

Gulf Mines Limited

**Project name(s):** major stake in Asia Minerals Corp; Wologorang; Debbil Debbil Creek; Mt Stewart; Braemore; Ebagoola

**Project location:** Indonesia, Australia

**Commodity / resources:** Mn, coal, Cu, Au, U<sub>3</sub>O<sub>8</sub>

Map shows Gulf's manganese exposure via its major AMC stake



**Company summary**

ASX-listed Gulf Mines Ltd (ASX: GLM) is a multi-commodity project developer and wealth creator. It is focused on developing both its Indonesian projects through its major holding in Asia Minerals Corporation, and its Australian assets. The company develops and adds value to its manganese, coal, copper, and gold projects, aiming to spin them off and retain marketing rights. It has an experienced team of management and advisors with extensive mining, marketing and international expertise.

# Gulf Mines to fund growth through marketing deal

**Project history**

The company is developing its multi-commodity projects through its major shareholding in Asia Minerals Corporation (AMC) and its portfolio of Australian assets.

AMC is an Indonesia-focused manganese producer and iron-ore developer and Gulf is finalising a deal to acquire global marketing rights from AMC's subsidiaries. The deal is expected to provide at least A\$7 million annually which Gulf will utilise to develop other projects.

AMC's manganese project is in West Timor, which has some of the world's highest-grade manganese, an essential ingredient in steel manufacturing. Production is slated to begin in Q4, 2013.

Through AMC, Gulf will also start exploring for copper and coal in Indonesia in the first half of 2014, as part of its strategy to capitalise on China's growing urbanisation and industrialisation.

In Australia, Gulf has copper and copper-uranium tenements in the Northern Territory; and three prospective gold projects – two in Western Australia's Goldfields and one in Queensland.

Joint-venture partner Redbank Copper Ltd is earning-in to Gulf's Wologorang copper project, which is highly prospective for structurally-hosted copper mineralisation similar to the Redbank Mining Centre.

Under a separate agreement, Canadian uranium developer Laramide Resources is exploring Gulf's Debbil Debbil Creek

Airborne exploration over Gulf Mines' copper tenement



copper-uranium project, next to Laramide's 51.9Mlb Westmoreland uranium (U<sub>3</sub>O<sub>8</sub>) deposit. The Mt Stewart and Braemore gold projects in WA are in a region with an extensive history of gold production; and, in Queensland, numerous gold prospects have been identified in the Ebagoola project.

**Timeline**

> **March 2013** – Gulf announces plans to buy a 19.5% (fully diluted) stake in AMC, to benefit from an AMC subsidiary's sought-after, high-grade West Timor manganese project.

> **May 2013** – Auger sampling confirms gold mineralised trends over a 1.4km strike length at Gulf's Braemore Gold Project in WA.

> **September 2013** – Gulf reveals a new initiative to develop coking-coal and copper projects in Indonesia through a proposed joint venture with an Indonesian group.

> **October 2013** – Gulf negotiates a global marketing deal with AMC's subsidiaries for the companies' manganese and future iron-ore production.



Gulf Mines is introducing Australian exploration techniques to Indonesia



Banded manganese from West Timor

Shares on issue: 1.02 billion • Options outstanding: 883 million • Market cap: A\$3.5 million

**Strategic focus**

The company will operate as a project incubator and developer, ultimately spinning off and retaining a major holding of projects. It will distribute 50% of profits to shareholders (fully franked) and re-invest 50% into new projects. The company's strategy is driven by China's substantial urbanisation and industrialisation. Gulf will focus on coal and copper project development in Indonesia and copper in Australia through a joint venture in the Northern Territory with Redbank Copper Limited. Gulf will utilise the significant experience of the group's executives operating in Indonesia and those in Australia to advance its projects.

**Exploration budget**

The company is working to secure a unique position as a project developer by establishing a regular income through a global marketing deal. Gulf is finalising a deal through AMC's subsidiaries to gain the global marketing rights for manganese and future iron-ore production.

At an expected full production of 250,000t of manganese ore and 125,000t of manganese alloy, the agreement will generate A\$7 million in revenue annually and at full production of 1.5Mt of iron ore will generate an additional A\$4.5 million annually. The deal will generate consistent income over the life of mines which at this stage are projected to be a minimum of five years.

Gulf's Northern Territory projects are being explored by two other companies under separate agreements. At Wologorang, Redbank Copper Ltd is earning into the copper joint venture by conducting the exploration. At Debbil Debbil Creek, Canadian uranium developer Laramide Resources is exploring the project under a works agreement.

**Country advantages**

Indonesia is very rich in minerals yet under-explored using modern techniques. Gulf has a major shareholding in AMC, which has an integrated high-grade manganese project in West Timor and is well-established to operate in Indonesia through its local subsidiaries.

West Timor has one of the world's highest commercial grades of manganese, up to 56%; while Gulf's Australian projects are near known copper, gold and uranium resources.

Gulf's strategy is to employ advanced exploration techniques used in Australia to carry out the search for deposits.

Australia is recognised for its advanced mining practices and is a leader in the development of mining technology from exploration to processing equipment – which improves productivity, reduces unit operating costs and increases safety. The company executives have a proven track record of developing and operating profitable mining projects in Australia and overseas.

**Growth plans**

The company's negotiations, to secure the global marketing rights for AMC's subsidiaries' manganese and iron-ore production, are a tangible example of Gulf's strategy for growth.

This strategy is straightforward. Gulf will develop projects, add

**Investment highlights**

- > Gulf has a major shareholding in high-grade manganese producer AMC, giving Gulf exposure to the growing market for manganese as an alloy in steel production.
- > Gulf is acquiring the marketing rights to Indonesian manganese and future iron-ore production through AMC's subsidiaries, which will provide a consistent revenue stream.
- > The company's Australian projects host multi-commodity potential.
- > Gulf's copper and copper-uranium projects in the Northern Territory are being explored by JV and project partners.
- > Further exploration is being planned for Gulf's 23 gold tenements in WA's Goldfields, where intercepts include up to 3.17g/t gold.
- > The company is well placed to benefit from its multi-commodity portfolio, experienced team, new marketing income and its projects' potential.



Gulf Mines is acquiring global marketing rights from AMC's subsidiaries which will provide a consistent income flow for Gulf



A typical mineral separation plant for upgrading manganese

**Capital structure and corporate data**

<b>1.02 bn</b>	<b>nil</b>	<b>883 m</b>	<b>45%</b>
Shares on issue	Warrant outstanding	Options outstanding	Management & insider ownership

value and spin them off, retaining a major holding and the marketing rights.

Gulf has a number of strategic board appointments to help guide the company's future: Commodity marketing expert Michael Walters has joined the board and he has extensive experience with major resource groups; Dr Peter Williams brings his geological and exploration expertise to Gulf Mines; Director Victor Wu has a broad network of business contacts throughout Asia and Australia; Chairman Peter Remta has extensive contacts throughout Australasia and experience in running successful mining companies.

Through its strong combination of experienced management, international expertise and promising multi-commodity projects, the company presents an opportunity for wealth creation.

**Contact**

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**GULF MINES LIMITED**

**Board of Directors and Management**

**Board of Directors**  
**Peter Remta** Executive Chairman  
**Peter Williams** Non-executive Exploration Director  
**Victor Wu** Non-executive Director  
**Michael Walters** Non-executive Marketing Director

**Advisory Board**  
**Michael Kiernan** General Adviser  
**Bruce Morrin** Technical Adviser  
**Faroek Basweran** Indonesia Adviser