

Gulf Minerals Corporation

Project name(s): West Timor Ferromanganese Alloy Smelter; Indonesian Coal; Turkish Manganese Exploration Project

Project location: Indonesia, Turkey

Commodity / resources: Manganese (Mn), coal

Gulf's smelter in Indonesia will address the demand for premium-quality ferromanganese alloy



Company summary

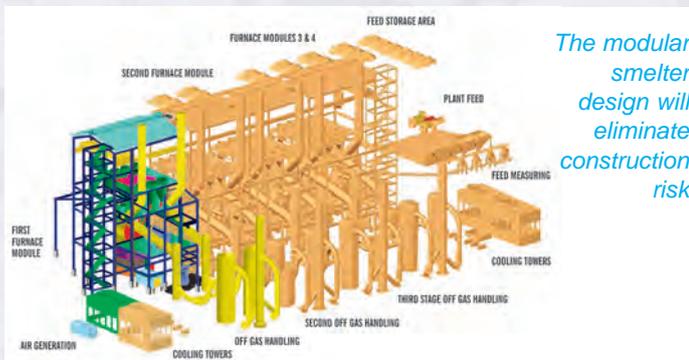
Gulf Minerals Corp (ASX: GMC) is a SE Asian-focused manganese ore and alloy developer, centred on its rapidly advancing ferromanganese alloying project in West Timor, Indonesia. The project will capitalise on Indonesia's low-cost, high-grade manganese, beneficial labour costs, modest power costs and fiscal incentives including a five-year tax holiday. The company's directors and management have a wealth of experience in manganese exploration, project development, production, processing and marketing.

High-grade project progresses

Project history

Indonesia's high-grade manganese ore holds the key to success for Gulf Minerals Corp's ferromanganese alloy smelter project in West Timor. Gulf has finalised the design for its eight-furnace smelter complex and expects to commission construction mid-year. The company will use proven South African smelter technology and intends to pour its first alloy in 2016.

Gulf will produce a premium-quality 78% ferromanganese alloy thanks to the unique qualities of the Indonesian high-grade, low-impurity manganese ore. The product will meet the growing demand for the material which is widely used in steel manufacturing.



The timing of the project development is impeccable with Indonesia establishing a new 'one-stop shop' in January to streamline foreign investment. A Gulf management team met with BKPM (Indonesia Investment Coordinating Board) officials in February for discussions on land, power, environmental matters and the smelter licence.

Gulf's eight-furnace complex will be built in stages over four years for a total capital cost of US\$52 million. The project will be funded by dual listing on the Catalist Board of the Singapore Stock Exchange later this year, modest project debt and operational cash flow.



Gulf will produce a premium-quality ferromanganese alloy

During construction, Gulf intends to export 50%-plus manganese ore to provide early cash flows, as exemptions to Indonesia's ore export ban are allowed during smelter construction. The project will benefit from the wealth of experience on Gulf's board and management team, the beneficial costs and the government fiscal incentives offered to ore value-adding projects.



Gulf will pour its first ferromanganese alloy in 2016

Investment highlights

- > The smelter project will add value to ore and therefore qualify for the Government's financial incentives programme.
- > These incentives include effectively a five-year tax holiday and other tax benefits.
- > Ore trading will generate cash flow during construction.
- > Gulf's development coincides with Indonesia opening BKPM, a new 'one-stop shop' to streamline foreign investment.
- > Gulf will apply this year to dual list on the Singapore Stock Exchange Catalist Board.

Timeline

- > **Sept/Oct 2014** – Gulf divests Australian uranium and copper assets to focus on the Indonesian project.
- > **Jan 2015** – Gulf's Rights Issue is strongly supported.
- > **Feb 2015** – Gulf holds discussions with Indonesia's BKPM to progress the smelter development.
- > **Feb 2015** – Gulf finalises eight-furnace smelter planning and design.

Growth plans

- > Gulf's strategy is to become a fully integrated global manganese ore and alloy producer.
- > It is investigating potential manganese exploration targets in Turkey, which were identified during 2014.
- > Gulf is also sourcing coal to power its Indonesian operations.
- > The company appointed global integrated mining services group Golder Associates and its Indonesian group Marston Consultants in October, to source coal for Gulf's power plant and cost-effective anthracite coal for the smelting furnaces.
- > Gulf will ultimately develop its own coal deposits in Indonesia for cost benefits.
- > Gulf's proposed listing on the Singapore Catalist Board will introduce new shareholders to the company as it progresses to build a fully integrated ore and alloying enterprise based in West Timor.

Contact

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