

ASX Announcement
07 May 2018

Gulf Signs Power Purchase Agreement

Gulf Manganese Corporation Limited (ASX: GMC) (“Gulf” or “the Company”) advises that the Company’s wholly-owned subsidiary PT Gulf Mangan Grup (“PT Gulf”) has signed a five-year agreement with national power provider PT PLN (Persero) Wilayah NTT (“PT PLN”) for the supply of 20 MVA power to the Kupang Smelting Hub Facility Site.

Contract Summary

Under the contract, PT PLN has agreed to provide continuous electrical power of up to 20,000 kVA to the Kupang site, with a guaranteed voltage of 20,000 volts by providing PT Gulf with a separate transformer to that made available to other customers on the PT PLN grid.

Furthermore, as a premium customer, PT Gulf is guaranteed power supply in a load shedding event, which is a critical component in maintaining consistent operations during power reduction.



Figures 1 & 2 -Signature and Post Signing of the Power Contract - Hamish Bohannon (MD and CEO Gulf Manganese Corporation/President Director PT Gulf) and Christyono (General Manager of PT PLN NTT Region), with their respective teams.



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Both parties have agreed on the minimum hours of electricity usage per month based on a minimum payment of 40 hours per month (first 2 years); and a minimum of 200 hours per month (remaining 3 years). PT Gulf has also agreed not to build its own power generator, so long as PT PLN can provide the amount of electricity power required by PT Gulf.

As shown in Figure 3 below, the PT Gulf Smelter Site is located adjacent to the PT PLN Plant in the Bolok Industrial Estate. Direct proximity to the Power Plant ensures power supply is not dependent on the local power line infrastructure, as well as assisting with the reduction of associated power loss costs.



Figures 3 - Aerial overview of the Kupang Smelting Hub Facility site highlighting close proximity to power station (top left)

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Kupang Smelting Hub Project Overview

Gulf is focused on developing a ferromanganese smelting business in West Timor, Indonesia to produce and sell low carbon ferromanganese alloy.

The Kupang Smelting Hub facility will contain at least eight furnaces built in stages over five years, targeting the production of a premium quality 78%+ manganese alloy. At full production, Gulf will aim to purchase and process 320,000 tonnes of manganese ore per annum, producing circa 155,000 tonnes of premium quality ferromanganese alloy.



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