

T2, 152 Great Eastern Highway  
Ascot WA 6104  
Ph: +61 8 9367 9228  
Fx: +61 8 9367 9229  
E: info@gulfmanganese.com  
www.gulfmanganese.com  
ACN: 059 954 317

# gulf

**ASX Announcement**  
**1 June 2017**

## **Gulf Funding Update and Signing of Binding Land Lease Agreement for Kupang Smelting Hub Facility**

Gulf Manganese Corporation Limited (ASX: GMC) ('Gulf' or 'the Company') is pleased to advise that its wholly-owned subsidiary PT Gulf Manganese Grup ('PT Gulf') has signed a binding Land Lease Agreement (the "Agreement") with the Government of East Nusa Tenggara Province for the construction of a Manganese Smelting Hub in the Bolok Industrial Estate in Kupang.

The Bolok Industrial Estate is the original location selected by Gulf for the construction of the Kupang Smelting Hub facility, with the Agreement outlining the specific coordinates of the initial 10 hectares where construction activities will take place.

Gulf is also finalising a capital raising with sophisticated investors to raise A\$12M through lead broker Triple C Consulting. Gulf will issue up to 800,000,000 new shares at a price of 1.5 cents per share with three (3) new free attaching listed options (GMCO) for every two (2) new shares acquired, exercisable at \$0.005 and expiring 21 April 2019. This funding proposal was approved by Shareholders on 22 May 2017.

Upon completion, the A\$12M raising will provide Gulf with the requisite capital to complete the purchase of the Company's first two furnaces from Transalloys in South Africa, as well as commencing the refurbishment and shipment of the furnaces to Kupang. Importantly, the funding will also allow Gulf to commence its civil works program at the Kupang site ahead of the proposed commencement of construction in Q4 2017.

Construction preparation activities at Kupang, including the clearing of land, site fencing, preparation of foundations, construction of factory buildings, can now commence at the project site. This work will commence following the receipt of funds, as approved at the recent shareholder meeting.

**Gulf's Managing Director, Hamish Bohannon, commented;** "The signing of the Land Lease Agreement for the land in the Bolok Industrial Estate is a significant step forward for the Company, as it enables construction activities at the Kupang site to commence very shortly.

"Importantly, the site is directly adjacent to the government owned power station which has recently been upgraded with a second 32MW generator and 120MW floating power plant, providing more than enough generation capacity for the current and future needs of the Kupang Smelting Hub.



**Gulf Manganese Corporation Limited**  
**Developing Premium Indonesian Manganese Alloys**  
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“We are also very pleased to have secured significant funding support from a number of strategic investors who have demonstrated their unwavering support for the development of the Kupang Smelting Hub Project. This round of funding provides the business with the necessary flexibility to purchase and ship to site our first two smelting furnaces, in conjunction with completing a comprehensive civil works program ahead of the commencement of construction later this year.”



**Figure 1: Bolok Industrial Estate adjacent to the PLTU Power Station – development site for Gulf’s Kupang Smelting Hub Facility (10 hectares outlined in red)**

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**For further information please contact:**

Hamish Bohannan  
Managing Director

Gulf Manganese Corporation Limited  
T: 08 9367 9228  
E: [info@gulfmanganese.com](mailto:info@gulfmanganese.com)

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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.