

## Quarterly Report

For the Quarter ended 30<sup>th</sup> September 2006

### HIGHLIGHTS

- Barrick Gold is expected to shortly commence a month-long drilling campaign at Victory Creek in Gidgee, Western Australia. Three deep diamond drill holes will test a large anomaly to depths of over 500 metres. Drilling is anticipated mainly in November and should be completed during the December quarter.
- WCP Diversified Investments will carry out a 4,000 metre drilling campaign in the December quarter on targets at the highly prospective Legendre and Airport areas in Gidgee.
- Gateway's new joint venture partner, Minotaur Exploration Ltd, will commence a field inspection in preparation for a geophysical program at Cowra in NSW and will commence gravity surveys at Surprise in Queensland during the December quarter.

### JOINT VENTURES

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- The company was pleased to announce the signing of two new joint ventures during the quarter with Minotaur Exploration Limited on its Cowra Project in NSW and its Surprise Project in the Mt Isa District, Queensland.
- At the Cowra Project, Minotaur is required to spend a total of \$2.0 million over 54 months to earn 75% of the Project which consists of two Exploration Licences EL5514 and EL6102.
- At the Surprise Project, Minotaur is required to spend a total of \$1.0 million over 54 months to earn 75% of the Project which consists of two EPM's and four mining leases.
- The company now has joint ventures over a large majority of its projects with exploration programs of drilling and geophysics to be completed in the December quarter.

### GIDGEE GOLD PROJECT WA

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- The company was advised that Barrick Gold Corporation would be conducting deep diamond drilling of the Victory Creek target in the December quarter. Barrick has planned an initial three hole program of deep diamond holes to depths in excess of 500 metres.
- Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs.

- The company signed a Letter Of Intent with WCP Diversified Investments Ltd with respect to the Barrelmaker and Airport Central Gold Projects. WCP has indicated a 4,000 metre drilling program will be completed in the quarter. The company will be issued 12.5 million shares in WCP with a further issue of up to \$1 million of shares at staged intervals giving WCP the option to earn a 70% interest in the Projects.

## OVERVIEW OF EXPLORATION PROJECTS

### WESTERN AUSTRALIA

#### GIDGEE GOLD PROJECT

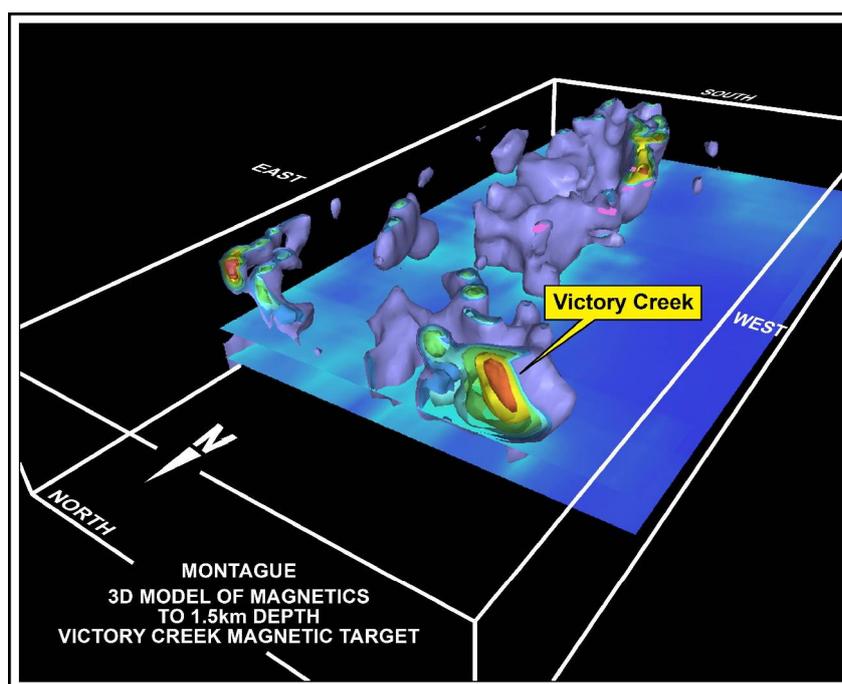
##### EXPLORATION ACTIVITY

Placer Dome Australia, which is now a subsidiary of Barrick Gold has indicated that deep drilling of the Victory Creek target will occur in the coming quarter. Placer Dome has the right to earn a 70% interest in selective tenements totalling 80 square kilometres by spending \$4 million within the Montague Projects.

##### VICTORY CREEK TARGETS

*Barrick-Placer earning 70%*

As stated the initial priority target for Placer is at Victory Creek which will be tested with deep diamond drilling. Barrick has indicated that three diamond holes to depths in excess of 500 metres will test the magnetic feature shown in the 3D magnetic model shown below. Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs.



*3D Model showing Victory Creek magnetic target*

## BARRELMAKER AND AIRPORT JOINT VENTURE

Formal documentation was finalized with WCP Diversified Investments (WCP:ASX) on a joint venture on the Airport and Barrelmaker Projects. The company will be issued 12.5 million shares in WCP with a further issue of up to \$1 million of shares at staged intervals giving WCP the option to earn a 70% interest in the Projects.

WCP has indicated that an RC drilling program will commence during the quarter testing targets at Legendre and Airport.

### AIRPORT TARGETS

*Gateway 85%, Herald Resources 15%*

Located on the western edge of the Montague granodiorite, the Airport area has produced over 100,000 ounces of gold from 5 shallow (50 metres) open pit mines. Four of the five open pits mined in the late 1980's are located along the granodiorite basalt contact zone.

Drilling by Gateway within the granodiorite has discovered high-grade shoots (up to 5 ounces gold) at Central and Bullseye whilst within the basalts high-grade veins to 24 g/t gold have been intersected at Rosie North and S Bend.

No field work was completed during the quarter.

### BARRELMAKER

The Barrelmaker project located on the western side of the Gum Creek Greenstone Belt comprises of a highly prospective landholding covering nearly 200 square kilometres. The project contains a large strike length of the under explored Bolger Well shear zone and Bo Peep granodiorite. As well as significant gold potential the project contains significant strike lengths of concealed komatiitic flows with anomalous nickel geochemistry. The area contains up to 12 priority gold drill targets.

## NEW SOUTH WALES

### COWRA PROJECT EL5514, 6102

*Gateway 100%, Minotaur earning 75%*

During the quarter the company announced a joint venture agreement on its Cowra Project with Minotaur Exploration Limited (ASX: MEL).

#### Key terms of the JV agreement are:

- Minotaur to spend a total of \$2.0 million over 54 months to earn 75% of the Project which consists of two to Exploration Licences EL5514 and EL6102.
- Minotaur must spend \$200,000 in the first 12 months and before it can exit.
- Minotaur is required to spend a total of \$700,000 to earn 51% of the Project over 30 months from the date of commencement.
- Minotaur can spend another \$1.3 million to earn 75% of the Project over the next 24 months.

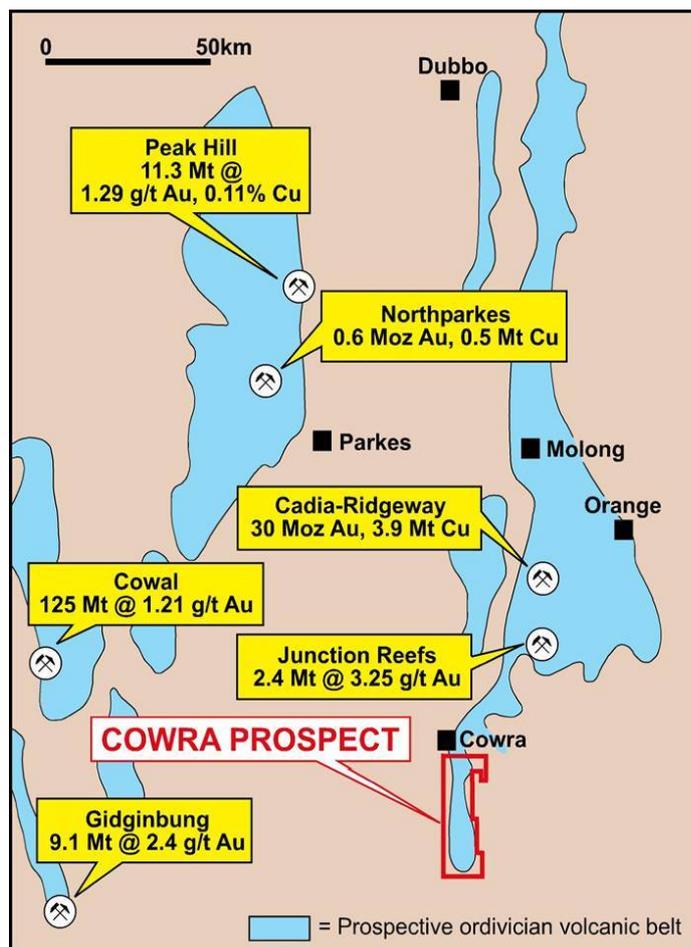
The Project covers over 50 kilometres of prospective Ordovician rocks and was acquired for its potential to host porphyry related copper-gold mineralization. Initial exploration by Gateway, including geochemical, geophysical and limited drilling has advanced the project quickly and cost effectively.

Results have identified the Kiola region, a large copper-gold bearing zone covering an area of 7 km x 4 km coincident with an interesting aeromagnetic feature.

Drilling by Gateway has returned gold grades of up to 25.30 g/t and 8.41 g/t in narrow zones from the Nasdaq gold and copper bearing skarn. This was the first drilling completed since Mines Exploration in the late 1960s.

The company believes Nasdaq is just one part of a larger system that warrants further testing.

A field inspection that is a precursor to a geophysics programme will be carried out in the late November.



## TUCKERBOX GOLD PROJECT EL4811

*Gateway 100%*

The Company continues to focus its exploration on the Johnstons Hill line of lode that includes the Tuckerbox prospect. Results of a ground magnetic survey were reported last quarter.

No field work was completed during the quarter.

## QUEENSLAND

### HODGKINSON BASIN

*Gateway 6% free carried*

Through a joint venture with Republic Gold Limited (RGL) Gateway will retain a 6% free carried interest in four projects within the Hodgkinson Basin. At a decision to mine, Gateway can elect to contribute or dilute to a 2.6% share and contribute or to a 0.6% NSR royalty. Gateway has been issued with 1,350,000 shares in RGL after the successful transfer of its interest to RGL was confirmed by the Department of Natural Resources and Mines.

No work was completed during the quarter.

## SURPRISE PROJECT

*Gateway 100%, Minotaur earning 75%*

During the quarter the company announced that it has entered into a Joint Venture with Minotaur Operations Pty Ltd, a wholly owned subsidiary of Minotaur Exploration Limited (ASX: MEP) to advance its 100% owned Surprise Project in the Mount Isa region North Queensland.

Surprise is located some 90 km north west of Cloncurry and approximately 20 km north-west of the recently announced Universal Resources high grade copper-gold discovery at Cabbage Tree Creek.

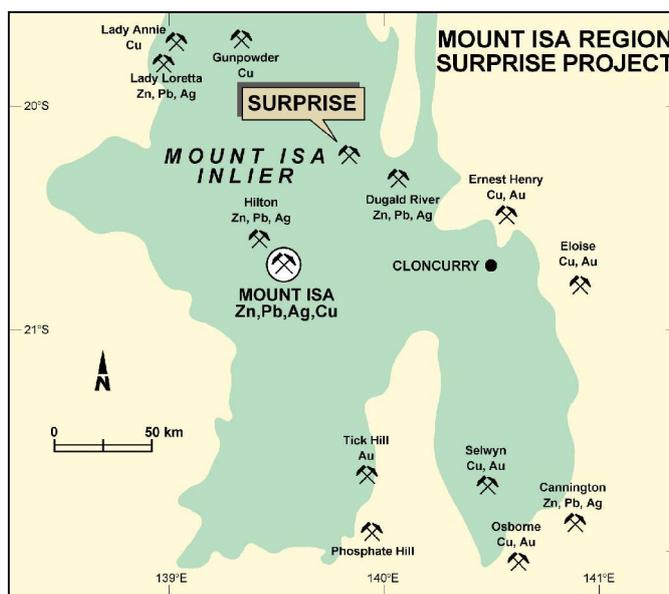
### Key terms of the JV agreement are:

- Minotaur must spend a total of \$1.0 million over 54 months to earn 75% of the Project which consists of two EPM's and four mining leases.
- Minotaur must spend \$150,000 before it can exit.
- Minotaur is required to spend a total of \$0.5 million to gain 51% of the Project over 30 months from the date of commencement.
- Minotaur can spend another \$0.5 million to earn the 75% over the next 24 months.

Gateway has completed initial exploration comprising stream and soil geochemistry, limited geophysics and shallow drilling on the Surprise project (EPM 9053, EPM 13677, ML 2483, ML 2509, ML 2686 and ML 90102).

Results of the surface and near surface work are very encouraging and Minotaur will test for deeper targets guided by both structural controls and geophysics. Minotaur brings proven geophysical expertise as one of Australia's most successful explorers in detecting deeper drill targets.

Located south of Kajibbi 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 northeastern parts of the project.



Minotaur will shortly commence a geophysics programme at Surprise. This will involve gravity measurements.

*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 Fax: 02 9283 576*

*The information in this announcement has been compiled by Dr. Robert A. Creelman who is a Director of the Company. Insofar as it relates to ore reserves and mineral resources it is based on information compiled by Dr. Robert A. Creelman who is a Fellow of the Australian Institute of Mining and Metallurgy and Certified Professional (Geol) and who has more than five (5) years' experience in the field being reported.*

## 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<br>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.