

5 October 2016



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

Joint Venture Funding Initiation and Vatomaina Project Update

StratMin Global Resources Plc (AIM: STGR) is pleased to announce that it has initiated its funding of the joint venture (with Tirupati Carbons and Chemicals Pvt Ltd ("Tirupati")) Vatomaina project, and provides the following project update.

Initiation of Funding:

StratMin has made an initial investment in Tirupati Resources Mauritius Ltd, the joint venture holding company of the joint venture between StratMin and Tirupati ("TRM"). US\$50,000 has been invested by way of a subscription for 1.48% of the enlarged issued share capital of TRM (the "Investment"). A further investment is expected to be made at month end from the funding facility announced on the 28 of September 2016.

Funds will be applied to completion of the Environmental Permit, which is the final regulatory requirement before on site development can be initiated. This is detailed further in the Project Update below.

Overview:

Vatomaina is a large flake graphite project in Madagascar, currently in development as a joint venture between StratMin and Tirupati that will eventually result in StratMin being issued 31% of the enlarged share capital of TRM (equivalent to 45% of TRM's issued share capital prior to the Investment). The key features of this project are as follows:

- 12,000 tonnes per annum large flake graphite mine and processing plant
- Projected US\$5 million CAPEX budget
- Believed by the Directors to be the lowest CAPEX / tonne graphite project under development
- Planned plant commissioning in October 2017
- US\$1.5m investment commitment from StratMin through the subscription for new shares in TRM
- StratMin commitment funded by the secured non-recourse facility announced 28 September 2016

Transaction structure:

The joint venture is via a staged equity investment in a joint venture holding company, Tirupati Resources Mauritius ("TRM"), currently a wholly owned subsidiary of Tirupati. TRM in turn is the 98% owner of Tirupati Madagascar ventures SARL ("TMV"), the owner of the Vatomaina licence, Exploitation Permit (PE) No. 38321.

In addition to the development of Vatomaina, TRM has established a graphite trading operation servicing a number of smaller graphite concentrate producers in Madagascar. In addition to giving TMV an enhanced in country presence, this trading activity has successfully seeded markets in the US, Europe and Asia for production from Vatomaina.

The rights to the joint venture were acquired from Consolidated Chrome Pte Ltd on 16 June 2015.

Vatomaina Project:

Exploitation Permit (PE) No. 38321 was issued to TMV on 16 January 2016 by the Bureau du Cadastre Minier de Madagascar (BCMM) and is valid for 40 years. Exploitation Permit (PE) No. 38321 was converted from an earlier licence granted on 10 December 2010 originally acquired by TMV in November 2013. It covers an area of 25 sq. km. with multiple zones of graphite bearing ore previously identified and historic workings from French colonial era graphite mining.

The Vatomaina project is approximately 20km from the Company's historic Madagascar operations at Loharano. Vatomaina is near the regional town of Brickaville and 70km from Madagascar's primary export port, Tamatave. The project licence area straddles the highway connecting Tamatave with the Capital city, Antananarivo. This sealed road provides excellent year-round transport infrastructure for the project, connecting Vatomaina to the port and international graphite markets.

The Vatomaina project is the site of historic graphite mining during the French colonial era and the project area has been well explored. An independent report commissioned by TMV identified an Exploration Target (as defined by Clause 17 of the Joint Ore Reserves Committee ("JORC") Code 2012 edition) in the range of 6.5m to 13.1m tonnes with a grade ranging from 2% to 11% fixed carbon, with upside potential below 30m..

The Vatomaina ore body is very similar in nature to the Loharano deposit with a flake size distribution of 30:35:35 jumbo, large and small flake, giving it very attractive pricing potential. The graphite is hosted in a highly weathered clay zone, occasionally outcropping at surface and suitable for free dig, open pit, mining.

Project Progress:

Since the execution of the joint venture, TMV has made significant technical and administrative progress with the project and has now initiated development.

The original licence acquired has been successfully upgraded to a full 40-year exploitation licence. Following this an Environment Permit application was submitted, with the draft permit presented to TMV on 16 September 2016 for final review prior to issue, which is expected during 2016. This is the final regulatory requirement prior to on site development initiation.

Sample material has been shipped from Madagascar to Tirupati's Indian operations and bulk samples have been successfully tested with 96% FC material produced. This sample material has been provided to a range of Tirupati's customers and successfully tested in commercial production of various graphite products.

From the sampling, liberation studies and bulk testing, process flow sheets for the plant have been finalised. Engineering and design have been prepared by Tirupati with full plant costings determined for both CAPEX and OPEX. The mine and plant layout has been planned with supporting infrastructure requirements identified, costed and included in the project plan. These plans are currently being independently reviewed, with a report expected from the consulting engineers before the end of the year.

Based on sample parameters and processing performance, the product mix and yield of flake graphite concentrate has been estimated. From this, revenue forecasts have been made with reference to existing sales data from Tirupati's global distribution operations.

TMV has staffed a permanent in-country team with a country manager, geologist and corporate relations officer. This team is responsible for Government and Regulatory interaction, managing all project administrative development and reporting.

Current activity:

At an administrative level the focus is on completion of the Environmental Permit, whose finalisation and issuance will enable on site development works to begin.

On site a detailed topographic survey is underway including hydrogeological studies. This will provide critical input for the following:

- Mine planning;
- Determination of site suitability for small scale hydro-power generation;
- Planning of community development activities including training facilities, agricultural support, local community health and local education facilities.

Off site at Tirupati operations in India, workshops are preparing for in house plant fabrication, equipment customisation and staff training for deployment to site for the plant construction phase.

Next Steps:

Over the next quarter the joint venture partners will initiate the following:

- On-site road access development, civil and infrastructure development to enable the mine and plant construction program;
- Resource drilling to upgrade resource and provide inputs for mine scheduling, with the intention of producing a JORC compliant resource estimate in 2017.

Brett Boynton, CEO, Commented:

“The joint venture partners are utilising all of the experience gained with Graphmada over the last year and a half to rapidly bring the Vatomaina project into production and generating cash flow. Leveraging Tirupati’s in-house expertise, and we are aiming to cost-effectively develop the lowest CAPEX per ton graphite operation in the world. With the favourable flake size distribution and a low mining cost environment, Vatomaina is targeting to be a lowest quartile cost per ton producer with a sustainable EBITDA margin.”

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

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