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gulf

ASX Announcement
28 June 2017

Gulf Market Update

Allotment of New Shares and Convertible Notes

Gulf Manganese Corporation Limited (ASX: GMC) (“Gulf” or “the Company”) is pleased to advise that following the closure of the Company’s capital raising on the 23 June 2017, 466,666,671 New Shares and 700,000,005 Listed Options have now been allotted raising \$7 million (as per the Appendix 3B dated 26 June 2017).

The Company is also pleased to advise that 100 Convertible Notes have been issued for \$1 million.

As previously advised, the Company has also received binding commitments to raise an additional \$4 million on the same terms as outlined in the prospectus (see ASX release dated 23 June 2017), which will complete the \$12 million capital raising. The additional \$4 million is expected to be received no later than September 30, 2017.

This latest funding is a significant milestone for Gulf, and will be key to driving the Company’s near-term growth objectives which include the purchase of the first two smelting furnaces from Transalloys in South Africa, and the refurbishment and shipment of these furnaces to the Kupang site. (Please refer to the Prospectus and Supplementary Prospectus for the use of funds).

Principal Business

The Company also wishes to advise that its Principal Business has not changed since the Company’s securities were suspended on 13th December 2016.

Gulf remains solely focused on developing a world-class ferromanganese smelting business in West Timor, Indonesia to produce and sell medium and low carbon ferromanganese alloy. The Company’s proposed Kupang Smelting Hub facility will contain eight furnaces built in stages over five years, targeting the production of a premium quality 78%+ manganese alloy.

Gulf confirms that all material and sensitive information has been disclosed to the market, and the Company confirms that it is in compliance of the continuous disclosure within the ASX Listing Rule Chapter 3.1.

-ENDS-



Gulf Manganese Corporation Limited
Developing Premium Indonesian Manganese Alloys
www.gulfmanganese.com

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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.

Terms and Conditions of the Convertible Note

Issuer: Gulf Manganese Corporation Limited
Notes offered: A\$1,000,000 unsecured
Coupon: 8%
Term: 2 years from issue
Interest payments: Monthly in arrears
Denominations: 100 notes in denomination of AUD \$10,000 per note
Ranking of Notes: Will rank senior in obligation of payment to any future indebtedness including dividends
Guarantees: The issuer's obligations under the Notes will be guaranteed by Gulf Manganese Corporation Limited and subject to all regulatory approvals
Conversion before 21 August 2017: Each note may be converted into Gulf shares at 1.5 cents with free attaching 3 for 2 Listed Options (GMCO) exercisable at 0.5 cents expiring 21 April 2019.
Conversion after 21 August 2017: Each note may be converted into Gulf shares at 1.5 cents.
Redemption : Each note may be redeemed at the Holders option 3 months from issue or any time thereafter with 1 month notification and all outstanding notes will be redeemed in full 24 months from issue.
Governing law: The Laws of Australia shall apply to the Note.