

ASX Announcement  
5 August 2016

## Gulf Secures US\$10 Million Cornerstone Investment to Fast-Track Development of Kupang Smelting Hub Project, Indonesia

- Indonesian high net worth to invest US\$10 million for 10% equity in Gulf's subsidiary PT Gulf Mangan Grup - including a six month option to invest a further US\$7 million
- Cornerstone investment to provide Gulf with the requisite financial flexibility to fast-track the development of the world-class Kupang Smelting Hub
- Gulf in final stages of acquiring initial smelting furnaces for Kupang Smelting Hub
- This capital injection allows Gulf to commence the preparatory works at Kupang site

Gulf Manganese Corporation Limited (ASX: GMC) ("Gulf" or "the Company") is pleased to advise that it has entered into a binding term sheet with Marthen Amtiran ("Pak Marthen") for the investment of US\$10 million in Gulf's Indonesian-based subsidiary PT Gulf Mangan Grup ("PT Gulf"), for a 10% interest in PT Gulf (subject to any regulatory approval).

Pak Marthen will pay a non-refundable deposit of US\$0.2M within 5 business days of the signing of this Term Sheet. The balance of US\$9.8M will be paid within 5 business days of Bupati providing a written recommendation of the Kupang Smelter Project to the Governor of the Province of NTT.

Following the initial US\$10 million investment, Pak Marthen will have a six month option to purchase an additional 5% interest in PT Gulf for US\$7 million. Pak Marthen will be entitled to one board representative on Gulf.

Furthermore, the Company is well-advanced in discussions to purchase the initial smelting furnaces from South Africa, and will provide additional information once negotiations have been finalised.

**Gulf's Managing Director, Hamish Bohannon, commented:** "The securing of a local cornerstone investor is a transformational milestone for Gulf, its shareholders, and the stakeholders of PT Gulf Mangan Grup. We are very pleased to be partnering with the highly respected Pak Marthen at this exciting stage in the Company's development.

The cornerstone investment is a strong endorsement of Gulf's vision to develop a world-class manganese alloy facility in West Timor, and we look forward to delivering a number of benefits to the local Kupang region and its people.

Gulf is now well funded to execute a number of key value drivers in the near-term, including the purchase and transportation of our initial manganese smelting furnaces from South Africa and the commencement of site works at Kupang. We look forward to providing additional corporate and operational updates in due course."



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**About Gulf Manganese Corporation (ASX: GMC):**

Gulf's strategy is to develop an ASEAN focused manganese alloy business based in Kupang, West Timor, taking advantage of the low operating and ore costs, combined with modest power costs (these being a combined 84% of total costs). Targeted production will be a premium quality 78% ferro manganese alloy resulting from the unique qualities of the Indonesian high grade (greater than 50%) low impurity manganese ore.



**Gulf Manganese Corporation Limited**  
Developing Premium Indonesian Manganese Alloys  
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