



# GULF MINERALS CORPORATION LIMITED

ACN 059 954 317  
(ASX : GMC)



## Quarterly Report

### June 2014 Quarter

Gulf Minerals Corporation Limited is pleased to provide shareholders with the following Quarterly Activities Report for the June 2014 Quarter.

#### KEY HIGHLIGHTS

- **Board strengthening**
- **Manganese**
  - ▶ **Manganese Alloy Business Plan**
  - ▶ **SNC Lavalin**
  - ▶ **Turkey**
  - ▶ **Indian MoU**
- **Copper**
- **Uranium**

#### CORPORATE

##### Board Appointment

In May 2014 Graham Anderson strengthened the Board with his appointment as Non-Executive Chairman. Graham brings with him valuable commercial and corporate experience working with national chartered accounting firms over 25 years. He has acted as Director and Company Secretary for numerous listed public companies and provides Gulf with significant corporate governance strength.

#### MANGANESE

##### Alloying Business Plan

A release of this Plan in April 2014 included the following summary:

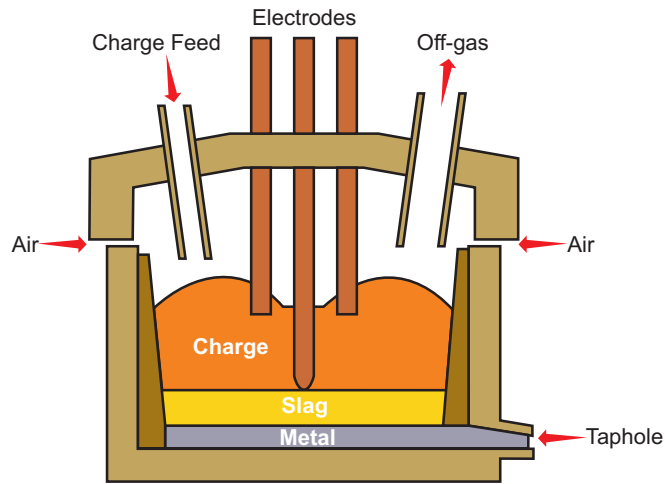
- Building a High Carbon Ferro Manganese smelter facility in Indonesia taking advantage of the low cost high grade ore, beneficial labour cost and moderate power costs
- Importation of ores from ASEAN based operations for blending with local Indonesian ores
- Construction to commence 2015 with 8 furnaces built over a 4 year period
- Each furnace will have a capacity of 20,000 tonnes alloy per year
- Production will be a premium quality 78% Ferro Manganese alloy
- Dual Listing on the Singapore Stock Exchange spreading shareholder base
- Operations will enjoy a 5 year Tax holiday with Fiscal Incentives



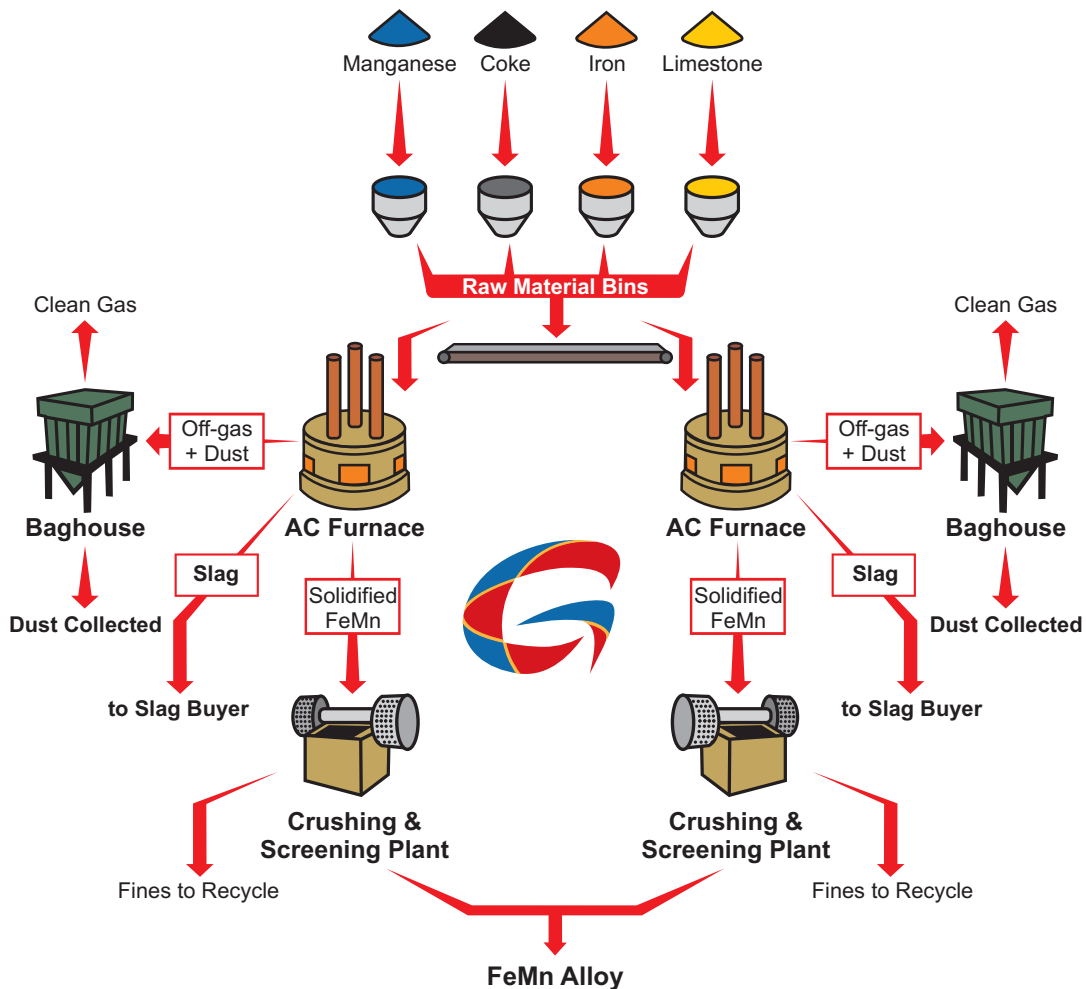
## SNC Lavalin

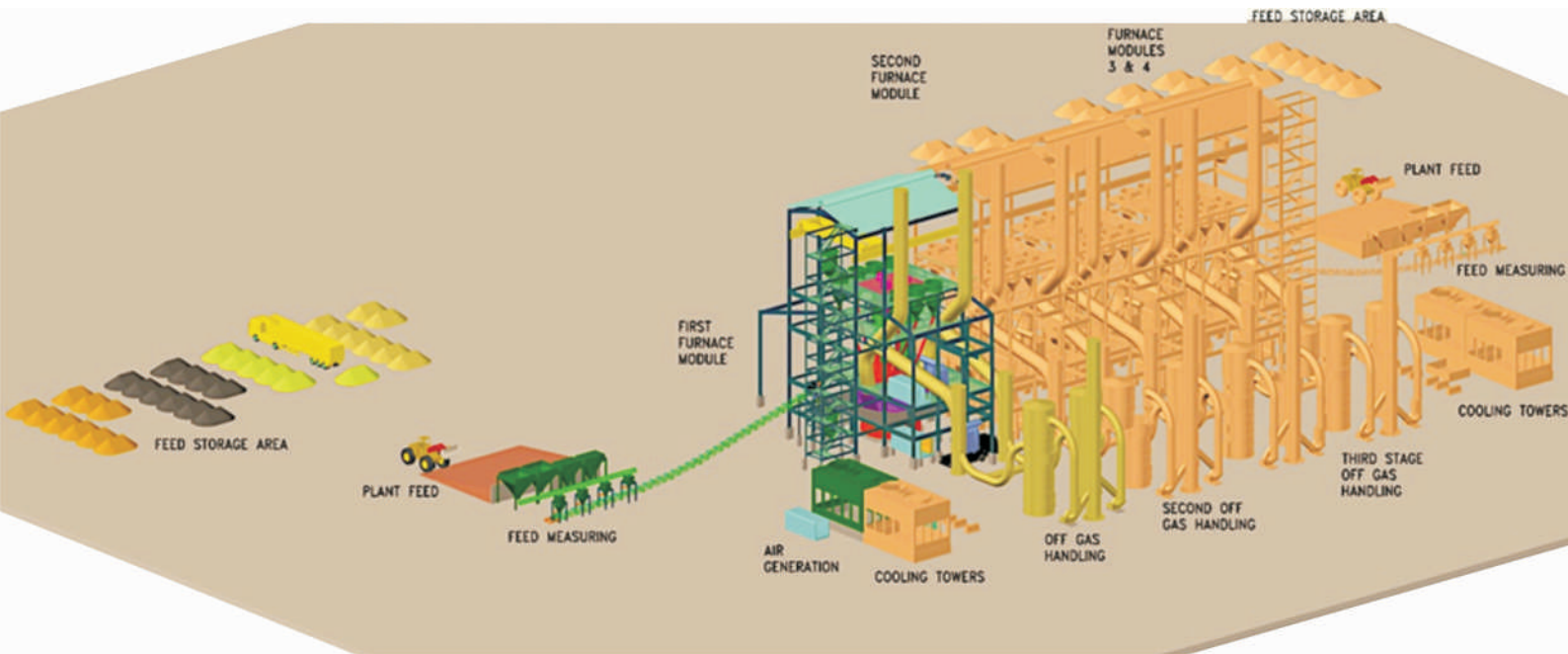
Gulf progresses to an agreement with SNC Lavalin, an internationally recognised leading smelter design and construction group to commence engineering for a 150,000 tonne ferro-manganese alloy smelting plant leading to an EPC for the construction of an initial 14,000 tpa ferro-manganese alloy furnace to be built in modular form eliminating construction risk. The smelter facility will be based in Kupang, West Timor.

Kupang offers good port and associated infrastructure facilities. The Indonesian Government has openly encouraged value adding to the country's resources. West Timor's high-grade 52% manganese ore has historically have been mined and exported as unprocessed ore. Gulf's smelters will produce a quality 78% ferro manganese alloy for export commanding premium market prices.



Schematic Cross-section of Submerged Arc Furnace





## Turkey

Turkey has become an area of interest for Gulf.

The company has recently concluded a reconnaissance exploration program to investigate the economic possibility of developing a high-grade manganese mining operation to supplement the company's proposed Indonesian alloying business and thereby becoming a fully integrated global manganese ore and alloy enterprise covering the European and Asian Regions.

The company has identified 5 potential areas requiring further investigation with in-situ manganese grades of 40% plus before upgrading through a simple beneficiation process.

Due to the unique geology and investor friendly mining laws, Turkey ranks as one of the world's most promising and dynamic mining destinations. The mineral potential stems from the geological setting straddling some 1,300kms of the Tethyan Metallogenic Belt (TMB). The TMB is one of the world's major metallogenic belts hosting many volcanogenic massive sulphide, porphyry type, skarn, hydrothermal and magmatic deposits. Mineral endowment and economic potential is comparable to the Andes and the southwest Pacific metallogenic belts.

Over the last decade Turkey has embarked on a comprehensive structural reform programme in order to improve its investment climate. A new Foreign Direct Investment law was introduced in 2003, the corporate tax rate decreased to 20% down from 30% and all bureaucratic hurdles were removed. Investors can benefit from many incentive instruments, ranging from VAT and customs duty exemption to tax reduction, social security premium and interest payment support. Mining investments are granted specific priority investment status making Turkey a stable and safe harbour for investment.



## Memorandum of Understanding with Indian smelter group

An MOU was signed with the Indian smelter group FACOR in which there is an agreement for the opportunity to participate in a joint venture with shared costs for the development of manganese operations in West Timor and particularly Turkey. Facor is a reputable Indian alloy company specialising in manganese and chrome alloy production and is looking to expand globally and offers Gulf synergies should the initiative eventuates.

## COPPER

The company holds a 51% interest in the Northern Territory tenement EL 10335 the balance being held by the ASX listed group Redbank Copper Limited (ASX: RCP) through a farm in arrangement as set out in the Wollogorang Joint Venture Agreement. Redbank are the operators and funders of the JV.

During the quarter Gulf entered into negotiations with Redbank to divest its 51% of the tenement in order to fully focus on the company's ASEAN based manganese project. It is expected these discussions will be finalised during the current quarter.

## URANIUM

The company owns 100% of the Northern Territory EL 29898 with a joint venture with the Canadian uranium group Laramide Resources Limited. Laramide are the operators and funders of the JV. The tenement is adjacent to Laramide's Westmoreland uranium project with a reported Indicated Mineral Resource of 36.0 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>).

During the quarter Gulf entered into negotiations with Laramide to divest its 100% of the tenement in order to fully focus on the company's ASEAN based manganese project.

## APPENDIX 1: TENEMENT LISTING

Lease	Locality	Project	Lease Status
EL10335	NT	Wollogorang	Granted
EL29898	NT	Debbil Debbil Creek	Granted
EPM18079	QLD	Ebagoola	Granted
EPM18433	QLD	Ebagoola	Granted
ML3096	QLD	Ebagoola	Granted
ML3141	QLD	Ebagoola	Granted
ML3145	QLD	Ebagoola	Granted

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

GULF MINERALS CORPORATION LIMITED

ABN

73059954317

Quarter ended ("current quarter")

30 June 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	50
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(15) - - (84)	(220) - - (747)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(99)</b>	<b>(917)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	- - (91)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(91)</b>
1.13 Total operating and investing cash flows (carried forward)	(1)	(1,008)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(100)	(1,008)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	645
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	103	401
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(38)
	<b>Net financing cash flows</b>	<b>103</b>	<b>1,008</b>
	<b>Net increase (decrease) in cash held</b>	<b>3</b>	<b>-</b>
1.20	Cash at beginning of quarter/year to date	1	4
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>4*</b>	<b>4*</b>

\* the major shareholder has committed to funding the company when required in the short term until suitable capital is raised. During April the company announced it intends to raise up to \$2.5 million in 10% Redeemable Convertible Notes.

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On the 30th June 2014:  
27,500,000 shares were issued in lieu of payment for corporate advisory fees.  
25,000,000 shares were issued in settlement of consulting fees.

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	-
4.3 Production	-
4.4 Administration	120
<b>Total</b>	<b>130</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4	1
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4</b>	<b>1</b>

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+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

\*Please see Appendix 1 in the Activity Report for the updated tenement listing schedule.

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference + securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	1,117,503,856	1,117,503,856	Fully Paid
7.4	Changes during quarter (a) Increases through issues 27,500,000 10,000,000 25,000,000 (b) Decreases through returns of capital, buy-backs	27,500,000 10,000,000 25,000,000	27,500,000 10,000,000 25,000,000	0.6 cents 0.5 cents 0.2476 cents
7.5	<b>+Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.



**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> ( <i>description and conversion factor</i> )			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted Options	127,766,668	-	1.5 cents	31/10/2014
	Unlisted Options	10,583,334	-	2 cents	30/04/2015
	Unlisted Options	63,950,000	-	0.75 cents	30/06/2016
	Unlisted Options	695,000,00	-	0.75 cents	31/07/2017
7.8	Issued during quarter				
	Unlisted Options	5,500,000	-	0.75 cents	30/06/2016
	Unlisted Options	6,000,000	-	1.5 cents	31/10/2014
	Unlisted Options	30,000,000	-	0.75 cents	31/07/2017
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> ( <i>totals only</i> )				
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 July 2014  
(Director)

Print name: Graham Anderson

+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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