

15 November 2016

Consolidated Minerals is pleased to announce that it has been agreed that it will be acquired by the world's largest electrolytic manganese metals producer

On 15 November 2016, Consolidated Minerals' ("Consmin", the "Group" or the "Company") ultimate beneficial owner and direct shareholders ("Sellers") entered into a share purchase agreement ("SPA") with China Tian Yuan Manganese Limited 中国天元锰业有限公司 ("Purchaser"), a subsidiary of Ningxia Tianyuan Manganese Industry Co., Ltd. ("TMI") pursuant to which the Sellers agreed to sell and transfer to the Purchaser all of their respective right and title to both the entire share capital of the Company and the shareholders funding given by them to the Company (the "Transaction")

The Transaction

The directors of ConsMin believe that the acquisition of the Company by the Purchaser will provide significant benefits to the Company. The Purchaser is a subsidiary of TMI, the Company's largest customer and the world's largest electrolytic manganese metals (EMM) producer. TMI has indicated its willingness to invest significant resources in developing the infrastructure supporting ConsMin's Ghanaian operations. Such investment will allow the Company to further increase the manganese ore export capacity to meet expected increasing demand for Ghanaian quality manganese ore.

The Transaction is conditional upon a number of conditions which are set out in the SPA, including, but not limited to:

- certain government consents;
- certain consents from the holders of the then outstanding US\$400,000,000 8% Senior Secured Notes due 2020 (the "**Notes**"); and
- the execution of an offtake agreement between Manganese Trading Limited ("**MTL**"), a subsidiary of ConsMin, and Grizal Enterprises Limited (a "Seller" in the Transaction) ("**Grizal**") which will become effective simultaneously with completion of the Transaction (the "**Offtake Agreement**").

If the conditions to the Transaction are not satisfied or waived within the period of six months from 15 November 2016 (the "**Longstop Date**"), the SPA shall terminate and the Transaction will not complete. The Purchaser and the ultimate beneficial owner of the Company may agree to extend the Longstop Date. Should the Longstop Date be extended, then the Company shall make a further announcement to include the revised Longstop Date.

The Company intends to solicit holders of the Notes for any required consents by initiating a consent process as soon as practicable.

Offtake Agreement

The Offtake Agreement provides that Grizal may, in its absolute discretion, purchase from MTL, in any calendar year, not more than 600,000 MT +/- 10% of Ghanaian Manganese Ore (the "**Product**") for a period of ten (10) years from completion of the Transaction, subject to the terms and conditions of the Offtake Agreement. The provisional price for the Product is based upon market rates, subject to a discount depending on price achieved and deductions based on quality of the delivered Product.

Mr Tianjiang Jia, the President of TMI said, "We are excited to invest in Consolidated Minerals and look forward to partnering with the existing management team in developing the company's operations for the benefit of all stakeholders".

Mr Gennadiy Bogolyubov, the ultimate beneficial owner of the Company added, "I am delighted that TMI wish to invest in ConsMin. TMI, as ConsMin's largest customer, has extensive experience in this industry and I believe that ConsMin will be well-positioned to achieve its next phase of growth and development under the ownership of TMI after the Transaction."

About Consolidated Minerals Limited

Consmin is a leading manganese ore producer with mining assets in Australia and Ghana. The principal activities of the Company and its subsidiaries (the “**Group**”) are the exploration, mining, processing and sale of manganese products. The Group’s operations are primarily conducted through four major operating/trading subsidiaries: Consolidated Minerals Pty Limited (Australia), Ghana Manganese Company Limited (Ghana), Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey).

Consolidated Minerals Limited is headquartered in Jersey and the address of its office is Commercial House, 3 Commercial Street, St Helier, Jersey, Channel Islands, JE2 3RU.

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