



GULF MANGANESE CORPORATION LIMITED

78 Mill Point Road
South Perth WA 6151
Ph: +61 8 9367 9228
Fx: +61 8 9367 9229
Em: info@gulfmanganese.com
www.gulfmanganese.com
ACN: 059 954 317

Media Release
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Smelter project Funding Update

Gulf Manganese Corporation Limited (ASX: GMC) (“**Gulf Manganese**” and “**Company**”) advises shareholders that despite continuing negotiations with Sigur Holdings Inc (“Sigur”), Sigur have not subscribed for a minimum of \$500,000 of convertible notes in Gulf as required by the non-binding term sheet announced to the ASX on 11 March 2015.

Following execution of the initial term sheet, Gulf agreed to provide Sigur with additional time to subscribe for the convertible notes, and in return Sigur agreed to subscribe for up to \$750,000 in convertible notes in the Company. Sigur have continued to assure Gulf that the full funding contemplated in the non binding term sheet will be forthcoming, but to date no funds have been received. Gulf will continue to negotiate with Sigur with a view to completing the previously announced funding arrangement.

The Company will now recommence discussions with alternative parties for the financing and funding of the Indonesian Smelter enterprise in conjunction with the previously announced plan for a future IPO on the Singapore Catalist Board.

For more information please visit: <http://www.gulfmineralscorp.com/>

For further information please contact:

Graham Anderson, Chairman
Gulf Manganese Corporation Limited
M: 0417 934 535
E: graham@gdacorporate.com.au

Rod North, Managing Director
Bourse Communications Pty Ltd
T: (03) 9510 8309, M: 0408 670 706,
E: rod@boursecommunications.com





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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 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 US\$68m funded by an IPO on the Catalist board of the Singapore Stock Exchange raising \$US25m, modest project debt and operational cashflow.

The first two furnaces aim to be built during 2015, coming online January 2016, with a further two furnaces each year, 2017, 2018 and 2019. Each furnace has a capacity of 20,000 tonnes alloy production per year and on today's alloy prices producing US \$22m revenue.

During construction Gulf plans to be exporting 50% plus manganese ore to provide early cash flows and from 2015 the annual exports would commence at around 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 10 year tax holiday, together with other tax exemptions.



Ore

Processing

Tapping

Alloy



Developing Premium Indonesian Manganese Alloys

