ASX ANNOUNCEMENT **19 May 2016**

Soalara High Grade Limestone Project - Independent Technical Review

Gulf Industrials Limited ("Gulf" or "the Company") (ASX Code: GLF), is pleased to announce that it has received the SRK Exploration Services ("SRK ES") Independent Technical Review of the Soalara Limestone Project in Madagascar ("SRK Report"). The scope of the SRK Report included an independent view of what would be required to produce a JORC-compliant inferred category resource of greater than 750 Mt of limestone.

Highlights:

- SRK ES estimate an Exploration Target of between 491 and 818 Mt of limestone with a purity of high to very high. SRK ES has based this calculation on a:
  - 5 km^2 area (of a total area of 18.75 km^2;
  - 60m thickness (of a total thickness of between 70 m and 90 m); and
  - Applied a density of 2.4 t/m^3.

- The eight (8) samples collected from the upper limestone sequence appear to be purer, with an average CaO content of 56.01 %. Using this average the sequence has a very high purity, noting that the SiO2 (averaging 0.27 %) and Fe2O3 (averaging 0.07 %) results correspond to high purity.

- Nineteen (19) samples collected from the lower, compositionally more variable sequence (that includes clayish limestone units), have an average CaO content of 54.70 %. Using this average the sequence has a high purity. The SiO2 (averaging 1.03 %) and Fe2O3 (averaging 0.21 %) results could lessen this.

- The preliminary geological and geochemical observations and results indicate favourable characteristics for the development of a limestone resource.

- In order to potentially derive a JORC inferred classification resource it would be necessary to complete a systematic drilling programme. It is tentatively proposed that such a resource could be achieved by drilling twenty six (26) holes on 500 m centres.

Summary:

In mid-January 2016, SRK Exploration Services Limited ("SRK ES") was appointed by Gulf Industrials Ltd ("Gulf") to complete an independent technical review of the company's Soalara limestone property in Madagascar. The scope included what would be required to produce a JORC-compliant inferred category resource of greater than 750 Mt of limestone.

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 km^2. 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.

Lithologically, the Soalara property includes a sequence of bedded Eocene-age limestones, a 70m to 90m thickness of which is exposed in cliffs and forms a plateau (Figure 1).

Based on the preliminary field observations completed as part of the SRK Review, the exposed limestone can be subdivided into Lower and Upper Sequences:

- Lower Sequence - is represented by amore compositionally variable limestone sequence (approximately 40m thick) that is conformably overlain by an
- Upper Sequence - a more massive and compositionally uniform limestone sequence (also approximately 40 m).

Deleterious geological features, such as clay-filled cavities, chert nodules, silicification, dolomitisation and metalliferous mineralisation, were not observed.

Structurally, the entire limestone sequence is horizontal to shallowly dipping at between 3 and 5 degrees to the west, with little to no apparent structural deformation or complexity.

Superficially, the limestone plateau generally lacks significant cover. This would reduce the need for major overburden removal in the event exploitation occurs.

A total of twenty seven (27) verification rock samples were collected by SRK ES and analysed by SGS in South Africa (Figure 1 and Table 1). If considered collectively, the sequence consists of limestone with an average CaO content of 55.09 %. This compares favourably with historical sample results. The limestone is also associated with consistently low magnesium oxide (MgO) results.

If grouped according to the field-observed subdivisions, the 19 samples collected from the lower, compositionally more variable sequence (that includes clayish limestone units) have an average CaO content of 54.70 %. Using this average the lower sequence has a high purity.

The 8 samples collected from the upper limestone sequence appear to be purer, with an average CaO content of 56.01 %. Using this average the upper sequence has a very high purity, although

the SiO2 (averaging 0.27 %) and Fe2O3 (averaging 0.07 %) results correspond to high purity.

Overall, the preliminary geological and geochemical observations and results indicate favourable characteristics for the development of a limestone resource.

The Soalara property is not currently associated with a compliant mineral resource or reserve estimate. However, there is considered to be sufficient data to state a JORC–defined Exploration Target.[1]

SRK ES estimate an Exploration Target of between 491 and 818 Mt of limestone with a purity of high to very high.[2]

SRK ES has based this calculation on a 5 km^2 area, a 60 m thickness and applied a density of 2.4 t /m^3.[3]

Based upon the findings of the SRK Review and the current understanding of the project, it is recommended that the subsequent technical activities commence with an objective and thorough economic assessment.

In order to potentially derive a JORC inferred classification resource it would be necessary to complete a systematic drilling programme. It is tentatively proposed that such a resource could be achieved by drilling 26 holes on 500 m centres.[4] However, this drill hole density assumes good vertical and lateral grade continuity, and the absence of any detrimental geological features. In the event any detrimental geological features are identified, it may be necessary to increase the drill hole density.

Prior to drilling, it is strongly recommended that clarification is sought regarding the environmental permitting aspects of the property, especially given that the recommended programme includes additional drill holes and occurs in both of the permits, beyond that specified in the existing environmental permit.

It is also recommended that systematic mapping is completed prior to drilling. In addition to lithological and structural observations, it should include the identification of any hydrogeological features and geographical and anthropogenic features than could influence the subsequent development of the project, whether it be in a positive or detrimental way.

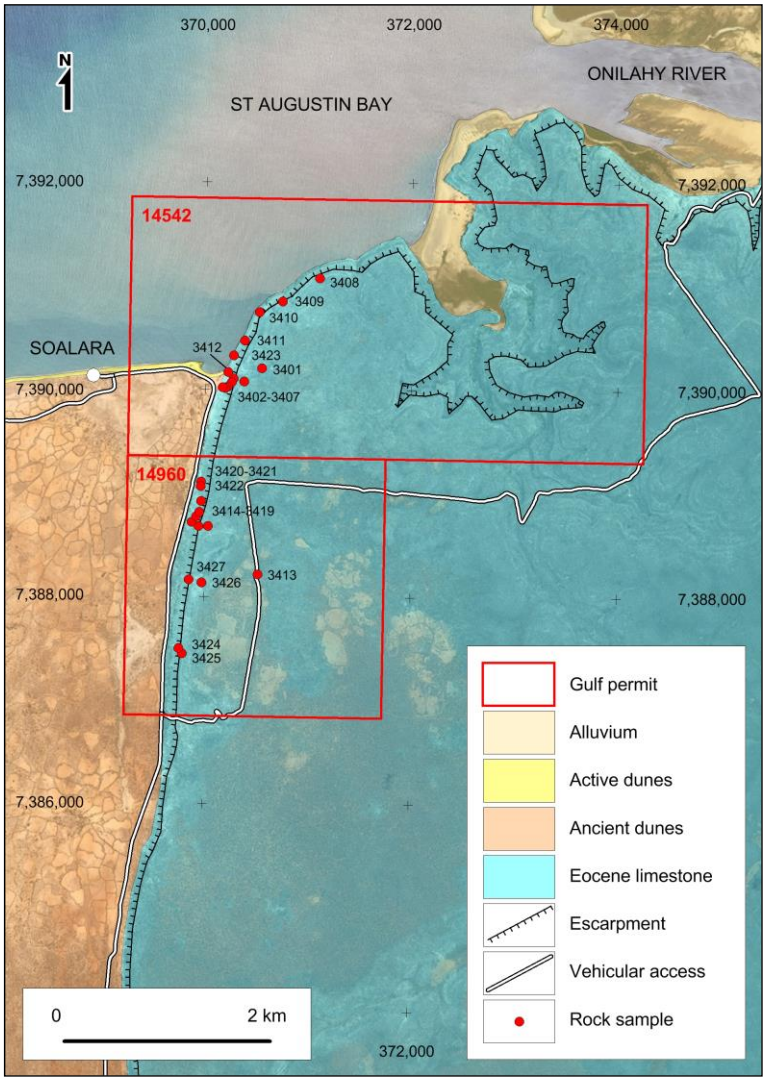
It is tentatively estimated that the cost of attaining a JORC-compliant resources estimate (i.e. the drilling program, programme management (including geological mapping, site preparation, logging and sampling), sample analysis, resources estimation and related reporting) would be in the range of USD420,000 to USD460,000 and could be achieved within a time period of approximately 4 months . This cost and time range is based upon the proposed 26 drill hole programme proposed.

Table 1 - Sample results for the Soalara Property (after SGS, 2016)

SampleID	Utm38sX	Utm38sY	Elev_m	CaO (%)	MgO (%)	SiO2 (%)	Fe2O3 (%)	Al2O3 (%)	MnO (%)	K2O (%)	TiO2 (%)	Na2O (%)	P2O5 (%)	V2O5 (%)	Cr2O3 (%)	LOI (%)
E003408	371,101	7,391,076	88	56.10	0.23	0.17	0.06	0.06	0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.03
E003401	370,544	7,390,204	86	56.00	0.20	0.26	0.07	0.08	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.99
E003402	370,375	7,390,077	77	56.40	0.20	0.24	0.07	0.08	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.94
E003413	370,518	7,388,214	77	55.40	0.20	0.08	0.08	<0.05	<0.01	<0.01	0.01	<0.05	<0.01	0.02	<0.01	43.96
E003409	370,741	7,390,850	73	56.70	0.20	0.18	0.07	0.08	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.92
E003426	369,976	7,388,133	61	55.40	0.22	0.79	0.11	0.28	<0.01	0.02	0.02	<0.05	<0.01	0.02	<0.01	44.15
E003403	370,271	7,390,105	59	56.50	0.20	0.10	0.05	0.05	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.98
E003414	370,033	7,388,680	59	55.60	0.26	0.32	0.08	0.12	<0.01	0.19	<0.01	<0.05	<0.01	0.02	<0.01	43.88
E003424	369,791	7,387,447	49	55.60	0.33	0.79	0.20	0.27	<0.01	0.02	0.01	<0.05	<0.01	0.02	<0.01	43.93
E003404	370,254	7,390,068	48	56.60	0.20	0.07	0.05	<0.05	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.97
E003405	370,215	7,390,027	43	55.50	0.24	0.09	0.05	<0.05	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.13
E003410	370,520	7,390,745	43	56.40	0.27	0.26	0.10	0.08	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.89
E003415	369,942	7,388,677	40	55.60	0.24	0.14	0.07	0.07	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.93
E003419	369,964	7,388,919	40	55.50	0.31	0.19	0.10	0.09	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.25
E003418	369,946	7,388,815	39	55.70	0.24	0.11	0.06	0.07	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.17
E003417	369,920	7,388,772	37	56.20	0.22	0.16	0.10	0.09	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.32
E003425	369,757	7,387,501	33	55.50	0.34	0.29	0.07	0.12	<0.01	<0.01	<0.01	<0.05	0.01	0.02	<0.01	44.27
E003427	369,852	7,388,163	32	55.80	0.23	0.33	0.06	0.13	<0.01	<0.01	<0.01	<0.05	0.01	0.02	<0.01	44.52
E003422	369,961	7,389,064	31	45.30	0.98	8.20	1.38	2.78	0.02	0.37	0.10	0.75	0.02	0.03	<0.01	38.73
E003411	370,376	7,390,470	28	56.70	0.30	0.07	0.05	<0.05	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.02
E003406	370,190	7,390,011	26	55.40	0.29	0.82	0.12	0.17	<0.01	<0.01	0.02	<0.05	<0.01	0.02	<0.01	43.65
E003412	370,219	7,390,166	24	55.80	0.29	0.32	0.07	0.08	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	43.98
E003416	369,873	7,388,718	20	55.20	0.22	0.12	0.07	<0.05	<0.01	<0.01	<0.01	<0.05	<0.01	0.02	<0.01	44.17
E003423	370,274	7,390,328	18	49.30	1.73	3.94	0.74	1.47	<0.01	0.23	0.06	0.44	<0.01	0.02	0.01	41.84
E003420	369,964	7,389,106	17	55.00	0.37	0.48	0.06	0.10	<0.01	<0.01	<0.01	0.16	<0.01	0.02	<0.01	44.12
E003421	369,964	7,389,106	17	52.20	0.50	2.55	0.61	1.10	<0.01	0.14	0.03	0.14	<0.01	0.02	<0.01	42.77
E003407	370,163	7,390,021	16	56.00	0.26	0.65	0.10	0.17	<0.01	<0.01	0.01	<0.05	<0.01	0.04	<0.01	43.70

Upper sequence
Lower sequence
Claylish limestone

Figure 1 - Geological map of the Soalara property and sample locations



[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 consideration of the geological, geomorphological and anthropogenic features that could impose constraints on the extent of an open-pit limestone deposit. Due to the presence of drainage and a large gorge in the eastern third of the property, and a large number of grave sites along the western edge of the plateau, this leaves an area of approximately 5 square kilometres that is considered to be most prospective and amenable to exploitation. The estimate also factored in a volume reduction on the basis of a pit slope of 75 degrees, and bench height of 15 m and a bench width of 8m, which are typical parameters for many limestone quarries. It also include a reduction of 5% to allow for the presence of any voids within the limestone sequences.*

[4] *It would be necessary to diamond (core) drill and it is recommended that the core diameter is no less than HQ or HQ3. The holes should be drilled vertically and it is recommended that they are drilled to a depth of 75 m. This would ensure that the upper and lower sequences observed at surface are fully intersected. Given these parameters, this would equate to a metreage of approximately 1,950 m.*

Background:

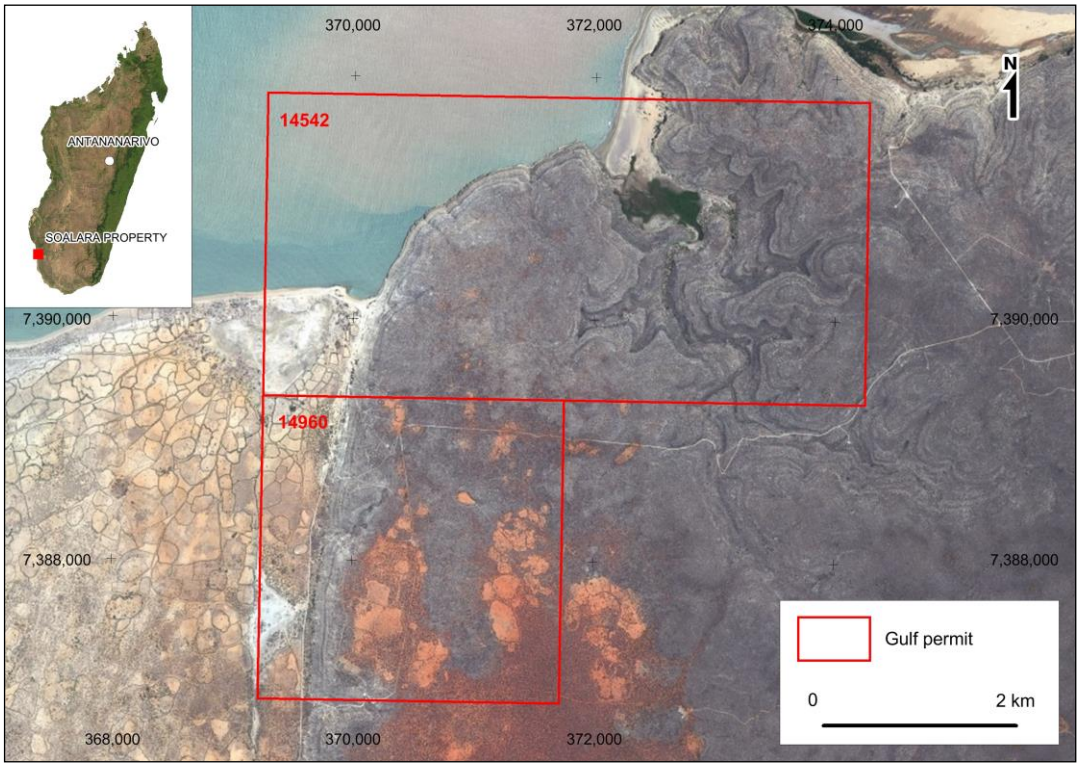
Soalara Limestone Project, Madagascar

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 km^2. 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	Grant date	Expiry date	Area (km^2)	Commodities
14542	Soalara Calcaire SARLU	100	Exploitation (Mining)	04 Nov 2015	03 Nov 2055	12.50	Limestone
14960	Soalara Calcaire SARLU	100	Exploitation (Mining)	04 Nov 2015	03 Nov 2055	6.25	Limestone
TOTAL:						**18.75**	

Regionally it occurs approximately 650 km southwest of Madagascar's capital city Antananarivo. Locally it occurs approximately 30 km south of the town of Toliara and immediately south of St Augustin Bay (Figure 2).

Figure 2 - Map showing the location of the Soalara property.



Attribution: Competent Person Statement

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

Wayne Kernaghan t | +61 2 8226 3323