

## Quarterly Report

### For the Quarter ended 30<sup>th</sup> September 2008

## HIGHLIGHTS

- At the Gidgee Project, RAB drilling 2.5km south of The Cup copper prospect intersected further ironstones and elevated copper geochemistry associated with the same structural trend that the Cup is located on, further reinforcing the prospectivity of this trend
- RAB drilling at Legendre intersected a previously unknown komatiitic basalt, with elevated nickel and copper geochemistry
- Elevated nickel and copper geochemistry also intersected in RAB drilling at Crater
- Drilling by the JV managers, Minotaur Exploration at the Cowra Project in NSW intersected sulphides associated with skarn-style alteration at both the Kiola and Balbardie Prospects, giving further encouragement on the prospectivity of the area to host skarn-style copper-gold mineralisation (assays are awaited)

## OVERVIEW OF EXPLORATION PROJECTS

### WESTERN AUSTRALIA

#### GIDGEE PROJECT

During the quarter 111 RAB holes for 3176m were drilled over the Gidgee Project. This drilling targeted a number of areas, including nickel at Legendre and the Crater area, and further copper potential along the structure hosting The Cup mineralisation. Drillhole locations are shown on figure 2. Results worthy of follow up resulted from all prospects.

Legend Mining continued work on their Bungarra Project, in which Gateway have a joint venture. However, our other joint venture partners in the area, WCP resources, withdrew from the Airport Central JV due to a change of company focus.

Work in the following quarter will include further RAB drilling, EM surveys, and ongoing reviews of past exploration data.

#### Montague Area

##### The Cup E57/417

*Gateway 100%*

RAB drilling 2.5km south of The Cup intersected anomalous copper associated with strong ironstone horizons in holes GRB2903 and GRB2904. These ironstones

assayed up to 621ppm Cu, and further investigation is required in this area, as well as along the trend between these holes and The Cup mineralisation.

These intersections are along strike on the interpreted structure over which The Cup is located, and the results confirm the prospectivity of the trend for further copper mineralisation.

### **Airport Central Joint Venture**

*Gateway 85%, Herald Resources 15%*

During the quarter WCP Resources withdrew from the joint venture due to a change in company focus. WCP had not earned any equity; therefore Gateway retains 85% of the project.

Gateway is currently reviewing all data from the project, including a consultants report with suggested drilling targeting the deeper sulphide potential. The company considers that this area has significant potential for deeper sulphide mineralisation. Only limited drilling has been carried out below the oxide zone, and the prospectivity is confirmed by the results of drilling carried out by WCP, with plus ounce grades in a hole drilled into a known shoot of mineralisation at Whistler, and the intersection of interpreted hanging wall gold mineralised zones.

Some results to come out the data review to date include a 15m intersection of significant molybdenum grading 0.23% from 160m in RC drillhole WRC013. The significance of this is not clear, however reassaying of nearby drillholes will be carried out in assessing this.

### **Bungarra West Joint Venture E57/709, P57/976**

*Gateway 30%, Legend Mining 70%*

Although no work was carried out on the joint venture tenements, Legend completed ground EM surveys and RC drilling on E57/706, the tenement immediately to the west of the JV area. This work was over the Cobra and Sidewinder prospects, originally identified from the March 2008 VTEM survey that covered the Bungarra Intrusive Complex (BIC).

The two holes at Cobra intersected a thick pyroxenite/gabbro unit at the base of the BIC containing 1-3% sulphide, and one hole intersected a chert/silicified sediment with up to 10% sulphide. At Sidewinder the two holes intersected a sheared and silicified sedimentary unit with up to 10% sulphide. Pyrite is the dominant sulphide, with subordinate pyrrhotite and chalcopyrite. Assay results are pending.

## **Barrelmaker Area**

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### **Legendre E57/232**

*Gateway 80%, Paul Legendre 20%*

Two lines of RAB holes were drilled over a magnetic feature at Legendre, with these intersecting a blind komatiitic basalt, exhibiting cumulate and spinifex textures. The holes intersected elevated nickel up to 7950ppm, and elevated copper, with some ferruginous horizons being intersected (Figure 3).

Although the geochemistry is consistent with background for these units, it is considered that the trend warrants further prospecting. This work will initially include further RAB drilling and ground EM surveying

#### **Crater E57/334**

*Gateway 80%, Herald Resources 20%*

RAB drilling in the Crater area also intersected komatiites and some ironstone, with elevated nickel to 1099ppm and copper to 386ppm. Again further followup is warranted.

### **NEW SOUTH WALES**

#### **COWRA PROJECT EL 5514 & 6102**

*Gateway 100%, Minotaur together with Mitsubishi earning 75%*

A drilling program (six holes for 1418 metres) of combined RC-diamond has been completed but only after long delays in obtaining the services of a suitable rig. Three holes were drilled to test a combination of geology and geophysical targets (magnetic, IP) at Balbardie Prospect and three holes at Kiola Prospect (Figs 4 & 5).

The results from Balbardie showed that there was disseminated pyrrhotite, as well as up to 0.5m thick intersections of massive pyrrhotite in all holes in positions consistent with the IP anomalies. The holes intersected intercalated highly altered and less altered but carbonate flooded zones. The bearings of all Balbardie holes were easterly, and the “banding” of the alteration is consistent with the north-south contact between granite and metasediments.

The three holes at Kiola were designed to test geochemical and geophysical targets as at Balbardie. Significant pyrrhotite with associated chalcopyrite was intersected similar to that seen at Balbardie. Assays are expected shortly.

### **QUEENSLAND**

#### **SURPRISE PROJECT EPM 9053 & 13677**

*Gateway 100%, Minotaur earning 75%*

Minotaur Exploration has advised Gateway that they intend to withdraw from the Surprise Joint Venture. Gateway intend to further advance exploration in the area taking into account the data generated by the JV and other unpublished data obtained by Gateway in the last month. Minotaur's withdrawal is the result of a corporate decision to cut back on exploration in Queensland.

Gateway holds the view that the deeper gravity anomalies have not yet been tested. The last round of drilling tested IP anomalies with positive results, the mineralisation being very similar to the Surprise mine. The Surprise mine consisted of a calcite vein that hosts chalcopyrite and pyrrhotite. The style of mineralisation suggests that the veining is a result of hydrothermal remobilisation of a deeper metal bearing horizon. The deeper gravity anomalies reflect a denser source that may be increased sulphide content in the deeper rocks.

Gateway has applied for new ground in the area, and is proceeding with the renewal of EPM 13677. Renewal and the new application will involve native title negotiations

which were begun by Minotaur, but are now continued by Gateway. The Company has confidence in the area, and will proceed with the review of data and new exploration strategies.

## **HODGKINSON BASIN**

*Republic Gold, Gateway 6% free carried*

Republic Gold is continuing on work to advance its Far North Queensland gold and tungsten projects.

## **CORPORATE**

The company has made a placement of four million shares at 10 cents per share to raise additional working capital.

***For further information visit our website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au)  
or contact: Brian Gomez , Chairman or Bob Creelman, Director on 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.*

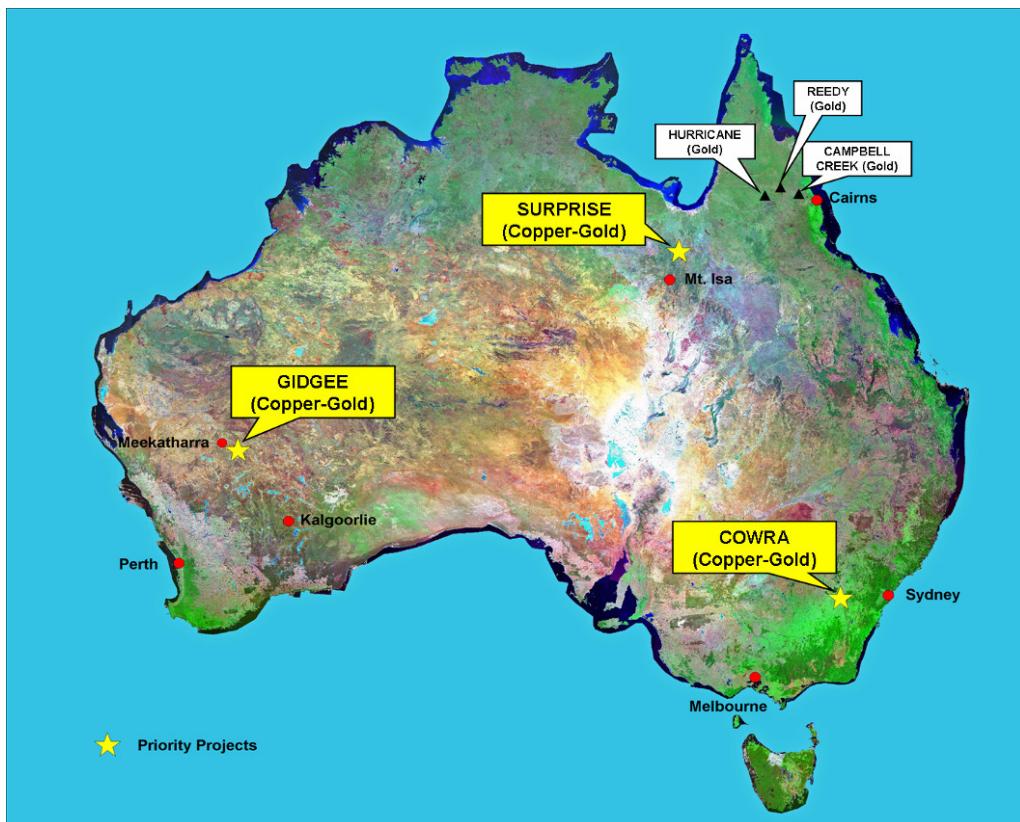


Figure 1. Gateway Mining Limited Project Locations

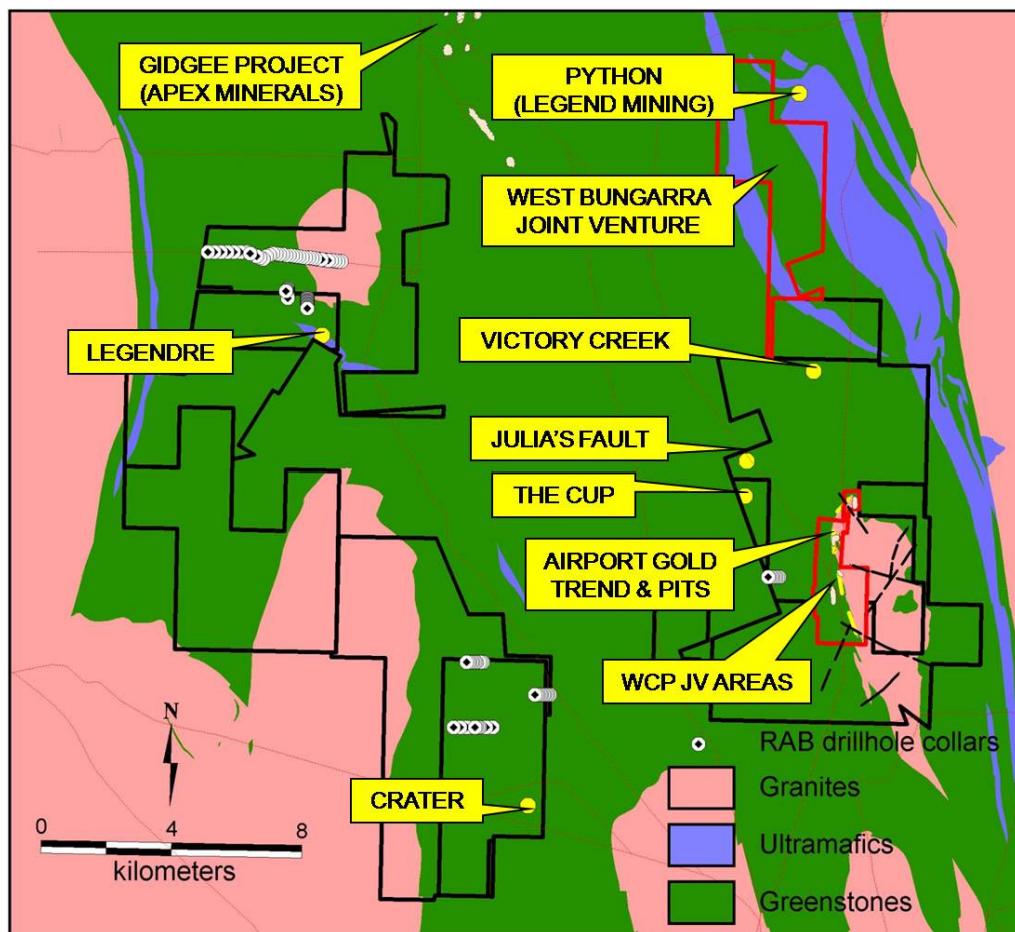


Figure 2. Prospect location and location of current RAB drillholes, Gidgee Project

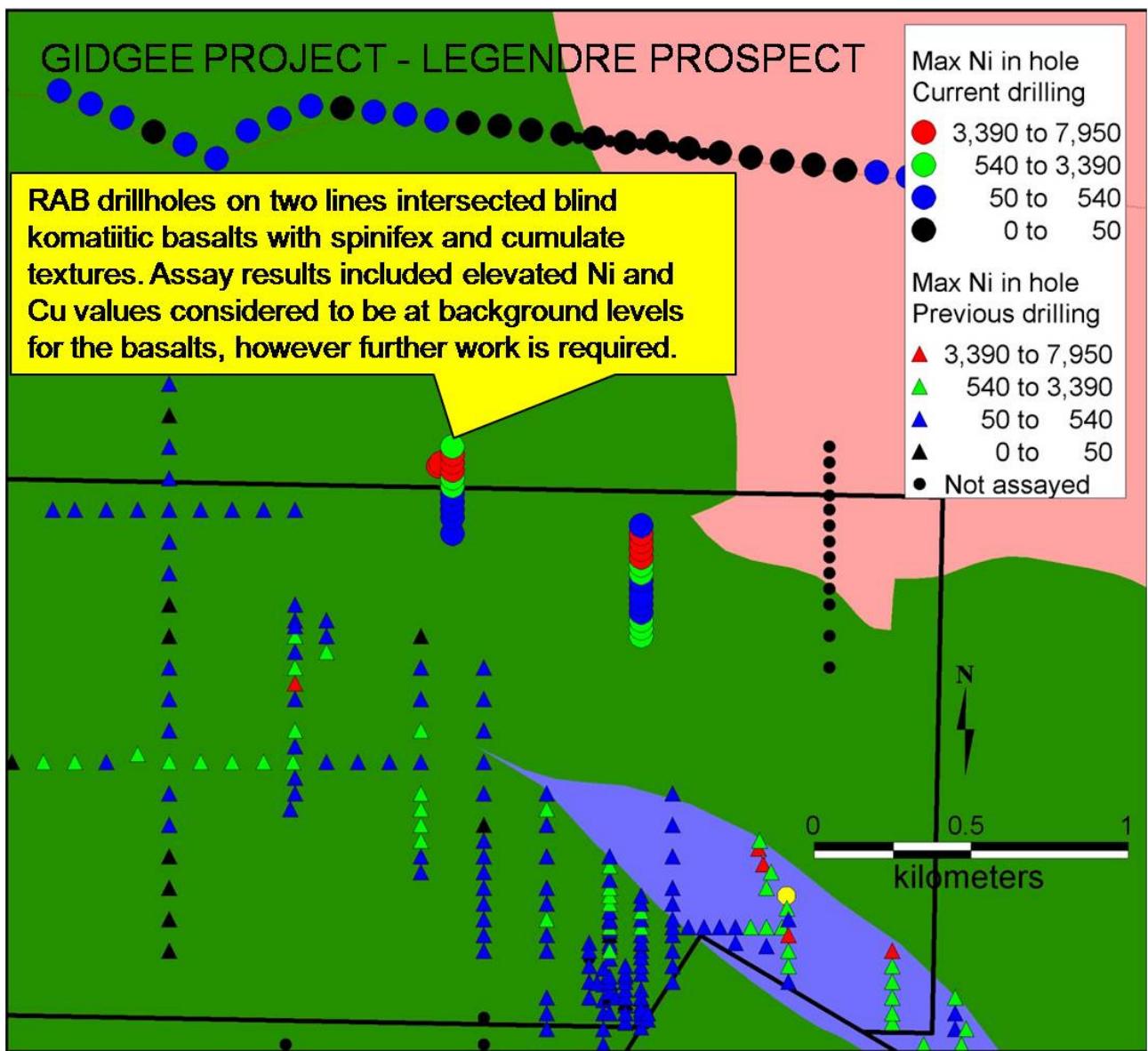


Figure 3. Legendre area, showing current and historic drilling and maximum downhole nickel geochemistry

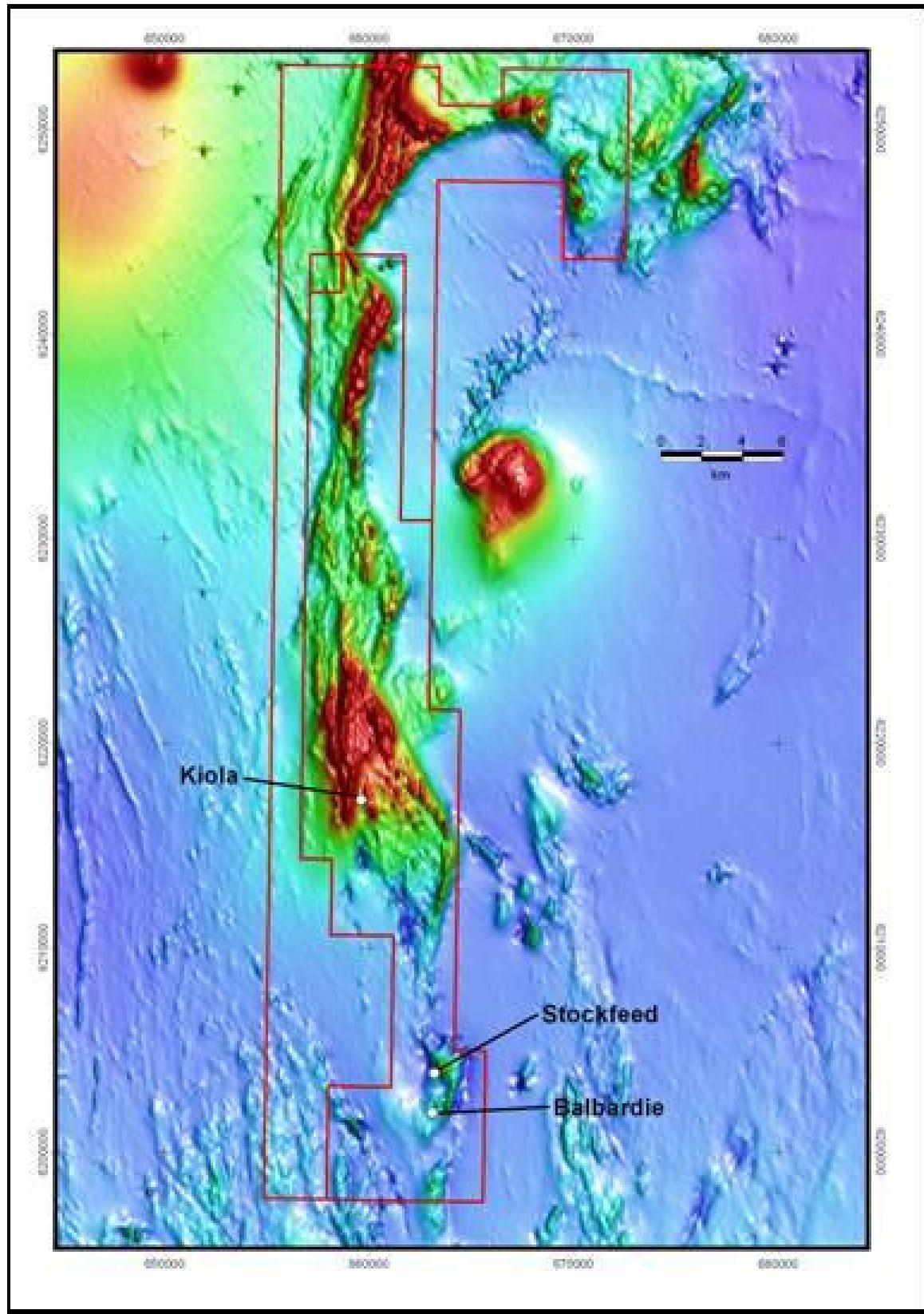


Figure 4. Cowra JV area, showing prospect locations

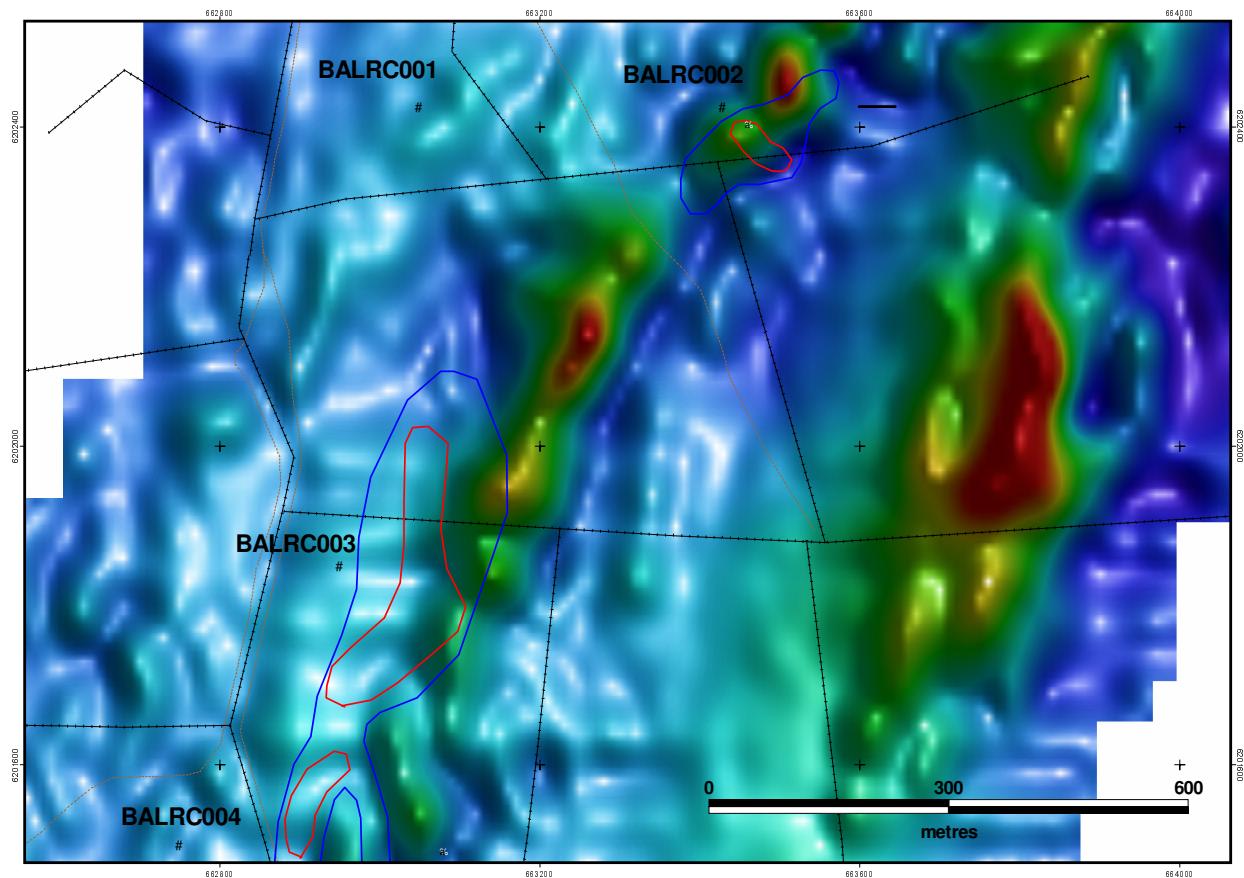


Figure 5. Drillhole locations, Balbardie, on magnetics image