GULF MINES

Gulf Mines Limited
ACN 059 954 317
P.O. Box 92E, Earlville, QLD 4870, Australia
Tel (07) 4033 1805, Intl: +61 7 4033 1805
Fax (07) 4033 6415, Intl: +61 7 4033 6415
E-mail: mining@cairns.net.au

QUARTERLY REPORT for JUNE QUARTER, 2008

Exploration – Wollogorang NT

The field season was commenced in early May, when a permanent 10 man camp was established close to the site of the temporary camp established last year. Early field work included establishment of tracks and drill pads, gridding in preparation for ground geophysical surveys, and commencement of the ground geological mapping and sampling programme. The speed of data collection of the rock chip sampling programme planned for this year is expected to by greatly increased by the use of the newly acquired Niton field XRF unit.

The ground geophysical (Induced Polarization or IP) crew arrived in mid June, and by the end on the Quarter had completed about one third of the programme. Results of a gradient array IP survey at 7 Mile prospect has increased the prospectivity of the 7 Mile anomaly, and an additional drill hole will be added to the current programme.

A prospect called Redbank SW has been identified south of the SW corner of the Redbank Lease. The prospect has similar geophysical characteristics to the Redbank breccia pipes, and a completed gradient array IP survey has defined another drill target.

It is intended to make another attempt to complete additional IP work on Masterton Ridge. The field crew have successfully made an access track up on to this prospect.

Work on extending ground scintillometer grids over the uranium anomalies is continuing.

Exploration – Ebagoola Qld

The field season commenced in mid April, when the camp was re-established after the “wet” season. Immediate steps were taken to ensure drill pad access was available, and appropriate sumps were dug for the recommencement of diamond drilling.

The drillers arrived (late) in mid June, and the drill holes totalling 524.7 m have been completed to the end of the Quarter. This is the beginning of a 2,400 m drilling programme to be completed this field season. The drill holes completed to date are listed in the accompanying Table.

Hole #	Easting	Northing	Azimuth	Dip	Length
EBD08009	747219	8413379	270	-60	126
EBD08010	747102	8413174	278	-50	147
EBD08011	747000	8413041	266	-50	89.9
EBD08012	747013	8412988	269	-52	84
EBD08013B	746770	8412979	271	-60	77.8

Hole EBD08013A was abandoned at 12.1m

Drill holes EBD08009, 010 and 013B have targeted IP anomalies, located by the 2007 surveys, at Queenslander. Another two holes were drilled into the main Queenslander quartz vein system.

All drill holes have intersected granites and gneisses with variable, but minor, amounts of pyrite and other sulphide mineralization. Holes 011 and 012, on the main Queenslander quartz vein, have been the most prospective to date with quartz stockworks, brecciated zones and a distinctive green epidote alteration. West of Queenslander (and drilled towards the East), hole EBD08013B intersected some minor quartz veining and minor pyrite mineralization.

The fact that all the holes have drilled into pyritic granites is encouraging, as the IP anomalies targeted were thought to be caused by sulphide bearing rhyolite dykes, which may be more chargeable than the granites by the IP method.

As at the end of the Quarter, no split core assays had been received from the assay laboratory.

Mapping and sampling of various prospects to the south of the area prospected in EPM 12119 last year, is continuing. Grid reference location of previous “floating” grids is being successfully completed, allowing data from previous exploration programmes by others to be located and become usable. Results for a total of 264 rock chip samples have been received to date. A total of 69 surface rock chip samples have assayed greater than 0.25 ppm gold (Au). The following table lists all those rock chip samples assaying greater than 1.0 g/t Au.

Prospect/ Location	Sample No	Au (ppm)
Gold Mount	EBB466	1.87
Johannesburg	EBB310	6.41
May Queen	EBB438	4.39
	EBB509	1.40
	EBB475	1.16
Random	EBB329	10.70
	EBB357	2.11
	EBB446	1.46
	EBB445	1.22
Violet	EBB384	16.60
	EBB391	12.70
	EBB401	8.21
	EBB402	7.35
	EBB390	3.51
	EBB361	3.27
	EBB373	3.00
	EBB396	2.92
	EBB403	2.22
	EBB364	2.08
	EBB388	1.92

Prospect/ Location	Sample No	Au (ppm)
	EBB387	1.80
	EBB372	1.55
	EBB386	1.51
	EBB377	1.32
	EBB366	1.01

Exploration – Nowa Nowa Vic

The field programme began in March 2008, as was reported last Quarter.

Field work consisted of a ground magnetometer survey accompanied by rock chip sampling of various outcrops in the EL area. Of the 109 rock chip samples collected, 17 samples were observed to be "massive" iron oxide, and the iron mineral to be both magnetite and hematite. The iron content of these samples was determined using a Niton field XRF unit.

A total of 10 of these samples were sent to the assay laboratory to confirm the iron assays. The results are presented in the table below, which was released to the market on 30th May 2008, and is reproduced below.

Sample No	Niton Fe%	Lab XRF Fe%
NOW001	51.3	57.7
NOW002	62.6	65.9
NOW006	41.6	51.8
NOW017	61.1	62.2
NOW032	55.9	61.0

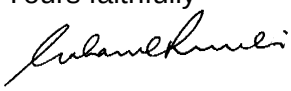
Sample No	Niton Fe%	Lab XRF Fe%
NOW033	51.0	60.7
NOW038	39.7	52.1
NOW039	47.9	56.3
NOW079	55.4	55.1
NOW091	41.6	52.0

The geophysical modelling being conducted on the magnetics data collected in March 2008, has reached the point where more information is needed to refine the model, that is, magnetic susceptibility of the iron oxides and surrounding rocks, the remanent magnetic component of the iron oxides, and as much geological constraint as can be achieved by detailed geological mapping of the prospect area. It is surprising that no detailed geological mapping is currently available.

The company has made arrangements to commence mapping and logging of the core in the Government core library in early July.

"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 Mineralization 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".

Yours faithfully



Graham Reveleigh
Managing Director