

7th December 2015



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

Operational Update

StratMin Global Resources Plc (AIM: STGR), London's only listed graphite production and exploration company, is pleased to announce the achievement of operational level breakeven and a comprehensive update on progress achieved since appointment of its new CEO, Brett Boynton, and entering into a strategic partnership with Tirupati Carbons & Chemicals (P) Ltd ("Tirupati").

Plant Stabilisation, Operations and Optimisation

The process of upgrading the present plant to a consistent 6,000+ tonnes per annum ("TPA") production capability was initiated in July 2015 with tangible progress achieved over the past 5 months summarized in the table below.

Period	Activity	Results
July 2015	Process flow-sheet corrected and flotation circuit modified to match raw feed requirements and enable higher throughput	Increased production rates achieved.
August 2015	Comprehensive audit and analysis of Processing, Drying and Finishing circuits made, with operational constraints identified and mitigation planned in two parts: (a) temporary refurbishment to enable continued short term production optimised for net revenues; and (b) permanent refurbishment where possible, replacement of incorrect plant and equipment and addition of new equipment as required to convert the present plant into a fully automated facility capable of delivering >96% purity end product.	Establishment of a continuous improvement program with a systematic implementation of upgrades and replacements. Drying plant fully refurbished, new dewatering spinners under installation, milling system under refurbishment and a new larger capacity diesel generator set under procurement to increase power supply and improve efficiency.
August – September 2015	Initiation of twenty-four hour production and review of all staffing requirements.	Successful planning and implementation of 24 hour production. Stress testing of the plant provided further analysis for the improvement program. Demonstrated competence across all major activities including operations, maintenance, quality control, sales, shipping & logistics and management.

October – November 2015	Continued twenty-four hour production with planned maintenance and selective process shutdowns for refurbishment and replacements. Improved grade control and mine scheduling. Further production analysis and identification of process improvements.	Continued production and sales through major selective refurbishment with cash flow maintained. Expanded inventory to ensure consistent operations. Improved feed grade and efficiencies.
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- Production output over the period increased despite selective plant downtime and increased maintenance.
- For the three month period from September to November 2015, 705 tonnes were produced and 603 tonnes dried, finished and packaged ready for sale.
- First stage refurbishments will be completed this month and from January 2016, production of at least 400 tpm is expected with sustained operational profitability.
- Funds from Bass Metals Ltd. will be used for key equipment upgrades in the mining fleet and milling circuits enabling production to be increased to over 600 tpm from the second quarter of 2016.

Lead times for importation of equipment into Madagascar have limited the immediate completion of further refurbishments, but in response we have developed enhanced fabrication capability on site and this will serve the Company well in the development, subject to additional funding, of a new 12,000 tpa plant in 2016.

Sales & Marketing Developments

Sales over the period have increased significantly and we expect to see an improvement in average sales price as we smooth production and increase average grades.

Sales during the September to November 2015 period totaled 478 tonnes, including quantities of unscreened and lower grade concentrates produced during refurbishment and testing. Revenues from these sales totaled £195,000.

Exploration

To optimise resource management and security, a low cost exploration plan was developed and executed as announced on 23 November 2015. The programme has so far delivered:

- Completion of detailed geological mapping utilising geophysics, trenching and geochemical sampling and the identification of significant additional mineralised zones.
- Completion of total station topographical mapping of the area with a contour interval of 2M at 1:1000 scale. This has provided surface data for various activities including resource estimation, identification of prospective reclaimable non-mineralised land areas for community use and for development of proposed new facilities and associated infrastructure.
- A detailed JORC 2012 compliant resource report is in preparation for release in January.
- Improved mining rates with enhanced grade control and resource utilisation.

Project & Business development

Alongside the ongoing optimisation of the present operations, we have progressed detailed planning and engineering for the following developments at the present operations:

- On site engineering, fabrication and manufacturing facility for independent capability in various types of equipment including processing, materials handling, waste management and structural steel. This will enable the on site team to fabricate conveyors and storage systems, flotation cells, dust control equipment such as cyclones, and structural components for sheds and equipment covers.
- Subject to additional funding, a new 12,000 tpa state of the art, inline flake graphite processing facility with capability to produce customised flake graphite concentrate for varying customer requirements in purity up to 97%. This will increase the total capacity at present operations to over 18,000 tpa flake graphite concentrate production.

Establishing a full on site engineering capability enhances maintenance and reduces dependence on consultants and imported equipment. In addition, it will provide a significant portion of the new plant build capability and longer-term expansion capacity.

The Vatomaina Project under JV with our Strategic Partners has been advanced. The initial capacity target for this project is a similar 12,000 tpa flake graphite concentrate operation. Subject to additional funding, on site work is scheduled to commence in the first quarter of 2016, targeting initial production by the second quarter of 2017.

In addition to the Loharano and Mahefedok project areas, the Group holds a further Exploitation License covering an additional 6.25 square kilometers near Andranombolahy, approximately 30km north of the existing mine. Neighboring operators are in production and historic geological data and preliminary fieldwork indicate that this area has potential to host higher purity flake graphite deposits. Follow up exploration in the area will be initiated Q1 2016. The objective is to define a resource capable of supporting a further 12,000 tpa operation.

Subject to availability of funding, the Group's portfolio has potential to support a total production capacity in excess of 42,000 tpa from these diversified deposits within Madagascar. The modular expansion approach enables staged CAPEX and significant operational advantages. It is also attractive to buyers looking for security of supply from multiple sources.

To compliment the expansion ambition of the Company in production from Madagascar, we have initiated discussions with Tirupati to co-operate in the establishment of an Indian based joint venture to develop a flake graphite value addition facility to process graphite into a range of intermediate products. This will supply markets for applications including energy storage, lubrication, flame retardants, thermal management, and composites. Tirupati has already advanced this initiative and has a pilot scale micronizing facility in operation. Large flake graphite samples from Stratmin's present operations have been successfully tested by Tirupati in the manufacture of exfoliated flake graphite. This has commercial application in flame retardants, graphite foil sheets and gaskets. Tirupati have also initiated development of ultra high purity (>99.5%) flake graphite production which is all part of collaboration discussions.

Finance & Cost Controls

Initiation of twenty-four hour production is giving us scale efficiencies and enabled the Company to reach operational breakeven in October and generate a small operational profit in November. This is despite significant plant downtime with ongoing refurbishments. The results for the three-month period from September to November 2015 with the production of 705 tonnes are shown below:

- Total operating and selling expenses : GBP 197,100
- Sales revenues : GBP 195,000
- Finished goods inventory addition : GBP 95,000

Targeted production and sales in excess of 400 tpm from January 2016 will create sustained positive cash flows across the group.

Cost cutting continues at an operational and corporate level with significant reductions already achieved.

Funding from Bass is progressing. £278,000 has been received to date and Bass has committed to funding the balance of the £500,000 first tranche by 31 December 2015. As previously announced on 4 December 2015, the funding of the second tranche, totaling £1,500,000 will be completed by 31 March 2016 to enable greater utilisation of funds received by Bass under the settlement of their legal claim.

Brett Boynton, CEO, commented:

"We approach the year end satisfied with the results of a sustained effort and the all round progress in the Company. We have a clear strategy to build a world-class graphite producer from our high grade, low cost, Madagascan asset base.

Our partnership approach has delivered excellent results and we will continue to integrate facets of the business with Tirupati. We are very excited about the plans for value added processing and the opportunity to build a truly diversified international business.

The team we have in place is enthusiastic about the year ahead and looking forward to growing the operation.

Our new partner, Bass, has received a lot of interest from the Australian investor base and our decision to access that capital market to compliment the London listing looks set to drive shareholder returns.

Stratmin is now well positioned to build a substantial presence in the graphite industry and capitalise on being an early mover and profitable producer."

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

StratMin Global Resources Plc
Brett Boynton, CEO

+44 (0) 20 3691 6160

Strand Hanson (Nominated & Financial Adviser)

Rory Murphy / James Spinney / Ritchie Balmer

+44 (0) 20 7409 3494

Beaufort Securities (Broker)

Jon Belliss

+44 (0) 20 7382 8300

Blytheweigh (Financial PR)

Camilla Horsfall/ Megan Ray

+44 (0) 20 7138 3204