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ASX Announcement
19 September 2017

Kupang Smelting Hub Facility Operational Update

- **Manganese ore supply agreements signed with two local mining companies with further supply agreement expected to be executed imminently**
- **Next stage of smelter refurbishment program underway in South Africa with the two smelting furnaces now fully dismantled and equipment transported to contractors for refurbishment**
- **Gulf progressing permitting requirements in order to generate near-term cash flow from sale of Direct Shipped Ore (DSO) (>49% Mn) from Kupang**

Gulf Manganese Corporation Limited (**ASX: GMC**) ("**Gulf**" or "**the Company**") is pleased to advise that it has executed agreements with two manganese mining companies in Timor, with the next supply agreement to be finalised during the week, securing the required feedstock to support the start-up of operations at the Kupang Smelting Hub Facility in early 2018.

This is a significant development for the Company, as it establishes a secure supply channel with local mining groups which is needed to underpin manganese alloy production at the Kupang Facility.

Gulf can also report that the Kupang site works program is well advanced having finalised contractual details with the primary construction contractor, PT Weltes Energi Nusantara and with bulk earthworks progressing in readiness for the commencing civil work.

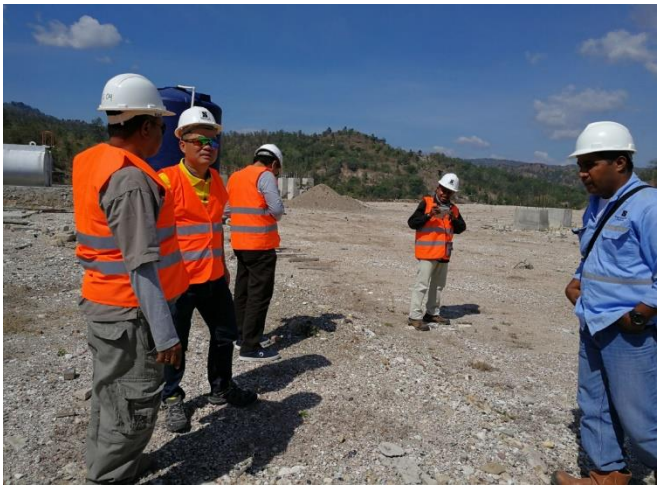
As previously advised, discussions are continuing with the relevant authorities in order to obtain the necessary permitting to enable Gulf to commence the sale and shipment of Direct Shipped Ore (DSO) (>49% Mn) from Kupang. The sale of DSO during the construction phase has the potential to be a significant near-term value catalyst and the Board looks forward to providing further updates as discussions progress.

<u>Smelter Refurbishment Update – Pretoria, South Africa</u>

The refurbishment of Gulf's first two smelting furnaces is progressing on track.

Dismantling of both furnaces at Transalloys in South Africa has now been completed with all the furnace electrical components, transformers, gearboxes, hydraulic equipment and steel components now transported to a number of specialist contractors for inspection and refurbishment.

The furnaces remain on track to be shipped to Kupang in Q4 2017.



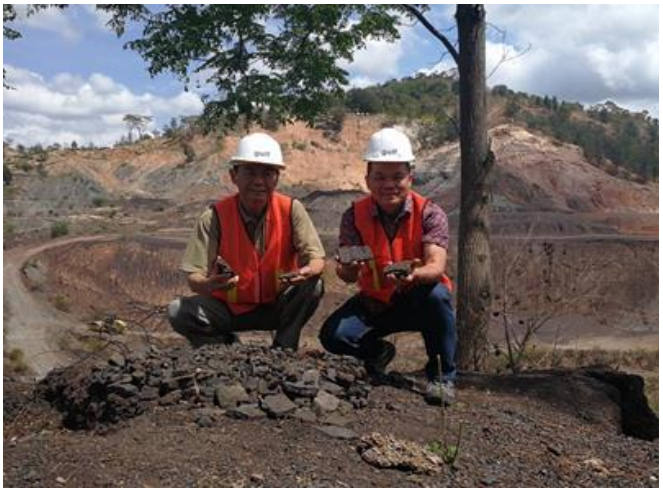
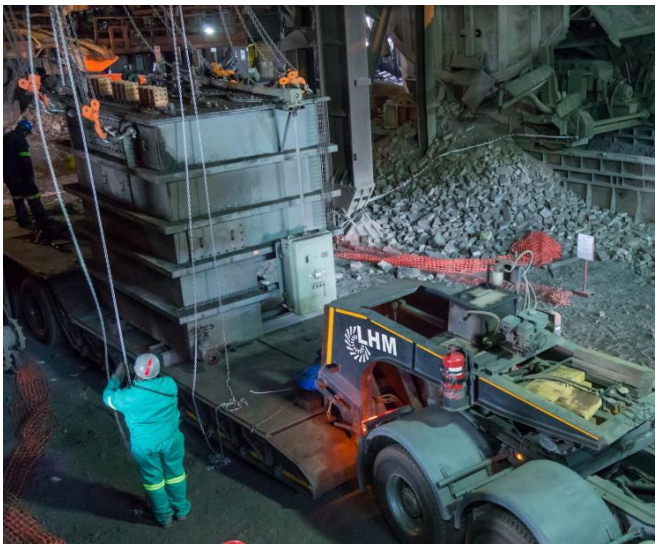
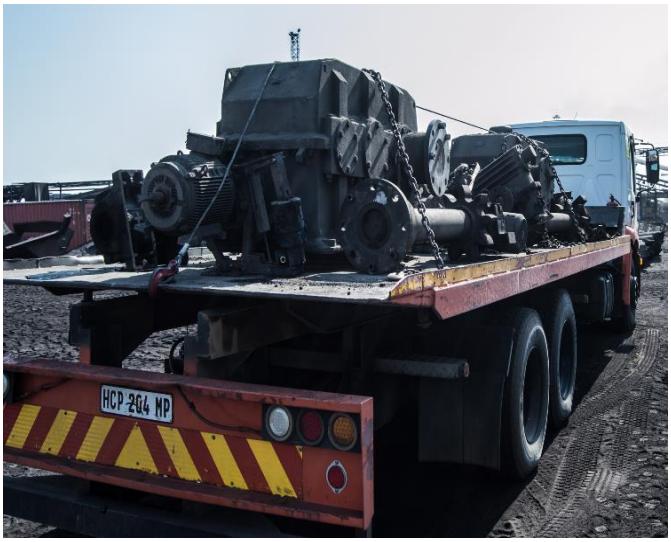


Figure 1 & 2: Local manganese mine in West Timor





Figures 2 & 3: Dismantling and transportation of Gulf's first two smelters in Pretoria, South Africa

Gulf's Managing Director, Hamish Bohannan, commented:

"Gulf continues to make solid progress in the development of the Kupang Smelting Hub Facility, and the signing of these key ore supply agreements further underpins the project's development.

"Estabishing these initial supply channels further validates our operational team's ability to successfully negotiate these contracts with local parties, and provides a a clear pathway to the start-up of smelting operations early next year.

"We are also pleased to report that refurbishment activities on our initial two smelting furnaces in Pretoria is progressing on schedule, and the program remains on track for shipping in Q4 2017. We look forward to providing our shareholders with further updates on operational progress and additional ore supply agreements shortly."

-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.