

QUARTERLY REPORT for DECEMBER QUARTER, 2009

SUMMARY

The company has continued to direct its entire resources towards field work at Wollgorang and Ebagoola during this quarter, prior to the commencement of the “wet” season in December. Compilation and interpretation of the results will take place during the first quarter of next year.

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

The Listed Options in the company (ASX:GLMO) expired at the end of October. On 2 November, the company announced its intention to offer new Options to those shareholders who held old Options on their expiry. As shareholder approval is required to issue the new Options, Notice of Meeting advising the appropriate resolutions was issued to shareholders in December, with the General Meeting to be held on 8 January 2010.

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 are given below.

EBAGOOOLA PROJECT, QUEENSLAND.

Field exploration activities were concentrated on two of the potentially larger target areas, namely, Flying Fox Hill and Coleman.

Flying Fox Hill: A ground geophysical IP survey was conducted on the prospect. The lines were chosen to augment the reconnaissance IP completed previously.

Previously, detailed geological mapping, and rock chip and soil sampling, have been completed at this prospect. 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. 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.

Coleman Prospect: The prospect is characterised by multidirectional planar quartz veins, quartz blows and quartz rubble developed within a north-south trending zone approximately 1.5 km wide and 7.0 km long.

Quartz vein textures indicate at least two major periods of quartz deposition, namely: an early mesothermal variety characterised by massive and coarse comb quartz and a later, low-temperature, finer grained, banded variety.

Initial rock chip sampling of the northern portion of the Coleman zone has returned gold values up to 1.99 g/t, with numerous values in the range 0.1 to 1.0 g/t from both quartz varieties. Samples collected from the central and southern portion of the zone show that the quartz veining is auriferous to the southern boundary of EPM 15420. Gold values of up to 0.8 ppm have been obtained from this suite of samples.

Work by previous explorers in the Hamilton Gold Field, to the north and within the Ebagoola Project area, recognised a low-temperature, possibly epithermal overprint of auriferous mesothermal quartz veins, similar to that observed at Coleman.

Boiling zone conditions were also suggested by the presence of bladed quartz textures. Very high-grades of gold can be deposited within boiling zones in epithermal systems and these potential “bonanza zones” constitute a major conceptual exploration target for Gulf within the Coleman prospect area.

Results of further mapping and rockchip sampling are expected soon.

A suite of rock chip and quartz samples has been dispatched for petrographic examination.

An EPM application has been lodged to cover the extensions of the Coleman prospect as the zone of quartz veining extends across the southern boundary of EPM 15420.

WOLLOGORANG PROJECT, NORTHERN TERRITORY

Packsaddle Dome: A ground geophysical IP survey was completed over a portion of the large Packsaddle Dome Structural Feature. Results are being interpreted.

Previously, geological mapping and rockchip sampling of the prospect as interpreted from airborne magnetic data was completed. 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 was selected for the IP survey.

NOWA NOWA PROJECT, VICTORIA

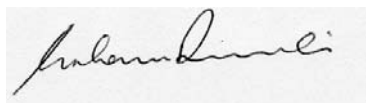
The company has continued to seek interest in farm-in proposals for the porphyry gold copper play, and is talking to several interested parties on this matter.

The Nowa Nowa Project has two prospects, the **Iron Oxide Project** with the historical near-surface resource estimates of the known, high-grade iron oxide deposits (5 Mile, 7 Mile) and the as yet untested tonnage potential of the more recently discovered prospects areas (8 Mile, Harris Creek), and the **Porphyry Copper-Gold Project** which is based on a geophysical and geological concept involving the disposition of the known iron oxide bodies around the periphery of an interpreted intrusive body at depth.

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.

A field programme, including additional gravity survey data and geological mapping is scheduled for next quarter.

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".