

Gulf Manganese Corporation approved for grant

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Gulf Manganese Corporation has been approved by AusIndustry for a Research and Development Tax Incentive claim for the 2014 financial year.

Gulf Manganese Corporation (ASX:GMC) has been approved by AusIndustry for a Research and Development Tax Incentive claim for the 2014 financial year.

Gulf is also moving towards 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.

Approved grant

The claim is 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 of \$139,096.

This could be just the beginning.

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, or around \$2,700,000 for the remainder of this research and development project.

Michael Walters, non-executive marketing director, commented:

"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."

About the 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.proactiveinvestors.com.au/companies/news/64377/gulf-manganese-corporation-approved-for-grant-64377.html>