

# BRIDGING THE PATH TO DEVELOPMENT

This Australian ASX-listed junior is concentrating on becoming a South East Asian-focused manganese ore and alloy producer. By **Ngairé McDiarmid**

**G**ULF MINERALS Corporation (ASX:GMC) is emerging from its chrysalis, with an experienced new board and management team and a firm focus on producing its first ferromanganese alloy in early 2016.

The company is working to develop an 8-furnace smelter facility in Kupang, West Timor, with construction to begin in early 2015.

Chairman Graham Anderson said the past few months had been busy as the company divested its Australian copper, uranium and gold assets to develop GMC's manganese project.

The company also changed name earlier in 2014 as part of its strategic review to refine its focus.

"The Indonesian manganese is the highest commercial grade in the world at 56% and as such is most cost-efficient in the alloying process," Anderson said.

"Building and operating this manganese alloy smelter will take advantage of low-cost, low-impurity, high-grade manganese; beneficial labour costs; modest power costs supplied by a third party; and government fiscal incentives and tax holidays."

Gulf expects to pour its first alloy in early 2016.

He said the capital cost of \$US52 million to build the smelter would be spread over four years, and funded on an equal basis of equity, cash flow and debt.

Gulf has signed a services agreement with leading engineering group SNC-Lavalin to design and construct the facility with modular components built in South Africa and shipped to site for assembly.

Anderson expected construction to begin on the first two 20,000 tonne per annum furnaces early next year.

Under the development plan, a further two furnaces will each be built in 2017, 2018 and 2019.

"The first two furnaces will come on line in the first quarter of 2016," Anderson said.

"Production will be a premium quality 78% ferromanganese alloy, with production costs some 80% of the industry average."

During construction Gulf will benefit from cash flow through its manganese ore trading business.

Gulf has also engaged mining services group Golder Associates and their Indonesian group Marston Consultants to provide coal procurement and environmental consulting services for the manganese operation.

The company is planning to broaden its shareholder base by dual listing on the Singapore Catalist Board next year.

"Singapore has a significant capital market and Gulf will be a fresh option for people keen to invest in Asian-based resource development projects supplying China," Anderson said.

Looking further ahead, Anderson said Gulf planned to grow its West Timor operation through an exploration program at its manganese targets in Turkey during 2015.

Demand for manganese is tied to growing industrialisation. It is typically used in steel manufacturing

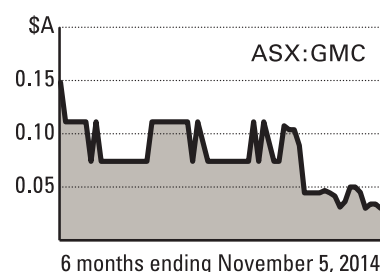
to cleanse, strengthen and harden steel.

"It's been a pivotal year for Gulf," Anderson said.

"The company is now well-placed to forge ahead towards development, armed with the board and management's vast experience in exploration, mining, smelter production, processing and marketing."

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## GULF MINERALS CORP AT A GLANCE



### HEAD OFFICE

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### DIRECTORS

Graham Anderson (Chairman),  
Bruce Morrin (Technical),  
Peter Williams (Exploration),  
Michael Walters (Marketing) and  
Paul O'Shaughnessy (Metallurgical)

### MARKET CAPITALISATION

\$A2 million (at press time)

### QUOTED SHARES ON ISSUE

67.1 million

### MAJOR SHAREHOLDERS

Leprechaun Holdings Pty Ltd 29.98%  
John Charles Hilton 2.24%  
Pamplona Capital Pty Ltd 1.64%

