



ASX ANNOUNCEMENT

31 OCTOBER 2017

FIRST QUARTER ACTIVITIES REVIEW

Gulf Industrials Limited (“**Gulf**” or “the **Company**”) (**ASX Code: GLF**), is pleased to provide shareholders with the Company’s Activities Review for the quarter ending 30 September 2017.

During the first quarter the Company:

- ✓ Increased its interest in the Gbane Joint Venture Project to 55%.
- ✓ Completed the initial phase of the drilling program in Gbane and announced the results of that program on 5 September 2017.
- ✓ Commenced the second phase of the initial drill program in Gbane,
- ✓ Completed seventeen (17) reverse circulation (RC) holes (drilled 2,380m) and twenty-six (26) diamond core (DD) holes (cored 4,741m) for phases 1 and 2.
- ✓ Completed all the requirements for issue of the Environmental Permit in readiness for the proposed drilling program on the Company’s Limestone Asset in Madagascar.
- ✓ Finalized and dispatched the Company’s Annual Report and Notice of Meeting for this year’s Annual General Meeting to be held on 15 November 2017.

Each of the activities are addressed below.

Gbane Project Initial Drill Program - Phase 1 and (part of) Phase 2:

In the period after the 5 September 2017 ASX announcement, the Company has continued with a programme of diamond drilling to explore the Gbane lease. The exploration program during the first quarter, covering the back end of Phase 1 and the commencement of Phase 2 of the initial drill program in Gbane, included:

- RC metres drilled = 2,380m (17 holes)
- DD metres cored = 4,741m (26 holes)

The drill program to date has identified extensive alteration intervals and high-grade gold intersections

The results of **Phase 1** of the initial drill program at Gbane suggest a strike length of approximately 1.5 kms with indications pointing to extensive high-grade veins present within a 5m - 30m wide mineralised and altered shear zone extending at least 500m down dip at approximately 35° to the west in the western portion of the Gbane Project area.

- Significant results include:
- 3m @ 5.03g/t (from 0 m)
 - 5m @ 4.83g/t (from 14m)
 - 5m @ 4.38 g/t (from 130m)
 - 10m @ 2.90 g/t (from 238m)
 - 12m @ 1.83g/t (from 123m)

Other highlights of Phase 1 of the initial program included:

- RC drilling resulting in half (29) of the 58 drill holes intersecting mineralised material
- The extensional and infill drilling programmes confirming the geological structure and grade continuity over potential 1.5km of strike.

Figure 1: Gbane Project area with Phase 1 drill collar locations

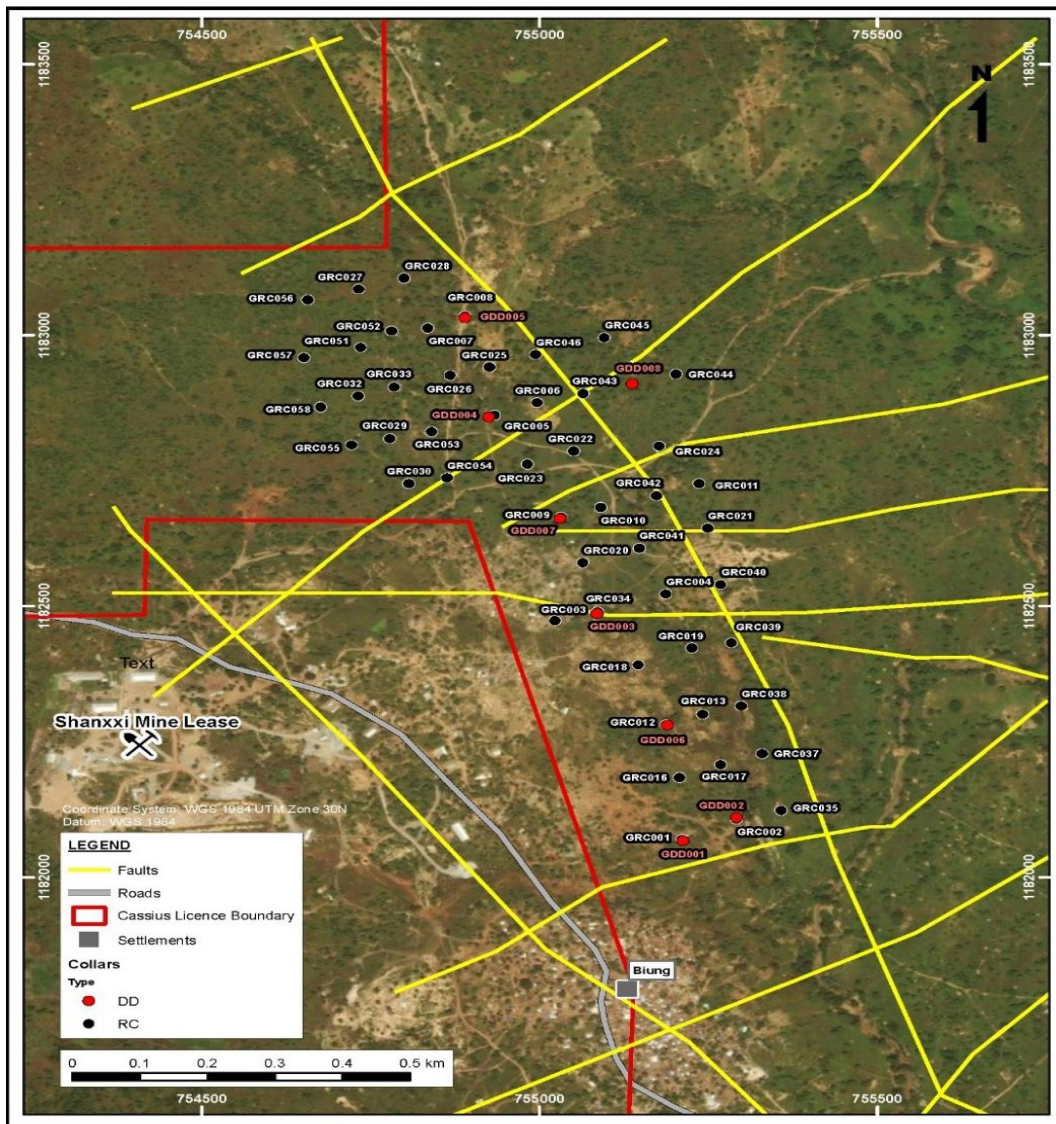


Figure 2 below (core from hole GDD 002*[^]) shows the strong shearing and alteration encountered over a (true) width of 10m. In SRK's opinion, the mineralisation at Gbane is analogous in terms of alteration style, veining and intensity of shearing to the nearby Namdini resource. It occurs at a similar stratigraphic level and along strike from this resource (5 km to the SE).

Both gold projects are believed to occupy a similar structural position in a series of tight, isoclinally folded intermediate volcanics and pyroclastics. The Gbane mineralisation appears to be associated with a thrust or shear situated along the axial plane of a fold.



Figure 2: Core from GDD 002, showing intense shearing, alteration and quartz – carbonate veining. Intersection 24.9m to 26.3m @ 2.28g/t and intersection 136m to 139m @ 2.33g/t. Intersections are typical of the main mineralised shear zone.

*[^] Refer to the Company's ASX Announcement dated 5 September 2017

Gbane Project Initial Drill Program (Phase 2):

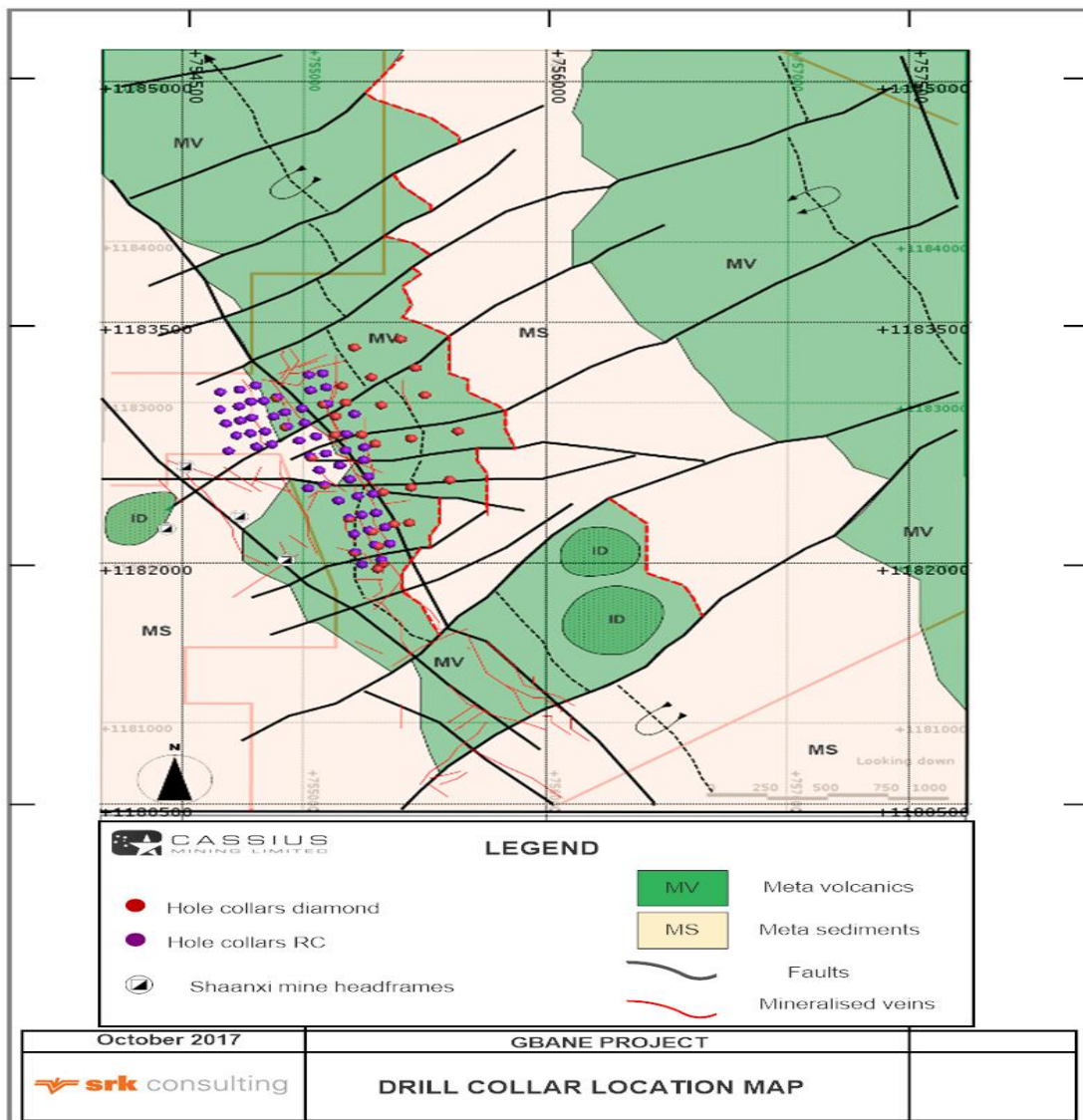
The current programme has involved a further:

- RC metres drilled = 2,380m (17 holes)
- DD metres cored = 4,741m (26 holes)

A total of 14,923 metres has been drilled to date, of which 8,637 metres is RC and 6,286 metres DD. The aim of the current programme is to continue to identify areas containing significant gold mineralisation for potential future economic extraction

Six (6) additional Phase 2 diamond core holes have already successfully intersected the deeper and wider shear zone (up dip to the east and along strike to the north and south). The new diamond drilling data and assay results are expected within the next week. Those results will be assessed to establish any correlation in relation to the variable grades and widths seen in the original 3 diamond holes*[^].

Figure 3: A geological map of the Gbane lease area with updated drill collar locations.



In the current period of exploration, the Company has identified further gold bearing shear - vein zones of variable grade and thickness. Exploration is ongoing to identify further areas where the width or frequency of the mineralised zones may increase to provide bulk tonnage for a possible open pit operation.



Figure 4: Rock chips extracted from Phase 1 Exploration Program at Gbane

Drilling continues to target new areas identified from these results that, based on information collected to date, appear to show a deeper and wider zone of mineralisation associated with a strongly altered shear zone.

Due diligence including soil sampling, geophysics and/ or drilling will commence in the option areas in Q2 2017 with anticipated completion and results by Q1 2018.

The information generated from Phase 2 of the initial drilling programme has been submitted for analysis and is currently undergoing interpretation. Results will be reported within the next week.

Soalara Limestone Project, Madagascar (GLF 100%)

The Soalara Project has completed all the requirements for issue of the Environmental Permit which is expected shortly.

Once the Environmental Permit is issued, we will then provide a timetable for the drilling program and then the feasibility study. The Company has undertaken extensive discussions with the regulatory authorities regarding the finalisation of a formal Operations Plan. As the Company already has a Mining Permit (held by its wholly owned subsidiary), we have successfully secured a number of dispensations, including a six month extension to formalise the Operations Plan.

Drilling is planned to start in the current quarter. The indicative timeframe to complete the drilling program is approximately four months.

Background

The Soalara property is located on the coast in southwest Madagascar and consists of two contiguous permits that encompass a total area of 18.75 sq. km. The permits are granted to Soalara Calcaire SARLU, a Malagasy company Gulf acquired 100 % share capital in through its Malagasy subsidiary Austral Malagasy Mining SARL. In 2015, the permits were granted for the exploitation of limestone, and are valid for a period of 40 years.

Permit	Company	Int (%)	Type	Expiry date	Grant date	Area (sq. km)	Commodity
14542	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 2015	12.50	Limestone
14960	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 2015	6.25	Limestone
					Total:	18.75	

Regionally - the Project is approximately 650km southwest of Madagascar's capital city Antananarivo. Locally – the Project is approximately 30km south of the town of Toliara and immediately south of St Augustin Bay.

SRK Exploration Services ("SRK ES") undertook an independent technical review of the Company's high-grade limestone project and concluded that within the Soalara Limestone Project area they estimated an Exploration Target¹ of between 491 and 818 Million tonnes of limestone with a purity of high to very high². This technical review was announced to the ASX on 19 May 2016.

SRK ES has based this calculation on a 5 km² area, a 60m thickness of limestone and by applying a density of 2.4t/m³.³

Based on the report and its due diligence, Gulf believes that, with a successful drilling programme and the development of a Pre-Feasibility study, the Project could achieve a potential JORC compliant resource which could lead to a substantial uplift in the value of the Project.

¹ An Exploration Target is defined as a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource (JORC, 2012).

² It should also be noted that the potential quality and grade range is conceptual in nature, and that it uncertain if further exploration will result in the estimation of a Minerals Resources.

³ The area used in the Exploration Target estimate was based upon a consideration of the geological, geomorphological and anthropogenic features within the property that could impose constraints on the extent of an open-pit limestone operation. The estimate also factored in a volume reduction on the basis of a pit slope angle of 75 degrees, a bench height of 15 m and a bench of 8m, which are typical parameters for many limestone quarries. It also included a volume reduction of 5% to allow for the presence of any voids within the limestone sequences.

Based on a successful drilling programme a Typical Resource Classification value ranges for limestone are⁴:

- Measured: USD\$0.15/t – USD\$0.20/t
- Indicated: USD\$0.03/t -- USD\$0.05/t
- Inferred: USD\$0.01/t – USD\$0.02/t

Marketing and Possible Customers

The Company believe that since the Soalara limestone deposit is situated near the Madagascan coast, the prospect of bulk exports is a strong possibility.

Additionally, assuming the limestone is suitable for manufacture of cement and lime, these will become two prime potential markets. A third potential market with reasonably large volume potential is the supply of limestone for glass-making.

CORPORATE

Increase Interest in Gbane Joint Venture

Based on the terms of the Gbane Project Joint Venture, the Company's exploration expenditure has resulted in an increase of the Company's interest in the Gbane Joint Venture Project from an initial 40% to 55%, representing a majority interest.

Change of Name

At the upcoming AGM (15 November 2017), the Company will be seeking shareholder approval to change the name of the Company to "**Cassius Mining Limited**".

Share Consolidation & Buyback of unmarketable parcels

Additionally, shareholder's will be asked to vote for a consolidation of shares. The proposed consolidation ratio is 16 to 1 as detailed in the Notice of Meeting to Shareholders. Following the share consolidation, the Company will look to undertake a buyback of unmarketable parcels of shares.

⁴ These values are based on a database held by Ausrocks (Ausrocks, 2015) on Resource values for industrial minerals and quarry materials and are indicative only with an accuracy of +/-33%. The database has been generated from actual sales of projects.

The range of values for each Resource Classification depend on:

- The quality of the limestone in the Resource.
- The size of the Resource.

The likely production rate which is linked to the Resource size and the potential market. For extremely large resources, a value is selected for the first 40 years production (a typical project life) and the remaining Resource is discounted at the minimum value. This assessment is based on an average production rate of 2 Mt/a for 40 years.

SCHEDULE OF TENEMENTS as at 30 September 2017

Location	Tenement / Special License Number
Ghana	55% interest in the Gbane project
Madagascar	R14542 - 100% R14960 – 100%

SCHEDULE OF TENEMENTS DISPOSED OF DURING THE QUARTER

Location	Tenement / Special License Number
-	-

Attribution: Competent Person Statement

The information in Report that relates to Exploration Targets and Exploration Results is based on information compiled by Peter Gleeson 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. Peter Gleeson is a consultant working for SRK Consulting (UK) Ltd 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", Peter Gleeson consents to the report being issued in the form and context in which its appears.

The information in Report that relates to Exploration Targets and Exploration Results is based on information compiled by Dr David Jefferson 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. Dr Jefferson is a consultant working for SRK Exploration Services Ltd and has been engaged by Gulf Industrials Ltd to prepare documentation for the Soalara Limestone Property. 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 define by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", Dr. Jefferson consents to the report being issued in the form and context in which its appears.

FURTHER INFORMATION:

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