ASX ANNOUNCEMENT **11 MAY 2017**

GBANE PROJECT

COMMENCEMENT OF DRILLING PROGRAMME

HIGHLIGHTS:

- ✓ **5,000m drill programme on the Gbane Project has commenced**
- ✓ **Independent drilling contractor, Geodrill Limited ('Geodrill'), has commenced the two Drill RC and Diamond Core programmes**
- ✓ **3,000m RC drilling currently underway**
- ✓ **2,000m Diamond Core drilling to commence on 20 May 2017**

Gulf Industrials Limited ("**Gulf**" or the "**Company**") announces the commencement of Stage 1 of a targeted comprehensive Reverse Circulation ("RC") and Diamond Core drilling programme within the Gbane Project in Ghana.

Figure 1: Geodrill rig and compressor on site at Gbane.

The results-driven drilling programme has been constructed to define the structural geology, and evaluate these anomalies to determine the distribution and nature of the gold mineralisation (refer to Gulf's ASX announcement on 27 March 2017).

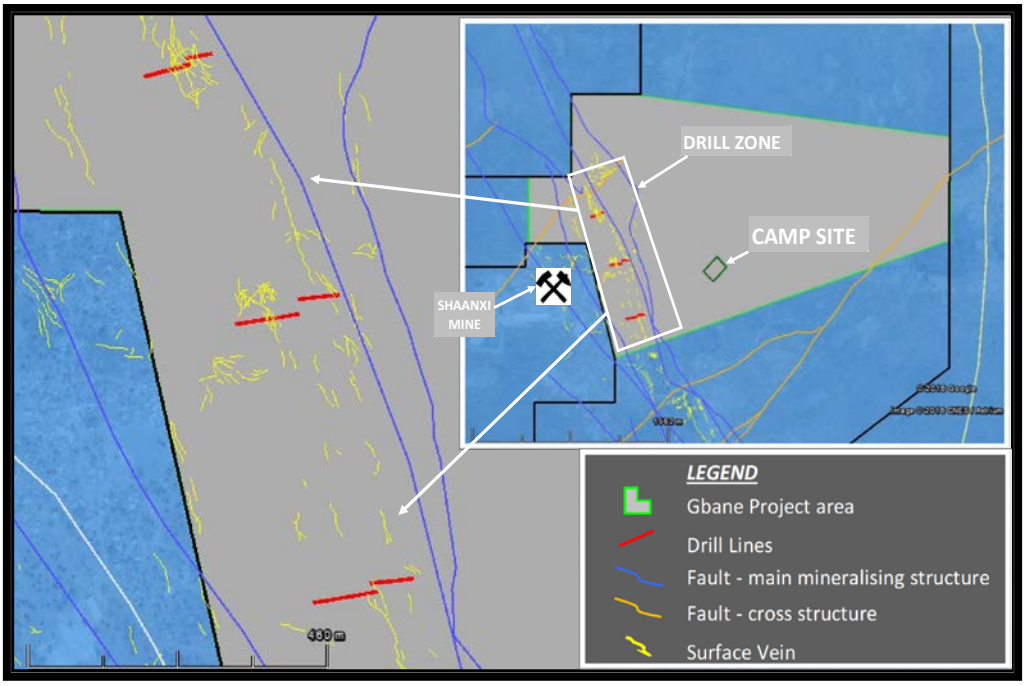

Figure 2: Initial planned drill lines at Gbane

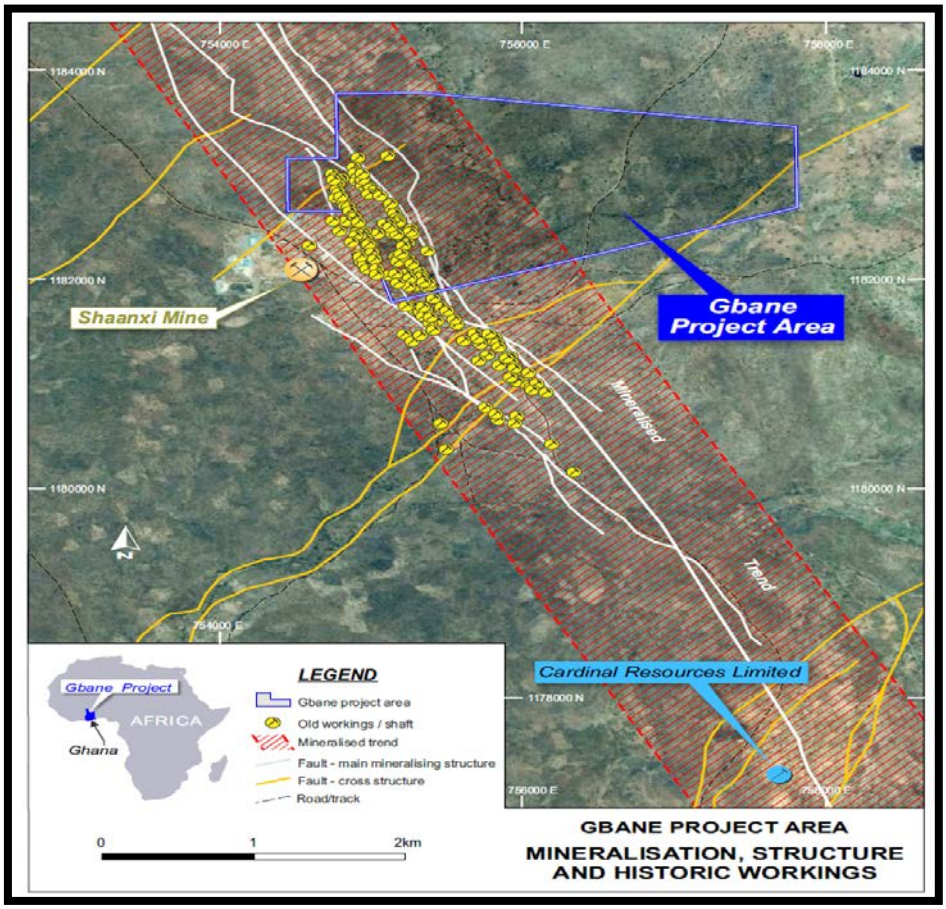

Figure 3: Gbane Project Mineralisation Structure

Drilling Plan

- The dual rig drilling programme is expected to take approximately 30-45 days.
- The drilling programme is being carried out by Geodrill, a leading West African based independent drilling contractor. Geodrill have operated in Ghana for 19 years and have done previous work for Perseus Mining Limited and Azumah Resources Limited.
- The programme is designed to generate key structural geological information whilst also intersecting potential multiple sub-surface mineralised zones of interest, using the multi-purpose RC /Diamond rig combined with the second dedicated Diamond rig.
- Both rigs will drill along multiple drill lines at an approximate 400m separation, in a direction set perpendicular to the strike of the mineralised trend.
- This first series of predetermined primary RC holes are being drilled to a minimum 150 metre vertical depth at -60^{o} inclination, to intersect the key mineralised zones.
- The second series of continuous Diamond Core holes will be constructed running parallel to key RC holes from the initial series (within 5m metres where practical for comparative twinning). This will gather critical structural geological information, whilst also simultaneously conduct Quality Control on the adjacent RC holes.
- Further series of both RC and Diamond Core infill holes will then be subsequently constructed to advance the total geological model understanding. These holes will be located and defined along the drill lines based on real-time 3D geological modelling software interpretation and on-site data testing.
- Gross drilling metres are estimated to be 3000m (RC) and 2000m (Diamond Core), and may be increased during this stage depending on results.
- The results of the assays from the drilling programme should be available in 35 days after the completion of the drilling programme.

Figure 4: Drill Rigs on site at Gbane

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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.