

## Gulf Manganese Corporation granted key Indonesian licence

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**Gulf Manganese Corporation (ASX:GMC)** can progress development of its planned manganese smelter in Timor after receiving the key Principle Licence for Foreign Investment from the Indonesian Investment Coordinating Board.

This allows its subsidiary PT Gulf Mangan Grup to carry out the operational business of Industrial Manufacture of Metal Alloys and acquire land for the project.

It also allows the company to deal with all Indonesian Provincial and Regency Governments while granting an exemption from import duties for machinery, goods and materials used in the business.

Due to the nature and size of the project, Gulf was previously granted under Tax Holiday Regulations, a 100% tax relief facility for 10 years followed by a tax reduction of 50% for a further 2 years.

Kevin Parker, PT Gulf Mangan technical director, commented:

"The granting of the Principle Licence is a singularly major step to commence building our Timor Smelter.

"We now can move forward with supreme confidence in finalising the 50 year lease of land and the application of the various Regency permits required.

"We are most grateful for the strong support we have had from BKPM and Regency personnel during this period."

### Timor Smelter Project

The proposed manganese smelter project requires a start-up capital investment of US\$66 million staged over five years.

This is expected to be funded by an initial public offering on Catalyst board of the Singapore Stock Exchange raising US\$25 million, modest project debt and operational cashflow.

GMC plans to bring the first furnace online in 2016 with a further two furnaces each year, 2017, 2018, 2019 and a final one in 2020.

Each furnace has a capacity of 20,000 tonnes alloy production per year, generating revenue of about US\$22

million revenue.

The project is expected to return EBITDA of US\$374.7 million over a 10 year period with a net present value of US\$160.6 million and IRR of 55.6%.

<http://www.proactiveinvestors.com.au/companies/news/64539/gulf-manganese-corporation-granted-key-indonesian-licence-64539.html>