



## Quarterly Report

For the Quarter ended 30<sup>th</sup> June 2007

### HIGHLIGHTS

- Significant and coherent copper-gold anomalies have been identified at Cowra in NSW by joint venture partner Minotaur Exploration, providing excellent drilling targets.
- Among the new targets identified with the use of a portable XRF analyzer were Balbardie, Stockfeed and Playboy Hill.
- The Surprise property near Cloncurry in Queensland has attracted the interest of Minotaur Exploration's alliance partner, Oxiana Limited.
- Oxiana has agreed to co-fund drilling of significant target areas identified from regional gravity data and historical geochemical data.
- At Gidgee, just north of company's leases, Legend Mining has discovered a new structure containing nickel mineralization associated with platinum group metals.
- The unit, which hosts the mineralization also occurs on the Gateway properties, is subject to a new joint venture with Legend Mining.

### OVERVIEW OF EXPLORATION PROJECTS

#### NEW SOUTH WALES

##### **COWRA PROJECT EL 5514, 6102**

*Gateway 100%, Minotaur earning 75%*

Extensive re-processing of historic geophysical and geochemical datasets, and re-assay of drill samples from the Kiola copper-gold prospect has resulted in the recognition of untested areas. During the Quarter, a program of soil assaying using a portable XRF analyzer was completed on seven of these areas with three showing significant, coherent anomalies warranting further work.

**Balbardie:** This prospect has a 700 metre long copper-in-soils anomaly (+150ppm) with smaller anomalies along strike to the north and south. Gossan material occurs in the vicinity of the anomaly, and a grab sample returned 0.1% copper and 50ppb gold. Additionally malachite-rich workings have been noted along strike and adjacent to the soil anomaly (see Figure 1). A number of electrical geophysical traverses have been completed, and the results are being processed.

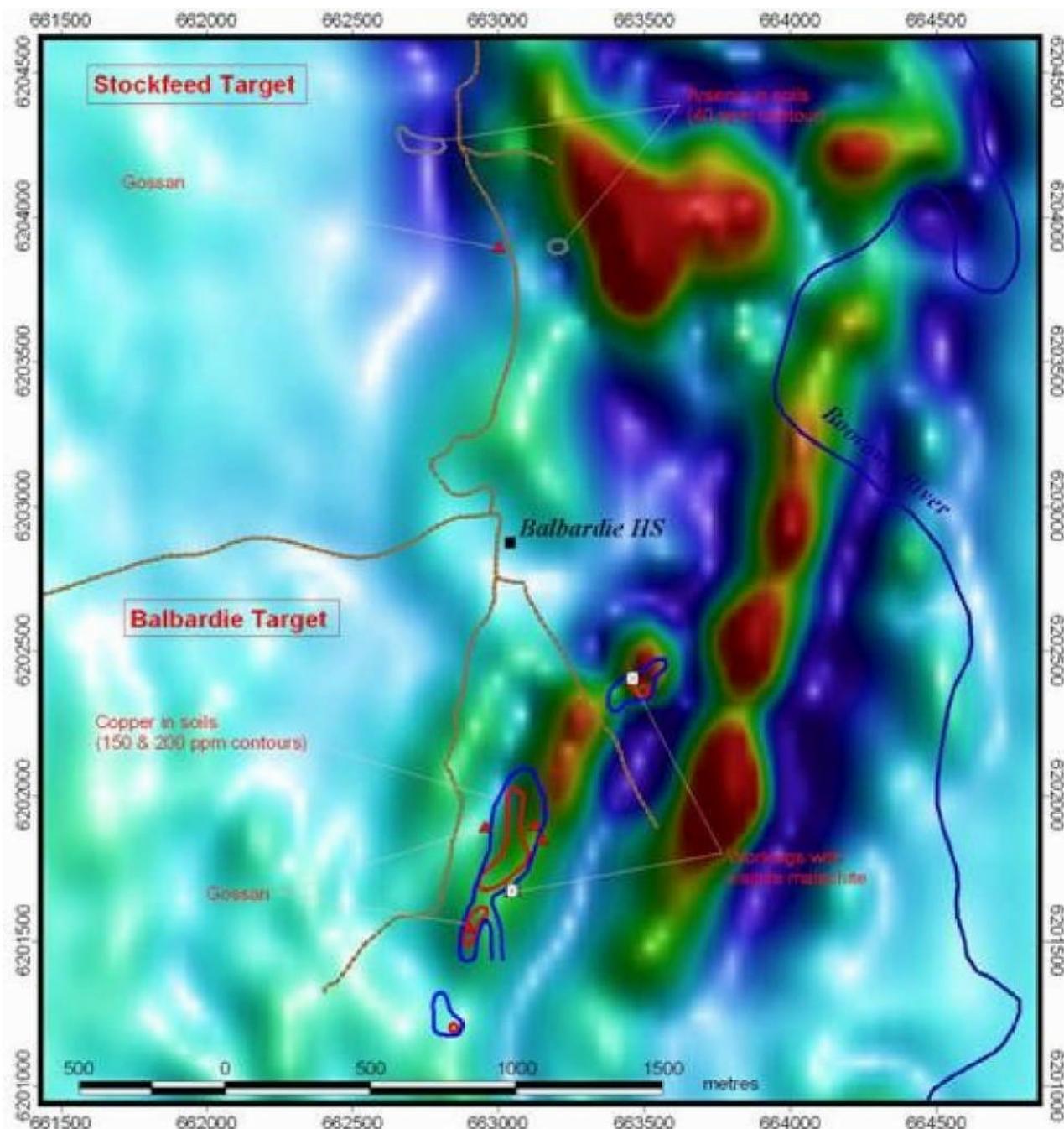


Figure 1. Balbardie and Stockfeed targets. 1VD RTP magnetic image

**Stockfeed:** The Stockfeed anomaly occurs two kilometres north of Balbardie. (Figure 1). Scattered gossan float within areas of enhanced soil geochemistry assays 11 0ppb gold, 0.1 % copper, 593ppm bismuth and 227ppm cobalt. The highest arsenic in soil measurement within the soil anomaly was 1 59ppm which is significant in this geological setting.

**Playboy Hill:** Soil surveys outlined a copper-in-soils anomaly (+50ppm) associated with float and outcrop of sub-gossanous material containing specular hematite and vein quartz over 1.3 kilometres. Grab sample rockchips assayed up to 0.6% lead, 260ppm tungsten and 9.8g/t silver while, along strike to the south, a significant prospecting shaft was located.

## QUEENSLAND

### SURPRISE PROJECT

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*Gateway 100%, Minotaur/Oxiana earning 75%*

Minotaur has an ongoing alliance with Oxiana where Oxiana has the right to co-fund Minotaur exploration programs. Following field visits to Surprise by Oxiana geologists, Oxiana have elected to co-fund the Surprise programs with Minotaur.

Following Minotaur's extensive reappraisal of regional gravity data and historical geochemical data, a number of significant areas of interest for follow-up have been identified. Detailed mapping and soil sampling will commence shortly along the soil-masked extension of the Surprise Fault which hosts the historic Surprise Mine copper-gold workings. This will augment the drill testing of targets further to the northeast generated from the re-processing of historic geophysical and geochemical datasets.

### HODGKINSON BASIN

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*Gateway 6% free carried*

No work was completed during the quarter.

## WESTERN AUSTRALIA

### GIDGEE GOLD PROJECT

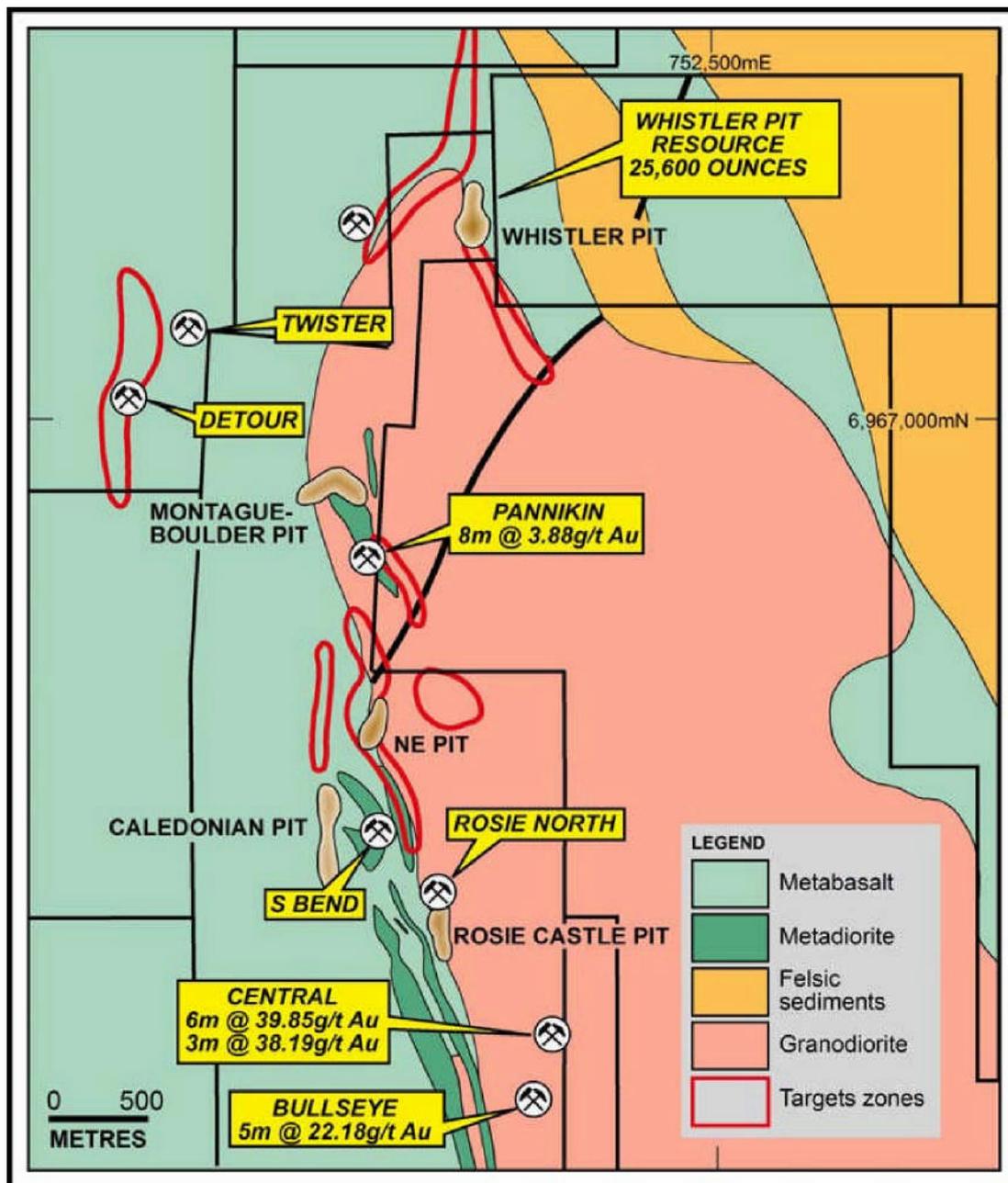
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#### AIRPORT CENTRAL

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

Whistler Project, Rosie North and Airport Prospects

WCP has continued with an extensive program of reassessing and integrating the results of all drilling from the area with a view to understanding better the structure and mineralization controls. When this data is collected and interpreted, it will enhance the ability to locate for best effect the next set of drill holes.



**AIRPORT GOLD TARGETS**

**Figure 2**

## West Bungarra Joint Venture

*Legend 70% Gateway 30%,*

A joint venture was announced on 16 July 2007 with Legend Mining involving Gateway's P57/976 leases in Gidgee. Under the agreement Legend will sole fund exploration until a decision to mine.

The Joint Venture provides Legend with access to the southern extension of its Python Prospect where outcropping gossanous ironstone returned rock chip samples that assayed up to 5.7% copper, 1 % nickel and 0.7 g/t platinum group elements.

Results are awaited from a recently completed high resolution aeromagnetic survey which, together with ground EM and other assessments, will provide drill targets for the area.

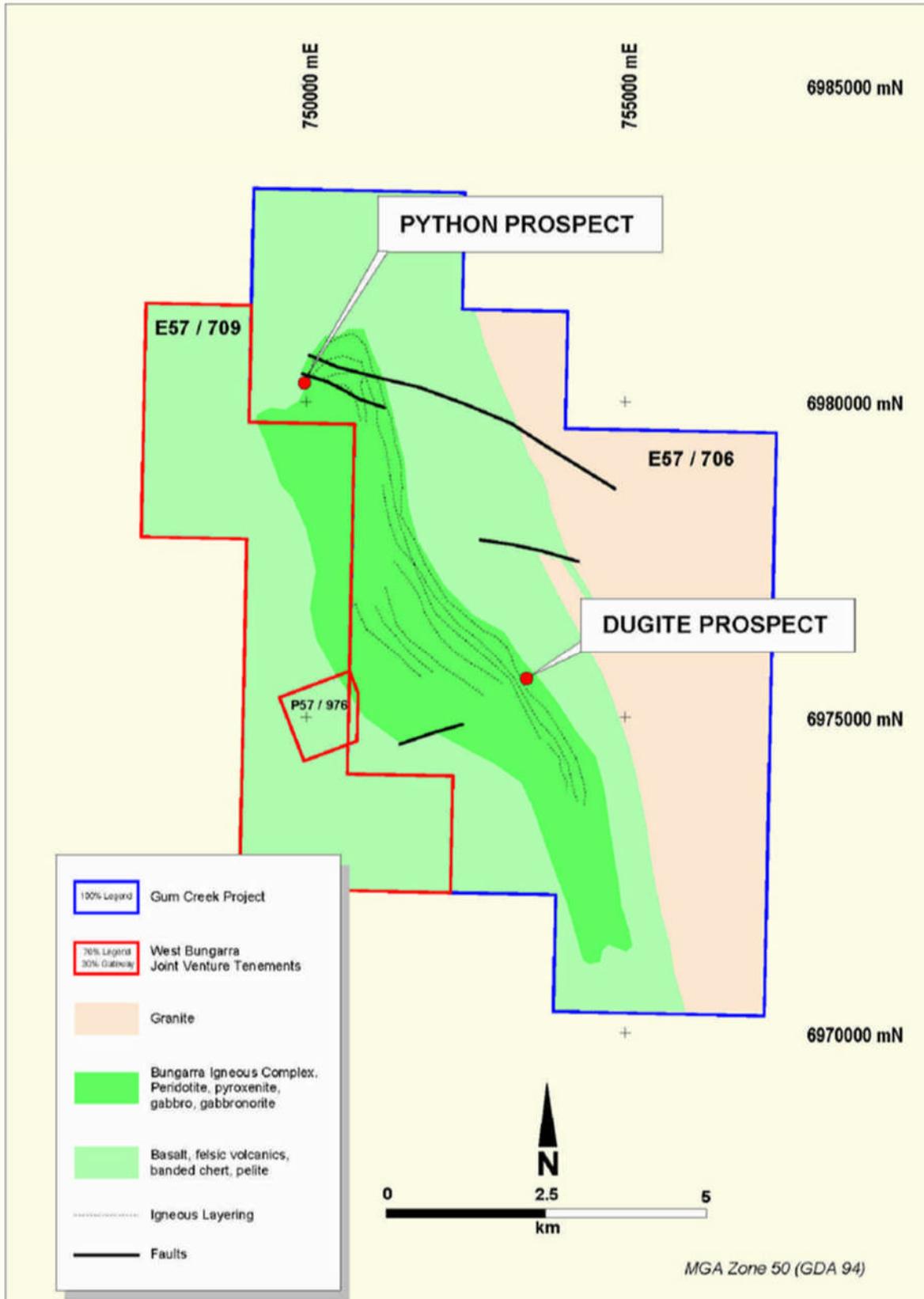


Figure 3: Location plan, West Bungarra JV (from Legend Mining)

## Victory Creek

Gateway 75%, Red 5 25%

Following the withdrawal of Barrick Gold, assessments were being conducted on historical data and Barrick's deep drillholes to determine the next round of RC drill testing. The area remains of interest in view of significant gold intersections that need to be followed up at Victory Creek and Julia's Fault.

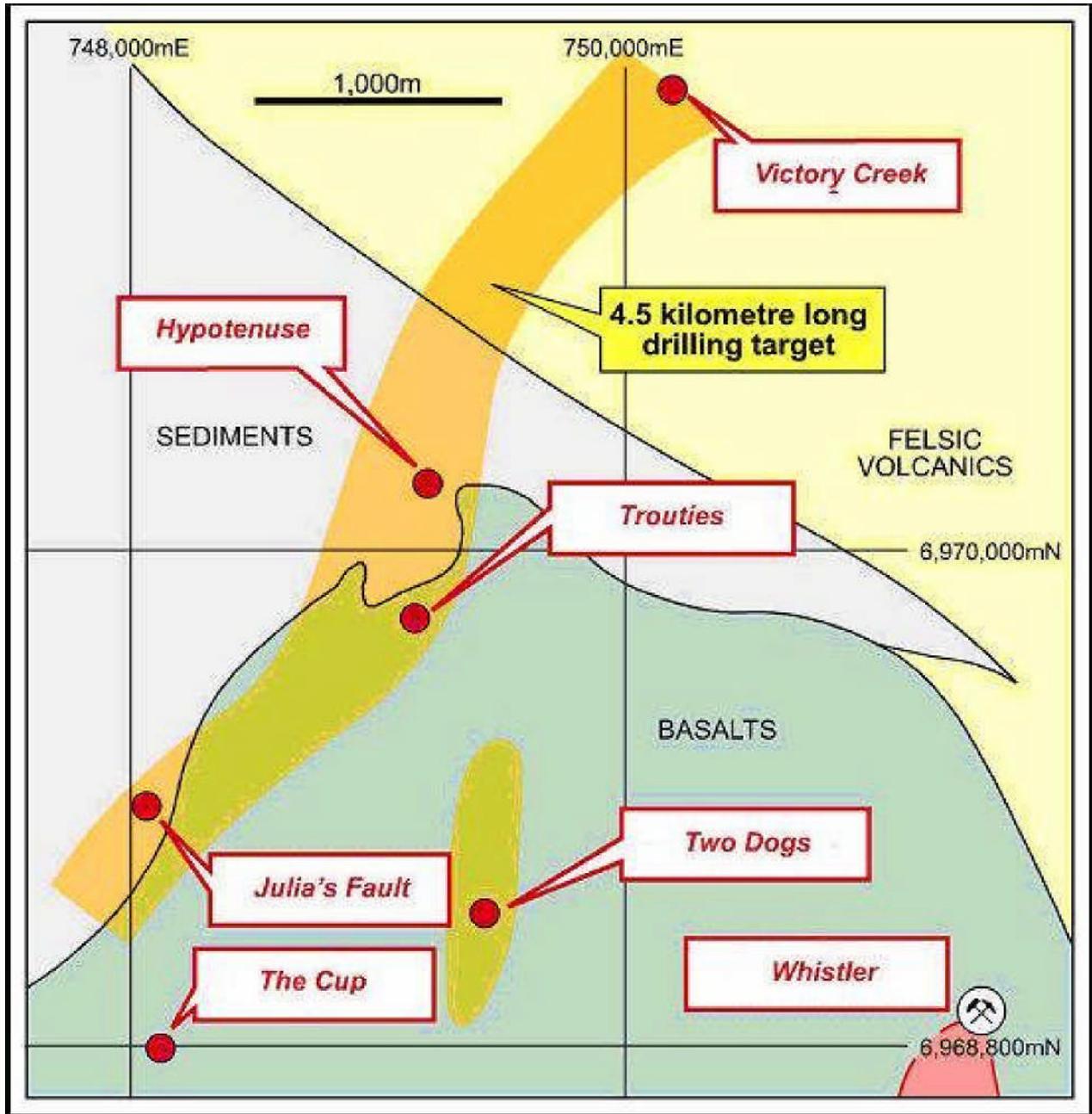


Figure 4: Location plan - Victory Creek

Gateway announced a virgin copper discovery at the Cup earlier this year with an intersection of 30m@1 % copper.

RC splits from copper mineralization at the Cup confirm significant zones of higher grade mineralization within a 1 % copper envelope and a narrow possibly supergene gold intersection above the main copper mineralization. Follow up drilling will take place at the Cup once ground EM is completed over the target.



## 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 (M LA57/452), 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 (M LA57/483), P57/882 (MLA57/472)-884 (M LA57/471), 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 (M LA57/470, 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
	EL6102	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.