

AN OPEN LETTER TO GULF SHAREHOLDERS – 10 February 2014

Dear Gulf Shareholders,

This letter is to update you since my last letter of 1 February 2013.

There is very little to update shareholders on from my last letter to Shareholders.

With regards the “Cease Trade Orders” there has been no movement on this. Negotiations took place in the last quarter of last year with a major Chinese Company that was keen to buy Central Asian Minerals & Resources Plc (CAMAR) which would have given Gulf sufficient funds to pay auditors to bring the accounts up-to-date thereby allowing for an application to be made to lift the “Cease Trade Orders”. This did not happen since it required the Tajik Government which owns 51% of Aprelevka, the other 49% being owned by CAMAR to agree to dilution. To date the government has not done so. This is frustrating since the Chinese company had plans for an immediate US\$20m investment which would have changed the shareholdings from 51/49% to 30/70% in favour of CAMAR.

The Timeless Precious Metals Fund (TPMF) agreed to extend its loan of Can\$1m for a further year to June 2014 (please see my previous letter for more details).

The updated current look through value of Gulf shares is approximately 0.9 pence per share. This is based on Gulf having about 126m shares in issue, assets made up of:

- 4,188,087 CAMAR shares currently trading at about 43 pence and (£1.8m)
- 4,282,655 Romios shares currently trading at about 5 cents Canadian. (Can\$214,000)

Liabilities of:

- Can\$1.25m approximately, of loan and accumulated interest due to the TPMF

The approximate value of each Gulf share is therefore about 1.7 cents Canadian. This may help you to work out the theoretical value of your holding

As I said in my last letter to shareholders I wish I had more positive news but I do not. This whole episode has been deeply frustrating for all concerned.

Oliver Vaughan