

## GENERAL MEETING RECONVENED 29 JANUARY 2010

11 January 2010

Dear Sir/Madam

We write to you regarding the adjournment of the General Meeting of the Company held on Friday 8 January 2010. The adjournment was advised to the ASX that afternoon and a copy is enclosed for your reference.

Please find enclosed a copy of Notice of Meeting, a new Proxy Form and Explanatory Memorandum to enable you to register your vote prior to the meeting being reconvened at 11:00am (Brisbane time) on Friday 29 January at the Company's Registered Office at 41 Cavendish St, Earlville QLD 4870.

You should note that the proxy form included has not been colour coded and all shareholders will now receive a white proxy form.

Please note that under the Corporations Act and the Constitution of the Company, the Notice of Meeting issued to all shareholders on 9 December 2009 remains valid for the reconvened meeting and the Company is not required to provide new notice of the reconvened meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the adjourned Meeting are those who were registered as Shareholders of the Company on 6 January 2010 at 5.00pm (Brisbane time).

It is at your discretion to determine if you are eligible to vote on Resolution 1. You should carefully read the voting exclusion statement included for Resolution 1 as only those eligible shareholders that did not hold listed options (ASX Code: GLMO) on the option expiry date of 31 October 2009 are eligible to vote on Resolution 1.

The Company will disregard any votes cast on the resolution by any person or associate of any such person who held GLMO options on expiry date.

If you are unable to attend the reconvened meeting in person, we encourage you to complete and return the enclosed proxy form. The completed proxy form must be received by the Company at least 48 hours prior to the commencement of the reconvened meeting. Any proxy forms received after 11:00am on Wednesday 27 January 2010 will be disregarded.

Unless a replacement proxy form is received from the shareholder, valid proxy forms already received by the Company will remain in force and will be included in the count of any votes cast at the reconvened meeting.

Please do not hesitate to contact me if you have any questions regarding this matter.

For and on behalf of the Board



Darren Thamm  
Company Secretary

The Manager  
Company Announcements Platform  
Australian Securities Exchange  
Level 5, 123 Eagle St  
Brisbane QLD 4000

8 January 2010

## **GULF MINES GENERAL MEETING ADJOURNED UNTIL 29 JANUARY 2010.**

Gulf Mines Limited (the Company) wishes to advise that the General Meeting that was called for today was adjourned until 11am on Friday 29 January 2010.

The Chairman's address to the meeting follows.

"As shareholders will be aware, the Company is seeking to raise capital through the issue of options. The proposed issue of options also seeks to reward those shareholders who held GLMO options throughout the difficulties presented by the Global Financial Crisis for their loyalty and patience.

The purpose of the General Meeting today is to seek shareholder approval for this important capital raising in accordance with the ASX Listing Rules. For this purpose, the Company circulated the Notice of Meeting, Proxy Form and Explanatory Memorandum to all members on 9 December 2009 for due consideration.

The Notice of Meeting contained four resolutions to be considered by shareholders:

- Approval of new issue of options to non-related parties (Resolution 1)
- Approval of new issue of options to related parties (Resolution 2,3 and 4)

It should be noted that Resolutions 2,3 and 4 depend on Resolution 1 being passed.

The voting exclusion statement of Resolution 1 states that: "for the purposes of ASX Listing Rule 7.3.8, the Company is obliged to disregard any votes cast on the resolution by any persons who may participate in the proposed issue and a person who may obtain a benefit if the resolution is passed or an associate of any such person."

This means that only those registered holders of ordinary shares in the company that did not hold any listed GLMO options on expiry are eligible to vote on Resolution 1.

To assist in categorising the proxy forms, holders excluded from voting on Resolution 1 were to receive proxy forms printed on yellow paper so that they could be clearly identified. Holders not excluded from voting on Resolution 1 were to receive proxy forms printed on white paper.

It has come to the Company's attention that there have been a number of errors in the categorisation of shareholder by coloured proxy form. These errors have

For personal use only

resulted in shareholders receiving incorrectly coloured proxy forms. Because of this, certain shareholders did not believe that they were entitled to vote on this important resolution and have not lodged valid proxy forms, despite being eligible to do so.

It is vital for the purposes of good corporate governance that all members of the Company have the ability to exercise their right to vote, either in person or by proxy. The Company is unable to determine how many shareholders may have been affected by the errors in the coloured proxy forms and whether the interests of all shareholders are being duly considered.

Therefore, I now wish to adjourn the meeting. The reason for adjourning the meeting is to enable replacement proxy forms to be mailed to all shareholders with an explanatory letter so that those who are properly entitled to vote are able to do so. Further information will be provided to shareholders by way of an ASX Announcement.”

With the consent of the members at the meeting, the Chairman adjourned the meeting until 11am on Friday 29 January 2010 at the same venue, being the Company’s Registered Office at 41 Cavendish St, Earlville QLD 4870.

For and on behalf of the Board

A handwritten signature in black ink, appearing to be 'D. Thamm', with a long horizontal line extending to the right.

Darren Thamm  
Company Secretary

For personal use only



**Gulf Mines Limited**

ACN 059 954 317

P.O. Box 92E, Earlville, QLD 4870, Australia

Tel (07) 4033 1805, Intl: +61 7 4033 1805

Fax (07) 4033 6415, Intl: +61 7 4033 6415

E-mail: [info@gulfmines.com.au](mailto:info@gulfmines.com.au)

## NOTICE OF GENERAL MEETING

Notice is hereby given that a **General Meeting of the Shareholders of Gulf Mines Limited will be convened at 11:00am (Brisbane Time) on Friday 8 January 2010 at 41 Cavendish St, Earlville QLD 4870. The attached Explanatory Memorandum provides additional information on matters to be considered at this meeting and is to be read in conjunction with and forms part of this notice.**

If you are unable to attend the meeting, we encourage you to complete and return the enclosed proxy form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the meeting. The Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting describes the various matters to be considered.

### SPECIAL BUSINESS

#### **Resolution 1: Approval of new issue of options to non-related parties**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 60,083,982 options, pursuant to a prospectus lodged with the Australian Securities and Investment Commission, to persons who are not a related party of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”**

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.3.8, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the resolution is passed, or an associate of any such person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. Holders excluded from voting on this resolution will receive a proxy form printed on yellow paper. Holders not excluded from voting on this resolution will receive a proxy form printed on white paper.

#### **Resolution 2: Approval of new issue of options to Mr Graham Reveleigh**

To consider and, if thought fit, pass the following ordinary resolution:

**“That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 9,193,334 options to Mr Graham Reveleigh or an associated entity of Mr Graham Reveleigh on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”**

**Voting Exclusion:** For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on the resolution by Mr Graham Reveleigh and any associate of Mr Graham Reveleigh. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



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E-mail: [info@gulfmines.com.au](mailto:info@gulfmines.com.au)

## NOTICE OF GENERAL MEETING

### **Resolution 3: Approval of new issue of options to Mr Roy Payne**

To consider and, if thought fit, pass the following ordinary resolution:

**“That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 268,000 options to Mr Roy Payne or an associated entity of Mr Roy Payne on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”**

**Voting Exclusion:** For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on the resolution by Mr Roy Payne and any associate of Mr Roy Payne. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 4: Approval of new issue of options to Dr Peter Smith**

To consider and, if thought fit, pass the following ordinary resolution:

**“That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 3,584,595 options to Dr Peter Smith or an associated entity of Dr Peter Smith on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”**

**Voting Exclusion:** For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on the resolution by Dr Peter Smith and any associate of Dr Peter Smith. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The meeting will deal with any other business, which may be brought forward in accordance with the Constitution and the Corporations Act, 2001.

**By Order of the Board**

**Darren Thamm  
Company Secretary**

8 December 2009

## ***EXPLANATORY MEMORANDUM***

### **Introduction**

This Explanatory Statement has been prepared for the information of Shareholders in connection with business to be conducted at the Company's General Meeting to be held on 8 January 2010 commencing at 11am (Brisbane Time).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting. Resolutions 1-4 are ordinary resolutions, and accordingly require approval by a simple majority of Shareholders entitled to vote on a show of hands or by a poll.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

### **Resolution 1: Issue of new options to non-related parties**

#### ***Preamble***

As a reward for those shareholders that have held listed options in Gulf Mines throughout the difficulties presented by the Global Financial Crisis, the Company proposes to issue up to 73,129,911 options expiring on 31 January 2013 (2013 Options). This offer will be made to the holders of previously listed options that expired on 31 October 2009 (2009 Options) to subscribe to new options on a one for one basis pursuant to a Prospectus (Entitlement Offer). The Prospectus gives the directors the right to place any shortfall.

Approval is being sought for the purpose of ASX Listing Rule 7.1 which requires shareholder approval prior to the issue of shares, or securities convertible into shares (such as options) representing more than 15% of its issued capital in any twelve month period.

In compliance with the information requirements of ASX Listing Rule 7.3, shareholders are advised of the following particulars in relation to the proposed issue:

#### ***a) Maximum number of securities***

The maximum number of securities the Company will issue for which approval is sought under this resolution is 60,083,982 that will be offered to all holders of previously listed options that expired on 31 October 2009 (Record Date).

Of the 73,129,911 options that are the subject of this Entitlement Offer (2013 Options), 13,045,929 options are to be offered to persons who are related parties of the Company and shareholder approval for the issue of these Options to related parties is dealt with in Resolutions 2,3 and 4.

#### ***b) Proposed timetable***

The options will be issued and allotted to subscribers under the Prospectus after the closing date of the offer which is expected to be 31 January 2010 and in any event no later than 3 months after shareholder approval or such later date as approved by waiver granted by ASX.

#### ***c) Issue price***

The subscription price of each 2013 option will be \$0.001 (0.1 cents). Each 2013 Option entitles the holder to subscribe for and be allotted one ordinary share in the Company upon payment of the exercise price of 15 cents. The funds raised on issue will be used to cover the costs of raising.

## **EXPLANATORY MEMORANDUM (CONTINUED)**

### **d) Terms of the securities**

Security holders who are on the Register at the Record Date are entitled to apply for one (1) option for every one (1) option held under the following terms and conditions:

- at an application price of \$0.001 (0.1 cents) per option;
- exercisable at a price of \$0.15 per Option;
- exercisable at any time on or prior to 5.00pm (EST) on 31 January 2013 by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- each Option will entitle the holder to one (1) Share in the Company;
- an Option will not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- subject to the Corporations Act and the Company's Constitution, the Options will be freely transferable;
- all Shares issued upon exercise of the Options will rank *pari passu* in all respects with the Company's then issued Shares;
- the Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options;
- there will be no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules (if applicable).

The Company will apply to the ASX for the 2013 Options to be quoted. If ordinary shares are quoted on ASX at the time of exercise of the options, the Company will apply to ASX for quotation of the shares issued on exercise of the options within 10 business days of the allotment of the shares.

### **e) Names of the allottees or the basis upon which the allottees will be identified or selected**

The proposed allottees of the options will be the option holders of previously listed options (ASX Code: GLMO) as at the Record Date for the offer. The Company intends to offer any shortfall to investors determined by the directors at their discretion.

### **f) Intended use of funds raised**

Funds raised by the issue of shares on exercise of the options will be applied to fund ongoing exploration programs by the Company on its tenements and for working capital.

## **Resolution 2, 3 and 4: Directors Options – Graham Reveleigh, Roy Payne and Peter Smith**

Shareholders are being asked to approve Resolution 1 in connection with the entitlement issue of options to Eligible Option-holders who held options which expired on 31 October 2009.

The Eligible Option-holders include entities associated with Messrs Reveleigh, Payne and Smith. As the Directors have the potential to participate in the issue, the Company is required to obtain shareholder approval for the giving of a financial benefit to related parties of the Company unless a specific exception in the Listing Rules or the Corporations Act applies.

## **EXPLANATORY MEMORANDUM (CONTINUED)**

ASX Listing Rule 10.11 states that the Company must not issue or agree to issue securities to Directors without the approval of holders of ordinary shareholders of the acquisition. Listing Rule 10.13 sets out the information to be provided to share-holders for the purpose of making a decision on the resolutions and this information is provided to shareholders as follows.

The related parties to whom the financial benefit is proposed to be given and the maximum number of options (being the nature of the financial benefit being provided) are as follows:

Name of Related Party	Nature of relationship	Number of options
GE Reveleigh and Co Pty Ltd	Considered to be a related party by virtue of being controlled by Mr G Reveleigh (a Director of the Company)	9,193,334
RM & AB Payne Pty Ltd	Considered to be a related party by virtue of being controlled by Mr R Payne (a Director of the Company)	268,000
Prema Nominees Pty Ltd	Considered to be a related party by virtue of holding securities on behalf of Dr P Smith (a Director of the Company)	3,584,595

The maximum number of securities to be issued to the related parties is 13,045,929.

The options will be granted to the Related Parties under the Prospectus after the closing date of the offer which is expected to be 31 January 2010 and in any event no later than one month after the date of the general meeting.

The terms and conditions of the options will be as follows:

- at an application price of \$0.001 (0.1 cents) per option;
- exercisable at a price of \$0.15 per Option;
- exercisable at any time on or prior to 5.00pm (EST) on 31 January 2013 by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- each Option will entitle the holder to one (1) Share in the Company;
- an Option will not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- subject to the Corporations Act and the Company's Constitution, the Options will be freely transferable;
- all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares;
- the Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options;
- there will be no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules (if applicable).

## ***EXPLANATORY MEMORANDUM (CONTINUED)***

The Company will apply to the ASX for the 2013 Options to be quoted. If ordinary shares are quoted on ASX at the time of exercise of the options, the Company will apply to ASX for quotation of the shares issued on exercise of the options within 10 business days of the allotment of the shares.

Funds raised by the issue of shares on exercise of the options will be applied to fund ongoing exploration programs by the Company on its tenements and for working capital.

Approval pursuant to Listing Rule 7.1 is not required to issue the options to the Related Parties as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of new options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

### ***Chapter 2E of the Corporations Act 2001 ("the Act")***

Chapter 2E of the Act prohibits, subject to certain exceptions (none of which are relevant here), a Company from giving a financial benefit to a related party of the Company without prior Shareholder approval.

A "related party" for the purposes of the Corporations Act is widely defined. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company paying money to another entity. It also includes the public company granting an option over its securities. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and the effect of the transaction (rather than just the legal form) and any consideration which has been given is to be disregarded, even if it is full or adequate.

For the purposes of Chapter 2E of the Act, Messrs Reveleigh, Smith and Payne are considered to be "related parties", whilst the issue of Options to them constitutes "financial benefits" which require prior shareholder approval.

It is the view of the Directors that the exceptions set out in sections 210 and 215 of the Corporations Act apply in the current circumstances as the financial benefits being provided to Messrs Reveleigh, Payne and Smith are at arms length terms and are given to the related parties in their capacity as a member of a public company and the giving of the benefit does not discriminate unfairly against the other members of the public company. As such, shareholder approval is not specifically sought pursuant to section 208 of the Corporations Act.

### ***Other Information***

Neither the Directors nor the Company are aware of any other information that would be reasonably required by the shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 2, 3 and 4.



Mr John Sample &  
Mrs Jane Sample  
123 Smith Street  
Smithville NSW 2000

## Gulf Mines Limited

ACN 059 954 317

### FOR ALL ENQUIRIES CALL:

(within Australia) (07) 4033 1805  
(outside Australia) +61 7 4033 1805

### FACSIMILE

+61 7 4033 6415

### ALL CORRESPONDENCE TO:

Gulf Mines Limited  
PO Box 92E  
Earlville QLD 4870  
Australia

## YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11.00AM  
WEDNESDAY 6 JANUARY 2010



### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy  
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **11.00am on Friday, 8 January 2010**. Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxies may be lodged using the reply paid envelope or:**

**BY MAIL** - Gulf Mines Limited, PO Box 92E, Earlville, QLD, 4870, Australia

**BY FAX** - + 61 7 4033 6415

**IN PERSON** - 41 Cavendish St, Earlville, QLD, 4870, Australia

**GULF MINES LIMITED  
PROXY FORM**



Mr John Sample &  
Mrs Jane Sample  
123 Smith Street  
Smithville NSW 2000

Reference Number
------------------

**STEP 1 - Appointment of Proxy**

I/We being a member/s of **Gulf Mines Limited** and entitled to attend and vote hereby appoint

<input type="checkbox"/>	the Chairman of the Meeting (mark with an 'X')	<b>OR</b>	
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If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Gulf Mines Limited to be held at 41 Cavendish St, Earlville QLD 4870 on Friday the 8<sup>th</sup> of January 2010 at 11.00am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

**STEP 2 - Voting directions to your Proxy – please mark  to indicate your directions**

Ordinary Business

		For	Against	Abstain*
Item 1	Approve issue of new options to non-related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Approve issue of options to Mr Graham Reveleigh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Approve issue of options to Mr Roy Payne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Approve issue of options to Dr Peter Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3 - PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name .....

Contact Daytime Telephone ..... Date / /2009