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ASX ANNOUNCEMENT

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Potential for +50 million tonnes Iron Ore

Gulf Mines Limited (ASX:GLM) announces the completion of the first field programme at the Nowa Nowa Iron Ore prospect in eastern Victoria.

Preliminary appraisal of the field results, including the ground magnetics, indicate a potential for +50 million tonnes of iron ore, being magnetite and hematite.

Significant massive hematite and mixed hematite and magnetite were revealed in addition to the massive magnetite previously encountered:

- 105 surface rock chip samples were collected, including a suite of 17 samples of massive iron oxide from 5 mile and 7 mile prospects, with iron assays and mineralogical composition for initial samples pending
- The 17 samples showed some with massive hematite and others with massive magnetite with yet other samples as a mixture of magnetite and hematite
- The significance of this observation is that there is more iron oxide (hematite) present than will be indicated by the magnetics, which result from the presence of magnetite only

A ground magnetometer survey was completed over the 3 mile, 5 mile, 6 mile, and 7 mile prospects:

- Preliminary results are available from the magnetics survey
- Full interpretation of these encouraging results is pending

Initial surface geological mapping was completed within the immediate prospect areas. A follow-up field program, including additional surface mapping followed by a comprehensive drilling programme, will be organised following receipt of the completed geophysical survey and assay results.

“While it is early days yet, these results are very encouraging, as they indicate the potential for several large iron ore deposits” said Graham Reveleigh, Managing Director.

For further information contact Graham Reveleigh 07 4033 1805



“The information in this Announcement that relates to Exploration Results is based on information compiled by Graham Reveleigh, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reveleigh is the Managing Director of Gulf Mines Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Reveleigh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears”.