

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.

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

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 | i) Convertible Notes
ii) Listed Options
iii) Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | i) 133,333,333
ii) 133,333,333
iii) 6,225,604 |
| 3 | Principal terms of the +securities (eg, 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) | i) Convertible Notes with a face value of 1.5 cents each expiring 12 March 2023
ii) Listed Options exercisable at 0.5 cents expiring 21 April 2019
iii) Fully Paid Ordinary Shares |

4	Do the +securities rank equally in all respects from the date of allotment 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	i) No ii) No iii) Yes
5	Issue price or consideration	i) 1.5 cents per note ii) Free attaching options iii) Deemed at 1.5 cents per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(i)&(ii) – Proceeds will be used for the development of the Kupang Smelting Hub (iii) – Issued as part of a settlement agreement
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	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	272,892,270
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of securities issued under an exception in rule 7.2	N/A	
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.	N/A	
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	N/A	
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	7,387,318	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	12 March 2018	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		2,641,422,859	Fully paid ordinary shares
		1,646,958,305	0.5 cents options expiring 21 Apr 2019

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	51,925,917
		\$0.0196 options expiring 30 Sep 2018
		15,000,000
		\$0.0496 options expiring 30 Sep 2018
		7,500,000
		\$0.2496 options expiring 31 Dec 2018
		50,000,000
		\$0.02 options expiring 5 Sep 2021
		24,000,000
		\$0.02 options expiring 5 Sep 2021 (ECSOP)
		27,000,000
		Performance Rights expiring 28 Nov 2019 (Directors)
		24,000,000
		Performance Rights expiring 28 Nov 2019 (Employees)
		63,000,001
		Performance Rights expiring 31 Dec 2019 (Directors)
		67,213,335
		Performance Rights expiring 31 Dec 2019 (Employees)
		100
		Convertible Notes with a face value of \$10,000 each expiring 27 June 2019
		133,333,333
		Convertible Notes with a face value of 1.5 cents each expiring 12 March 2023
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents 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	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	

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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Issue date	

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

⁺ See chapter 19 for defined terms.

- 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 date of allotment 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)
-

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

Number	+Class

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 not available now, 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:


Leonard Math
(Company Secretary)

Date: 12 March 2018

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12

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 date of issue or agreement to issue	1,571,183,253
Add the following: - 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 <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	- 466,666,671 66,666,667 34,000,000 83,000,000 31,000,000 6,533,000 33,333,333 Shares (6 Oct 2017) 166,666,667 Shares (1 Nov 2017) 1,333,000 2,333,000 65,106,664 3,375,000 4,000,000
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	2,535,197,255

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	380,279,588
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <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>	100,000,000 133,333,333 (Convertible Notes) 133,333,333 (Listed Options) 6,225,604
“C”	372,892,270
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>	380,279,588
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	372,892,270
Total [“A” x 0.15] – “C”	7,387,318 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Terms and Conditions of the Convertible Note (1)

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.

+ See chapter 19 for defined terms.

Terms and Conditions of the Convertible Note (2)

Issuer:	Gulf Manganese Corporation Limited ("GMC")
Subscriber:	Eighteen Blue Investments Pty Ltd ("EBI")
Aggregate value:	A\$2,000,000 (133,333,333 notes with a face value of 1.5 cents each)
Security:	None
Coupon:	0%
Term:	12 March 2023 ("Maturity Date")
Denominations:	133,333,333 notes in denomination of 1.5 cents per note ("Face Value")
Conversion:	1:1 - each note may be converted into one Gulf share
Automatic Conversion:	EBI will be deemed to have delivered a Conversion Notice in respect of any unconverted Notes as at the Maturity Date
Default Event:	Non-payment by GMC Involuntary winding up of GMC Voluntary winding up of GMC Insolvency of GMC Breach of GMC Converting Note Agreement No conversion under the PT Gulf Convertible Note Default under the other Investment Documentation Material breach of warranties under the Investment Documentation
Repayment on Default:	If a Default Event occurs, the aggregate Face Value of the GMC Converting Notes held by EBI at that time becomes due and payable by the Company to EBI on and from the date that is five Business Days after the date of the Default Event ("Repayment Date"), together with interest on the Face Value at the interest rate of 15% per annum from the Repayment Date until the date of actual payment
Rights Issue Participation:	In respect to any rights issue undertaken by the Company, EBI will be offered a placement of shares (subject to sufficient capacity under ASX Listing Rule 7.1) or the right to underwrite any shortfall from the rights issue for that number of shares equal to the number of shares to which EBI would have been entitled had it converted the GMC Converting Notes held by it on the record date for the rights issue, subject at all times to compliance with the ASX Listing Rules
Governing law:	Western Australia

Part 2 – Not Applicable

+ See chapter 19 for defined terms.