



# GULF MANGANESE CORPORATION LIMITED

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ACN: 059 954 317

## Gulf Manganese to boost Cash Reserves

Gulf Manganese Corporation Limited (ASX: GMC) wishes to advise shareholders the company is calling a General Meeting to seek Shareholder approval to issue up to 75,000,000 new Shares at 1.5 cents (a 50% discount to the 30 days' Volume Weighted Average Price) to unrelated third parties and a general offer to existing Shareholders to raise up to \$1,125,000 with a free attaching Option on a 1 for 2 basis (total of up to 37,500,000 Options). The Options will be granted with an exercise price of 5 cents each and expire on the 30th September 2017.

The Company proposes to conduct an initial public offer and listing on the Catalist Board of the Singapore Exchange of the wholly owned subsidiary, International Manganese Group Limited, which will own and operate the Timor Manganese Smelter business.

Funds raised will be used to satisfy the estimated listing costs and general working capital.

Existing Shareholders, apart from the major Shareholder, may apply for additional Shares to add to their existing holding.

A second resolution will seek Shareholder approval for the issue of up to 20,000,000 new Shares at a deemed issue price of 1.5 cents per Share with a free attaching Option on a 1 for 2 basis (total of up to 10,000,000 Options) as a debt for equity conversion to unrelated third party contractors and suppliers. The Options will be granted with an exercise price of 5 cents and expire on the 30th September 2017.

The Company seeks to undertake the Contractor/Supplier issue to preserve cash and direct funds to the SGX IPO costs and working capital.

A full copy of the Notice of Meeting to be held on the 2nd October 2015 is attached. The meeting will also reinstate previous Shareholder approval to issue Convertible Notes together with seeking approval for Director Fees to be paid by the issue of Shares with no attaching Options.

Deputy Chairman, Dr Peter Williams, commented, "The Company is talking with, and has a strong level of interest from groups in Singapore, Hong Kong, the Middle East and Korea to participate in the issue as the reality is currently few Australians understand the value proposition of developing a project overseas showing an EBITDA of US\$375m, NPV of US\$160m with an ROI of 56% as advised previously in the ASX release of 22nd June".

The securities of the Company will remain in suspension until the completion of the capital raising. The Company will provide a further update by 30 September 2015.

The full Timor Smelter Study is posted on the website: [www.gulfmanganese.com](http://www.gulfmanganese.com)

### For further information please contact:

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Company Secretary  
**Gulf Manganese Corporation Limited**  
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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 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 5 year period for a total capital cost of US\$66m funded by an IPO on the Catalist board of the Singapore Stock Exchange raising \$US25m, modest project debt and operational cashflow.

The first furnace aims to come online July 2016, with a further two furnaces each year, 2017, 2018, 2019 and a final one in 2020. Each furnace has a capacity of 20,000 tonnes alloy production per year and on today's alloy prices producing US \$22m revenue.

The financial analysis of the redrafted Study shows that the project has the potential to return an **EBITDA of US \$374.7 million** over a 10 year period supporting an estimated **Net Present Value of US \$160.6 million** using an 8% discount factor.

The project requires a modest start up **capital investment of US \$66 million**, which is staged over 5 years and provides estimated returns supporting an **internal rate of return of 55.6%**.

Value adding ores is strongly encouraged by the Indonesian Government to enrich the country's mineral endowment thereby enhancing the economy and creating employment. 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



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# GULF MANGANESE CORPORATION LIMITED

ACN 059 954 317

## NOTICE OF GENERAL MEETING

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**TIME:** 10.00am (WST)

**DATE:** 2 October 2015

**PLACE:** Level 2, 78 Mill Point Road  
South Perth  
Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9367 9228.*

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## **IMPORTANT INFORMATION**

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### **Time and place of Meeting**

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Notice is given that the Meeting will be held at 10.00am on 2 October 2015 at:

Level 2, 78 Mill Point Road  
South Perth  
Western Australia

### **Your vote is important**

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The business of the Meeting affects your shareholding and your vote is important.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 30 September 2015.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – PLACEMENT TO PUBLIC – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 75,000,000 Shares at a price of 1.5 cents per Share and up to 37,500,000 Options (free attaching Options on a 1 for 2 basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – PLACEMENT TO CONTRACTORS AND SUPPLIERS – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares at a price of 1.5 cents per Share and up to 10,000,000 Options (free attaching Options on a 1 for 2 basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – PLACEMENT OF CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 231 Convertible Notes on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing

the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**4. RESOLUTION 4 – ISSUE OF CONVERTIBLE NOTES TO RELATED PARTY – PETER WILLIAMS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10 Convertible Notes at a price of \$10,000 per Convertible Note in satisfaction of an outstanding loan of \$100,000 to Peter Williams (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Peter Williams (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY – PETER WILLIAMS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,200,000 Shares at a price of 1.5 cents per Share in satisfaction of outstanding fees of \$18,000 to Peter Williams (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Peter Williams (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY – MICHAEL WALTERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,200,000 Shares at a price of 1.5 cents per Share in satisfaction of outstanding fees of \$18,000 to Michael Walters (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Michael Walters (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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7. **RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – THE ESTATE OF GRAHAM ANDERSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,138,667 Shares at a price of 1.5 cents per Share in satisfaction of outstanding fees of \$47,080 to The Estate of Graham Anderson (or a nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by The Estate of Graham Anderson (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated: 28 August 2015**



**By order of the Board  
Leonard Math  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

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### 1. RESOLUTION 1 AND 2 – PLACEMENT – SHARES TO PUBLIC AND TO CONTRACTORS AND SUPPLIERS

#### 1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 75,000,000 Shares at an issue price of \$0.015 (1.5 cents) per Share to unrelated third parties (which will include a general offer to existing shareholders) to raise up to \$1,125,000 with a free attaching Option, on a 1 for 2 basis (a total of up to 37,500,000 Options). The Options will be granted with an exercise price of 5 cents each, and expire on 30 September 2017 (**Placement**).

The Company proposes to conduct an initial public offer and listing of the Company's wholly owned subsidiary, International Manganese Group Ltd on the Catalist Board of the SGX (**Transaction**). The Company intends to use the funds raised pursuant to the Placement to satisfy the estimated costs of the Transaction and general working capital.

Resolution 2 seeks Shareholder approval for the issue of up to 20,000,000 Shares at a deemed issue price of \$0.015 (1.5 cents) per Share with a free attaching Option, on a 1 for 2 basis (a total of up to 10,000,000 Options) as a debt for equity conversion to unrelated third party contractors and suppliers. The Options will be granted with an exercise price of 5 cents each, and expire on 30 September 2017 (**Contractor Placement**). The Company seeks to undertake the Contractor Placement to preserve its cash and direct that cash to achieve the objective set out above, and for ongoing working capital.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of these Resolutions will be to allow the Company to issue the Shares pursuant to the Placement and the Contractor Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement and the Contractor Placement:

- (a) the maximum number of Shares to be issued under the Placement is 75,000,000 and the maximum number of Options to be granted is 37,500,000. The maximum number of Shares to be issued under the Contractor Placement is 20,000,000 and the maximum number of Options to be granted is 10,000,000;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that



issue of the Shares will occur at the same time although it may take place progressively depending on commitments received;

- (c) the issue price will be \$0.015 (1.5 cents) per Share and the Options will be free attaching Options;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company (and a general offer will be made to existing Shareholders). The Shares of the Company are currently voluntarily suspended from trading on ASX, so to enable the Shares to be traded on ASX, the Shares (and Options) will be offered pursuant to a transaction specific prospectus. The Directors will negotiate with its contractors and suppliers as to which parties are willing to convert their debt to equity, so as to preserve the cash of the Company. The Company will have sufficient funds to make payment to its contractors and suppliers out of the Placement, however its preference is for these third parties to undertake the debt for equity conversion. The amount outstanding to contractors and suppliers as at the date of this Notice is approximately \$230,000;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and the Options will be granted on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use part of the funds raised from the Placement towards expenses to be incurred in relation to the initial public offer and listing of the Company's wholly owned subsidiary, International Manganese Group Ltd on the Catalist Board of the SGX and general working capital. No funds will be raised under the Contractor Placement as this is a debt for equity conversion.

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## 2. RESOLUTION 3 – PLACEMENT – CONVERTIBLE NOTES

### 2.1 General

This Resolution seeks Shareholder approval for the issue of convertible notes to raise up to \$2,310,000 (**Convertible Note Issue**). The terms of the convertible notes are set out in Schedule 1 (**Convertible Notes**).

The Company previously obtained Shareholder approval for the Convertible Notes Issue at its most recent general meeting of 22 May 2015. However, this previous Shareholder approval for the Convertible Notes Issue will expire 21 August 2015.

The effect of this Resolution will be to allow the Company to issue the Convertible Notes pursuant to the Convertible Note Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Convertible Notes to be issued is 231 of Convertible Notes which convert into Shares on the terms set out in Schedule 1;

- (b) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Convertible Notes will occur progressively;
- (c) the issue price will be \$10,000 per Convertible Note;
- (d) the Directors will determine to whom the Convertible Notes will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and each Convertible Note may be converted into Shares at the higher rate of 85% of the 30 day VWAP and 85% of the 5 day VWAP at the Holder's option after 12 months from issue; and
- (f) the Company intends to use the funds raised from the Convertible Note Issue towards the furthering of the Company's ASEAN manganese ore and alloy interests and general working capital.

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### **3. RESOLUTION 4 – ISSUE OF CONVERTIBLE NOTES TO RELATED PARTY – PETER WILLIAMS**

#### **3.1 General**

Mr Peter Williams a director of the Company and at request of the Company (and subject to Shareholder approval), in an effort to reduce cash demands on the Company, has agreed to receive repayment of an outstanding loan to the Company in the amount of \$100,000 in Convertible Notes as opposed to cash.

This Resolution seeks Shareholder approval for the issue of 10 Convertible Notes in full satisfaction of the outstanding loan (**Related Party Convertible Notes**).

#### **3.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Convertible Notes constitutes giving a financial benefit and Mr Peter Williams as he is a related party of the Company by virtue of being a Director.

In respect to this Resolution, the Directors (other than Peter Williams who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Convertible Notes because the grant of the Related Party Convertible Notes is considered reasonable consideration in satisfaction of the outstanding loan and in the circumstances and was negotiated on arm's length.

### 3.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Convertible Notes involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Related Party Convertible Notes will be issued to Peter Williams (or his nominee);
- (b) the number of Related Party Convertible Notes to be issued is up to 10;
- (c) the Related Party Convertible Notes will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the deemed issue price will be \$10,000 per Convertible Note;
- (e) the Related Party Convertible Notes are issued on the same terms as the Convertible Notes set out in Schedule 1. The Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and each Convertible Note may be converted into Shares at the higher rate of 85% of the 30 day VWAP and 85% of the 5 day VWAP at the Holder's option after 12 months from issue; and
- (f) the Related Party Convertible Notes will be issued for nil cash consideration in satisfaction of the outstanding loan, accordingly no funds will be raised;

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Convertible Notes as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Convertible Notes to Mr Peter Williams (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 4. RESOLUTIONS 5 TO 7 – ISSUE OF SHARES TO RELATED PARTIES

### 4.1 General

Messer Williams, Walters, and Anderson (deceased)\* are or were each directors of the Company and at the request of the Company (and subject to Shareholder approval), in an effort to reduce cash demands on the Company, have each agreed to receive part of their outstanding director fees, being:

- (a) Peter Williams - \$18,000;

- (b) Michael Walters - \$18,000; and
- (c) Graham Anderson\* - \$47,080,

in Shares as opposed to cash.

*\*Mr Graham Anderson has sadly passed away and is no longer a director of the Company.*

Resolutions 4 to 6 seek Shareholder approval for the respective issue of:

- (a) 1,200,000 Shares to Peter Williams (or his nominee);
- (b) 1,200,000 Shares to Michael Walters (or his nominee); and
- (c) 3,138,667 Shares to The Estate of Graham Anderson (or the Estate's nominee),

in full satisfaction of their outstanding fees (**Related Party Shares**).

#### **4.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Shares constitutes giving a financial benefit and Messer Williams, Walters, and Anderson are each a related party of the Company by virtue of being/had been a Director.

In respect to Resolution 5, the Directors (other than Peter Williams who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares because the grant of the Related Party Shares is considered reasonable remuneration in the circumstances and was negotiated on arm's length.

In respect to Resolution 6, the Directors (other than Michael Walters who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares because the grant of the Related Party Shares is considered reasonable remuneration in the circumstances and was negotiated on arm's length.

In respect to Resolution 7, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares because the grant of the Related Party Shares is considered reasonable remuneration in the circumstances and was negotiated on arm's length.

#### 4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### 4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5, 6 and 7:

- (a) the Related Party Shares will be issued to:
  - (i) Peter Williams (or his nominee), pursuant to Resolution 5;
  - (ii) Michael Walters (or his nominee), pursuant to Resolution 6;
  - (iii) The Estate of Graham Anderson (or the Estate's nominee), pursuant to Resolution 7;
- (b) the number of Related Party Shares to be issued is up to being:
  - (i) 1,200,000 Shares to Peter Williams (or his nominee);
  - (ii) 1,200,000 Shares to Michael Walters (or his nominee); and
  - (iii) 3,138,667 Shares to The Estate of Graham Anderson (or the Estate's nominee);
- (c) the Related Party Shares are to be issued on the same terms as the existing issued Shares;
- (d) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date; and
- (e) the Related Party Shares will be issued for nil cash consideration but at a deemed issue price of 1.5 cents per Share in satisfaction of outstanding fees, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Shares to Messer Williams, Walters, and The Estate of Graham Anderson (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

**Company** means Gulf Manganese Corporation Limited (ACN 059 954 317).

**Constitution** means the Company's constitution.

**Convertible Note** means a convertible note on the terms and conditions set out in Schedule 1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Options** means the options to be granted on the terms and conditions set out in Schedule 2.

**Proxy Form** means the proxy form accompanying the Notice.

**Regulations** mean the *Corporations Regulations 2001* (Cth).

**Resolution** means the special resolution set out in the Notice.

**SGX** means the Singapore Exchange.

**Shareholder** means a registered holder of ordinary shares in the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS OF CONVERTIBLE NOTES

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### Terms

The terms of the Convertible Notes are:

<b>Issuer</b>	Gulf Manganese Corporation Limited ( <a href="http://www.gulfmanganese.com">www.gulfmanganese.com</a> )
<b>Notes offered</b>	Unsecured
<b>Coupon</b>	10%
<b>Term</b>	3 years from issue
<b>Interest payments</b>	Quarterly in arrears
<b>Denominations</b>	A total of 231 notes in denominations of AUD\$10,000 per note
<b>Ranking of Notes</b>	Will rank senior in obligation of payment to any future indebtedness including dividends
<b>Guarantees</b>	The issuer's obligations under the Notes will be guaranteed by Gulf Manganese Corporation Limited and International Manganese Limited and subject to all regulatory approvals
<b>Conversion</b>	Each note may be converted into Shares at the higher rate of 85% of the 30 day VWAP and 85% of the 5 day VWAP at the Holder's option after 12 months from issue

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## SCHEDULE 2 – TERMS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.05 (5 cents) (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 September 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company



must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**PROXY FORM**

**GULF MANGANESE CORPORATION LIMITED  
ACN 059 954 317**

**GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 2, 78 Mill Point Road, South Perth Western Australia, on 2 October 2015 at 10.00am (WST), and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 5 to 7 (except where I/we have indicated a different voting intention below) even though Resolutions 5 to 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of the Resolution. In exceptional circumstances the Chair may change his/her voting intention on the Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Placement of Shares - Contractors and Suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Convertible Notes to Related Party – Peter Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to Related Party – Peter Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Related Party – Michael Walters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to Related Party – Graham Anderson's Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for the Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail  
in relation to this Proxy Form: YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast two (2) or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints two (2) proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two (2) proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to, PO Box 884, South Perth, WA 6951; or
  - (b) facsimile to the Company on facsimile number +61 8 9367 9229,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**