

ASX Announcement
15 November 2016

Gulf Finalises Terms for US\$10 Million Cornerstone Investment

- Indonesian high net worth to invest an initial US\$10 million for 10% equity in Gulf's Indonesian-based subsidiary PT Gulf Mangan Grup
- Amended agreement includes 12 month option to purchase a further 10% interest for US\$10 million
- Near-term focus on commencement of initial works program at Kupang following recent receipt of site approval from the Governor of East Nusa Tenggara
- Shipping of ferromanganese smelting furnaces from Pretoria to Kupang to be finalised in coming weeks

Gulf Manganese Corporation Limited (ASX: GMC) ("**Gulf**" or "**the Company**") is pleased to advise that it has signed 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.

Following the granting of site approval from the Governor of East Nusa Tenggara in early October, Gulf advised that minor amendments would be negotiated to the original term sheet entered into with Pak Marthen, which was disclosed on August 5th 2016. These amendments have now been finalised, allowing for the initial US\$10 million investment to be made within 21 days of signing this agreement.

Under the agreement, Pak Marthen will also have a 12 month option to invest a further US\$10 million for an additional 10% equity in PT Gulf. Following the signing of this agreement, Pak Marthen has been appointed as President Commissioner of PT Gulf.

Gulf is now focused on the execution of a number of key milestones, including the commencement of preparatory site works at Kupang, formalities with the local authorities and the shipping of the two ferromanganese smelting furnaces from Pretoria (see ASX release 8th August).

Gulf's Managing Director, Hamish Bohannan, commented: "We are very pleased to have finalised this cornerstone investment from Pak Marthen, as it allows the team's focus to shift towards the practical aspects of accelerating the development of the Kupang Smelting Hub Facility in West Timor.

As previously advised, the Board views the securing of a supportive local Kupang cornerstone investor as a crucial step in the development of the Kupang Facility, and we are delighted to be partnering with the highly respected Pak Marthen in his role as President Commissioner of PT Gulf.



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Importantly, this capital injection enables the next stage in our project development as it ensures Gulf is now well-funded to execute a number of key near-term value drivers, including the transportation of our initial ferromanganese 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 operational 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.



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