

South Crofty PRESS RELEASE

ADMINISTRATORS APPOINTED WHILST INVESTMENT CONTINUES TO BE SOUGHT

Following Celeste Mining Corporations' failure to fund expenditures in accordance with their contractual obligations, Western United Mines (WUM), owner of South Crofty Mine, has placed the company in administration whilst continuing to seek alternative investment.

Canada-based Celeste entered into an earn-in agreement with WUM in May 2011 but was served with a default notice on 5 June. Despite that notice, no further payments have been received and, to safeguard South Crofty's assets, the mine's owners have had to take the preservation step of appointing David Tann, John Kirkpatrick and Keith Stevens of Wilkins Kennedy LLP as administrators.

“Celeste's failure to meet its financial responsibilities has been a major blow for us in terms of being able to continue with the exploration and development work that has been yielding such hugely positive results,” said Alan Shoesmith, WUM's Chief Executive Officer. “We have faced endless challenges since buying the mine in 2001 – the most recent being UNESCO's highly publicised objections to mining operations taking place within Cornwall's World Heritage Site. Each of the battles we have fought has had a considerable impact on our financial resources and on our attractiveness as an investment opportunity but, through it all, we have remained confident and optimistic about the huge potential that South Crofty has to offer.

“That optimism and confidence has not been diminished. We have appointed an administrator to protect the mine whilst we stop to take breath and consolidate our position. A number of employees will be made redundant whilst we move to a care and maintenance basis, however we still have production and economic revival firmly in our sights.

“Our aim is to reform and obtain new finance to replace what we have lost from Celeste and, judging by the interest being shown, we are very hopeful that we can ultimately finish the job started twelve years ago and get the mine back into production.

“In the last year analysis of historical sampling data has identified exploration targets of between 8 and 16 million tonnes of ore at depth at grades between 1.2 and 1.8% tin, in addition to substantial polymetallic resources closer to surface. We are now reassessing the data and will shortly be restating the project’s resource base. An independent international mining consultancy has also positively reviewed our strategic plans to sequentially dewater Dolcoath and eventually South Crofty. Given the substantial resource and that South Crofty is fully permitted for both development and operations we fully anticipate achieving the investment to unlock the Mine’s potential.”

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