

1 April 2016



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

Proposed disposal of principal operating subsidiary

StratMin Global Resources Plc (AIM: STGR) announces that it has entered into heads of terms with Bass Metals Ltd (ASX:BSM) ("Bass") according to which Bass would acquire the outstanding 93.75per cent. of Graphmada Mauritius ("Graphmada"), which it does not already own, for a staged cash, equity and royalty consideration of up to A\$15.25 million subject, *inter alia*, to regulatory and shareholder approvals, as announced by Bass earlier today (the "Proposed Disposal"). This term sheet replaces that signed on 2 September 2015 which envisaged an investment by Bass into Graphmada of a sum totalling up to £2.0 million to take a 25per cent. investment in Graphmada. Bass has already made payments totalling £500,000 and acquired 6.25per cent. of Graphmada under that agreement.

Since 2 September 2015, StratMin has received interest from a number of parties regarding investment into, or an acquisition of, the Company's graphite operations. In discussions with Bass, as the joint venture partner in these operations, Bass expressed a preference for acquiring 100 per cent. of Graphmada itself, in order to independently fund its development and expansion.

In order to provide StratMin shareholders with ongoing investment exposure to the graphite assets and take advantage of valuations being given to graphite projects in the Australian market, StratMin has negotiated the Proposed Disposal so that the proposed consideration includes a significant proportion of equity-based consideration, comprising Bass equity with a cash and royalty component to optimise the economics of the transaction. This enables StratMin to pursue other corporate opportunities whilst retaining an interest in the funded expansion of Graphmada's graphite operations.

The proposed consideration of up to A\$15.25 million for the remaining 93.75per cent. of Graphmada values the business at A\$16.267 million or approximately £8.6 million. This is, in the Board's opinion, a reasonable control premium to the original £8.0 million implied valuation under the 2 September 2015 term sheet and a compelling valuation in comparison with the current market capitalisation of StratMin.

The consideration for the remaining 93.75per cent. of issued shares in Graphmada will be settled as follows, subject to the satisfaction of a number of conditions precedent including, *inter alia*, shareholder approvals and regulatory approvals for both StratMin and Bass:

1. A cash payment of A\$1,500,000 (approximately £795,000) in cash,
2. An equity payment of A\$8,750,000 in 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; and
 - 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 transaction.

At the close of trading on the ASX on 30 March 2016, Bass' mid-market share price was A\$0.009

The shares issued under tranches 2 and 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.

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 StratMin 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 and regulatory approval and will be classified as a fundamental change of business for StratMin as defined in the AIM Rules for Companies. Following the 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. Following the completion of Bass' due diligence and receipt of a formal offer for Graphmada from Bass, Stratmin will send a circular to shareholders detailing the proposed transaction and seeking 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.

Brett Boynton, CEO, commented:

"The Proposed Disposal gives the Company a full funding solution for the Madagascan operations and a platform to convert other opportunities we have been actively pursuing.

We are very encouraged with the appetite from Bass and the Australian market for increased investment in Graphmada. The Board sees this as an excellent opportunity to crystallise value for StratMin shareholders, secure funding from a more active graphite market and maintain an investment exposure to the assets.

The transaction has had to take into account the needs of two different regulatory environments so has some forced delays, but both the Stramin and Bass teams are very keen to get this completed so we can move forward with a clear growth strategy."

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

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