



GULF MINERALS CORPORATION LIMITED

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23 February 2015

Gulf Minerals Smelter construction timing on track

Gulf Minerals Corporation Limited (ASX:GMC) is pleased to update shareholders on company executive's visit to Indonesia for the recently held Smelter Summit conference in Jakarta.

The conference was attended by some 250 senior government representatives, industry associations and participants with many comments on the excellence of Gulf's proposed West Timor manganese smelter enterprise.

Following the conference, over a three week period executives Bruce Morrin and Michael Kiernan together with Gulf's local Indonesian team held successful individual discussions with the:

- Deputy Minister for Commerce and Entrepreneurship and his staff of the Coordinating Ministry for Economic Affairs
- Governor for Nusa Tenggara Timur (West Timor) and his staff
- Director of Planning for Agribusiness and Natural Resources and his staff for the BKPM (Investment Coordinating Board Republic of Indonesia)
- Deputy Director for Mineral Resources and her staff
- Vice Chairman of Productivity for KADIN Indonesia (Indonesian Chamber of Commerce and Industry)
- General Manager of PT PLN (Persero) Nusa Tenggara Timur (West Timor) - the Indonesian Electricity State Company
- Attorney Director PT Adi Banua – Environmental Management specialists for Nusa Tenggara Timur (West Timor)

On each occasion Gulf updated the company's progress in completing smelter design planning, contractor engagement and general preparations and pointed out the only issues remaining to be completed were:

1. Land acquisition
2. Initial Power supply
3. Environmental clearance
4. Smelter Licence

Land

An agreement was reached for Gulf to be granted a 50 year lease, on an annual fee basis, for 30 hectares in the West Timor industrial area Bolok, 10 kilometres from the capital Kupang and 5 kilometres from the Port of Tenau.

Power

PLN advise they can supply, on a user pay basis, grid power for the first stage development while Gulf constructs its own coal fired power station.





Environmental

As the leased land is a gazetted industrial area and has an overriding Environmental Approval all that will be required is an Environmental Management Effort and Environmental Monitoring Effort colloquially called an UKL – UPL. This will reduce the approval time period down from some 9 months to less than 2.

Smelter

Both the Coordinating Ministry for Economic Affairs and the Investment Coordinating Board (BKPM) have undertaken to issue a licence within 3 months of an application to the recently created by Presidential Decree "one stop shop" of the BKPM. This fast track process has been put in place to enable foreign investors' swift Government dealings by combining the approval process of 22 Ministries and Departments.

Gulf's CEO, Bruce Morrin, commented...."the new Presidential Decree to fast track Government dealings into one Ministry with a "can do approach" is like a breath of fresh air and certainly will facilitate much quicker approvals for projects thereby creating many jobs for local nationals as well in our case significant export income into the traditionally poorer area of West Timor while at the same time building shareholder value".



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About Gulf Minerals Corporation Limited

Gulf Minerals 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 ore and 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 4 year period for a total capital cost of \$52m funded by a dual listing on the Catalist Board of the Singapore Stock Exchange in the first half of 2015, modest project debt and operational cashflow. Each furnace costing \$5.6 million has a capacity of 20,000 tonne alloy production per year, power will be supplied by a third party on a user pay basis.

The first two furnaces will be built during 2015, coming online January 2016, with a further two furnaces each year, 2017, 2018 and 2019.

During construction Gulf shall be exporting 50% plus manganese ore to provide early cash flows and from 2015 the annual exports would commence at 60,000 tonnes and increase by 30,000 tonnes per year to 180,000 tonnes in 2018. Ore will be sourced from West and East Timor together with other localities.

Value adding ores is strongly encouraged by the Indonesian Government to enrich the country's mineral endowment thereby enhancing the economy and creating employment.

All initiatives to value adding have full support from all levels of government and GMC will benefit from the Government's Financial Incentives Programme which effectively will result in a 5 year tax holiday, together with other tax exemptions.

The company is investigating potential manganese exploration targets in Turkey to augment the company's strategy of becoming a fully integrated global manganese ore and alloy producer.

It is proposed to make an application for Gulf to dual list on the Singapore Catalist Board to broaden the shareholder base and introduce a range of new international shareholders as the company moves forward with its plan to build a fully integrated ore and alloying enterprise based in West Timor.



Ore

Processing

Tapping

Alloy



Developing Premium Indonesian Manganese Alloys

