



GULF MANGANESE CORPORATION LIMITED

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ASX Announcement
28th October 2015

Gulf Manganese Corporation – CEO Appointment

Gulf Manganese Corporation Limited (ASX:GMC) is pleased to advise shareholders of the appointment of an experienced resources senior executive Hamish Bohannan as the company's Chief Executive Officer.



Hamish holds an Honours Degree in Mining Engineering from the Royal School of Mines UK and a MBA from Deakin University, Victoria. He has extensive corporate and operational experience in public companies within Australia and overseas in the capacity of Managing Director or CEO with ASX, TSX and AIM listed groups.

His experience covers a wide range of mining and minerals processing with coal, nickel, gold/copper, mineral sands and lead/zinc projects.

Deputy Chairman, Dr Peter Williams commented "We are extremely happy to have Hamish join our company as we move forward into commencing to build the first stage of our smelter early next year. He has a proven track record of strong management skills, team building, planning and analytical skills together with extensive public company experience. I am sure the shareholders will be most pleased with this appointment as Hamish moves the company forward into production".

For further information please contact:

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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

