



GULF MINES LIMITED ASX ANNOUNCEMENT

31st October 2008

Iron Oxide Drilling commences – Nowa Nowa

Registered Office: 41 Cavendish St
PO Box 92
Earlville Qld 4870
Phone: 07 4033 1805
Fax : 07 4033 6415
Email: info@gulflines.com.au

Gulf Mines Limited (ASX:GLM) is pleased to announce the commencement of the drilling programme at Nowa Nowa. The Company's Work Plan was approved on Thursday morning by the Department of Primary Industries. Drilling commenced today.



The drilling programme consists of:

- 2000 m of diamond drilling
- An approximate minimum of 20 drill holes averaging 100 m in depth
- The holes are designed to test the extent of the broader occurrence of hematite associated with the magnetite.

Further announcements are pending regarding the ongoing interpretation of the Iron Oxide mineralisation:



- Commencing with the 5, 6 and 7 Mile Creek area, this area alone, as previously announced, has the potential to deliver 50 to 100 million tonnes of Iron Ore.
- An average grade of 8 samples from this portion of the prospect area is 59% Fe which with recent geological mapping adds significantly to the historical drill-log data remaining from the 1950s & 1980s.
- GLM's initial drilling will be directed not only at the relatively small area located along the 5 Mile to 7 Mile magnetic anomalies but to highly prospective targets, including massive hematite outcropping recently identified, across the 100 square kilometres of the project.
- Extensions to the scope and intensity of drilling programs will be developed on the basis of the initial drilling and data collected from ongoing geological mapping across the entire project area.



"This is a scoping drill programme to outline the extent of the iron oxide occurrence in the project area" said Managing Director Graham Reveleigh. "The results of this drilling will provide the basis for design of a 'drill out' programme, to give a 'JORC' resource"



For further information contact Graham Reveleigh 07 4033 1805

Gulf Mines Limited is a rapidly developing junior exploration company with significant projects in the Northern Territory and Queensland for uranium, copper and zinc, gold and diamonds. The Company is focused on bringing the targets in these project areas to development by ground exploration and drilling as quickly as is technically possible. Gulf Mines will develop and mine resources it identifies "in house". The company will continue to acquire good quality exploration plays as they are identified.