

ASX Announcement
10 April 2017

Share Placement to Advance Kupang Smelting Hub Facility

- **Gulf completes share placement to sophisticated investors raising A\$1,023,000 utilising the 15% investment facility**
- **Terms agreed upon with sophisticated investors to invest an additional minimum of A\$3,500,000 of a future Capital Raising upon signing of final land lease agreement for Bolok Industrial Estate**
- **Funding provides the stability to advance development of Kupang Smelting Hub Facility – with near-term deliverables to include shipment of the first two smelters and commencement of construction works program at Kupang site**

Gulf Manganese Corporation Limited (ASX: GMC) (“Gulf” or “the Company”) is pleased to advise that it has completed a share placement (“the Placement”) to sophisticated investors of 204,600,000 ordinary shares at \$0.005 per share raising total proceeds of A\$1,023,000. The Company intends to issue the Shares under the Placement on Thursday, 13 April 2017.

Gulf is also pleased to advise that it has agreed to terms with the same sophisticated investors to maintain their position in the Company by investing an additional minimum of A\$3,500,000 at a price of \$0.015 per share with free attaching 3 for 2 Listed Options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019 (the “investment”). The additional A\$3,500,000 investment is subject to Gulf signing the final land lease agreement for the commencement of construction of the Kupang Smelting Hub Facility at the Bolok Industrial Estate. Subject to approval by Gulf shareholders, the sophisticated investors will be entitled to two Non-Executive Board seats following completion of the A\$3,500,000 investment.

As previously advised on 3 October 2016, Gulf has received approval from the Governor of East Nusa Tenggara for the construction of a manganese smelting facility, and following recent collaborative discussions with the Lands Department the Company expects to sign the final lease agreements imminently.

Funds received from the initial Placement will be used to finalise the refurbishment of the Company’s first two smelting furnaces in preparation for their shipment from South Africa to Kupang, and to repay a short-term loan of A\$350,000. In addition, the Company will also commence a detailed engineering program, which will include the appointment of a local engineering contractor. Geotechnical and early civil works activities are also scheduled to commence at the Kupang site in coming weeks.

A Notice of General Meeting will be dispatched to shareholders shortly to approve a Capital Raising of a minimum of A\$6,000,000 with a maximum of up to A\$12,000,000 at a price of 1.5 cents per share with free attaching 3 for 2 Listed Options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019 (“Capital Raising”). The proposed Capital Raising includes the minimum of A\$3,500,000 investment by the same sophisticated investors indicated above.

Triple C Consulting Pty Ltd will act as Lead Manager to the Capital Raising.



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Gulf's Managing Director, Hamish Bohannan, commented: "Gulf is pleased to have secured this recent funding support, with this particular group demonstrates a strong commitment to support the development of the Kupang Facility.

The Board is also assessing a number of additional funding avenues with their Corporate Advisers, including both offtake and debt funding, to provide the Company with additional financial flexibility over the next 12 months if required.

Importantly, the team can now focus on driving the project towards construction, with the refurbishment of our first two smelting furnaces and the commencement of a detailed site works program at Kupang the immediate objectives."

The Company requests the voluntary suspension remain in place until the completion of the Capital Raising. The Company is not aware of any reason why the suspension should not be granted.

For further information please contact:

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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 operational and ore costs, combined with modest power costs. Targeted production will be a premium quality 78% ferromanganese alloy resulting from the unique qualities of the Indonesian high grade (greater than 50%) low impurity manganese ore.



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