



# GULF MINERALS CORPORATION LIMITED

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## **Gulf joins with Indian Alloys Group**

Gulf Minerals Corporation Limited (**ASX:GMC**) is pleased to advise shareholders the company is entering into a Memorandum of Understanding with the Indian alloying group Ferro Alloys Corporation Limited to conduct due diligence on jointly establishing a fully integrated Indonesian manganese ore and alloying enterprise.

Ferro Alloys Corporation Limited (FACOR) is one of India's largest producers and exporters of ferro alloys and speciality steels. The company operates Facor Alloys Limited, Facor Steel Limited and Facor Power Limited.

The MoU is in two parts – the first is building and establishing a smelter facility based in West Timor and the second part developing manganese and coking coal mines both in Indonesia and other global locations.

Gulf's strategy, through its fully owned subsidiary International Manganese Group Limited (IMG), is to develop a manganese group based on high grade ores and premium alloys and in the process list IMG onto the Singapore Stock Exchange. As Facor have expressed a possible interest in joining the IPO, the MoU will include the right for Facor to subscribe in equal portions to GMC.

GMC's chairman, Graham Anderson, commented..."Both groups have significant expertise in the ore and alloying businesses and joining together makes sound commercial sense in building a world class profitable manganese enterprise".

*For further information please contact Chairman, Graham Anderson, on +61 417 934 535*

**Ferro Alloys Corporation Limited**  
**(www.facorgroup.in)**

FACOR is one of India's largest producers and exporters of ferro alloys, manufacturers of stainless and speciality steels with exports to Korea, Japan, Italy, Netherlands, USA, Turkey, China and Taiwan. The company also operates a coal fired power generation enterprise.

The company is owned by the Saraf family and was established in 1956 to produce ferromanganese in Andhra Pradesh State, diversifying into ferro chrome and charge chrome in Orissa State. Facor Alloys Limited produces 140,000 tonnes of alloys together with 2,500,000 tonnes chromite per year.

In 1978 the group took over a mini-steel plant in Nagpur State which now produces carbon, alloy, stainless steel and other speciality steels. Through innovation and sophisticated technological developments it produces critical grades of alloy and stainless steel to meet stringent requirements of customers in India and overseas. In 2009 Facor Steel Limited established a modern forging unit to cater for the growing demand from the auto and heavy engineering sectors to fill a huge local supply/demand gap.

In 2012 Facor Power Limited established a 75MW coal fired power station in Randia State and is currently expanding this capacity to 100MW to service the group's ferro alloy plant.

The company has recently announced it will develop a chromite operation in Turkey to augment its supply chain.



Ferro Chrome Plant at Garividi



Charge Chrome Plant, Randia



Open cast mine at Bhadrak



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## **About Gulf Minerals Corporation Limited**

Gulf Minerals Corporation Limited is an Australian registered company (ACN 059 954 317) listed on the Australian Securities Exchange (ASX: GMC) with its head office in Perth, Western Australia.

The company, through its fully owned subsidiary International Manganese Group (IMG) is developing an ASEAN focused manganese ore and alloy producer. The facilities based in the West Timor capital Kupang will take advantage of the low cost of ore, labour and power being the majority of operating costs. Production will be a premium quality 78% ferromanganese alloy resulting from the unique qualities of the Indonesian high-grade low impurities manganese ore.

Value adding ores is strongly encouraged by the Indonesian Government to enrich the country's mineral endowment thereby enhancing the economy and creating employment.

All initiatives to value adding have full support from all levels of government and IMG will benefit from the Government's Financial Incentives Programme which effectively will result in a 5 year tax holiday, together with other tax exemptions.

The company owns copper tenements in the Northern Territory of Australia with two joint ventures, one with Redbank Copper Limited ([www.redbankcopper.com.au](http://www.redbankcopper.com.au)) and the other with the Canadian uranium group Laramide Resources Limited ([www.laramide.com](http://www.laramide.com)) for copper and uranium. Laramide's adjacent Westmoreland uranium deposit has a 51.9 million pound uranium resource (company statements).

It is proposed to undertake an Initial Public Offering later this year of the company's subsidiary International Manganese Group Limited on the Catalist Board of the Singapore Stock Exchange raising AUD\$25m. Gulf Minerals will retain a 40% holding in the listed IMG.



# GULF MINERALS CORPORATION LIMITED

(ASX : GMC)



## Manganese Ore and Alloy Developer

Gulf Minerals Corporation Limited, through fully owned subsidiary International Manganese Group Limited, propose to develop an alloying smelter facility based in West Timor, Indonesia taking full advantage of low cost low impurity high grade manganese ore, beneficial labour cost, modest power cost and tax incentives.

Production will be a 78% ferromanganese alloy resulting from unique characteristics of the Indonesian ore blended with overseas ores to enhance iron content producing a cost effective premium quality alloy.

It is proposed to build 8 furnaces over a 4 year period with a total capital cost of \$36m funded by a Q1 2015 \$25m IPO on the Catalist Board of the Singapore Stock Exchange and operational cash flow.

Each furnace has a capacity of 20,000 tonnes alloy production per year with power supplied by a third party on a user pay basis.

The first 2 furnaces will be built during 2015, coming on line January 2016, with a further 2 each year.

Production costs will be \$813/tonne alloy (global average \$999/tonne). The current market price for high carbon ferromanganese alloy is \$1060/tonne.

