

Acquisition of Consmin by CTYML on course for completion

- **Further to the announcement on May 8, 2017, the acquisition of Consolidated Minerals Limited (“Consmin” or the “Company”) by China Tian Yuan Manganese Limited 中国天元锰业有限公司 (“CTYML”), a subsidiary of Ningxia Tianyuan Manganese Industry Co., Ltd. (“TMI”), is now expected to complete on or before May 24, 2017**
- **Representatives of Consmin and TMI, including Mr Jia Tianjiang, majority owner of TMI, held a productive meeting with His Excellency the Vice President of the Republic of Ghana on May 10, 2017, to discuss TMI’s future plans for Consmin’s Ghanaian subsidiary, Ghana Manganese Company Limited (“GMC”)**
- **Consmin forms a key part of TMI’s own growth plans and the Company is expected to benefit significantly from TMI’s commitment to invest in the growth of the Company’s operations and in infrastructure and corporate social responsibility (“CSR”) projects in Ghana**

Update on acquisition of Consmin by TMI

On **May 8, 2017**, CTYML announced that it had given notice to the Company’s Noteholders that the Ghana Consent Condition has been satisfied. In order to complete the acquisition of Consmin expeditiously, CTYML also gave notice that the Expiration Date has been brought forward to 11:59pm EST on May 19, 2017. Subject to satisfaction of the Noteholder Consent Condition, the Payment Date is expected to occur on or before May 24, 2017 and completion of the sale of Consmin by Consmin’s current shareholders to CTYML is expected to occur that day.

Commenting on the future of Consmin, Chief Financial Officer, David Slater, stated:

“The acquisition of Consmin by TMI represents an exciting new chapter for the Company. TMI and Consmin are jointly building a multinational conglomerate that will be in a strong position to grow its production and processing capacities further. We will continue operating Consmin in the interests of all stakeholders and look forward to implementing TMI’s growth plans for the Company.”

Compelling strategic rationale for TMI’s acquisition of Consmin

There is significant strategic rationale for TMI’s acquisition of Consmin:

- It allows TMI to backward integrate and capture more of the electrolytic manganese metal (“EMM”) value chain, minimising exposure to price (in compliance with the transfer pricing legislation in Ghana) and volume volatility;
- The uniqueness of the Ghana carbonate ore type is well suited to TMI’s EMM production; and
- Consmin’s immediate expansion potential (projected growth from 2Mtpa to 3Mtpa at GMC in the near-term) provides TMI with a source of feedstock that can keep pace with its own growth plans.

TMI is a natural, highly committed and ambitious owner of Consmin. It has a strong desire to minimise disruption in the transfer of ownership by continuing Consmin's operations on a 'business as usual' basis, fully recognizing existing commitments and ensuring management continuity. These commitments include Consmin's plans to develop the railway infrastructure and support of new port facilities at Takoradi and continue with the Pit-C North resettlement plan.

Meeting with His Excellency the Vice President of the Republic of Ghana and senior Ghanaian officials

Representatives of Consmin and TMI, including Mr Jia Tianjiang, majority owner of TMI, on May 10, 2017 had productive meetings in Accra, Ghana, with His Excellency the Vice President of the Republic of Ghana, Mahamudu Bawumia, the Honourable Minister of Lands and Natural Resources, John-Peter Amewu, the Honourable Minister for Railways Development, Joe Ghartey and other senior Ghanaian officials.

The purpose of the meetings was to discuss:

- The importance of uninterrupted deliveries of Ghanaian manganese ore to TMI's plants in China in order to support TMI's own production facilities and growth plans;
- TMI's future plans for GMC, including its intention to invest significantly in Ghana by developing Ghanaian infrastructure and mining assets, including the upgrade of the railway from Tarkwa to Takoradi; and
- The significance of GMC to the economy of Ghana as the country's only manganese ore producer and exporter, which positively impacts on the diversification of the Ghana mining industry, as well as the development of the country's logistics.

Furthermore, Mr Jia Tianjiang expressed his strong intention to maintain the high proportion of local managerial, senior and junior staff currently employed by GMC and noted that TMI's investment plans should yield further direct and indirect job and business creation for the people of Ghana. GMC currently directly employs more than 650 people in Ghana and is an important contributor to its local communities where it has built a strong CSR track record. TMI confirmed its continued support for the Company on its CSR initiatives.

Overview of TMI

EMM production consumes approximately 10% of global manganese ore production and TMI is the world's largest EMM producer. EMM production by TMI uses imported manganese ore and TMI is a long-term respected off-taker to GMC.

TMI was established in 2003 by Mr Jia Tianjiang and its core historic business has been EMM production. Following several transformations, TMI's EMM production capacity has increased from 1.5ktpa in 2003 to 500ktpa in 2015. Subject to market conditions, its EMM production capacity may be increased by a further 300ktpa in 2017 with the completion of TMI's new EMM capacity project.

TMI has made consistent progress in integration into the EMM market, with the construction of various raw material production facilities such as its sulphuric acid and selenium dioxide plants, both of which are needed in the production of EMM. In order to support its large production facilities,

TMI has previously expressed its wish to secure direct sources of manganese ore and the acquisition of Consmin is a key step to realising this objective.

In addition to EMM, TMI is also committed to increase its manganese diversification by building 24 silico-manganese alloy furnaces, targeting annual capacity of 1.0 million tonnes of silico-manganese by 2020. This investment would make TMI one of the largest silico-manganese producers.

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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Capitalized terms used in this announcement and not otherwise defined herein have the meanings ascribed to them in the Offer to Purchase and Consent Solicitation Statement dated April 4, 2017 issued by CTYML.

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.