

ASX Announcement
27 July 2016

JUNE 2016 QUARTERLY ACTIVITIES REPORT

Gulf Manganese Corporation Limited (ASX: GMC) ('Gulf' or 'the Company') is pleased to provide shareholders with the following Quarterly Activities Report for the period ended 30 June 2016.

Highlights:

- **Successful completion of renounceable rights issue raising \$1.8 million to advance flagship Kupang Smelting Hub Project, Indonesia**
- **Strong support received from all required regulatory parties involved in the approval granting process, with all relevant permitting approvals anticipated to be granted late July/early August**
- **Recently strengthened Board has Gulf strongly positioned to execute near-term development strategy of Kupang Smelting Hub**
- **Gulf currently finalising highly strategic smelter acquisition – completion expected late July/early August**

Fully Subscribed Rights Issue Raises \$1.8 Million

In May, the Company advised that the renounceable rights issue announced on 15 March 2016 had been successfully completed, raising a total of \$1.8 million.

A total of 448,575,120 shares were applied for under the Entitlement Rights Issue Prospectus raising a total of \$897,150. Following very encouraging support from existing shareholders and new investors, the shortfall of 469,699,432 shares was also successfully placed raising an additional \$939,339.

The net proceeds from the rights issue, have been deployed towards the following key objectives:

- Finalisation of preparatory activities to ensure granting of all relevant approvals
- Provide initial payments towards purchase of smelters from South Africa
- General working capital expenses

Kupang Smelting Hub Project

Approvals Update

In July, the Company reported that it had received robust support from all local regulatory parties involved in the approval granting process in Indonesia, following a number of positive meetings with the local government, the provincial government and relevant departments in the central government.



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Encouragingly, it was noted that Gulf had delivered more than the Indonesian law requires in order to establish grass roots approval from the community and the representatives of the community.

Gulf has already been granted a Principle License for foreign investment from the Indonesian Investment Coordination Board (BKPM), and the strong support of the Governor and the provincial government is considered an integral step towards finalising the approval process. The Company therefore anticipates all relevant permitting approvals to be granted in late July 2016/early August.

Smelter Acquisition Update

Gulf is well advanced in negotiations to acquire a pair of suitable smelters from a South Africa-based company, which are able to be readily transported to site. The Company expects to release further information on the purchase of the smelters in coming weeks.

Ore Supply

Negotiations are also continuing with local miners for the future supply of ore to the Kupang Smelting Hub. Discussions continue to progress positively with locals, and agreements have already been reached with two miners for supply for circa 1000 tonnes per month each.

A detailed review of Manganese ore potential in Indonesia was also undertaken by the Company in Q1 2016, which confirmed that there is a potential extractable manganese mineralisation of 29Mt for Production IUPs and 114Mt for Exploration and Production IUPs.

Resignation of Director

The Company would also like to advise that Mr. Paul O'Shaughnessy has resigned from the role of Non-Executive Director, effective immediately.

The Board would also like to thank Mr. O'Shaughnessy for his commitment during his term as a Director of the Company and for his ongoing support. We wish him all the best with his future endeavours.

Lapsing of Unlisted Options

The Company advised that 1,279,000 Unlisted Options exercisable at \$0.375 expiring 30 June 2016 have lapsed.



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About Gulf Manganese Corporation (ASX: GMC):

Gulf's strategy is to develop an ASEAN focused manganese alloy business based in Kupang, West Timor, taking advantage of the low labour and ore costs, combined with modest power costs (these being a combined 84% of total costs). Targeted production will be a premium quality 78% ferro manganese alloy resulting from the unique qualities of the Indonesian high grade (greater than 50%) low impurity manganese ore.



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