

ASX Announcement
19 April 2017

Completion of Share Placement and Notice of General Meeting

- **Gulf completes share placement to sophisticated investors raising A\$1,023,000 utilising the Company's 15% Listing Rule 7.1 placement capacity**
- **Notice of General Meeting to approve Capital Raising of a minimum of A\$6,000,000 with a maximum of up to A\$12,000,000**

Gulf Manganese Corporation Limited (ASX: GMC) ("Gulf" or "the Company") is pleased to advise that the Company has issued 204,600,000 ordinary shares at \$0.005 per share raising total proceeds of A\$1,023,000 as announced on the 10th April 2017. The shares were issued to sophisticated investors utilising the 15% investment facility.

As advised on 10th April 2017, Gulf 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 3 free attaching Listed Options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019 for every 2 New Shares issued (the "investment"). The additional A\$3,500,000 investment is subject to Gulf receiving the final land lease agreement from the Lands Department over the Bolok Industrial Estate. As advised in October 2016, Gulf has already received approval from the Governor of East Nusa Tenggara for the construction of a manganese smelting facility at the Bolok Industrial Estate, and the Company expects the land lease agreement to be finalised this quarter.

Attached is the Notice of General Meeting dispatched to shareholders 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.

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

The Company's securities will remain in voluntary suspension until the completion of the Capital Raising.

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

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.



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

GULF MANGANESE CORPORATION LIMITED

ACN 059 954 317

NOTICE OF GENERAL MEETING

TIME: 10.00 am (WST)

DATE: Monday, 22 May 2017

PLACE: CWA House, 1176 Hay Street, West Perth, WA 6005

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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CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	5
Glossary	11
Schedule 1 - Terms and Conditions of Placement Options	12
Proxy Form	13

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00 am (WST) on Monday, 22 May 2017 at:

**CWA House
1176 Hay Street
West Perth WA 6005**

Your vote is important

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

Voting eligibility

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 4:00pm (WST) on Friday, 19 May 2017.

Voting in person

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

Voting by proxy

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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – PLACEMENT OF SHARES AND OPTIONS

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, Shareholders approve the issue and allotment by the Company to sophisticated, professional or overseas investors or other subscribers to whom the shares can be issued without a disclosure document of up to 800,000,000 Shares and 1,200,000,000 Options in the Company for cash consideration at an issue price 1.5 cents per share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who may obtain a benefit and any associates of those persons, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. 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.

2. RESOLUTION 2 – PLACEMENT OF SHARES AND OPTIONS TO HAMISH BOHANNAN

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 1,333,333 Shares and up to 2,000,000 Options in the Company for cash consideration at an issue price of 1.5 cents per share to Hamish Bohannan or his nominee on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Hamish Bohannan and his associates. 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.

3. RESOLUTION 3 – PLACEMENT OF SHARES AND OPTIONS TO CRAIG MUNRO

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 1,333,333 Shares and up to 2,000,000 Options in the Company for cash consideration at an issue price of 1.5 cents per share to Craig Munro or his nominee on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Craig Munro and his associates. 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.

4. RESOLUTION 4 – PLACEMENT OF SHARES AND OPTIONS TO ANDREW WILSON

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

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 1,333,333 Shares and up to 2,000,000 Options in the Company for cash consideration at an issue price of 1.5 cents per share to Andrew Wilson or his nominee on the terms set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Andrew Wilson and his associates. 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.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO TRIPLE C CONSULTING PTY LTD

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 80,000,000 Options to Triple C Consulting Pty Ltd or its nominee on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who may obtain a benefit and any associates of those persons, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. 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.

6. RESOLUTION 6 – RATIFICATION OF PREVIOUS SHARE ISSUE

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue by the Company of 204,600,000 Shares on 19 April 2017 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate 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.

Dated 19 April 2017

By order of the Board

Leonard Math
Company Secretary

EXPLANATORY STATEMENT

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 Resolutions.

1. RESOLUTION 1 – PLACEMENT OF SHARES AND OPTIONS

1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 800,000,000 Shares and 1,200,000,000 Options to Tanah Capital Pte Ltd, BB Lee Super Fund, sophisticated, professional or overseas investors or other subscribers and clients of Triple C Consulting Pty Ltd at a price of 1.5 cents per share. The raising of up to \$12,000,000 will include 3 for 2 free attaching listed options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019.

1.2 Listing Rule 7.1

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 months period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The effect of Resolution 1 will be to allow the Company to issue up to 800,000,000 Shares and 1,200,000,000 Options 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.

1.3 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 issue:

- (a) the maximum number of Shares to be issued is 800,000,000;
- (b) the maximum number of Options to be issued is 1,200,000,000;
- (c) 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 and Options will occur on the same date;
- (d) the Shares will be issued for 1.5 cents each;
- (e) the Options will be issued for nil cash consideration;
- (f) the Shares and Options will be issued to Tanah Capital Pte Ltd, BB Lee Super Fund, sophisticated, professional or overseas investors or other subscribers and clients of Triple C Consulting Pty Ltd, who will not be a related party of the Company;
- (g) the Shares and Options will be issued under a Prospectus;
- (h) the Shares will be issued on the same terms as the existing issued Shares in the Company and application will be made for their quotation on ASX;

- (i) the Options will be issued on the same terms and conditions as per the currently issued listed options (GMCO) as set out in Schedule 1 (Terms and conditions – Placement Options);
- (j) Funds received from the 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. 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.

Gulf is currently aiming to become cash flow positive through the production and sale of ferro-manganese alloy in early 2018. Interim funding will be deployed toward executing the following key objectives:

Earthworks, geotechnics and civils at Bolok	A\$1.5M
Structural works at Bolok	A\$5.2M
Purchase, refurbish & relocate two smelters from South Africa to Bolok	A\$3.2M
Engineering works in installing smelters	A\$3.4M
Contract and Company costs through construction	A\$5.6M
Commissioning costs and initial supplies and materials	A\$1.5M
Corporate and other costs	A\$1.4M

1.4 Directors' recommendation

To enable the Company to fund the expenses referred to above, all the Directors are of the view that the proposed placement under Resolution 1 is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTIONS 2 - 4 – APPROVAL FOR THE PLACEMENT OF SHARES AND OPTIONS TO MESSRS CRAIG MUNRO AND ANDREW WILSON

2.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 800,000,000 Shares and 1,200,000,000 Options to Tanah Capital Pte Ltd, BB Lee Super Fund, sophisticated, professional or overseas investors or other subscribers and clients of Triple C Consulting Pty Ltd at a price of 1.5 cents per share. The raising of up to \$12,000,000 will include 3 for 2 free attaching listed options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019.

Messrs Hamish Bohannon, Craig Munro and Andrew Wilson, the Company's Managing Director, Chairman and Non-Executive Director respectively, have requested to subscribe for Shares to the value of up to \$20,000 each. Any such issue will be on the same terms as per Resolution 1.

Any issue of securities to Messrs Hamish Bohannon, Craig Munro and Andrew Wilson requires Shareholder approval under Listing Rule 10.11, but is otherwise unconditional (including with respect to Resolution).

2.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

Messrs Hamish Bohannan, Craig Munro and Andrew Wilson are Directors, and therefore related parties of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required as the Shares and attaching Options will be issued on the same terms as Shares issued under Resolution 1 (Placement) and as such the giving of the financial benefit is on arms length terms.

2.3 Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. If shareholder approval is obtained under Listing Rule 10.11, shareholder approval is still required under Listing Rule 7.1 and the proposed issues will be included as part of Resolution 1.

2.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to Messrs Hamish Bohannan, Craig Munro and Andrew Wilson or their nominated entities;
- (b) The maximum number of securities to be issued to the Directors:
 - i) Hamish Bohannan - up to 1,333,333 Shares and up to 2,000,000 Options
 - ii) Craig Munro – up to 1,333,333 Shares and up to 2,000,000 Options
 - iii) Andrew Wilson – up to 1,333,333 Shares and up to 2,000,000 Options
- (c) The securities 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 Listing Rules) and it is intended that issue will occur on the same date;
- (d) The issue price of the Shares is 1.5 cents per share and the Options will be free attaching;
- (e) The Shares will be issued on the same terms as the existing issued Shares in the Company and application will be made for their quotation on ASX;

- (f) The Options will be issued on the same terms and conditions as per the currently issued listed options (GMCO) as set out in Schedule 1 (Terms and conditions – Placement Options);
- (g) A voting exclusion statement is included in the Notice.
- (h) Funds received from the 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. 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.

Gulf is currently aiming to become cash flow positive through the production and sale of ferro-manganese alloy in early 2018. Interim funding will be deployed toward executing the following key objectives:

Earthworks, geotechnics and civils at Bolok	A\$1.5M
Structural works at Bolok	A\$5.2M
Purchase, refurbish & relocate two smelters from South Africa to Bolok	A\$3.2M
Engineering works in installing smelters	A\$3.4M
Contract and Company costs through construction	A\$5.6M
Commissioning costs and initial supplies and materials	A\$1.5M
Corporate and other costs	A\$1.4M

2.5 Directors' recommendation

The Directors, other than Hamish Bohannan, unanimously recommend that Shareholders vote in favour of Resolution 2. Hamish Bohannan declines to make a recommendation to Shareholders in relation to Resolution 2 as he has a material personal interest in the outcome of Resolution 2.

Hamish Bohannan and his associates will not be entitled to vote on Resolution 2.

The Directors, other than Craig Munro, unanimously recommend that Shareholders vote in favour of Resolution 3. Craig Munro declines to make a recommendation to Shareholders in relation to Resolution 3 as he has a material personal interest in the outcome of Resolution 3. Craig Munro and his associates will not be entitled to vote on Resolution 3.

The Directors, other than Andrew Wilson, unanimously recommend that Shareholders vote in favour of Resolution 4. Andrew Wilson declines to make a recommendation to Shareholders in relation to Resolution 4 as he has a material personal interest in the outcome of Resolution 4.

Andrew Wilson and his associates will not be entitled to vote on Resolution 4.

3. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF OPTIONS TO TRIPLE C CONSULTING PTY LTD

3.1 General

As per Resolution 1, the Company seeks Shareholder approval for the issue of up to 800,000,000 Shares and 1,200,000,000 Options to Tanah Capital Pte Ltd, BB Lee Super Fund, sophisticated, professional or overseas investors or other subscribers and clients of Triple C Consulting Pty Ltd ("Triple C") at a price of 1.5 cents per share. The raising of up to \$12,000,000 will include 3 for 2 free attaching listed options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019.

Triple C has been mandated to act as the Lead Manager to the Placement.

As per the mandate, the Company agrees to pay the Lead Manager a management success fee of 40,000,000 listed options (GMCO) for the Minimum Raise of \$6,000,000 and 80,000,000 listed options if the raise reaches \$8,000,000 or greater (Success Fee). The issue of these options are subject to shareholder approval. If shareholder approval is not received the company will make a one off cash payment of \$250,000 in lieu of the issue of options.

Resolution 5 seeks Shareholder approval for the issue of up to 80,000,000 listed options to Triple C Consulting Pty Ltd or its nominee in satisfaction of the Lead Manager fee to the Placement. A summary of ASX Listing Rule 7.1 is set out in section 3.2 below.

The effect of Resolution 5 will be to allow the Company to issue the listed options 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.

3.2 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 issue:

- (a) the maximum number of Options to be issued is 80,000,000;
- (b) the 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 and Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Triple C Consulting Pty Ltd or its nominees, who will not be a related party of the Company;
- (e) the Options will be issued on the same terms and conditions as per the currently issued listed options (GMCO) as set out in Schedule 1 (Terms and conditions – Placement Options); and
- (f) no funds will be raised from the issue as the Options will be issued in satisfaction of the Lead Manager fee to the Placement.

4. RESOLUTION 6 – RATIFICATION OF PREVIOUS SHARE ISSUE

4.1 General

As announced on 10 April 2017, the Company raised circa \$1 million via the placement of 204,600,000 shares at 0.5c per share ("Placement") to sophisticated investors.

4.2 Listing Rule 7.1

ASX Listing Rule 7.1 generally 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those

securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, the Company will reinstate the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 6 seeks Shareholder approval to ratify the issue of 204,600,000 shares at 0.5c per share to Tanah Capital Pte Ltd and BB Lee Super Fund, whom are sophisticated investors.

4.3 Information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification proposed by Resolution 6:

- (a) 204,600,000 Shares were issued:

Tanah Capital Pte Ltd: 175,371,428 Shares
BB Lee Super Fund: 29,228,572 Shares
- (b) the issue price was 0.5c per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Tanah Capital Pte Ltd and BB Lee Super Fund, whom are sophisticated investors. None of these subscribers were related parties of the Company; and
- (e) Funds received from the 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. 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.

Gulf is currently aiming to become cash flow positive through the production and sale of ferro-manganese alloy in early 2018. Interim funding will be deployed toward executing the following key objectives:

Earthworks, geotechnics and civils at Bolok	A\$1.5M
Structural works at Bolok	A\$5.2M
Purchase, refurbish & relocate two smelters from South Africa to Bolok	A\$3.2M
Engineering works in installing smelters	A\$3.4M
Contract and Company costs through construction	A\$5.6M
Commissioning costs and initial supplies and materials	A\$1.5M
Corporate and other costs	A\$1.4M

4.4 Directors' Recommendation

To enable the Company to continue to fund the expenses referred to above, all the Directors are of the view that the proposed Resolution 6 is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

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.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

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

Constitution means the Company's constitution.

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

Directors means 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.

Option means an option to acquire a Share on the terms and conditions set out in the relevant Schedules

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF THE PLACEMENT OPTIONS

- (a) Each Option will entitle the holder to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (WST) on 21 April 2019 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Options are exercisable in whole or in part at a price of 0.5 cents per Option (Exercise Price) by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the Exercise Price in immediately available funds for the number of Shares in respect of which the Options are exercised.
- (d) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then existing Shares.
- (e) Application will be made to ASX for Official Quotation of the Options.
- (f) Application will be made to ASX for Official Quotation by ASX of all Shares allotted pursuant to the exercise of Options within the time period required by the Listing Rules after the date of allotment.
- (g) The holders of Options may only participate in new issues of securities as holders of Shares if an Option has been exercised and Shares have been allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules or any waiver from the Listing Rules provided to the Company by ASX.
- (h) There will be no change to the exercise price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (i) If, from time to time, before the expiry of the Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (Bonus Issue), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.
- (j) If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, the Options will be reorganised in the manner set out in and to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued, and a holding statement provided to the holders of Options in respect of those Shares, on the above terms and conditions not more than 15 business days after the receipt of a duly executed form of notice of exercise and the Exercise Price in immediately available funds in respect of the Options exercised.

GULF MANGANESE CORPORATION LIMITED
ACN 059 954 317

PROXY FORM - 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 CWA House, 1176 Hay Street, West Perth 6005, Western Australia, on Monday, 22 May 2017 at 10.00 am (WST), and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any 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 of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Placement of Shares and Options to Hamish Bohannan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement of Shares and Options to Craig Munro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Placement of Shares and Options to Andrew Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Triple C Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Previous Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular 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**

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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 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 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 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:
 - i. In person or post to, T2/152 Great Eastern Highway, Ascot WA 6104; or
 - ii. facsimile to the Company on facsimile number +61 8 9367 9229; or
 - iii. by email to lmath@gulfmanganese.com.

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.