

ASX Announcement

28th May 2010

Copper / Gold follow-up drilling next week.

Gulf Mines Limited (ASX:GLM) are pleased to advise that the Work Plan Variation for drilling at Nowa Nowa in East Gippsland has been approved by the Victorian Government and that the drill rig will be on site on Wednesday 2nd June.

As previously reported, the Company has developed a new exploration model for the highly prospective Nowa Nowa Project:

- A review of previous drilling, revealed that **Copper** mineralization occurring over significant intervals including **33.5 m averaging 1.89% Cu downhole** and **Gold** values of **1.0 m averaging 2.41 g/t Au downhole**, now takes on major significance relative to GLM's new mineralization model
- Additional geological, geochemical and geophysical data recently acquired by GLM's new geological team has resulted in development of a significant Iron Oxide / Copper / Gold [**IOCG**] conceptual model warranting immediate testing
- The gross structural setting is similar to that associated with known IOCG deposits with existing ironstone bodies now appearing clustered around the margin of a major gravity low feature that could represent a buried intrusive body
- A follow-up gravity survey was completed in February 2010 resulting in a model favouring IOCG in a mineralised horst / graben system over the previous porphyry system concept. The original and new gravity surveys, combined with other additional work, already completed, indicates where the hydrothermal mineralization occurs
- An immediate easily drilled target in the quarry just north of Nowa Nowa village will be tested by an inexpensive percussion and diamond drilling program
- This evolving model has also predicated further work underway to intensively re-analyze previous drill data and other fieldwork from prospects in the north of the tenement .

The drilling programme about to be commenced will consist of three (3) holes in the quarry, which will total approximately 600 m. The holes will be RC drilled to approximately 70 m (depending on water inflows) then diamond cored to approximately 200 m.

For further information please 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".