26 June 2013

StratMin Global Resources Plc
(“StratMin” or the “Company”)

Operations Update, Management Team Additions and Appointment of Nomad & Broker

StratMin (AIM: STGR), the graphite production and exploration company with assets in Madagascar, announces an Operations Update, together with details of additions to operational management and the appointment of a Nomad and Broker.

Highlights:

- 3,130 tonnes of graphite bearing ore have been stockpiled for production
- 204 tonnes of concentrate produced of a carbon purity of 65% - 75% ready for immediate upgrade through re-processing
- Low strip ratio of 0.14:1 (waste to ore) supports a low cost mining operation
- Equipment purchased in Q1 2013 to optimise the performance of the plant and the graphite production process, has arrived on site and is in the final stages of installation
- Production limited to trial runs whilst the plant upgrade and optimisation process continues, continuous production scheduled to commence in September 2013
- Drilling rig for exploration and mine planning and laboratory equipment to monitor and evaluate graphite production on site
- SGS in South Africa performing metallurgical testing on 20kgs of ore samples from the Loharano site to further optimise product purity and recovery. Test results are expected to be received in July 2013
- Competitive interest in Lohorano’s premium graphite production has led the board to delay nominating a sole distributer
- Management team strengthened - highly experienced Mine & Plant Manager and Country Manager have been appointed and are on site, London based Managing Director identified for appointment in July 2013
- Peel Hunt LLP appointed as Nomad and broker effective immediately

Commenting on the announcement, Gobind Sahney, StratMin’s Chairman, said, “Since the Company’s last update on 26 March 2013, StratMin has made significant progress on its strategic objectives to expand flake graphite production, improve operational management and increase market awareness of StratMin. The progress has not been without challenges but the Directors are focused on building a company that will successfully deliver value over the months and years ahead.”

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

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OPERATIONS UPDATE

Production

The mine is currently in production using a conventional open pit mining method, utilising dumpers and excavators to remove overburden and ore. The mine strip ratio is calculated to be an average of 0.14:1 (waste to ore) with minimal overburden pre-stripping requirements. The production units are presently exceeding plant capacity resulting in surplus ore of 3,130 tonnes stockpiled at the plant available for processing. The low strip ratio and soft rock ore body drives low operating costs which we expect to be $650 - $700/t during the ramp up and $350 - $450/t in steady state production.

A preliminary mining plan is in place, and while the plant upgrades have been carried out, a significant amount of mine preparation has taken place. Future ore blocks have been identified within 500m from the processing plant and will be prepared in line with the short to medium term mine plan supporting a low cost mining model.

The mine is currently capable of producing 1,080 tonnes of ore per day, of which 300 tonnes can be processed by the plant as currently configured producing 9.8 t/d of concentrate representing a yield of 3.25%. The current plan will see mine production increase to 2,000 tonnes per day by Q4 2013, of which 600t/d will be processed by the upgraded plant, producing 18.6 t/d of concentrate representing a yield of 3.25%. By the end of the first half of 2014 the mine capacity is expected to be 2,000 tonnes of ore per day and the plant 1,600 tonnes per day producing 53t/d of concentrate representing a yield of 3.25%. In addition, the Company has 204 tonnes of concentrate of a carbon purity of 65% - 75% ready for immediate upgrade

The ore occurs throughout the lateralized sections of the host rocks and requires no crushing or milling. Graphite recovery will be achieved by scrubbing and flotation methods and is expected to produce a graphite concentrate of 90+% carbon content. As announced previously new equipment was ordered and this included a sophisticated drying plant and high capacity attrition scrubber with trommel screen to remove excess clay and organic material from the graphite.

The Company has experienced delays in the production of graphite concentrate for two reasons:

1. Delays to the delivery of the plant upgrade equipment from China. These delays have inevitably affected short term trial production; and
2. A deliberate decision by the Board that it was in the best interest of the Company for production to be limited to test runs while installing the new equipment instead of a continuous production cycle.

The optimisation of the new plant is continuing as planned. SGS in South Africa is providing consultancy to define the exact metallurgical composition of the ore and therefore the most efficient methods to produce premium product. These results are expected to be delivered by the end of July 2013. Meanwhile mechanical calibration of the new and existing plant also continues. The complete optimisation process is expected to finish by September 2013.

Plant Development

As previously announced plant process equipment was purchased in Q1 2013 to optimise the performance of the plant and the graphite production process. The equipment purchased included processing plant equipment, a drilling rig for exploration and mine planning, and finally laboratory equipment to constantly monitor and evaluate the graphite production from the plant.

Processing Plant

The processing plant equipment purchased included an ore scrubber, additional flotation cells and a high speed drying facility all of which are expected to achieve a concentrate with a carbon content of over 90%, and to allow higher volumes. The scrubber and the additional flotation cells were installed on 15th June and are in the process of being configured and optimised with the drying plant to be completed in July.

Full time mining and processing activities are on schedule to recommence in September 2013 following the completion of the initial plant upgrade with plant output targeted to be around 180 tonnes per month ('tpm') and to then rise to 400tpm with the introduction of an additional shift as part of the ramp up. The Company has restated the production rate purposely to accommodate the newly installed equipment and remains confident that the plant will deliver our targeted 1,000tpm once the plant ramps up to full capacity with the additional purchase of an upgraded flotation circuit and excavation equipment.

On-Site Infrastructure

The Company purchased an onsite laboratory as part of the Q1 2013 capital expenditures. The laboratory is currently being configured and once completed will provide continuous quality control throughout production and allow the Company's process experts and geologists to optimise production quantity and quality.

A cyclone proof shed to house the drying and bagging facility has been erected and the drying facility for the graphite is nearing completion with additional on-site housing constructed to accommodate all personnel.

First Shipment

An initial shipment of 20 tonnes of graphite was sent to the USA from the Port of Toamasina in March 2013. The first trial shipment demonstrated StratMin's comprehensive solution to transport flake graphite from the Company's mine in Madagascar to the seaborne market.

The test results from the shipment confirm a majority of "large" and "jumbo" flake size graphite with only a small percentage of the smaller industry standard 80 mesh size. All graphite larger than +80 mesh size is classified as large flake and flake larger than +60 mesh is classified as jumbo flake. The results confirmed that approximately 80% of the graphite sampled was "jumbo flake".

Sales and Marketing

Upon the commencement of full time production of graphite expected in September 2013, following the completion of the plant upgrade, the Company will make its first commercial shipment, which is targeted to be completed by October 2013.

Once metallurgical work and plant optimisation has been completed, the Company expects to sell its large flake product at a premium to the smaller flake graphite product sold around the world. Recent reported prices for this premium graphite product range between $1,900 and $2,100 per tonne compared to between $1,300 and $1,500 per tonne for the smaller flake product.

The Company continues to have active discussions with a select number of graphite marketers. While it was the intention of the Company to enter into an exclusive marketing agreement, competitive interest in the Company's product has prompted the board to delay nominating an exclusive agreement and wait until the plant reaches full time production to achieve the best strategic outcome for the Company.

Drilling and Exploration Programme

The Company acquired a drilling rig as part of its capital expenditures in Q1 2013. The drilling rig has been commissioned and planning has commenced on a first phase drilling program to upgrade and expand the JORC compliant mineral resource.

The drilling program will comprise the drilling of 132 vertical boreholes on 50 x 50 m grid spacing. Approximately 80 % of the drill holes will be drilled to a maximum depth of 30m, and 20% of the drill holes will be drilled to a maximum depth of 50m.

Drilling will take place covering the known mineralized area and its projected extensions and infill drilling will be done where necessary.

The drilling at Loharano will be carried out by an experienced drilling team and supervised by the 'Qualified Person', as defined by JORC, from Creo Design, Stratmin's technical consultant. Drill holes will be fully cored (HQ and NQ diameter), with recoveries generally exceeding 85% in the oxidized zone and normally over 97% in fresh rock. Sample preparation will be completed locally and analyses performed by the accredited Set Point Laboratories in Johannesburg, South Africa.

The aims of the drilling program are to expand the JORC compliant mineral resource and increase the Life of Mine:

1. At present the resource and Life of Mine calculation is based on a depth of 7m below surface beyond which the mineralisation is open ended at depth. Future mine planning requires establishment of the depth which will significantly increase the resource.
2. Sampling, Core logging and sample custody will be carried following standard operating procedures compliant with JORC standards, and be used to calculate the resource according to JORC definition and by industry standard geological modeling computer software.

The existing resource was established to a depth of 7m on 25% of the Lohorano project. The planned drill program is expected to increase this at depth in its first stage and in its second stage to explore the rest of the property. The Board are confident the Lohorano property can support a larger resource.

MANAGEMENT TEAM

The Company is in the process of significantly upgrading its operational management team, and as part of this exercise is pleased to announce two key new in-country appointments. Wilhelm Reitz joins as Mine & Plant Manager and Olivier de la Barre as Country Manager. Both Wilhelm and Olivier are on site, and the role of OVM has been significantly reduced.

Wilhelm Reitz: Mine & Plant Manager

Wilhelm Reitz has been responsible for mining and processing operations on site for the past 8 months as an employee of One Vision Management, the Company's engineering partner. Wilhelm has recently agreed to transition into the role of Mine and Plant Manager with StratMin where he will be responsible for mining, processing and all technical requirements at the mine. Wilhelm will continue to be supported by One Vision Management and will report directly to the StratMin Managing Director.

Wilhelm is an experienced Mine Manager who has an extensive track record of successful plant and mine operations. His skills include management of expat and local workforce; plant design, planning and construction; metallurgy, exploration programme oversight through the planning and execution stages; mine safety and environmental build out and both budget and inventory controls.

Wilhelm has extensive Africa experience, working for Stellar Diamonds Plc and African Mine Developments in Guinea, West African Diamonds Plc in Sierra Leone and consultancy work in the Gabon and Angola. We are delighted that Wilhelm has joined the StratMin team.

Olivier de la Barre: Madagascar Country Manager

Olivier de la Barre joins the Company as the Country Manager and will be responsible for overseeing all non-technical issues in Madagascar including financial administration, procurement, logistics, government relations and human resources management. Olivier will be based between Antananarivo (Madagascan Capital) and the mine and will report directly through to the Managing Director.

Olivier brings a wealth of experience to StratMin having spent the majority of the past 12 years working in Central Africa in various administrative and country manager roles. Olivier has had experience in mining project development, operations, financial administration, licensing, government relations and regulatory compliance. Olivier was most recently employed by Elemental Minerals Ltd. (ASX: ELM) in the Democratic Republic of the Congo (DRC) where he was employed as Country Manager for their Sinttoukola Potash SA subsidiary.

Wilhelm and Olivier are supported in Madagascar by a full time geologist, plant technicians, and administrative support.

The Company has identified, and intends to appoint in July, a full time London based Managing Director with a Financial Controller to follow in due course.

STRATEGY AND OUTLOOK

With the initial plant upgrades being completed and the calibration process under way the Company expects to produce between 900 – 1100 tonnes of +90% carbon content large and jumbo flake graphite by the end of 2013 and, with additional capital expenditure, to reach 10,000 - 12,000 tonnes in 2014.

The new operations management in London and Madagascar will improve the execution and reporting processes of the Company and will further assist the Company’s transition into a steady state producer of high quality graphite.

Production delays have been an unfortunate part of the Company’s expansion plans. However, the Board have addressed these problems and as a result, expect production ramp up to progress steadily from September 2013.

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