

# Gulf Manganese Corporation (ASX. GMC)

# gulf



Primed to commence ferromanganese alloy production H2 2018

Investor Presentation  
Hong Kong  
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Fully-funded through to production mid-2018

A\$15 million funding secured through Indonesian-based diversified investment group PT Jayatama Tekno Sejahtera – fast-tracking construction and commissioning of first two smelters.

Clear pathway to production ramp-up

Low-cost, highly scalable production starting at 30,000 tpa, increasing to 155,000 tpa of ferromanganese alloy.

Mine-gate to production acquisition strategy

Actively assessing acquisition opportunities targeting high grade Mn mines in Indonesia – home to the world's highest grade manganese (+44%Mn).

Multiple revenue streams

Export of Refined ferromanganese alloys of Medium and Low Carbon manganese alloys, and export of Direct Shipping Ore (DSO).

Strong in-country partnerships

Gulf backed by PT JTS, whose Chairman and CEO is Bpk Fofa Sariaatmadja, a highly-regarded Indonesian business identity.



# Building a Successful Indonesian Smelting Business – Key Factors

Significantly de-risked exposure to Indonesia's world-class high grade Mn deposits

Key Milestone / Achievement		Completed / Due Date
1.	Study & Test Program	✓
2.	Licensing, Permitting Approval	✓
3.	Secure cornerstone Indonesian Investors	✓
4.	Secure Indonesian High Grade Manganese Mines	First Mine Secured
5.	Commissioning & First Production	H2 2018



- JTS Group: part of a diversified investment group based in Indonesia and Australia, with investments across the Asia Pacific region.
- First A\$2M funding tranche already received.
- Chairman and CEO Bpk Fofu Sariaatmadja is Commissioner with:
  - PT. Surya Citra Televisi, the number one television in Indonesia
  - PT. Mediatama Anugrah Citra, the only digital terrestrial pay-TV operator in Indonesia
  - PT. Abhimata Persada, an IT solutions provider to the banking sector.



Figure 2 (from left to right): Sam Sariaatmadja, Gulf MD Hamish Bohannan, PT JTS Chairman and CEO Bpk Fofu Sariaatmadja, Johannes Susilo, Amanda Liu, Tim Sariaatmadja (Laptop at front)



Figure 2: Gulf MD Hamish Bohannan signs funding agreement

## PATHWAY TO PRODUCTION

1. Licensing and Approvals
2. Project Acquisition / Ore purchasing
3. Ore Transport to Processing Plant
4. Ore processing
5. Alloy smelting
6. Sales & marketing
7. Final product Ferromanganese Alloy

## HIGHLY SCALABLE PROJECT

- Low-cost, highly scalable production starting at **30,000 tpa**, increasing to **155,000 tpa** of ferromanganese alloy.
- The Smelter feed will comprise local Indonesian manganese ores (**48%+ Mn**).

- Staged build-out of Kupang facility – at least 8 furnaces to be in operation upon completion
- Construction activities on the first two smelters, including completion of the smelter foundations, are progressing on schedule
- Targeting production of premium quality 82%+ manganese alloy resulting from the unique qualities of the Indonesian high-grade, low impurity manganese ore
- Targeting sale of Direct Shipped Ore (DSO) during construction phase - significant near-term value catalyst
- Power supplied by state power utility on unit cost basis from power station adjacent to smelter site
- Nearby (5km) Tenau Port has both bulk and container loading facilities
- Easy access to key Asian markets including Japan, Korea and China

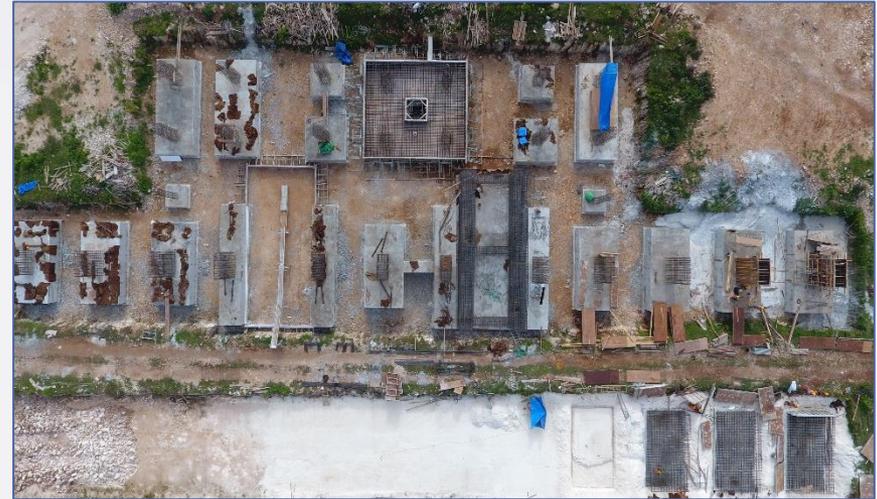
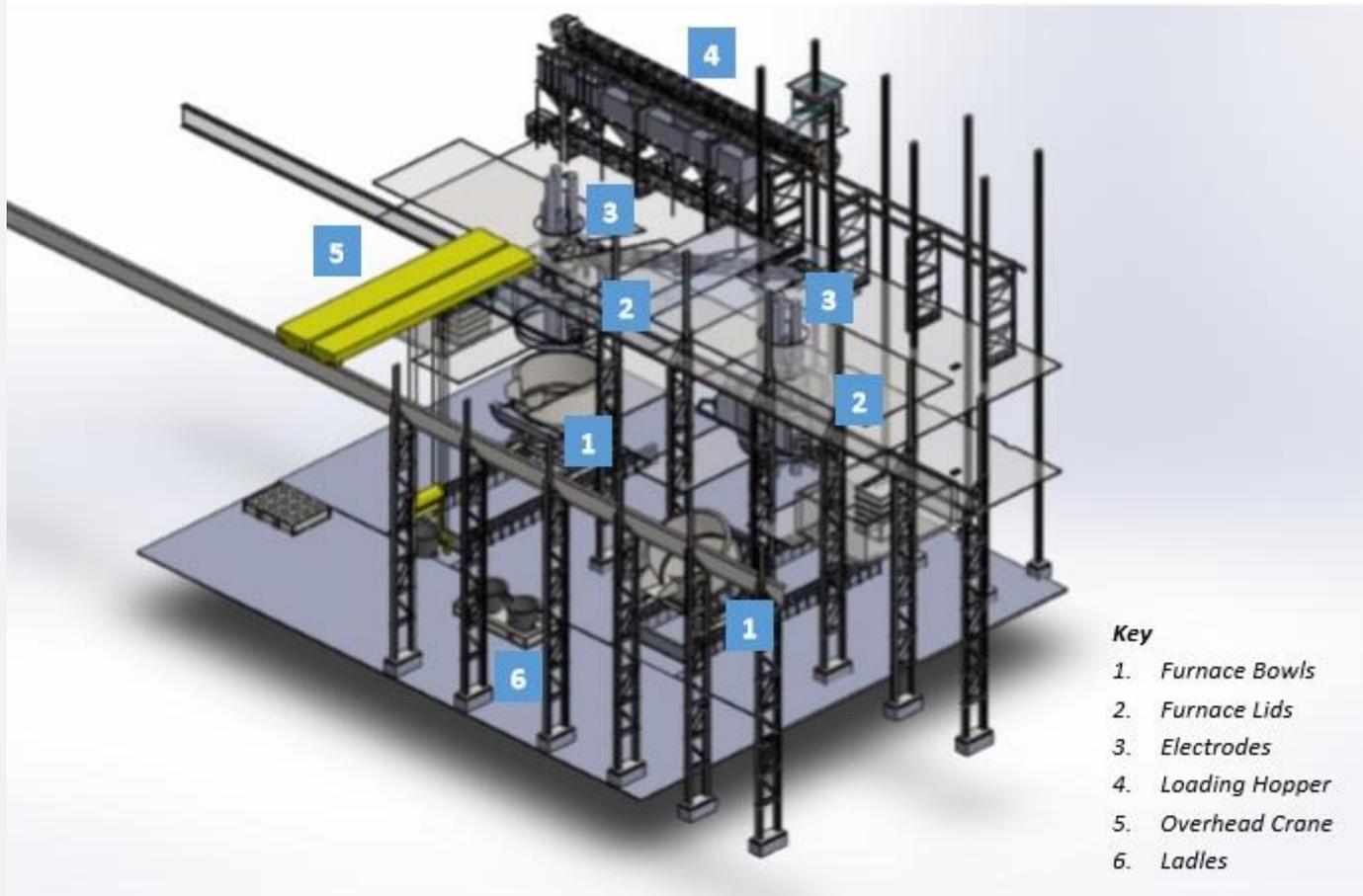


Figure 3: Construction underway at Kupang Smelting Hub Facility



Figure 4: Cleared site under Construction

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



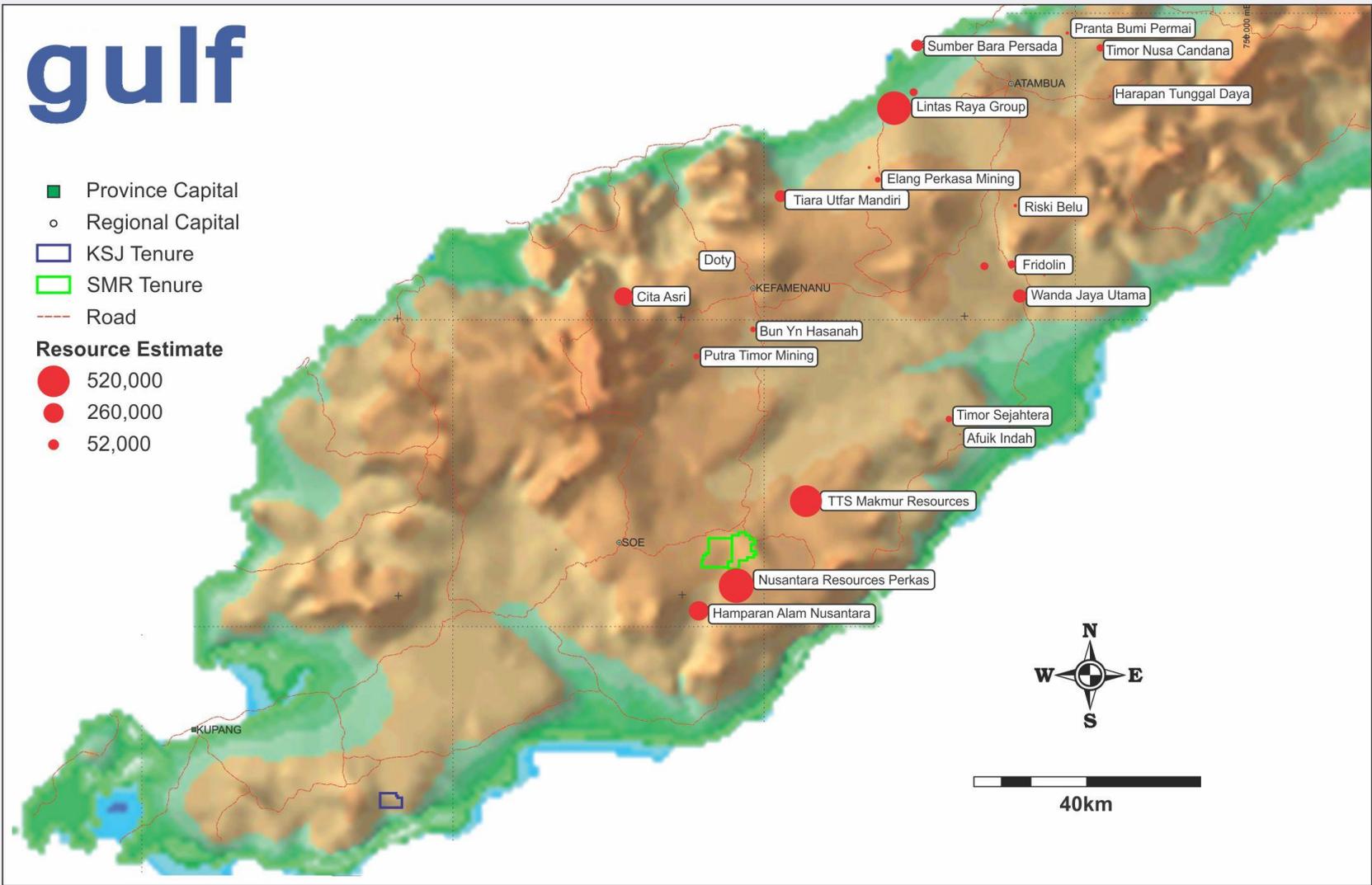


## Global Depletion of High Grade Manganese Indonesia the Last Frontier

**● High grade (+44%)**

**● Medium to low grade (<44%)**





Map showing Clean and Clear IUP's (Mn) in West Timor and Resource Estimate

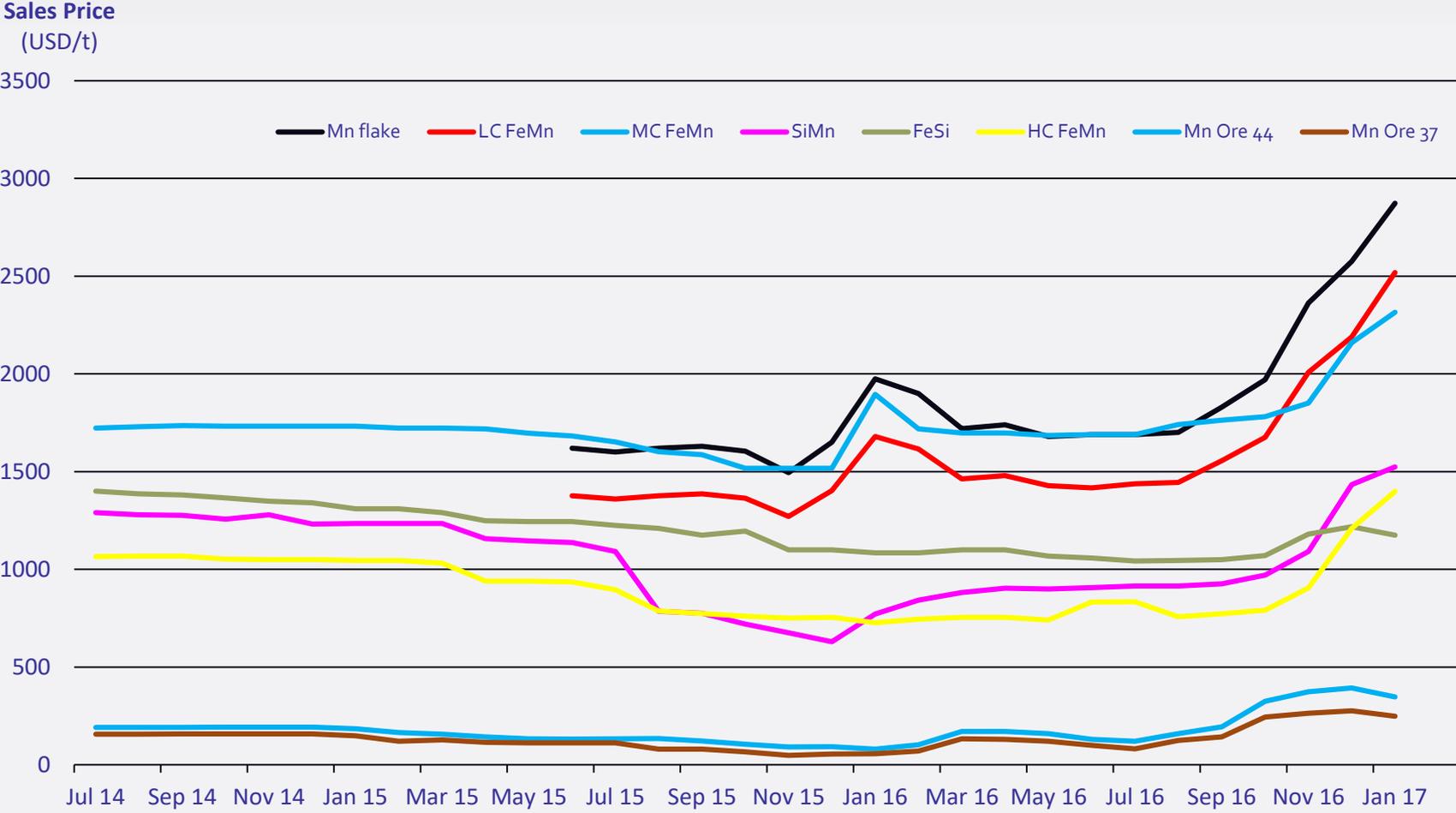
Development Milestone	CY2018		CY2019		CY2020	
	H1	H2	H1	H2	H1	H2
Completion of Smelter Refurbishment	✓					
Secure funding for Stage 1 Production	✓					
Commence Acquisition of High Grade Mines	✓					
First two smelters shipped to Kupang	✓					
Commissioning of Kupang Smelting Hub						
Commence first sales of ferromanganese alloy						

Kupang Smelter Project		Annualised Performance			
		2 Units	4 Units	6 Units	8 Units
Installed Smelter Capacity	MVA	14	32	50	68
<b>Physicals</b>					
Mn Ore Purchased	t	65,847	150,507	235,167	319,827
FeMn Alloy Sold	t	31,640	72,320	113,000	153,680
<b>Costs</b>					
Ore Purchase & Preparation	USD	6.8	15.7	24.5	33.3
Smelting	USD	17.8	38.1	58.2	78.7
Overheads	USD	0.9	2.0	3.1	4.2
<b>Total Operating Costs</b>	<b>USD</b>	<b>25.5</b>	<b>55.8</b>	<b>85.8</b>	<b>116.2</b>
<b>Revenue from Sales</b>	<b>USD</b>	<b>47.5</b>	<b>108.5</b>	<b>169.5</b>	<b>230.5</b>
<b>Net Operating Margin</b>	<b>USD</b>	<b>21.9</b>	<b>52.7</b>	<b>83.7</b>	<b>114.3</b>

- Gulf's DSO and Refined alloy products will be in very high demand due to their high manganese content and low impurities.
- Manganese ore prices have risen steadily over the last 12 months - prices **increasing over 100%** for 44% grade manganese lump.
- Refined ferromanganese alloys are usually used in the manufacture of high grade steel (for automobile and ship building).
- After steel, the second most important market for manganese (in dioxide form) is for portable dry cell batteries.
- Other uses include manganese sulphates as an agricultural fertilizer, in water purification, health vitamins, gasoline additives and colouring glass.



# Manganese Value Chain – Geared for Growth



Source: (CRU & Metal Bulletin)

## Capital Structure

ASX Code:	GMC
Shares on Issue	2,651,422,860
Share Price (15 March 2018)	1.5¢
52 week high / low	2.4¢ / 0.6¢
Market Cap (15 March 2018)	40 million

## Top Shareholders

Tanah Capital Pte Ltd	8.84%
Citicorp Nominees Pty Ltd	8.72%
Tan Hwa Poh	4.78%
ABN Amro	3.93%

## Board and Management

Non-Executive Chairman	Craig Munro
Managing Director & CEO	Hamish Bohannan
Non-Executive Director	Andrew Wilson
Company Secretary	Leonard Math

## GMC 12 month SP price and volume



## Gulf Manganese Corporation Ltd

T2, 152 Great Eastern Highway

Ascot WA 6104

Ph +618 9367 9228

Fax +618 9367 9229

E [info@gulfmanganese.com](mailto:info@gulfmanganese.com)

[www.gulfmanganese.com](http://www.gulfmanganese.com)



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