



# GULF MANGANESE CORPORATION LIMITED

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ACN: 059 954 317

ASX Announcement  
3 December 2015

## \$1.125 Million Capital Raising Completed

Gulf Manganese Corporation Limited (ASX:GMC) is pleased to advise that the Company has raised \$1.125 million from the placement of 75,000,000 shares and 37,500,000 options, which were approved at the General Meeting on 2nd October.

The placement was managed by Perth-based Triple C Consulting, and will provide the Company with working capital which will be deployed towards the development of Gulf's premium manganese alloy facility in Indonesia. The placement also brings the Company's issued capital to 162,009,305 shares and 37,500,000 options plus the existing 15,179,000 37.5c and 7,500,000 25c options.

**Gulf Deputy Chairman, Dr Peter Williams, commented,** "This is an outstanding result for Gulf Manganese shareholders and demonstrates the robust nature of our project and development plans. Furthermore, the placement was strongly supported with 100% take up and the Company would like to thank the team at Triple C Consulting for completing the capital raising in what has been a difficult environment.

With the raising now complete, the Company is looking forward to focusing on the strategic development of its low cost Indonesian based premium manganese alloy facility and we look forward to providing our shareholders with further corporate and operational updates in the near future."

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Developing Premium Indonesian Manganese Alloys





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## About Gulf Manganese Corporation Limited

Gulf Manganese Corporation Limited is an Australian registered company (ACN 059 954 317) listed on the Australian Securities Exchange (ASX: GMC) with its head office in Perth, Western Australia.

The company is developing an ASEAN focused manganese alloy producer. The facilities based in the West Timor capital Kupang will take advantage of the low cost of ore, labour and power being the majority of operating costs. Production will be a premium quality 78% ferromanganese alloy resulting from the unique qualities of the Indonesian high-grade low impurities manganese ore.

It is proposed to build 8 furnaces over a 5 year period for a total capital cost of US\$66m funded by an IPO on the Catalist board of the Singapore Stock Exchange raising \$US25m, modest project debt and operational cashflow.

The first furnace aims to come online July 2016, with a further two furnaces each year, 2017, 2018, 2019 and a final one in 2020. Each furnace has a capacity of 20,000 tonnes alloy production per year and on today's alloy prices producing US \$22m revenue.

The financial analysis of the redrafted Study shows that the project has the potential to return an **EBITDA of US \$374.7 million** over a 10 year period supporting an estimated **Net Present Value of US \$160.6 million** using an 8% discount factor.

The project requires a modest start up **capital investment of US \$66 million**, which is staged over 5 years and provides estimated returns supporting an **internal rate of return of 55.6%**.

Value adding ores is strongly encouraged by the Indonesian Government to enrich the country's mineral endowment thereby enhancing the economy and creating employment. GMC will benefit from the Government's Financial Incentives Programme which effectively will result in a 10 year tax holiday, together with other tax exemptions.



Ore

Processing

Tapping

Alloy



Developing Premium Indonesian Manganese Alloys

