

11th January 2008

Wateranga Magnetite Deposit

Gulf Mines Limited (ASX:GLM) advises that it has declined to proceed further with the Option it has from Queensland Industrial Minerals Ltd (QIM) to acquire the Wateranga Magnetite deposit, west of Bundaberg in Queensland.

After a complete review of the data provided by QIM, the Company has decided that the project is unsuitable for inclusion in its portfolio of projects.

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