

# Quarterly Report

## For the Quarter ended 31<sup>st</sup> December 2006

### HIGHLIGHTS

- Diamond drill hole beneath the Whistler Pit in Gidgee, Western Australia, intersects 22m @ 14.94 grams of gold per tonne, including 9m @ 33.82 g/t. Assays are awaited for a second diamond drill hole on the same structure that, if successful, will extend the Whistler resource.
- Drilling at Rosie North confirms continuation of gold mineralisation at depth with intersections of 5m @ 2.72 g/t and 5m @ 2.38 g/t.
- Barrick Gold's two deep diamond drill holes at Victory Creek intersected polymictic conglomerate with some sandstone. There were no significant assays in both pre-collars and assays for both diamond tails are pending.
- JV partner Minotaur Exploration has upgraded the copper-gold potential at Cowra following re-interpretation of IP survey results. Drill targets will be tested later this year. Minotaur has applied for additional leases to significantly increase the area of interest at Cowra.
- Minotaur has also completed a gravity survey at the Surprise copper-gold prospect near Cloncurry in Queensland.

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### Corporate

In the December quarter Gateway entered into a joint venture with WCP Resources Ltd on the Barrelmaker and Airport Central Gold Projects at Gidgee in Western Australia.

A joint venture was finalised with Minotaur Exploration on the Surprise Project in Queensland, and the Cowra Project in NSW.

## WESTERN AUSTRALIA

### GIDGEE GOLD PROJECT

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#### AIRPORT CENTRAL

*Gateway 85%, Herald Resources 15%, WCP earning 70%*

#### Whistler Project

WCP completed a drilling program at the Whistler Pit and Rosie North at Airport Central along with an RC program at the Legendre Prospect at Barrelnmaker.

The first of two diamond drillholes at Whistler WRC017 intersected 22 metres at 14.94 g/t gold, including an exciting 9-metre interval that graded 33.82 g/t gold.

Results from a second diamond drillhole WRC018 are currently being assayed and results will be released when they are available. (See Figure 2 and 3 for location of Whistler and a cross section of the Whistler resource).

Whistler has an inferred resource of 106,000 tonnes averaging 7.5 g/t gold (uncut) or approximately 25,600 ounces above a 3 g/t cut off. This resource lies beneath the Whistler Pit, where near surface oxidised gold had been mined by previous operators.

WRC018 has been drilled as a resource extension hole to test the downward continuation of the system. A new zone of mineralisation over 10 metres averaging 1.44 g/t was measured in this hole at the hanging wall to the main zone. This is expected to be followed up to determine the possibility that it may develop into a sub-parallel zone.

#### Rosie North

Six RC holes tested the downward continuation of significant intersections within the northern extension of the mineralised structure mined previously at Rosie Castle.

The 1,224 metres of drilling successfully traversed the target zones with intersections in WRC08 of 5 metres at 2.72 g/t and in WRC012 of 5 metres at 2.38 g/t from 5-metre composite samples. One metre samples have been submitted to the laboratory for assay to better define zones of interest.

This drilling has confirmed continuation of gold mineralisation at depth and drilling data will be analysed with a view to estimate an inferred resource at Rosie North and its hanging wall structure.

#### Legendre - Barrelnmaker

Seven RC holes were completed to test the source of a large 600m by 600m gold anomaly that is coincident with the underlying Bolger Well shear zone at the Legendre Prospect. The drilling successfully traversed the target zones with a best result in WRC04 of 10 m at 0.75 g/t gold and in WRC07 of 10m at 0.55 g/t.

Earlier RAB drilling had returned intersections of 20m at 1.75 g/t and 5 m at 1.66 g/t.

The Barrelnmaker project is located on the western side of the Gum Creek Greenstone Belt.

**COWRA PROJECT EL 5514, 6102**

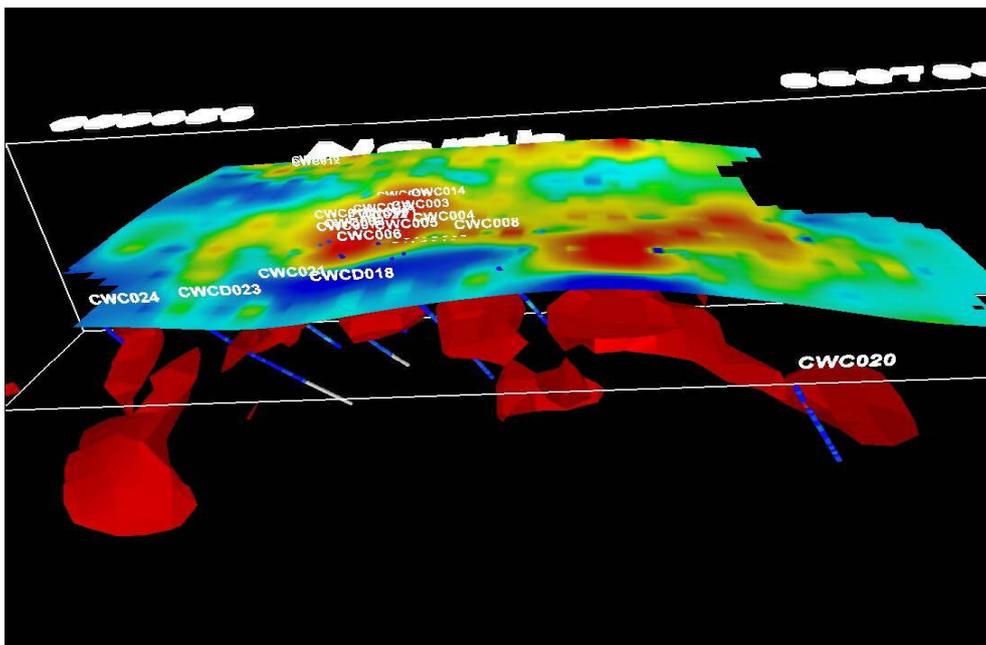
*Gateway 100%, Minotaur earning 75%*

The Cowra Project is located within the Molong volcanic belt in the Lachlan Fold Belt in New South Wales. The project covers a package of prospective Ordovician rocks over a 50 kilometres strike length. Under a Joint Venture with Minotaur Exploration, Minotaur can earn a 75 % interest by spending \$2 million at Cowra.

There has been an extensive review of previous data. All available geochemical and geophysical data has been coordinated and presented in 3D - GIS format. The results of the review at Nasdaq shows that when the geochemical and the reprocessed Induced Polarisation data are superimposed, there are strong coincident geochemical and geophysical anomalies that previous drilling only partly tested. The best of the anomalies remain to be drill tested, as shown in the figure 1 below.

Previous work recognised three magnetic targets that were drill tested for skarn associated mineralisation. A total of three holes for 359 metres were completed. Assay results were nondescript, but the rocks recovered showed that there is a diorite sub-intrusive north of Nasdaq. Diorite is an intermediate igneous rock associated with gold/copper mineralization when altered. This is an encouraging geological indication.

Field work was completed in the course of planning the next stages. Minotaur plan to apply new exploration techniques, including the use of portable spectrometers for soil and regolith geochemistry, and PIMA logging of all chips and cores so as to identify alteration patterns.



*Figure 1: Geophysical and geochemical anomalies still to be drill tested*

## TUCKERBOX GOLD PROJECT EL 4811

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*Gateway 100%*

No field work was completed during the quarter.

## QUEENSLAND

### HODGKINSON BASIN

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*Gateway 6% free carried*

No work was completed during the quarter.

### SURPRISE PROJECT

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*Gateway 100%, Minotaur earning 75%*

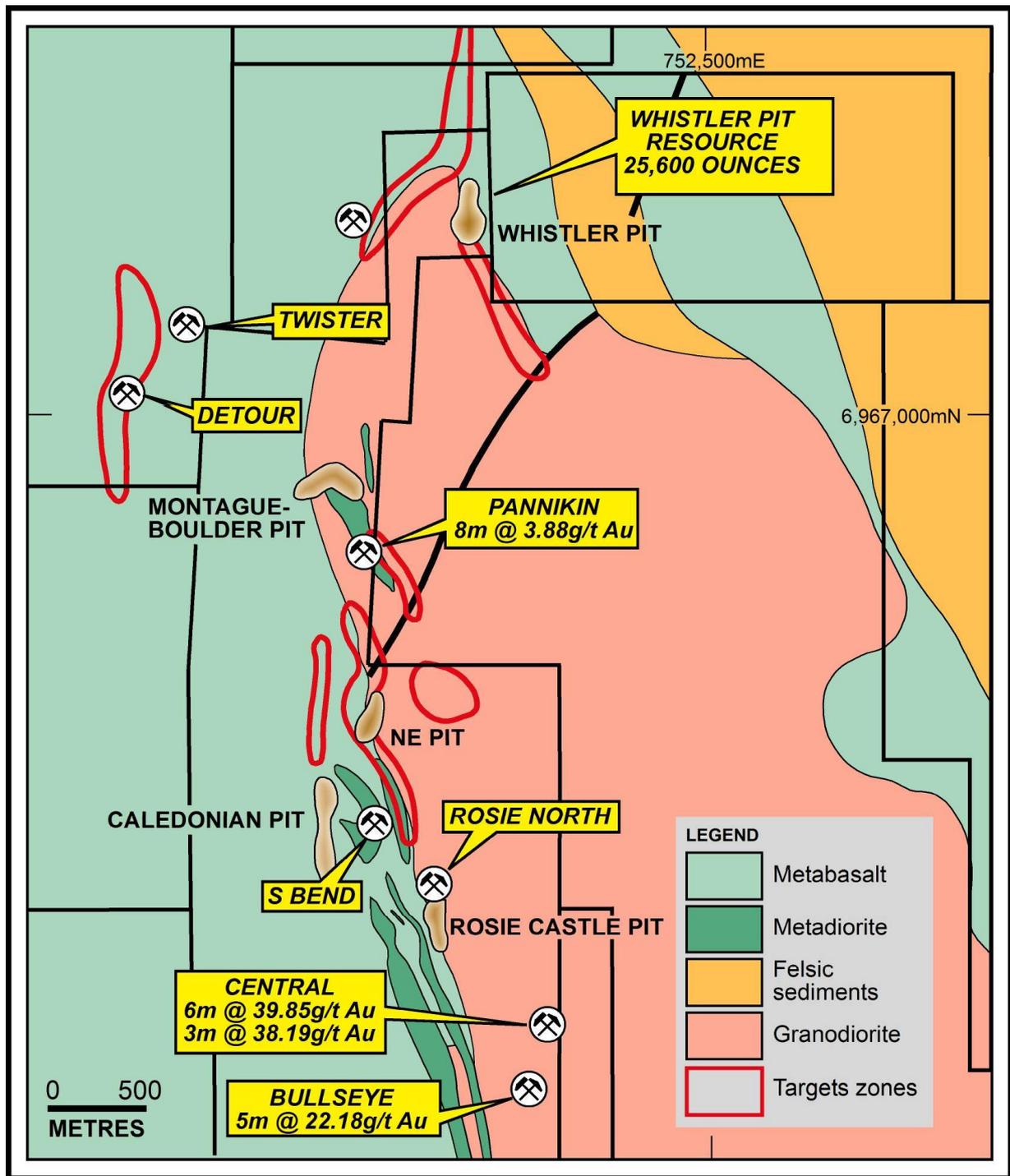
Located south of Kajabbi in the Mt Isa region, the project includes the historic Surprise Mine, its northern and southern strike extensions and numerous prospector pits and historical workings in the central and north-eastern parts of the project. Gateway is now in JV with Minotaur Exploration on this project.

There has been a complete review of all geochemical and geophysical data by Minotaur in conjunction with Gateway personnel.

Minotaur completed a gravity survey over the northern parts of the area in November/December 2006. The results are now being processed and will be coordinated into 3D - GIS format for final interpretation. Results will be reported when they are at hand.

*For further information visit our website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au)  
or contact: Brian Gomez , Chairman Tel: 02 9283 5711*

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr. R.A.Creelman, a Director of the company, a Fellow of the Australasian Institute of Mining and Metallurgy and a Certified Professional (CP) of Aus. I.M.M. Dr.R.A.Creelman has a minimum of 5 years 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 "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. R.A.Creelman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



**AIRPORT GOLD TARGETS**

*Figure 2*

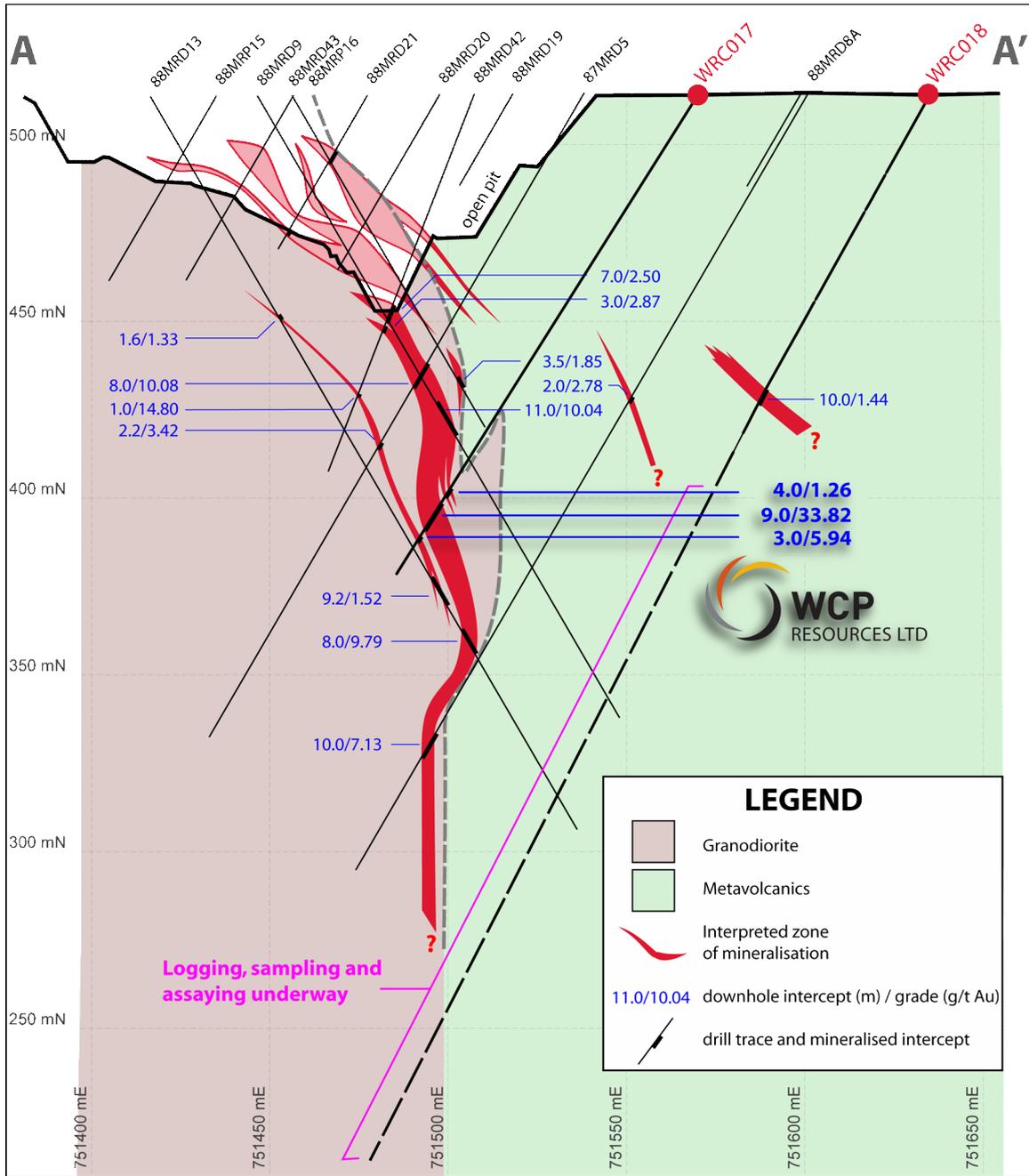


Figure 3: Whistler - Cross Section

## MINING TENEMENTS

The company holds the following percentage interest in the undermentioned tenements: -

TENEMENT SCHEDULE		
PROJECT	TENEMENTS	% INTEREST
GIDGEE	P53/673 - 674 (MLA53/593), P53/676 (MLA53/592), P57/801-802 (MLA57/452), P57/844 (MLA57/453), E57/255 (MLA57/467, 468)	90
	MLA53/938, PLA57/976, P53/1004, MLA53/939 & MLA53/905, MLA53/906, MLA53/926, P57/879 (MLA57/483), P57/882 (MLA57/472)-884 (MLA57/471), P57/893 (MLA57/497), E57/340 (MLA57/464, 504), E57/342 (MLA57/487), E57/343 (MLA57/486), E57/359 (MLA57/460, 495 & 496), MLA57/462, 463, MLA57/466, 484, E57/394 (MLA57/470, 498), ELA57/401, ELA57/402, ELA57/405, ELA57/417, ELA57/418, ELA57/562, ELA57/563	100
	E57/232 (MLA57/387, 388)(Legendre JV)	(earning) 80
	MLA53/907, 987, MLA57/445, 446, 461, 502 & 503 (Yardarino JV)	75
	E57/334 (MLA57/447, 486, 488, 489), E57/335 (MLA57/448, 449, 490, 491)(Herald Resources JV)	80
	E57/239 (M57/429, 485), ELA57/390, 561 (Estuary Resources JV)	75
	M57/48,98,99,217, G57/2 (Herald Resources JV)	85
COWRA	EL 5514	100
	EL 6102	100
COOTAMUNDRA	EL 4811	100
HODGKINSON BASIN	EPM 9934	6
	EPM 10026	6
	EPM(A) 11765	60*
	EPM 12240	6
	MDL(A) 254	100+
SURPRISE	ML 2483, 2509, 2686, 90102	100
	EPM 9053, EPM 13677	100

- Denotes- Transfers to be lodged with Department of Natural Resources and Mines. Gateway to reduce to 6% on approval. + Denotes- Transfers to be lodged with Department of Natural Resources and Mines. Gateway to reduce to 6% on approval.