



Gulf Manganese received a research & development tax incentive claim for a manganese plant

4 September 2015

Gulf Manganese Corporation Limited (ASX:GMC) is pleased to advise shareholders the Company has been approved by AusIndustry (an Australian regulatory Government agency) for a Research and Development (R&D) Tax Incentive claim for the 2014 financial year for the design and construction of a 6 MVA pilot plant facility for the production of manganese alloy.

The estimated total capital cost of the project is \$12,442,790 with the company receiving the first year's claim from the Australian Taxation Office (ATO) of \$139,096.

Commenting on the proposed facility, Gulf's Non-executive Marketing Director, Michael Walters, said:

"This modular furnace philosophy is a game changer by taking the production facilities technology and capacity including power supply to the ore instead of the reverse thereby enjoying considerable benefits in logistics savings."

Approximately \$6,000,000 of the estimated total project cost is forecast to be spent on the construction of a pre-production trial pilot plant facility, subject to registration of eligible research and development activities by the AusIndustry.

If the subsequent R&D Tax Incentive claims are approved, the company will be entitled to potentially receive a 45% cash refund for eligible expenditure incurred. This equates to a possible cash refund of \$2,700,000 for the remainder of this research and development project.

The project incorporates the design and construction of a number of modern major sophisticated equipment components into a fully integrated comprehensive modular furnace pilot plant facility. This facility will test and evaluate the unique configuration of the manufacturing process, for the production of premium quality manganese alloys which the company intends to commercially exploit for the international market.

The 6 MVA semi-closed modular furnace includes furnace shell, crucible, roof, three Soderberg electrode columns, furnace transformer, raw materials feed system, furnace controller and control instrumentation.

Production from the pilot plant would be some 15,000 tonnes per year of premium high carbon ferro manganese alloy for the high grade steel production market.

http://www.mbendi.com/a_sndmsg/news_view.asp?l=169036&PG=15