, Indonesia ("Sambas Tin Project"), located near the Southern end of the South East Asian tin belt.
- Stratos established a Singaporean subsidiary, Billiton Island Resources Pte Ltd, to acquire an interest in certain Indonesian tin assets ("the Yinchun Tin Project") on Belitung ("Billiton") Island, Indonesia in conjunction with international commodities trading house, Metalcorp.
- The Company completed a \$110,000 capital raising (subject to shareholder approval in November 2013).

The Company has taken further steps in the last quarter to progress its activities in the tin exploration and development market. The Company expects that tin as a commodity will continue to remain well supported in the near and medium terms due to tightening global supply and continued demand from the electronics industry.

During the September quarter the Company acquired an exclusive option over the Sambas Tin Project. Since acquiring this exclusive option, the Company has appointed an offshore alluvial tin

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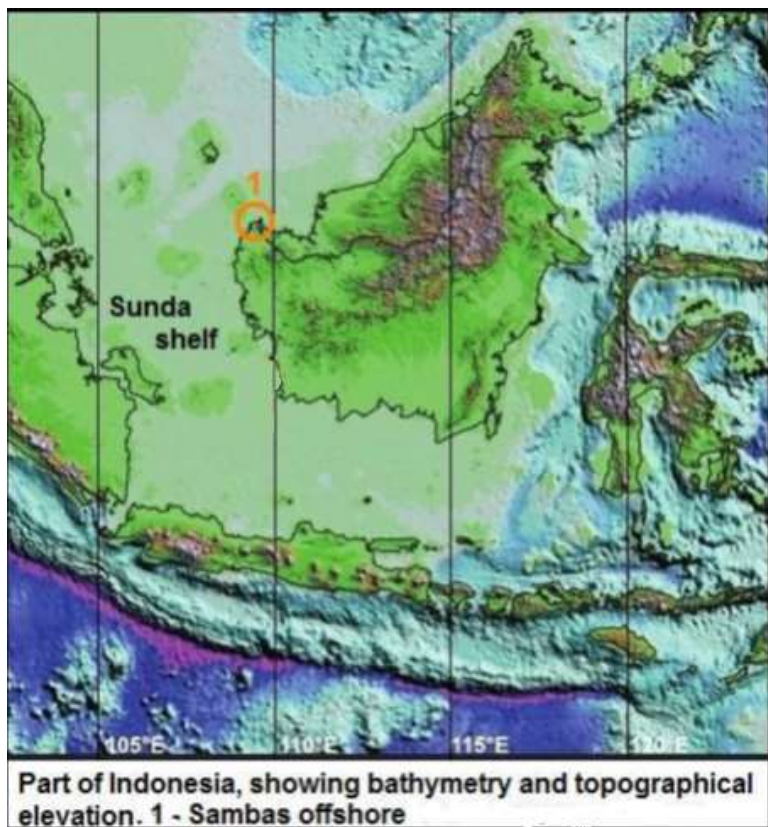
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geological consultant to perform due diligence activities, including review of historical information and a site visit to re-sample prospective areas. Results from these activities are expected shortly.

Both the Sambas Tin Project and the Yinchon Tin Project are prospective for tin and are located in close proximity to the South East Asian Tin belt.

### **Sambas Tin Project**

The Sambas exploration IUP (Indonesian exploration license) covers 49,270 hectares of prospective offshore areas from the mouth of the Paloh River to north of Tanjung Dato, West Kalimantan, Indonesia (see Figure 1 below). The license area extends from the shore line to 8km offshore and in waters generally between 5 and 20m in depth which is considered ideal for offshore alluvial tin extraction.



*Figure 1 – Sambas Location Map*

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Historical sampling taken from the Sambas project has indicated the potential for commercial alluvial tin mineralisation. A total of 45 subsea grab samples have been taken and analysed by the project owners with results of up to 0.7% Sn reported. The range of sample grades reported by the project owners is between 0 and 0.7% with a number of samples in the range of 0.02% (0.3kg/ m<sup>2</sup>), which is considered potentially viable for an alluvial tin operation.

The intention of the Company, should it exercise the option, would be to progress further exploration on the Project, including the transition of the Exploration IUP into a Production IUP (Indonesian mining license) for potential bulk sampling activities.

The Sambas project would compliment the Yinchen Tin Project which the Company has agreed to acquire (see announcement 4 June 2013). Stratos intends to assess both projects in parallel in order to determine forward work programs and production planning.

### **Yinchen Tin Project**

During the quarter the Company established a Singaporean subsidiary, Billiton Island Resources Pte Ltd to assist in acquiring a 60% interest in certain Indonesian tin assets Production IUPs, (the Indonesian equivalent of mining licenses) on Belitung Island. The Company intends to acquire these assets on a 50/50 basis with international commodities trading house, Metalcop and its Australian subsidiary, Tennant Metals.

Consideration to be paid by Stratos is to be all scrip, with shares to the value of \$400,000 at VWAP to be issued to the vendor. These shares will be subject to a voluntary one (1) year escrow. The transaction is subject to ASX and shareholder approval (if required).

Discussions in relation to the potential acquisition of the Yinchen smelter assets also continue with relevant Indonesian and other interested parties. In the interim, smelting arrangements at market rates are available from other smelters on Belitung Island.

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## **Corporate**

The Company had a cash balance of \$426,000 as at 30 September. The Company also retains an interest in 35m Sprint Energy Ltd (ASX: SPS) shares (current trading price of 0.9c/share).

The Board continues to review investment opportunities in both the tin sector and other commodity sectors that have the potential to significantly add value for shareholders.

### **Competent Person Statement:**

The information in this announcement that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Paul Cmrlec (B.Eng (mining) Hons. M.AusIMM). Mr Cmrlec has the sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person described by the 2004 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cmrlec consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

**ENDS**

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