



ASX Announcement
30 September 2019

DSO Supply Chain Update

- **Exploration and Mining activities have commenced at high-grade PIJ manganese mine in West Timor with first parcel of high-grade ore suitable for DSO shipping expected in coming weeks**
- **Gulf continues to actively assess multiple manganese stockpiles and high-grade mines, both in NTT and other surrounding manganese rich provinces to further diversify our ore supply chain**
- **Growing pipeline of approved local manganese mines - 13 mines receiving work plan and budget application (RKAB) clearance from the Ministry of Energy and Mineral Resources NTT (ESDM) – with a further 9 awaiting final Provincial Government processing**

Gulf Manganese Corporation Limited (ASX: GMC) ("**Gulf**" or "**the Company**") is pleased to provide the following update on ore supply for exporting ore under its Manganese Concentrate Export Licence (also known as Direct Shipping Ore, "DSO") and on the Company's broader strategy to diversify its high-grade manganese ore supply chain.

Mine development work underway at high-grade PIJ Mine

As previously reported, the PT Putra Indonesia Jaya ("**PIJ**") high-grade manganese mine, located near Kefamenanu West Timor has received its Work Plan and Budget ("**RKAB**") approval from the NTT Ministry of Energy and Mineral Resources ("**ESDM**"). Gulf has been working with PIJ to procure ore to start its DSO operations.

Following the approval of its RKAB, exploration and ore evaluation programs works have started at PIJ with mapping, trenching and sampling activities leading to trial pits for the mining and supply of high-grade manganese concentrate to Gulf's Indonesian subsidiary PT Gulf Mangan Grup ("**PT GMG**").

Gulf's in-country partners have advised that first ore will be delivered to Gulf in coming weeks, commencing with an initial parcel of approximately 300 tonnes, steadily increasing to about 2,000 tonnes per month in 2020. Importantly, all of the ore produced by PIJ will be supplied to PT GMG's operations in Kupang.

T4, 152 Great Eastern Highway
Ascot WA 6104

Phone +61 8 9367 9228

Fax +61 8 9367 9229

Email info@gulfmanganese.com

gulfmanganese.com

ABN: 73 059 954 317
Gulf Manganese Corporation Limited



Figures 1 & 2: Recent sampling and analysis work being carried out at PIJ Mine demonstrates the high-grade manganese ore within the project

Additional NTT Mines and Surrounding Regional Opportunities

In line with the Company's broader ore procurement strategy, several additional high-grade manganese mines and stockpiles are currently being assessed in West Timor and surrounding regions including Sumbawa and Sulawesi. As part of this due diligence process, Gulf is ensuring that the concentrate quality meets its DSO export permit requirements with grades greater than 49% manganese content and that the mines have Clean and Clear certification in accordance with Indonesian Government requirements.

To date, a number of mines and stockpiles meeting both of these criteria have been assessed and Gulf remains confident on expanding its supply chain pipeline in the near-term. With limited domestic demand for manganese ore, most manganese mines in Indonesia have been dormant since the 2009 Mining Law laid the legal foundation for the ore export ban of 2013. Many of these mines are now planning to re-commence operations.

Management Commentary

Commenting on the recent operational progress Managing Director, Hamish Bohannon, said:

“We are committed to commencing DSO start-up as quickly as possible, and to this end we have been working hard over recent weeks to finalise the initial supply source of high-grade ore.

“Pleasingly, exploration work carried out recently at the PIJ Mine has confirmed the availability of high-grade DSO quality ore, which gives us a direct line of sight on commencing DSO start-up. I can confirm that Gulf has all its necessary permits in place and is now working with the relevant government departments to commence purchasing and exporting of Manganese Concentrate.

“We are respectful of the Indonesian permitting process and although delays have been experienced, we continue to maintain a healthy dialogue with the relevant local authorities.

“We are actively building a multi-faceted supply chain to further diversify and de-risk ore supply for not only DSO exports, but also for the long-term future of our Kupang Smelting Hub operations. Further updates from across the business will be provided to keep all shareholders informed of developments.”

-Ends-

For further information please contact:

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

