



GULF MINES LIMITED

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

ASX ANNOUNCEMENT

20th February 2008

POTENTIAL FOR MAJOR IRON ORE DEPOSIT

Gulf Mines Limited (ASX:GLM) advises that it is progressing well with its investigations into the Nowa Nowa iron ore project in Eastern Victoria:

- Deposits identified by magnetic anomalies are certainly high concentrations of magnetite.
- 10 major anomalies (over 100sq Km) give GLM plenty of scope for investigating a larger iron ore deposit or deposits.
- Previous drilling was limited to the centre of two magnetic anomalies, leaving those deposits open ended in all directions, and probably at depth.
- Follow up sampling and drilling of these targets is GLM's highest priority.
- Proximity to the coast means any future production will not incur the usual high transportation costs.

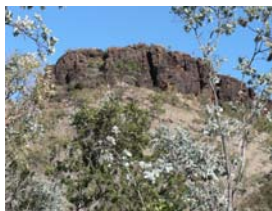
The Victorian Geological Survey (reported in Bulletin 57) conducted a ground magnetics survey followed by a diamond drilling programme on the Five Mile prospect during the 1950's.

The quality of the ground magnetics is greatly reduced by the limited coverage of the anomalies. Modern interpretation techniques require considerably more coverage to complete a satisfactory interpretation.

GLM's immediate intention is to conduct a survey update and Gulf Mines is currently planning to immediately commence a ground magnetometer survey over the prospect areas.

The project is under option from Waygara Mines Pty Ltd.

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.