

26 May 2016



StratMin Global Resources Plc
("StratMin" or the "Company")

Bass Transaction Update

StratMin Global Resources Plc (AIM: STGR), London's only listed graphite production and exploration company, notes the announcement made by Bass Metals Ltd ("Bass") today regarding its proposed acquisition of the Company's 93.75 per cent. owned subsidiary, Graphmada Mauritius ("Graphmada"), (the "Proposed Disposal") and is pleased to report that Bass has now completed due diligence and that it will proceed with its offer to acquire the 93.75 per cent. of Graphmada it does not already own. A sale and purchase agreement is being negotiated in conjunction with the production of a circular to Stratmin shareholders ("Shareholders") convening a general meeting of the Company.

The proposed consideration of up to A\$15.25 million for the remaining 93.75 per cent. of Graphmada values the business at A\$16.267 million or approximately £8.0 million. This is, in the Board's opinion, a compelling valuation in comparison with the current market capitalisation of StratMin.

The consideration for the remaining 93.75 per cent. of issued shares in Graphmada will be settled as follows, subject to the satisfaction of a number of conditions precedent including, *inter alia*, approval by Shareholders and the raising of the necessary funds by Bass, on a roadshow shortly to be completed by Bass (further details on which below), to fund the initial cash payment as detailed below:

1. A cash payment of A\$1,500,000 (approximately £735,000), in cash;
2. An equity payment of A\$8,750,000 in Bass shares in the following 3 tranches:
 - a. A\$750,000 worth of Bass shares at a price of A\$0.01 per share upon execution;
 - b. A\$3,000,000 worth of Bass shares upon achieving production output of 1,250t of graphite concentrate over three consecutive months ("Tranche 2"); and
 - c. A\$5,000,000 worth of Bass shares upon achieving production output of 2,500t of graphite concentrate over three consecutive months ("Tranche 3").
3. A net smelter royalty of 2.5% capped at A\$5,000,000 beginning six months after execution of the Proposed Disposal.

At the close of trading on the ASX on 25 May 2016, Bass' mid-market share price was A\$0.01.

The Bass shares issued under Tranche 2 and Tranche 3 will be valued on Bass' volume weighted average share price over the 20 trading days immediately prior to the achievement of the production milestones.

Bass has engaged Bizzell Capital Partners and Patersons Securities, two Australian based brokers with significant expertise in financing graphite projects, to assist with raising funds for the acquisition of Graphmada.

The Board has considered the Proposed Disposal and the alternatives for funding the development of operations and believes that placing funding control under Bass, with operational support from StratMin and Tirupati, gives Shareholders the best available development proposition.

The structure of the Proposed Disposal is designed to accommodate the regulatory requirements of both the Australian and London markets. As it involves disposal of StratMin's only significant asset, it is subject to Shareholder approval and will, unless the Company acquires another sufficiently large asset prior to the divestment of Graphmada, be classified as a fundamental change of business for StratMin as defined in the AIM Rules for Companies. If the Company is unable to acquire a sufficiently large asset before completion of the Proposed Disposal, StratMin will have six months to secure another asset or business, failing which it may be required to apply for readmission to AIM as an Investing Company.

Stratmin intends to shortly send a circular to Shareholders detailing the Proposed Transaction and convening a general meeting of the Company to seek the required Shareholder approvals, in accordance with the AIM Rules for Companies.

The Board has been pursuing a number of corporate opportunities and is confident that it will be able to complete a transaction within the six months following completion of the Proposal Disposal and maintain the admission of its ordinary shares to trading on the AIM Market.

For further information please visit www.stratminglobal.com or contact:

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