

# Quarterly Report

## For the period ended 31<sup>st</sup> December 2008

### HIGHLIGHTS

- Following positive drilling results, Minotaur in alliance with Mitsubishi Corporation and Mitsubishi Materials Corporation have decided to continue, and expand their base metal search over the Cowra JV in New South Wales.
- EM surveying over various areas within the Gidgee Project has resulted in conductors worthy of follow up.
- Options for the Montague area, including the Whistler gold resource of 25,600ozs at Gidgee are to be re-evaluated given the positive gold outlook.
- Subsequent to the end of the period the company has raised an additional \$400,000 in working capital through a private share placement.

### OVERVIEW OF EXPLORATION PROJECTS

#### WESTERN AUSTRALIA

##### GIDGEE PROJECT

During the quarter 88 RAB holes for 2817m were drilled and 25km of MLTEM surveying was completed over the Gidgee Project. The drilling targeted gold and nickel over a number of areas, resulting in some weak nickel anomalism over komatiites and some weak gold anomalism in other areas.

Legend Mining continued work on their Bungarra Project, in which Gateway have a joint venture. This included an EM survey on the southern edge of E57/709 which was carried out in conjunction with EM surveying on the adjacent 100% Gateway held licences P57/1179 and P57/1181. This EM surveying was part of a larger programme carried out through Gateway's leases which resulted in a number of anomalies worthy of follow-up. Drillhole and survey locations are shown on figure 2.

Work in the current quarter will include aircore drilling to follow up the EM anomalies, follow-up EM surveying and the ongoing review of historic exploration data. The company is also actively seeking JV partners to operate and manage the tenements.

##### Montague Area

###### The Cup E57/417

*Gateway 100%*

EM surveying south of The Cup (Area 5 in Figure 2) has resulted in moderate conductors being outlined. These surveys were targeted at the along strike extension

of the interpreted structure over which The Cup is located. These conductors, along with those in Area 4, maybe related to pyrite and/or graphite, and as such will need to be drill tested as they represent possible gold and/or copper targets.

### **Airport Central Joint Venture**

*Gateway 85%, Herald Resources 15%*

Gateway has continued to review all data from the project, including a consultants report with suggested drilling targeting the deeper sulphide potential. The company considers that this area still has significant potential for deeper sulphide mineralisation as only limited drilling has been carried out below the oxide zone. This has been confirmed by previously reported drilling carried out by former JV partner WCP Resources, with 22m @ 14.94g/t gold (including 9m @ 33.82 g/t gold) being intersected in hole WCR017 drilled into the Whistler inferred resource (25,600oz at a grade of 7.50g/t gold). Hole WCR018, drilled to the east of WCR017 intersected what has been interpreted as a hanging wall shoot to the resource, with this requiring follow up.

Other encouraging intersections resulted from this programme, with follow up required.

The company is actively seeking joint venture partners for what is considered a very prospective area.

### **Bungarra West Joint Venture E57/709 / North Montague Area P57/1179, P57/1181**

*Gateway 30%, Legend Mining 70%/ Gateway 100%*

EM surveying was carried out in conjunction with Legend over the southern part of the Bungarra West JV tenement E57/709 and the two northernmost Montague area leases, P57/1179 and 1181.

The work within E57/709 identified a strong conductor with a 400m strike extent and a depth of less than 50m. The work on the Gateway tenements outlined a number of strong conductors, associated with magnetic highs and interpreted folded gabbroic sills associated with the Bungarra Complex (Figure 2).

One interpretation is that the conductors within the Gateway tenements may be caused by magmatic associated pyrrhotite, thus enhancing its prospectivity for Ni/Cu/PGE ultramafic-associated mineralisation.

It is planned to follow up the anomalies on the 100% owned tenements through aircore drilling in the coming quarter.

## **Barrelmaker Area**

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### **West Crater E57/563**

*Gateway 100%*

EM surveying and RAB drilling within this tenement did not result in any significant conductors or geochemistry.

## Barrelmaker West E57/685

Gateway 100%

EM surveying, targeting an interpreted komatiitic flow on the western side of the licence (Area 1), resulted in one weak conductor being outlined. This anomaly sits at the base of magnetic trend and EM follow up surveying is currently underway to test this anomaly. Given the geology, the area can be considered prospective for komatiite-associated nickel mineralisation.

RAB drilling within this tenement, as well as other Barrelmaker tenements resulted in some areas of anomalous nickel, associated with ultramafic units and also some weak gold anomalism.

## NEW SOUTH WALES

### COWRA PROJECT EL 5514 & 6102

Gateway 100%, Minotaur together with Mitsubishi Corporation/Mitsubishi Metals Corporation earning 75%

Assays have been received for the previously reported six hole drilling programme that was completed by Gateway's JV partners during 2008.

This drilling program (six holes for 1418 metres) of combined RC-diamond was designed to test a combination of geology and geophysical targets (magnetic, IP) with three holes being drilled at the Balbardie Prospect and three holes at the Kiola Prospect (Figure 3) as tabulated below.

Prospect	Hole	Easting	Northing	Depth	Dip	Azimuth (true)
Kiola	KIORC001	659180	6217000	239.5	-68°	93°
Kiola	KIORC002	659540	6217200	337.4	-60°	92°
Kiola	KIORC002	660185	7217245	252.0	-90°	vertical
Balbardie	BALRC002	663450	6202425	179.3	-60°	120°
Balbardie	BALRC003	662950	6201850	221.1	-60°	90°
Balbardie	BALRC003	662745	6201505	188.5	-60°	90°

Drillholes at each prospect intersected altered metasediments and volcanics, with massive and disseminated pyrite and pyrrhotite coincident with the IP anomalies being tested. A summary of the drillhole results is provided below.

Hole	Results
KIORC001	Disseminated pyrite, with no anomalous base metals
KIORC002	Disseminated pyrite and pyrrhotite - <b>3m @ 0.41% Zn from 84m</b>
KIORC002	Bands of massive pyrite, pyrrhotite and chalcopyrite <b>4m @ 0.13% Cu from 174m, 6m @ 0.64% Cu from 198m</b>
BALRC002	Pyrite and pyrrhotite throughout, no anomalous base metals
BALRC003	Disseminated pyrite and pyrrhotite - <b>3.4m @ 0.42% Cu from 71.6m</b>
BALRC003	Massive pyrite and pyrrhotite veins - <b>4m @ 0.11% Cu from 90m</b>

In view of the results, Minotaur and Mitsubishi have decided to expand their commitment to the JV, with future work including a 350km<sup>2</sup> airborne EM survey to be flown over Minotaur's JV areas in early 2009.

## QUEENSLAND

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

*Gateway 100%*

Following the decision of Minotaur to exit the Surprise JV, Gateway has been reviewing all historic exploration data with a view to planning further work on the tenements.

### **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**

Subsequent to the end of the period, the company raised \$400,000 in working capital through a private placement of 5 million shares at \$0.08 each.

***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.*

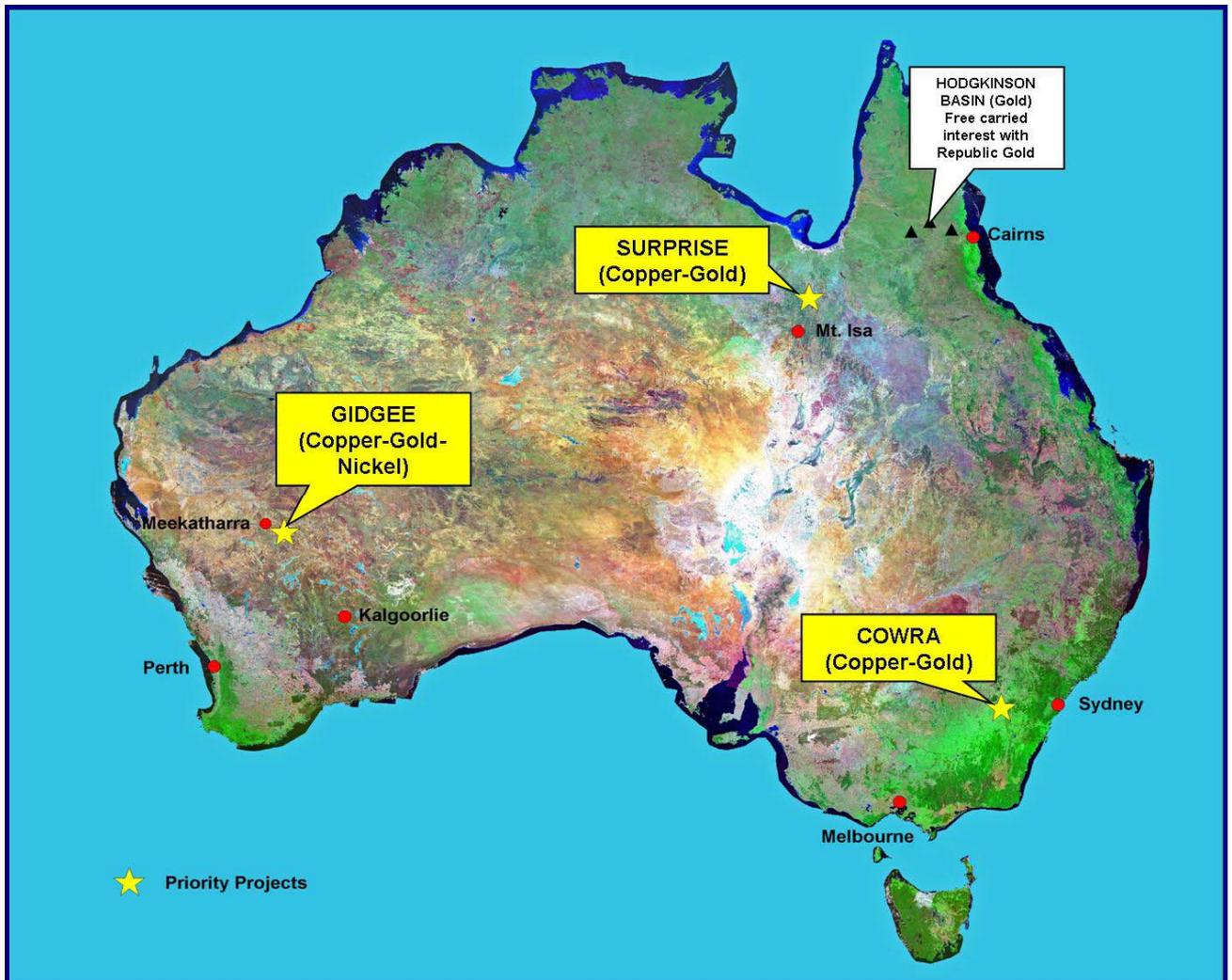


Figure 1. Gateway Mining Limited Project Locations

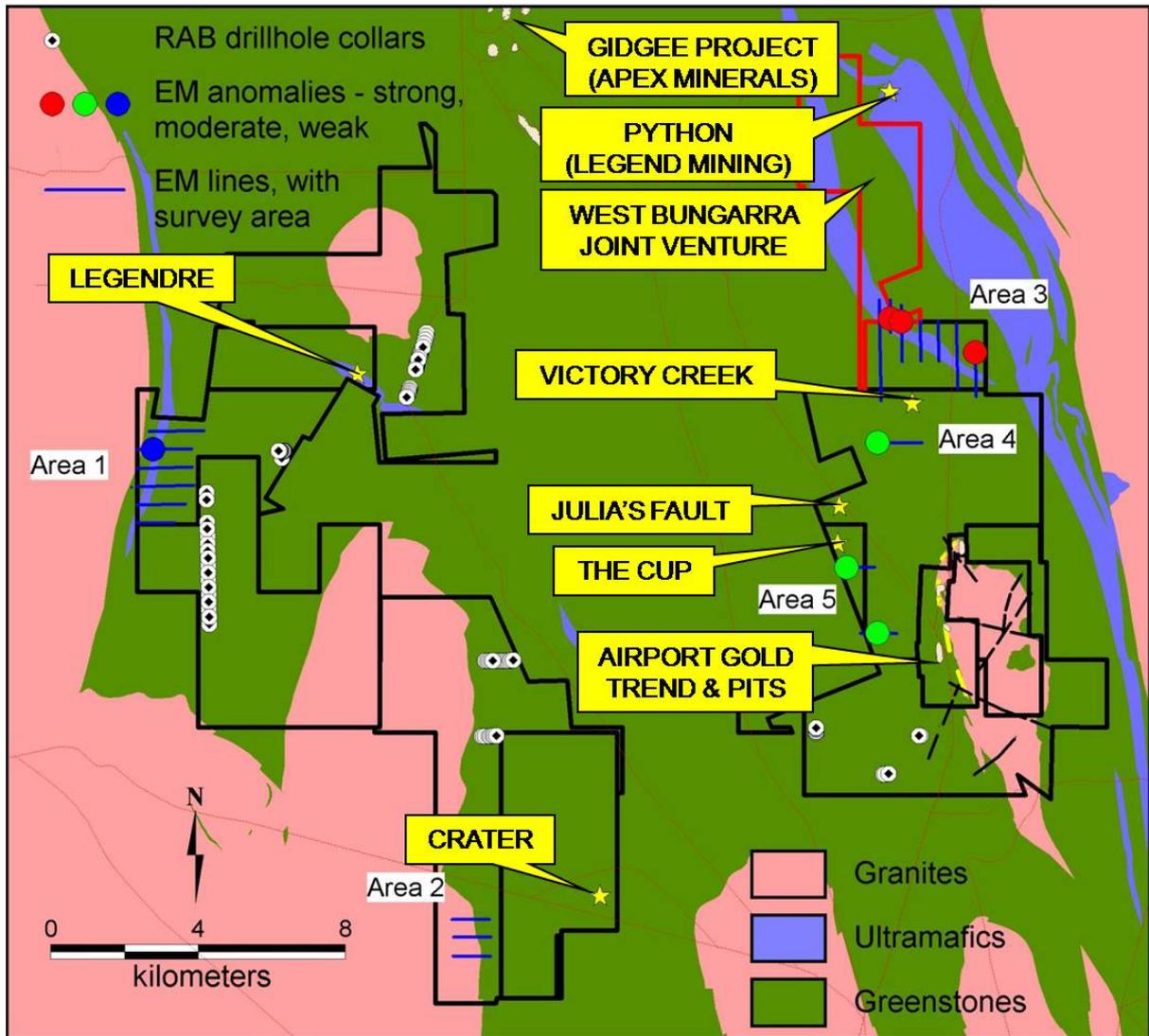
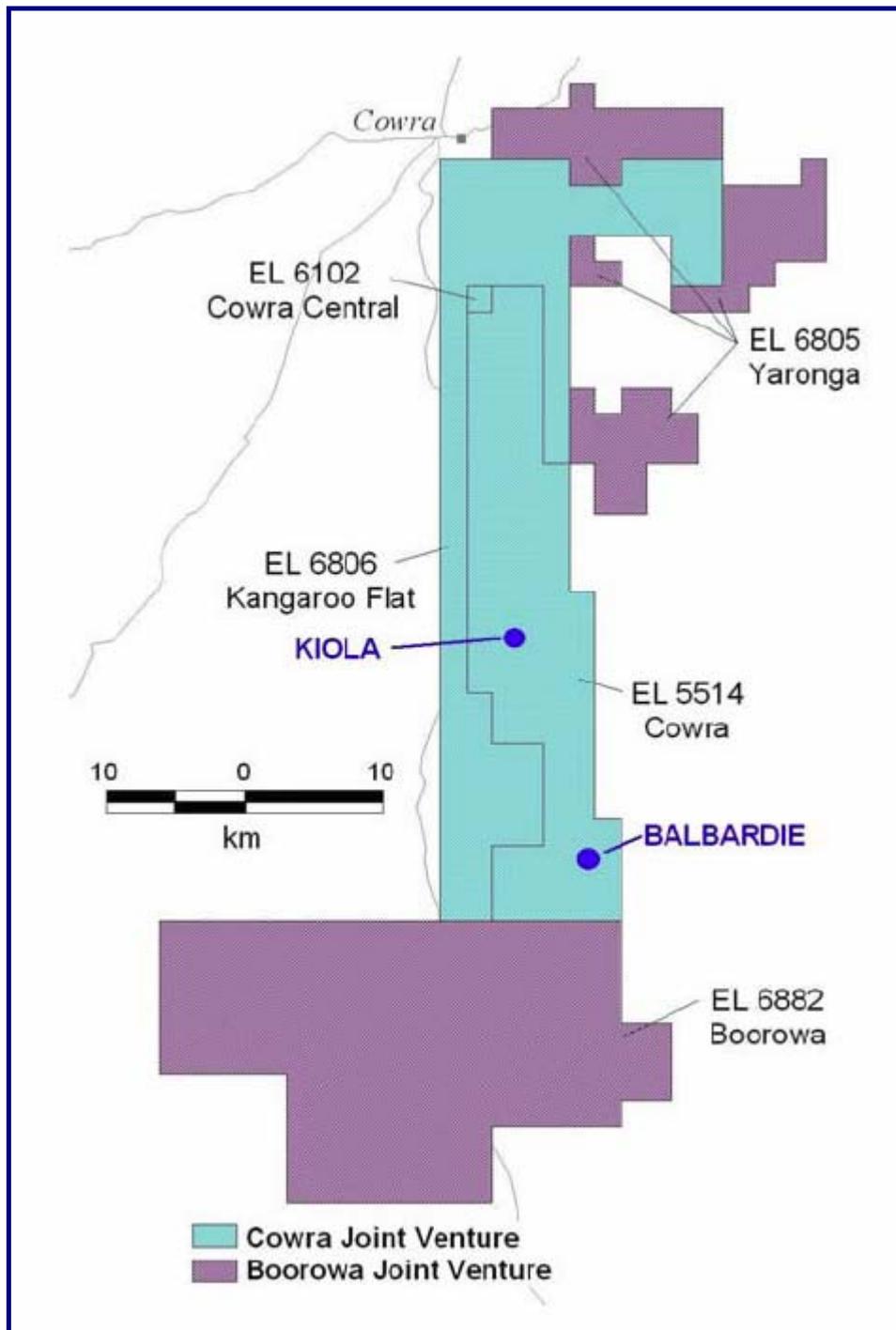


Figure 2. Prospect locations and location of current RAB drillholes and EM survey lines, Gidgee Project



**Figure 3.** Cowra JV area, showing prospect locations. Gateway's interest is within the "Cowra Joint Venture" only. (From Minotaur release, 27/11/2008)