

QUARTERLY REPORT for SEPTEMBER QUARTER, 2009

SUMMARY

The company has directed its entire resources towards field work at Wollogorang and Ebagoola during this quarter. While field data collection has continued at a satisfactory rate, no time has been available for compiling and interpreting the data collected. This will be done at the end of the field season.

Results of the mapping and analysis of the rock chip sampling are showing encouraging results, and it is anticipated drill targets will result when the data is interpreted.

The company is yet to make a decision regarding various alternatives that are available for raising additional capital.

A description of the work completed and a preliminary review of the results for both areas is given below.

EBAGOOLA PROJECT, QUEENSLAND.

Field exploration activities were concentrated on some of the potentially larger target areas, namely, Flying Fox Hill, Napabina, and a new prospect, Coleman.

Flying Fox Hill: Detailed geological mapping, and rock chip and soil sampling, have been completed at this prospect. All results are currently being compiled. Outcrop mapping has been undertaken at a scale of 1:5000 over an area of 8 sq kms, which covers a significant portion of the Flying Fox Hill magmatic/intrusive complex.

A total of 74 rockchip samples were collected at the prospect. The best gold results of 0.43 g/t Au and 0.23 g/t Au come from Crackerjack Knob an intrusive rhyodacite plug which carries sulphides.

There are anomalous soil geochemical results also associated with Crackerjack Knob and Flying Fox Hill south. Associated with the anomalous gold are anomalous arsenic, lead, tungsten and fluorine.

An IP crew will commence surveying at Flying Fox Hill early next month.

Napabina Prospect (formerly Flying Fox North): Geological mapping, reconnaissance soil and stream sediment sampling and geological traversing of this area of previously delineated stream sediment gold anomalism has located a number of narrow quartz veins and zones of quartz veining in sericitised granite and a 10 m wide zone of fractured and carbonate altered granite with minor quartz-carbonate-limonite veining.

A 1:10,000 geology map has been produced, and additional rockchip and stream sediment samples taken.

Coleman Prospect: The Coleman prospect was recognized as an area of magnetic relief/grain and radiometric response similar to that at Flying Fox Hill – it was suggested that this pattern could reflect previously unrecorded alteration/mineralisation. Ground traversing and rock chip sampling of the area located an approximately 2 km by 1 km zone of discontinuous quartz veining containing up to 3 g/t Au. The quartz veins display cockade texture, low-temperature quartz textures and contain fine disseminated sulphides similar to those exposed at the True Blue workings in the Yarraden area at the northern end of the project area. Quartz-veined metasediments next to the main vein structures contain up to 0.3 g/t Au and suggest the possibility of envelopes of lower grade mineralization similar to that observed at Queenslander and Marks Reef. The apparent quartz vein frequency is greater than observed elsewhere in the project area and testifies to the occurrence of previously unrecorded zones of gold mineralisation hosted in quartz vein arrays. The Coleman Prospect is currently being mapped and sampled in detail.

Other known areas of similar geophysical response will be traversed to locate possible additional unknown centres of gold mineralisation.

WOLLOGORANG PROJECT, NORTHERN TERRITORY

Packsaddle Dome: Geological mapping and rockchip sampling of the large Packsaddle Dome Structural Feature interpreted from airborne magnetic data was completed during the period. The feature was known to contain a number of dispersed historic copper occurrences, some of which were previously described as occurring in trachytic cryptodomes. Detailed mapping of these mineralised breccia bodies and a number of new bodies was completed in order to determine if they represented apophyses from a potential large mineralised body at depth. This work has resulted in the prioritisation of an approximately 6 sq km of anomalous radiometric signature, geochemical soil anomalism and copper breccia occurrences in the vicinity of the Dingo Rock breccia cluster. This area is scheduled for an IP survey in the very near future to test the depth potential of the mineralised breccia cluster.

Additional exploration during this period has been directed towards the copper-uranium occurrences of the McGuinness trend, including Vulcan, Dianne and NW Copper prospects. Results are pending and yet to be compiled.

NOWA NOWA PROJECT, VICTORIA

The company has continued to seek interest in farm-in proposals for the porphyry gold copper play, and is talking to several interested parties on this matter.

A summary of the project follows. The rock exposures in an abandoned quarry just north of the township of Nowa Nowa were mapped and sampled by Gulf geologists as part of the more regional exploration program over the project area. The massive silica-sulphide alteration and associated gold assays suggested the potential for a different style of base-precious metal mineralisation not recognised or tested by previous explorers in this particular geological setting. A re-appraisal of the detailed ground gravity survey, completed by Gulf to assist in defining the extent of the iron oxides, indicated a residual gravity low feature that is flanked, in plan, by the various known iron oxide deposits. The gravity low was interpreted as a possible intrusive body at depth that may be related to the iron oxide deposits and quarry mineralisation/alteration. The observed styles of mineralisation in the project area (iron oxide skarn, copper sulphides in skarn, gold in silica bodies) were considered to be consistent with a typical zoned "porphyry" model with potential for major stockwork and disseminated styles of mineralisation associated with the intrusive body at depth. Porphyry styles of mineralisation are known in the immediate area and the development of the more remote Cadia project in NSW from a small iron oxide and gold resource has been noted with interest.

Yours faithfully

Graham Reveleigh
Managing Director

"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".