

GULF INTERNATIONAL MINERALS LTD.



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Gulf International Minerals Ltd. Announces Share Sale Agreement with Central Asian Minerals and Resources plc for the Sale of Its Wholly Owned Subsidiary, Gulf International Minerals Limited

LONDON, UNITED KINGDOM--(Marketwire - March 24, 2011) - Gulf International Minerals Ltd. ("**Gulf Canada**" or the "**Company**"), is please to announce that is has today entered into a share sale agreement (the "**SPA**") with Central Asian Minerals and Resources plc, a company incorporated under the laws of the Isle of Man ("**CAMAR**") regarding the Company's wholly owned subsidiary Gulf International Minerals Ltd., a company incorporated under laws of England & Wales (the "**Subsidiary**"). Under the terms of the SPA, the Company has agreed to sell the entire issued share capital of the Subsidiary in return for 4,188,087 ordinary shares each of no par value (each an "**Ordinary Share**" and together the "**Transaction Shares**") in CAMAR, each such Ordinary Share being credited as paid up in full at UK£0.55 per Ordinary Share, (the "**Transaction**").

About CAMAR

CAMAR was established as an investment vehicle in 2009 to identify investment opportunities within the minerals and resources sector, principally within the developing countries of central Asia. CAMAR anticipates that the principal minerals on which it would focus on would be precious metals, and, in particular, gold.

CAMAR Ordinary Shares are ordinarily admitted to trading on the PLUS-Quoted Market in London, UK ("**PLUS**"), the primary market for unlisted securities run by PLUS Stock Exchange plc, however the Ordinary Shares in CAMAR were suspended from trading on PLUS on October 14, 2010 following an announcement by CAMAR that the Transaction may occur. On the basis that CAMAR currently has 4,188,087 Ordinary Shares in issue, on completion of the Transaction, the Transaction Shares shall constitute 50% of the share capital of CAMAR, prior to the issuance of any additional Ordinary Shares that may be issued to provide CAMAR with additional working capital.

The Transaction

Completion of the Transaction as contemplated by the SPA is subject to certain conditions including, without limitation, receipt of necessary approvals, and the re-admission to PLUS of all Ordinary Shares of CAMAR. Pursuant to the SPA, the Company has agreed not to dispose of any interest in the Transaction Shares for 12 months from completion of the Transaction, subject to certain conditions contained in a lock-in deed (the "**Lock-in Deed**").

Under the terms of the SPA, the Company gave customary warranties in respect of the Transaction (the "**Seller Warranties**"), which are to be repeated at completion of the Transaction. The Seller Warranties are given subject to matters disclosed and within the actual knowledge of CAMAR and are subject to customary limitations of liability. Any Seller Warranty liability shall be satisfied at the election of the Company either by cash or the sale of Transaction Shares or a combination of both. CAMAR has provided customary warranties in respect of the Transaction Shares, its capacity and the business of CAMAR ("**Buyer Warranties**"), which are to be repeated at completion of the Transaction. The Buyer Warranties are given subject to various disclosures and any matter within the actual knowledge of the Company, and are subject to customary limitations of liability. Any Buyer Warranty liability shall be satisfied at the election of CAMAR either by cash, or by the allotment and issue of additional Ordinary Shares, or by a combination of cash and issue of additional Ordinary Shares.

The Subsidiary's activities in Tajikistan through the Aprelevka Joint Venture

The Subsidiary entered into Charter and Foundation Agreements with the Ministry of Energy and Industry of the Republic of Tajikistan (the "**Ministry**") on February 12, 2011 (the "**Foundation Agreements**") for the purpose of governing their relations as participants of the joint Tajik-Canadian Limited Liability Company ("**Aprelevka**"). These agreements supersede the previous forms of agreement which were entered into between the Company and Altin Topkan Mining Management, a Tajik entity, on June 15, 2004. The Foundation Agreements set out the registered details and legal status of Aprelevka and its objects, being to carry on business as a general commercial company with the purpose of generating profit through: exploration, mining, processing and reprocessing of gold and silver bearing ore; and production and sale of gold, silver and other metals, subject to such activities being carried out in accordance with the laws of the Republic of Tajikistan, the charter and the business plan of Aprelevka from time to time. In accordance with the laws of the Republic of Tajikistan, the state has first right of refusal to purchase gold and silver.

Aprelevka is a separate legal entity and has the right to act on its own behalf and conduct its activities on the basis of a limited company. Aprelevka is liable for its obligations up to the limit of its asset base. Any holder of shares in Aprelevka is only liable up to the amount, if any, unpaid in respect of its contribution to the charter fund and is not otherwise liable for the obligations of Aprelevka. At the date of the Foundation

Agreements, the charter fund is approximately US\$17,643,000. The Subsidiary is a 49% contributory to the charter fund whilst the Ministry is a 51% contributory.

The participants agree to increase the charter fund on achievement of US\$10,384,506 by contributions in cash. The Subsidiary has pledged to contribute an additional sum of US\$5,088,408 in cash and non-cash assets in stages over the next 14 months from the date of the Foundation Agreements. The Ministry's share will be increased at the cost of previously contributed non-cash assets for the amount of US\$5,296,098.

It is envisaged that Aprelevka will be re-registered, in accordance with the Republic of Tajikistan legislation, on completion of the contributions. If at the end of any financial year the net assets are found to be less than the charter fund, Aprelevka must announce a reduction of its charter fund to a value not exceeding the value of its net assets.

Shareholder Approval

Subsection 301(1) of the Business Corporations Act (British Columbia) provides that a sale, lease or otherwise disposal of all or substantially all of a company's undertaking, other than in the ordinary course of business, requires the approval of a company's shareholders by way of a special resolution. The sale of the Subsidiary may constitute the sale of all or substantially all of the Company's undertaking. Accordingly, shareholders will be asked at the meeting of shareholders scheduled for April 21, 2011, and if thought advisable, authorise and approve, by means of a special resolution (the "**Special Resolution**") the sale of the Subsidiary.

Board View

It is the unanimous opinion of the board of directors of the Company that the sale of the Subsidiary is in the best interests of the Company and that Shareholders vote "FOR" the Special Resolution. CAMAR is better positioned to assist the Subsidiary meeting its obligations under the Foundation Agreements. Furthermore, in the event that the sale of the Subsidiary does not occur, there is a considerable risk that third parties will enforce redemption rights under various loan documentation entered into by the Company. If any of such rights are exercised, the Company will enter insolvency.

"This transaction gives the Company a substantial holding in an excellent company actively seeking and developing opportunities in the Republic of Tajikistan" commented Oliver Vaughan, a director of the Company. "CAMAR has an experienced management team and the skills and resources to develop the Aprelevka opportunity. Signing of the SPA represents a watershed moment in the history of the Company as it looks to maximize the value of its current properties and explore new resource based exploration and investment initiatives for the benefit of its shareholders."

Forward-Looking Information

This press release contains certain "forward-looking information". All information, other than information pertaining to historical fact, which addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to it. Such forward-looking information includes, among other things, statements relating to the completion of the Transaction and the benefits to the Company thereunder. Forward-looking information is subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to CAMAR's intentions in respect of Aprelevka, its obligations under the SPA, CAMAR's financial condition or its failure to comply in all material respects with the terms and conditions of the SPA, delay or failure to obtain any approvals required including under applicable corporate law, declines in the Canadian, UK and/or global economies; political developments in the Republic of Tajikistan; changes to regulations affecting the Aprelevka activities, including tax and trade laws and policies, delays in obtaining or failures to obtain required regulatory permits and approvals from government authorities; the future inability to commercially exploit the resources which may be contained in Aprelevka opportunity, and other risks involved in the natural resource exploration and development industry.

Forward looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

For more information, please contact

Oliver Vaughan
Director
+44 207 937 4445
oliver@mountcashel.com

See this press release at Marketwire:

<http://www.marketwire.com/press-release/Gulf-International-Minerals-Ltd-Announces-Share-Sale-Agreement-with-Central-Asian-Minerals-1417023.htm>