GULF MINERALS CORPORATION LIMITED

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10 April 2014

Gulf Minerals releases manganese alloy Business Plan

Gulf Minerals Corporation Limited (ASX:GMC) has pleasure in releasing its Alloying Business Plan for its ASEAN focused manganese business.

A copy of the Plan is attached.

In summary, the Plan is:

1. Building a High Carbon Ferro Manganese smelter facility in Indonesia taking advantage of the low cost high grade ore, low labour cost and moderate power costs.
2. The facility will import ores from ASEAN based operations for blending with the local ores.
3. Construction will commence 2015 with 8 furnaces built over a 3 year period.
4. Each furnace will have a capacity of 20,000 tonnes alloy per year.
5. Production will be a premium quality 78% Ferro manganese alloy.
6. Dual listing on the Singapore Stock Exchange raising AUD $25m.
7. Operations will enjoy 5 year Tax holiday

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Business Plan Summary

April 2014

Overview

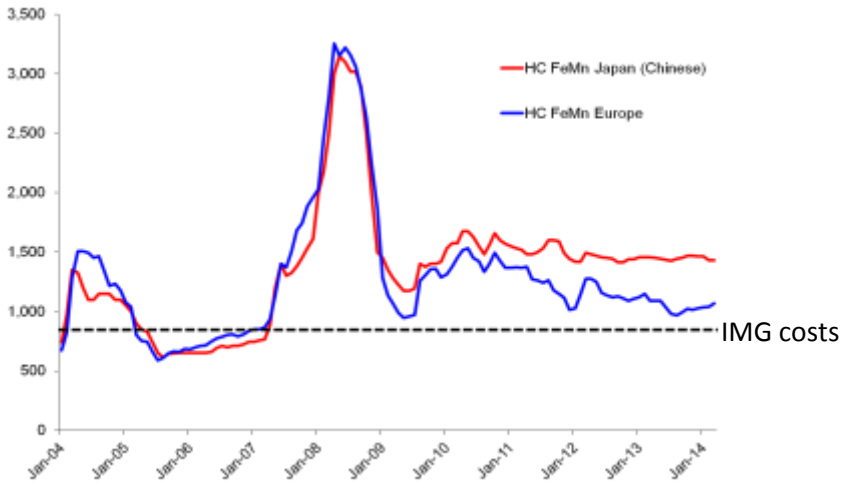
Gulf Minerals Corporation Limited (ASX: GMC), through its fully owned subsidiary International Manganese Group Limited (IMG), propose to develop an alloying smelter facility based in Indonesia taking full advantage of the low cost high grade low impurity manganese ore, low cost of labour and modest cost of power. Production will be a premium quality 78% manganese alloy resulting from the unique qualities of the Indonesian ore blended with overseas ores to enhance the iron content to produce an optimum ferromanganese alloy.

It is proposed to build 8 furnaces over a 3 year period for a total capital cost of $36m funded by a $25m IPO on the Catalist Board of the Singapore Stock Exchange in the second half of 2014 and operational cashflow. Each furnace has a capacity of 20,000 tonne alloy production per year. Production power will be supplied by a third party on a user pay basis under 9 cents/kilowatt hour.

The first 2 furnaces will be built during 2015, coming on line January 2016, with a further 4 online January 2017 with the final 2 online January 2018. Financial modeling is based on the following assumptions.

Market Price

Ferromanganese alloy $1450/tonne – Japanese market

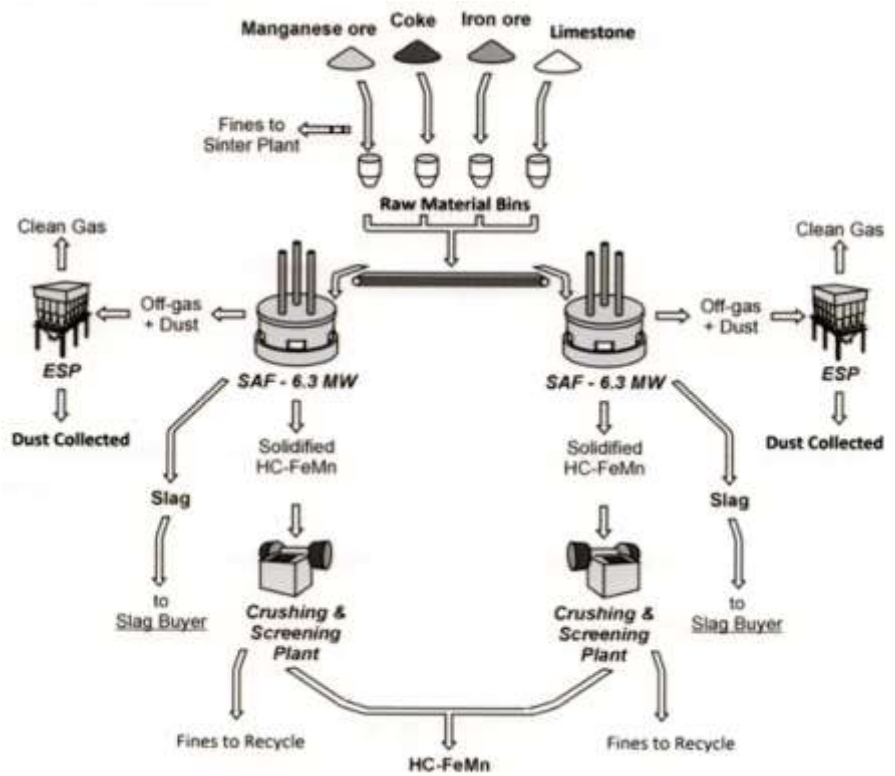


C1 Costs
Ferromanganese $832/tonne (Global average $999/tonne reference Kevin Fowkes - AlloyConsult.)

Ore Requirement
2016 90,000 tonnes
2017 270,000 tonnes
2018 360,000 tonnes

Ore Supply
Long term supply contracts with local and overseas ore producers will underpin ore requirements. Discussions are underway to finalize contracts with 75% of ore requirements coming from the local market and 25% from overseas suppliers.

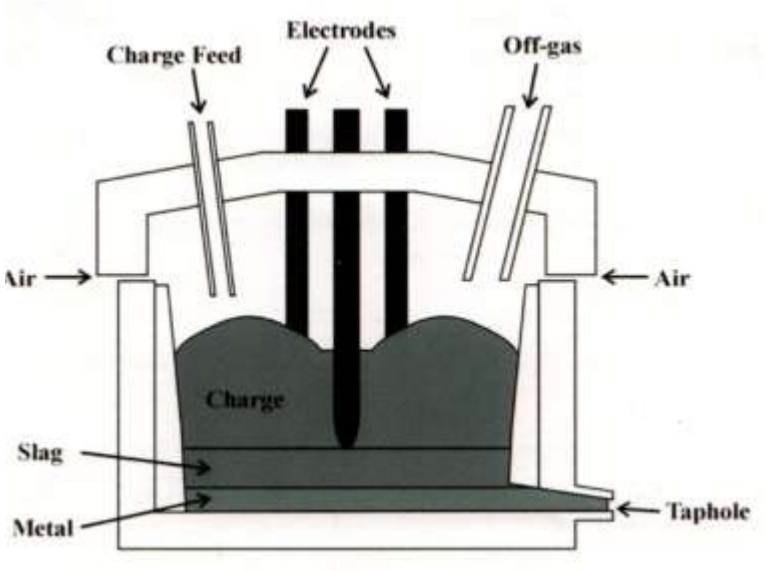
Construction
IMG have engaged the Indonesian Chinese group, PT Fajar Bumi Kencana to design and construct high carbon ferromanganese 6,300KVA furnaces on an EPCM basis. The group have significant experience of building alloying smelters in China and Indonesia.



Process flow diagram for high carbon ferro manganese smelter

Technology

Fixed Semi-Closed furnaces are standard tried and true technology having been used for many years and do not present any technical risks. The furnaces will consist of Chinese production technology coupled with South African quality management technology utilizing the latest equipment and construction time will take 9 months.



Schematic Cross-section of Submerged Arc Furnace

Marketing

Gulf Minerals directors and senior management have many years of global manganese marketing experience and have a significant marketing knowledge base and network. This will ensure the quality alloy receives a premium selling price to enhance profit margins.

Manganese

Manganese is a hard, grey metal similar to iron with 90% used by the steel industry as an alloying element where it strengthens, hardens and cleanses the steel making process by removing oxygen and sulphur. It is an essential ingredient to the process and can not be technically replaced. Other uses of manganese are for mobile batteries, health supplements and colouring.

Manganese is extracted from its natural occurring state by smelting in a blast furnace where high temperatures release the metal from the ore to produce an alloy for introduction into modern steel making electric arc furnaces. Depending on the strength of steel required, usage ranges from 6 to 20 kgs per tonne of steel.

Global alloy production for 2013 was 17.4m tonnes and is projected to increase by 40% over the next decade along with the increase in steel production.

Indonesia

Indonesia is recognized as a resources rich country with most past exploration confined to large volume or precious minerals. Commodities such as manganese have never received much attention notwithstanding being amongst the world's highest commercial grades and commonly occurring above 50% and up to to 56% manganese. Major suppliers grades range from 44% up to 48% manganese.

The lack of attention was due in part to the difficulties of the previous mining laws prior to the current mining law 2009 and also the fact that most manganese occurrences are found in the remote eastern part of the archipelago colloquially called East Nusa Tenggara in the Timor, Flores and Rote Islands.

Various Government Departments and Industry Associations have listed the Indonesian manganese occurrences ranging from 3m tonnes to 10.5m tonnes. We consider, based on our previous extensive manganese experience, figures that significantly understated.

Mining to date has consisted of the surface or near surface expressions with exports, mainly to China, peaking at some 300,000 tonnes manganese ore per year in 2010 and will settle to around 100,000 to 200,000 tonnes when exports recommence following the recently announced export law changes.

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