

Gulf

MANGANESE

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November 2019 • Investor Presentation • ASX : GMC

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Thank you.

Corporate Snapshot



Share Metrics

(as at 18 November 2019)

ASX Ticker	GMC
Issued Shares	5,184,364,998
Share Price	0.6¢
52 Week High/Low	0.10¢ / 0.5¢
Market Cap	\$ A 31 million

GMC Share Price Performance



Board & Management

Non-Exec Chairman	Craig Munro
Managing Director & CEO	Hamish Bohannan
Non-Exec Director	Andrew Wilson
Non-Exec Director	Tan Hwa Poh
Company Secretary	Ian Gregory
CFO	Robert Ierace

GMC Shareholder Structure

Top 20 Shareholders	46.71%
Board & Management	5.22%
Citicorp	11.76%
HSBC	7.46%
PT JTS Group	3.50%
Tan Hwa Poh	2.93%
BNP Paribas	2.78%

Who is Gulf Manganese Corporation?

- Gulf is a **smelting specialist**, involved in mining, smelting and trading of manganese products, offering exposure to the niche top end manganese space, essential to steel and batteries
- **Gulf is the only ASX listed company offering exposure to the unique Indonesian high grade ore**
- Gulf is developing a premium refined ferromanganese alloy production smelting hub in West Timor, Indonesia
- Headquartered in Australia, with offices in Perth, Kupang, Singapore and Dili



Investment Opportunity



Construction on track to be completed in H2 2019:

- Construction over 60% complete with commissioning and first commercial alloy sales expected during Q1 2020

Clear pathway to production ramp-up:

- Low-cost, highly scalable production starting at 43,000¹ tpa, increasing to over 200,000² tpa of ferromanganese alloy with the addition of subsequent smelters

DSO Licence secured:

- Manganese Concentrate Export Permit (“DSO”) approval received to export up to 103,162 tonnes of high-grade manganese concentrate per year, with the licence secured through to January 2022

Mine-gate to production acquisition strategy:

- Actively assessing acquisition opportunities targeting high grade (+49%Mn) manganese mines in Indonesia

Diversified revenue streams:

- Export of refined ferromanganese alloys of Medium and Low Carbon, and export of Direct Shipping Ore (DSO)

Strong in-country partnerships:

- Strong Indonesian partnership with PT JTS, whose Chairman and CEO is Bapak Fofo Sariaatmadja, a highly regarded Indonesian business executive

Strategic interest in Timor-Leste manganese explorer:

- Planned acquisition of a 20% interest in Iron Fortune Pty Ltd provides a first to market exploration opportunity in Timor-Leste, significantly diversifying and de-risking supply chain

Notes: ¹ 2 Units ² 8 Units

What is Manganese?

Manganese is:

- The fourth most consumed metal behind iron, aluminium and copper
- A brittle, hard, silver-grey metal that looks like iron

Metallurgical:

- Over 90% of demand comes from steelmaking. No suitable substitute for the metal exists, it cannot be recycled.
- Manganese is usually added in the form of ferroalloys: ferromanganese (FeMn) and silicomanganese (SiMn)
- Manganese ferroalloys are added to deoxidise molten steel, remove sulphur and act as hardening agent
- It is also used in batteries, chemicals and the aluminium industry

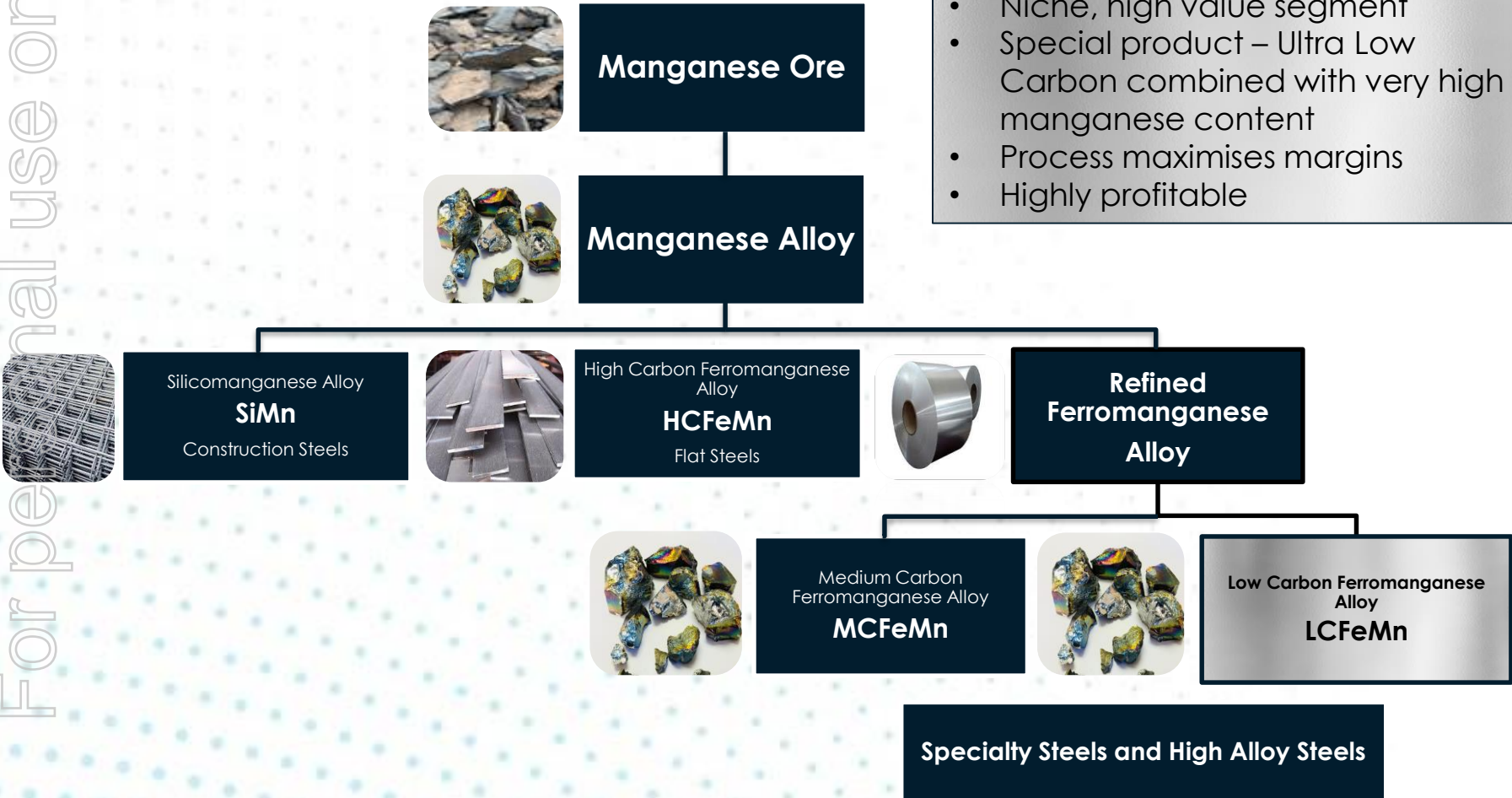


Low Carbon FeMn – Highest Value Alloy

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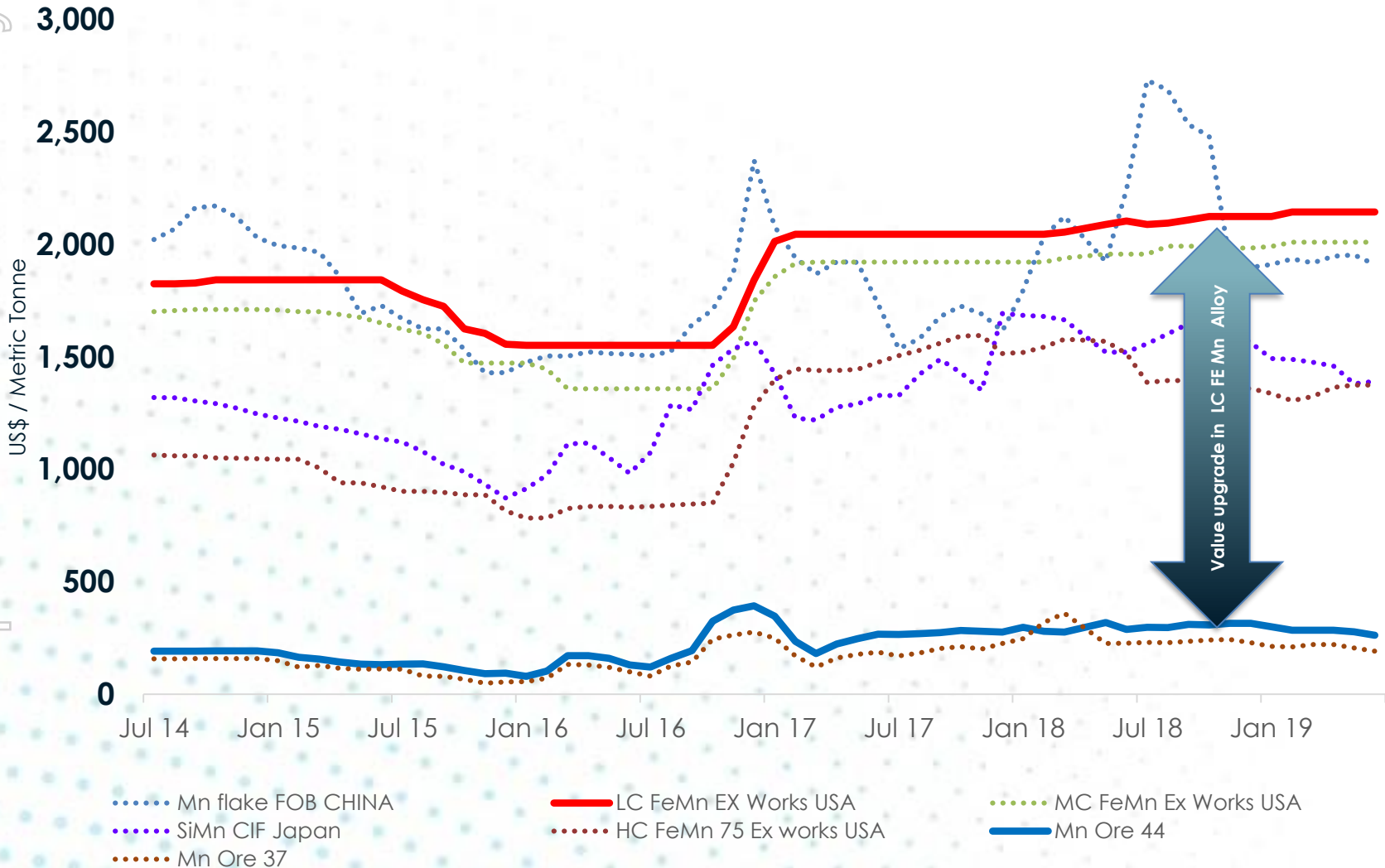
Gulf's Low Carbon Alloy:

- Niche, high value segment
- Special product – Ultra Low Carbon combined with very high manganese content
- Process maximises margins
- Highly profitable



LC FeMn Project Value Proposition

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Why Indonesia?

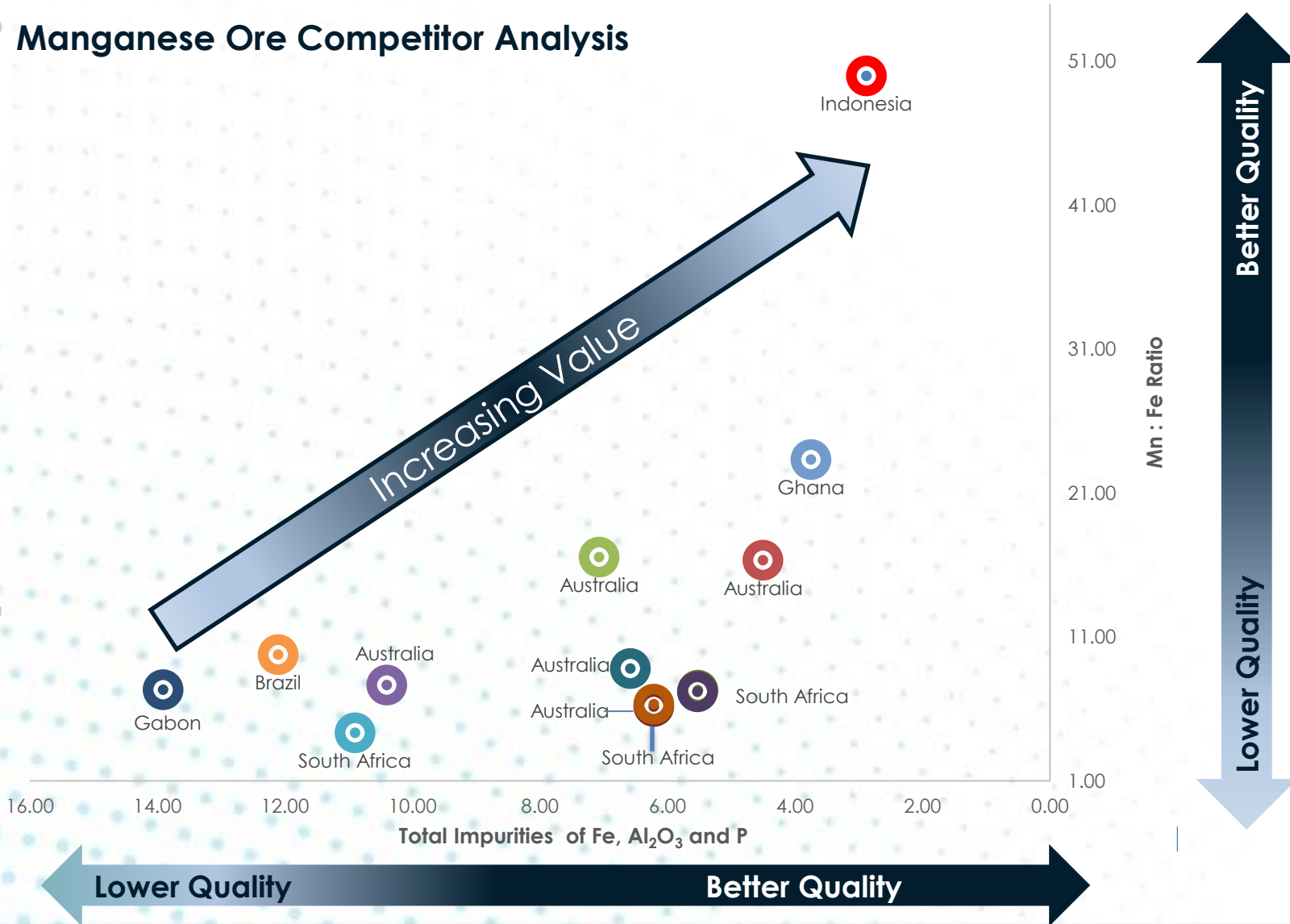
- Super high-grade ore >49% manganese (Mn)
- Very low iron (Fe) content
- Extraordinary Mn:Fe ratio, typically greater than 50:1
- Indonesia law does not allow for exporting of 'untreated ore' without a Direct Shipping Ore licence (DSO)¹
- Gulf provides a route to market to local miners and realises additional value through the smelting process
- DSO now secured and Gulf can also export manganese concentrate



¹ The government is currently only allowing DSO until April 2022 after which the ban may be reinstated

Key Value Drivers for Manganese Ore

Manganese Ore Competitor Analysis



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Project Overview – Smelting Hub

Development of Smelting Hub in West Timor

Initially 2 x 7MVA smelters treating 110,000 tonnes of ore, producing up to 43,000 tonnes FeMn alloy per annum



Flexibility allowed by batching; mitigates market risk

Production of Low Carbon FeMn using FeSi natural hedge

Production of Medium Carbon FeMn using coke



Low Carbon FeMn Alloy - A Unique process

Produce Ultra Low Carbon, High Mn FeMn alloy

Maximising metallurgical value adding



Expansion Plan

Initial expansion to 4 smelters within 3 years

Project Overview – Unique One Step Process

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Gulf's Smelting Process



Typical Smelting Process



Indonesian high grade and very high Mn:Fe ratio ore enables Gulf to use a SINGLE STEP process to produce very high-grade alloy, whereas Gulf's competitors use 2 step process (converter) thus using less power per Mt of final product and increased production efficiencies.

Project Overview – Advantages

- ✓ **First mover advantage**
- ✓ **Permits in place**
- ✓ **Power agreements secured**
- ✓ **30 year land lease secured on industrial estate**
- ✓ **Port facilities close by**
- ✓ **Direct Shipped Ore licence obtained**
- ✓ **Smelters and transformers fully refurbished and on site**
- ✓ **Steelwork 60% complete**
- ✓ **Ore supply MOUs in place**
- ✓ **Strong in-country Indonesian partner (PT JTS)**

Project Overview – Kupang Infrastructure

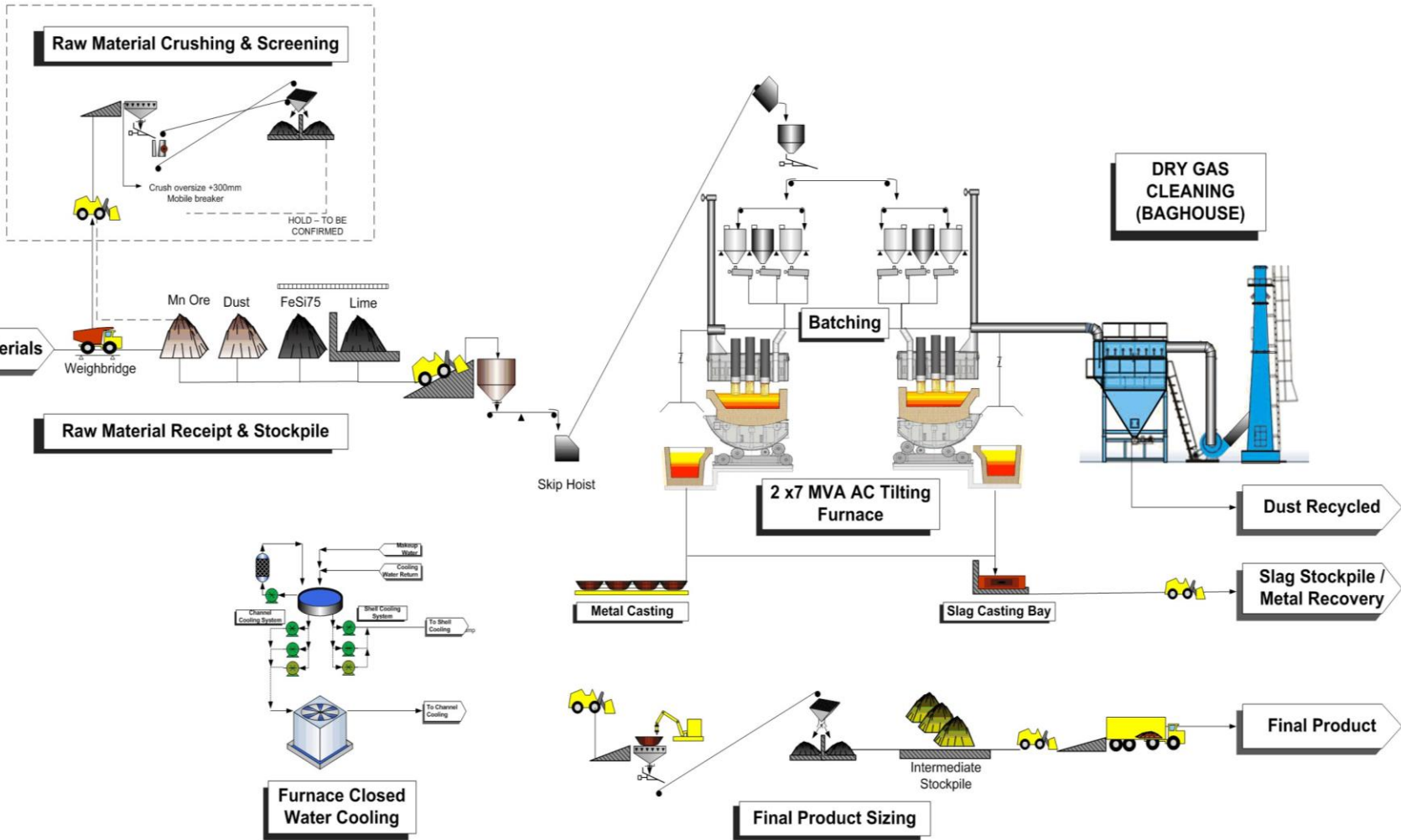


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Project Overview – Process

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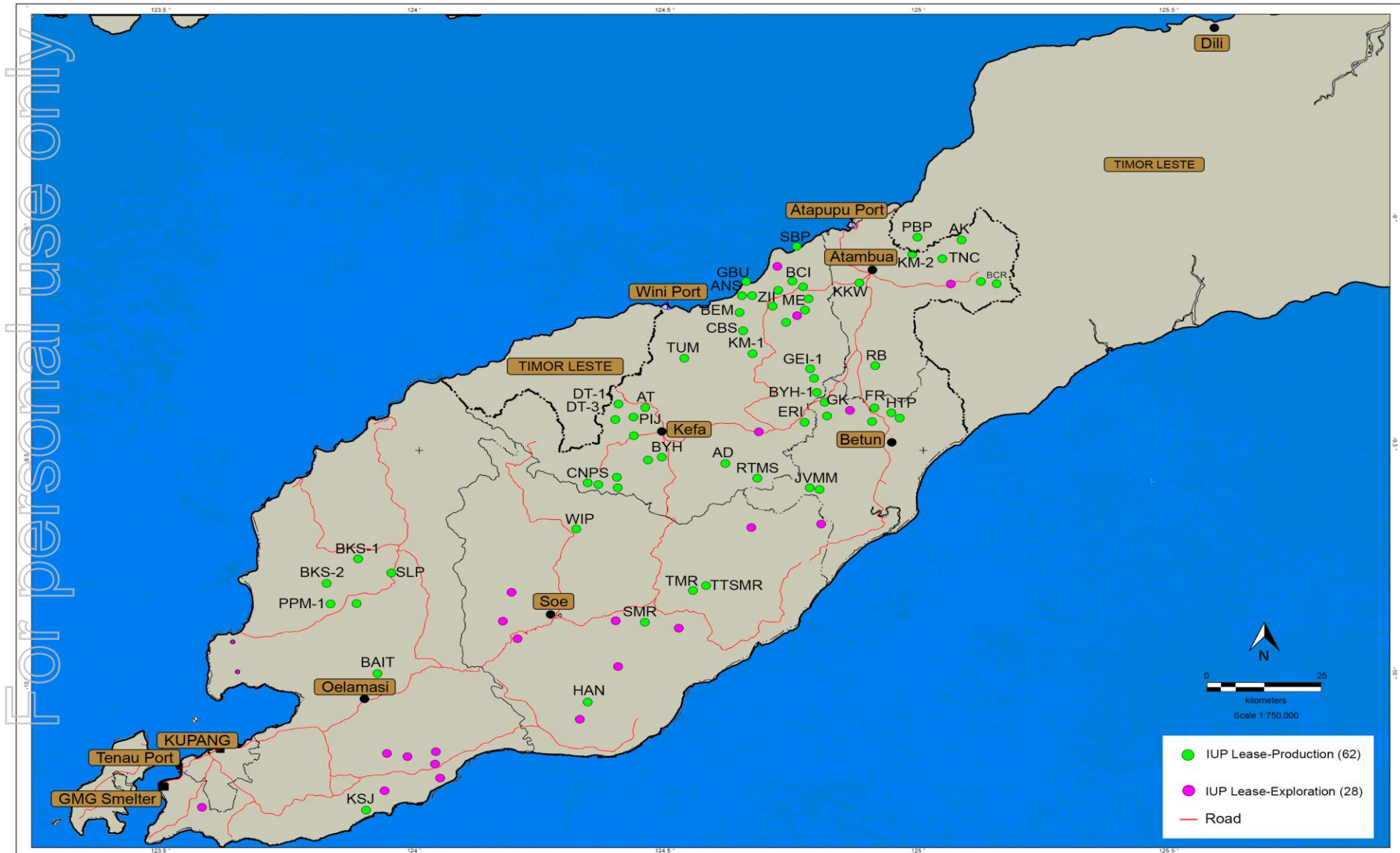


Project Overview – Ore Supply

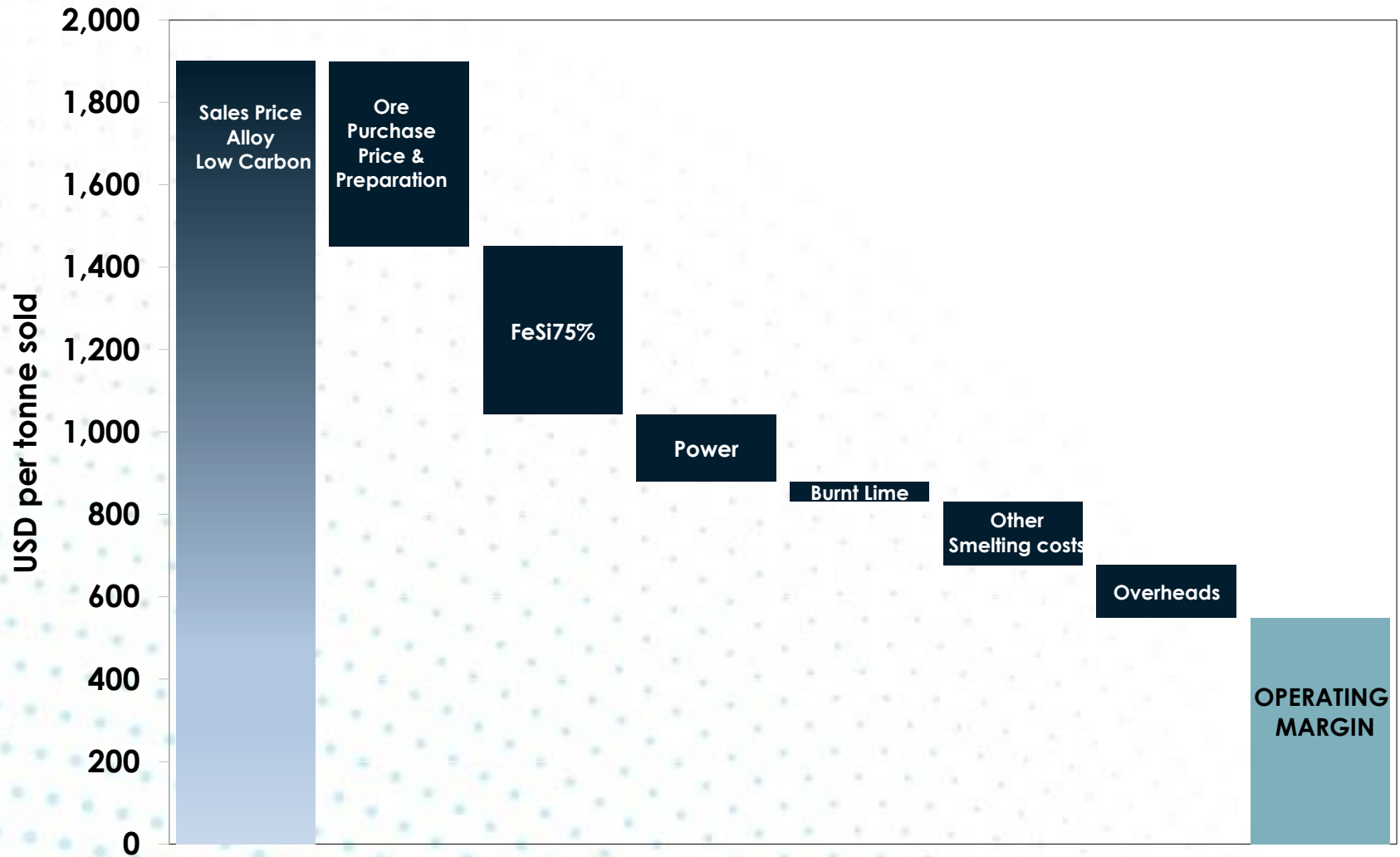
- **NTT focussed procurement strategy with 20 MOU agreements in place with NTT miners.**
- **Gulf committed to purchase manganese ore only from suppliers who demonstrate they have all required permits, licences, certificates and approvals as required by Government regulations (clean and clear).**
- **Strategic interest in Timor-Leste manganese explorer (Iron Fortune). Mineralisation expected to continue into Timor-Leste.**
- **Discussions with international manganese ore suppliers.**



Project Overview – Ore Supply



Alloy Operating Margin (Per Tonne Sold)



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Financials

Kupang Smelter Project		Annualised Performance	
		2 Units	4 Units
Installed Smelter Capacity	MVA	14	32
Physicals			
Mn Ore Purchased	†	112,000	247,000
FeMn Alloy Sold	†	43,000	95,000
Costs			
Ore Purchase & Preparation	USD	19.3	42.6
Smelting	USD	33.3	73.6
Overheads	USD	5.5	12.2
Total Operating Costs	USD	58.1	128.4
Revenue from Sales	USD	81.7	180.5
Operating Margin	USD	23.6	52.1

Notes:

- Does not include revenue from Direct Shipped Ore "DSO" Sales
- Based on 100% of project. GMC will have 74.9% with JTS 25.1% ownership of project.
- Before Tax and Interest
- All financials in millions
- Assumes all ore purchased from local Indonesian miners in NTT and adjacent provinces
- Refer to Slide 22 for Assumptions on annualised performance figures
- Based on Current Pricing

Plant Construction



Cost to Complete USD (million)

Spend to Date US \$13

Still to Spend

Crusher & Screen	\$0.2
Laboratory	\$0.2
EPCM Contractor	\$0.4
Mechanical & Electrical	\$8.8
Civils & Structural	\$1.0
First Fill (Raw Materials)	\$1.7
Power & Connection	\$0.3
Other & Contingency	\$0.4

US \$13

Total

US \$26



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Long Term Strategy



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Kupang Smelting Hub - Assumptions



Kupang Smelter Project			LCFeMn Alloy(LP)			
Smelters		each	2	4		
Installed Capacity	2,260 t/MVA	MVA	14.0	32.0		
Physicals						
Mn Ore Purchased		tpa	112,000	247,000		
FeMn Alloy Sold		tpa	43,000	95,000		
			USDm	USDm	USD/t	
Ore Purchase & Preperation	\$172.01 /t purch		19.3	42.6	448.84	33.2%
FeSi75%	0.341 t/t FeMn		17.6	38.9	409.30	30.3%
Burnt Lime	0.713 t/t FeMn		2.1	4.6	48.84	3.6%
Electrode Paste	0.023 t/t FeMn		0.6	1.3	13.95	1.0%
Power	\$0.089 /kWh		7.0	15.5	162.79	12.0%
Salaries/Wages			1.7	3.8	39.53	2.9%
Laboratory			0.4	0.9	9.30	0.7%
Smelter Consumables			2.0	4.4	46.51	3.4%
Logistics			0.7	1.5	16.28	1.2%
Maintenance			1.0	2.2	23.26	1.7%
Fuels/Oils			0.1	0.2	2.33	0.2%
Environmental			0.1	0.2	2.33	0.2%
Smelting			33.3	73.6	774.42	57.3%
General & Administration			2.1	4.6	48.84	3.6%
Sales & Marketing			3.0	6.6	69.77	5.2%
Overheads			0.4	0.9	9.30	0.7%
Overheads			5.5	12.2	127.91	9.5%
Total Op Costs			58.1	128.4	1,351.16	
Revenue	\$1,900 U\$/t		81.7	180.5	1,900.00	
Net Operating Margin			23.6	52.1	548.84	

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Riding the Commodity Wave



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Operational Experience

- Experienced Board and Management
- Strong in-country partnerships
- Local expertise

Strategic Flexibility

- Multiple revenue streams
- Ability to change alloy production (LC vs MC) to mitigate market risk
- Scalable production

Access to Raw Materials

- Local supply of some of the world's highest grade Mn ore
- Sited along a major sea route
- Developing new ore supply channels in Timor-Leste

High Value Products

- Highest grade manganese ore
- Low Carbon – high value added product
- Low FeMn ratio – minimal impurities

Strong Fundamentals

- Low cost production
- Strong margins
- Unique Low Carbon FeMn Process – one step process

Excellent Local Infrastructure

- Reliable, competitive power supply in close proximity
- Deep water port facility nearby
- International airport
- Kupang city well established

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