

6<sup>th</sup> September 2013



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

**Preliminary SGS Results and Operations Update**

StratMin (AIM: STGR), the graphite production and exploration company with assets in Madagascar, announces the preliminary results of its first stage SGS South Africa (Pty) Ltd ("SGS") metallurgical test work on the Lohorano Mine and a production and sales update.

**Preliminary SGS Results**

The test work was carried out on 20kgs of material from Mining Block 1 of the Lohorano property. Bench scale flotation test-work (simulating the existing Lohorano plant) achieved a maximum product grade of 86% carbon and an average grade of 82%. Further gravity separation test-work has been conducted on this concentrate in the laboratory using technology not currently available at the Lohorano plant and achieved a product with 92% carbon with 90% of the flakes at +70 mesh.

The tests undertaken are preliminary, and require additional confirmatory sets of test-work which are to be carried out by SGS. In particular, further analyses of the mineralogical and metallurgical characteristics will be performed to confirm potential recovery rates, which at this stage have not been adequately defined. This analysis is to be carried out immediately and seeks to confirm appropriate methods of upgrading the carbon content as well as recovery rates. Results of these tests will be announced as soon as they have been received by the Company.

The SGS report has been reviewed by Rob Bennett, FSAIMM, at Promet Dadi Africa ("Promet"). Promet has been appointed by the Company to oversee the SGS work and to advise the Company on any necessary plant upgrades to achieve the marketable grade of graphite envisaged by Stratmin as set out in the June operations update.

Promet will be visiting the Lohorano property in early September to review StratMin's proposed processing plant upgrade plans and how these relate to the test-work program. It is anticipated that this plant upgrade will be relatively low-cost and may include gravity processing and screening capability that can be retrofitted to the existing process without significant interruption to production.

**Production and Sales**

The calibration of the plant, including the drying plant, is now complete. The plant is ready to produce at a capacity of 30 tonnes head rate (ore into the plant) per hour on a one shift per day basis. The Company intends to start production from 9<sup>th</sup> September. Carbon content and recovery remain variable, with the expectation of quick improvement following the further

pending SGS results and corresponding plant upgrades. It is expected that plant improvements, under the supervision of Promet, will be undertaken in parallel with production. Given these developments, previously announced guidance on achieving 90+% carbon content production in September 2013 will not be met.

The Company is in advanced discussions with interested parties to sell the graphite it produces with a carbon content of 70+%.

**Financing**

The Company has been examining a number of financing options in order to carry out the expected upgrades, and to provide enough working capital to take it through to cash flow break even. A number of offers are being examined and will be the subject of a further announcement.

**Manoli Yannaghas, Managing Director commented,** “It has been a challenging year. However we have made a number of steps in the right direction. We have a surface deposit with jumbo flake graphite ready for initial production, are in advanced commercial negotiations with purchasers and have identified a clear roadmap to generate further improvements in carbon content and recovery. I look forward to updating the market in due course as we further develop our plant and resources.”

For further information please visit [www.stratminglobal.com](http://www.stratminglobal.com) or contact:

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