gulfresources LIMITED

**ASX ANNOUNCEMENT** **7 November 2007**

# GULF IN TANZANIAN GOLD PROJECT

Gulf Resources Ltd (ASX: GLF) is pleased to announce, that in accordance with its previously announced strategy of assessing and reviewing opportunities for growth, it has signed a option agreement to review the potential of jointly undertaking, with a Tanzanian partner, scoping studies with the view to developing and financing a gold project in central Tanzania.

Situated at Manga in the Handeni and Bagamoyo District in north east Tanzania, the project is contained within Prospecting Licence PL4164/2007, which covers some 123 sq km. (see attached figure)

Work previously undertaken included tonnage and grade estimates which were made based on trenching and substantial pitting but which are not in compliance with the current JORC Code and cannot be stated.

The exploration work revealed four reef systems at depths varying from 5 to 43 m.

Channel sampling of the mineralized system by the current operators was as follows:

| Pit No | Depth (m) | Sample Number | Assay Results |
|---|---|---|---|
| 1 | 5 | MS/01 | 9.69 g/t Au |
| 2 | 5 | MS/02 | 9.74 g/t Au |
| 3 | 15 | MS/03 | 14.16 g/t Au |
| 4 | 7 | MS/04 | 8.20 g/t Au |
| 5 | 43 | MS/05 | 138.65 g/t Au |

Samples were sent to SEAMIC Laboratory at Kunduchi in Dar Es Salaam for Fire Assay analysis.

Initial appraisal indicates the mineralised zone is open in all directions and previous exploration work has only tested up to 200 metres of an estimated 1.5 km zone of interest.

The company has started technical and legal due diligence on the project.

**Further Information**

**Scott Reid, Chairman or Wayne Kernaghan, Director/Company Secretary t 02 8247 5333**

**Attribution**

**The information in this report which relates to exploration results has been approved for release by Mr Greg Duncan (B.Sc., MAusIMM), who is an exploration geologist and has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2004 Edition). Mr Duncan has consented to inclusion of this information in the form and context in which it appears.**

**About Gulf Resources**

**The Company holds highly prospective exploration projects in the North Queensland and Tanami gold provinces. These provinces host several world class gold deposits with recognised exploration potential for more discoveries. The Company also holds an advanced exploration resource delineation project in Northern New South Wales which contains a JORC inferred resource of 309,000 tonnes at 3.12 grams per tonne gold for 31,000 ounces.**

**The company's key aim is focussed on low cost- high return exploration and corporate strategies to capture significant value for investors during this current resource cycle by offering investors a balanced exposure to brownfield resource expansion, advanced greenfield exploration and development potential through a gold project acquisition strategy**

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Map Ref: www.ccafrica.ca/country/tanzania/map_relief.jpg