



## Gulf Manganese Corporation in cash raising, Singapore listing

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**Gulf Manganese Corporation (ASX:GMC)** will seek approval to raise up to \$2.25 million through a share issue to unrelated third parties and a general offer to existing shareholders.

The issue of 75 million shares will be priced at \$0.015, a 50% discount to the 30-day Volume Weighted Average Price.

The general offer seeks to raise up to \$1,125,000 with 1 free attaching option exercisable at \$0.05 and expiring on 30th September 2017 for every two shares subscribed.

GMC proposes to conduct an initial public offer and listing on the Catalist Board of the Singapore Exchange of its wholly owned subsidiary, International Manganese Group Limited, which will own and operate the Timor Manganese Smelter business.

Catalist is the sponsored-supervised junior board for the SGX for companies with less than S\$10 million (A\$9.9 million) in pre-tax profit.

Proceeds from the share issue and general offer will be used for the listing costs and general working capital.

It will also seek during the shareholder meeting on 2nd October 2015 approval to issue up to 20 million shares and attaching options as a debt for equity conversion to unrelated third party contractors and suppliers

Dr Peter Williams, deputy chairman, commented:

“The company is talking with, and has a strong level of interest from groups in Singapore, Hong Kong, the Middle East and Korea to participate in the issue as the reality is currently few Australians understand the value proposition of developing a project overseas showing an EBITDA of US\$375m, NPV of US\$160m with an ROI of 56% as advised previously in the ASX release of 22nd June.”

Shares in GMC will remain in suspension until completion of the capital raising.

The company will provide a further update by 30th September 2015.

### Timor Smelter Project

During the June 2015 Quarter, the company released a redrafted study indicating the planned manganese smelter in Timor remained a highly attractive project.

This highlighted EBITDA of US\$374.7 million over 10 years with an NPV of US\$160.6 million and payback of two years.

This requires a start-up capital investment of US\$66 million staged over five years and an IRR of 55.6% for a project that will be capable of producing 155,000 tonnes per annum of premium quality 78% ferromanganese alloy.

## Analysis

**Gulf Manganese Corporation** is seeking shareholder approval to raise up to \$2.25 million to help list its Timor Manganese Smelter business on the Catalist Board of the Singapore Exchange.

This will allow the company to tap funding from Singapore, Hong Kong, the Middle East and Korea to develop its smelter project, which requires start-up capital investment of US\$66 million staged over five years.

It will in turn generate EBITDA of US\$374.7 million over 10 years with an NPV of US\$160.6 million.

Milestones for the smelter project are:

- Commence civil work (January 2016);
- Engage smelter contractor (January 2016);
- Commission smelter construction (February 2016); and
- Commission Smelter (December 2016).

<http://www.proactiveinvestors.com.au/companies/news/64280/gulf-manganese-corporation-in-cash-raising-singapore-listing-64280.html>