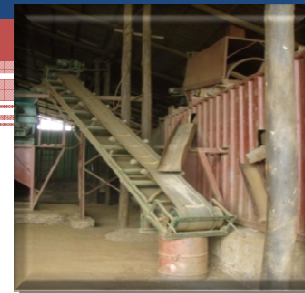
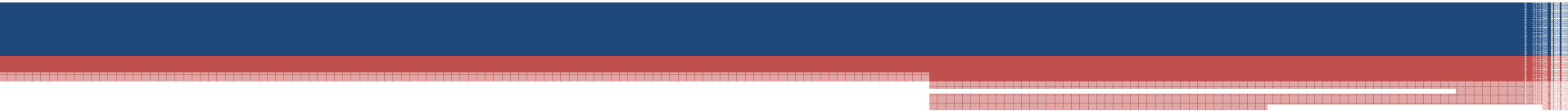


African Focused Industrial Mineral Developer

gulfresources
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Disclaimer

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CP Statement

The information in this report that relates to the Exploration Process is based on information compiled by Scott Reid who is a member of the Australasian Institute of Geoscientists (AIG). Scott Reid is a full-time employee of Gulf Resources Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Scott Reid consents to the inclusion of this information in the form and context in which it appears.

Why African focused?

- Exposure to growing markets
- Africa has been resilient during the global recession
- There is real opportunity on the ground in Africa
 - ✓ Stability
 - ✓ Policy
 - ✓ Profits

*Source: IMF World Economic Outlook 2009,
Centre for the Study of African Economies, University of Oxford (2009)*

Why Industrial Minerals?

- Essential raw materials for a wide range of industrial and domestic products
- IM are high volume- low value, or low volume -high value, but are vital commodities
- Demand is consistent and long term
- Markets for these minerals are typically by off take agreements
- Exposure to commodity price cycles is less pronounced
- Long term cash flows provide solid platform for growth
- New technology can quickly expand existing markets

Africa+ Industrial Minerals - A Robust Growth Strategy

- Mainstream commodities and industrial minerals market is still dominated by a few large players (oligopolies)
- Often high barriers to entry exist
 - ❖ Adequate reserves of rare-quality minerals
 - ❖ Dedicated beneficiation and processing plants
 - ❖ In-depth knowledge of end markets
 - ❖ Large investments - (Mine / Plants / Logistics / R&D)

Strategy for new market entrants is to occupy and dominate niche positions

Gulf's Approach

- **Producing** Vermiculite Project in Uganda
- **Developing** Limestone Project in Madagascar
- **Exploring** Phosphate on Ugandan tenements
- **Secured Rights** Gypsum and Graphite projects in Madagascar
- **Acquisition opportunity**
Vermiculite processing and marketing business

Gulf's Operational Philosophy

- Seek Partnerships and Strategic Alliances (Dupré, SDV, MCC,MRD)
- Outsource operations where appropriate
- Flat management structure
- Seek large resource, long life projects



We have the people

Mr Scott Reid

Executive Chairman

Mr Wayne Kernaghan

FD & Company Secretary

Mr Greg Duncan

Non - Executive Director

Mr Vic Fitzmaurice

COO

Mr Fharhaad Moosa

Consultant Project Director/Engineer

Mr Derek Anderson

Senior Consulting Geologist

Mr Rupert Northcott

Head of Country Operations, East Africa

Mr Robert Barnes

Head of Country Operations, Madagascar

Namekara core staff:- (Ex – PMC)

Mr Dawid Venter

Plant Superintendent

Mr Hendrik Swart

Maintenance Superintendent

Mr Jan Engelbrecht

Plant Supervisor

Track Record

Key members and individuals within the Gulf team have been involved in:

- Acquiring and managing the BFS funding and initial development of the high grade underground Perkoa Zinc Project (JORC Ore Reserve of 6.3 million tonnes at a head grade of 14.5% Zinc) in Burkina Faso, West Africa.
- The cost effective and safe installation of the Block 4, Block Cave Project at Finsch Mine, on time, on budget and yielding a profit as planned for De Beers Consolidated mines.
- The acquisition , initial financing, corporate development and scoping of Andean Resources Ltd Cerro Negro gold Project in Argentina.
- Acquiring and managing the initial development of Discovery Metals' Boseto Copper Project in Botswana.
- The team has also managed strategic relationships with BHP Billiton in Africa (with JV's in Zambia), Anglo American's Base Metals team in Johannesburg (with an exclusive data access arrangement for Burkina Faso) and Falconbridge (now Xstrata plc) in Botswana
- The safe productive and cost effective management of 4 underground mines (mechanised board and pillar mining) and an open cast mine, including all technical services for Aquarius Platinum and contract management of the mining and mining related contractors.
- Successful tender, procurement, installation and management of new earthmoving and mining fleets to move 30 Million Mt p.a. for Letlhakane Mine Expansion.
- Acquiring and managing the initial development of the Rincon Salar Lithium Project, Salta Province, Argentina. The lithium brine resource contains 1.4m tonne of Lithium.
- Managing the Moa Ferro Nickel Project/plant project in Cuba, with a BFS successfully completed in March 2004. This project had an execution cost of \$450 million dollars



Namekara, Uganda (EAV)



Global Vermiculite

- Numerous known occurrences of Vermiculite occur globally with reported global production in 2008 ~ 590,000 t.p.a. (USGS) *However some experts suggest the market could be up to 800,000 tonnes. (Roskill)*
- Main producing countries are South Africa, Russia, USA, Australia, Zimbabwe, Pakistan, Egypt, Iran, China, Kenya
- Australian Example: Mud Tank Vermiculite Operation in the Northern Territory, owned by French listed minerals group, Imerys.
- In 2002, Imindex Ltd (ASX:IMD) sold Mud Tank to Imerys for \$4.85 Million (Mud Tank production: 12 ktpa, resource estimate > 500,000t, production potential 35,000 tpa)



Large Vermiculite Crystal - Namekara

- 2009 Rio Tinto sold Namekara to Gulf
- Rio Tinto's PMC Palabora Mining Company in South Africa account for 25 to 30% global production
 - ❖ Production is ~ 190 to 200 ktpa

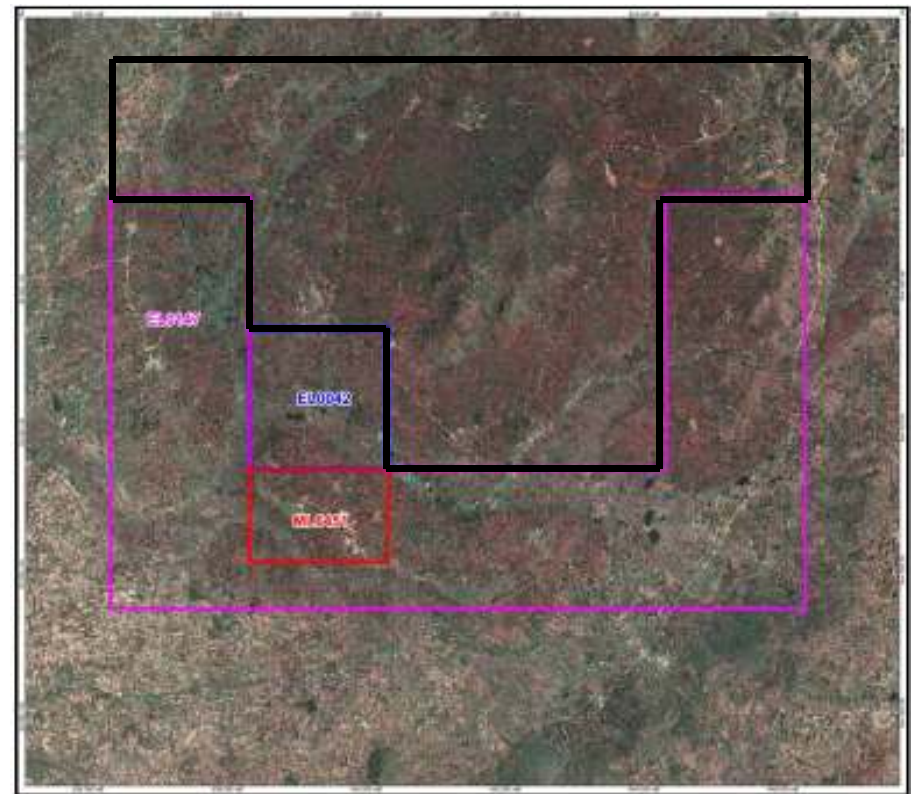
Namekara Mine, Uganda

East African Vermiculite



Namekara Vermiculite

- Project located in Eastern Uganda approximately 10km from Kenyan Border and surrounded by excellent infrastructure

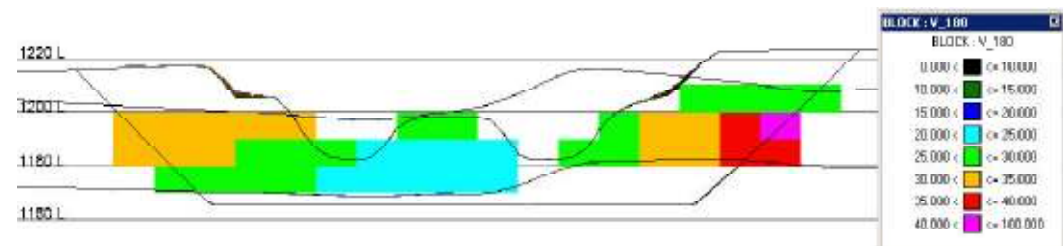
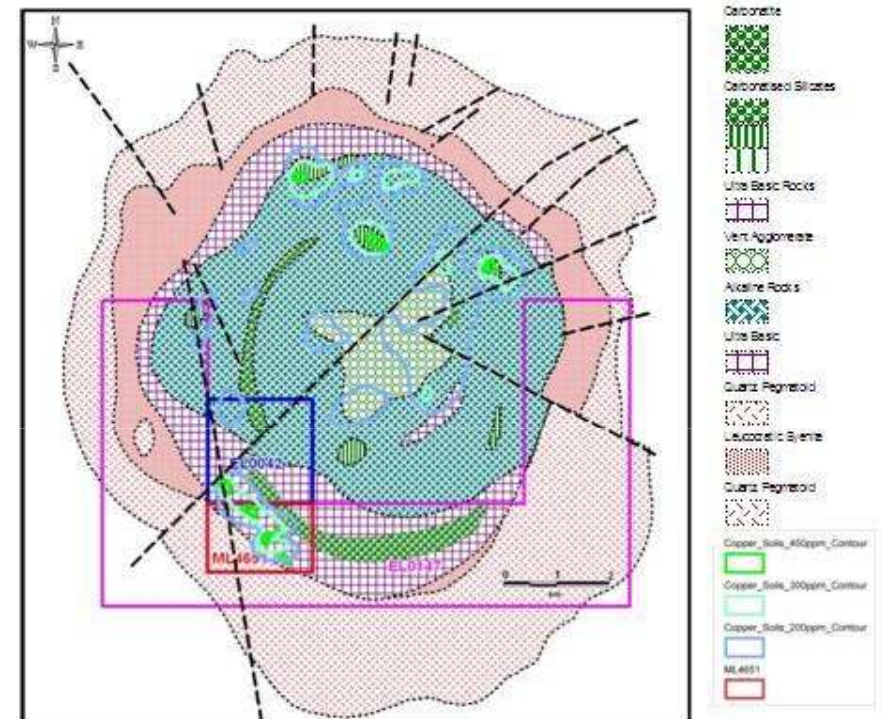


- Gulf Tenements – 3 Exploration Permits
– 1 Mining Licence

Vermiculite Resource

- Block modelling using Vulcan and Polygonal Modelling – Rio Tinto
- Gulf engaged SRK Consulting to validate current estimated tonnage & grade of mineralisation
- JORC Indicated Resource: 54.9mt @ 26.7% V_{180μm} and 18.8% @ V_{425μm}

Total Contained Vermiculite:	100%
Premium (+9.50 mm)	8 %
Large Grade (+5.60 mm)	21 %
Medium Grade (+2.00 mm)	30 %
Fine Grade (+1.18mm)	20 %
< S/ Fine (-1.18mm)	21 %

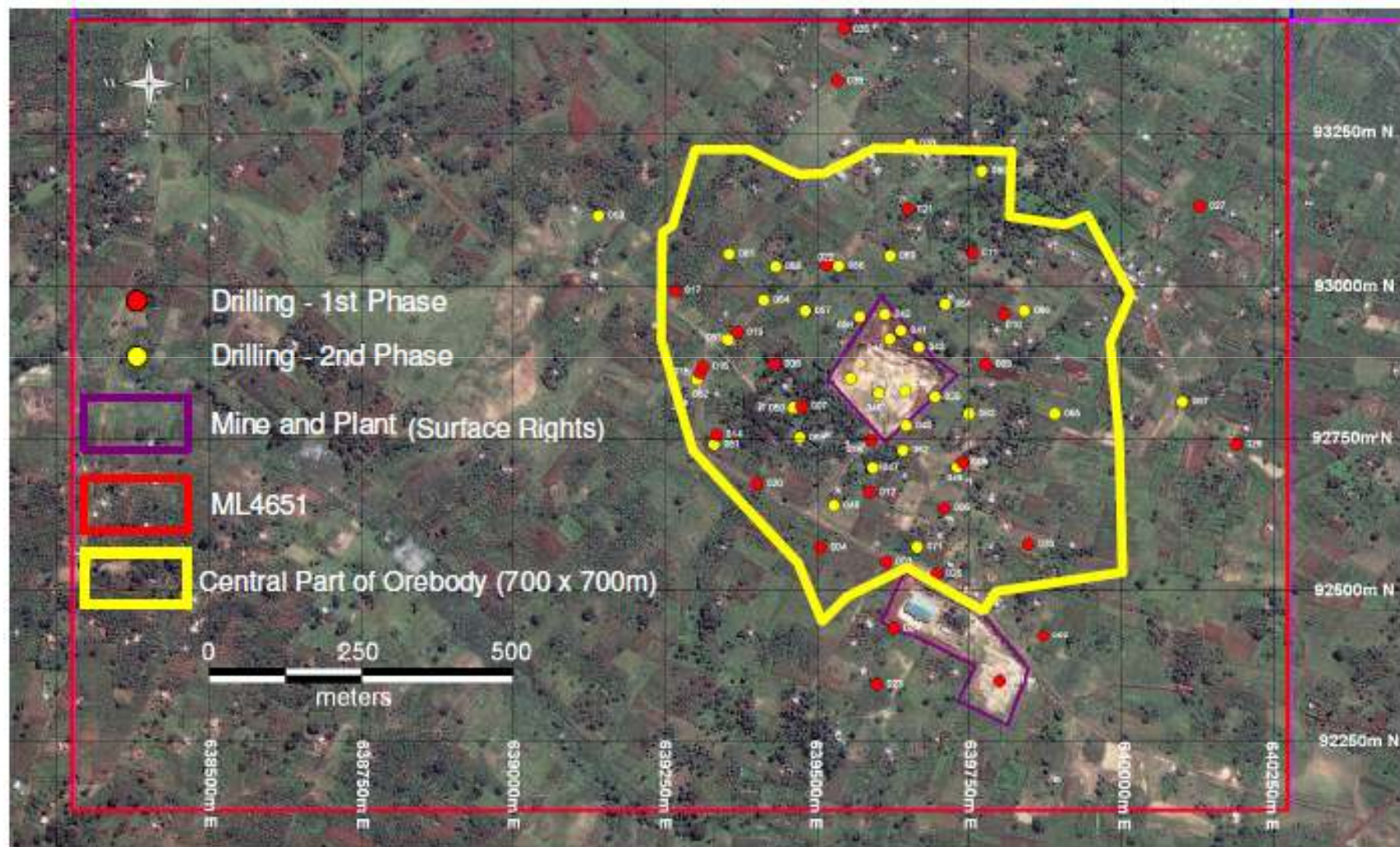


Namekara Mine

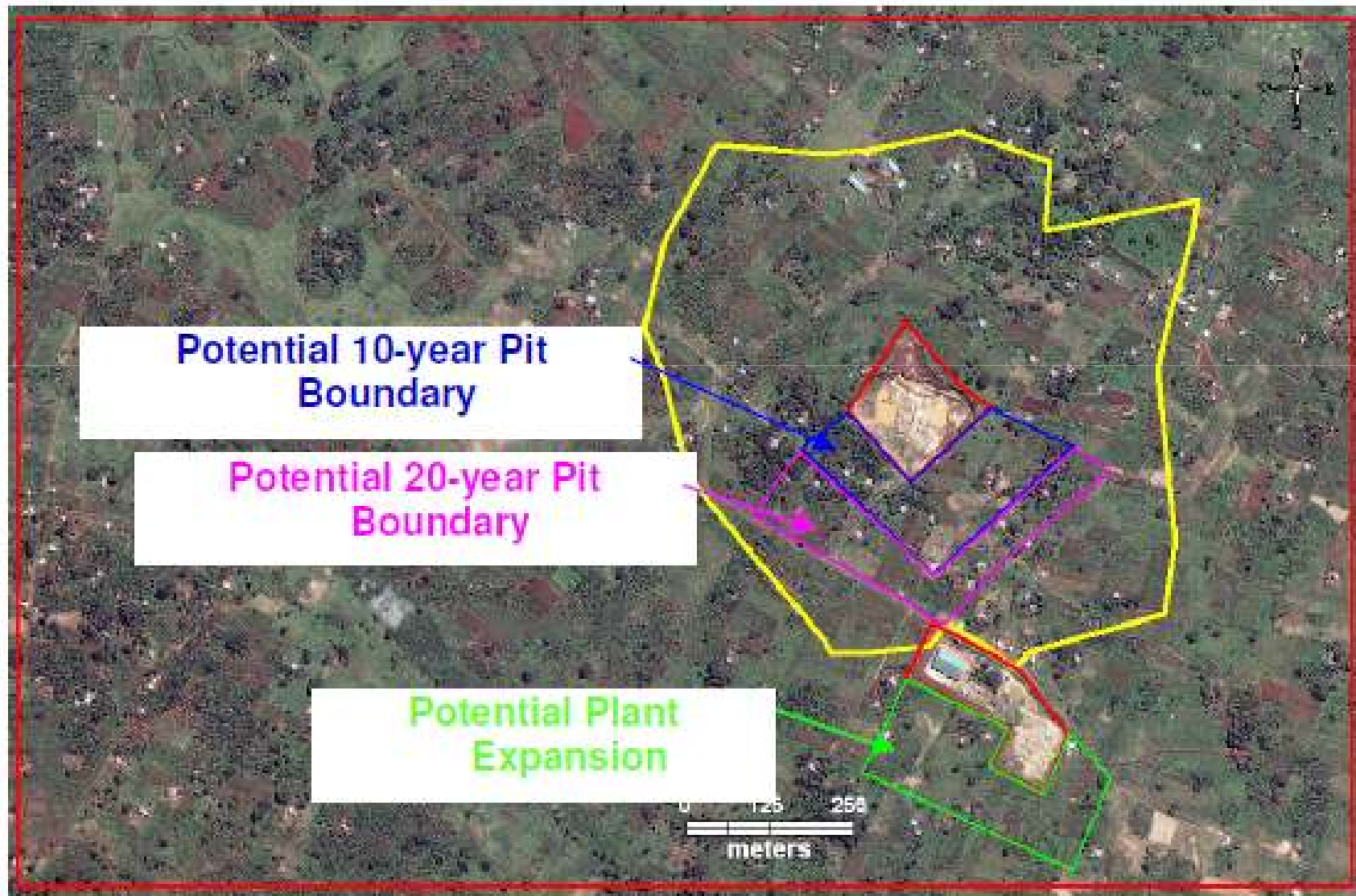
- May 2009 – Gulf acquired 100% Namekara Project from Rio Tinto International Holdings Ltd
- May 2010 – Successful Recommission of Plant
- July 2010 - Dupré to provide US\$ 1 million and technical assistance to ramp up vermiculite production



Drilling to date



Pit and Plant Expansion



In the Pit...



Trenching in the Pit,



Pit dug at site of old RioTinto drill hole



New Plant...

- | | |
|---------------------------|-------------------------------------|
| ➤ New front end | Increased throughput |
| ➤ 10 x New Screens | Multiple products for high grading |
| ➤ New crusher | Increased throughput, larger grades |
| ➤ Dryer | Increased throughput |
| ➤ 5 Winnowers | Increased throughput |

In the Plant...



Old Plant...



New Plant ...



Old Plant...



New Plant ...

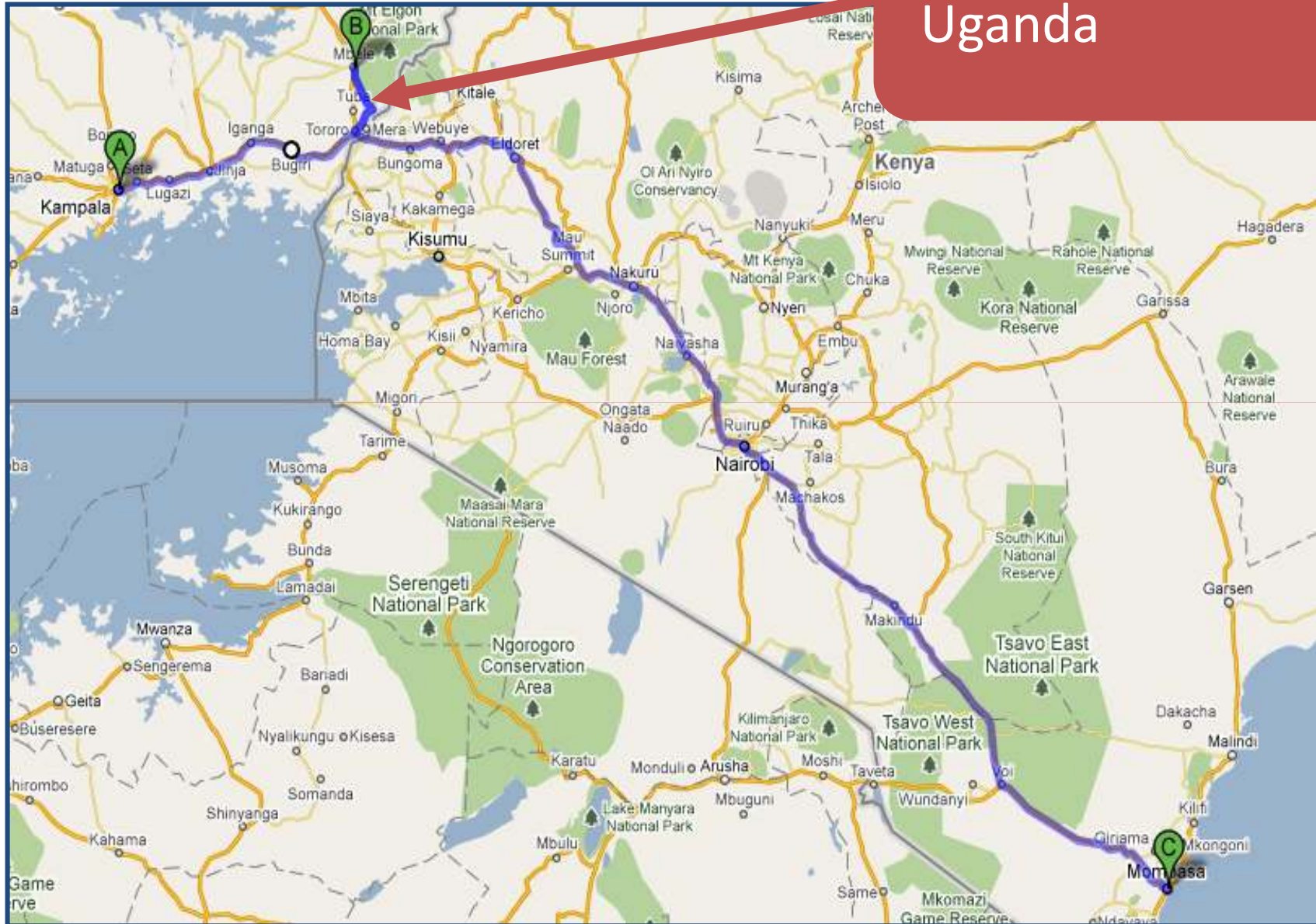


In the Plant...



Project Export Route Map

Namekara Mine,
Uganda

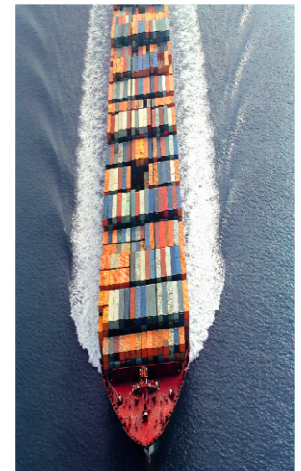


Export Options Considered

1. Through Box Road
2. Bulk Road
3. Through Box Rail
4. Bulk Rail
5. Bulk bag to stuff Mombasa
6. Combinations

Planning Factors:

- 1st 2 months 50 kg bags
- 1 ton bags for remainder
- Currently limited storage space at mine site
- Additional space required after 6 months (plan 4000 tons)
- No loading equipment at Tororo rail head
- Weight limitations (road & rail)
- SDV Supervisor at mine site and border crossing (QHSE & expediting)
- Feasible to 30,000tpa with truck & TEU



Progress to July 2010

- Concentrating of building the business basics
 - ❖ Safety systems
 - ❖ Operating procedures & policies
 - ❖ Business systems in place
 - ❖ Testing procedures
 - ❖ Shifts
- Plant recommissioned
- Sales and off takes – Exclusive global sales agreement with Dupré
- US\$1 million invested by Dupré for increased capacity
- External training Fibre management (John Addison)
- External review of resources and reserves (Minerals Corporation)

PMC Large grade Sample

Namekara Large grade Sample

HEAT – KILN or MICROWAVE



1 cm

Vermiculite
Crystal plates
Less than
1.5mm thick
from Mine

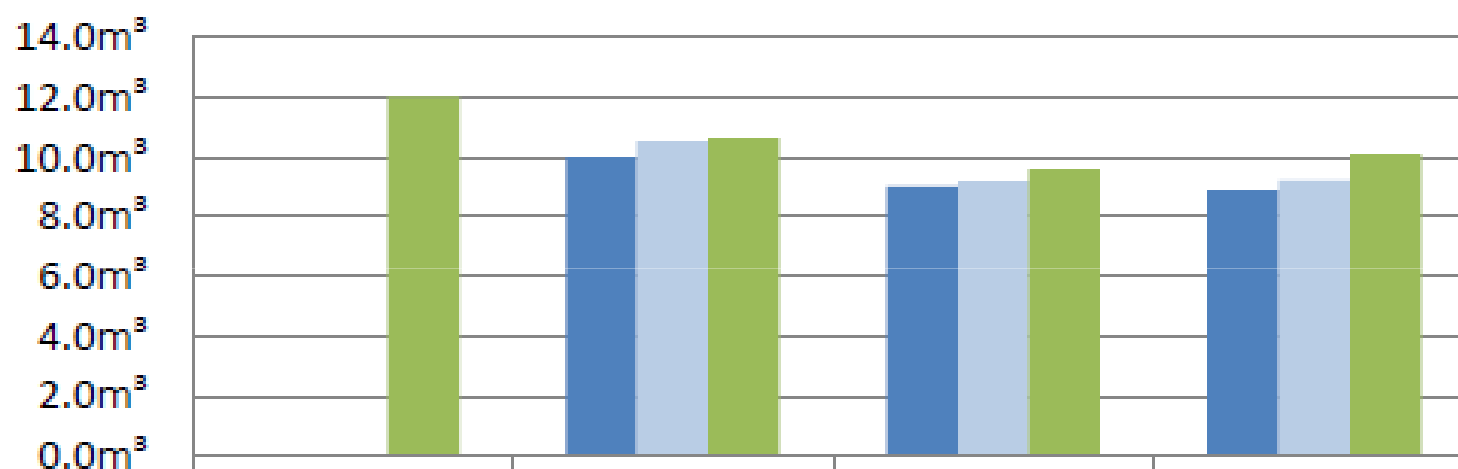


Exfoliated
Vermiculite
Greater than
20 mm thick

Exfoliation yield: PMC vs Namekara Vermiculite

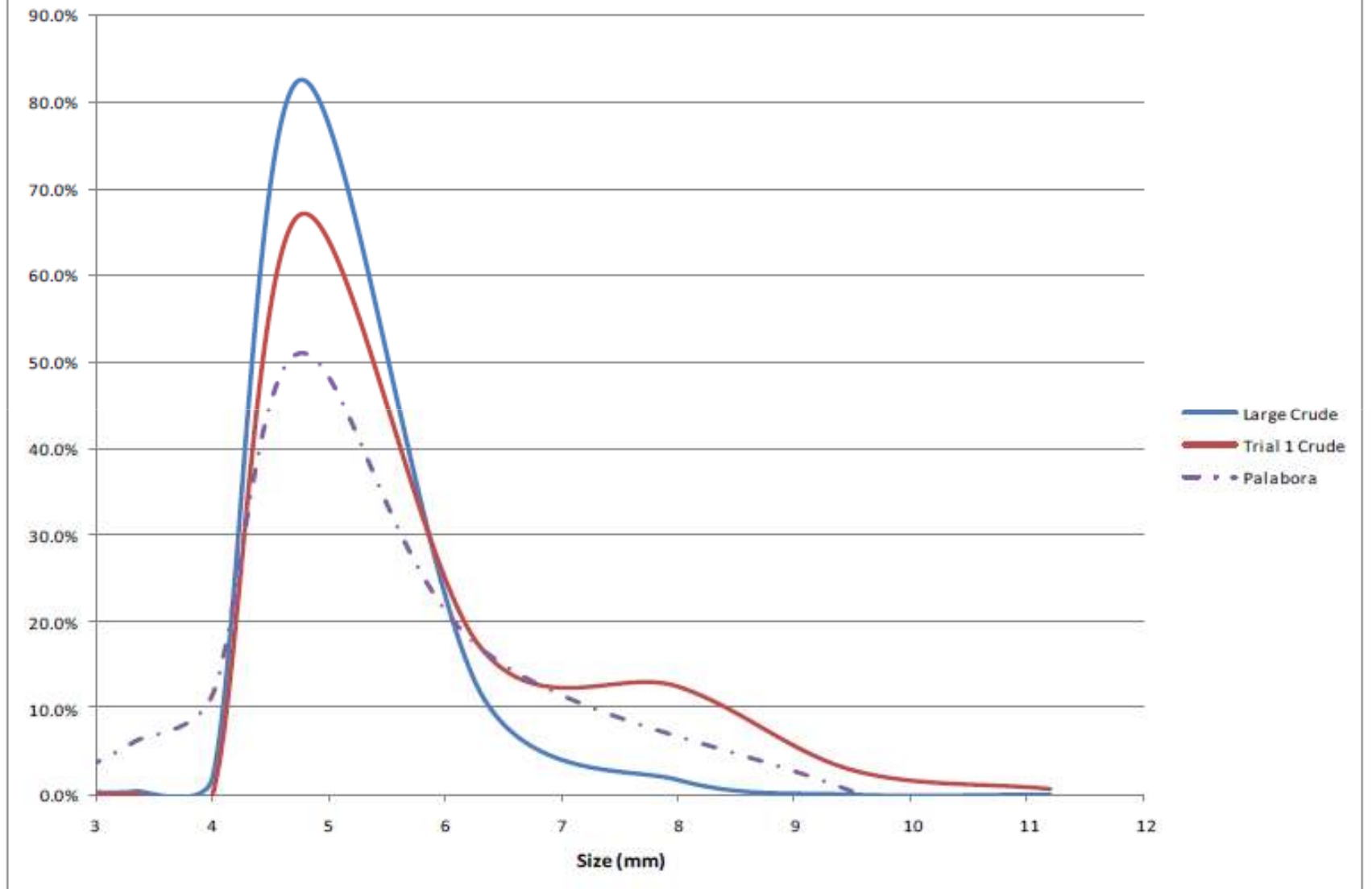
Volume Yield per Tonne (Rotary Furnace)

Cubic Metres of Product
Per Tonne of Crude

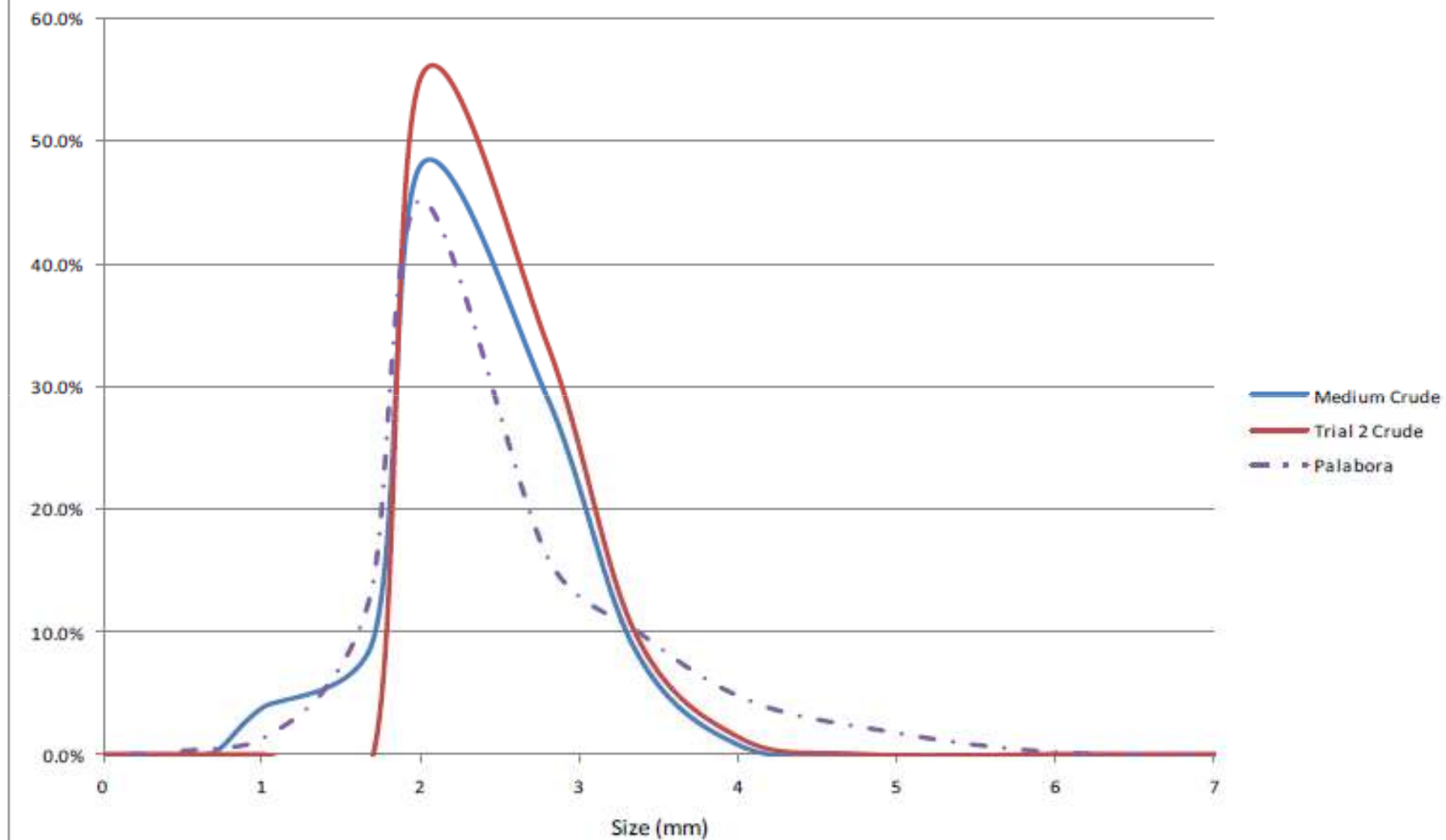


	20% PREMIUM 80% LARGE	LARGE	MEDIUM	FINE
Original Samples		10.0m³	9.0m³	8.9m³
Lab Resizing Trials		10.5m³	9.2m³	9.2m³
New Samples 1/6/10	12.0m³	10.6m³	9.6m³	10.1m³

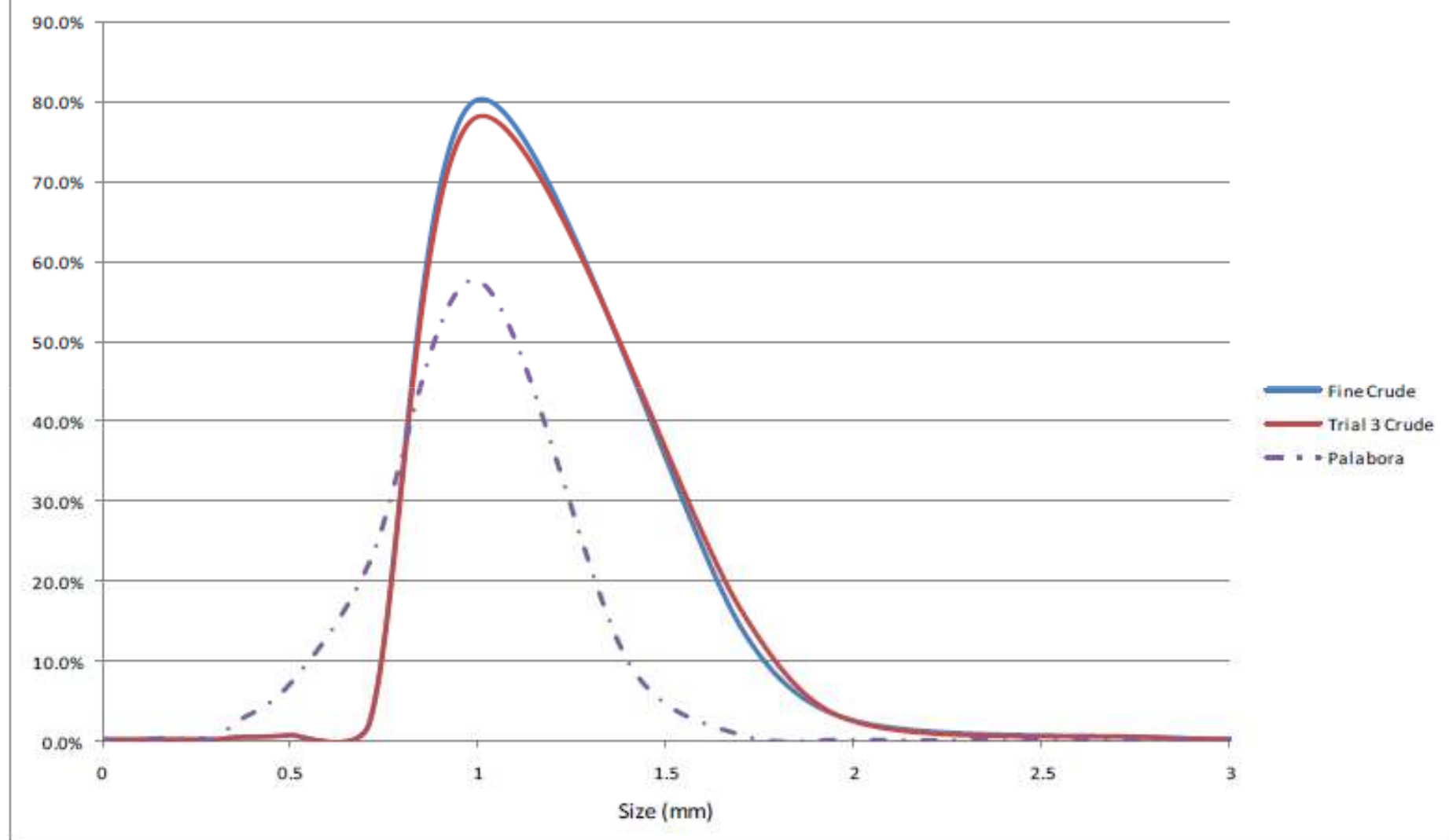
Ugandan LARGE Crude



Ugandan MEDIUM Crude



Ugandan FINE Crude



Social & Health & Safety



Equator principles

Performance Standards		Comment	Is this a Major Risk?	
1.	Environmental and Social Assessment and Management Systems			
•	Has the company assessed the risks associated with its operations?	• What is the nature of the current workforce (eg local vs non local, extent of expatriate involvement) and what is the company's on-going employment policy?	Workforce drawn exclusively from immediate local community, except for specialist skills xx expats . Ongoing employment policy is to give preference to local community and to explore training opportunities to reduce expatriate component.	No
•	Has the company associated with its operations?			
•	Has the company associated with its operations?			
•	What is the management system in place for the company?	3. Pollution Prevention & Abatement		
•	Is the company's management system in place for the company?	• Has the company developed a hazardous/toxic substances management plan?	No, as no hazardous or toxic materials are used.	No
2.	Labour & Human Resources	7. Indigenous Peoples		
•	What is the company's policy on employment of indigenous peoples?	• Does the company have a specific policy regarding impact/mitigation of impact and involvement of indigenous peoples?	Development and involvement of indigenous people is a company policy – see labour practices	No
•	Does the company have a policy on employment of indigenous peoples?	8. Cultural Heritage		
		• Are their cultural heritage issues within the company's projects?	No	No
		• What is the company's policy on cultural heritage management?	Not applicable, but will adopt best practice as set out by International Council for Metals and Mining (ICMM) if issue arises.	
		4. Community Health, Safety and Environment		
		• Has a risk assessment been conducted to identify the key risks of the activities on the local community?		
		• Please comment on the risks and provide some details.		
		9. External Reporting and Media (non IFC guideline)		
		• Does the company report on environmental and social issues (e.g. to shareholders, statutory reports, other stakeholders e.g. community)? If so, please provide details.	Government requirement is for annual disclosure of social and environmental indicators	No
		• Does the company have a policy on handling media enquiries, reports?	The company has formally adopted the Rio Tinto standards on stakeholder engagement. These exceed those of the World Bank /IFC and cover the handling of media enquiries and reports.	
		10. Extractive Industries Transparency Initiative (EITI)		
		• What is the company's policy towards EITI principles and standards?	The company subscribes to the EITI and will	No

Mine & Community Clinic



African Projects

East African Vermiculite

Malagasy Project



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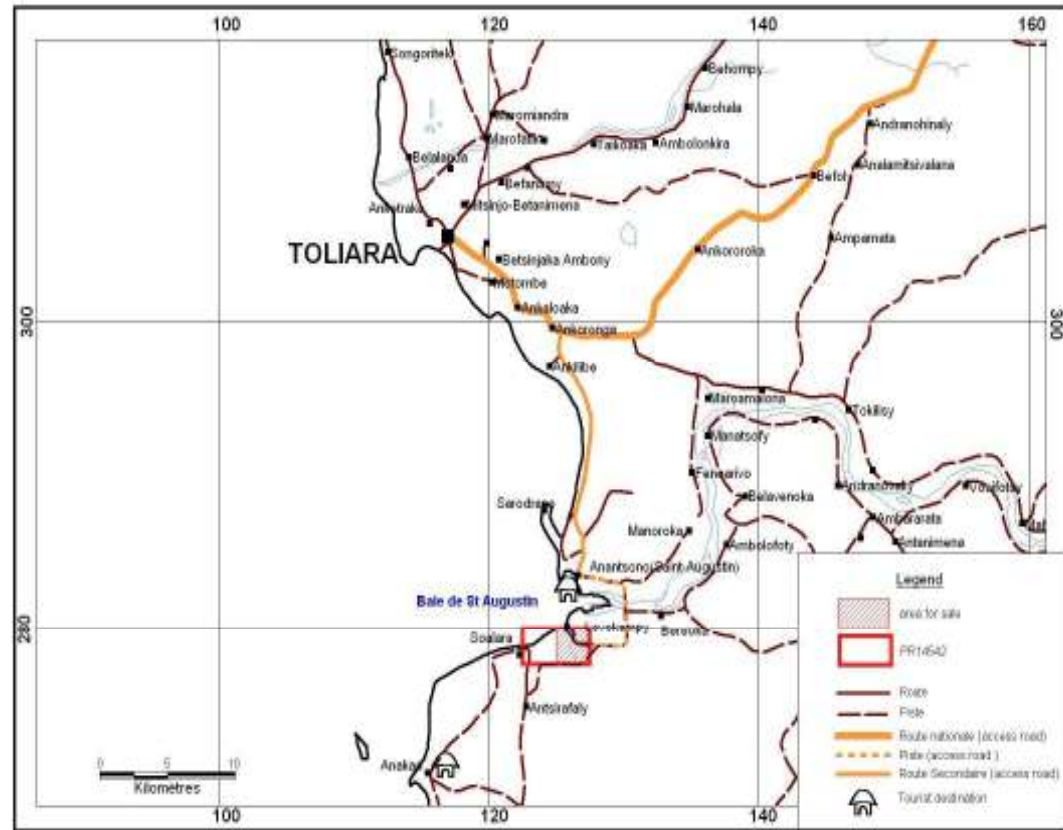


Figure 2: Location Soalara Limestone Project



Madagascar Limestone

Strategic Partners locked – in

MCC Contracts has now placed itself at the forefront of the surface contract mining industry and is regarded as the market leader in terms of capability and expertise.



SDV-Bolloré

- ❖ Port and logistics
- ❖ Currently coordinating Soalara Port development
- ❖ Supporting off take negotiations



MRD

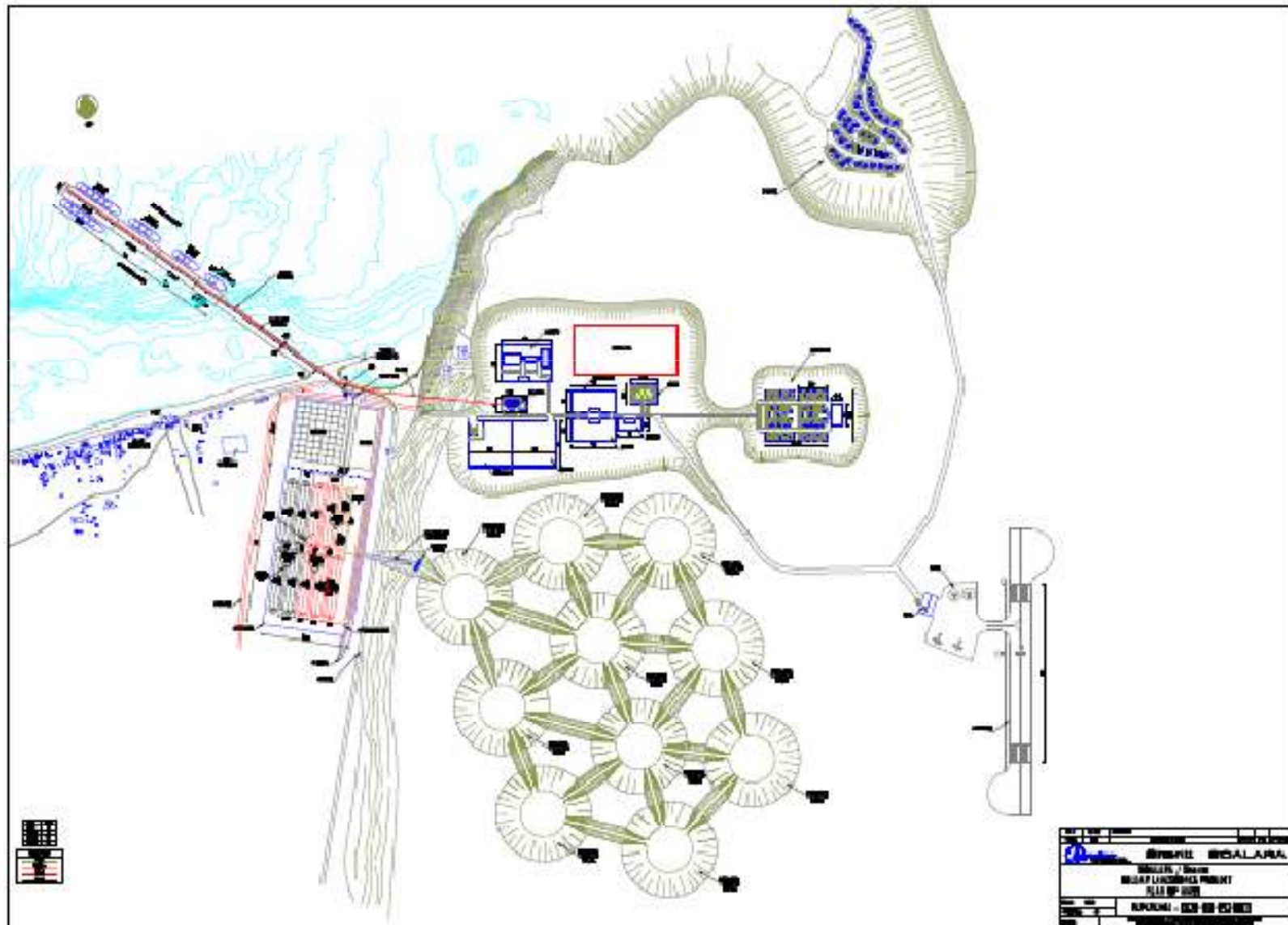
MRD have extensive knowledge in the metallurgical arena and have a sound reputation with many clients, including a number of the larger companies.

The team has a large experience base in BOOT, BOO, BO, and O&M in South Africa.

MRD also has the experience to provide services in the areas of: Feasibility studies ,Plant modifications / additions etc



Madagascar Limestone – Mine & SPS Port



Madagascar Limestone

Immediate Market Prospects

➤ A 1.7 Mt per annum limestone requirement for Ambatovy Nickel Laterite Project at Tamatave in Madagascar, starting December, 2010 and extending for 40 years - in discussions

➤ Large Indian Steel Group want 2Mt of product per annum, for 50 years – in discussions

➤ Exports into East Africa of between 0.5 to 1Mt per annum

➤ Base case 2m tpa - Plant design completed

➤ Target case 5m tpa - Plant design in progress

➤ Large high quality limestone deposit near a deep water port encourages expansion of the project

➤ Project can develop and expand into a world class limestone, lime and cement exporting project

Met-Chem Laboratories
(ISO : 9001 : 2000 ISO/IEC Certified Lab)
(Govt. Approved Lab)
Analysis & Consulting Chemicals

SWISSCERT

Head Office : No. 282, T28 Cross, 8th May, M.S. Karamath Nagar, Bangalore - 560 054.
Tel/Fax : (080) 8761; E-mail : metchemlab@yahoo.co.uk; Website : www.metchemlab.com

Date: 22.09.2008

TEST REPORT

This is to certify that the Limestone samples submitted by the above party have been analysed by us with the following results:

(Lab Ref No - 033403-04 dated 22.09.08 Ref. To V. N. Venk. Kumar)

(Analysis on Dry Basis)

Sl.No	Parameter	ISO 91 15-09-08	ISO 91 15-09-08	ISO 91 15-09-08	ISO 91 15-09-08	ISO 91 15-09-08
1	Calcium oxide (CaO)	53.17 %	53.69 %	54.41 %	54.18 %	53.61
2	Magnesium oxide (MgO)	26.41 %	26.47 %	26.72 %	26.77 %	26.38
3	Iron oxide (Fe ₂ O ₃)	01.23 %	00.81 %	00.89 %	00.48 %	01.79
4	Silica (SiO ₂)	01.79 %	01.23 %	01.79 %	01.04 %	01.37
5	Alumina (Al ₂ O ₃)	00.54 %	00.17 %	00.18 %	00.17 %	00.00
6	Manganese oxide (Mn ₂ O ₃)	0.000	0.000	0.00	0.00	0.00
7	Sulphur (S)	00.010 %	00.004 %	00.010 %	00.011 %	0.008
8	Phosphorus (P)	00.012 %	00.009 %	00.022 %	00.026 %	0.019
9	Sodium oxide (Na ₂ O)	00.022 %	00.009 %	00.007 %	00.013 %	0.012
10	Potassium oxide (K ₂ O)	00.28 %	00.18 %	00.12 %	00.11 %	0.14
11	Loss of Ignition (LOI)	41.87 %	42.14 %	42.58 %	42.74 %	42.53

Samples not shown by us

For Met-Chem Laboratories:
[Signature]

Branch : I No. 322 'Sreenivas', Sakinakaipuram, College Road, Hosur - 507 251 Ph : 222995
Branch : I No. 4/12B, S.V. Mining Compound, Gooty Road, DHANU - 515 222 Kurool (T.N.) A.P.

The chemical composition of the limestone is suitable for applications in the cement, mineral processing, fertiliser industries, etc.

Madagascar Timetable

- Technical studies Phase 1 completed – Viability confirmed
- Planning Feasibility study – In progress
- Fast track components
 - ❖ Environmental Study - Start Q3/2010
 - ❖ Off – takes - In progress
 - ❖ Harbour MOU (with SPS) - In progress
 - ❖ Funding - Debt & Equity advisors confirmed
 - ❖ Project Construction - 2011

African Focused Industrial Minerals Developer

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