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**GULF MANGANESE CORPORATION LIMITED**

**ACN 059 954 317**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00am (WST)

**DATE:** 21 November 2016

**PLACE:** Level 3, 88 William Street,  
Perth 6000  
Western Australia

*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 9463 2495.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 11.00 am (WST) on 21 November 2016 at:

Level 3, 88 William Street,  
Perth 6000  
Western Australia

### Your vote is important

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

### Voting eligibility

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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 pm (WST) on 18 November 2016.

### Voting in person

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

### Voting by proxy

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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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – CRAIG MUNRO

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

*"That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Craig Munro, a Director who was appointed on 1 February 2016, retires, and being eligible, is elected as a Director."*

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – ANDREW WILSON

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

*"That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Andrew Wilson, a Director who was appointed on 17 February 2016, retires, and being eligible, is elected as a Director."*

#### 5. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – 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 section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 10,000,000 Performance Rights to Craig Munro, a Director, under the Gulf Manganese Corporation Limited Long Term Incentive Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."*

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**6. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – 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 section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 25,000,000 Performance Rights to Hamish Bohannan, a Director, under the Gulf Manganese Corporation Limited Long Term Incentive Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”*

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**7. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – 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 section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 10,000,000 Performance Rights to Craig Munro, a Director, under the Gulf Manganese Corporation Limited Long Term Incentive Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”*

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**8. RESOLUTION 7 – CHANGE OF AUDITOR**

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

*“Subject to the Australian Securities and Investments Commission (ASIC) consenting to the resignation of Greenwich and Co Audit Pty Ltd as auditor of the Company, that pursuant to section 327B of the Corporations Act 2001 (Cth) and for all other purposes, Bentleys Audit & Corporate (WA) Pty Ltd be appointed as auditor of the Company with effect from the later of the conclusion of the 2016 Annual General Meeting and the day on which ASIC gives its consent.”*

**Dated 14<sup>th</sup> October 2016**

**By order of the Board**

**Leonard Math  
Company Secretary**

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## VOTING EXCLUSIONS

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### Resolution 1

In accordance with the Corporations Act (2001) (Corporations Act), the Company will disregard:-

- (a) any votes cast (in any capacity) on Resolution 1 by or on behalf of
  - (i) a member of the Key Management Personnel listed in the Remuneration Report (KMP); or
  - (ii) a KMP's Closely Related Party; and
- (b) any votes cast as a proxy on Resolution 1 by any other person who is a member of the KMP at the date of the meeting, or by a Closely Related Party of any such person.

Closely Related Party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

However the Company need not disregard a vote cast on Resolution 1 if it is cast:

- (a) by any person referred to above as proxy for a person entitled to vote on the Resolution, in accordance with a direction in the proxy appointment specifying how the proxy is to vote on the Resolution; or
- (b) by the person chairing the meeting as proxy for a person entitled to vote on the Resolution where the proxy appointment does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Please read the information under the heading 'Chairman as proxy' which deals with the Chairman's voting of undirected proxies on Resolution 1.

If you are a member of the KMP or a Closely Related Party of any such member, you may be held liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

**Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.**

### Resolutions 4, 5 and 6

The Company will disregard any votes on the respective Resolutions cast by or on behalf of the following persons:

A director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

The Company will also disregard any votes cast on Resolutions 4, 5 and 6 by a member of the KMP or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides will not be excluded.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) 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.

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.gulfmangnese.com](http://www.gulfmangnese.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

| Proxy                                 | Directions given | No directions given                              |
|---------------------------------------|------------------|--|
| Key Management Personnel <sup>1</sup> | Vote as directed | Unable to vote <sup>3</sup>                      |
| Chair <sup>2</sup>                    | Vote as directed | Able to vote at discretion of Proxy <sup>4</sup> |
| Other                                 | Vote as directed | Able to vote at discretion of Proxy              |

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 & 3 – ELECTION OF DIRECTOR – CRAIG MUNRO & ANDREW WILSON

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 14.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Craig Munro and Mr Andrew Wilson, having been appointed on 1 February and 17 February 2016 respectively will retire in accordance with clause 14.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders. Biography of Mr Munro and Mr Wilson are set out in the Company's annual financial report for the year ended 30 June 2016.

The Board of Directors, excluding Mr Munro, recommend that Shareholders vote in favour of Resolution 2.

The Board of Directors, excluding Mr Wilson, recommend that Shareholders vote in favour of Resolution 3.

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#### 4. RESOLUTION 4, 5 & 6 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS

##### Background

Resolutions 4, 5 to 6 seek shareholder approval for the issue of Performance Rights to Non-Executive Chairman, Mr Craig Munro (10 million), Managing Director, Mr Hamish Bohannan (25 million) and Non-Executive Director, Mr Andrew Wilson (10 million).

As announced on the ASX on 2 August 2016, subject to shareholders approval, the Board has agreed to grant the performance rights to directors, employees and contractors based on the satisfaction of key performance criteria.

The performance rights are to be issued for the purpose of aligning the interests of the Board with the Company and to secure ongoing commitment of them to the growth of the Company.

##### *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:

- the giving of the financial benefit falls within one of the exceptions to the provision; or
- 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.

Craig Munro, Hamish Bohannan and Andrew Wilson are Directors, and therefore related parties of the Company, and the issue of the securities to them or their nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

##### *Listing Rule 10.14*

Listing Rule 10.14 provides that a listed company must not issue securities under an employee incentive scheme to a director of the company without Shareholder approval.

Shareholder approval is therefore being sought pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.14. If Shareholder approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights will be issued subject to the Company's Long Term Incentive Plan. Refer to Annexure A for the summary of the Plan Rules.



Resolutions 4, 5 and 6 seek shareholder approval to issue the performance rights to Mr Craig Munro, Mr Hamish Bohannan and Mr Andrew Wilson based on the satisfaction of key performance criteria as outlined below:

| <b>Vesting Conditions</b>   | <b>C Munro</b>    | <b>H Bohannan</b> | <b>A Wilson</b>   |
|---|-------------------|-------------------|-------------------|
| Completion of financing for 1 <sup>st</sup> and 2 <sup>nd</sup> smelter             | 2,000,000         | 5,000,000         | 2,000,000         |
| Completion of 1 <sup>st</sup> smelter construction                                  | 2,000,000         | 5,000,000         | 2,000,000         |
| Completion of MoU with manganese suppliers  | 2,000,000         | 5,000,000         | 2,000,000         |
| Completion of 60% offtake agreement for 1 <sup>st</sup> and 2 <sup>nd</sup> smelter | 2,000,000         | 5,000,000         | 2,000,000         |
| Successful commissioning of the 1 <sup>st</sup> smelter                             | 2,000,000         | 5,000,000         | 2,000,000         |
| <b>TOTAL</b>  | <b>10,000,000</b> | <b>25,000,000</b> | <b>10,000,000</b> |

#### **Information required by the Corporations Act**

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related parties to whom Resolutions 4, 5 and 6 would permit the benefit to be given:  
 Craig Munro, a Non-Executive Chairman  
 Hamish Bohannan, a Managing Director  
 Andrew Wilson, a Non-Executive Director
- (b) The nature of the financial benefit:  
 The proposed financial benefits to be given are the issue of the issue of Performance Rights to Non-Executive Chairman, Mr Craig Munro (10 million), Managing Director, Mr Hamish Bohannan (25 million) and Non-Executive Director, Mr Andrew Wilson (10 million) on the terms of which are set out in this Explanatory Memorandum.
- (c) Reasons for giving the benefit  
 The Board independent of Mr Munro have determined that the issue of 10 million Performance Rights to Mr Munro recognises the skills and value that Mr Munro will bring to the Company based on his past and current experience.  
 The Board independent of Mr Bohannan have determined that the issue of 25 million Performance Rights to Mr Bohannan recognises the skills and value that Mr Bohannan will bring to the Company based on his past and current experience.  
 The Board independent of Mr Wilson have determined that the issue of 10 million Performance Rights to Mr Wilson recognises the skills and value that Mr Wilson will bring to the Company based on his past and current experience.

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(c) Related parties' existing relevant interest

| <b>Directors</b> | <b>Shares</b> | <b>Options over ordinary shares</b> |
|------------------|---------------|-------------------------------------|
| Craig Munro      | -             | 10,000,000                          |
| Hamish Bohannan  | 65,000,000    | 62,500,000                          |
| Andrew Wilson    | 7,000,000     | 10,000,000                          |

(d) Total cash remuneration package per annum

| <b>Directors</b> | <b>Financial Year 2016</b> | <b>Financial Year 2017</b> |
|------------------|----------------------------|----------------------------|
| Craig Munro      | \$34,667                   | \$100,000                  |
| Hamish Bohannan  | \$192,307                  | \$250,000                  |
| Andrew Wilson    | \$20,000                   | \$60,000                   |

(e) Dilution

The Company's issued share capital will not change as a result of the issue of Performance Rights to Mr Craig Munro (10 million), Mr Hamish Bohannan (25 million) and Mr Andrew Wilson (10 million). However should all of the Performance Rights vest, a total of 45 million shares will be issued which represents 3.46% of current total shares on issued (1,296,988,217).

(f) Valuation of the financial benefit to be given

The valuation of the performance has been calculated based on time of the preparation of this Notice of AGM.

| <b>Directors</b> | <b>Performance Rights</b> | <b>Value of the Performance Rights</b> |
|------------------|---------------------------|--|
| Craig Munro      | 10,000,000                | \$240,000                              |
| Hamish Bohannan  | 25,000,000                | \$600,000                              |
| Andrew Wilson    | 10,000,000                | \$240,000                              |

(g) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

**Information required by the Listing Rules**

In compliance with the information requirements of ASX Listing Rule 10.15, Shareholders are advised of the following information:

(a) Nature of relationship between allottee and the Company

The Performance Rights are proposed to be issued to Messrs Craig Munro, Hamish

Bohannon and Andrew Wilson. Messrs Munro, Bohannon and Wilson are Directors of the Company and, as such, is a related party of the Company.

(b) Details of the maximum number of securities that may be issued

The maximum number of securities that may be acquired by Mr Munro under Resolution 4 is 10 million. A further 25 million securities may be acquired by Mr Bohannon under Resolution 5 and 10 million securities may be acquired by Mr Wilson under Resolution 6.

(c) Issue price

The issue of the 45 million Performance Rights under Resolutions 4, 5 and 6 will be issued for nil cash consideration.

(d) Previous issues under the Plan

At the date of this Notice of Meeting no Performance Rights have been granted to Messrs Munro, Bohannon and Wilson or any other Eligible Persons.

(e) Eligible participants under the Plan

Persons eligible to participate in the Plan are full time or part-time employees or executive or non-executive directors and consultants of the Company or a Related Body Corporate of the Company, being Messrs Munro, Bohannon and Wilson.

(f) Voting exclusion statement

A voting exclusion statement for Resolutions 4, 5 and 6 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) Terms of any loan

The Company will not be providing a loan in connection with Messrs Munro, Bohannon and Wilson's acquisition of Performance Rights under the Plan.

(h) Expiry

The Performance Rights will expire 3 years from the date of issue.

(i) Issue date

The Company will issue the Performance Rights under Resolutions 4, 5 and 6 on a date no later than 12 months after the date of this Annual General Meeting.

(j) Valuation of the Performance Rights

The valuation of the performance has been calculated based on time of the preparation of this Notice of AGM.

| <b>Directors</b> | <b>Performance Rights</b> | <b>Value of the Performance Rights</b> |
|------------------|---------------------------|--|
| Craig Munro      | 10,000,000                | \$180,000                              |
| Hamish Bohannon  | 25,000,000                | \$450,000                              |
| Andrew Wilson    | 10,000,000                | \$180,000                              |

Directors' recommendation

The Board of Directors, with Mr Munro abstaining, recommend that Shareholders vote in favour of Resolution 4 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Kupang Smelting Hub Project.

Mr Munro 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.

The Board of Directors, with Mr Bohannon abstaining, recommend that Shareholders vote in favour of Resolution 5 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Kupang Smelting Hub Project.

Mr Bohannon declines to make a recommendation to Shareholders in relation to Resolution 5 as he has a material personal interest in the outcome of Resolution 5.

The Board of Directors, with Mr Wilson abstaining, recommend that Shareholders vote in favour of Resolution 6 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Kupang Smelting Hub Project.

Mr Wilson declines to make a recommendation to Shareholders in relation to Resolution 5 as he has a material personal interest in the outcome of Resolution 6.

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**5. RESOLUTION 7 – CHANGE OF AUDITOR**

In the financial year 2016, the Board undertook a detailed review of the accounting firms with the necessary capabilities to conduct the Company's audit, given the long tenure of its current auditor. As a result of that review the Board considers it timely to recommend the appointment of Bentleys Audit & Corporate (WA) Pty Ltd as auditor of the Company. Under the Corporations Act, members must approve the appointment of a new auditor.

Greenwich & Co Audit Pty Ltd has notified the Company that it has applied to ASIC to resign as auditor. ASIC must consent to the resignation for it to be effective which would occur from the later of the conclusion of the 2016 Annual General Meeting and the day on which ASIC gives its consent. Bentleys Audit & Corporate (WA) Pty Ltd has provided its written consent to this appointment, subject to ASIC consenting to the resignation of Greenwich & Co as auditor of the Company and the approval by members.

Ms Emilia Walker, being a member of the Company, has nominated that Bentleys Audit & Corporate (WA) Pty Ltd be appointed as auditor, assuming that ASIC consents to the resignation of Greenwich & Co as auditor. In accordance with section 328B(3) of the Corporations Act, a copy of the notice of nomination is included at the end of these Explanatory Notes.

**Board Recommendation**

The Board unanimously recommends passing the resolution should ASIC consent to the resignation of Greenwich & Co.

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## GLOSARY

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\$ means Australian dollars.

**Associated Company** means a body corporate which:

- (a) is related (within the meaning of that expression in the Corporations Act) to the Company and which the Board determines shall participate in the Share Trust or Option Trust (as the case may be); or
- (b) the Board determines shall participate in the Share Trust or Option Trust (as the case may be) and in which the Company and/or subsidiary (within the meaning of that expression in the Corporations Act) of the Company.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**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.

**Closely Related Party of a member of the Key Management Personnel** means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**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.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

**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.

**Subscriber** means a group of funds managed by Advance Capital Partners Asset Management Private Limited.

**VWAP** means Volume Weighted Average Price.

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

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## ANNEXURE A - TERMS AND CONDITIONS OF THE GULF MANGANESE CORPORATION LIMITED LONG TERM INCENTIVE PLAN

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The following is a summary of the key terms and conditions of the Plan.

- (a) Eligible Participants of the Plan include any full or part time employee or Director or contractor (and to the extent permitted by ASIC, a casual employee or contractor) of the Company who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.
- (b) A Performance right to acquire a Share whether by purchase or subscription, subject to satisfaction of achievement of criteria and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company and an Eligible Participant in the manner set out in the Plan rules.
- (c) Performance Rights granted under the Plan will not vest until the Vesting Conditions imposed by the Board are satisfied. Subject to paragraph (e), if the Vesting Conditions are not satisfied, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- (d) Vesting Condition means one or more conditions which must be satisfied or circumstances which must exist before the relevant Performance Rights issued under this Plan may be exercised, as determined by the Board and which may include a requirement in relation to a Minimum Term of Employment.
- (e) A Vesting Condition may, subject to Corporations Act, Listing Rules and any other applicable laws and regulations, be waived by the Board as determined by the Board from time to time.
- (f) Unless the Board determines otherwise, participants will not be liable to make payment for Performance Rights granted to them.
- (g) Performance Right are transferable only with consent of the Board.
- (h) The exercise of any vested Performance Rights will be effected in the form and the manner determined by the Board, and , if an amount is payable on vesting of the Performance Right, will be accompanied by payment of that amount, unless the manner of payment of that amount is otherwise provided for by the Board.
- (i) Subject to paragraph (j), an unexercised Performance Right will lapse upon the earlier to occur of:
- (i) Failure to satisfy the applicable vesting conditions;
  - (ii) the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
  - (iii) the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
  - (iv) in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary; or
  - (v) the Expiry date.
- (a) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest despite the occurrence of an event stipulated in paragraph (i) above.
- (k) The Company must issue to or procure the transfer to the Eligible Participant the number of Shares in respect of which vested Performance Rights are exercised, within 10 business days after a Performance Right is exercised.

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- (l) All Shares allotted under the Plan rank equally with other Shares on issue at the time those Shares are provided and carry the same rights and entitlement as those conferred by other Shares.
  - (m) Shares issued on exercise of Performance Rights may be subject to restrictions on transfer, unless the participant requests that the Company waives those restrictions and that request is approved by the Company.
  - (n) Subject to the terms and conditions of a grant of a Performance Right, the Board may in its absolute discretion determine that all or a portion of the unvested Performance Rights automatically vest and automatically exercise on the occurrence of:
    - (i) a Takeover Bid is made to acquire all Securities;
    - (ii) a Court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or Trust or their amalgamation with any other entity or entities);
    - (iii) a selective capital reduction is announced in respect of the Company which would result in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or
    - (iv) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
  - (o) The Board may also, in its absolute discretion, permit the exercise of Performance Rights (irrespective of whether the relevant Vesting Conditions have been met) during such period as the Board determines where:
    - (i) the Company passes a resolution for voluntary winding up; or
    - (ii) an order is made for the compulsory winding up of the Company.
  - (p) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
  - (q) Subject to the Board determining otherwise, a Performance Rights Holder does not have the right to participate in a pro rata issue of Securities made by the Company or sell renounceable rights save that, if the Performance Rights have been exercised then the holder of the Securities will participate along with other members.
  - (r) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued Securities of the Company, the number of Performance Rights to which each Performance Rights Holder is entitled or the Exercise Price of the Performance Rights, or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
  - (s) Subject to paragraphs (p) to (r), during the currency of any Performance Rights and prior to their exercise, Performance Rights Holders are not entitled to participate in any new issue of Securities of the Company as a result of their holding Performance Rights.
  - (t) The Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Performance Rights granted under the Plan.
  - (u) Without the consent of the participant, no amendment may be made to the terms of any granted Performance Rights which reduces the rights of the participant in respect of that Performance Right, other than an amendment:



- (i) For the purpose of complying with or confirming to present or future State of Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) To correct any manifest error or mistake; or
  - (iii) To take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and / or change in the interpretation of tax legislation by a court or competent jurisdiction.
- (v) The Performance Rights do not give any entitlement to vote a meeting of Shareholders.

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**ANNEXURE B – NOMINATION OF AUDITOR LETTER**

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The Secretary  
Gulf Manganese Corporation Limited  
78 Mill Point Road,  
South Perth WA 6151

13 October 2016

Dear Sir,

**Subject: Nomination of Auditor**

In accordance with the provisions of section 328B of the Corporations Act 2001, I, Emilia Walker, being a member of Gulf Manganese Corporation Limited, hereby nominate Bentleys Audit & Corporate (WA) Pty Ltd for appointment as auditor of that company.

Yours sincerely,



Emilia Walker

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## PROXY FORM

**GULF MANGANESE CORPORATION LIMITED**  
**ACN 059 954 317**

### ANNUAL 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 Level 3, 88 William Street, Perth 6000, Western Australia, on 21 November 2016 at 11.00 am (WST), and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### 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 | Adoption of Remuneration Report               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Election of Director – Craig Munro            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Election of Director – Andrew Wilson          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of Performance Rights – Craig Munro     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Performance Rights – Hamish Bohannan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Issue of Performance Rights – Andrew Wilson   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Change of Auditor                             | <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

## 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:
  - (a) post to, GPO Box 2570, Perth, WA 6001; or
  - (b) facsimile to the Company on facsimile number +61 8 9463 2499,
  - (c) by email to Donna Whittaker on [donnaw@gulfmanganese.com](mailto:donnaw@gulfmanganese.com),so that it is received not less than 48 hours prior to commencement of the Meeting (i.e. 11.00 am (WST) on 19 November 2016).

**Proxy Forms received later than this time will be invalid.**