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## **Address by Chairman, Brian Gomez, to the 2008 annual general meeting of Gateway Mining Limited**

These are difficult times not just in Australia but also in stock markets around the world. Extreme volatility has been the order of the day since September. Hopes that commodity prices would remain somewhat more resilient have faded amidst expectations that economic growth in China, in particular, is also slowing considerably.

As a result of the sharp fall in commodity prices billions of dollars worth of mining projects have been cancelled or placed on the backburner in Australia and elsewhere.

In the face of all this uncertainty only gold prices have remained reasonably high, currently at US\$820 or A\$1,200 an ounce. In spite of this gold production in Australia this year is set to fall to its lowest level in many years even though gold has attracted the biggest slice of exploration expenditure in recent years. The mining industry knew more than a decade ago that most of the easy, near-to-surface gold discoveries had already been made.

The Australian situation has been preceded by a sharp fall in gold production in South Africa, where high prices have not done much to resuscitate production levels. These trends provide a supply side reason for continuation of relatively high gold prices into the future.

In light of these developments one can be somewhat grateful that shareholders have remained largely supportive of Gateway Mining. Although our share price has weakened there continues to be reasonable confidence in a number of exploration projects that we have been undertaking.

Probably foremost of these at the present time is our Cowra project where joint venture partners, Minotaur Exploration Limited and Mitsubishi Materials Corporation, have just completed their review of their first round of exploration drilling. Five of the six holes at the two prospects there, Kiola and Balbardie, have intersected significant sulphide mineralisation.

The joint venture earlier today announced they would expand the base metal search in Cowra with plans for an Airborne EM survey over 350 sq km early in the new year. This will be followed up with RC drilling of the better target areas.

Further north at our Surprise prospect in Queensland, our joint venture partner, Minotaur, decided to withdraw from this project because of a strategic review that saw them curtail all their Queensland operations.

However, on the bright side recent exploration drilling there has confirmed the prospectivity of the area. Recent intersections included 4m @ 0.86% copper and 44 ppm cobalt and 7m @ 0.6% copper and 183ppm cobalt at relatively shallow intervals. Gateway is now in a position to plan further geophysical surveys to define the subsurface orientation of mineralisation as a 100% owner of these properties.

Over in Western Australia a change in strategic direction caused WCP Resources to also decide to withdraw from the Airport Central Joint Venture. WCP had been convinced that this portion of our Gidgee leases had the potential to host large-scale mineralisation. Following their withdrawal Gateway intends to focus on increasing the size of the 25,600 ounce gold resource at Whistler in the short term. Our most recent RC hole intersected an exciting 22m @ 15 g/t.

Gateway has also been undertaking further work on gold and base metals prospects in the Barrelnaker area as well as at Victory Creek. The fully owned Cup copper prospect is shaping up as an exciting target where more follow up work is required. Hits there have included intersections of up to 30m @ 1% copper.

Much more work also needs to be carried out to the northeast of the Cup at Julia's Fault, a virgin gold discovery with significant potential. Julia's Fault remains open along strike to the north and is part of a 3km-mineralised corridor extending into Victory Creek.

This summary of our ongoing activities is a clear indicator that, despite the travails of the marketplace, much remains to be done by Gateway and there is much to look forward to in the coming year.

Thank you

Brian Gomez  
Chairman