FIRST STAGE EXPLORATION PROGRAM IDENTIFIES STRONG GOLD PRESENCE

ASX ANNOUNCEMENT **27 March 2017**

Gulf Industrials Limited ("Gulf" or "the Company") announces the progression of the first stage of the Gbane project exploration program.

The Company recently concluded a range of high density geochemical soil sampling and geophysics.

The results are highly encouraging as they identified numerous gold predictors and the presence of gold enabling Gulf to determine the direction and scope of the planned drilling program.

HIGHLIGHTS

- Collection and analysis of over 4,000 soil samples within the Gbane Project area;
- Approximately 37 kilometres of high density magnetic ground survey;
- Elemental assays indicate the strong presence and correlation of certain pathfinder elements, specifically arsenic and copper, with known gold-bearing structures;
- XRF assays show gold presence between 3-15 g/t in many soil samples; and
- Identification of the extension of the existing gold structure identified and reported by Cardinal Resources (ASX.CDV);
- Drilling to commence in the next quarter.

GBANE PROJECT

Gulf has recently entered into a project earn-in agreement with Cassius Mining Limited in a licensed key gold exploration project in Bolgatanga, Ghana, an area that is attracting increasing interest in the gold mining sector. Gulf is currently engaged in a detailed Exploration Program which has progressed to an advanced stage.

The recently concluded detailed soil sampling, geophysics and mapping program is being utilised in preparation for the drilling phase of the exploration plan.

PROJECT AREA

The Gbane Project covers an area of 4.37km^2 within a Large Scale Prospecting License area, and is directly

adjacent to the well established and gold producing Shaanxi Gold Mine ("*Shaanxi*").

The project area is also located along strike from Cardinal Resources Limited's Namdini Project. Preliminary exploration activities in the region which followed analysis of historical artisanal workings provide positive early indications towards a potentially significant and economic graded significant zone of mineralization.

The Gbane Project is located within the Palaeoproterozoic Nangodi Granite-Greenstone Belt in northeast Ghana.

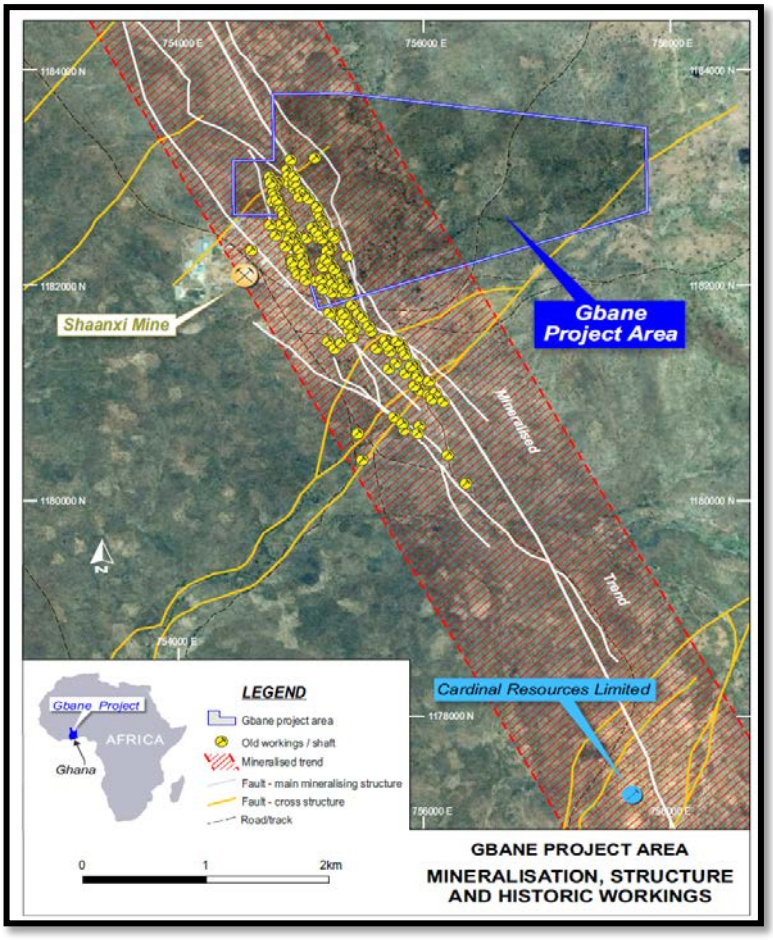
The area contains significant gold production, from several gold mines in the wider region, as well as from numerous small artisanal gold workings.

Identified gold deposits range in size from small-scale, high-grade shear-hosted veins that occur along lithological contacts, to larger tonnage lower-grade deposits associated with stock works in felsic to intermediate intrusions.

The Gbane Project area is defined by an abundance of extensive artisanal mining, where workings are mostly shafts, trenches and pits excavated along the strike of a series of quartz veins, and within alluvial material. Diagram 1 shows the Gbane Project area with an indicative mineralised structure highlighted relative to the historical working of artisanal miners.

The company believe there is significant potential for the discovery of both large-scale open pit and high-grade underground gold deposits.

Diagram 1: Gbane Project – Mineralization, structure and historical workings

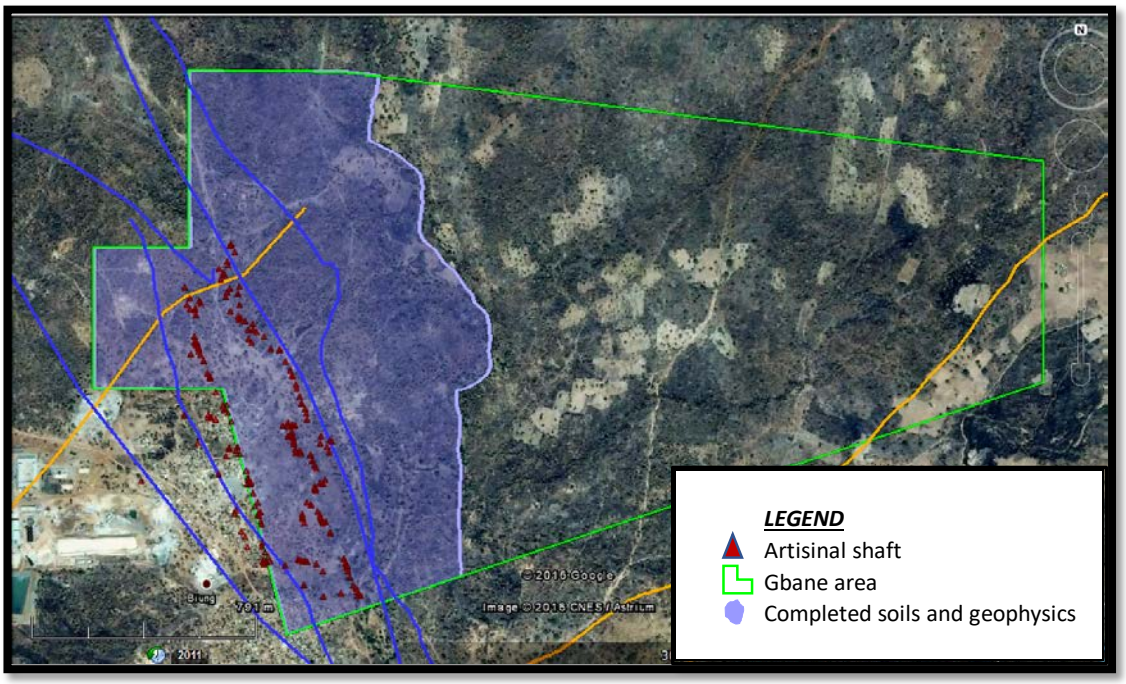


The geochemical soil sampling program was undertaken after an extensive field mapping exercise was conducted across the project area.

The exercise also utilised existing workings by mapping the extensive shallow artisanal mining 'crater' zones which were to be included in the soil sampling program. The initial mapping exercise had previously identified potential mineralization host targets, such as fault structures, geological contacts and outcropping alterations. The target area subsequently established for the soils and geophysics program is shown in Diagram 2 and covers the western one third of the Gbane project area.

Sampling points were gridded at a density of 25 x 25m, and samples were taken from near surface. Analytical samples were prepared via sieving <1000um. Assaying was completed using a calibrated, hand held XRF analysis on each sample covering a suite of 26 elements.

Diagram 2: Gbane Project – Completed soils and geophysics area



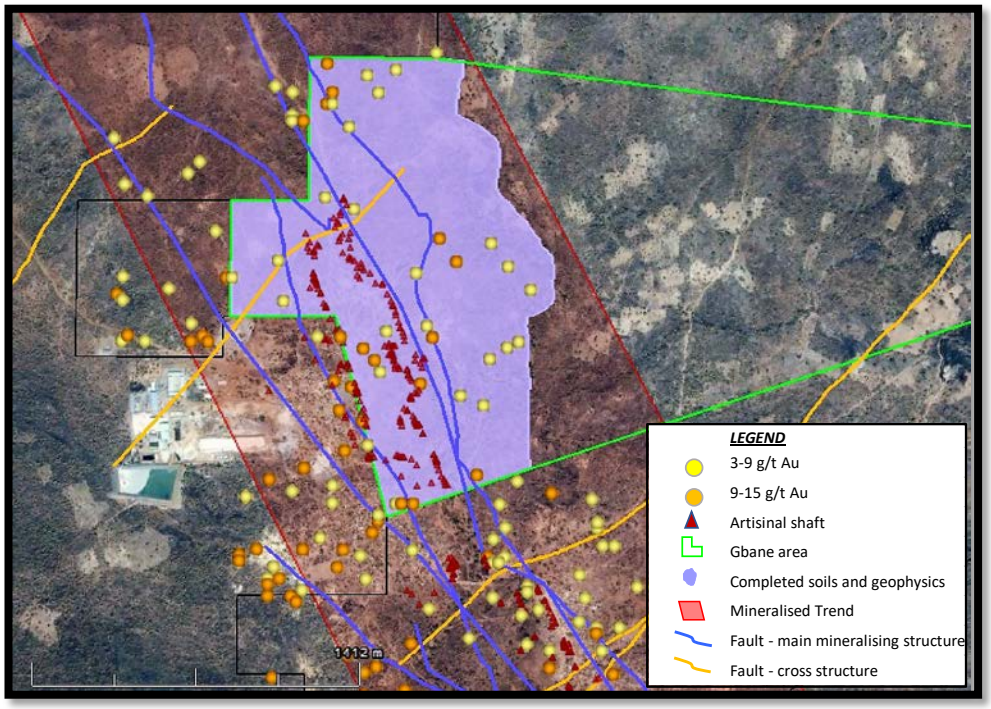
GEOCHEMICAL RESULTS

The geochemical program was aimed at locating zones of alteration/mineralization through the identification of pathfinder elements. Greenstone belt ore bodies are usually recognizable using indicator elements of arsenic, copper, manganese, iron and occasionally zinc. These pathfinder elements are very effective in determining gold location, and the results obtained demonstrate this strong association with known gold structures in the project area.

Gold Indicators

The distribution of near surface gold in the soil samples are shown below in Diagram 3. These are 'high grade' results in that they are above 3g/t, the lower detection limit of the XRF. This surface gold presence gives confidence to pathfinder element interpretation in the identification of mineralised structures.

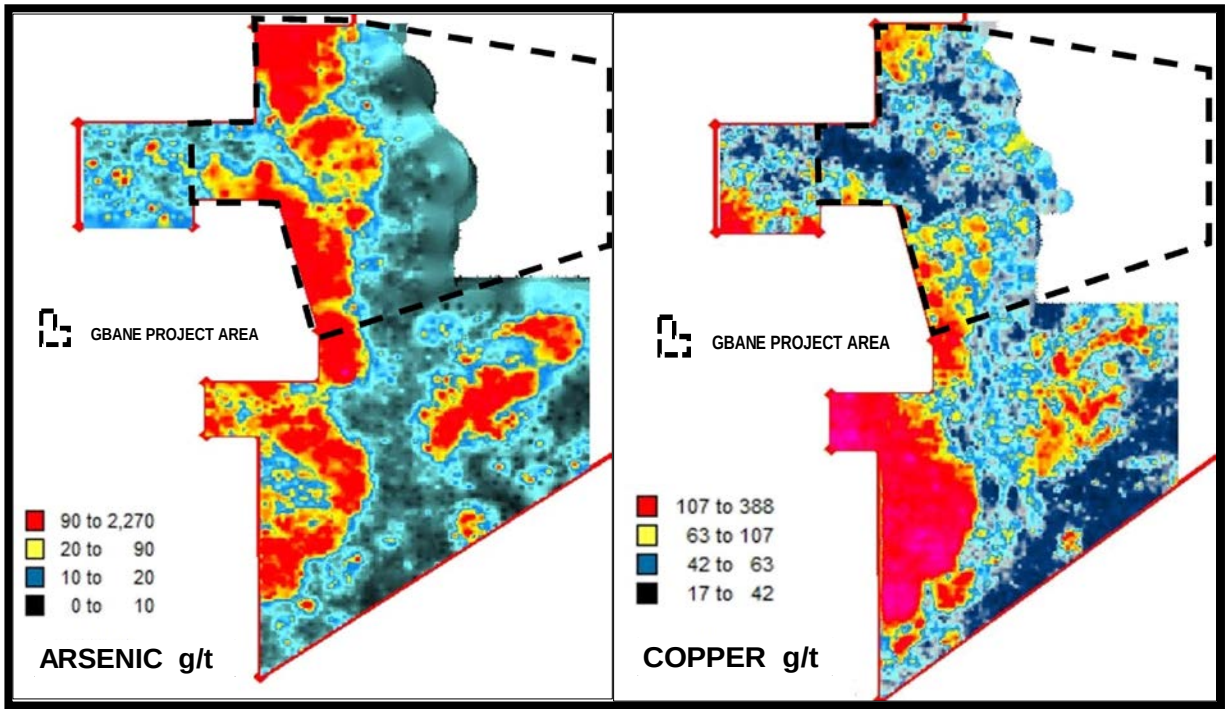
Diagram 3: Gbane Project – Soils: High grade gold results



Arsenic and Copper

Diagram 4 below shows the distribution of pathfinder elements, arsenic and copper. The arsenic results demonstrate a strong association with the mineral arsenopyrite, which in turn is a direct relationship to the presence of gold, and is therefore an excellent 'first pass' indicator of gold zones in the project area. The copper diagram reveals a mid-level copper signature reflective of the copper associated with higher grade gold mineralization observed in the region. The identified areas will form the basis of a targeted drilling program.

Diagram 4: Gbane Project – Soils - arsenic and copper distribution



GEOPHYSICS PROGRAM

A high density magnetic ground survey was undertaken with line spacing at 50m across the structural trend of the target veins. The survey area was 1.7km^2, with a total of 37 line kilometres captured. The average distance between each reading was 0.7m.

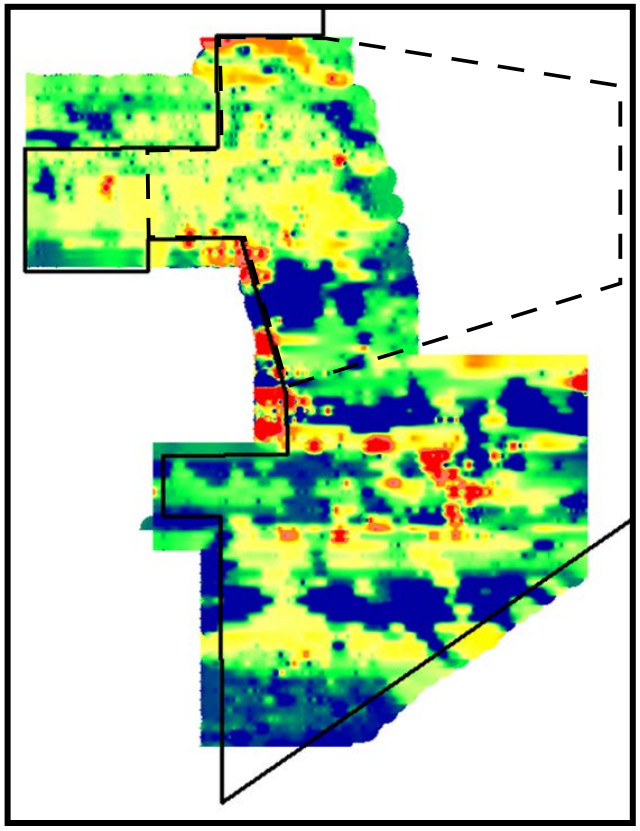
Geophysics Results

The magnetics shown in Diagram 5 reflect intrusives causing the gold mineralisation and this is demonstrated by the correlation of artisanal gold workings being associated with the margins of the intrusive.

CONCLUSIONS FROM ANALYSIS

Review of the data shows an extensive alteration, geochemical and geophysical anomaly that all reflect that the Gbane project area is the continuation of a major gold structure which runs from the area currently being mined by Shaanxi and extends to Cardinal Resources Namdini area. The same structure appears to be the cause for the mineralization at Shaanxi, Gbane and Namdini.

Diagram 5: Ground magnetic survey results



DRILLING PROGRAM

Based on the positive soil sampling and geophysics results Gulf is now finalising details of an appropriate drilling program in order to begin proving up the structure and extent of the asset. Drilling is due to commence early in the next quarter.

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Competent Person Statement

The information in Report that relates to Exploration Results is based on information compiled by Anthony Bainbridge who is a Member of the Institute of Materials, Minerals and Mining, a 'Recognized Professional Organization' (RPO) including in the list promulgated by the ASX from time to time. Bainbridge is a consultant working for Asia Intercept Mining Limited and has been engaged by Gulf Industrials Ltd to prepare documentation for the Gbane Project. He has sufficient experience which is related to the style of mineralization and type of deposit under consideration and to the activity which has been undertaken, to qualify as Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", Anthony Bainbridge consents to the report being issued in the form and context in which its appears.

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JORC CODE, 2012 EDITION – TABLE 1 REPORT TEMPLATE		
SECTION 1 SAMPLING TECHNIQUES AND DATA		
(Criteria in this section apply to all succeeding sections.)		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• 1 kg soil samples were collected and sieved in the field to <1mm • A 200g sample was retained for analysis. • If sampling area was wet, a larger sample was taken and transported to designated laboratory location in Bolgatanga for drying and screening. • Field duplicates were collected every 10 samples for duplicate assay. • Approximately 1% of samples were unable to be collected due to housing or cyanide pits.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not Applicable – no drilling results reported.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not Applicable – no drilling results reported.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or*	• Not Applicable – no drilling results reported.

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1kg samples were sieved in the field • Duplicates were collected every 10 samples and sieved in the field
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• A 26 element suite of analyses was performed on each soil sample using a NITON XL3T XRF hand held analyser. • QA/QC measures included - replicate sample every 10 samples - blank sample every 10 samples - known ISO9301 sample assayed every 20 samples • All samples were within tolerance limits and the established precision and accuracy of the samples is acceptable. • Geophysics: Any geophysics line that was >5m deviation from the mapped line was redone, except where man-made structures occurred • Diurnal corrections were made to collected data using base station data
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not Applicable – no drilling results reported. • Analogue data was transcribed into digital MS Excel spreadsheets
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations were recorded by a hand held Sunmap 700 Survey GPS (+/- 3m). Sample attributes were recorded on paper. • Cartesian coordinate system: UTM Zone 30 Northern Hemisphere projection, WGS84 datum. • Samples are of a reconnaissance nature

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The data is not appropriate for use in estimating a Mineral Resource and is not intended for such use. There has been insufficient exploration to define a Mineral Resource. • No sample compositing has been used in this report
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples have been obtained as part of exploration reconnaissance with the aim to identify mineralised structures. • The sampling was not targeted toward specific lithologies and therefore should contain no bias.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected by Cassius Mining representatives and works overseen by an independent geologist consultant. All reasonable measures were taken to ensure sample security in the field and at the designated laboratory location.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cassius Licence area comprises all that piece or parcel of land containing an approximate area of 13.791km^2 lying to the North of Latitude 10^0 39' 42"N; and to the south of Latitudes 10^0 43' 05"N; and 10^0 43' 00"N; and to the East of Longitudes 0^0 40' 48"W and 0^0 40' 24"W; and to the West of Longitude 0^0 38' 35"W; in the Talensi District of the Upper East Region of the Republic of Ghana (Licence Area). • The Gbane Project Area is within the Licence Area and comprises an approximate area of 4.37km^2 the area within the following co-ordinates

Criteria	JORC Code explanation	Commentary
		Latitude | Longitude 10° 40' 55.57" N | 0° 40' 3.37" W 10° 41' 23.72" N | 0° 40' 10.89" W 10° 41' 23.72" N | 0° 40' 25.96" W 10° 41' 40.00" N | 0° 40' 25.96" W 10° 41' 40.00" N | 0° 40' 14.84" W 10° 42' 0.24" N | 0° 40' 14.85" W 10° 42' 0.24" N | 0° 39' 56.51" W 10° 41' 49.8" N | 0° 38' 35.16" W 10° 41' 24.46" N | 0° 38' 35.16" W •
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The area is subject to artisanal mining by native Ghanaians. No previous systematic exploration has been conducted.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type comprises gold mineralization within sheared and altered rocks containing sulphides (pyrite and arsenopyrite). The geological setting is the early Palaeoproterozoic Nangodi Greenstone Belt where volcanistic metamorphised pelitic argillaceous sediments, primarily phyllite, of the Birimian Supergroup, Lower Argillaceous Subseries have been subjected to regional Barrovian greenschist metamorphism due to plate tectonics. The host rocks are adjacent to the major regional geological structure, the north striking Nangodi Shear Zone ('NSZ'), associated with secondary sub-parallel shear structures close to the NSZ. • The style of mineralisation is mesothermal orogenic epigenetic gold lode bearing quartz veins and disseminations within hydrothermally altered deformed and metamorphosed sulphide bearing phyllites.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not Applicable – no drilling results reported.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No upper limit cut-off grade was applied. • The lower limit cut-off was 3ppm which was the lower limit of detection of the XRF analyser. • Identification of anomalies was achieved using Inverse Distance Squared methodology. Gridding used a 10m cell size with an equal search radius of 150m. The gridded plots were contoured by colour using Natural Break of 5 and Standard Deviation methods.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not Applicable – no drilling results reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps/diagrams are included in this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Representative soil sampling and geophysics exploration results are included in this announcement.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other significant exploration work has been completed by Gulf
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Metallurgical sampling and testing is currently underway. A drilling program is scheduled to begin Q2 2017. 10,000m+ are planned to be drilled and completed by the later part of 2017.