

ASX Announcement
8th August 2016

Kupang Smelting Hub Project Update Gulf Acquires Two Ferromanganese Smelting Furnaces

- Gulf finalises acquisition of two ferromanganese smelting furnaces from South African-based Transalloys Pty Ltd for US\$1 million
- Specialist engineering firm, XRAM Technologies, engaged to undertake design and construction requirements associated with relocation of the furnaces
- Gulf well-positioned to fast-track development of Kupang Smelting Hub following recent US\$10 million cornerstone investment

Gulf Manganese Corporation Limited (ASX: GMC) ('Gulf' or 'the Company') would like to advise that it has finalised an agreement ("the agreement") with South African-based Transalloys (Pty) Limited ("Transalloys") for the acquisition and relocation of two ferromanganese smelting furnaces.

Under the terms of the agreement, Gulf will purchase two furnaces (including related equipment), from Transalloys for the total cash consideration of US\$1 million. Gulf has also agreed to supply Transalloys with up to 30,000tpa of high grade manganese ore at the current reported Metal Bulletin's index price for manganese lumpy, for a period of three years (once export licenses have been granted).

Specialist engineering firm and XRAM Technologies (Pty) Limited ("XRAM"), has been engaged to undertake all design and construction requirements associated with the refurbishment and relocation of the furnaces to the Kupang Smelting Hub, which is expected to incur minimal costs.

The smelters are proposed to be shipped from their current location in South Africa in October, with an anticipated arrival at the Kupang site in November 2016.

Gulf's Managing Director, Hamish Bohannan, commented: "The acquisition of our first two smelting furnaces is a key milestone for Gulf, and represents a significant step forward in our evolution as a leading manganese alloy producer.

Following the recent securing of a US\$10 million cornerstone investment, Gulf now has the requisite financial flexibility to execute a number of near-term objectives in the development of the Kupang Smelting Hub Project. The Board looks forward to providing our shareholders with further updates in coming weeks."



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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.



Gulf Manganese Corporation Limited
Developing Premium Indonesian Manganese Alloys
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