

ASX Announcement
23 June 2017

Gulf Secures Funding for Construction of First Two Furnaces at Kupang Smelting Hub Facility

Highlights

- Investors have subscribed to invest a total of \$12 million
 - Including \$7 million via placement and \$1 million in convertible note on same terms as placement
 - Agreement to raise an additional \$4 million through placement to sophisticated investors
- Recent signing of Bolok Land Lease Agreement enables imminent commencement of construction site works program prior to arrival of first two smelters on site in Q3 2017
- Funds to fast-track the shipment and commencement of construction of the first two furnaces at Kupang Smelting Hub Facility – scheduled for completion in Q4 2017

Gulf Manganese Corporation Limited (ASX: GMC) (“Gulf” or “the Company”) is pleased to advise that it has raised \$7 million through a combination of a share placement of 466,666,667 shares at \$0.015 per share with free attaching 3 for 2 Listed Options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019. Binding commitments are also in place for a \$1 million convertible note and commitments to raise additional \$4 million on the same terms as under the prospectus to complete the \$12 million raise (“Capital Raising”). The Company anticipates receipt of funds from the convertible note to occur on or before 26 June 2017. The additional \$4 million is to be received by the Company by no later than the end of September 2017.

Importantly, the Capital Raising provides Gulf with the necessary funding to finalise the purchase of the Company’s first two furnaces from Transalloys in South Africa, as well as completing the refurbishment and shipment of the furnaces to the Kupang site.

The site works program has commenced at Kupang, including land clearing, site fencing, preparation of foundations, and construction of factory buildings. Stripping and refurbishing of the smelters in South Africa will start imminently and will take about 12 weeks before shipment to Kupang.

Gulf advises that the development timeline for the Kupang Smelting Hub Facility remains on track, with the Company targeting the completion of commissioning and start-up of ferromanganese alloy production in Q1 2018.

Triple C Consulting Pty Ltd acted as Lead Manager to the Capital Raising.

Gulf’s Managing Director, Hamish Bohannan, commented:

“Board and Management along with the support of Gulf’s Corporate Advisor Triple C Consulting are delighted to have received such strong support for this capital raising, which is a robust validation of the underlying scope and potential of the Company’s plans to develop a world-class manganese smelting facility in Kupang, Timor.



For personal use only

“Significantly, our development timeline for the Kupang Facility remains unabated, with the construction of our first two smelters on track to be completed in the next 12 months, with the Company expecting early cash flows to be generated from initial ferromanganese alloy sales in mid-2018.

“Most importantly, the completion of this capital raising is a significant milestone for Gulf’s future growth, as it looks to fast-track the construction of the first two furnaces at the Kupang Smelting Hub.

“I would like to thank our shareholders for their unwavering support over the recent months whilst this funding has been finalised. Gulf is now entering an exciting phase in its development as a Tier 1 ferromanganese alloy producer and we look forward to providing our shareholders with further updates in the near-term.”

For further information please contact:

Hamish Bohannan
 Managing Director
 Gulf Manganese Corporation Limited
 T: 08 9367 9228
 E: info@gulfmanganese.com

Released through Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067



Follow us on Twitter @GulfManganese

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. Targeted production will be a premium quality 78% ferromanganese alloy resulting from the unique qualities of the Indonesian high grade (greater than 50%) low impurity manganese ore.

Terms and Conditions of the Convertible Note

Issuer:	Gulf Manganese Corporation Limited
Notes offered:	A\$1,000,000 unsecured
Coupon:	8%
Term:	2 years from issue
Interest payments:	Monthly in arrears
Denominations:	100 notes in denomination of AUD \$10,000 per note
Ranking of Notes:	Will rank senior in obligation of payment to any future indebtedness including dividends
Guarantees:	The issuer’s obligations under the Notes will be guaranteed by Gulf Manganese Corporation Limited and subject to all regulatory approvals
Conversion before 21 August 2017:	Each note may be converted into Gulf shares at 1.5 cents with free attaching 3 for 2 Listed Options (GMCO) exercisable at 0.5 cents expiring 21 April 2019.
Conversion after 21 August 2017:	Each note may be converted into Gulf shares at 1.5 cents.
Redemption :	Each note may be redeemed at the Holders option 3 months from issue or any time thereafter with 1 month notification and all outstanding notes will be redeemed in full 24 months from issue.
Governing law:	The Laws of Australia shall apply to the Note.



For personal use only