



ASX Announcement
27 May 2019

GULF COMPLETES PLACEMENT TO ADVANCE KUPANG SMELTING HUB

Further to its announcement on 17 May 2019, Gulf Manganese Corporation Limited (ASX: GMC) ("Gulf" or "the Company") is pleased to advise that it has raised A\$3.0 million (before costs) via the issue of 540,000,000 shares at \$0.005 per share ("Placement") and 45,000,000 shares at \$0.007 per share. Receipt of the remaining commitments totalling A\$0.6 million are expected to be received by Friday 31 May.

Funds received from the Placement will be used to finalise the start-up of Direct Shipping Ore ("DSO") operations next month, advance the development of the Kupang Smelting Hub Facility and for general working capital purposes.

Gulf Managing Director, Hamish Bohannan, commented: "We anticipate the commencement of DSO operations next month, with first exports and sales revenues expected to flow shortly thereafter. Following commercial start-up, it is our intention to quickly scale up DSO exports towards 10,000 tonnes per month, providing the business with increased monthly cash flows to expedite the construction and commissioning of our smelting furnaces at Kupang.

"I would like to thank our shareholders for their continued support, and I look forward to providing regular updates in respect to DSO sales and smelter construction progress at Kupang."

APPENDIX 3B

The Placement sees the issue of 585,000,000 from the Company's capacity available under ASX Listing Rules 7.1 (280,831,747 shares) and 7.1A (304,168,253 shares).

The ASX Appendix 3B for the issue of the shares is attached.

ASX LISTING RULE 7.1A DISCLOSURE

The Company provides the following information as required under ASX Listing Rule 3.105A in respect of the shares issued under the Company's 10% placement capacity under Listing Rule 7.1A:-

- | | |
|--|------------------------------|
| a) The dilutive effect of the Placement on existing shareholders is as follows:- | |
| a. Number of shares on issue prior to the Placement: | 4,218,071,664 |
| b. Placement issue under Listing Rule 7.1A | 304,168,253 |
| c. Number of shares on issue following the Placement | 4,803,071,664 ⁽¹⁾ |
| d. Dilution as a result of the placement | 6.33% |

(1) Includes 280,831,747 shares issued under Listing Rule 7.1

- b) The Company issued 259,168,253 shares under ASX Listing Rule 7.1A to sophisticated investors under a placement and not a pro-rata issue as it was the most efficient method of raising capital. The Company also issued 45,000,000 shares as a placement under ASX Listing Rule 7.1A in accordance with the Controlled Placement Agreement with Acuity Capital announced on 31 January 2018.

T4, 152 Great Eastern Highway
Ascot WA 6104

Phone +61 8 9367 9228

Fax +61 8 9367 9229

Email info@gulfmanganese.com

gulfmanganese.com

ABN: 73 059 954 317
Gulf Manganese Corporation Limited

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- c) The Company confirms that the Placement was not underwritten.
- d) A fee of 6% was incurred with the placement to sophisticated investors. There were no fees associated with the placement to Acuity Capital.

TRANCHE 2 OF SUBSCRIPTION AGREEMENTS EXPIRED

GMC confirms that the cutoff date for Tranche 2 ("T2") of subscription agreements between PT Jayatama Global Investindo ("JGI") and "Singco" (refer ASX announcements 2 January, 31 March and 1 May 2019) was 30 April 2019. That date has passed without all of the conditions in the subscription agreements being satisfied or waived, T2 Completion has not occurred, and Gulf has terminated the agreements. Gulf is continuing discussions with both parties about further investments and updates on the progress of these discussions will be provided in due course.

-Ends-

For further information please contact:

Hamish Bohannan
Managing Director

Gulf Manganese Corporation Limited
T: 08 9367 9228
E: info@gulfmanganese.com

Released through Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067



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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.¹

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Gulf Manganese Corporation Limited

ABN

73 059 954 317

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1) Fully Paid Ordinary Shares
2) Fully Paid Ordinary Shares
3) Fully Paid Ordinary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1) 280,831,747
2) 45,000,000
3) 259,168,253

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

1) Fully Paid Ordinary Shares
2) Fully Paid Ordinary Shares
3) Fully Paid Ordinary Shares

¹ See chapter 19 for defined terms.

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4	Do the ⁺ securities rank equally in all respects from the ⁺ issue date with an existing ⁺ class of quoted ⁺ securities? If the additional ⁺ securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	1) Issue price of \$0.005 per share 2) Issue price of \$0.007 per share 3) Issue price of \$0.005 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1) Placement 2) Placement Acuity 3) Placement
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺ securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	19 November 2018
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	1) 280,831,747 Ordinary Fully Paid Shares

<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>2) 45,000,000 3) 259,168,253</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>Nil</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>2) 45,000,000 Shares were issued under rule 7.1A at an issue price of \$0.007 per share</p> <p>3) 259,168,253 Shares were issued under 7.1A at an issue price of \$0.005 per share</p> <p>The 15 day trading day VWAP ending on 13 May (being the last trading day before agreement date) of shares is \$0.00658. 75% of this VWAP is equal to \$0.00493 being lower than the issue prices of \$0.007 and \$0.005.</p>
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>Refer to Annexure 1.</p>
<p>7 +Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>24 May 2019</p>

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8 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
4,803,071,664	Fully Paid Ordinary Shares

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
50,000,000	Unlisted Options expiring 5 September 2021 at \$0.02
24,000,000	Unlisted Options expiring 5 September 2021 at \$0.02 (ECSOP)
18,000,000	Performance Rights expiring 28 November 2019 (Directors)
16,000,000	Performance Rights expiring 28 November 2019 (Employees)
31,500,001	Performance Rights vesting 20 December 2020 (Directors)
33,606,668	Performance Rights vesting 20 December 2020 (Employees)
25,000,000	Unlisted Options expiring 31 December 2020 at \$0.02
25,000,000	Unlisted Options expiring 31 December 2020 at \$0.03
6,725,083	Performance Rights vesting 5 March 2021 (Directors)
6,725,083	Performance Rights vesting 5 March 2022 (Directors)
7,908,050	Performance Rights vesting 5 March 2021 (Employees)
7,908,050	Performance Rights vesting 5 March 2022 (Employees)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Pro rata issue

11 Is security holder approval required?

N/A

12 Is the issue renounceable or non-renounceable?

N/A

13 Ratio in which the +securities will be offered

N/A

14 +Class of +securities to which the offer relates

N/A

15 +Record date to determine entitlements

N/A

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

17 Policy for deciding entitlements in relation to fractions

N/A

18 Names of countries in which the entity has security holders who will not be sent new offer documents

N/A

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

N/A

20 Names of any underwriters

N/A

21 Amount of any underwriting fee or commission

N/A

22 Names of any brokers to the issue

N/A

23 Fee or commission payable to the broker to the issue

N/A

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities (tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class
N/A	N/A

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



..... Date: 27 May 2019

Hamish Bohannan
(Managing Director and CEO)

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,652,722,860
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>4,000,000 shares issued 18/6/18 after exercise of listed options (LR 7.2 Ex 4)</p> <p>4,000,000 shares issued 28/6/18 after exercise of listed options (LR 7.2 Ex 4)</p> <p>82,106,667 shares issued 12/7/18 after exercise of listed options (LR 7.2 Ex 4)</p> <p>18,317,712 shares issued 6/8/18 after exercise of listed options (LR 7.2 Ex 4)</p> <p>77,350,000 shares issued in August 2018 after exercise of listed options (LR 7.2 Ex 4)</p> <p>23,950,000 shares issued in September 2018 after exercise of listed options (LR 7.2 Ex 4)</p> <p>10,000,000 shares issued in October 2018 after exercise of listed options (LR 7.2 Ex 4)</p> <p>6,534,200 shares issued 17/12/18 after exercise of listed options (LR 7.2 Ex 4)</p> <p>100,000,000 shares issued 17/12/18 with shareholder approval on 19/11/18 (LR7.1)</p> <p>110,000,000 shares issued 24/12/18 and ratified on 28/2/19 (LR 7.4)</p> <p>5,000,000 shares issued 8/1/19 after exercise of listed options (LR 7.2 Ex 4)</p> <p>133,333,333 shares issued 15/1/19 upon conversion of convertible notes (LR 7.2 Ex 4)</p> <p>241,815,011 shares issued 15/1/19 and ratified on 28/2/19 (LR 7.4)</p>

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	<p>10,000,000 shares issued 24/1/19 and ratified on 28/2/19 (LR 7.4)</p> <p>3,000,000 shares issued 1/3/19 after exercise of listed options (LR 7.2 Ex 4)</p> <p>8,750,000 shares issued 7/3/18 with shareholder approval on 19/11/18 (LR7.2 Ex 14)</p> <p>4,100,000 shares issued 12/03/19 after exercise of listed options (LR 7.2 Ex 4)</p> <p>33,794,007 shares issued between 22/03/19 and 27/03/19 after exercise of listed options (LR 7.2 Ex 4)</p> <p>18,001,133 shares issued 7/3/19 upon vesting of performance rights (LR 7.2 Ex 4)</p> <p>18,750,000 shares issued 28/3/19 with shareholder approval on 28/2/19 (LR7.2 Ex 14)</p> <p>9,086,610 shares issued on 29/3/19 after exercise of listed options (LR 7.2 Ex 4)</p> <p>61,540,900 shares issued between 1 April 2019 and 5 April 2019 after exercise of listed options (LR 7.2 Ex 4)</p> <p>57,858,959 shares issued between 8 April 2019 and 11 April 2019 after exercise of listed options (LR 7.2 Ex 4)</p> <p>127,143,197 shares issued between 12 April 2019 and 16 April 2019 after exercise of listed options (LR 7.2 Ex 4)</p> <p>163,841,131 shares issued between 17 April 2019 and 1 May 2019 after exercise of listed options (LR 7.2 Ex 4)</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12m period	
“A”	3,984,995,720

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>Note: this value cannot be changed]</i>
Multiply “A” by 0.15	597,749,358

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>13,333,333 shares issued 17/12/18 for services rendered by consultant</p> <p>18,283,333 shares issued 21/1/19 upon conversion of loans</p> <p>2,466,667 shares issued 1/3/19 upon conversion of loans</p> <p>35,660,250 shares issued 7/3/19 under an STI Plan</p> <p>20,000,000 shares issued 8/3/19 for services rendered by a consultant</p> <p>7,142,857 shares issued 8/3/19 upon conversion of loans</p> <p>25,000,000 unlisted options issued at \$0.02 and expiring on 31/12/19 granted on 8/3/19 for services rendered by a consultant</p> <p>25,000,000 unlisted options issued at \$0.03 and expiring on 31/12/19 granted on 8/3/19 for services rendered by a consultant</p> <p>46,402,600 shares issued on 29/3/19 in consideration for services rendered by a contractor</p> <p>1,428,571 shares issued on 29/3/19 upon conversion of a loan</p> <p>12,200,000 shares issued on 26/4/19 for services rendered by a consultant</p> <p>280,831,747 shares issued on 24/5/19 under a share placement</p>
“C”	487,749,358

+ See chapter 19 for defined terms.

Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	597,749,358
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	487,749,358
Total [“A” x 0.15] – “C”	110,000,000 <i>Note: this is the remaining placement capacity under rule 7.1</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	3,984,995,720
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	398,499,572
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> This applies to equity securities – not just ordinary securities 	13,658,333 shares issued 13/2/19 upon conversion of loans 62,500,000 shares issued on 13/2/19 to raise \$500,000 equity at a price of \$0.008

<ul style="list-style-type: none"> • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	304,168,253 shares issued on 24/5/19 under a share placement
“E”	380,326,586
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	398,499,572
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	380,326,586
Total [“A” x 0.10] – “E”	18,172,986 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.