

ASX Announcement

29th July 2010

Commercial Potential for Iron Oxides

Gulf Mines Limited (ASX:GLM) wishes to advise of metallurgical test work being carried out on iron oxide samples from its Nowa Nowa project in East Gippsland by Environmental Clean Technologies Limited (ASX:ESI), using their “Matmor” process.

- Two samples have been tested, one from each of Seven Mile prospect and Five Mile prospect.
- Two tests have been carried out on the Seven Mile sample, which is high in silica. Both tests produced metallic iron.
- The test from Five Mile prospect also produced metallic iron.

The high silica content of the iron oxide produces a high silica iron. Further sampling will be undertaken to identify iron oxides with a lower silica content, and further tests will be undertaken to determine if they are suitable for the “Matmor” process.

These are issues separate from the objectives of recent drilling, the results of which are still being analysed.

Managing Director, Graham Reveleigh said “If this material is suitable for the “Matmor” process, there is potential to develop a small iron oxide mining project on the company’s prospects at Nowa Nowa. The development of such a mine would follow the construction of a suitable plant”

For further information contact Graham Reveleigh on 07 4033 1805.