



Asia Minerals Corporation Limited

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Asia Minerals begins West Timor smelter construction

Asia Minerals Corporation Limited subsidiary PT Asia Mangan Grup held a groundbreaking ceremony for the company's manganese alloy smelter in Belu Regency of Nusa Tenggara Timur (West Timor) on 21st December. The event was the result of work completed over the past 2 years aimed at developing a fully integrated manganese mining and processing industry in the region.

The ceremony was attended by the newly appointed Director General of Minerals and Coal from the Ministry of Energy & Mineral Resources Dr. Sukhyar in his first official function, the Governor of NTT Province Mr. Frans Lebu Raya and the Belu Bupati (Lord Mayor) Joachim Lopez together with other senior dignitaries from the Central, Provincial and Regency Governments.

President Director of Asia Mangan Grup, Michael Kiernan stated, "The purpose of building an alloy smelter is to support the policy of Indonesian mining law and create a sustainable industry in regional Indonesia that will provide long term export revenue for the country and promote job growth and other benefits for the people of NTT."

Manganese is primarily used in the production of steel as an alloying element for hardness and cleanses the production process. The manganese ore in NTT and the surrounding regions is amongst the world's highest commercial grade, reaching a purity level of up to 56% manganese.

Sean McDaniell, Managing Director of Asia Minerals Corporation outlined the company's plans to build 8 electric arc furnaces with a production capacity of 128,000 tonnes of Ferro manganese alloy per year. Additionally the company will build it's own power station in progressive stages to supply power for the smelter. The total project will take 3 years to reach full capacity with a projected capital cost of US \$150 million.

The Asia Mangan Grup smelter project is different to the other major minerals in Indonesia, as it requires the company to build a supply chain for ore while building the smelter in a commodity that is completely underdeveloped in Indonesia.



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The fully integrated project will create new revenues for the NTT economy as well as having a positive impact on the welfare of the local people employing a workforce of up to 1000 people in the smelter activities and up to 3,000 in the mining operations.

The combined operations will give a boost to the local GDP which is currently amongst the lowest in Indonesia and has an unemployment rate touching 80%. Revenues generated from export taxes and royalties will add to local Government's income.

At full production some \$250 million of export income will be earned annually with the marketing specialty group Gulf Mines Limited acting as exclusive marketing and distribution Representative for the manganese ore and alloys production.