

Quarterly Report

For the Quarter ended 30th June 2006

HIGHLIGHTS

GIDGEE GOLD PROJECT WA

- Gateway completes two RAB drilling programs during the quarter. At Montague 114 holes for 3,687 metres were completed and results have been received. Results are pending from a second program completed in late June at Barrelmaker comprising 68 holes for 3,147 metres.

Highlights of the first RAB drilling program completed in May included.

- **10 metres @ 1.6g/t gold** returned from 100metres north of the Caledonian open cut mine.
 - **Strongly anomalous gold to 0.68g/t gold** returned from two lines of drilling within the hanging wall location of the Rosie North contact zone.
 - At Montague Boulder drilling returned encouraging gold grades up to **1.26g/t gold** at the granodiorite basalt contact that require follow up drilling.
- Barrick Gold Corp's subsidiary Placer Dome Australia completes initial aircore drilling of 29 holes for 2,358 metres at Julia's Fault and Victory Creek South.

Highlights of the drilling included.

- **7 metres @ 1.97g/t gold** from 36-43 metres that **included 2 metres @ 3.73g/t gold** within gossanous sulphidic zones within a black shale sequence at Julia's Fault.
 - Drilling traced the sulphide zone for approximately 500 metres of the initial one kilometer zone already outlined by shallow RAB drilling completed by Gateway.
- Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs. Deep diamond by Barrick drilling of the Victory Creek target will occur later this year.
 - The company signed a Letter Of Intent with WCP Diversified Investments Ltd with respect to the Barrelmaker and Airport Central Gold 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.

QUEENSLAND

- The company is currently reviewing all geophysical data available from the Surprise Project located north west of Cloncurry. The geochemical anomalies require geophysical follow-up, and an exploration program that will involve electrical techniques supplemented by gravity is in the planning stages.

WESTERN AUSTRALIA

GIDGEE GOLD PROJECT

EXPLORATION ACTIVITY

Three drilling programs were completed during the quarter.

Two RAB drilling programs were completed by Gateway. In May a total of 114 holes for 3,687 metres were completed at the Montague Project. In late June a total of 68 holes for 3,147 metres were completed at Barrelmaker on the western side of the Gum Creek Greenstone Belt. Results for the May program are reported below whilst assay results are pending for the June program.

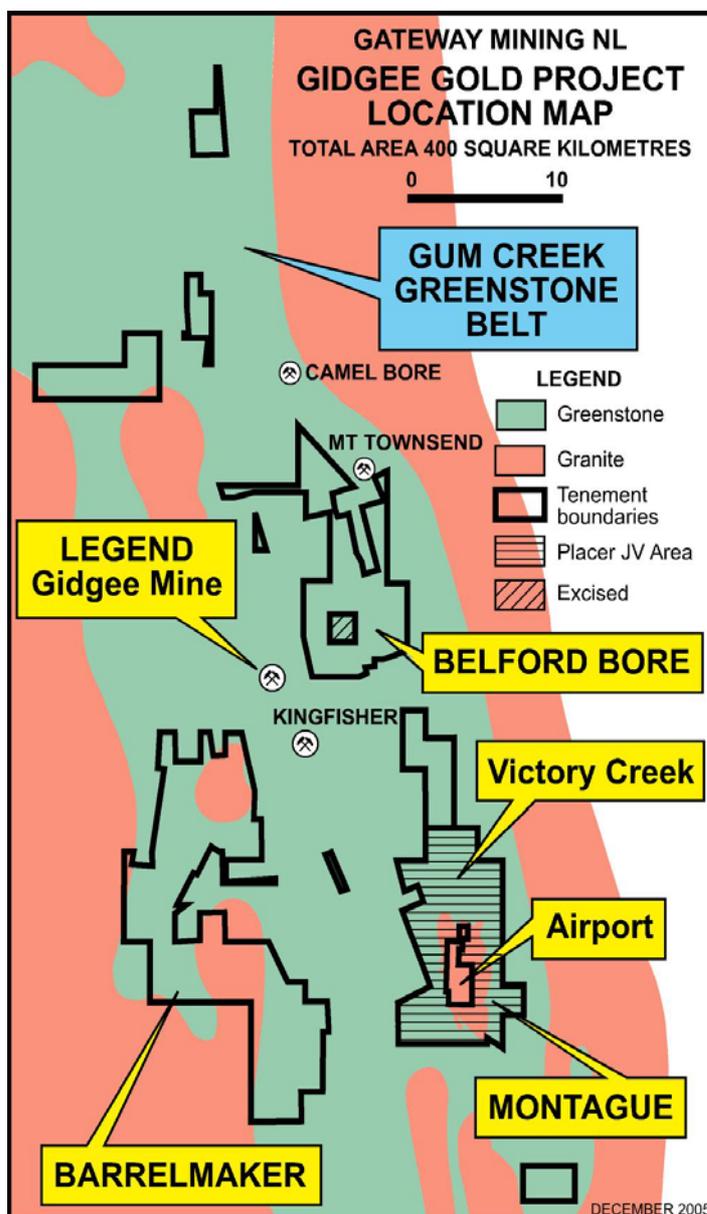
Placer Dome Australia, which is now a subsidiary of Barrick Gold, completed an aircore drilling program comprising of 29 holes for 2,538 metres on the Julia's Fault trend and at Victory Creek South. Placer Dome has the right to earn a 70% interest in selective tenements totalling 80 square kilometres by spending \$4 million within the Montague Projects. Results of the drilling programs are reported below.

VICTORY CREEK TARGETS

Barrick-Placer earning 70%

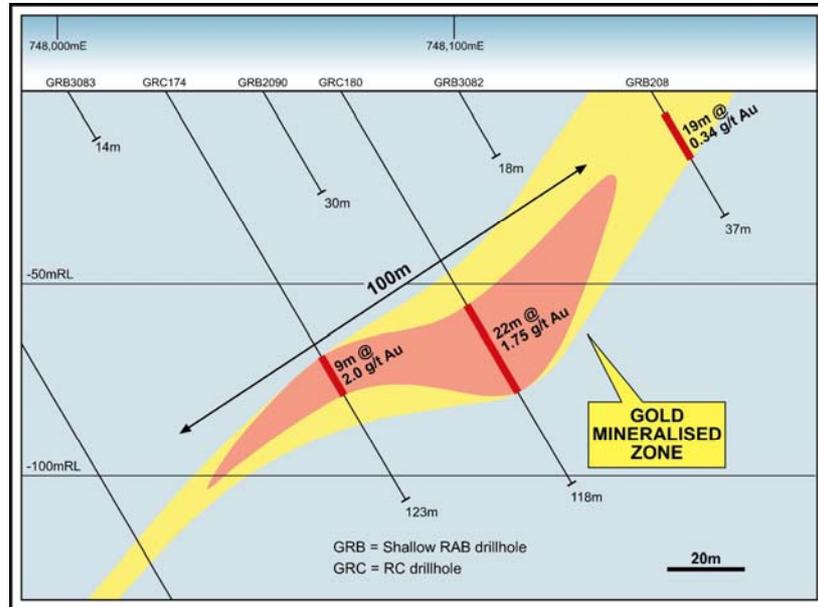
Aircore drilling was conducted along the inferred Julia's Fault gold-arsenic trend within mining leases M57/429 and M57/485. Julia's Fault is located on the western side of the Montague block at the southern end of a 4.5 kilometre long structure highly anomalous in arsenic and antimony that extends to Victory Creek. Most of the structure northeast from Julia's Fault is blind to surface hidden below up to 40 metres of cover in some places.

Drilling by Barrick confirmed due diligence assessment that mineralisation is related to a disseminated to massive pyrite lens within a black shale sequence. Aircore drilling tested the sulphide zone for approximately 500 metres. Results greater than or equal to 0.1g/t gold are listed in Table 1. Several holes finished in gold anomalous material and confirmed Gateway's initial shallow RAB drilling that highlights the anomalous gold arsenic trend that has the potential to host a large low grade bulk tonnage gold resource.



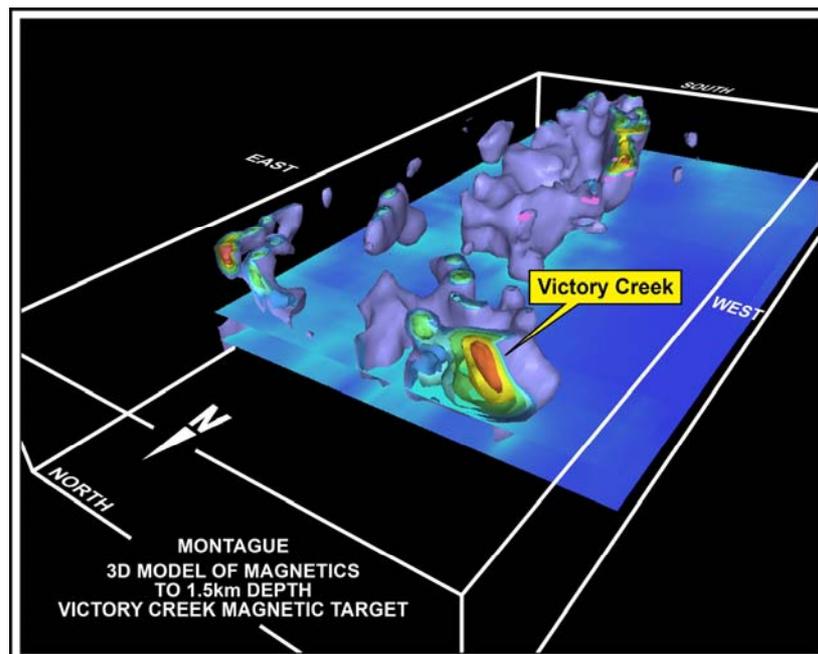
WESTERN AUSTRALIA

Best results of the drilling included 7 metres @ 1.97g/t gold from 36-43 metres that included a 2 metre zone that returned 3.73 g/t gold. This intersection is located 100 metres north of previous reverse circulation drilling of Gateway that returned 22 metres @ 1.75g/t gold and 9 metres @ 2.0g/t gold. *Refer Drill Section below.*



JULIA'S FAULT
Drilling Section 6,969,000mN

As stated the initial priority target for Placer is at Victory Creek which will be tested with deep diamond drilling. 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

**Table 1
June aircore intersections greater than 0.1g/t Au**

Hole ID	Northing	Easting	Az. Deg Mag	Incl.	Max Depth m	Depth From	Depth To	Width m	Combined Ave g/t Au
BGAC0001	6968800	748050	90	-60	98	8	12	4	0.26
						44	48	4	0.14
						56	60	4	0.17
						64	68	4	0.17
BGAC0002	6968800	748025	90	-60	90	24	32	8	0.55
						52	56	4	0.15
BGAC0003	6968800	748000	90	-60	78	32	40	8	0.39
BGAC0004	6968800	747950	90	-60	70	52	56	4	0.23
						64	70	6	0.25
BGAC0005	6968800	747900	90	-60	91	64	72	8	0.12
						76	91	15	0.13
BGAC0006	6968800	747850	90	-60	95	72	76	4	0.1
						80	95	15	0.12
BGAC0007	6968900	748200	90	-60	86	52	60	8	0.19
BGAC0009	6968900	748100	90	-60	107	4	16	12	0.22
						44	48	4	0.11
BGAC0010	6968900	748050	90	-60	110	52	56	4	0.45
						84	88	4	0.26
						92	96	4	0.22
BGAC0011	6968900	748000	90	-60	113	56	60	4	0.15
						88	92	28	0.23
BGAC0012	6968900	747950	90	-60	105	84	88	4	0.15
						104	105	1	0.2
BGAC0013	6969100	748150	90	-60	43	36	43	7	1.97
BGAC0016	6969100	748100	90	-60	65	60	65	5	0.33
BGAC0017	6969095	748150	90	-60	37	32	37	5	0.65
BGAC0019	6969350	748300	90	-60	88	20	36	16	0.27
						44	48	4	0.22
						76	80	4	0.12
BGAC0023	6970100	748950	90	-60	69	56	60	8	0.31
BGAC0025	6970800	749500	90	-60	110	72	76	4	0.63

AIRPORT TARGETS

Gateway 85%, Herald Resources 15%

Results of the May drilling program have been received whilst results from the June program are still pending.

From the Airport area encouraging results were received from the Caledonian, Rosie North and Montague Boulder prospects.

At Caledonian RAB drill hole GRB2421 returned an intersection of **10 metres @ 1.6g/t gold** located 100metres north of the Caledonian open cut mine. West of the open cut, hole GRB2425 returned strong gold anomalism including 10 metres @ 0.67g/t gold. Both intersections will be followed up with further drilling.

WESTERN AUSTRALIA

At **Rosie North** RAB drilling continues to intersect anomalous gold at shallow depths within the hanging wall structure of the Montague granodiorite and basalt contact. This area now requires deeper reverse circulation drilling to test the contact and hanging wall veins at depth. A series of RC holes to depths of 150-200 metres are now being planned to explore for blind high-grade reefs. A reasonably coherent trend over 500 metres (6964900N-6965400N) has now been defined east of the contact zone intersecting multiple quartz veins in the top 30 metres. The hanging wall structures sit some 90 metres to the east of the contact and if proved to be continuous along strike, will significantly enhance the economic viability of the Rosie gold resource.

At **Montague Boulder** drilling returned encouraging gold grades up to **1.26g/t gold** at the granodiorite basalt contact zone that also require follow up drilling.

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. As mentioned results of a RAB drilling program completed in late June are pending.

NEW SOUTH WALES

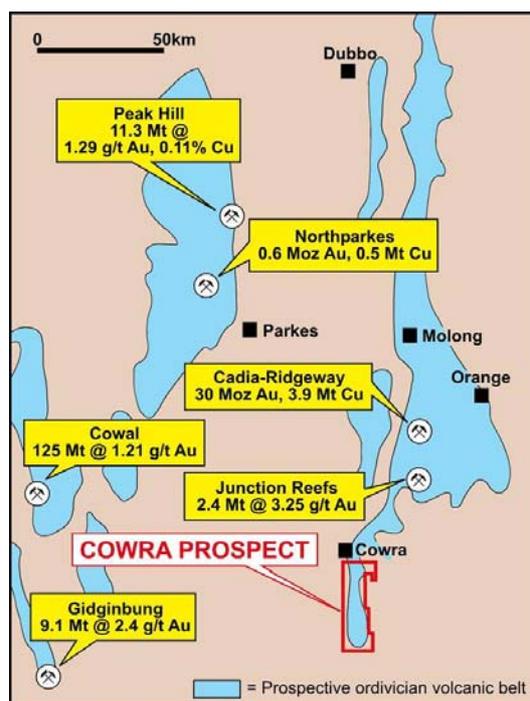
COWRA PROJECT EL5514, 6102

Gateway 100%, Goldminco Corporation earning 70%

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. The Cowra Project is a joint venture with Goldminco Corporation (GCP TSX Venture Exchange).

Goldminco has advised that three magnetic targets were drill tested for skarn associated mineralisation during the quarter. A total of three holes for 359 metres were completed.

At Dollys drilling intersected a magnetic skarn at depth with significant magnetite and sulphides associated with the magnetic high. No significant economic mineralisation was intersected at each of the three targets. Further work involving gravity and drilling is now required along strike to the north of Dollys at Nasdaq where initial drilling by Gateway has intersected significant gold mineralisation.



NEW SOUTH WALES

Goldminco Corporation have informed the company that they will withdraw from the joint venture. Gateway has had expression of interest from potential joint venture partners and is assessing its options.

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.

BARRA PROJECT EL5947

Gateway 100%

No field work was completed during the quarter.

QUEENSLAND

HODGKINSON BASIN

Gateway 6% free carried

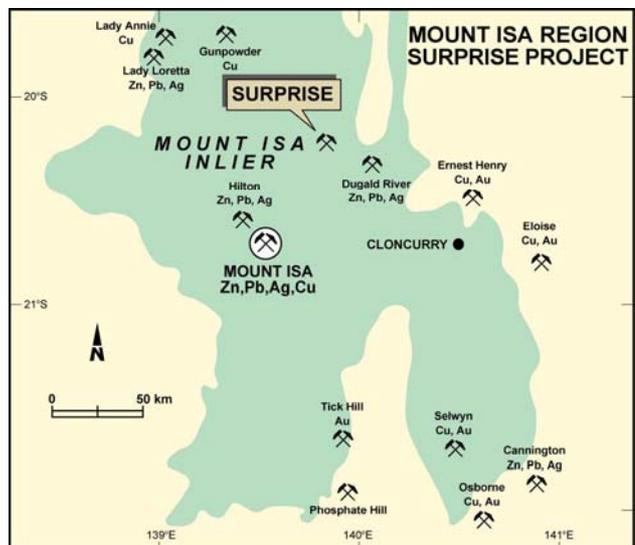
Through a joint venture with Republic Gold Limited (RGL) Gateway will retain a 6% free carried interest in four projects within the Hodgkinson Basin. At a decision to mine, Gateway can elect to contribute or dilute to a 2.6% share and contribute or to a 0.6% NSR royalty. Gateway has been issued with 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%

Located south of Kijabbi 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.



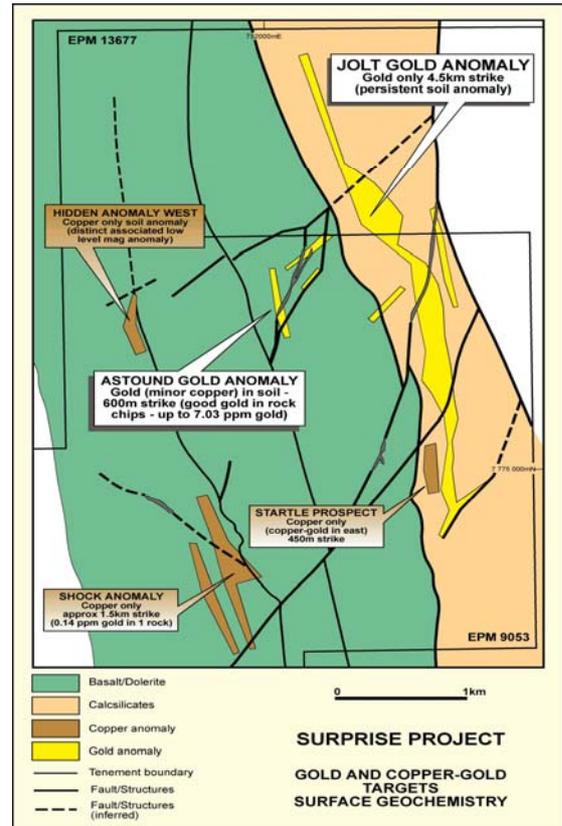
QUEENSLAND

Results of soil sampling to the north of the Jolt gold-in-soil anomaly are encouraging.

Results have confirmed the gold trend extends northwards with a peak value of up to 0.11 g/t being returned.

Infill sampling at Shock has confirmed the copper-in-soil anomaly previously outlined from wide spaced soil lines.

The company is currently reviewing all geophysical data available from the Surprise Project north west of Cloncurry. The geochemical anomalies require geophysical follow-up, and an exploration program that will involve electrical techniques supplemented by gravity is in the planning stages.



CORPORATE

Subject to shareholders' approval the company intends to place up to two million options exercisable at thirty cents per option to directors, employees and consultants of the company. The options shall expire within two years from the date of issue.

For further information visit our website at www.gatewaymining.com.au or contact: Brian Gomez , Chairman Tel: 02 9283 5711 Fax: 02 9283 5766

This review accurately reflects information compiled by Mr SJR Taylor, who is an advisor to the Company. Insofar as it relates to ore reserves and mineral resources, it is based on information compiled by Mr SJR Taylor who is a corporate member of the Australian Institute of Geologists 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
BARRA	EL 5947	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.