



GULF MINERALS CORPORATION LIMITED

ACN 059 954 317
(ASX : GMC)



Quarterly Report

March 2015 Quarter

Gulf Minerals Corporation Limited is pleased to provide shareholders with the following Quarterly Activities Report for the March Quarter.

KEY HIGHLIGHTS

- **Rights Issue 100% Subscribed**
- **Appointment of CFO/Company Secretary**
- **Company name change**
- **Project Funding**
- **Project Managers**

CORPORATE

Rights Entitlement Issue

The shareholders rights issue announced 13 October 2014 closed fully subscribed raising \$1,341,009. Following a strong take up by existing shareholders, the directors placed the shortfall to sophisticated investors as an Excluded Offer under Section 708D substantially to clients of the Sydney based Paradigm Securities. Gulf now has a total of 73,770,638 shares on issue.

Chief Financial Officer/ Company Secretary

Following the company's reconstruction the roles of CFO and Company Secretary were combined for cost efficiencies. Leonard Math, current CFO, was appointed in the new combined roles.



Leonard Math

Leonard graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants and the Australian Institute of Company Directors and previously worked as an auditor at Deloitte.

He is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations.



Company Name

As the company is developing an Indonesian based manganese ore and alloying enterprise and proposes to make application to list on the Singapore Exchange Catalyst Board it is more appropriate to reflect future operations with a name change.

A shareholders meeting is planned for 22 May 2015 for approval to change the name to Gulf Manganese Corporation Limited. The ASX code will remain GMC.

Project Funding

The company announced during the Quarter it had entered into a Terms Sheet covering a Committed Equity Funding Agreement to provide a total of US\$20 million by way of a 10% annual interest, 4 year Senior Credit Facility loan and Preferred Shares.

The Terms Sheet was entered into with Sigur Holdings Inc., a subsidiary of the New York-based, South African private group, Sigur Capital.

The key points in the Terms Sheet included

- Sigur Holdings immediately to subscribe for AUD\$500,000 of Gulf Minerals Redeemable Convertible 10% Notes;
- A Sigur Holdings representative will join Gulf's board of directors;
- Gulf will make application to list its subsidiary company holding the Indonesian manganese smelter project onto the Nasdaq Stock Market in the USA;
- US\$10,000,000 – 10% annual interest 4 year Senior Credit Facility loan to the listed subsidiary and secured by the project and to be drawn over 24 months;
- US\$10,000,000 – Preferred Shares in the listed subsidiary and issued at \$2.50/share convertible strike price equal to 85% of the market price or redeemed at \$5.00/share after 24 months;
- Sigur Holdings shall have first right of refusal on any subsequent funding required by the listed subsidiary; and
- The Terms Sheet is non-binding and subject to final Definitive Agreements following due diligence by both parties.

Subsequent to the signing of the Terms Sheet Sigur requested subscription to the convertible notes be extended until 29th May and the value increased to \$800,000. The company agreed to this request.

The proposed funding will cover the first stage of the development of the Smelter enterprise with the proposed IPO covering the balance.

Overseas Interest

Gulf's business plans to develop an ASEAN focused manganese ore and alloy producer continues to generate a great deal of interest. During the Quarter the company attended and presented at the following conferences.

- Jakarta Smelter Conference with many government officials in attendance
- Singapore Mining Investment Forum attended by many high net worth individuals and funds
- Mines and Money Hong Kong attended by global investment funds.



The international exposure for Gulf was very significant and put the company on many radar screens particularly with the proposed Singapore listing. It is expected on lead up to, and upon, the listing investor interest will be strong.



Jakarta



Hong Kong

MANGANESE

Smelter

During the Quarter the company appointed Como Engineers as project managers for the Kupang Smelter Project.

Como Engineers, established 1986, is a well-respected mechanical and mineral processing engineering company based in Western Australia with an office in Jakarta. Como has extensive experience in mining industry projects both in Australia and overseas, particularly Indonesia. Como has been involved in the PT Arutmin Indonesia (BHP) Coal Ports, Way Linggo Project for Kingrose and also for the Finders Resources Ltd operation on Wetar Island.

Additionally XRAM Technologies were appointed nominated pyrometallurgical engineers. XRAM Technologies Pty Ltd is a Pretoria, South Africa smelter specialist group. As nominated contractor they are responsible for the design, supply, construction and commissioning of the smelter furnaces. The group's personnel have collectively many years' experience in smelter design, construction and operating of AC and DC smelter plants incorporating leading edge technology and world's best practices.

With the funding it is proposed to build 8 furnaces over a 4 year period for a total capital cost of \$52 million. Each furnace costing \$6.5 million has a capacity of 20,000 tonne alloy production per year with power supplied by a third party on a user pay basis. The first two furnaces are planned to be built during 2015 and are expected to come online in July 2016. This will be followed by a further two furnaces each year in 2017, 2018 and 2019.

Land

During the Quarter further discussions were held on the terms and conditions for a 30 year plus 20 year lease of land in West Timor situated 8 kms from the international Tenau Port and 14 kms South of Kupang City.

It is anticipated that a Memorandum of Understanding, supported by the Provincial Governor and Regent will be signed shortly.

Corporate Directory

Registered Office

78 Mill Point Road
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Telephone: +61 8 9367 9228
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www.gulfmineralscorp.com

Postal Address

PO Box 884
South Perth, Western Australia 6951

Legal Advisors

Christian Teo Purwono (Indonesia)
Lemonis Tantiprasut Lawyers (Australia)
Steinepries Paganin (Australia)

Bankers

ANZ Banking Group
PT ANZ Indonesia

Australian Securities Exchange

ASX Code: GMC

Share Registry

Automatic Registry Services

Auditors

Somes Cooke

Corporate Advisors

GDA Corporate

Geological Advisors

SRK Geological Consulting

Project Managers

Como Engineering

Pyrometallurgical Engineers

Xram Engineering (South Africa)

Tenement Managers

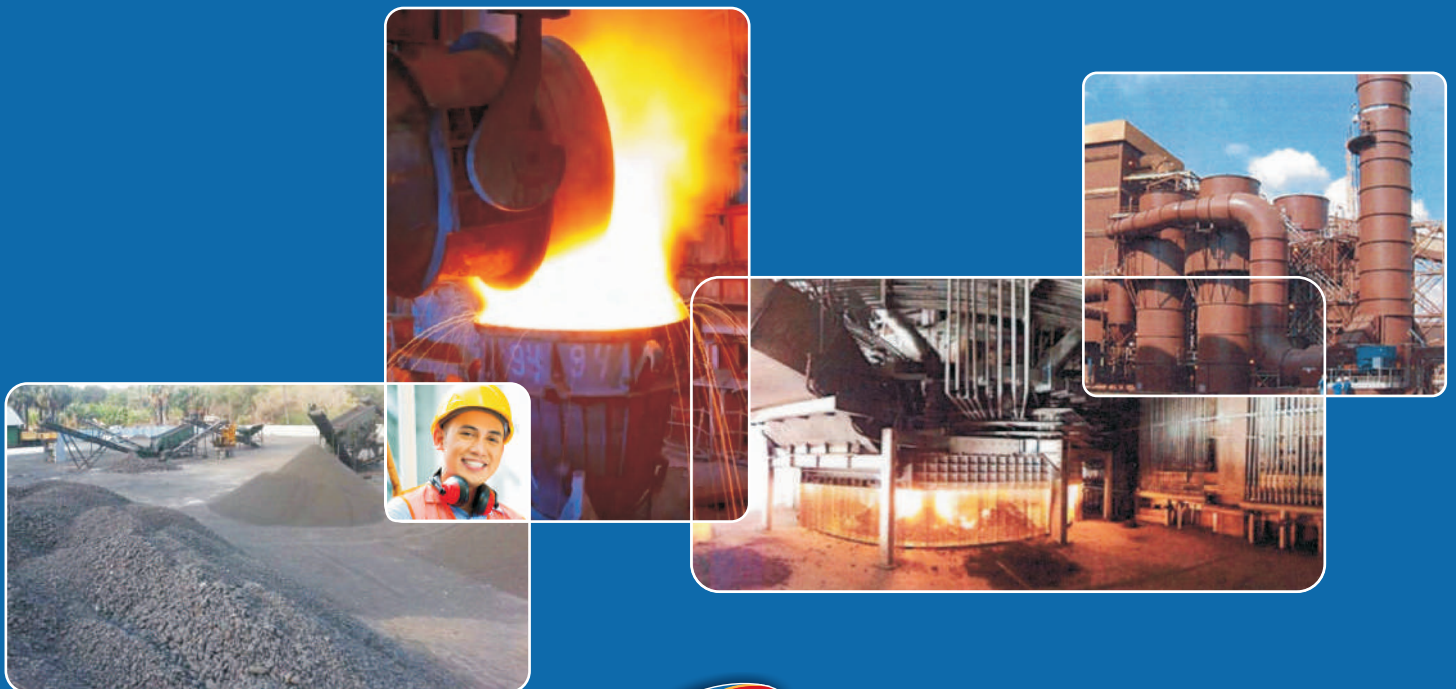
M&M Walter Consulting

Industry Associations

Australian Indonesian Business Council
Indonesian Chamber of Commerce
Indonesian Mining Association
Indonesia Institute

Investor Relations

Bourse Communications



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Developing Premium Indonesian Manganese Alloys

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