

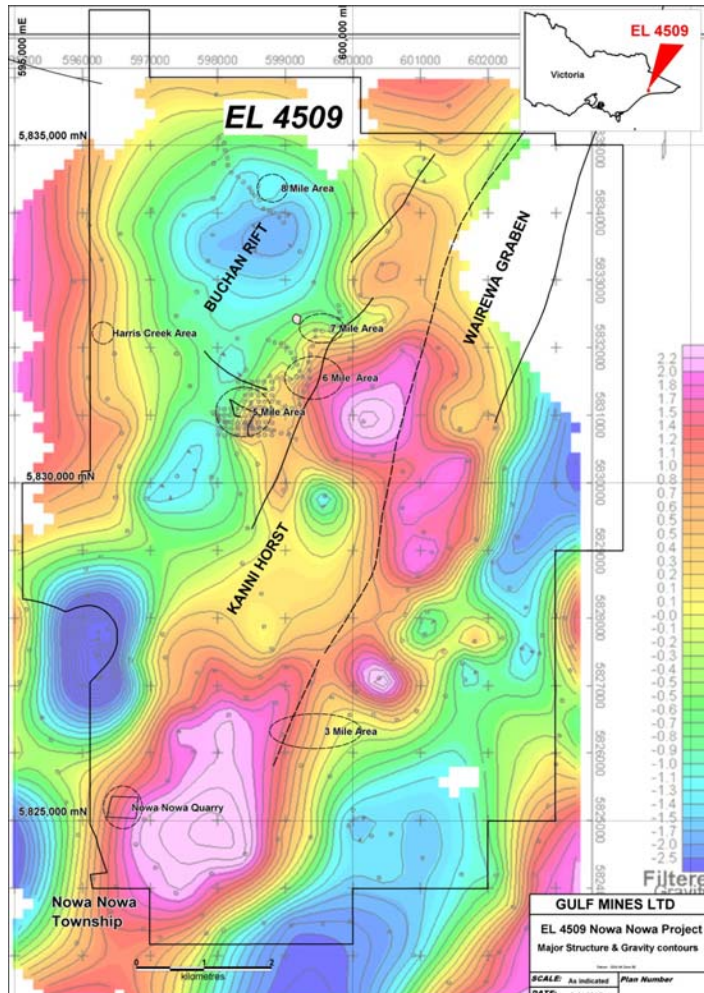
ASX Announcement

20th July 2010

Drilling intersected massive mineralization

Gulf Mines Limited (ASX:GLM) advise that the drilling programme commenced at the beginning of June was completed late last week.

- Four (4) drill holes were completed for a total of 583 m drilled.
- Every hole intersected massive mineralization
- Mineralization is of two types – quartz sericite pyrite, and chlorite hematite calcite pyrite
- The amount of pyrite varies up to about 5%. Large sections of the drill holes average 1% to 2% pyrite



All drill holes have been completely sampled and the samples submitted for assay.

The drilling confirms the existence of massive alteration under the quarry, as indicated by the surface mapping. The alteration zone thus extends from Seven Mile Prospect to the Nowa Nowa Quarry along the eastern flank of the Buchan Rift, which is still interpreted to host a porphyry intrusive (see Map).

The Wairewa Graben is also interpreted to be mineralized along its Western margin (Three Mile Prospect).

The original drilling programme called for drilling the holes with an RC rig. The lack of availability of suitable rigs, and the water table being high locally, resulted in the majority of the programme being completed by diamond drilling. Diamond drilling allows more structural information to be collected than is possible with RC drilling.

More detailed interpretation of the geology will be carried out during the next couple of weeks.

For more 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".