Gulf Manganese Corporation Limited

ACN 059 954 317

Annual Financial Report for the Year Ended 30 June 2015

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Corporate Directory

Board of Directors
Peter Williams - Deputy Chairman
Michael Walters - Non executive Marketing Director
Paul O'Shaughnessy - Non executive Metallurgical Director
Leonard Math - Company Secretary

Management
Michael Kiernan - Chairman - PT Gulf Mangan Grup
Kevin Parker – Technical Director
Helen Halliday - Commercial Manager
Jacques Beylefeld - Metallurgical Engineer

Advisors
Dr Herry Kotta - Environmental Advisor
John Parker - Metallurgical Advisor
Benny Sain - Engineering Advisor
Beny Roboh - Community Advisor
Ronald Taopan - Health and Safety Advisor

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

Bankers
ANZ Banking Group
PT ANZ Indonesia

Australian Securities Exchange
ASX Code: GMC

Share Registry
Automic Registry Services

Auditors
Somes Cooke

Corporate Advisors
GDA Corporate

Geological Advisors
SRK Consulting Indonesia

Project Managers
Como Engineering (Australia)

Structural Engineers
PT Timeserve (Indonesia)

Power Engineers
PT Hatch (Indonesia)

Pyrometallurgical Engineers
XRAM Technologies (South Africa)

Industry Associations
Indonesian Chamber of Commerce
Indonesian Smelter Processing Association
Australian Indonesian Business Council
Indonesia Institute

Investor Relations
Bourse Communications

Review of Operations Report

Overview
Gulf Manganese Corporation Limited (“Gulf”) is working to develop a ferromanganese smelting and sales business to produce high carbon ferromanganese alloy in West Timor, Indonesia.

The planned smelter facility at Kupang will comprise 8 furnaces built in stages over 5 years, to take advantage of Timor’s high-grade, low-cost, low impurity manganese ore, to create a premium quality 78% ferromanganese ore.

The project will be owned and operated by Gulf’s Kupang-based subsidiary PT Gulf Mangan Grup.

Gulf’s Timor Smelter Study demonstrates the project has extremely robust economics, with an estimated modest start up capital of US$66 million over 5 years, an internal rate of return of 55.6%, and an EBITDA of US$374.5 million over 10 years supporting an estimated Net Present Value of US$160.6 million using an 8% discount factor.

During the year, Gulf has struck key agreements securing land, power and environmental consideration for the project. Gulf has also appointed experienced project managers to handle environmental works, construction and project engineering.
The company commissioned an independent report by SRK Consulting Indonesia to establish the quantity of local high-grade manganese ore available for the smelter.

Gulf has designed appropriate programs to create tangible benefits for the local and broader Indonesian community, to assist with employment, health, education, welfare and sustainability.

The company has divested its non-core assets and is making preparations for listing its subsidiary on the Singapore Exchange’s Catalist Board, to attract capital for the alloying smelter project and capitalise on strong overseas investor interest.

Smelter Project Outline
Gulf will develop an ASEAN (Australia and South East Asian Nations) focused manganese ore and alloy producer.

The company will source local, high-grade (+50% manganese), low-impurity manganese ore. At full production, Gulf will purchase and process 320,000 tonnes of manganese ore per annum, producing 155,000 tonnes of high carbon premium quality 78% ferromanganese alloy.

The 8-furnace smelter facility will be built in stages over 5 years with the first production expected late in 2016.

Each furnace will have a production capacity of 20,000 tonnes per annum alloy.

The innovative modular design permits a staged development process and eliminates construction risk and spreads capital requirements over 5 years.

Land
Gulf was granted a 53-hectare block of land 12km from the West Timor capital Kupang to build its ferromanganese smelter facility.

The land is covered by a 50-year lease from the local village community and is in the Kupang Regency industrial area, just 8km from the Port of Tenau.

Environment
Gulf will ensure all of its activities will have minimal effect on aspects including air quality, surface and ground water, waste disposal, wildlife, vegetation and socio-economic factors and within all acceptable levels set by Government.

Power
State-owned electricity company PLN has advised it will supply power, on a user-pays basis, for the first stage of development while Gulf builds its own coal-fired power station. The “in-house” power station will

guarantee cost-effectiveness and continuous supply, as power input is the major cost component of the smelter operation.

Project Management
Gulf has appointed the following specialists for the smelter project:

- Como Engineers – Project Managers
  - Como is a well-respected Perth-based engineering firm with an office in Jakarta.
- XRAM Technologies Pty Ltd – Pyrometallurgical Engineers
  - XRAM is a South African specialist smelter group.
- PT Timeserve (Indonesia) – Structural Engineers
  - An Indonesian group has an international team with expertise in engineering, construction, maintenance and mining services.
- PT Hatch (Indonesia) – Power Engineers
  - Hatch is an engineering, project and construction management group.
- SRK Consulting Indonesia – Geological Engineering Advisors
  - SRK is an independent, international consulting company with offices on 6 continents.

Timor Smelter Study
Gulf released its highly prospective Timor Smelter Study in June, which demonstrates the robust economics of developing its smelting and marketing business to produce high carbon ferromanganese alloys in Timor.

Gulf's subsidiary PT Gulf Mangan Grup, based in Kupang, will carry out the operations.

The study supports a potential EBITDA of US$374.7 million, an estimated Net Present Value of US$160.6 million using an 8% discount factor and an internal rate of return of 55.6%.

The study's highlights include:

- Potential EBITDA of US$374.7 million over 10 years
- Modest start-up capital investment of US$66 million over 5 years
- Operating costs at 80% industry average
- Government support, fiscal incentives include a 10-year Tax Holiday
- Board and management's depth of manganese and Indonesian experience
- High quality ore supply (+50% Mn)
- Produce a premium manganese alloy (78% Mn)
- Established port and infrastructure
- Global sales network
- Proposed IPO listing on Singapore's Catalist Board
- Robust dividend policy with 50% of profits to be distributed
- Benefits to Indonesia through job creation and support for community health, education and sustainability programs

The study's financial analysis shows the payback period, including construction cost, is just two years.
The comprehensive study also outlines the ore purchasing, ore processing, alloy smelting, sales and marketing components, plus the technical processing details, Gulf's commitment to being a responsible corporate citizen, and the projected increasing demand for manganese.

Gulf is on track to produce its first manganese alloy in late 2016. The study provides the projected smelter development milestones, beginning with land agreements in 2015, construction starting in early 2016 and commissioning in December 2016.

The study also outlines further favourable aspects including the lack of competition in ore processing and smelting in Timor, a ready labour source, the high-grade ore available and the proximity to Indonesian coal and iron ore mines for smelter consumables.

A full copy of the Timor Smelter Study is on the company's website www.gulfmanganese.com.

Overseas Listing
Gulf proposes to fund the total capital cost of US$66 million for the smelter facility through a US$15 million IPO on the Catalist Board of the Singapore Exchange, modest project debt and operational cash flow.

Gulf will list its wholly-owned subsidiary, International Manganese Group Limited "(IMG") on the Catalist Board. IMG's 98%-owned subsidiary PT Gulf Mangan Grup, based in Kupang, will own and operate the smelter business in Timor.

Gulf will capitalise on strong levels of overseas interest from groups in Singapore, Hong Kong, the Middle East and Korea who are keen to invest in the project.

Corporate
Gulf has achieved significant milestones in the corporate sector.

The company's Entitlement Rights Issue was fully subscribed in March, raising $1.34 million from existing and sophisticated shareholders, as the company prepares its application to list its subsidiary on the Singapore Exchange's Catalist Board.

Shareholders also agreed to a name change in May from Gulf MineralsCorporation Limited to Gulf Manganese Corporation Limited. The change reflects Gulf's progression towards becoming an Indonesian-based manganese alloying enterprise, and better identifies the company as it prepares the Singapore listing.

Gulf comprehensively reviewed and implemented a complete new set of company procedures, including the Consitution, Code of Conduct, Board and committee charters and company policies, which can be viewed in full on the company website www.gulfmanganese.com.

Gulf, through its subsidiary PT Gulf Mangan Grup, has established an Indonesian head office in the West Timor capital Kupang as the alloying project gathers pace.

The company has been buoyed by national and international interest at:

- November 2014 - Shareholder roadshows in **Sydney**, **Melbourne** and **Adelaide**
- December 2014 - Mines & Money, **London**
- February 2015 - Smelter Summit, **Jakarta**
- March 2015 - Mining Investment Forum, **Singapore**; and Mines & Money, **Hong Kong**;
- May 2015 - Asia Mining Congress, **Singapore**.

Board
In July, long-term board member Victor Wu resigned due to his ongoing work commitments.
Chief executive officer Bruce Morrin was appointed to the board as Executive Director in July.

Paul O'Shaughnessy was appointed to the board as Non-Executive Metallurgical Director in August, bringing 40 years of international manganese industry experience to the company.

Chief Financial Officer Leonard Math was appointed to the combined roles of CFO and Company Secretary in January.

With Gulf's business plan to develop the smelter firmly in place, CEO Bruce Morrin announced his retirement in April. Chairman Graham Anderson assumed the role of executive chairman in the interim.

Successful Divestment of Non-Core Assets
Gulf successfully divested its key non-core assets in the first half of the financial year, enabling the company to hone its focus on the Indonesian manganese alloying project.

In September, the company divested its 51% share of Northern Territory copper tenement EL-10335 to joint venture partner Redbank Copper Ltd for $125,000.

The following month, Gulf divested its 100%-owned uranium tenement EL-29898 in the Northern Territory to joint venture partner Laramide Resources, for a total of $125,000.

Director’s Report

The Directors present the following report on the consolidated entity consisting of Gulf Manganese Corporation Ltd and the entity it controlled at the end of, or during, the financial year ended 30 June 2015.

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

Dr Peter Williams	(Deputy Chairman & Non-executive Director)
Mr Michael Walters	(Non-executive Director)
Mr Paul O’Shaughnessy	(Non-executive Director) appointed 12 August 2014

Mr Graham Anderson ceased as a Director on 20 July 2015.

Mr Bruce Morrin retired as the CEO & Executive Director on 2 April 2015.

Mr Victor Wu resigned as a Director on 11 July 2014.

Names, qualifications, experience and special responsibilities

Peter Williams BSc (Hons), PhD, FAICD, FAusIMM (Deputy Chairman & Non-executive Exploration Director)
Peter holds a PhD in Structural Geology and has been in the exploration industry since the early 1970's and was, before retirement, Managing Director of SRK Australasia, one of the country’s largest specialist geological consulting group. He joined the board in September 2013.

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

Michael Walters, B.Eng (Non-executive Marketing Director)
Michael holds a Bachelor of Engineering and has 30 years resources marketing experience having worked with Billiton, Western Mining and was part of the team that built Consolidated Minerals into the world's 4th largest high grade manganese supplier. He joined the board in October 2013.

Other Current Directorships	*Former Directorships in the Last Three Years*
Shaw River Manganese Ltd	None

Paul O’Shaughnessy, BSc(Eng), C Eng (Non-executive Metallurgical Director)
Paul is a metallurgical engineer with some 40 years of industry experience which includes smelting operations producing both bulk and specialty manganese alloys. He is a graduate from the Royal School of Mines, Imperial College, University of London with a Bachelor of Science Metallurgy with Honours. He operates his own consulting business which includes advising on the manufacturing of ferro alloys. Paul did not hold any other directorships in the last three years.

Chief Financial Officer & Company Secretary

Leonard Math, BComm, CA
Leonard graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants. 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.

He is a Director and Company Secretary of ASX listed companies Elemental Minerals Limited, RMA Energy Limited, Mako Hydrocarbons Limited and Kangaroo Resources Limited. He was appointed on 28 January 2015.

The previous company secretary Mr Piers Lewis resigned on 28 January 2015.

Director's interests in shares and options

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

	Shares		Options over ordinary shares	
	Direct	Indirect	Direct	Indirect
Directors	**2015**	**2015**	**2015**	**2015**
Michael Walters	1,493,533	-	1,000,000	-
Peter Williams	-	3,346,667	-	1,000,000
Paul O'Shaughnessy	-	-	1,000,000	-

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 2.
The Company incurred an after tax operating loss of $2,594,559 (2014: $5,622,881).

Dividends

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

Significant changes in states of affairs

Board Changes

During the financial year ended 30 June 2015, Mr Victor Wu resigned as a Director on 11 July 2014. Mr Bruce Morrin was appointed as Technical Director on 21 July 2014 and subsequently as a CEO of the Company and retired as the CEO and Technical Director of the Company in April 2015. Mr Anderson was then appointed as Executive Chairman.

On 12 August 2014, Mr Paul O'Shaughnessy was appointed as Non-Executive Director.

Corporate

During the year, Gulf completed the share and option consolidation on the basis of every fifty (50) shares/options into one (1) share/option as approved by Shareholders at the General Meeting of Shareholders held 1 September 2014.

In October 2014, Gulf announced a non-renounceable rights issue of 2 shares for every share held at an issue price of $0.03 each. At closing, a total of 19,646,430 shares were applied through the rights issue, raising $589,392. The Company managed to place the remaining shortfall shares amount 25,053,862, raising a further $751,616.

In 2005, Gulf issued 6,720,200 shares at a price of $0.03 in satisfaction of Directors' fees. A further 200,000 was issued at $0.03 to raise $6,000.

During the year, 60 Convertible Notes with a face value of $10,000 each were issued, raising $600,000. A further 7,500,000 Convertible Notes with a face value of $0.03 each were issued to Leprechaun Holdings Pty Ltd following shareholders' approval on 16 February 2015. These convertible notes were subsequently converted to fully paid ordinary shares on 29 May 2015.

Following shareholders' approval on 16 February 2015, 7,500,000 Unlisted Options exercisable at $0.25 each expiring 31 December 2018 were issued to Directors and employee.

Matters subsequent to the end of the financial year
Subsequent to year end, Mr Graham Anderson passed away and ceased to be a Director of the Company on 20 July 2015.

On 28 August 2015, a Notice of General Meeting was sent to shareholders to seek approval to issue up to 75,000,000 new Shares at 1.5 cents (a 50% discount to the 30 days' Volume Weighted Average Price) to unrelated third parties and a general offer to existing Shareholders to raise up to $1,125,000 with a free attaching Option on a 1 for 2 basis (total of up to 37,500,000 Options). The Options will be granted with an exercise price of 5 cents each and expire on the 30th September 2017.

A second resolution will seek Shareholder approval for the issue of up to 20,000,000 new Shares at a deemed issue price of 1.5 cents per Share with a free attaching Option on a 1 for 2 basis (total of up to 10,000,000 Options) as a debt for equity conversion to unrelated third party contractors and suppliers. The Options will be granted with an exercise price of 5 cents and expire on the 30th September 2017.

The Company seeks to undertake the Contractor/Supplier issue to preserve cash and direct funds to the SGX IPO costs and working capital.

The meeting will also seek approval to reinstate previous Shareholder approval to issue Convertible Notes together with seeking approval for Director Fees to be paid by the issue of Shares with no attaching Options.

The General Meeting will be held on 2 October 2015.

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 3.

Meetings of directors
The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

Name of Director	Number eligible to attend	Number attended
Graham Anderson	9	9
Michael Walters	9	9
Peter Williams	9	9
Paul O'Shaughnessy	7	6
Bruce Morrin*	5	4

**Retired as a Director on 2 April 2015*

Audit and risk committee
The Company has established an Audit and Risk Committee that comprises three non-executive directors: Dr Peter Williams (Committee Chairman), Mr Graham Anderson, and Mr Paul O'Shaughnessy. The Audit and Risk Committee did not meet during the year. Following the passing of Mr Anderson and due to the size of the Board, the Board now assumes the role of the Audit & Risk Committee.

Remuneration committee
The Company has established a remuneration committee consisting of three Directors with a majority of Independent Directors: Mr Michael Walters (Committee Chairman), Dr Peter Williams, and Mr Graham Anderson. The Remuneration Committee did not meet during the year. Following the passing of Mr Anderson and due to the size of the Board, the Board now assumes the role of the Audit & Risk Committee.

Environmental regulations
During the year, the Company successfully divested its key non-core assets, the Australian mineral tenements, enabling the company to hone its focus on the Indonesian manganese alloying project. The Company's current operations in Indonesia have limited exposure to the environmental regulation. 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 entitled to receive, (other than a remuneration benefit included in Note 16 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 2015, 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 4 for details about each Director and key management personnel) are as follows.

Graham Anderson	Non-executive Chairman (ceased on 20 July 2015)
Bruce Morrin	CEO & Executive Director (retired on 2 April 2015)
Peter Williams	Non-executive Director
Michael Walters	Non-executive Director
Paul O'Shaughnessy	Non-executive Director
Leonard Math	CFO & Company Secretary (appointed 28 January 2015)

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 $250,000.

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-15	**30-Jun-14**	**30-Jun-13**	**30-Jun-12**	**30-Jun-11**
	$	**$**	**$**	**$**	**$**
Revenue	150,043	-	100,023	350,925	6,069
Net Profit /(Loss) before tax	(2,594,559)	(5,622,881)	(530,212)	(1,845,851)	(7,299,362)
Net Asset/(Liability)	(836,429)	(227,215)	834,103	611,127	545,627

Performance based remuneration

There was no performance-based remuneration paid to Directors during the financial year.

Voting and comments made at the Company's 2014 Annual General Meeting

The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B Details of remuneration

Amounts 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 tables:

		SHORT-TERM BENEFITS	**POST EMPLOYMENT BENEFITS**		**OTHER**	**SHARE-BASED PAYMENT**		**TOTAL**
Directors		Salary and fees	Superannuation	Retirement Benefits	Fees	Options	Remuneration consisting of Options	$
Graham Anderson								
	2015	72,600	-	-	-	77,800	51.73%	150,400
	2014	12,000	-	-	-	-	-	12,000
Michael Walters								
	2015	36,000	-	-	-	38,900	51.94%	74,900
	2014	26,806	-	-	-	-	-	26,806
Peter Williams								
	2015	36,000	-	-	-	38,900	51.94%	74,900
	2014	28,800	-	-	-	-	-	28,800
Bruce Morrin *(retired 2 April 2015)*								
	2015	55,800	-	-	-	77,800	41.77%	133,600
	2014	55,800	-	-	-	-	-	55,800
Paul O'Shaughnessy								
	2015	31,935	-	-	-	38,900	54.92%	70,835
	2014	-	-	-	-	-	-	-
Victor Wu (resigned 11 July 2014)								
	2015	-	-	-	-	-	-	-
	2014	36,000	-	-	-	-	-	36,000
Peter Remta (resigned 12 March 2014)								
	2015	-	-	-	-	-	-	-
	2014	60,000	-	-	-	-	-	60,000
Peter Smith (resigned 5 November 2013								
	2015	-	-	-	-	-	-	-
	2014	9,348	-	-	-	-	-	9,348
Total Remuneration Directors								
	2015	232,335	-	-	-	272,300	53.96%	504,635
	2014	228,754	-	-	-	-	-	228,754
Executives								
Leonard Math (appointed 28 January 2015)								
	2015	79,500	-	-	-	-	-	79,500
	2014	-	-	-	-	-	-	-
Total Remuneration Executives								
	2015	79,500	-	-	-	-	-	79,500
	2014	-	-	-	-	-	-	-

C Service agreements

The Company has a service agreement with Graham Anderson for the provision of services as the Non-Executive Chairman and GDA Corporate for the provision of services as CFO & Company Secretary by Mr Leonard Math. Mr Graham Anderson was a Director of GDA Corporation and Mr Leonard Math is an employee of GDA Corporate. The service agreement with Mr Graham Anderson to provide service as Non-Executive Chairman has ceased following his passing on 19 July 2015.

There are no other service agreements other than disclosed above.

Current Details of the service agreements are as follows:-
Leonard Math – CFO & Company Secretary
Services agreement entered with GDA Corporate
Leonard Math is an employee of GDA Corporate

Monthly Fees
Chief Financial Officer: $5,000 plus GST
Company Secretary: $3,500 plus GST
Termination Notice Period – 3 months
Term – Continuing until terminated

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 $3,000 per month.

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 period of notice on termination where applicable.

D Share-based compensation

Options granted to Directors' and Officers
During the year, 7,500,000 options were granted to Directors' and employee of the Company (2014: nil). The options issued vest immediately. Refer to Note 11 for the inputs used for the valuation of these options.

Shares issued on exercise of unlisted options
There were no unlisted options exercised during the financial year.

Fair value of options granted
The assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black Scholes option pricing model.

E Additional information

Options granted to Directors carry no dividend or voting rights. No options have been granted since the end of the financial year.

Key Management Personnel Shareholdings

Directors	Balance at the beginning of the year	Share issue during the year	Held at Resignation	Balance at End of Year
Graham Anderson	-	1,000,000	-	1,000,000
Michael Walters	-	1,493,533	-	1,493,533
Peter Williams	2,000,000	1,346,667	-	3,346,667
Paul O'Shaughnessy	-	-	-	-
Bruce Morrin*	-	1,000,000	1,000,000	-
Victor Wu**	-	-	-	-
Leonard Math	-	-	-	-

**Retired on 2 April 2015*
***Resigned on 11 July 2014*

Key Management Personnel Optionholdings

Directors	Balance at the beginning of the year	Options issue during the year	Held at Resignation	Balance at End of Year
Graham Anderson	-	2,000,000	-	2,000,000
Michael Walters	-	1,000,000	-	1,000,000
Peter Williams	-	1,000,000	-	1,000,000
Paul O'Shaughnessy	-	1,000,000	-	1,000,000
Bruce Morrin*	-	2,000,000	2,000,000	2,000,000
Victor Wu**	-	-	-	-
Leonard Math	-	-	-	-

**Retired on 2 April 2015*
***Resigned on 11 July 2014*

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***
30-Jun-16	*$0.375*	*1,279,000*	*Yes*
31-Jul-17	*$0.375*	*13,900,000*	*Yes*
31-Dec-18	*$0.25*	*7,500,000*	*Yes*
		22,679,000	

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

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 (2014: nil). The Auditor's remuneration is disclosed in Note 24.

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 13.

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

Peter Williams
Deputy Chairman

Perth, Western Australia
30 September 2015

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Auditor's Independence Declaration

To those charged with the governance of Gulf Minerals Corporation Limited

As auditor for the audit of Gulf Mineral Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Kevin Somes
Partner

Perth

30 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015	Consolidated 2014
		$	$
Revenue			
Revenue from JV agreement		150,000	-
Interest income		43	-
	2	150,043	-
Expenses			
Directors remuneration		87,215	172,954
Administrative expenses		809,327	586,678
Exploration and evaluation expenses		14,487	36,080
Due diligence expenses		289,464	7,583
Impairment of Exploration and Evaluation	8	125,000	1,358,810
Legal fees		154,272	223,309
Depreciation		10,680	-
Professional fees		286,677	285,114
Share based payments	27	292,480	393,703
Impairment of available-for-sale investment	6	675,000	2,558,650
Loss before income tax	2	(2,594,559)	(5,622,881)
Income tax benefit/(expense)	3	-	-
Net loss after tax		(2,594,559)	(5,622,881)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		**(2,594,559)**	**(5,622,881)**
Basic and diluted loss per share (cents)	14	(4.97)	(0.72)

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
AS AT 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Current Assets			
Cash and cash equivalents	4	9,638	3,802
Trade and other receivables	5	123,179	154,218
Total Current Assets		132,817	158,020
Non-Current Assets			
Financial assets	6	75,000	750,000
Plant and equipment	7	41,905	48,865
Exploration, evaluation and development	8	-	125,000
Intangible assets	14	512,314	-
Non-Current Assets		629,219	923,865
Total Assets		762,036	1,081,885
Current Liabilities			
Trade and other payables	9	859,660	686,505
Borrowings	10	738,805	306,012
Total Current Liabilities		1,598,465	992,517
Non-Current Liabilities			
Borrowings	10	-	316,583
Total Non-Current Liabilities		-	316,583
Total Liabilities		1,598,465	1,309,100
Net Assets		(836,429)	(227,215)
Equity			
Contributed equity	11	19,903,222	18,210,356
Accumulated losses	12	(22,087,923)	(19,493,364)
Options reserve	13	1,348,272	1,055,793
Total Equity		(836,429)	(227,215)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
Balance at 1 July 2014		18,210,356	(19,493,364)	1,055,793	(227,215)
Loss for the year		-	(2,594,559)	-	(2,594,559)
Total comprehensive loss for the year		-	(2,594,559)	-	(2,594,559)
Transaction with owners in their capacity as owners					
Contributions to equity net of transactions costs	11	1,692,866	-	292,479	1,985,345
Balance 30 June 2015		**19,903,222**	**(22,087,963)**	**1,348,272**	**(836,429)**
Balance at 1 July 2013		14,704,586	(13,870,483)	-	834,103
Loss for the year		-	(5,622,881)	-	(5,622,881)
Total comprehensive loss for the year		-	(5,622,881)	-	(5,622,881)
Transaction with owners in their capacity as owners					
Contributions to equity net of transactions costs	11	3,505,770	-	1,055,793	4,561,563
Balance 30 June 2014		**18,210,356**	**(19,493,364)**	**1,055,793**	**(227,215)**

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 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Other receipts		150,000	50,000
Interest received		43	-
Payments to suppliers and employees		(1,427,130)	(851,372)
Net cash flows used in operating activities	4	(1,277,087)	(801,372)
Cash flows from investing activities			
Purchase of plant and equipment		(3,720)	(91,584)
Payments for exploration, evaluation and development expenditure		(368,033)	(136,882)
Net cash flows used in investing activities		(371,753)	(228,466)
Cash flows from financing activities			
Proceeds from issue of securities		1,971,260	607,310
Proceeds from borrowings		169,175	422,178
Repayment of borrowings		(485,758)	-
Net cash flows from financing activities		1,654,676	1,029,488
Net increase/(decrease) in cash and cash equivalents		5,836	(350)
Cash and cash equivalents at beginning of the year		3,802	4,152
Cash and cash equivalents at the end of the year	4	**9,638**	**3,802**

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

Corporate information

The financial report of the Company for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 29 September 2015. Gulf Manganese Corporation Limited (previously known as Gulf Minerals 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 Ltd 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) 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 consolidated entity had net current liabilities of $1,598,465 at 30 June 2015 (30 June 2014: $834,497), incurred a net loss after tax for the financial year ended 30 June 2015 of $2,594,559 (30 June 2014 loss $5,622,881) and experienced net cash outflows from operating activities of $1,277,087 (30 June 2014: $801,372).

Whilst the directors have instituted measures to preserve cash and secure additional finance, they recognise that the Company's ability to continue as a going concern is dependent on its ability to raise additional capital to fund its business plans. Furthermore, the ability of the Company to continue as a going concern is subject to the ability of the Company to successfully develop and commercialise products. The Company is a listed company, and has been successful in raising capital on the ASX in the past.

On 28 August 2015, Gulf Manganese Corporation Limited announced that the company is calling a General Meeting to seek Shareholder approval to issue up to 75,000,000 Shares at 1.5 cents to unrelated third parties and a general offer to existing Shareholders to raise up to $1,125,000 with a free attaching Option on a 1 for 2 basis (total of up to 37,500,000 Options). The Options will be granted with an exercise price of 5 cents each and expire on the 30th September 2017.

The Company proposes to conduct an initial public offer and listing on the Catalist Board of the Singapore Exchange of the wholly owned subsidiary, International Manganese Group Limited, which will own and operate the Timor Manganese Smelter business.

Funds raised will be used to satisfy the estimated listing costs and general working capital. Existing Shareholders, apart from the major Shareholder, may apply for additional Shares to their current holding quantity.

A second resolution will seek Shareholder approval for the issue of up to 20,000,000 Shares at a deemed issue price of 1.5 cents per Share with a free attaching Option on a 1 for 2 basis (total of up to 10,000,000 Options) as a debt for equity conversion to unrelated third party contractors and suppliers. The Options will be granted with an exercise price of 5 cents and expire on the 30th September 2017.

The Company seeks to undertake the Contractor/Supplier issue to preserve cash and direct funds to the SGX IPO costs and working capital.

The meeting will also seek approval to reinstate previous Shareholder approval to issue Convertible Notes together with seeking approval for Director Fees to be paid by the issue of Shares with no attaching Options.

The Company also expects to be able to raise additional capital from the Capital market, and on that basis, the directors believe that the going concern basis of the presentation is appropriate. Additionally, a major shareholder has signed a letter of comfort to provide financial support to the Company for the next 12 months.

Nonetheless, the Company's working capital position and other year-end financial indicators show a significant uncertainty whether the Company will be able to continue as a going concern.

Should the company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

c) 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).

d) 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 consolidated entity'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 consolidated entity 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.

iii) Available for sale financial assets

AFS assets are subsequently measured at fair value. The value applied for fair value is the value of the most capital raising price conducted by the Company and using any other available data of the market for the asset held. Any impairment loss is then expensed in the period identified.

e) Property, 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%.

f) 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.

g) 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.

h) Investments

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is de-recognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

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
Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature without any cash consideration are not recognised as revenues.

Interest income
Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets
Gains or losses arising on the sale of non-current assets are included in profit or loss at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

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 2015 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 or the consolidated entity.

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 Company 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 reporting 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 where 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, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences 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 the unused tax assets and unused tax losses can be utilized:

Except where 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; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting 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 utilized.

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 reporting 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
Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).
Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is de-recognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

v) Intangible assets

Intangible assets that are acquired or developed by the Group have finite useful lives are measured at cost less any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Impairment of the intangible assets are reviewed at each reporting date and adjusted if appropriate.

w) New Accounting Standards and Interpretations

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2. Revenue and expenses

	Consolidated	
	2015	**2014**
	$	**$**
(a) Revenue		
Sale of interest*	150,000	-
Bank interest received	43	-
	150,043	-

*During the year, Gulf has entered into a Sale Agreement to divest its remaining 51% of the Northern Territory exploration tenement EL 10335 to 49% joint venture partner Redbank Copper Limited (ASX:RCP). The sale of Gulf's 51% together with all Mining information was agreed at $125,000 cash with a deposit payment of $50,000 with the balance due incrementally over a 9 month period and settlement following Ministerial consent for the transfer. At 30 June 2015, $100,000 was received from Redbank Copper.

Gulf has also entered a Sale Agreement to divest its 100% of the Northern Territory exploration tenement EL 29898 to joint venture partner Laramide Resources Limited (ASX:LAM). The sale of Gulf's 100% interest together with all mining information was agreed at a $125,000 cash with a deposit payment of $25,000, a further $25,000 subject to certain conditions and the balance of $75,000 following ministerial consent for the transfer. At 30 June 2015, $50,000 was received from Laramide.

(b) Expenses include:		
Accounting/secretarial fees	72,721	90,289
Advertising and promotion	139,326	45,731
Depreciation expense	10,680	5,268
Share registry fees	28,376	26,725
Operating lease rental expense	75,229	54,766
	326,332	222,779

Note 3. Income tax

	Consolidated 2015 $	2014 $
Loss for the period	(2,594,559)	(5,622,881)
Prima facie tax benefit at Australian tax rate of 30%	(778,368)	(1,686,864)
Tax effect of non-deductible items:		
Impairment of available for sale assets	202,500	767,595
Impairment of receivable	-	18,000
Impairment of exploration expenditure	37,500	390,856
Section 40-880	(24,399)	(16,978)
Non-deductible expenses	523	-
Share based payments	87,744	-
Temporary differences not recognised	474,500	527,391
Income tax expense	-	-

No income tax expense has been provided in the accounts because the company has an operating loss for the year. No future tax benefit attributable to tax losses has been brought to account as recovery is not probable. The total of tax losses held within the company is $18,410,183 (2014: $16,170,536).

The benefit will only be obtained if the company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised, continues to comply with the conditions for deductibility imposed by taxation legislation and there are no changes in tax legislation adversely affecting the company in realising the benefit.

Note 4. Cash and cash equivalents

Cash at bank and on hand	9,638	3,802

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

(i) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(2,594,599)	(5,622,881)
Cash flows excluded from loss attributable to operating activities		
Exploration costs	14,487	36,081
Add (less) non-cash items		
Depreciation	10,680	5,268
Share based payment expense	292,480	393,703
Impairment of available-for-sale investment	675,000	2,558,650
Impairment of deferred exploration and evaluation	125,000	1,358,810
Non cash payments – settlement in equity	201,606	-
(Increase)/decrease in assets:		
Receivables	31,039	49,713
Increase/(decrease) in liabilities:		
Payables	(32,780)	419,284
Net cash from operating activities	(1,277,087)	(801,372)

Non-cash Financing and Investing Activities

During the financial year, 6,720,200 shares in the Company were issued to settle creditors, to the value of $201,606.

	Consolidated	
	2015	2014
Note 5. Trade and other receivables	$	$
Trade receivables	-	-
Other receivables	123,179	154,218
	123,179	154,218

As of 30 June 2015, trade receivables that were past due or impaired was nil (2014: nil). Information about the Company's exposure to credit risk is provided in Note 18.

Note 6. Non current financial assets

Available for sale unlisted investments, at fair value		
– shares in Asia Mineral Corporation Limited	75,000	750,000
	75,000	750,000

The Company is a registered holder of 15,000,000 shares in Asia Mineral Corporation Limited (AMC) having acquired and initially recognised the investment at 22 cents. As at year end the Board had reviewed the fair value of the AMC shares and have revalued them to 0.5 cents per share after making appropriate enquiries of AMC.

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	750,000	-
Additions:		
Shares issued on 14 October 2013 (Note 11)	-	2,310,000
Options issued on 14 October 2013 (Note 11)	-	998,650
Disposals	-	-
Impairment	(675,000)	(2,558,650)
Closing value	75,000	750,000

Note 7. Plant and equipment

	Motor Vehicles	Office Furniture & Equipment	Total
	$	$	$
As at 1 July 2014			
At cost	29,082	28,772	57,854
Accumulated depreciation	(9,058)	(6,891)	(15,949)
Total written down amount	20,024	21,881	41,905
Reconciliation			
Opening written down value	25,837	23,029	48,866
Additions	-	3,720	3,720
Depreciation charge for the year	(5,813)	(4,868)	(10,681)
Closing written down value 2015	20,024	21,881	41,905

	Consolidated	
	2015	2014
	$	$

Note 8. Exploration and evaluation expenditure

Expenditure brought forward	125,000	1,405,489
Expenditure incurred	-	78,321
Expenditure impaired	(125,000)	(1,358,810)
Expenditure carried forward	-	125,000

The recoupment of capitalised exploration expenditure carried forward is dependent upon the successful development and commercialisation or sale of the areas of interest being explored and evaluated.

In September 2014 the Company announced the sale agreement to divest its 51% of Northern Territory mining tenement EL10335 to joint venture partner Redbank Copper Limited for $125,000 cash.

Note 9. Trade and other payables

Trade payables	685,968	493,620
Accruals	152,000	13,000
Other payables	19,086	179,279
Provision for annual leave	606	606
	859,660	686,505

Note 10. Borrowings

Current		
Other financial liabilities	138,805	290,012
Convertible notes	600,000	15,000
Non-Current		
Other financial liabilities	-	316,583
	738,805	621,595

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

Opening Balance	15,000	255,000
Additions	600,000	-
Disposals	(15,000)	(240,000)
Finance costs	-	-
Closing Balance	600,000	15,000

Terms and conditions of the Convertible Notes:

Coupon: 10%
Term: 3 years from issue
Interest payments: Quarterly in arrears
Denominations: 600 notes in denominations of AUD$10,000 per note
Ranking of Notes: Will rank senior in obligation of payment to any future indebtedness including dividends
Guarantees: The issuer's obligations under the Notes will be guaranteed by Gulf Manganese Corporation Limited and International Manganese Limited and subject to all regulatory approvals
Conversion: Each note may be converted into Gulf shares at the rate of 85% of the 30 day VWAP at the Holders option after 12 months from issue

Redemption: Each note may be redeemed at the Holders option 12 months from issue or any time thereafter with 3 months notification and all outstanding notes will be redeemed in full 36 months from issue

Note 11. Contributed Equity

Shares on Issue	**Number**	**$**
Ordinary shares fully paid on issue at 30 June 2015 (2014: 1,117,503,856)	81,470,638	19,903,222

Movement in share capital	**2015**	
	Number	**$**
Balance at 1 July 2014	1,117,503,856	18,210,356
Share consolidation (50 to 1)	(1,095,153,710)	-
3 Dec 2014 Issue of 19,646,430 ordinary shares at 0.3 cents each	19,646,430	589,392
23 Dec 2014 Issue of 1,666,667 ordinary shares at 0.3 cents each	1,666,667	50,000
31 Dec 2014 Issue of 5,569,433 ordinary shares at 0.3 cents each	5,569,433	167,083
30 Jan 2015 Issue of 1,141,531 ordinary shares at 0.3 cents each	1,141,531	34,246
16 Feb 2015 Issue of 1,360,000 ordinary shares at 0.3 cents each	1,360,000	40,800
20 Feb 2015 Issue of 379,500 ordinary shares at 0.3 cents each	379,500	11,385
26 Feb 2015 Issue of 16,603,398 ordinary shares at 0.3 cents each	16,603,398	498,102
27 Feb 2015 Issue of 5,053,533 ordinary shares at 0.3 cents each	5,053,533	151,606
22 May 2015 Issue of 200,000 ordinary shares at 0.3 cents each	200,000	6,000
29 May 2015 Issue of 7,500,000 ordinary shares at 0.3 cents each	7,500,000	225,000
Less capital raising costs	-	(80,748)
Balance at 30 June 2015	81,470,638	19,903,222

Movement in share capital	**2014**	
	Number	**$**
Balance at 1 July 2013	496,233,858	14,704,586
15 July 2013 Issue of 2,600,000 ordinary shares at 0.6 cents each	2,600,000	15,600
14 October 2013 Issue of 385,000,000 ordinary shares at 0.6 cents each	385,000,000	2,310,000
14 October 2013 Issue of 40,000,000 ordinary shares at 0.6 cents each	40,000,000	240,000
14 October 2013 Issue of 32,500,000 ordinary shares at 0.6 cents each	32,500,000	195,000
22 October 2013 Issue of 98,669,998 ordinary shares at 0.6 cents each	98,669,998	592,020
30 June 2014 Issue of 27,500,000 ordinary shares at 0.6 cents each	27,500,000	165,000
30 June 2014 Issue of 10,000,000 ordinary shares at 0.5 cents each	10,000,000	50,000
30 June 2014 Issue of 25,000,000 ordinary shares at 0.2476 cents each	25,000,000	61,900
Less capital raising costs	-	(123,750)
Balance at 30 June 2014	1,117,503,856	18,210,356

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. Ordinary shareholders rank behind creditors in the distribution of proceeds from the winding-up of the Company. 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.

Share Options on Issue

	Number	$
Unlisted share options on issue at 30 June 2015 (2014: 897,300,002)	**22,679,000**	**1,345,592**

Unlisted share options on issue at 30 June 2015	2015 Number	$
Unlisted options exercisable at $0.375 each expiring on or before 30 June 2016	1,279,000	76,428
Unlisted options exercisable at $0.375 each expiring on or before 31 July 2017	13,900,000	977,414
Unlisted options exercisable at $0.25 each expiring on or before 31 December 2018	7,500,000	291,750
Balance at 30 June 2015	**22,679,000**	**1,345,592**

Movements in share options	2015 Number	$
Balance 1 July 2014	**897,300,002**	**1,055,793**
(A) Consolidation of unlisted options expiring on or before 31 July 2017	(681,200,000)	-
(B) Consolidation of unlisted options expiring on or before 30 June 2016	(62,671,000)	-
(C) Consolidation of unlisted options expiring on or before 31 Oct 2014	(125,211,331)	-
(D) Consolidation of unlisted options expiring on or before 30 April 2015	(10,371,663)	-
(E) Issue of unlisted options exercisable at $0.25 each expiring on or before 31 December 2018	7,500,000	291,750
(F) Issue of unlisted options exercisable at $0.375 each expiring on or before 31 July 2017	100,000	730
Lapsing of unlisted options exercisable at $0.75 each expiring on or before 31 October 2014	(2,555,337)	(2,681)
Lapsing of unlisted options exercisable at $0.75 each expiring on or before 30 April 2015	(211,671)	-
Balance 30 June 2015	**22,679,000**	**1,345,592**

Movements in share options	2014 Number	$
Balance 1 July 2013	130,250,002	-
(A) Issue of unlisted options exercisable at 0.75 cents each expiring on or before 31 July 2017	695,000,000	977,414
(B) Issue of unlisted options exercisable at 0.75 cents each expiring on or before 30 June 2016	63,950,000	76,428
(C) Issue of unlisted options exercisable at 1.5 cents each on or before expiring 31 October 2014	44,100,000	1,951
Lapsing of unlisted options exercisable at 5 cents each expiring on or before 31 January 2014	(1,000,000)	-
Lapsing of unlisted options exercisable at 5 cents each expiring on or before 31 December 2013	(35,000,000)	-
Balance 30 June 2014	**897,300,002**	**1,055,793**

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.

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.

Fair value of options granted

The fair value of options granted during the financial year was calculated at the date of grant using the Black-Scholes option-pricing model. The following table gives the assumption made in determining the fair value of options on grant date:

	A	B
Fair value per option	$0.0073	$0.0389
Number of options	100,000	7,500,000
Expiry date	31 July 2017	31 December 2018
Exercise price	$0.375	$0.25
Price of shares on grant date	$0.042	$0.042
Estimated volatility	100%	258%
Risk-free interest rate	2.5%	2.01%
Dividend yield	0%	0%
Discount on price calculated	0%	0%

Note 12. Accumulated losses

	Consolidated	
	2015	2014
	$	$
Accumulated losses at beginning of the year	(19,493,364)	(13,870,483)
Net loss for the year	(2,594,559)	(5,622,881)
Accumulated losses at end of the year	(22,087,923)	(19,493,364)

Note 13. Options reserve

Balance at the beginning of the year	1,055,793	-
Option issued during the year	292,479	1,055,793
Balance at the end of the year	1,348,272	1,055,793

Nature and purpose of reserves

Options reserve

The options reserve is used to recognize the fair value of options issued.

Note 14. Intangible assets

Smelter Development Costs

Expenditure brought forward	-	-
Expenditure incurred	512,314	-
Expenditure impaired	-	-
Expenditure carried forward	512,314	-

Smelter development costs relate to expenditures incurred to development the smelter study. Timor Smelter Study examines the development of a ferromanganese (FeMn) smelting and alloy sales business to produce high carbon ferromanganese alloys based in Gulf's manganese project in Kupang, Timor, Indonesia. The

Timor Smelter Study has been completed and development of the project will be subject to funding availability.

Note 15. Earnings per share

	2015	2014
	Cents	
Basic and diluted loss per share	(4.97)	(35.78)*
	Number	
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	52,252,274	15,713,266*

*During the year ended 30 June 2015, the Company completed a share consolidation of 50 for 1. In order to ensure consistency in comparison, prior year's weighted average number of ordinary shares have been adjusted accordingly.

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

(a) Exploration Commitments

The Company has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company.

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

	Consolidated	
	2015	**2014**
(b) Operating Lease Commitments	**$**	**$**
Office operating lease rentals are payable as follows:		
Not later than one year	161,648	76,398
Later than one year but no later than two years	90,040	79,454
Later than two years	-	40,506
	251,689	196,358

The Company leases two offices under a non-cancellable operating lease expiring on 31 December 2016 and 1 February 2017. 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:

	2015	2014
	$	$
Short-term employee benefits (directors)	176,535	172,954
Short-term employee benefits (CEO)	55,800	55,800
Post-employment benefits	-	-
Share based payments	272,300	-
	504,635	228,754

(b) Loans to Key Management Personnel

There are no loans to key management personnel as at 30 June 2015 (2014: nil).

Note 18. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

Transactions with related parties:

(i) Leprechaun Holdings Pty Ltd (a substantial shareholder of the Company), paid on behalf of the Company for operating expenses excluding GST of $28,804 (2014: $138,126).

(ii) Bluewater Business Services Pty Ltd a related party of Leprechaun Holdings Pty Ltd provided consultancy services to the value of $150,000 (excluding GST) to the Company (2014: $150,000).

(iii) Dr Peter Williams, a director of Gulf, loaned $100,000 to Gulf during the year, to assist with working capital needs. The Company is seeking shareholders' approval to convert this loan into Convertible Note.

(iv) GDA Corporate Pty Ltd provided Chief Financial Officer services, Company Secretary services and accounting services to the Gulf at normal commercial terms, to the value of $79,500 (excluding GST; 2014: $10,000). Graham Anderson was a Director of GDA Corporate and Mr Leonard Math is an employee of GDA Corporate.

Amounts owing to related parties	**Consolidated**	
	2015	**2014**
	$	**$**
Leprechaun Holdings Pty Ltd	28,804	144,000
Bluewater Business Services Pty Ltd	82,500	-
Mr James Kiernan	-	125,000
Dr Peter Williams	118,000	60,000
GDA Corporate	61,584	22,000
Graham Anderson	20,460	-
Michael Walters	18,000	-
Paul O'Shaughnessy	31,935	-
Victor Wu (and associated companies) *(a)*	-	28,000
	278,783	379,000

(a) Victor Wu resigned 11 July 2014

Leprechaun Holdings Pty Ltd (the substantial shareholder of the Company) provided an unsecure loan to the Company.

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

Note 19. Financial risk management

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

Overall Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. 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:

	Consolidated	
	2015	**2014**
	$	**$**
Cash and cash equivalents	9,638	3,802
Trade and other receivables	123,179	154,218
Other assets	-	-
	132,817	158,020

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.

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. 95% of the Group's transactions are denominated in AUD, thus eliminating the need for measures to mitigate currency exposure.

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	Non-Interest Bearing	Total
	$	$	$	$
Financial Assets				
Cash and cash equivalents	-	9,638	-	9,638
Financial Liabilities				
Convertible Notes	600,000	-	-	600,000

Sensitivity analysis
If the interest rates had weakened/strengthen by 1% at 30 June 2015, there would be no material impact on the statement of comprehensive income. There would be no effect on the equity reserves other than those directly related to statement of comprehensive income movements.

Note 20. Fair value measurement of financial assets

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- level 3: unobservable inputs for the asset or liability

The following tables provide the fair values of the financial assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
30 June 2015					
Financial assets					
Available-for-sale financial assets	6	-	75,000	-	-
Net fair value		-	75,000	-	-
30 June 2014					
Financial assets					
Available-for-sale financial assets	6	-	750,000	-	-
Net fair value		-	750,000	-	-

Note 21. Segment information

For management purposes, the Group is organised into one main operating segment, which involves the development on manganese alloy producer, presently solely in 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.

Note 22. Contingent liabilities and assets

Estimates of the potential financial effect of contingent liabilities and contingency assets that may become payable or receivable:

A claim against the Company was brought by Zanamere Pty Ltd whose sole director is Mr Reveleigh (Gulf's previous managing director) involving a dispute about the termination on 31 March 2011 of a contract between the Company and Zanamere Pty Ltd.

The Company registered a claim against former managing director (Mr Reveleigh) for compensation in respect to previous transactions implemented by his authority.

The Company has reached an in-principle agreement with Mr Reveleigh, which the parties are aiming to have documented in October 2015.

The director's estimate of the settlement amount for both Zanamere and Mr Reveleigh is $137,000, to be paid by Gulf.

Note 23. Events occurring after reporting period

Mr Graham Anderson passed away and ceased as the Chairman of the Company on 19 July 2015.

On 28 August 2015, a Notice of General Meeting was sent to shareholders to seek approval to issue up to 75,000,000 new Shares at 1.5 cents (a 50% discount to the 30 days' Volume Weighted Average Price) to unrelated third parties and a general offer to existing Shareholders to raise up to $1,125,000 with a free attaching Option on a 1 for 2 basis (total of up to 37,500,000 Options). The Options will be granted with an exercise price of 5 cents each and expire on the 30th September 2017.

A second resolution will seek Shareholder approval for the issue of up to 20,000,000 new Shares at a deemed issue price of 1.5 cents per Share with a free attaching Option on a 1 for 2 basis (total of up to 10,000,000 Options) as a debt for equity conversion to unrelated third party contractors and suppliers. The Options will be granted with an exercise price of 5 cents and expire on the 30 September 2017.
The Company seeks to undertake the Contractor/Supplier issue to preserve cash and direct funds to the SGX IPO costs and working capital.

The meeting will also seek approval to reinstate previous Shareholder approval to issue Convertible Notes together with seeking approval for Director Fees to be paid by the issue of Shares with no attaching Options.

The General Meeting will be held on 2 October 2015.

Other than being disclosed, there are no other events occurred after the reporting period.

	Consolidated	
	2015	**2014**
Note 24. Auditor's remuneration	**$**	**$**
Audit and review of financial statements	21,200	26,500
	21,200	**26,500**

Note 25. Dividends
There were no dividends recommended or paid during the financial years ended 30 June 2015 and 30 June 2014.

Note 26. Investment in controlled entities

Details of investment in the ordinary share capital of controlled entities are as follows:

Name of Entity	Place of Incorporation	Equity Holding	
		2015 %	**2014** %
Parent Entity			
Gulf Manganese Corporation Limited	Australia		
Controlled Entities			
Gulf Copper Pty Ltd[1]	Australia	100	100
Gulf Manganese Pty Ltd[1]	Australia	100	100
Gulf Coal Pty Ltd[1]	Australia	100	100
International Manganese Group Limited	Australia	100	100
Ebagoola Gold Mines Pty Ltd[2]	Australia	-	100

[1] These companies were inactive during the year ended 30 June 2015.
[2] Ebagoola was liquidated during the year.

Note 27. Share based payments
During the financial year ended 30 June 2015 the Company issued the following share based payments:

Series 1
On 26 November 2014, the Company issued 100,000 Unlisted Options exercisable at $0.375 expiring 31 July 2017. The options are not subject to any vesting conditions:

i) 1/3 Vest on 15 April 2014
ii) 1/3 Vest on 15 April 2015
iii) 1/3 Vest on 15 April 2016

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

The fair value of the equity-settled share options granted is estimated as at the grant date using the black-scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. Expected volatility is based on the historical share price volatility over the past year.

Fair value of share options granted during the period:
The input used in the measurement of the fair value at grant date of equity settled share based payments plan were as follows:

Input into the model	Series 1
Grant Date Share Price	$0.042
Exercise Price	$0.375
Expected Volatility	100%
Option Life	3 years
Dividend Yield	0%
Risk Free interest rate	2.5%
Weighted average grant date fair value	$0.0073

Series 2
On 16 February 2015, the shareholders approved the issue of 7,500,000 Unlisted Options exercisable at $0.25 expiring 31 December 2018 to Directors and employee. The options are not subject to any vesting conditions:

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

The fair value of the equity-settled share options granted is estimated as at the grant date using the black-scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. Expected volatility is based on the historical share price volatility over the past year.

Fair value of share options granted during the period:
The input used in the measurement of the fair value at grant date of equity settled share based payments plan were as follows:

Input into the model	Series 2
Grant Date Share Price	$0.042
Exercise Price	$0.25
Expected Volatility	258%
Option Life	3.5 years
Dividend Yield	0%
Risk Free interest rate	2.01%
Weighted average grant date fair value	$0.0389

Note 28: Gulf Manganese Corporation Limited Parent Company Information

	Company	
	2015	**2014**
	$	**$**
Assets		
Current assets	85,541	148,256
Non-current assets	667,267	5,107,118
Total Assets	**752,808**	**5,255,374**
Liabilities		
Current liabilities	1,598,464	854,517
Non current liabilities	-	454,583
Total Liabilities	**1,598,464**	**1,309,100**
Equity		
Contributed equity	19,903,209	18,210,343
Options Reserve	1,348,273	1,055,793
Retained earnings	(22,097,138)	(15,318,862)
Total Equity	**(845,656)**	**3,947,274**
Financial Performance		
Loss for the year	(6,777,276)	(5,675,965)
Other comprehensive income	-	-
Total comprehensive income	**(6,777,276)**	**(5,675,965)**

Director's Declaration

The Directors of the Company declare that:

1. The financial statements and note set out on pages 18 to 41, 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 consolidated entity's financial position as at 30 June 2015 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 2015, 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:

Peter Williams
Deputy Chairman

Perth, Western Australia
30 September 2015

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Independent Auditor's Report
To the members of Gulf Minerals Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Gulf Minerals Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1.c), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Gulf Minerals Corporation Limited 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 2015 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.c).

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 1.b) to the financial report, which describes that the ability of the company to continue as a going concern is dependent on future capital raisings and the continuing support of a major shareholder.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Gulf Minerals Corporation Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Kevin Somes
30 September 2015
Perth