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The following is a press release from Standard & Poor's:

-- One of Consolidated Minerals' main clients, Chinese steel producer Ningxia Tianyuan Manganese Industry, has unexpectedly terminated a major contract that represents 70%-75% of ConsMin's output in Ghana.

-- Manganese ore prices have fallen year-to-date, taking a toll on ConsMin's EBITDA.

-- Consequently, we project deterioration in the company's adjusted gross debt to EBITDA to 3.0x-4.0x in 2014 and 2015, from the 2.0x-2.5x we previously anticipated.

-- We are lowering our corporate credit and issue ratings on ConsMin to 'B' from 'B+'

-- The negative outlook reflects the lack of visibility on ConsMin's plans to find new offtake markets for its Ghanaian production and the ensuing potential pressure on its unit costs and credit metrics.

PARIS (Standard & Poor's) Sept. 22, 2014--Standard & Poor's Ratings Services today said it has lowered its long-term corporate credit rating on Jersey-incorporated manganese ore producer Consolidated Minerals Ltd. to 'B' from 'B+'. The outlook is negative.

At the same time, we lowered our issue rating on the company's senior secured notes due 2020 to 'B' from 'B+'. The '3' recovery rating on these notes remains unchanged.

The downgrade reflects the deterioration we see in ConsMin's business risk and credit metrics, following the abrupt loss of its key Chinese customer, Ningxia Tianyuan Manganese Industry (TMI), which accounted for 70%-75% of the company's manganese offtake in Ghana.

In addition, manganese ore prices (CIF 46% manganese) have fallen substantially by about $1 per dry metric ton unit (dmtu) since early 2014, and will likely be a mere $4.60-$4.65 per dmtu in the third quarter of 2014 by the company's estimates.

We anticipate that ConsMin's second-half performance will be weak, and we project adjusted gross debt to EBITDA materially exceeding 3.0x in 2014 and in the 3.0x-4.0x range in 2015. We have therefore revised our financial risk profile for ConsMin to "aggressive" from "significant."

We think manganese ore prices are unlikely to recover significantly from the current lows in the coming months, given soft demand from Chinese steel producers facing tighter credit conditions and environmental measures that affect their production rates. Depressed market sentiment in China has also pushed steel producers to scale back their manganese ore purchases. Subsequently, port stocks rose again in the second quarter to 3.34 million tons, versus 3.18 million tons at the end of the first quarter. Competition from South African manganese ore miners has also increased in the recent quarters, we think, due to easing logistical constraints. South Africa's manganese ore exports to China doubled year-on-year in the first half of 2014.

Sluggish demand, together with the loss of the TMI contract, will likely pull down ConsMin's shipments after the 6% drop in the first half of 2014, owing to adverse weather conditions and logistics matters.

We have severely cut our EBITDA expectation for 2014 to below $130 million, from $190 million-$230 million previously, of which about $50 million in the first quarter and $40 million in the second quarter already realized. We assume materially lower shipments from Ghana in the second half, due to TMI's unexpected contract termination, and to increased unit cash costs in Ghana owing to lower volumes and potential new stripping operations by year end. In 2015, we assume that ConsMin will sell some output from Ghana initially destined to TMI to the market, as the company seeks to adjust its strategy and find new customers. Although consequently difficult to project, EBITDA will likely be in the $100 million-$150 million range in 2015, using a $4.90/dmtu CIF manganese price.

We continue to assess ConsMin's business risk profile as "weak," although it has deteriorated, in our view, with the loss of TMI. We could revise down our assessment to "vulnerable" if the company's thus far low production costs in Ghana were to rise as a result of lower volumes and difficulties in finding new end-customers. We also factor in ConsMin's relatively high cost position in Australia despite favorable manganese ore content, and its limited scale and scope in the context of the wider mining industry. We view ConsMin as relatively concentrated in terms of its asset base, with significant country risk in Ghana, and in terms of product and end market, with manganese among the most volatile commodities, mainly exposed to the cyclical steel industry in China. We think tensions in Ukraine, ConsMin's second-largest country exposure (13% of revenues), will likely have only a limited impact on full-year performance. On the positive side, we continue to note the improvement in ConsMin's cash costs to $2.38/dmtu in second-quarter 2014, notably at its Australian mines compared with historical highs. But possible

stripping operations--more likely when manganese prices are low--could push such unit costs up for full-year 2014.

Our revision of ConsMin's financial risk profile to "aggressive" from "significant" factors in the reduced ratio leeway following the company's 8%

$400 million bond placement in April 2014. We also note a potential $20 million-$30 million in negative free operating cash flow (FOCF) in 2014, depending on working capital developments in the second half and despite management's cut in capital expenditures. The negative FOCF also factors in the $40 million one-off contract cancellation and litigation settlement paid

mostly in the first half. We therefore expect FOCF to recover to positive territory in 2015.

We continue to apply a one-notch downward adjustment to the rating, reflecting
our view that ConsMin's business risk profile stands at the low end of the "weak" category, mainly because of the historically very high volatility of manganese prices. Together with the abovementioned negatives weighing on its

business, this could lead us to revise the business risk profile to "vulnerable."

In our base case, we assume:
-- An average manganese price (CIF 46%) of about $4.80/dmtu in 2014, from
$5.10/dmtu previously, and reduced price premiums compared with 2013's. This

compares with $5.67/dmtu in the first quarter, $4.80/dmtu in the second quarter, and the $4.60-$4.65/dmtu the company assumes for the third quarter.

-- About 1.6 million tons of shipments from Australia in 2014 and materially less than the 2 million tons of shipments we previously assumed from Ghana. We expect shipments to grow modestly, quarter-on-quarter, from first-quarter 2015.
-- Unchanged average cash costs of about $2.62/dmtu for 2014.
-- A cut in capital expenditures of about $10 million, to $55 million for
full-year 2014.

Based on these assumptions, we arrive at the following credit measures for ConsMin:
-- EBITDA in 2014 at less than $130 million, and at $100 million-$150 million in 2015.
-- Negative FOCF in 2014, depending on working capital movements in the

second half.
-- Adjusted debt to EBITDA of 3.5x-3.7x in 2014, and 3.1x in 2015.

With material EBITDA stemming from Ghana, we consider ConsMin's exposure to country risk in Ghana to be material. Still, we do not cap our long-term rating on ConsMin at the level of our long-term sovereign rating on Ghana (B/Negative/B), because the company generates still a majority of its EBITDA

from its Australian operations, and has "adequate" liquidity with very limited
debt maturities.

The negative outlook reflects the possibility of a further one-notch downgrade
if ConsMin's adjusted debt to EBITDA approached 4.0x without prospects of improvement, and **operations** deteriorated as a result of further downside of manganese **ore** prices and/or lower sales, in the absence of realistic alternatives to overcome the lost TMI contract.

Key risk factors that could prompt a lowering of the ratings include a material drop in Ghana sales volumes and deteriorating cash costs. We view a

further fall in manganese **ore** prices as unlikely at this stage. An unexpected
weakening in liquidity would also pressure the ratings.

We could revise the outlook to stable if market conditions and ConsMin's operational strategy provide sufficient visibility on EBITDA in 2015, supported by demand for manganese **ore** notably from **China**, with sufficiently supportive shipments from Ghana and continued favorable unit cash costs. Prospects of improvement in adjusted gross debt to EBITDA to about 3.0x would
be commensurate with the '**B**' rating, in our view.

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Primary Credit Analyst: Gaetan Michel, Paris 33-1-4420-6726;
gaetan.michel@standardandpoors.com

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