

## Senior Secured Notes due 2020

Regulation S Notes: ISIN USG2370YAB23 / CUSIP G2370YAB2

Rule 144A Notes: ISIN US209504AB54 / CUSIP 209504AB5

April 4, 2017

- **CONSOLIDATED MINERALS LIMITED (“CONSMIN” OR THE “COMPANY”) ANNOUNCES THAT HOLDERS OF 89.84% OF ITS SENIOR SECURED NOTES DUE 2020 (THE “NOTES”) HAVE LOCKED-UP TO TENDER THEIR NOTES TO AND PROVIDE CERTAIN CONSENTS IN RELATION TO THE PROPOSED ACQUISITION OF CONSMIN BY A SUBSIDIARY OF NINGXIA TIANYUAN MANGANESE INDUSTRY CO., LTD.**
- **THE COMPANY ANNOUNCES THAT AN INVITATION HAS BEEN MADE BY A SUBSIDIARY OF NINGXIA TIANYUAN MANGANESE INDUSTRY CO., LTD. TO HOLDERS OF THE NOTES (THE “NOTEHOLDERS”) TO TENDER THEIR NOTES AND CONSENT TO CERTAIN MODIFICATIONS OF THE TERMS AND CONDITIONS OF THE NOTES AS FURTHER DESCRIBED IN THE TENDER OFFER AND CONSENT SOLICITATION STATEMENT DATED APRIL 4, 2017**

### The Acquisition

As previously announced, on November 15, 2016, the Company’s ultimate beneficial owner and direct shareholders (“**Sellers**”) entered into a share purchase agreement (“**SPA**”) with China Tian Yuan Manganese Limited (“**Purchaser**”), a subsidiary of Ningxia Tianyuan Manganese Industry Co., Ltd., pursuant to which the Sellers agreed to sell and transfer to the Purchaser all of their respective rights and title to both the entire share capital of the Company and the shareholder funding given to the Company (the “**Acquisition**”) subject to certain conditions.

### Lock-Up Agreement

The Company and the Purchaser have engaged with an ad hoc committee of holders of the Notes (the “**Committee**”) and are pleased to announce that they have now entered into a Lock-up Deed with Noteholders representing 89.84% of the Notes (the “**Consenting Noteholders**”) pursuant to which the Consenting Noteholders have agreed to:

- participate in a proposed tender offer (the “**Tender Offer**”) for the Notes to be made by the Purchaser at a price of 101% of the aggregate outstanding principal amount of the Notes, together with accrued but unpaid interest up to (but excluding) the date of settlement of the Tender Offer, and
- consent to certain amendments to the terms of the Notes (the “**Proposed Amendments**”) pursuant to a consent solicitation (the “**Consent Solicitation**”) to be launched and closed by the Purchaser concurrently with the Tender Offer, such consents to include:
  - waiver of the requirement for the Company to make a Change of Control Offer (as defined in the indenture dated as of May 12, 2014 and as amended and restated as of August 15, 2016) as a result of the Acquisition (the “**Change of Control Waiver**”);
  - release of the security granted over the shares in the Company to facilitate consummation of the Acquisition (the “**Security Release**”);
  - amendments to eliminate from the Notes and the Indenture all restrictions on voting by Noteholders who are affiliate(s) of the Company and/or its subsidiaries; and
  - other amendments required to facilitate the amendments set out in the foregoing paragraphs.

### SPA Conditions

As of the date of this announcement, all conditions to completion of the transaction under the SPA have been satisfied save for conditions relating to:

- obtaining of consent from the Noteholders to the Security Release and Change of Control Waiver (the “**Noteholders Condition**”); and
- obtaining of Ghanaian governmental consent to the Acquisition (the “**Ghana Condition**”).

In relation to the Ghana Condition, notice of the proposed Acquisition has been submitted to the Minerals Commission of the Republic of Ghana, certain initial supporting documentation has been provided to the Minerals Commission of the Republic of Ghana, and the necessary consideration fees have been paid. The Company is seeking to progress the approval process as quickly as possible.

Closing and funding of the Acquisition (which requires satisfaction or waiver of the Ghana Condition and satisfaction of the Noteholders Condition) and the Tender Offer are to occur simultaneously and are interconditional. The Acquisition is not otherwise conditional on the Purchaser obtaining third party funding, regulatory approval (other than in respect of the Ghana Condition) or other 3<sup>rd</sup> party approvals and the Purchaser has confirmed to the advisors to the Committee and the Sellers that it has sufficient freely available cash to complete the Acquisition and transactions contemplated by the Tender Offer.

The SPA has a long-stop date of May 15, 2017, which can be extended with the consent of the Purchaser and the Sellers (the “**Original SPA Longstop Date**”). The Purchaser and the Sellers have also agreed that the Original SPA Longstop Date will automatically extend: (i) to June 30, 2017 if the Ghana Condition has not been satisfied by the date falling 5 business days prior to May 15, 2017; and (ii) by 5 business days, if the Noteholders Condition has not been satisfied, but the Ghana Condition has been satisfied, by the date falling 5 business days prior to May 15, 2017 (the Original SPA Longstop Date and any such extensions being the “**SPA Longstop Date**”).

### **The Tender Offer and Consent Solicitation Process**

Pursuant to the Lock-up Deed, the Purchaser has launched the Tender Offer and Consent Solicitation (together, the “**Offer**”) on April 4, 2017. The Offer will be open to acceptance by all holders of the Notes. In order to become effective, the holders of at least 90% of the aggregate principal amount of the Notes outstanding must provide their consent to the Proposed Amendments and, by so consenting, must also tender into the Tender Offer. Notes held by the Company or its affiliates will not be considered to be outstanding for these purposes. The expiration date of the Offer as at the date of this announcement is 11:59pm (EST) on May 1, 2017.

The expiration date of the Offer will be extended by the Purchaser (but not to a date after the SPA Longstop Date) if the Noteholders Condition has not been satisfied and/or if the Ghana Condition has not been satisfied or waived within the period of the Offer, and the expiration date may be brought forward (if extended) once the Noteholders Condition has been satisfied and/or the Ghana Condition has been satisfied or waived. Appropriate notice of changes to the expiration date will be given to Noteholders by the Purchaser.

The Tender Offer and Consent Solicitation are being run concurrently and are interconditional. A holder of the Notes may not tender into the Tender Offer without granting its consent to the Consent Solicitation and *vice versa*.

Assuming the Ghana Condition and the other conditions to the Tender Offer and Consent Solicitation are met, the Purchaser expects that the payment under the Tender Offer, effectiveness of the Proposed Amendments and Acquisition will occur on the same day.

### **Operations**

The Acquisition, Tender Offer and Consent Solicitation processes are having no ongoing detrimental effect on the Company's operations or liquidity. Consistent with past practice, the Company continues to sell its manganese ore to a range of customers, including the Purchaser's parent company Ningxia Tianyuan Manganese Industry Co., Ltd, under negotiated offtake arrangements on arm's length commercial terms. Neither the Company nor any member of the Group currently has any contract in effect for sale of manganese ore which has a term longer than six months. As previously disclosed, the Company has entered into an Offtake Agreement with Grizal for a period of ten (10) years, which

would enter into effect following the closing of the Acquisition. Contracts currently in place include fixed price-based, index-related and spot price-based arrangements.

### **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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### **Important Notice**

These materials may contain forward-looking statements regarding future events or the future financial performance of Consolidated Minerals Limited (the “**Company**”). You can identify forward looking statements by terms such as “expect”, “believe”, “estimate”, “anticipate”, “intend”, “will”,

“could”, “may”, or “might”, the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that the Company’s actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates may differ materially from those described in or suggested by the forward-looking statements contained in these materials. In addition, even if the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in these materials, those results or developments may not be indicative of results or developments in future periods. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, as well as many other risks specifically related to the Company and its operations, including those discussed in these materials.