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gulf

ASX Announcement
23 August 2017

Gulf Operational Update

- Refurbishment program of first two ferromanganese smelters progressing on track
- Agreement signed with highly experienced Indonesian construction company PT Weltes Energi Nusantara to work under EPCM contractor XRAM Technologies (Pty) Ltd
- First two ferromanganese smelting furnaces scheduled for shipment from Pretoria to Kupang in Q4 2017
- Potential to generate near-term cash flow via sale and shipment of manganese concentrates (>49% Mn) – Gulf actively progressing permitting requirements

Gulf Manganese Corporation Limited (ASX: GMC) (“Gulf” or “the Company”) is pleased to provide an operational update on the Company’s smelter refurbishment activities in South Africa and on the Kupang site works program in West Timor.

Smelter Refurbishment Update – Pretoria, South Africa

As previously advised, the refurbishment of Gulf’s first two smelting furnaces is now underway prior to their scheduled shipment to Kupang in Q4 2017.

Refurbishment of the furnace equipment is progressing in line with the baseline project schedule and no delays are currently foreseen. Dismantling of the equipment at Transalloy’s site is near completion, with the furnace shells and slipping devices currently being removed with a target completion date of 31 August 2017.

Furthermore, contracts for the refurbishment of the equipment components have been awarded, and all dismantled equipment has been safely transported from Transalloy’s site to the various sub-contractors where refurbishment activities has commenced.



Gulf Manganese Corporation Limited
Developing Premium Indonesian Manganese Alloys
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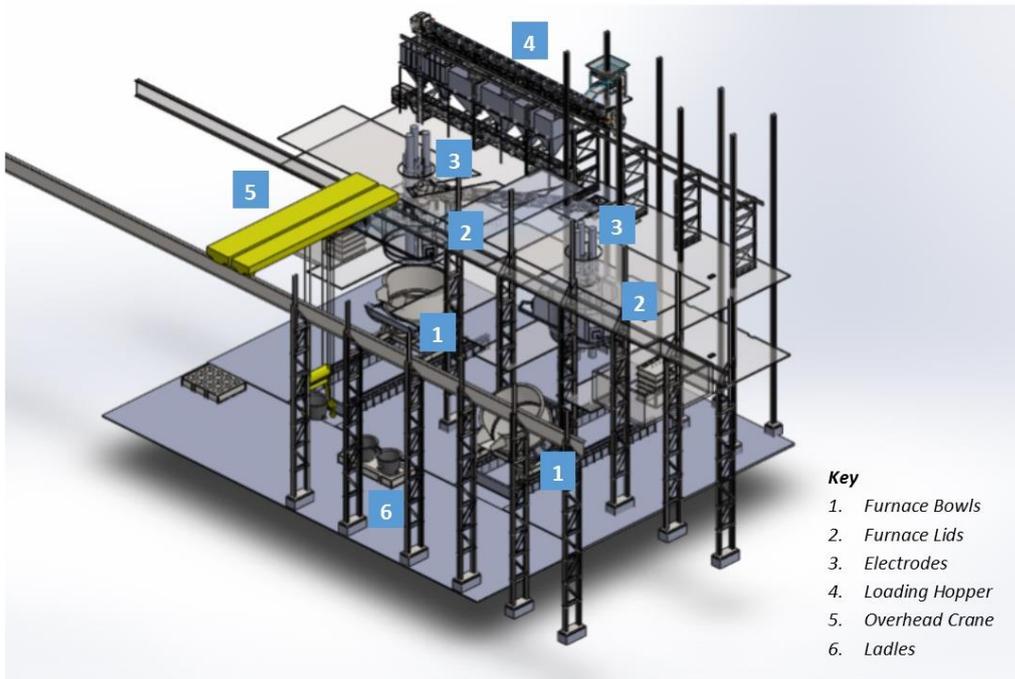


Figure 1 and 2: Furnace transformer transported from Transalloy to sub-contractors for refurbishment



Figure 3 and 4: Dismantling of equipment at Transalloy's site

**Schematic of Smelter Building
(Without Cladding)**



Kupang Smelting Hub Site Works Program

Gulf has entered into an agreement with Indonesian-based PT Weltes Energi Nusantara (“PT Weltes”) to work under EPCM contractor XRAM Technologies (Pty) Ltd to undertake the construction phase of the Kupang Smelting Hub Facility.

PT Weltes is a multi-disciplinary engineering, procurement, construction and fabrication manufacturer with more than 20 years of experience. PT Weltes has specific experience in mineral and chemical processing plants and infrastructure, including civil work and electrical and control automation is therefore well suited to the scope of work required for construction of Gulf’s Kupang Smelting Hub Facility.

At Kupang, site development works are continuing following the clearing of the Bolok industrial area and connection of site power last month.

In addition, Gulf is continuing to work to secure initial manganese supplies from local miners. Discussions are progressing well and the Company expects to execute binding agreements in the near-term.

Gulf is also actively progressing permitting requirements for the sale and shipment of manganese concentrates (>49% Mn) under the Indonesian provision for smelting and processing companies to sell concentrate during construction to assist with cash flow. The sale of manganese concentrate has the potential to be a significant near-term value catalyst for the business and the Company looks forward to providing further updates in due course.

-ENDS-

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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. 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.