

Gulf to unlock value at Kupang

Welcome to the first edition of the Gulf Gazette – Gulf’s monthly newsletter for staff, local Communities and Stakeholders.

Gulf is delighted to be in Kupang, and is privileged to be working in an area with such a wealth of culture and a warm and welcoming community.

The Gulf team will bring to Kupang modern smelting and mining techniques with Timor’s first Ferro-Manganese smelting facility that will deliver unsurpassed environmental and social benefits.

We look forward to a long and happy future in Kupang.

“Gulf is entering an exciting phase in its development and we are looking forward to unlocking value for our shareholders and local partners.”

We’re committed to ensuring this project benefits stakeholders, environment and the local community.”

HAMISH BOHANNAN
Managing Director & CEO



Land Blessing Ceremony in June, 2017

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Gulf Lock in Kupang Lease Agreement – Bolok Industrial Estate

On 31 May 2017 Gulf entered a binding Land Lease Agreement with the Government of East Nusa Tenggara Province for land in the Bolok Industrial Estate in Kupang. In the past three months, development on site has accelerated. The site has been cleared, and construction offices are now established on site with power connected. The 23.5 Hectare block of land is in an ideal location, directly adjacent to the Government owned Power Station and only five kilometres from the main Tenau port, which has both bulk and container loading facilities.

The topographical survey has been completed with profiling to final contours now underway. Geotechnical drilling has also now been completed on the furnace footing locations, with excavation expected to start immediately, following the appointment of Weltes Engineering from Surabaya as the local principle contractor.

PT Weltes Energi Nusantara has been appointed to work under the EPCM contractor, XRAM, to undertake the construction phase of the Kupang Smelting Hub Facility.

Funding greenlights Kupang development

Gulf advised during the June quarter that investors had subscribed to raise a total of A\$1m. A\$9m has been secured, with commitments to raise an additional A\$4m to complete the A\$12m capital raising.

The funding completed the purchase of the first two smelters from Transalloys, which helped fast-track the commencement of the construction of the Kupang Smelting Hub. It effectively gave the green light to Gulf accelerating the Kupang project, signalling a critical milestone in the project’s development.



The Kupang Smelting Hub site in the Bolok Industrial Estate with Tenau port on the left.



Manganese Mine in West Timor

Manganese Offtake Agreement Signed

Gulf signed an offtake agreement with Renova Group in Nov 2016, for the sale of up to 60% of manganese alloy produced from the Kupang Smelting Hub during the first three years of production.

Gulf’s legal team is working tirelessly to obtain licences for the sale and shipment of manganese concentrates (>49% Mn) during construction to assist with cash flow.

Ground Blessing Marks Start of Construction

The ground blessing ceremony at the Kupang Smelting Hub site in the Bolok Industrial Estate took place on June 20, 2017.

The ceremony, was well attended by Government officials, local dignitaries and members of nearby communities.

It marked the official start of construction for the project.



Traditional ground blessing ceremony at the Kupang Smelting Hub Facility site.



Dismantling of equipment at Transalloys site

Smelter Refurbishment Underway

In August 2016, Gulf finalised an agreement with South African-based Transalloys for the acquisition and relocation of two ferromanganese smelting furnaces.

Gulf also agreed to supply Transalloys with up to 30,000tpa of high grade manganese ore for a period of three years (once export licenses have been granted) and as well as marketing rights for 60% of the production from these smelters for three years under commercial terms.

The purchase of the first two smelters has been finalised and the total refurbishment of these two smelters is now well underway in Pretoria, South Africa, prior to their shipment to Kupang.

It is expected that the program will be completed in Q4 2017, before the components are transported to Durban for final inspection and containerising.

We have a small, but growing close knit team at Gulf .

We look forward to bringing you a profile of each of our staff and directors over the coming editions of the Gulf Gazette.



Louisa Taulo being inaugurated as Deacon of her church in Kupang

Louisa assisting at the Gulf stand at the recent Sunda Kecil Trade Expo in Kupang



Spotlight on Louisa Taulo, Community Relations & Employment Manager, Kupang

Tasked with promoting the benefits of the company’s flagship project to her local community, Louisa came to Gulf after 15 years of operational experience with UNICEF. “My responsibility was taking care of the finance and admin support needed to allow the team to help children and women fulfil their basic needs and rights – having access to school and health centres and protection from abuse.”

Louisa had already retired from UNICEF when a friend recommended she look at a position at Gulf Manganese that required someone in the field where their new smelter site would be established. Louisa saw this as a new direction and challenge.

Although also responsible for progressing the processing of licenses and permits, and looking after the operation’s administrative functions, Louisa most enjoys talking to other locals about the benefits of the Gulf project.

“I am communicating with the community as well as the government to promote [this project] and how it is good for this generation and the next.” She says the first benefits will come from job opportunities offered to the local community, but future opportunities will come when the skills and knowledge of how to operate the smelter can be transferred to them as well.

Louisa and her husband, who also works in Kupang, are proud parents of three children: the eldest daughter is an economist working with the Government, the second just graduated with an accounting degree, and the youngest daughter is about to take her final exams in Psychology. Louisa also takes great pleasure in her young granddaughter. Faith also plays an important part in Louisa's life. She is Deacon at her Church, delivering a weekly prayer to members of her Church.



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