

QUARTERLY REPORT for SEPTEMBER QUARTER, 2007

Corporate

The Company issued a Prospectus dated 5 June 2007, to raise \$5,000,000 by issuing 20,000,000 new shares in the company. The IPO closed on 15 July 2007, heavily oversubscribed. As was advised in the prospectus, the company was able to accept oversubscriptions up to \$2,000,000, by issuing a further 8,000,000 shares. This was done. The company was accepted for listing on the ASX on 1 August 2007, and was first quoted on 3 August 2007, opening at 50 cents. The current share price is 64 cents.

The company has recently announced the record date for the loyalty options mentioned in the prospectus, as 5 November, 2007. Shareholders on that date will be eligible to subscribe for one option for every two shares held, at a purchase price of two cents per option. Each option purchased will entitle the option holder to apply for one ordinary share in Gulf Mines at an exercise price of 30 cents on or before 31 October 2007.

After the record date, the company will issue a disclosure document (prospectus) with an application form to all shareholders on the register on the record date.

Exploration – Wollogorang NT

Wollogorang Copper Project

Field work was commenced at the beginning of the quarter. Progress was initially slow, as a field camp was established, and equipment acquired and pressed into service. The programme has the following objectives;

- Ground follow up of the airborne radiometric anomalies,
- Grid and conduct Induced Polarization (IP) geophysical surveys on four identified targets
- Geological mapping and rock chip sampling of the gridded areas for the IP surveys
- Conduct Time Domain Electromagnetic (TEM) surveys over the diamond targets at Branch Creek.

An IP survey crew completed surveys over Double J and Seven Mile prospects. The other two prospect areas were dropped from the programme. Masterton Ridge was too resistive to successfully use the IP method, and will be added to the TEM programme, which should penetrate the high resistive cover. The Camp Ridge prospect is too rugged to access the IP equipment without extensive road works, and has been temporarily placed on “hold”.

The surveys over Double J and Seven Mile prospects have revealed three large IP anomalies in the area covered, each IP anomaly being associated with a co-incident high resistivity anomaly. The bulk of each anomaly appears to be in the top of the Wollogorang Formation, which is the source of the copper for several of the stream sediment and rock chip geochemical anomalies for copper.

Work is progressing on the ground follow up of the airborne radiometric anomalies, by

systematic ground gridding and scintillometer readings, with rock chip sampling in the high radiation areas. The airborne anomalies investigated to date have all been located on the ground, and give positive responses. A considerable number of rock chip samples have been taken and are at the laboratory awaiting analysis.

Routine rock chip sampling of areas with surface copper mineralisation have been undertaken, and sampling in two such areas has returned the following results.

Sample Type	Sample #	Cu %	Co %	Prospect
Rock Chip	WG002	13.15		Black Charlie
Rock Chip	WG003	7.38	1.37	Black Charlie
Rock Chip	WG071	6.01		Double J
Rock Chip	WG078	7.6	1.53	Black Charlie
Rock Chip	WG079	7.72		Black Charlie
Rock Chip	WG080	2.01		Black Charlie

At each location, there is visible secondary copper mineralisation at surface. All samples were assayed for a suite of 35 elements. Values for some other metals were elevated, but more sample results are required to determine whether or not they are anomalous.

Geological mapping is progressing together with the sampling.

Debbil Debbil Uranium Project

The company's joint venture partner Lagoon Creek Resources (LCR), a subsidiary of Laramide Resources Ltd of Canada, has completed a diamond drilling programme on the El Hussen prospect, on the southern border of the company's Exploration Licences.

A total of 2127 m of drilling was completed in 13 holes. Radiation "kicks" on a hand held scintillometer are reported in the core, but to date, the operator has not split and assayed any core.

A stream sediment sampling programme comprising approximately 460 samples was conducted over the whole of the Debbil Debbil joint venture area. Analytical results are awaited.

Ebagoola Project – Queensland

All the work completed has been on EPM 12119, as the company awaits the Queensland Department to deal with the four larger Exploration Permit applications. A suitable camp has been established at Hoey's Hut, as a base for geophysical survey and drilling crews, as well as the company's geological and field staff.

Mapping and rock chip and soil sampling programmes have been conducted over prospects which are defined by a central quartz vein, and have considerable wall rock alteration on the flanks of the veining. Previous workers have concentrated on the quartz veins, which are now believed to be in part, post-mineralisation. An auger drill programme of soil sampling, augmented by rock chip samples, have returned anomalous results in this wall rock alteration. Significant results collected during the quarter and not previously reported are tabled below;

Sample Type	Sample #	Au g/t	Location
Soil	EB00153	2.13	Trafalgar
Rock chip	EB0165	12.70	Last Hit

The second result is taken in altered granite containing weak sulphide mineralisation. It gives encouragement to the conceptual model outlined above, and is currently being

mapped and sampled in detail.

A geophysical crew have been retained to complete an IP geophysical survey over the wall rock alteration, on several of the prospects.

A contract has been signed for a 3000 m diamond drilling programme which is due to commence during the first week in November. This programme is designed to test targets previously tested by shallow drilling by earlier explorers, at about 50 m below the previous drilling.

The IP contractor has commenced work, and the drill pads are completed.

Other Areas

During the Quarter the NT Department granted EL 25886. This is located 15 km due west of the Wollogorang tenements. While the ground geophysics TEM crew are in the area, it is planned to complete a N-S traverse over the footprint of the airborne magnetic anomaly.

Conclusion

The company has recruited a team of four geologists, a field supervisor, and six field assistants, who are fully employed on advancing the exploration programmes on both Wollogorang and Ebagoola. The work completed by these personnel is complimented by that of our consultants.

The exploration programmes are progressing well, and a considerable amount of new data will be collected before to onset of the tropical "wet" season.

"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".

Yours faithfully



Graham Reveleigh
Managing Director