



# gulfindustrials

ASX ANNOUNCEMENT

20 April 2017

## GULF INDUSTRIAL'S GBANE PROJECT POTENTIAL MULTI MILLION OUNCE GOLD RESOURCE<sup>1</sup>

The Company refers to the Notice of Meeting ('Notice') dated and released 19 April 2017, and specifically, to the Independent Expert's Report<sup>1</sup> accompanying the Notice and encourage you to read it in its entirety. The Gulf shareholders' meeting in relation to considering the acquisition of a 70% interest in the Gbane Gold Project<sup>2</sup> is on 26 May 2017 at 11.00am.

Some of the **highlights in the Independent Expert's Report ('IER')** include:

- ✓ Potential to discover a **multi-million-ounce gold resource at Gbane**
- ✓ The Gbane Project is at an ***advanced stage of exploration***<sup>3</sup>
- ✓ In SRK's (Technical Expert) opinion, the current Gbane earn-in and joint venture area, along with the additional areas under option, are considered **highly prospective for gold** and offer **significant potential for the discovery of economic gold mineralisation**.
- ✓ A number of already **defined exploration targets**
- ✓ **Adjacent to a producing gold mine**
- ✓ **Ground easy to explore** due to easy access and area involved
- ✓ **Exploration program in progress with mining operations to commence in near future.**

Based on its recent site visit, SRK, in their technical report, concludes that the Gbane Project:

- ❖ Contains **significant indications for potential bulk, open pittable gold mineralisation**.
- ❖ Represents a **significant opportunity to target gold mineralisation close to surface**.
- ❖ The **Large-Scale Prospecting Licence**<sup>4</sup>, within which the Gbane Project is situated, provides for security of tenure, thereby enabling the rapid advancement and eventual production (should exploration efforts prove successful).

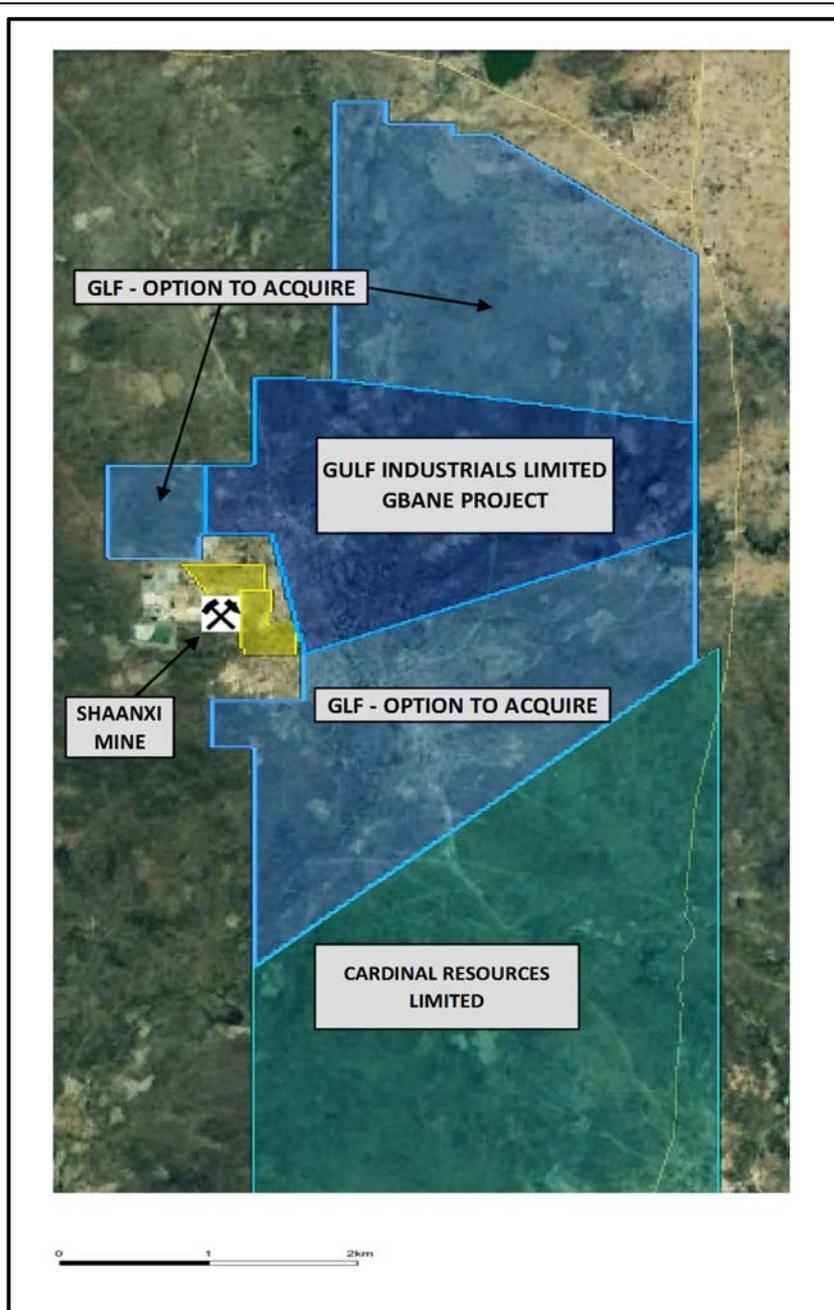
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It is important to note that SRK, when examining the size of the Gbane Project, considered the relative proximity of Gulf's earn-in and joint venture area to:

- an established and operating gold mine (Shaanxi which operates on a total land area of 0.30 km<sup>2</sup>); and
- Cardinal Resource's Namdini deposit (Indicated + Inferred Resource totaling 4.1 Moz, which covers an area of 1.34 km<sup>2</sup>).

SRK highlight that:

- Despite receiving little attention previously, the Gbane area, **Shaanxi mine and Cardinal's nearby Namdini resource** are located within an emerging greenstone belt in northern Ghana offering potential for significant economic gold mineralisation;
- There is a long history of small-scale gold mining and artisanal workings being carried out in the region, in addition to more recent discoveries such as **Cardinal's Namdini resource (4 Moz) and MNG Gold's operational Youga mine (1.2 Moz in resource)** in Burkina Faso also lies along the same structural trend;
- With the Agreement in place to acquire tenure along the strike extensions to the Nangodi belt north and south of the current earn-in and joint venture area, in SRK's opinion, **"there is significant evidence of potentially economic gold mineralisation in and adjacent to the Gbane Project area"**



**Footnotes:**

- 1 The Company engaged RSM Corporate Australia Pty Ltd (RSM) to prepare the IER. RSM in turn appointed SRK Consulting (Australasia) Pty Ltd (SRK) to provide a specialist expert technical report on the Project. SRK has previously prepared technical assessment and valuation reports relating to Cardinal Resources Limited's (Cardinal) Namdini Project and as part of this work conducted a series of site visits to the Datoko and Bolgatanga regions dating back to 2012, with the most recent inspection in mid-2016. SRK conducted a site visit in support of this report in February 2017.
- 2 Under the terms of the Agreement, Gulf has the right to earn an initial 70 percent (70%) interest in the Gbane Project through a combination of vendor consideration (cash, shares and options) and direct investment into the Project, with the additional right to then acquire up to a one hundred percent (100%) interest.
- 3 *Advanced Exploration Projects* – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category. This has been taken from the SRK Technical report attached to the IER.
- 4 The License provides for security of tenure, which differs significantly from the other arrangements in the region which involve the consolidation of small artisanal leases through a mine support services agreement. The Large-Scale License has opened-up the area for modern systematic exploration and direct tenure, thereby enabling the rapid advancement and eventual production (should exploration efforts prove successful).

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