ANNUAL REPORT 2019

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Gulf
MANGANESE

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Corporate Directory

DIRECTORS

Craig Munro (Non-executive Chairman)
Hamish Bohannan (Managing Director and CEO)
Andrew Wilson (Non-executive Director)
Tan Hwa Poh (Non-executive Director)

REGISTERED AND PRINCIPAL OFFICE

T4/152 Great Eastern Highway
ASCOT WA 6104
Telephone: (08) 9367 9228
Facsimile: (08) 9367 9229
Website: www.gulfmanganese.com

SHARE REGISTRY

Automic Registry Services Pty Ltd
Level 2/267 St George's Terrace
Perth WA 6000
Telephone: (08) 9324 2099
Facsimile: (08) 9321 2337

AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd
London House Level 3
216 St George's Terrace
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Gulf Manganese Corporation Limited shares (GMC) are listed on the Australian Securities Exchange.

PT GULF MANGAN GRUP

Board of Directors
Steven Pragnell - President Director
Johanes Susilo - Vice President Director
John Pilotti - Director
Peter Allen - Director
Yusdi Sangadji - Director
Robert Ierace - Director

Board of Commissioners

Raden Fofo Sariaatmadja - President Commissioner
Chairoel Jul Naro - Commissioner
Craig Munro - Commissioner
Andrew Wilson - Commissioner
Hamish Bohannan - Commissioner

Registered Office

Graha Pena Building, 5th Floor
Jl. Piet A Tallo No. 1
Kelurahan Liliba, Kecamatan Oebobo
Kupang 85111
East Nusa Tenggara

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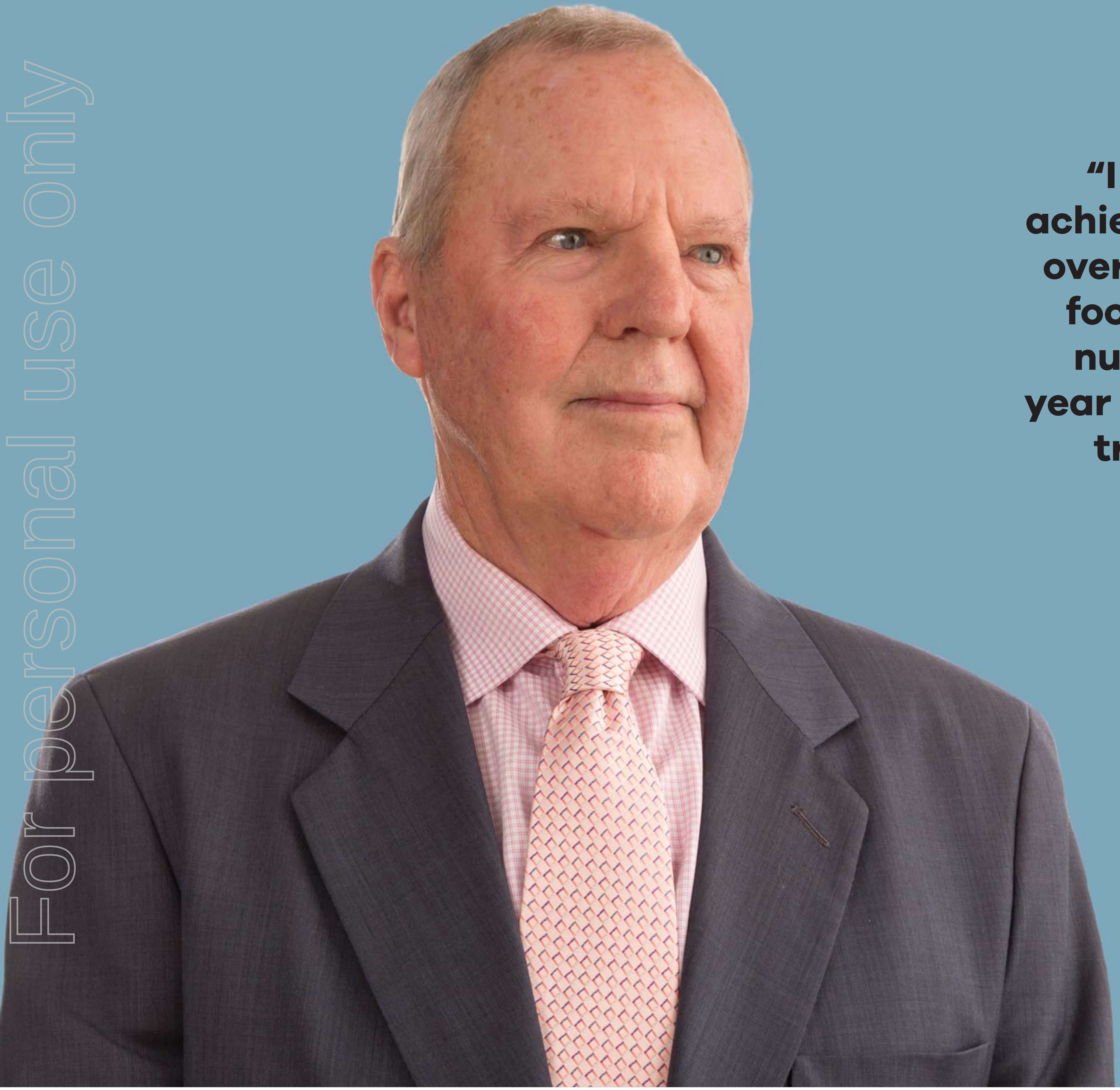

“I am pleased with the outcomes achieved by the Board and our staff over the course of the year and our focus is now firmly on executing a number of crucial milestones this year that have the ability to quickly transform Gulf into a significant producer of premium quality manganese alloy.“

Craig Munro
(Non-executive Chairman)

Gulf Manganese Corporation Limited (ACN: 059 954 317)
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"Our vision and commitment to establish a world-class manganese smelting operation in Kupang is as resolute as ever and I would like to thank our entire team for their determination and hard work over the past 12 months. Gulf has an incredible opportunity to unlock considerable value over the next 12 months and I look forward to rewarding the support and loyalty of our shareholders."

Hamish Bohannan
(Managing Director and CEO)

Gulf Manganese Corporation Limited (ACN: 059 954 317)
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"We have in place a very clear and achievable roadmap to becoming a near-term manganese alloy producer with direct exposure to Indonesia's premium high-grade ore and we are very well positioned to deliver on its operational objectives this year."

Andrew Wilson
(Non-executive Director)

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"Gulf's ongoing commitment to working closely with the people of East Nusa Tenggara has fostered a number of important and long-lasting relationships and the Board looks forward to sharing future successes with the local communities."

Tan Hwa Poh
(Non-executive Director)

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FY 2019 Managing Director's Report

Dear Valued Shareholders,

It is my pleasure to be providing you with Gulf's Annual Report for the 2019 financial year. In the summary below I will revisit a number of the outcomes delivered and challenges faced by the Company during the year in focus and finish with a look to our strategies and visions for the current year.

The year in review - a challenging, yet progressive 12 months

The 2019 financial year presented several challenges from both a corporate and local regulatory perspective, and although frustrating at times, the experience of our Board and management ensured we were able to successfully navigate our way through these issues and emerge with a renewed sense of clarity and determination.

As reflected by our reporting on the ASX platform, our resources were deployed during the year towards achieving three vitally important outcomes – underpinning of the financial position of the Company for future growth, securing our Manganese Concentrate Direct Shipped Ore (DSO) licence and building our supply chain of high-grade manganese ore – and I am pleased to report that considerable progress has been achieved across all fronts.

Committed to ensuring long-term funding stability

At the time of writing this report, we are well advanced towards securing an important debt financing agreement that would provide the funding capacity to complete construction of our first two smelters in Kupang and commence commercial production of manganese alloy.

A look at the NTT mining review and a focus on diversifying ore supply

One of the key challenges faced during the year was the 12-month moratorium called on all mining activities in the NTT province following the inauguration in September 2018of Bapak Viktor Bungtilu Laiskodat as the new Governor of NTT. The primary focus of the moratorium, which ends on 13 November 2019, is to allow a regulatory review to be completed into mining practices in the region, hopefully putting an end to previous illegal mining practices.

Importantly, Gulf is permitted to purchase manganese ore from approved local suppliers, so our focus has been on diversifying and mitigating future risk within our ore supply chain. I am pleased to confirm that all local mining groups that we have entered into an ore supply Memorandum of Understanding (MoU) with have obtained the mandatory Clean and Clear Certification to operate in NTT.

A strong indication of the local support and willingness to supply high-grade ore to Gulf is that some 22 local miners responded to the granting of our DSO export licence by submitting their Annual Work Plan & Budget ("RKAB") applications to the Ministry of Energy and Mineral Resources ("ESDM") to recommence mining operations. We are now working closely with the 17 groups that received their approvals to secure additional high-quality ore supply sources.

A strategic move made during the year to further de-risk our ore supply pipeline was the acquisition of the Putra Indonesia Jaya ("PIJ") high-grade manganese mine in Timor by our Indonesian partners. The underlying value and near-term impact that PIJ can add to the business is significant and over the course of the year our in-country team has been working hard to procure initial ore supply from the mine which will allow commencement of our commercial DSO operations.

At the time of writing on-ground activities at PIJ were well advanced with the first parcel of ore scheduled for delivery to Gulf during the month of October. Several additional high-grade manganese mines and stockpiles are also currently being assessed in West Timor and surrounding regions including Sumbawa and Sulawesi, so we expect to see a steady stream of activity reported in respect to ore supply as we approach the end of the calendar year.

Gulf Manganese JBoard – L-R Andrew Wilson, Tan Hwa Poh, Craig Munro, Hamish Bohannan and Ian Gregory (Company Secretary)

DSO strategy nearing fruition

One of the critical outcomes reported during the year was the receipt of our DSO licence from Indonesia's Ministry of Trade in May 2019, which gave the green light to commence exporting of up to 103,162 tonnes per year of high-grade (+49%) manganese ore.

Although we have encountered some delays start to the commercial start-up of our DSO shipments, the magnitude of this opportunity and the value it will deliver to Gulf for the next there years should not be underestimated.

As touched on above, a degree of uncertainty in the local regulatory environment has meant it has taken longer to secure a dependable, high-grade supplier of ore, however with supply from the PIJ mine and approved regional miners expected to come online in the near-term we are now finally poised to commence DSO shipments.

Broadening our horizons – the Timor-Leste opportunity

In line with our strategy to de-risk and diversify, the decision was made to acquire a 20% interest in Melbourne-based, Timor-Leste focused manganese explorer Iron Fortune Pty Ltd ("Iron Fortune").

Iron Fortune has already competed a volume of high-quality geological work and established strong relationships with the Government and local stakeholders. Importantly, the operational objectives of the two businesses are well aligned and the ability for Gulf to secure a first mover advantage in this untapped exploration jurisdiction is compelling.

We are now working closely with Iron Fortune to develop a clear work plan and I look forward to reporting further Timor-Leste related developments in due course.

Future Outlook

I am proud of the efforts of our team over the course of the year, highlighted by their willingness to accept a challenge, implement a solution and forge ahead with a steely resolve. Looking ahead, Gulf remains as committed as ever to establishing a world-class manganese smelting operation in Kupang for our supportive shareholders and the people of East Nusa Tenggara ("NTT").

With construction work on the Kupang Smelting Hub Facility standing at approximately 60% complete, the finish line is now in sight and several critical pieces that will allow us to finish the build are either in place or in the final stages of being secured.

The next 12 months will see a great deal of value created for our shareholders as we aim to establish Gulf as a globally significant producer and exporter of premium ferro manganese alloy.

I would also like to take this opportunity to sincerely thank our loyal shareholders and supporters for their commitment over the past 12 months and I look forward to repaying your loyalty by delivering on our operational and corporate objectives over the next 12 months.

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Review of Operations

Gulf Manganese Corporation Limited (ASX:GMC) ("Gulf" or "the Company") is developing a premium refined ferromanganese smelting hub in West Timor, Indonesia to produce and sell medium and low carbon ferromanganese alloy.

Gulf's Kupang Smelting Hub facility will contain multiple furnaces built in stages over about five years, targeting the production of a premium quality manganese alloy. At full production, Gulf will aim to produce over 200,000 tonnes per year of manganese alloy.

GULF DELIVERS MAJOR MILESTONE WITH SECURING OF DSO LICENCE

On 15 May 2019, Gulf's Indonesian subsidiary PT Gulf Mangan Grup ("GMG") formally received its manganese concentrate export licence, also known as a Direct Shipped Ore (DSO) Licence from Indonesia's Ministry of Trade which allows GMG to export up to 103,162 tonnes of high-grade manganese ore per year.

GMG's manganese concentrate export licence is reviewed annually in line with its Annual Work Plan & Budget ("RKAB") as submitted to the Ministry of Energy and Mineral Resources ("ESDM"). The licence allows Gulf to export screened and washed ore that must average over 49% Manganese. Manganese ore is priced on a dry metric tonne unit ("dmtu") basis.

As of September 2019, final preparations were being undertaken to commence initial ore supply, with first ore expected to be loaded in containers and transported to Tenau Port in Kupang for processing before the end of CY2019. GMG expects monthly exports to commence at 1,000 tonnes per month and ramp up to 10,000 tonnes per month within six months.

SMELTER ORE SUPPLY CHANNELS STRENGTHENED

The Company has developed a multi-pronged approach in regard to its ore procurement strategy, designed to mitigate supply continuity and quality risks, being

- Acquisition of mines, in conjunction with Gulf in-country partners,
- Regional ore supply agreements, with mines located within East Nusa Tenggara ("NTT"), and
- Ore supply agreements with mines located in other provinces.

Importantly, Gulf can advise that all ore supply partnerships are compliant with the Company's 'Clean and Clear' strategy, which ensures that Gulf partners only with local mining groups who have obtained the mandatory Clean and Clear Certification in accordance with Indonesian Government requirements.

Regional (NTT) Ore Supply Agreements Signed

A key in-country focus for Gulf has been on establishing ore supply agreements with local miners of high-grade manganese ore to support the near-term commercial production start-up at the Kupang Smelting Hub Facility.

With regard to sourcing additional ore, some 22 mines have responded to the granting of our DSO export licence by completing their RKAB applications to the ESDM to recommence mining operations.

These mines were forced to close down under Indonesian government's beneficiation policy in 2013, which banned the export of untreated ores. Gulf expects to see the productivity of these mines build incrementally over the coming months as production is gradually ramped-up, along with the utilisation of key logistic and warehousing infrastructure.

Of these 22 applications, 13 have been approved by ESDM with a further nine in process. Approved RKAB applications are now waiting for final approval from the Provincial Government.

Acquisition of High-grade Manganese Mines

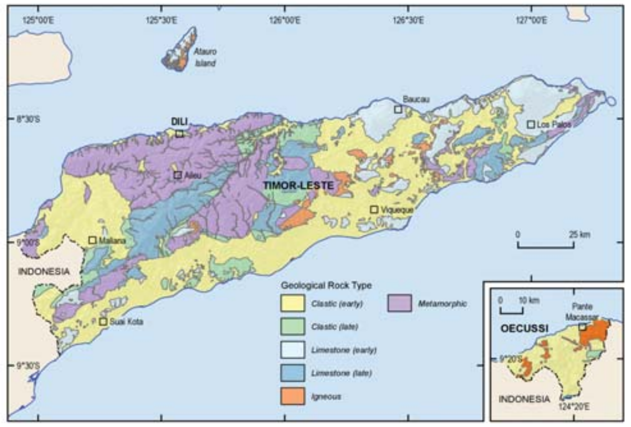
In line with the Company's broader project acquisition strategy, subsequent to the reporting period Gulf successfully vended the Putra Indonesia Jaya ("PIJ") high-grade manganese mine in Timor to its key Indonesian partners. Importantly, the ore produced will be supplied to Gulf's DSO operations and its smelting operations in Kupang. It is expected that ore supply from PIJ will commence in the last quarter of CY2019.

As part of this process led by Steven Pragnell, President Director of Gulf's Indonesian subsidiary GMG, several other high-grade manganese mines were assessed in West Timor and surrounding regions with due diligence well advanced on several opportunities.

Iron Fortune represents a fantastic opportunity to not only diversify our supply chain to include sources from neighbouring regions outside of Indonesia, but also to establish a first-mover advantage in what is considered an untapped exploration jurisdiction for high-grade manganese ore deposits.

Iron Fortune and Gulf Manganese Joint Venture Team – L-R Ian Sinclair, Tan Hwa Poh, Mary Thompson, Craig Munro, Andrew Wilson, Hamish Bohannan

Field Work in Timor-Leste



Geology of Timor-Leste

Strategic Partnership to De-risk and Solidify Manganese Ore Supply

In August 2019, Gulf entered into an agreement to acquire a strategic 20% interest in Iron Fortune Pty Ltd ("Iron Fortune"), a private Australian-based minerals and exploration company focused on Timor-Leste. Upon completion of the due diligence process, Gulf will pay a further A$200.000 and issue A$100,000 worth of shares to secure a 20% interest in Iron Fortune.

Under the terms of the agreement, Gulf will pay an initial A$100,000 for exclusivity whilst due diligence is completed and has agreed to work together with Iron Fortune to develop a work plan and strategic direction.

We are now working very closely with Iron Fortune to expedite a number of opportunities that have the potential to unlock considerable value in the near-term.

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Construction Progress Review

- The financial year began with the arrival of the first two smelters on site at Kupang in July 2018, which was marked with a celebratory ceremony and blessing attended by representatives of Gulf's key investment partners and Government and community representatives.
- Shortly after the arrival of all key smelting components, the installation of equipment commenced onsite along with the establishment of construction infrastructure including site office, workshop and tool store.
- Scope of work for ancillary facilities including the laboratory, hazardous waste management, Health, Safety, Environmental and Security Centre as well as various employee amenity buildings were also finalised.

Figure 1: Kupang Smelter Hub Construction Site

KUPANG OPERATIONS PERMIT GRANTED

In August 2018, Gulf's Indonesian subsidiary GMG received its Operations Permit for the Kupang Smelting Hub Facility. The Operations Permit is valid for 30 years for the buying, selling and transporting of manganese ore within Indonesia for smelting, and to conduct overseas sales of ferromanganese alloy in accordance with the provisions of the laws and regulations in Indonesia.

KUPANG SMELTING HUB FACILITY - FOUNDATIONS SET FOR COMPLETION

During the year in focus, the Company made the decision to scale back construction activities while extra emphasis was placed on securing the requisite funding to finish construction. In addition, the Company has also ramped up its efforts to lock away diversified supply channels of high-grade ore to underpin future production.

Considerable efforts were made during the early stages of the financial year to advance construction of the Kupang Smelting Hub, with the first two smelters at approximately 60% completion as of financial year end.

At the time of writing, positive discussions are continuing with several potential offtake partners and debt providers to secure the requisite capital to fully fund the completion of the Kupang Smelting Hub Facility construction program.

It is anticipated that construction activity will recommence in the 2019 calendar year, with commissioning of the first two smelters remaining on target for H1 CY2020.

MANGANESE APPLICATIONS AND MARKET OVERVIEW

Manganese is the fourth-most used metal in terms of tonnage. Approximately 90% of all manganese consumed is used in the production of steel, primarily due to its properties as a deoxidizing and alloying element. Other uses include batteries, aluminium beverage cans, fertilisers, health vitamins, water purification, gasoline additives and colouring glass.

Mined as an oxide ore, manganese is converted to ferromanganese, which contains 74-82% manganese, and can be classified into three main subgroups; high carbon (>2% carbon), medium carbon (1.0-2.0% carbon) and low carbon (<1% carbon).

The higher manganese content and lower impurity

Figure 2: Smelters and Construction Site – Kupang Smelting Hub at Bolok Industrial Estate

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content of low carbon and medium carbon ferromanganese achieves premium pricing over standard high carbon ferromanganese alloys. Demand for manganese globally has grown substantially this century as global steel production increases, and in the long term the ferromanganese price has continued to trend upward.

MANGANESE IN INDONESIA

Indonesian manganese ore is one of the highest grade manganese ores available in the world, with a unique combination of very high manganese content, above 49%, combined with low iron and phosphorous. These qualities are in high demand from manganese alloy producers worldwide particularly in China, Korea and India.

Indonesian legislation, however, does not allow for the export of 'untreated' ore. As a result of the regulations under the Indonesian Mining Law of 2009, that were implemented in 2013 and 2014, the mining and export of manganese deposits in Indonesia largely ceased at that time.

It is Gulf's intention to enable many of Indonesia's high-grade manganese mines to restart production through the development of the Kupang Smelting Hub Facility, which once in production will produce high purity, low and medium carbon ferromanganese alloys to fulfil international demand from high-grade and specialty steel producers.

The Kupang Facility is ideally located to supply key global markets with direct access to international container lines and bulk cargo trade routes on its doorstep.

In May 2019 GMG received its manganese concentrate export licence or DSO, allowing the export sale and shipment of >49% manganese under the provisions in Indonesian regulations allowing for smelting and processing companies to sell manganese concentrate during the construction phase while building the smelters.

The Company is currently assessing a number of mines in West Timor and surrounding regions including Sumbawa and Sulawesi. As part of this due diligence process, Gulf is ensuring that the concentrate quality meets its DSO export permit requirements with grades greater than 49% manganese content and that the mines have Clean and Clear certification in accordance with Indonesian Government requirements.

MANGANESE PRICES

Manganese ore prices remained strong over the 2019 financial year with Fast Markets 44% manganese ore price index staying above US$6.00 per dmtu up until June 2019 when it fell just below to US$5.90 per dmtu. Ore pricing has continued to come under since the end of the financial year with prices stabilising at $5.40 per dmtu CIF China in September.

Medium and low carbon prices also remained stable at strong levels throughout the period, with market in the USA and Europe being the largest markets for refined alloys.

The below graph shows the value proposition of the project and value differential between selling manganese ore and the refined alloys of low carbon and medium carbon ferromanganese alloys.

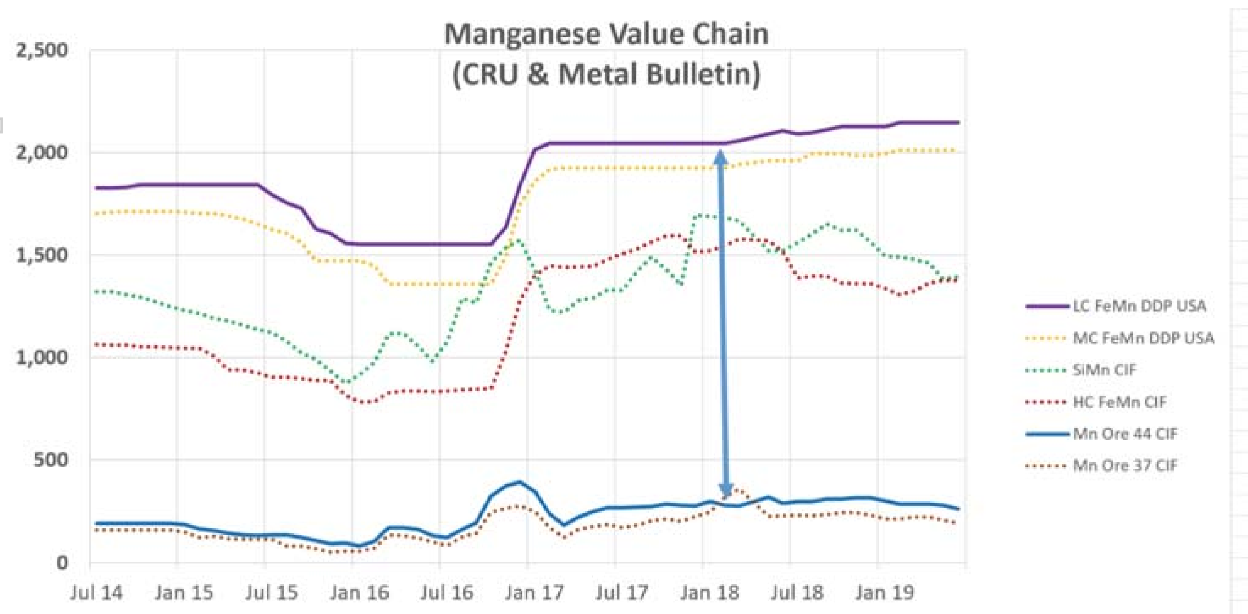

Figure 3: Low Carbon FeMn Project Value Proposition

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CORPORATE ACTIVITY

Acuity Capital share placements

In August 2018 Gulf placed 100,000,000 shares at an issue price of 1.26c to Acuity Capital for a total raise of $1,260,000.

On 13 March 2019, Gulf placed 62,500,000 GMC shares at an issue price of 0.8c to Acuity Capital for a total raise of $500,000.

As part of the A$3.6 million Placement in May 2019, Gulf placed 45,000,000 shares at 0.7c per share to Acuity Capital for a total raise of A$315,000.

The above placements were made in accordance with the Controlled Placement Agreement ("CPA") with Acuity Capital announced on 31 January 2018, with the funds deployed towards general purposes and working capital.

A$2.3 million raised through conversion of 0.5c Listed Options

On 30 April 2019, the Company advised that strong shareholder support resulted in 463,364,804 GMCO unlisted options (representing ~25% of total listed options on issue) being exercised, raising in excess of A$2.3 million. The GMCO listed 0.5c options expired on 21 April 2019.

Placement raised A$3.6 million to advance Kupang Smelting Hub

In May 2019, the Company raised A$3.0 million (before costs) via the issue of 540,000,000 shares at $0.005 per share and 45,000,000 shares at $0.007 per share to sophisticated investors and Acuity Capital.

Funds received from the Placement were deployed towards the start-up of Direct Shipping Ore operations, advancing the development of the Kupang Smelting Hub Facility and for general working capital purposes.

PT Jayatama Tekno Sejahtera and Singco Cornerstone Investments

As originally advised on 12 March 2018, the Company entered into a series of transactions with Indonesian based cornerstone investor PT Jayatama Tekno Sejahtera ("JTS") and its subsidiary, PT Jayatama Global Investindo ("JGI"), and its related entities to fund up to approximately A$15 million for the construction and commissioning of the first two smelters at the Kupang Smelting Facility in West Timor, Indonesia.

On 2 January 2019, Gulf reached an agreement to restructure the JTS debt facility and respective investments in Gulf and GMG. JGI agreed to restructure its existing A$6 million Convertible Note with GMG. The Convertible Note converted into 25.1% of the issued share capital of GMG and ~A$5 million loan which will be repayable from the profits from commercial production of the Kupang Smelting Hub Facility.

Following the conversion of the Convertible Note, Gulf holds a 74.9% interest in GMG. As part of the restructure, JGI will also receive a 2.5% net royalty on alloy sales from GMG's first two smelters. Final conversion of the JGI Convertible Note and subsequent issue of shares in GMG to JGI is subject to approval from the Indonesian Ministry of Energy and Mineral Resources.

In addition to restructuring the existing funding agreement, JGI agreed to invest a further A$6 million into Gulf at 1.5 cents per share, each with a free attaching 0.5 cent listed option on a one for one basis, expiring 21 April 2019. In addition, Gulf signed a subscription agreement with a Singapore based ore and alloy company ("Singco") for an additional A$2 million investment into Gulf at 1.5 cents with a free attaching 0.5 cent listed option on a one for one basis, expiring 21 April 2019

The investments were undertaken in two tranches with the second tranche requiring Shareholder Approval, which was received at a general meeting on 28 February 2019. The first tranche of the new JGI and Singco investments was received on 15 January, with A$3.6 million received by the Company. The funds received from the investors fully repaid A$2.5 million owed under the JTS standby facility with remaining funds used towards construction of the Kupang smelter.

As part of the first tranche completion, Eighteen Blue Investments Pty Ltd ("EBI") converted its existing A$2 million of convertible notes into 133,333,333 shares in Gulf at a conversion price of 1.5 cents per share.

At the Company's General Meeting on 28 February, the relevant Resolutions pertaining to the Second Tranche of A$4.4m of the additional investments totalling A$8m were approved. The cut-off date for Tranche 2 ("T2") of subscription agreements between JGI and Singco was 30 April 2019 and that date passed without all of the conditions in the subscription agreements being satisfied or waived, so T2 Completion did not occur, and Gulf terminated the agreements.

Cornerstone Investment Overview

On 28 August 2018, the Company signed a term sheet for a cornerstone investment into the Company of ~A$10.8 million from Jakarta based businessman, Bapak Dato Dr Low Tuck Kwong, founder and

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President Director of integrated coal group PT Bayan Resources TBK. In October 2018, Dr Low advised he would not proceed with the proposed cornerstone investment as a result of the moratorium on all mining activities in the NTT province announced by the Provincial Governor.

Non-executive Director Appointment

Following the resignation of Sam Boon Beng Lee (appointed 21 July 2018, resigned effective 20 November 2018), Tan Hwa Poh was appointed as a Non-executive Director of the Company. Tan works as a private business consultant, bridging businesses between Singapore, Indonesia, Thailand and Hong Kong in a variety of industries, including oil and, gas and agriculture.

Company Secretary and Chief Financial Officer Appointments

Due to increasing finance and governance requirements, the decision was made subsequent to the reporting period to separate the finance and secretarial roles to strengthen the Company's professional resource base. As a result, Robert Ierace retired from the position of Company Secretary to focus on his role as Chief Financial Officer of Gulf Manganese Corporation Limited. Ian Gregory was appointed as Company Secretary, having previously acted as Gulf's Company Secretary between 2 July 2018 and 20 November 2018.

Change of Registered Office and Principal Place of Business

In September 2018 the Company's registered office and principal place of business changed to:

T4/152 Great Eastern Highway Ascot WA 6104
Tel: (08) 9367 9228 Fax: (08) 9367 9229

Matters subsequent to the end of the financial year

The following occurred subsequent to the end of the period:

- On 4 July 2019, the Company successfully vended the PIJ high-grade manganese mine in Timor to its key Indonesian partners.
- On 2 August 2019, Gulf entered into an agreement to acquire a strategic 20% interest in Iron Fortune Pty Ltd ("Iron Fortune"), a private Australian-based minerals and exploration company focused on Timor-Leste. The acquisition significantlydiversifi esandde-riskshigh-grade manganese ore supply chain through farm-in exposure to Timor-Leste exploration areas prospective for high-grade manganese.
- Ian Gregory was appointed Company Secretary on 5 August 2019, replacing Robert Ierace who retired from the position to focus on his role as Chief Financial Offi cer.
- Managing Director Hamish Bohannan presented to key stakeholders in Dili, Timor-Leste during September 2019, forming part of Gulf's strategy to establish a firsttomarketexploration opportunity in Timor-Leste.

Tenement Holdings

Lease	Locality	Project	Lease Status	Grant Date	Transfer Date	Area	Managing Company	Registered Holder
EL10335	NT	Wollogorang	Granted	15/08/2002	02/09/2019	215 Blks	Redbank Operations Pty Ltd	Redbank Operations Pty Ltd
EL29898	NT	Debbil Debbil Creek	Granted	15/08/2002	28/09/2018	55 Blks	Laramide Resources Ltd	Laramide Resources Ltd

The transfers out of the above tenements originally held by Gulf Copper Pty Ltd were effected during the 2018/2019 financial year and as such, Gulf Copper no longer holds any tenements.

Directors' Report

The Directors present the following report on the consolidated entity consisting of Gulf Manganese Corporation Limited and the entity it controlled at the end of, or during, the financial year ended 30 June 2019.

The names of each person who has been a Director during the year and continues in office to the date of this report are:

- **Craig Munro** (Non-executive Chairman)
- **Hamish Bohannan** (Managing Director)
- **Andrew Wilson** (Non-executive Director)
- **Tan Hwa Poh** (Non-executive Director) - Appointed 20 November 2018

Names, qualifications, experience and special responsibilities

Craig Munro CPA (Non-executive Chairman)

Craig is a Certified Practicing Accountant with over 40 years' experience in the mining industry. He has been both an executive director and non-executive director of a number of listed companies since 1990.

Craig was recently Chairman of Bathurst Resources Limited, a New Zealand coal mining company, Executive Vice President and CFO at Anvil Mining Limited that had copper operations in the Democratic Republic of Congo and Executive Director Finance at Aquarius Platinum Limited involved in Platinum mining and processing in South Africa.

Other Current ASX Directorships	None
Former ASX Directorships in the Last Three Years	None

Hamish Bohannan MBA (Managing Director)

Hamish holds an Honours Degree in Mining Engineering from the Royal School of Mines UK and an MBA from Deakin University, Victoria. He has extensive corporate and operational experience in public companies within Australia and overseas in the capacity of Managing Director or CEO with ASX, TSX and AIM listed groups.

Other Current ASX Directorships	None
Former ASX Directorships in the Last Three Years	None

Andrew Wilson, B.Com, FAICD, AusIMM
(Non-executive Director)

Andrew has a Bachelor of Commerce (Marketing) and a Masters of Law, with over 30 years of legal experience and 16 years with BHP in various legal, risk and commercial roles. In addition, Andrew has also been a director of various listed companies, including Herald Resources Ltd, Robust Resources Ltd, PT Resource Alam Indonesia TBK, and director or chairman of various not for profit organisations.

From 2000 until 2007, Andrew served as the President Director of BHP Billiton Indonesia, based in Jakarta. Andrew was also a Director of the Indonesian Mining Association and has established strong connections in the region and speaks the local language fluently.

He is a Fellow of the Australian Institute of Company Directors, a member of the Risk Management Institution of Australasia and AusIMM.

Other Current ASX Directorships	None
Former ASX Directorships in the Last Three Years	None

Tan Hwa Poh (Non-executive Director) -
Appointed 20 November 2018

Tan Hwa Poh works as a private business consultant essentially bridging businesses between Singapore, Indonesia, Thailand and Hong Kong. His strengths lie in liaising with the respective country's government departments and embassies, helping to reduce the effect of "red tape" and bringing together the business and government sectors to create efficient and lasting partnerships.

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Other Current ASX Directorships	None
Former ASX Directorships in the Last Three Years	None

Sam Lee (Non-executive Director) – *Appointed 21 July 2018 & resigned 20 November 2018*

Sam has over 25 years of senior management experience in directorship roles throughout Australia and Asia. In his previous role as Director – Ore Supply with PT GMG, Sam played a vital role during the initial phase of the smelter hub construction, with key responsibilities including setting up the geology team and identifying and establishing contracts with manganese miners to supply ore to the Kupang smelting hub.

Other Current ASX Directorships	None
Former ASX Directorships in the Last Three Years	None

Robert Ierace, BCom, CA (Chief Financial Officer) - *Appointed 2 October 2018*

Robert is a Chartered Accountant and Secretary with over 20 years' experience, predominantly with ASX and AIM listed resources, oil and gas exploration and production companies. He has extensive experience in financial and commercial management including experience in corporate governance, debt and capital raising, risk management, treasury management, insurance and corporate acquisitions and divestment.

Robert holds a Bachelor of Commerce degree from Curtin University, a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and a Graduate Certificate of Applied Finance and Investment from the Securities Institute of Australia. Robert has previously served in senior financial roles for various resource and oil and gas companies, including Bullseye Mining Limited, Key Petroleum Limited, Amadeus Energy Limited, Kimberley Diamond Company NL and Rio Tinto Iron Ore.

Robert previously acted as Gulf's Company Secretary between 20 November 2018 and 5 August 2019.

Ian Gregory, BBus, FGIA, FCIS, FFIN, MAICD (Company Secretary) - *Appointed 5 August 2019*

Ian has over 30 years' experience in the provision of company secretarial, governance and business administration services with listed and unlisted companies. Ian holds a Bachelor of Business degree from Curtin University and is a Fellow of the Governance Institute of Australia, the Financial Services Institute of Australia and a Member of the Australian Institute of Company Directors. Ian currently consults on company secretarial and governance matters to a number of listed and unlisted companies and is a past Chairman of the Western Australian Branch Council of Governance Institute of Australia.

Ian previously acted as Gulf's Company Secretary between 2 July 2018 and 20 November 2018.

Leonard Math, BCom, CA (Company Secretary) – *Resigned 4 July 2018*

Leonard is a Chartered Accountant with more than 13 years of resources industry experience. He previously worked as an auditor at Deloitte and is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations.

Directors' interests in shares and options

At the date of this report, the relevant interest of each Director in the shares and options of the Company are:

Director	Shares		Options over ordinary shares		
	Direct	Indirect	Direct	Indirect	Performance Rights
Craig Munro	13,583,333	19,333,333	-	10,000,000	13,666,667
Hamish Bohannan	28,832,016	34,091,667	30,000,000	-	39,583,251
Andrew Wilson	850,000	29,833,333	-	10,000,000	9,700,000
Tan Hwa Poh	152,083,333	-	-	-	-

Principal activity

The principal activity of the Company is developing an ASEAN focused manganese alloying enterprise based in West Timor.

Review of operations and results

Details of the operations of the Company are set out in the Review of Operations on page 16. The Company incurred an after tax operating loss of $10,697,593 (2018: $7,467,562).

Dividends

No dividend has been paid or recommended for the current year.

Significant changes in the state of affairs

During the year, the Company reached an agreement with Indonesian-based cornerstone investor PT Jayatama Tekno Sejahtera ("JTS") and its subsidiary, PT Jayatama Global Investindo ("JGI"), to restructure the JTS debt facility and respective investments in the Company and its Indonesian subsidiary GMG. The JGI A$6 million Convertible Note with GMG was converted into 25.1% of the issued share capital of GMG and an approximately A$5 million loan which will be repayable from the profits from commercial production of the Kupang Smelting Hub Facility. Following the conversion of the Convertible Note, the Company now holds a 74.9% interest in GMG. Details of the Company's non-controlling interest is set out in Note 24.

Other than the above, there have been no significant changes in the state of affairs of the Group to the date of this report.

Likely developments and expected results of operations

Likely developments in the operations of the Company are set out in the Review of Operations on page 16.

Matters subsequent to the end of the financial year

On 2 August 2019, the Company announced it had entered into an agreement to acquire a strategic 20% interest in Iron Fortune Pty Ltd ("Iron Fortune"), a private Australian-based minerals and exploration company focused on Timor-Leste. Under the terms of the agreement, Gulf will pay an initial A$100,000 for exclusivity whilst due diligence is completed and has agreed to work together with Iron Fortune to develop a work plan and strategic direction. Hamish Bohannan will also be appointed to the Board of Iron Fortune in the position of Non-executive Director.

Upon completion of the due diligence process, Gulf will pay a further A$200,000 and issue A$100,000 worth of shares to secure a 20% interest in Iron Fortune. Full terms and conditions are outlined in the ASX announcement lodged on 2 August 2019.

Other than as disclosed above, there are no other significant events that have occurred after the reporting period.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Board Meetings		Audit Committee Meetings
Name of Director	Number eligible to attend	Number attended	Number attended
Craig Munro	6	6	2
Hamish Bohannan	6	6	2
Andrew Wilson	6	6	2
Tan Hwa Poh	2	2	1
Sam Lee	4	3	1

Audit and Risk Committee

The Company has established an Audit and Risk Committee that comprises the whole Board.

Remuneration committee

The Company has established a remuneration committee that comprises the Non-executive Chairman and one Non-executive Director. The Remuneration Committee met twice during the year.

Environmental regulations

The Company's current operations in Indonesia do not include mining and have limited exposure to the environmental regulations. No breaches of any environmental restrictions were recorded during the financial year.

Director's benefits

Since the date of the last Directors' Report, no Director of the Company has received, or become

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entitled to receive, (other than a remuneration benefit included in Note 17 to the financial statements or remuneration report), a benefit because of a contract that involved:

(a) the Director; or

(b) a firm of which the Director is a member; or

(c) an entity in which the Director has a substantial financial interest (during the year ended 30 June 2019, or at any other time) with the Company; or

(d) an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit (if any).

Remuneration report (audited)

The information provided in this remuneration report has been audited as required under Section 308 (3C) of the Corporations Act 2001. During the financial year the Key Management Personnel and Directors (see page 22 for details about each Director and Key Management Personnel) are as follows.

Craig Munro	Non-executive Chairman
Hamish Bohannan	Managing Director
Andrew Wilson	Non-executive Director
Tan Hwa Poh	Non-executive Director *(appointed 20 November 2018)*
Sam Lee	Non-executive Director *(resigned 20 November 2018)*
Robert Ierace	Chief Financial Officer *(appointed 2 October 2018)*
Paul Robinson	Chief Operating Officer *(resigned 1 April 2019)*
Leonard Math	CFO & Company Secretary *(resigned 4 July 2018)*

A Remuneration policy

The objective of the Company's policy is to provide remuneration that is competitive and appropriate. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) acceptability to shareholders;

(iii) transparency; and

(iv) capital management.

Directors' and executives' remuneration

The policy of the Company is to pay remuneration of Directors in amounts in line with employment market conditions relevant in the mining industry.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market.

The Constitution of the Company provides that Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum determined by the Company in a general meeting. The current aggregate maximum is $500,000.

The table below sets out summary information about the Consolidated Entity's earnings and movements in net asset for the last 5 years:

	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $	30-Jun-16 $	30-Jun-15 $
Revenue	47,748	112,761	1,100	-	150,043
Net profit /(loss) before tax	(10,697,593)	(7,467,562)	(5,363,308)	(2,903,474)	(2,594,559)
Net asset/ (liability)	16,709,359	9,736,238	8,636,614	841,174	(836,429)
Basic and diluted loss per share (cents)	(0.32)	(0.31)	(0.39)	(0.94)	(4.97)

Performance based remuneration

During the year, 20,175,000 performance rights were granted to Directors.

Director	No.	Fair value of performance rights granted
Craig Munro	4,500,000	$40,500
Hamish Bohannan	13,125,000	$118,125
Andrew Wilson	2,550,000	$22,950
TOTAL	**20,175,000**	**$181,575**

Refer to Note 13 for further details of the performance rights.

Voting and comments made at the Company's 2018 Annual General Meeting

At the 2018 Annual General Meeting, the Company received 96% votes in favour of the adoption of its remuneration report and did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B Details of remuneration

Details of the remuneration of the Directors, the Key Management Personnel of the Company (as defined in AASB 124 Related Party Disclosures) and specified executives of the Company are set out in the following table:

	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments		Total
	Cash salary and fees	Bonus	Non-monetary benefits	Super-annuation	Long service leave	Termination benefits	Options, Shares & Performance Rights	% share based payments	
Directors	$	$	$	$	$	$	$	%	$
Craig Munro									
2019	137,738	-	-	13,085	-	-	95,971	38.89%	246,794
2018	92,390	-	-	7,610	-	-	320,000	76.19%	420,000
Hamish Bohannan									
2019	344,597[(3)]	104,825	-	35,338	-	-	50,227	9.39%	534,987
2018	244,936	-	-	23,302	-	-	1,000,000	78.85%	1,268,238
Andrew Wilson									
2019	87,083	-	-	-	-	-	9,758	10.07%	96,841
2018	60,000	-	-	-	-	-	192,000	76.19%	252,000
Tan Hwa Poh (appointed on 20 November 2018)									
2019	49,583	-	-	-	-	-	168,750	77.29%	218,333
2018	-	-	-	-	-	-	-	-	-
Sam Lee[(1)] (resigned on 20 November 2018)									
2019	25,789	-	-	-	-	-	35,624	58.00%	61,413
2018	-	-	-	-	-	-	-	-	-

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Other Key Management Personnel									
Robert Ierace (appointed on 2 October 2018)									
2019	146,786	-	-	13,945	-	-	-	-	160,731
2018	-	-	-	-	-	-	-	-	-
Leonard Math[2] (resigned on 4 July 2018)									
2019	3,161	-	-	4,204	-	53,161	41,976	40.95%	102,502
2018	161,602	-	-	15,352	-	-	236,100	57.16%	413,054
Paul Robinson (resigned on 1 April 2019)									
2019	134,642	-	-	-	-	-	129,701	49.06%	264,343
2018	132,771	-	-	12,613	-	-	358,455	71.14%	503,839
Total Remuneration									
2019	**929,379**	**104,825**	**-**	**66,572**	**-**	**53,161**	**532,007**	**31.55%**	**1,685,944**
2018	**691,699**	**-**	**-**	**58,877**	**-**	**-**	**2,106,555**	**73.73%**	**2,857,131**

(1) Mr Lee had 600,000 Performance Rights vested during the financial year (post his resignation date) which related to the 2017/2018 year.

(2) Mr Math had 3,500,000 Performance Rights vested during the financial year (post his resignation date) which related to the 2017/2018 year.

(3) This figure includes an annual leave payout totalling $34,094.

C Service agreements

The Company has an Executive Service Agreement with Hamish Bohannan for his role as Managing Director and Chief Executive Officer. Hamish will be remunerated at an annual salary of $350,000 inclusive of statutory superannuation with a three months' termination notice period.

The Company has an Executive Service Agreement with Robert Ierace for his role as Chief Financial Officer. Robert will be remunerated at an annual salary of $220,000 inclusive of statutory superannuation with a three months' termination notice period.

Non-executive Directors receive a letter of appointment which contains key terms to their appointment. Such terms include the term in accordance with the Constitution of the Company, time commitment expected, role, standards of conduct and cessation of office. The Non-executive Directors receive a remuneration package of $7,083 per month with the Chairman receiving $12,500 per month inclusive of statutory superannuation.

Andrew Wilson is employed by Kesempatan Pty Ltd ("KPL") and has a beneficial interest in KPL. Under an Agreement with the Company, KPL provides the services of Andrew as a Non-executive Director of the Company.

There are no other service agreements other than disclosed above.

Termination benefits

The Company is not liable for any termination benefits on termination of the current Executive or Non-executive Directors or Key Management Personnel other than payment of a period of notice on termination where applicable.

D Share-based compensation

Options and Performance Rights granted to Directors and Officers

There were no unlisted options granted to Directors and Officers. Please refer to Note H below for performance rights granted to Directors and Officer during the year.

Shares issued on exercise of unlisted options

There were no unlisted options exercised during the financial year.

E Additional information

Options granted to Directors and Officers carry no dividend or voting rights.

F Key Management Personnel shareholdings

Directors/ Executives	Balance at the beginning of the year	Share movement during the year	Held at Resignation	Balance at end of Year
Craig Munro	11,999,999	20,916,667	-	32,916,666
Hamish Bohannan	73,823,600	(1,205,510)	-	72,618,090
Andrew Wilson	16,333,333	14,350,000	-	30,683,333
Tan Hwa Poh	133,333,333	18,750,000	-	152,083,333
Sam Lee	87,019,047	(16,243,421)	70,775,626	
Robert Ierace	-	1,025,886	-	1,025,886
Paul Robinson	2,175,400	2,200,000	4,375,400	-
Leonard Math	2,000,000	-	2,000,000	-

G Key Management Personnel option holdings

Directors/ Executives	Balance at the beginning of the year	Option movement during the year	Held at Resignation	Balance at end of Year
Craig Munro	12,000,000	(2,000,000)	-	10,000,000
Hamish Bohannan	58,435,400	(13,435,400)	-	45,000,000
Andrew Wilson	12,000,000	-	-	12,000,000
Tan Hwa Poh	200,000,000	(200,000,000)	-	-
Sam Lee	85,385,714	-	85,385,714	-
Robert Ierace	-	-	-	-
Paul Robinson	3,263,100	(3,263,100)	-	-
Leonard Math	5,000,000	-	5,000,000	-

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H Performance Rights awarded, vested and lapsed during the year

The table below discloses the number of performance rights granted, vested or lapsed during the year. Performance rights do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met.

Financial year	Rights awarded during the year (No.)	Award date	Fair value per option at award date ($)	Vesting date	Exercise price	Expiry date	No. vested during year	No. lapsed during year	Value of options granted during the year[1] ($)	Value of options exercised during the year (No.)
Craig Munro										
2019	4,500,000	28 Feb 2019	0.009	In 3 tranches	-	7 March 2022	1,500,000	-	40,500	13,500
Hamish Bohannan										
2019	13,125,000	28 Feb 2019	0.009	In 3 tranches	-	7 March 2022	4,375,083	-	118,125	39,376
Andrew Wilson										
2019	2,550,000	28 Feb 2019	0.009	In 3 tranches	-	7 March 2022	850,000	-	22,950	7,650
Sam Lee										
2019	600,000	7 March 2019	0.007	In 3 tranches	-	7 March 2022	600,000	-	4,200	4,200
Leonard Math										
2019	1,800,000	7 March 2019	0.007	In 3 tranches	-	7 March 2022	1,800,000	-	12,600	12,600
Paul Robinson										
2019	6,600,000	7 March 2019	0.007	In 3 tranches	-	7 March 2022	2,200,000	-	46,200	15,400

[1] Determined at the time of grant per AASB 2. For details on the valuation of the options, including models and assumptions used, please refer to Note 13.

I Other Transactions with Key Management Personnel and their related parties

Andrew Wilson is employed by Kesempatan Pty Ltd ("KPL") and has beneficial interest in KPL. Under an Agreement with the Company, KPL provides the services of Andrew as a Non-executive Director of the Company. During the year, KPL was paid $87,083 (2018: $60,000) for the Non-executive Director services provided Andrew. During the period, KPL also invoiced the Company $101,860 for services in leading the negotiation and resolution of a dispute and a restructure that was in addition to the scope of Andrew's services as a Non-executive Director. There is no other additional information other than the information disclosed above.

This is the end of the audited remuneration report.

Shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of options	Vested and exercisable
31-Dec-20	$0.03	25,000,000	Yes
31-Dec-20	$0.02	25,000,000	Yes
5-Sep-21	$0.02	74,000,000	Yes
		124,000,000	

When exercisable, each option is convertible into one ordinary share.

Performance Rights

Performance rights on issue at the date of this report:

Number	Exercise price $	Expiry date	Vested and exercisable	Directors/Employees
18,000,000	N/A	28/11/2019	Yes	Directors
16,000,000	N/A	28/11/2019	Yes	Employees
31,500,001	N/A	31/12/2019	No - 20/12/2020	Directors
6,725,083	N/A	N/A	No - 5/3/2021	Directors
6,725,083	N/A	N/A	No - 5/3/2022	Directors
1,500,000	N/A	N/A	No - 5/3/2022	Employees

Convertible notes

At the date of this report, there were no convertible notes outstanding (2018: 133,333,433).

Indemnification

There are indemnities and insurances for the Directors in regard to their positions. These insure and indemnify the Directors including former Directors against certain liabilities arising in the course of their duties. The Directors have not disclosed the amount of the premiums paid as such disclosure is prohibited under the terms of the policies.

Proceedings on behalf of Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

There were no non-audit services provided for the financial year (2018: nil). The Auditor's remuneration is disclosed in Note 22.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 31.

Signed in accordance with a resolution of the Directors and on behalf of the board by:

Craig Munro
Non-executive Chairman

Perth, Western Australia
27 September 2019

Auditor Independence Declaration

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Gulf Manganese Corporation Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Partner

Dated at Perth this 27th day of September 2019

Member of Allinial GLOBAL.

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Advisors
Accountants
Auditors

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Consolidated Statement of Profit or Loss And Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Continuing operations			
Interest income		29,447	41,235
Other income	2(a)	18,301	71,526
Foreign exchange gains		8,335	164,610
Director and employee benefits		(3,739,329)	(1,706,016)
Administrative expenses	2(b)	(1,756,395)	(1,510,409)
Legal fees		(574,310)	(717,186)
Professional fees		(983,230)	(309,137)
Settlement expenses	2(c)	(1,500,000)	(93,384)
Amortisation expense		-	(51,470)
Depreciation expense	7	(62,894)	(34,364)
Loss on sale of fixed assets		-	(6,260)
Insurance expense		(141,681)	(149,133)
Exploration and evaluation expenses		(2,613)	(4,538)
Share based payments	13	(938,934)	(3,079,751)
Foreign exchange losses		-	-
Loss on sale of investments	6	(287,469)	-
Finance costs	2(d)	(766,821)	(83,285)
Loss before income tax from continuing operations		**(10,697,593)**	**(7,467,562)**
Income tax benefit/(expense)	3	-	-
Net loss after tax		**(10,697,593)**	**(7,467,562)**
Other comprehensive loss for the year, net of tax		-	-
Exchange differences on translation of foreign operations		622,157	(454,596)
Total comprehensive loss for the year		**(10,075,436)**	**(7,922,158)**

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	Note	2019 $	2018 $
Loss for the year attributable to:			
Owners of the parent		(10,022,391)	7,467,562
Non-controlling interest	24	(675,202)	-
		(10,697,593)	**(7,467,562)**
Total comprehensive loss			
Owners of the parent		(9,382,739)	7,922,158
Non-controlling interest	24	(692,697)	-
		(10,075,436)	**(7,922,158)**
Basic and diluted loss per share	15	(0.32)	(0.31)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	4	3,972,085	4,213,499
Trade and other receivables	5	33,900	111,450
Other assets	6	76,242	537,818
Total current assets		**4,082,227**	**4,862,767**
Non-current assets			
Plant and equipment	7	21,163,202	14,782,964
Other assets	6	470,832	610,103
Non-current assets		21,634,034	15,393,067
Total assets		**25,716,261**	**20,255,834**
Current liabilities			
Trade and other payables	8	3,858,605	2,963,421
Provisions	9	33,824	41,157
Borrowings	10	-	7,515,018
Total current liabilities		3,892,429	10,519,596
Non-current liabilities			
Borrowings	10	5,114,473	-
Total non-current liabilities		5,114,473	-
Total liabilities		9,006,902	10,519,596
Net assets		**16,709,359**	**9,736,238**
Equity			
Issued capital	11	55,790,732	38,942,128
Reserves	12	3,257,228	8,616,377
Accumulated losses	14	(41,583,225)	(37,822,267)
Parent equity		17,464,735	9,736,238
Non-controlling interest	24(b)	(755,376)	-
Total equity		**16,709,359**	**9,736,238**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

	Note	Issued capital $	Convertible note reserve $	Option reserve $	Foreign currency translation $	Accumulated losses $	Owners of the parent $	Non-controlling interest $	Total equity $
Balance at 1 July 2018		38,942,128	221,840	8,849,133	(454,596)	(37,822,267)	9,736,238	-	9,736,238
Loss for the year		-	-	-	-	(10,022,391)	(10,022,391)	(675,202)	(10,697,593)
Other comprehensive loss/ income		-	-	-	622,157	-	639,652	(17,495)	622,157
Total comprehensive loss for the year		-	-	-	622,157	(10,022,391)	(9,382,739)	(692,697)	(10,075,436)
Transfer of performance rights vested during the period	12(C)	1,691,165	-	(1,691,165)	-	-	-	-	-
Share based payments	11,12(C)	1,350,792	-	46,799	-	-	1,397,591	-	1,397,591
Exercise of share options		3,041,163	-	(3,041,163)		3,041,163	3,041,163	-	3,041,163
Expiry of share options		-	-	(2,037,320)	-	2,037,320	-	-	-
Securities issued during the year (net of costs)	11,12(B)	8,765,484	-	2,163,383	-	-	10,928,867	-	10,928,867
Convertible note conversion	10	2,000,000	(221,840)	(1,200,000)	-	-	578,160	-	578,160
Non-controlling interest acquired		-	-	-	-	1,182,950	1,165,455	(62,679)	1,102,776
Balance 30 June 2019		**55,790,732**	**-**	**3,089,667**	**167,561**	**(41,583,225)**	**17,464,735**	**(755,376)**	**16,709,359**
Balance at 1 July 2017		32,309,605	-	6,681,714	-	(30,354,705)	-	-	8,636,614
Loss for the year		-	-	-	-	(7,467,562)	-	-	(7,467,562)
Other comprehensive loss		-	-	-	(454,596)	-	-	-	(454,596)
Total comprehensive loss for the year		-	-	-	(454,596)	(7,467,562)	-	-	(7,922,158)
Transfer of performance rights vested during the period		2,112,332	-	(2,112,332)	-	-			-
Share based payments	13	-	-	4,279,751	-	-	-	-	4,279,751
Securities issued during the year (net of costs)	11	4,520,191	-	-	-	-	-	-	4,520,191
Issue of convertible notes		-	221,840	-	-	-	-	-	221,840
Balance 30 June 2018		**38,942,128**	**221,840**	**8,849,133**	**(454,596)**	**(37,822,267)**	**-**	**-**	**9,736,238**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Other receipts		18,301	21,526
Payments to suppliers and employees		(5,541,593)	(2,920,811)
Interest received		29,447	41,235
Interest paid		(585,221)	(62,397)
Net cash flows used in operating activities	4	**(6,079,066)**	**(2,920,447)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(90,846)	(221,293)
Proceeds from sale of tenements		715,820	50,000
Payments for construction of plant and project development		(5,462,757)	(10,217,933)
Payments for mining deposits		(673,368)	(515,871)
Receipt of security deposit funds		132,054	-
Net cash flows used in investing activities		**(5,379,097)**	**(10,905,097)**
Cash flows from financing activities			
Proceeds from issue of securities net of costs		11,725,907	4,842,078
Proceeds from convertible note		-	7,936,858
Proceeds from borrowings		3,502,752	1,966,000
Repayment of borrowings	10	(4,124,752)	(1,978,892)
Net cash flows from financing activities		**11,103,907**	**12,766,044**
Net increase in cash and cash equivalents		(354,256)	(1,059,500)
Foreign exchange differences		112,842	(75,146)
Cash and cash equivalents at beginning of the year		4,213,499	5,348,145
Cash and cash equivalents at the end of the year	4	**3,972,085**	**4,213,499**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

Corporate Information

The financial report of the Company for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 27 September 2019. Gulf Manganese Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Company are described in the review of operations.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. These financial statements have been prepared on a historical cost basis.

Gulf Manganese Corporation Limited is a for-profit entity for the purpose of preparing the financial statements. These consolidated financial statements are presented in Australian dollars and all values are expressed as whole dollars.

(b) Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflect the amount that arises from using this method.

(c) Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company had a working capital surplus position of $189,798 as at 30 June 2019 (30 June 2018: working capital deficit of $5,656,829), incurred a net loss after tax for the financial year ended 30 June 2019 of $10,697,593 (30 June 2018: $7,467,562) and experienced net cash outflows from operating activities of $6,079,066 (30 June 2018: $2,920,447).

Whilst the Company is in a net asset position, the incurred losses and operating cash outflows indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Directors however have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. Included in the cash flow forecast is the sale of manganese concentrate and debt financing to fund the Kupang Smelting Hub to completion.

The Directors believe it is appropriate to prepare these accounts on a going concern basis as follows:

- the Company is working to develop a ferromanganese smelting and sales business to produce low/medium carbon ferromanganese allow in West Timor, Indonesia. The Company's Kupang Smelting Facility is 60% complete;
- the Company's Indonesian subsidiary PT Gulf Mangan Grup received formal receipt of its Direct Shipping Ore License, allowing the Company to export up to 103,162 tonnes of high-grade manganese ore per year. DSO will be in high demand due to its high manganese content and low impurities and as such would command a premium over lower grade ores; and
- the Company has a Controlled Placement Agreement (CPA) with Acuity Capital allowing Gulf to raise up to $5 million of standby equity capital. The placing agreement does not place any restrictions on Gulf raising capital through other means. The placement of any shares under the placing agreement is subject to the company placing capacity.

The Directors have prepared a cash flow forecast, which includes the completion of the above activities that indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

Should the Company be unsuccessful in completing the required debt funding or finalising offtake finance, commencing production at the intended time and at the required profit levels, or raising equity capital, there is material uncertainty whether the Company would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Company not be able to continue as a going concern.

(d) Statement of compliance

These financial statements comply with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with the International Financial Reporting Standards (IFRS).

(e) Critical accounting estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

Fair value of share options and assumptions

The fair value of services received in return for share options granted to consultants, directors and employees is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on Black-Scholes options valuation methodology.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

(i) Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that would impact the future recoverability include the level of reserves and resources, future technological changes, which would impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if the activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalise expenditure should be written off or impaired, profits and net assets will be reduced in the period in which this determination is made.

(ii) Calculation of recoverable amount

The recoverable amount of the consolidate entity's receivables carried at amortised costs is calculated at the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivable with a short duration are not discounted.

Impairment of receivable is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

The recoverable amount of other assets is greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value in using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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(f) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on the diminishing value basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation rates for motor vehicles are at 22.5% and for other plant and equipment, the rates range from 15-40%.

(g) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

(j) Contributed equity

Ordinary shares are classified as equity. Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

(k) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

(l) Revenue recognition

Revenue is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, GST and other sales related taxes. As the expected period between transfer of a promised service and payment from the customer is one year or less, no adjustment for a financing component has been made.

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group's performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date.

(m) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gulf Manganese Corporation Limited ("company" or "parent entity") as at 30 June 2019 and the results of all subsidiaries for the year then ended. Gulf Manganese Corporation Limited and its subsidiary together are referred to in this financial report as the Company.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company.

The Company applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Company. Disposals to non-controlling interests result in gains and losses for the Company that is recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively. Investments in subsidiaries are accounted for at cost in the individual financial statements of Gulf Manganese Corporation Limited.

(n) Trade and other receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(o) Income tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are

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reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Tax consolidation legislation

Gulf Manganese Corporation Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Gulf Manganese Corporation Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Company.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Company. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Company.

(p) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits and included in other payables.

(q) Segment reporting

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Company as the Executive Director and other members of the Board of Directors.

(r) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such a reversal is recognised in profit or loss unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(s) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in

active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(t) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest in accordance with AASB 6 Exploration and Evaluation Expenditure. These costs are only carried forward where the rights to the area of interest are current and to the extent that they are expected to be recouped through the successful development or sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

(u) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(v) New accounting standards and interpretations

Adoption of new and revised standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the financial statements has

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not been restated to reflect the requirements of the new standards.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has assessed the requirement of AASB 9 and assessed that there is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

The entity has assessed the requirement of AASB 15 and analysed the effect this has on revenue recognition however there was no material impact on adoption of this new standard in the current or comparative periods.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. Although the Directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2. Revenue and expenses

		2019	2018
		$	$
(a)	**Other income**		
	Sale of tenement assets	-	50,000
	Other	18,301	21,526
		18,301	71,526
(b)	**Administrative Expenses**		
	Occupancy expense	281,111	215,886
	ASX and share registry expenses	150,748	177,377
	Investor relations expenses	182,663	175,805
	Travel and accommodation expenses	549,675	153,309
	Accounting fees	276,922	199,731
	Other administrative expenses	315,276	588,301
		1,756,395	1,510,409
(c)	**Settlement Expenses**		
	Equity-settled expenses	1,500,000	93,384
		1,500,000	**93,384**

In December 2018, the Company and Mighty River International Ltd ("MRI") agreed in a Deed of Settlement and Release to settle all outstanding claims and dismiss the action in the Supreme Court of Western Australia. As part of the agreed settlement, the Company issued to MRI 100,000,000 shares deemed at 1.5 cents each and 100,000,000 GMC listed options. MRI also agreed to a $300,000 cash subscription of GMC shares with free attaching options. Refer to Note 11.

		2019	2018
		$	$
(d)	**Finance costs**		
	Interest expense on borrowings	766,821	83,285
		766,821	**83,285**

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Note 3. Income tax

	2019 $	2018 $
The prima facie income tax expense/ (benefit) on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	(10,697,593)	(7,467,562)
Income tax benefit calculated at 27.5% (2018: 27.5%)	(2,941,838)	(2,053,580)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	1,646,752	-
Adjustments recognised in current year in relation to the tax of previous years	11,065	-
Effect of temporary differences that would be recognised directly in equity	(83,507)	-
Share based payments	-	846,932
Temporary differences not recognised	1,367,528	1,206,648
Income tax benefit reported in the statement of comprehensive income	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law. The tax rate used in the previous reporting period was 27.5%. The Indonesian corporate tax rate is 25%.

The Company has tax losses arising in Australia and Indonesia. The Australian tax losses of $33,577,169 (2018: $25,524,992) are available indefinitely in Australia. The Indonesian tax losses of A$2,947,440 (2018: A$2,449,166) can be accumulated up to 5 years from the year the tax loss is recognised for income tax purposes in Indonesia.

These losses will be available for offset against future taxable profits of the companies in which the losses arose, subject to ongoing conditions for deductibility being met (for example satisfaction of the requisite loss recoupment tests in each jurisdiction).

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

	2019 $	2018 $
Tax losses - Australia	9,233,721	7,019,372
Tax losses - Indonesia	884,232	612,291
	10,117,953	**7,631,663**

Note 4. Cash and cash equivalents

	2019 $	2018 $
Cash at bank and on hand	3,972,085	4,213,499

Information about the Company's exposure to interest rate risk is disclosed in Note 18.

	2019 $	2018 $
(a) Reconciliation of loss for the year to net cash flows used in operating activities		
Net loss for the year	(10,697,593)	(7,467,562)
Loss on sale of fixed assets and/or investments	62,894	34,364
Amortisation	-	51,470
Loss on sale of fixed assets and/or investments	287,469	6,260
Share based payment expense	938,934	3,079,751
Non cash payments (settlement in equity)	-	93,369
Foreign exchange differences	-	(177,502)
Expenses classified as investing flows	2,710,637	-
(Increase) / decrease in assets:		
Trade and other receivables	216,423	(163,312)
Increase / (decrease) in liabilities:		
Trade and other payables	409,503	1,687,056
Provisions	(7,333)	(14,341)
Net cash flows used in operating activities	**(6,079,066)**	**(2,870,447)**

Note 5. Trade and other receivables

	2019 $	2018 $
Trade receivables	-	-
GST recoverable	-	23,228
Other receivables	33,900	88,222
Total trade and other receivables	**33,900**	**111,450**

As of 30 June 2019, trade receivables that were past due or impaired was nil (2018: nil). Information about the Company's exposure to credit risk is provided in Note 18.

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Note 6. Other assets

	2019 $	2018 $
Current		
Prepayments	69,192	492,946
Security deposits	7,050	44,872
	76,242	**537,818**
Non-current		
Prepayments	284,881	94,232
Investment in for mining rights[1]	185,951	515,871
	470,832	**610,103**
Reconciliation of investment in mining rights:		
Opening balance	515,871	-
Additions	673,368	515,871
Disposal consideration	(715,819)	-
Loss on sale of disposal	(287,469)	-
Closing balance	**185,951**	**515,871**

[1] This represents deposit payments for the exclusive right to conduct due diligence on Indonesian mining licence interests.

Note 7. Plant and equipment

Balance at 30 June 2019

	Smelter hub (under Construction) $	Land and buildings $	Motor vehicles $	Office furniture & equipment $	Total $
At cost	20,870,678	130,032	29,798	247,587	21,278,095
Accumulated depreciation	-	(18,622)	(6,829)	(89,442)	(114,893)
Carrying value as at 30 June 2019	**20,870,678**	**111,410**	**22,969**	**158,145**	**21,163,202**
Reconciliation					
Opening carrying value	14,577,987	73,873	24,903	106,201	14,782,964
Additions	6,292,691	44,124	-	100,424	6,437,239
Disposals	-	-	-	-	-
Depreciation expense	-	(12,351)	(3,933)	(46,610)	(62,894)
Foreign currency differences	-	5,764	1,999	(1,870)	5,893
Closing written down value at 30 June 2019	**20,870,678**	**111,410**	**22,969**	**158,145**	**21,163,202**

Balance at 30 June 2018

	Smelter hub (under Construction) $	Land and buildings $	Motor vehicles $	Office furniture & equipment $	Total $
At cost	14,577,987	80,144	27,799	139,739	14,825,669
Accumulated depreciation	-	(6,271)	(2,896)	(33,538)	(42,705)
Carrying value as at 30 June 2018	**14,577,987**	**73,873**	**24,903**	**106,201**	**14,782,964**
Reconciliation					
Opening carrying value	4,224,147	-	-	24,308	4,248,455
Additions	10,353,840	80,144	27,799	111,292	10,573,075
Disposals	-	-	-	(3,913)	(3,913)
Depreciation expense	-	(6,271)	(2,896)	(25,197)	(34,364)
Foreign currency differences	-	-	-	(289)	(289)
Closing written down value at 30 June 2018	**14,577,987**	**73,873**	**24,903**	**106,201**	**14,782,964**

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Note 8. Trade and other payables

	2019 $	2018 $
Trade creditors	2,211,690	1,885,297
Accruals	400,415	223,338
Employee liabilities	669,174	211,481
Tax liabilities	-	199,427
Other creditors	577,326	443,878
	3,858,605	**2,963,421**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the interest rate and liquidity risk exposure is set out in Note 18.

Note 9. Provisions

	2019 $	2018 $
Employee leave entitlements	33,824	41,157

Note 10. Borrowings

	2019 $	2018 $
Current		
Convertible notes	-	7,515,018
Total current borrowings	**-**	**7,515,018**

The following table shows the movement of convertible notes during the period:

	2019 $	2018 $
Opening balance	7,515,018	1,000,000
Adjustment(1)	193,315	-
Additions	-	7,936,858
Repayment during the year	(1,000,000)	-
Converted – ordinary shares component	(2,000,000)	(221,840)
Converted – free attaching options component	1,090,018	-
Conversion to non-controlling interest	(683,878)	-
Conversion to long-term loan	(5,114,473)	-
Fair value of free attaching options issued	-	(1,200,000)
Closing balance	**-**	**7,515,018**

1 An amount of $193,315 was adjusted at the end of the period being the amortised portion of the 133,333,333 free attaching listed options issued to Eighteen Blue Investments Pty Ltd for the A$2 million of convertible notes.

Note 10. Borrowings (continued)

During the year, the convertible note with JGI of IDR equivalent of approximate A$6M was converted into 25.1% of the issued share capital of Gulf's Indonesian subsidiary PT Gulf Mangan Grup and an approximately A$5 million loan remains outstanding. The loan will be repayable from the profits from commercial production of the Kupang Smelting Hub Facility. The loan is secured by fiduciary charge over the manganese smelters, with 8% interest per annum and has a due date of 30 September 2020. Refer to the Company's ASX announcement on 2 January 2019 for further details.

Reconciliation of borrowings:

	2018	Cash inflows	Cash outflows	Non-cash	Conversion - loan and non-controlling interest	Redeemed - equity	2019
Convertible notes	7,515,018	-	(1,000,000)	193,315	(909,982)	(5,798,351)	-
Long-term borrowings	-	-	-	-	5,114,473	-	5,114,473
Short-term borrowings	-	3,502,752	(3,124,752)	-	-	(378,000)	-
Total liabilities from financing activities	**7,515,018**	**3,502,752**	**(4,124,752)**	**193,315**	**4,204,491**	**(6,176,351)**	**5,114,473**

Note 11. Contributed equity

	2019 No	2019 $	2018 No	2018 $
Shares on issue				
Ordinary shares issued and fully paid	4,910,267,664	55,790,732	2,660,722,860	38,942,128
Total contributed equity	**4,910,267,664**	**55,790,732**	**2,660,722,860**	**38,942,128**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

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Note 11. Contributed equity (continued)

Movement in ordinary shares on issue

	2019 No	2019 $
Balance at 1 July 2018	2,660,722,860	38,942,128
Grant of 361,815,011 listed options exercisable at 0.05 cents	-	(1,447,260)
Exercise of listed Options at 0.05 cents each	599,216,716	2,996,084
Exercise of listed Options at 0.0196 cents each	2,300,000	45,080
Vesting of performance rights deemed at 0.077 cents	18,001,133	235,458
Vesting of performance rights deemed at 0.0177 cents	82,106,667	1,455,707
Issue of ordinary shares as part of Settlement[1]	100,000,000	1,000,000
Issue of ordinary shares as part of placement at 1.5 cents	10,000,000	150,000
Issue of ordinary shares as part of placement at 0.008 cents	62,500,000	500,000
Issue of ordinary shares upon conversion of convertible note at 1.5 cents	133,333,333	2,000,000
Issue of ordinary shares upon conversion of loan at 0.0075 cents	14,533,333	109,000
Issue of ordinary shares upon conversion of loan at 0.008 cents	19,875,000	159,000
Issue of ordinary shares upon conversion of loan at 0.007 cents	8,571,428	60,000
Issue of ordinary shares upon conversion of loan at 0.005 cents	10,000,000	50,000
Issue of ordinary shares as part of placement at 0.005 cents	637,196,000	3,136,181
Issue of ordinary shares as part of placement at 0.007 cents to Acuity	45,000,000	315,000
Issue of ordinary shares as part of placement at 0.015 cents	241,815,011	3,627,225
Issue of ordinary shares to Directors & KMP deemed at 0.08 cents	39,700,000	320,700
Issue of ordinary shares under STI plan deemed at 0.07 cents	35,660,250	249,622
Issue of ordinary shares for services rendered deemed at 0.08 cents	66,402,600	647,138
Issue of ordinary shares as part of placement at 0.0126 cents to Acuity[2]	100,000,000	1,260,000
Issue of ordinary shares for services rendered deemed at 0.015 cents	13,333,333	133,333
Issue of ordinary shares as part of placement at 0.015 cents	10,000,000	150,000
Less: capital raising costs	-	(303,664)
Balance at 30 June 2019	**4,910,267,664**	**55,790,732**

[1] On 21 December 2018, the Company issued 100,000,000 shares deemed at 1.5 cents each as part of a settlement agreement with Mighty River International Limited ("MRI"). See Note 2(c) for further details.

[2] At the Company's Annual General Meeting on 19 November 2018, Shareholders approved the issue of shares to Acuity Capital Pty Ltd in accordance with the Controlled Placement Agreement dated 1 January 2018.

Note 11. Contributed equity (continued)

	2018 No	2018 $
Balance at 1 July 2017	2,037,849,924	32,309,605
Issue of ordinary shares at 1.5 cents	266,666,667	4,000,000
Exercise of listed options at 0.5 cents	147,499,001	737,495
Vesting of performance rights deemed at 0.07 cents	34,000,000	238,000
Vesting of performance rights deemed at 1.6 cents	68,481,664	1,874,332
Issue of ordinary shares as part of Settlement	6,225,604	93,384
Issue of Collateral Shares to Acuity1	100,000,000	-
Less: Capital raising costs	-	(310,688)
Balance at 30 June 2018	**2,660,722,860**	**38,942,128**

Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or adjust the capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Constitution and any relevant regulatory requirements.

Note 12. Reserves

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

	2019 $	2018 $
Balance at the beginning of the year	(454,596)	-
Movement during the year	622,157	(454,596)
Balance at the end of the year	**167,561**	**(454,596)**

Convertible note reserve

The convertible note reserve represents the equity component (conversion rights) of the convertible notes issued during the year. Refer to Note 10.

	2019 $	2018 $
Balance at the beginning of the year	221,840	-
Movement in convertible notes converted during the period	(221,840)	221,840
Balance at the end of the year	**-**	**221,840**

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Note 12. Reserves (continued)

Option reserve

The option reserve is used to recognise the fair value of share based payments issued.

	2018 No	2018 $
Balance at the beginning of the year	8,849,133	6,681,714
Issue of options during the year	2,163,384	1,200,000
Exercise/expiry of options during the year	(6,278,483)	-
Movement in performance rights during the year	46,798	3,079,751
Transfer of performance rights vested during the period	(1,691,165)	(2,112,332)
Balance at the end of the year	**3,089,667**	**8,849,133**

Share options on issue

	2019 No	2019 $	2019 No	2019 $
Listed share options on issue	-	-	1,627,658,304	2,283,122
Unlisted share options on issue	124,000,000	1,216,621	148,425,917	3,048,592
Performance rights on issue	128,372,681	1,873,046	181,213,336	3,517,419
Total share options on issue	**252,372,681**	**3,089,667**	**1,957,297,557**	**8,849,133**

A. Movement in listed options (GMCO) exercisable at 0.5 cents each expiring 21 April 2019

	2019 No	2019 $
Balance at the beginning of the year	1,627,658,304	2,283,122
Exercise of listed options	(599,216,716)	(2,996,084)
Issue of listed options as part of Settlement[1]	100,000,000	500,000
Issue of listed options pursuant to Prospectus[2]	261,815,011	1,447,260
Cancellation/lapsing of listed options	(1,390,256,599)	(1,234,298)
Balance at the end of the year	**-**	**-**

1 1,000,000 options were issued and settled per Deed of Settlement and Release with Mighty River International Limited ("MRI").

2 During the year, 261,815,011 free attaching listed options were issued pursuant to agreements entered into by the Company as announced on 24 December 2018 and 2 January 2019 and as described in sections 1.1(a) and (b) of the Prospectus. These options were exercisable at $0.005 and expired on 21 April 2019. The options were valued at $0.004 each being the quoted market price of the listed options on the date of the agreement totalling $1,447,260.

Note 12. Reserves (continued)

B. Movement in unlisted options

	2019 No	2019 $
Balance at the beginning of the year	148,425,917	3,048,592
Exercise of unlisted options exercisable at 1.96 cents each expiring 30 September 2018	(2,300,000)	(45,079)
Lapsing of unlisted options exercisable at 1.96 cents each expiring 30 September 2018	(64,625,917)	(1,711,265)
Lapsing of unlisted options exercisable at 1.2496 cents each expiring 31 December 2018	(7,500,000)	(291,750)
Issue of unlisted options exercisable at 2 cents each expiring 31 December 2020[1][2]	25,000,000	114,965
Issue of unlisted options exercisable at 3 cents each expiring 31 December 2020[1][3]	25,000,000	101,158
Balance at the end of the year	**124,000,000**	**1,216,621**

1 During the year the Company settled payment for certain consulting services received through the issue of ordinary shares. The Company issued 50,000,000 unlisted options in lieu of cash payments for consulting services rendered to the Group on 8 March 2019.

2 The fair value of each option of $0.0046 is determined using a Black-Scholes option pricing model that takes into account the exercise price (2 cents), the term of the options (1.8 years), the share price at grant date ($0.008), the expected price volatility of the underlying share (159%), the expected dividend yield (nil) and the risk-free interest rate for the term of the option (1.66%). The options vest immediately and the Black-Scholes valuation is expensed on grant date.

3 The fair value of each option of $0.004 is determined using a Black-Scholes option pricing model that takes into account the exercise price (3 cents), the term of the options (1.8 years), the share price at grant date ($0.008), the expected price volatility of the underlying share (159%), the expected dividend yield (nil) and the risk-free interest rate for the term of the option (1.66%). The options vest immediately and the Black-Scholes valuation is expensed on grant date.

The unlisted options outstanding at 30 June 2019 had a weighted average exercise price of $0.22 and a weighted average contractual life of 1.9 years.

C. Movement in performance rights

	2019 No	2019 $
Balance at the beginning of the year	181,213,336	3,517,413
Exercised during the year	(100,107,797)	(1,691,165)
Cancellation of performance rights	-	(118,933)
Performance rights issued to Directors and Employees on 7 March 2019	47,267,150	165,731
Balance at the end of the year	**128,372,681**	**1,873,046**

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Note 13. Share based payments

During year, 47,267,150 performance rights were issued pursuant to Resolutions 7, 8 and 9 as approved by shareholders at EGM on 28 February 2019 and under the Company's Long Term Incentive Plan (LTI) as approved by shareholders on 2 September 2016 to Directors and Employees and they vest based in three tranches. In accordance with the LTI, the Company's Total Shareholder Return (TSR) for the financial year ended 30 June 2019 in comparison to the Comparator Group of companies was above the 70th percentile and the first equal tranche of the LTI performance rights have vested, resulting in 18,001,133 shares being issued.

The Company has assigned a 100% probability that the service condition relating to the LTI performance rights in the second and third tranches will be met. Tranche 2 will vest on 7 March 2021 and Tranche 3 will vest on 7 March 2022 (when the service condition has been met).

		Recognised during the period		
	Performance rights granted	*Tranche 1*	*Tranche 2*	*Tranche 3*
Directors	20,175,000	6,725,083	6,725,000	6,724,917
Employees	27,092,150[1]	9,030,717	9,030,717	9,030,716
Adjustment	645,333	2,245,333	(800,000)	(800,000)
TOTAL	**47,912,483**	**18,001,133**	**14,955,717**	**14,955,633**
Expense recognised during the year		*139,458*	*16,687*	*9,586*

[1] Net performance rights granted to employees who left during the year.

The rights that were recognised during the period were valued based on the share price at the date of grant. The grant date for the performance rights issued to Directors is 28 February 2019 and the share price at the grant date was 0.9 cents. The grant date for the performance rights issued to Employees was 7 March 2019 and the share price at the grant date was 0.7 cents. The total expense recognised relating to the tranches above is $165,731.

In addition to the above, the following performance rights issued on 7 March 2019 have vested resulting in the issue of 11,276,050 shares at a price of 0.8 cents based on the share price at the date of issue.

The share based payments from the issue of unlisted options during the year is disclosed in Note 12(B).

Note 14. Accumulated losses

	2019 $	2018 $
Accumulated losses at beginning of the year	(37,822,267)	(30,354,705)
Net loss for the year	(10,022,391)	(7,467,562)
Adjustments relating to expiry of options	5,078,483	-
Non-controlling interest acquired	1,182,950	-
Accumulated losses at end of the year	(41,583,225)	(37,822,267)
Issue of unlisted options exercisable at 3 cents each expiring 31 December 2020(1)(3)	25,000,000	101,158
Balance at the end of the year	**124,000,000**	**1,216,621**

Note 15. Earnings per share

	2019 Cents	2018 Cents
Basic and diluted loss per share	(0.32)	(0.31)

	2019 No	2018 No
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	3,392,143,869	2,412,092,719

Diluted loss per share has not been calculated as the Company made a loss for the year and the impact would be to reduce the loss per share.

Note 16. Commitments for expenditure

Operating lease commitments

	2019 $	2018 $
Office operating lease rentals are payable as follows:		
Not later than one year	18,641	24,625
Later than one year but no later than two years	-	18,564
Later than two years	-	-
Total operating lease commitments	**18,641**	**43,189**

The Company leases one office under a non-cancellable operating lease expiring on 28 February 2020. On renewal, the terms of the lease are renegotiated.

Note 17. Key Management Personnel disclosures

(a) Summarised compensation of Key Management Personnel

Summary of Directors and Key Management Personnel compensation in the following categories are as follows:

	2019 $	2018 $
Short-term employee benefits	1,034,204	691,699
Post-employment benefits	66,572	58,877
Long-term benefits	53,161	-
Share based payments	532,007	2,106,555
Total Directors and Key Management Personnel compensation	**1,685,944**	**2,857,131**

(b) Loans to Key Management Personnel

There are no loans to Key Management Personnel as at 30 June 2019 (2018: Nil).

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Note 17. Key Management Personnel disclosures (continued)

Transactions with related parties:

Andrew Wilson is employed by Kesempatan Pty Ltd ("KPL") and has beneficial interest in KPL. Under an Agreement with the Company, KPL provides the services of Andrew as a Non-executive Director of the Company. During the year, KPL was paid $87,083 (2018: $60,000) for the Non-executive Director services provided by Andrew. During the period, KPL also invoiced the Company $101,860 for services in leading the negotiation and resolution of a dispute and a restructure that was in addition to the scope of Andrew's services as a Non-executive Director.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. For details of remuneration disclosures relating to Key Management Personnel, refer to the remuneration report in the Directors' Report.

Note 18. Financial risk management

The Company's financial instruments consist of deposits with banks, accounts receivable and payable, and convertible notes.

Overall risk management

The Company's activities expose it to a variety of financial risks; market risk (including the markets for the commodities it consumes and sells, the electricity price and fair value of interest rate risk), credit risk, country risk, liquidity risk and cash flow interest rate risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and commodity markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company actively seeks engagement and a cooperative relationship with the local community and all stakeholders, including all three levels of the Government of Indonesia. The Company does not tolerate and strictly forbids the payment of any corrupt payments or facilitation fees. Risk management is carried out by the Board of Directors under policies approved by the Board.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any significant credit risk exposure to any single counterparty. The credit risk on liquid funds is limited because the counter party is a bank with a high credit rating.

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2019 $	2018 $
Cash and cash equivalents	3,972,085	4,213,499
Trade and other receivables	33,900	111,450
Other assets	547,074	537,818
Maximum exposure to credit risk	**4,553,059**	**4,862,767**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company's financial liabilities include trade payables which are non-interest. Expenses are managed on an ongoing basis and the Company expects to be able to raise additional funds as and when necessary to meet these commitments. Additionally, a major shareholder has signed a letter of comfort to provide financial support to the Company for the next 12 months.

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Note 18. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange

The Group undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

As a result of the operating activities in Indonesia and the ongoing funding of overseas operations from Australia, the Group's Statement of Financial Position can be affected by movements in Indonesian Rupiah dollar (IDR) / Australian Dollar (AUD) and US Dollar (USD) / Australian Dollar (AUD) exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by timing its purchase and payment to coincide with highs in the IDR/AUD and USD/AUD exchange rate cycle.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is not significant and is limited to cash and cash equivalents. The company does not rely on the generation of interest to provide working capital.

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Fixed interest $	Floating interest $	Total $
Financial assets			
Cash and cash equivalents	-	3,972,085	3,972,085
Financial liabilities			
Convertible notes	5,114,473	-	5,114,473

Sensitivity analysis

The sensitivity analyses of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 100 basis points in interest rates.

At reporting date, if interest rates had been 100 basis points higher and all other variables were constant, the Group's net profit after tax would have increased by $39,721 (2018: $42,135) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the profit after tax and equity.

Note 19. Segment information

For management purposes, the Group is organised into one main operating segment, which involves developing a ferromanganese smelting and sales business to produce low/medium carbon ferromanganese alloy in West Timor, Indonesia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (chief operating decision maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

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Note 20. Contingent liabilities

As per the restructure agreement between PT Jayatama Global Investindo ("JGI") and PT Gulf Mangan Grup ("GMG"), it was agreed that JGI will receive a 2.5% net royalty on alloy sales from GMG's first two smelters. This liability will not take effect until production of alloys from the smelters.

Other than as disclosed above, there were no contingent liabilities at the end of the reporting period.

Note 21. Events occurring after reporting period

On 2 August 2019, the Company announced it had entered into an agreement to acquire a strategic 20% interest in Iron Fortune Pty Ltd ("Iron Fortune"), a private Australian-based minerals and exploration company focused on Timor-Leste. Under the terms of the agreement, Gulf will pay an initial A$100,000 for exclusivity whilst due diligence is completed and has agreed to work together with Iron Fortune to develop a work plan and strategic direction.

Hamish Bohannan will also be appointed to the Board of Iron Fortune in the position of Non-executive Director. Upon completion of the due diligence process, Gulf will pay a further A$200,000 and issue A$100,000 worth of shares to secure a 20% interest in Iron Fortune. Full terms and conditions are outlined in the ASX announcement lodged on 2 August 2019.

Other than as disclosed above, there are no other significant events that have occurred after the reporting period.

Note 22. Auditor's remuneration

	2019 $	2018 $
Audit and review of financial statements	65,236	53,253
Total auditor's remuneration	**65,236**	**53,253**

Note 23. Dividends

There were no dividends recommended or paid during the financial years ended 30 June 2019 and 30 June 2018.

Note 24. Subsidiaries and non-controlling interests

a. Subsidiaries

The consolidated financial statements include the financial statements of Gulf Manganese Corporation Limited and the subsidiaries listed in the following table:

		% Equity interest	
Name of entity	**Place of incorporation**	**2019 %**	**2018 %**
Parent entity			
Gulf Manganese Corporation Limited	Australia	100	100
Controlled entities			
Gulf Copper Pty Ltd[1]	Australia	100	100
Gulf Manganese Pty Ltd[(1)]	Australia	100	100
International Manganese Group Limited	Australia	100	100
PT Gulf Mangan Grup	Indonesia	74.9	100

[1] These companies were inactive during the years ended 30 June 2019 and 30 June 2018.

Note 24. Subsidiaries and non-controlling interests (continued)

(b) Non-controlling entities

The following table sets out the summarised financial information for PT Gulf Mangan Grup that has non-controlling interests. Amounts disclosed are before intercompany eliminations (AASB 12.B11).

Summarised statement of Financial Position

	2019 $	2018 $
Current Assets	302,043	3,702,625
Non-current Assets	17,528,361	11,152,079
Total Assets	17,830,404	14,854,704
Current Liabilities	3,379,873	2,119,115
Non-current Liabilities	17,459,997	11,932,861
Total Liabilities	20,839,870	14,051,976
Net Assets/(Liabilities)	(3,009,466)	802,728
Accumulated NCI	(755,376)	-

Summarised financial performance

	2019 $	2018 $
Revenue	-	-
Other income	46,894	31,186
Loss before income tax	(4,761,600)	(2,258,134)
Income tax expense	-	-
Post tax loss	(4,761,600)	(2,258,134)
Other comprehensive income	(594,643)	(454,596)
Total comprehensive loss	(5,356,243)	(2,712,730)
Loss attributable to non-controlling interests	(675,202)	-
Other comprehensive income attributable to non-controlling interests	(17,495)	-
Total comprehensive loss attributable to non-controlling interests	(692,697)	-

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Note 25. Gulf Manganese Corporation Limited Parent Company Information

	Parent 2019 $	Parent 2018 $
Assets		
Current assets	4,065,065	1,254,374
Non-current assets	12,804,280	11,083,984
Total assets	**16,869,345**	**12,338,358**
Liabilities		
Current liabilities	512,560	885,453
Non-current liabilities	-	1,716,667
Total liabilities	**512,560**	**2,602,120**
Net assets	**16,356,785**	**9,736,238**
Equity		
Contributed equity	55,790,732	38,942,128
Reserves	3,089,667	8,932,466
Accumulated losses	(42,523,614)	(38,138,356)
Total equity	**16,356,785**	**9,736,238**
Financial performance		
Loss for the year	(5,935,993)	(7,935,964)
Other comprehensive income	-	-
Total comprehensive loss	**(5,935,993)**	**(7,935,964)**

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and note set out on pages 32 to 61, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and
   (b) give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date.

In the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The remuneration disclosures included in the Directors' report (as part of audited Remuneration Report) for the year ended 30 June 2019, comply with section 300A of the Corporations Act 2001.
3. The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.
4. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Craig Munro
Non-executive Chairman
Perth, Western Australia
27 September 2019

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Independent Auditor's Report

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Independent Auditor's Report

To the Members of Gulf Manganese Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gulf Manganese Corporation Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Advisors
Accountants
Auditors

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Independent Auditor's Report

To the Members of Gulf Manganese Corporation Limited *(Continued)*

Material Uncertainty Related to Going Concern

We draw attention to Note 1c in the financial report which indicates that the Consolidated Entity incurred a net loss of $10,697,593 during the year ended 30 June 2019. As stated in Note 1c, these events or conditions, along with other matters as set forth in Note 1b, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Plant and equipment – $21,163,202 (Refer to Note 7) As disclosed in Note 7 in the financial report, as at 30 June 2019 the Consolidated Entity is carrying plant and equipment of $21,163,202. Of significance in this amount is $20,870,678 which relates to the Smelter Hub which is currently under construction. Plant and equipment is considered to be a key audit mater due to: – The significant value of the asset to the Consolidated Entity's financial position; and – The complexity in identifying the elements of cost attributable to the asset.	Our procedures included, amongst others: – Assessing the Group's methodology for determining and recognising Plant and Equipment under construction; – We tested the additions to the Smelter Hub in Plant and Equipment for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 116; – Evaluating management's assessment as to whether indicators of impairment had occurred; and – Assessing the adequacy of the disclosures included in the financial report.
Share based payments – $938,934 (Refer to Note 13) As disclosed in Note 13 in the financial statements, during the year ended 30 June 2019, the Consolidated Entity incurred share based payments totaling $938,934. Share based payments are considered to be a key audit matter due to: – the value of the transactions;	Our procedures included, amongst others: – Analysing contractual agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; – Evaluating the key assumptions used to value the performance rights including the probability of the performance conditions being met as disclosed in note 13 of the financial statements;

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Independent Auditor's Report
To the Members of Gulf Manganese Corporation Limited *(Continued)*

Key audit matter	How our audit addressed the key audit matter
– the complexities involved in recognition and measurement of these instruments; and – the judgement involved in determining the inputs used in the valuation. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	– Assessing the amount recognised during the period against the vesting conditions of the options; and – Assessing the adequacy of the disclosures included in the financial report.
Borrowings - $5,114,473 (Refer to Note 10) As disclosed in note 10 of the financial statements for the year ended 30 June 2019, the Consolidated Entity converted part of its loan into the issued capital of the subsidiary PT Gulf Mangan Grup and the remaining balance of the loan is due to be repaid on 30 September 2020. Borrowings are considered to be a key audit matter due to the value of the loan.	Our procedures included, amongst others: – Obtaining the loan agreement to identify the key terms; – Assessing the financial instruments in accordance with the Australian Accounting Standard with particular consideration given to the recognition, measurement and disclosures surrounding debt & equity components of compound instruments; – Evaluating the derivative components that may exist as a result of the issue of these financial instruments; and – Assessing the adequacy of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Independent Auditor's Report
To the Members of Gulf Manganese Corporation Limited *(Continued)*

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1c, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

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Independent Auditor's Report

Independent Auditor's Report
To the Members of Gulf Manganese Corporation Limited *(Continued)*

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– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Partner

Dated at Perth this 27th day of September 2019

ASX Additional Information

Additional information as required by the Australian Securities Exchange Limited and not disclosed elsewhere in this report is set out below. The information is current as at 18 October 2019.

1.1 Ordinary Shares on Issue

There are 5,044,848,331 ordinary shares on issue (GMC).

1.2 Listed Options on issue

There are nil Listed Options on issue.

1.3 Unlisted Options on issue

Class	# Securities	# Holders	Holder of more than 20% of Securities	
			Holder Name	# Securities
Exercisable at $.02 options expiring 31/12/2020	25,000,000	10	Jeremy Slater	19,000,000
Exercisable at $0.02 options expiring 5 Sep 2021	50,000,000	3	HJL Bohannan	30,000,000
			C & Diane Munro <The Craig & Dianne S/F A/C>	10,000,000
			Setia Pty Ltd	10,000,000
Exercisable at $0.02 options expiring 5 Sep 2021 (ECSOP)	24,000,000	7	John Woodacre	7,000,000
			Donna Whittaker	5,000,000
Exercisable at $.03 options expiring 31/12/2020	25,000,000	4	Jeremy Slater	22,500,000

1.4 Distribution of shareholders

Analysis of numbers of equity security holders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	55	13,764	0.00%
1,001 - 5,000	27	72,492	0.00%
5,001 - 10,000	10	77,030	0.00%
10,001 - 100,000	464	28,597,123	0.57%
100,001 - 9,999,999,999	1,297	5,016,087,922	99.43%
Totals	**1,853**	**5,044,848,331**	**100.00%**

Based on the price per security at $0.006, number of holders with an unmarketable holding: 419, with total 15,582,354 amounting to 0.31% of Issued Capital

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1.6 Twenty largest shareholders

Position	Holder Name	Holding	%
1	CITICORP NOMINEES PTY LIMITED	606,543,870	12.02%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	401,613,358	7.96%
3	PT JAYATAMA GLOBAL INVESTINDO & RELATED PARTIES	314,694,591	6.24%
4	TAN HWA POH	152,083,333	3.01%
5	BNP PARIBAS NOMS PTY LTD <DRP>	149,900,000	2.97%
6	TOM HALE PTY LTD	98,500,000	1.95%
7	ALI SANTOSO HALIM	83,333,334	1.65%
8	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	76,946,839	1.53%
9	JOHN ALBERT WOODACRE	74,098,833	1.47%
10	MR SAM BOON BENG LEE & MRS JENNY SU LEE LEE <BB LEE SUPER FUND A/C>	71,108,960	1.41%
11	HAMISH BOHANNAN	63,923,683	1.27%
12	ZHANG & KHOE FAMILY PTY LTD <ZHANG & KHOE FAMILY A/C>	61,447,196	1.22%
13	MR KIM YEW LEE	60,453,753	1.20%
14	MR EDUARDO SIAO & MRS EVELYN SIAO <ES EXECUTIVE FUND 2 A/C>	50,736,868	1.01%
15	MR NEIL THOMPSON	50,000,032	0.99%
16	UBS NOMINEES PTY LTD	43,937,922	0.87%
17	ARKWRIGHT DEVELOPMENTS PTY LIMITED <THE FINDLAY A/C>	42,500,000	0.84%
18	TEPANY PTY LTD <RJ & PA RYAN SUPER FUND A/C>	41,850,000	0.83%
19	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	38,616,301	0.77%
20	BMK CORPORATION PTY LTD	37,705,000	0.75%
	Total	**2,386,511,655**	**47.31%**
	Total issued capital - selected security class(es)	**5,044,848,331**	**100.00%**

Substantial Shareholders

Substantial Holder	Size of Holdings	%
Citicorp Nominees Pty Ltd	606,543,870	12.02%
HSBC Custody Nominees (Australia) Limited	401,613,358	7.96%
PT Jayatama Global Investindo	314,694,591	6.24%

1.7 Tenement Schedule

All Tenements previously held by Gulf Copper Pty Ltd have now been transferred to unrelated parties. The Company no longer holds any tenements.

1.8 Corporate Governance Statement

The Company's 2019 Corporate Governance Statement has been released as a separate document and is located on its website at **www.gulfmanganese.com**

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