



ASX Announcement
24 October 2019

Gulf Signs Manganese Ore Purchase & Supply Agreements

- **Manganese ore purchase agreement and MOU for ongoing supply executed with Sulawesi-based miner PT Arfa Indo Sarana**
- **Initial 100 tonne parcel of high-grade (+49%) manganese concentrate on track to be shipped from Sulawesi to Kupang in November for export.**
- **17 IUP's formally approved by NTT Ministry of Energy and Minerals Resources ("ESDM") allowing local miners to recommence manganese production – scope for Gulf to quickly scale up its ore supply pipeline**
- **Gulf notes recent ESDM endorsement for Kupang Smelting Hub Facility development published on local NTT news platforms**

Gulf Manganese Corporation Limited (ASX: GMC) ("**Gulf**" or "**the Company**") is pleased to advise that the Company's Indonesian subsidiary PT Gulf Mangan Grup ("**PT Gulf**") has signed an ore purchase agreement with Sulawesi-based PT Arfa Indo Sarana ("**PT Arfa**") for supply of an initial 100 tonne parcel of high-grade (+49%) manganese ore. In addition, a Memorandum of Understanding ("**MoU**") has also been executed between the two parties for the ongoing supply of high-grade manganese ore.

In terms of logistics, it is expected that the initial 100 tonne parcel will be transported to the port of Bau Bau in Sulawesi in November. The ore will then be shipped to the Port of Tenau in Kupang. Once the shipment has arrived in Kupang it will undergo a final quality analysis process before being cleared for export to Gulf's customers.

The Company is also pleased to report that 17 IUP's (Izin Usaha Pertambangan or permit to conduct a mining business) have been approved by the NTT ESDM (the Ministry of Energy and Mineral Resources in Kupang) and the Provincial Government thus allowing these miners to recommence manganese production. In line with Gulf's broader ore procurement strategy, negotiations are already underway with a number of these NTT miners to secure further manganese ore supply partners.

In addition, Gulf notes and is encouraged by the support from the local authorities demonstrated by a recent media article which outlines ESDM's support for the ongoing development of the Kupang Smelting Hub Facility. The article can be viewed at the following website address: kupangmedia.net/2019/10/13/kadis-esdm-jusuf-adoe-katakan-moratorium-sebagai-bahan-evaluasi-demi-pembangunan-ntt/. A translated copy of the article is available on Gulf's website: www.gulfmanganese.com/wp-content/uploads/2019/10/20191019-English-Translation-of-News-Article.pdf

T4, 152 Great Eastern Highway
Ascot WA 6104

Phone +61 8 9367 9228

Fax +61 8 9367 9229

Email info@gulfmanganese.com

gulfmanganese.com

ABN: 73 059 954 317
Gulf Manganese Corporation Limited

Management Commentary

Gulf's Managing Director, Hamish Bohannan, said:

"With the initial shipment of high-grade ore confirmed from Sulawesi we now have a clear line of sight on our first DSO export. This trial shipment will provide the Company with important feedback on supply chain logistics which will be crucial as we scale up our operations over the coming months.

"We are also pleased to see 17 IUP's approved by the ESDM which paves the way for us to very quickly grow our high-grade ore supply pipeline through agreements with these local mining groups. Our in-country team is in active discussion with a number these miners and we look forward to reporting further updates as additional supply agreements are signed."

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For further information please contact:

Gulf Manganese Corporation Limited

T: 08 9367 9228

E: info@gulfmanganese.com

Released through Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067

