

# Quarterly Report

## For the Quarter ended 31<sup>st</sup> March 2008

### HIGHLIGHTS

- Directors are encouraged by the exciting intersections of **80m @ 0.66% Cu, including 20m @ 1.46% Cu (GRC200); and 90m @ 0.37% Cu, including 25m @ 0.64% Cu (GRC199)** at its fully owned prospect at The Cup, within the Gidgee tenements. These results were announced to the market on 23 April 2008, and follow a previous intersection of 30m @ 1.0% Cu.
- Drilling at Julia's Fault has enhanced the potential of the prospect, and confirmed previously announced results. Results of drilling during the current quarter include:

GRC193	43m-47m	4m @ 1.58g/t Au
	50m-51m (EOH)	1m @ 2.22g/t Au
GRC 196	67m-81m (EOH)	14m @ 2.94g/t Au
<i>Including</i>	<i>67-76m</i>	<i>9m @ 4.20g/t Au</i>

- A VTEM survey over the West Bungarra Joint Venture area by Legend Mining has highlighted a number of strong conductive features within the JV area
- A four hole drilling programme at the Surprise prospect in Queensland by joint venture partners Minotaur Exploration targeted at a number of significant IP anomalies intersected two sulphide zones that await the return of assay data.
- Drilling at the highly prospective Cowra Project is expected to commence in early May.
- Results obtained during the quarter are very positive, and confirm the prospectivity of GML's holdings.

### OVERVIEW OF EXPLORATION PROJECTS

#### WESTERN AUSTRALIA

##### GIDGEE PROJECT

During the March quarter 21 reverse circulation (RC) holes were completed by GML for a total of 2767m. The program tested a number of defined targets as well as testing new ground. This was carried out on both the Montague and Barrelmaker areas of GML's tenements. Significant results were returned from three of the prospects, namely The Cup (copper), Julia's Fault (gold) and Victory Creek (gold). Where required one metre splits of composite samples will be collected and assayed during the June quarter, and interpretation of all results of the programme is currently underway. The initial results and preliminary interpretations from The Cup and Julia's Fault were released to the market on April 23, 2008.

In addition two new Prospecting Licences were pegged to cover approximately 3sq km of vacant ground abutting the Montague group of leases.

Work on the main JV areas (Airport Central with WCP Resources Limited and the West Bungarra JV with Legend Mining Limited) was carried out by the JV operators, with this WORK detailed below.

## Montague Area

### The Cup E57/417

Gateway 100%

The program of five RC holes for a total of 848 m was designed to follow up significant copper mineralisation from previous drilling and coincident ground EM anomalies. Significant results from the drilling are presented in the table below.

Hole	East UTM	North UTM	Dip/Azimuth	Total Depth	From (m)	To (m)	Length (m)	Cu %	Notes
GRC199 <sup>(1)</sup>	748000	6968070	-60/090	171	55	145	90	0.37	45 g/t Ag from 55-60m
<b>Including</b> <sup>(2)</sup>	<b>748000</b>	<b>6968070</b>	<b>-60/090</b>	<b>171</b>	<b>75</b>	<b>100</b>	<b>25</b>	<b>0.64</b>	
<b>Including</b> <sup>(3)</sup>	<b>748000</b>	<b>6968070</b>	<b>-60/090</b>	<b>171</b>	<b>85</b>	<b>90</b>	<b>5</b>	<b>1.48</b>	
GRC200 <sup>(1)</sup>	747975	6968000	-60/090	171	65	145	80	0.66	
<b>Including</b> <sup>(2)</sup>	<b>747975</b>	<b>6968000</b>	<b>-60/090</b>	<b>171</b>	<b>65</b>	<b>115</b>	<b>50</b>	<b>0.94</b>	
<b>Including</b> <sup>(3)</sup>	<b>747975</b>	<b>6968000</b>	<b>-60/090</b>	<b>171</b>	<b>90</b>	<b>110</b>	<b>20</b>	<b>1.46</b>	

Notes:

- (1) Calculated on a 0.1% Cu cutoff
  - (2) Calculated on a 0.5% Cu cutoff
  - (3) Calculated on a 1.0% Cu cutoff
- Minimum intersection width of 5m (1 composite sample)  
Up to 5m (1 sample) internal dilution allowed in all calculations

The prospect has had previous drilling, including aircore work in the early 1990's. Past work by Gateway has included a number of RAB and RC drillholes, including two with significant intersections (GRC182 and 183) as reported in early 2007. These holes were the first to be drilled below the aircore drillholes.

A detailed interpretation is yet to be carried out on this prospect, however preliminary work indicates "The Cup" is a highly prospective copper exploration target with possible multiple parallel zones of copper mineralisation. Further drilling is required to test the potential of the prospect, and 1m samples of the mineralised composites will be collected for assay during the coming quarter.

### Julia's Fault M57/429

Gateway 75%, Red 5 25%

The Julia's Fault prospect is located immediately NNE of "The Cup", and is possibly located along the same or a parallel structure, north of where appears to swing around from SSE to NNE. The geology of The Cup and Julia's Fault is similar - both being within strongly altered metasediments, and having mineralisation associated with disseminated to massive sulphides.

A series of eight holes (GRC187 to 189; GRC192 to 196) were drilled for 790m. The objective of the drilling was to explore the Julia's Fault massive sulphide horizon north-eastwards testing both existing gold anomalism and strong ground EM responses.

Significant results from this programme are presented below. A more comprehensive listing is provided in the release of 23 April 2008.

Hole	East UTM	North UTM	Dip/Azimuth	Total Depth	From (m)	To (m)	Length (m)	Au ppm	Notes
<b>Julia's Fault RC Drilling</b>									
GRC193 <sup>(1)</sup>	748140	6969100	-60/090	51	41	48	7	1.01	
<i>Including<sup>(2)</sup></i>	748140	6969100	-60/090	<b>51</b>	<b>43</b>	<b>47</b>	<b>4</b>	<b>1.58</b>	
<b>GRC193<sup>(2)</sup></b>	748140	6969100	-60/090	<b>51</b>	<b>50</b>	<b>51 (EOH)</b>	<b>1</b>	<b>2.22</b>	
GRC194 <sup>(1)</sup>	748100	6969000	-60/090	81	10	35	25	1.13	
<i>Including<sup>(2)</sup></i>	748100	6969000	<i>-60/090</i>	<b>81</b>	<b>25</b>	<b>35</b>	<b>10</b>	<b>2.42</b>	
GRC194 <sup>(1)</sup>	748100	6969000	-60/090	81	50	81 (EOH)	31	0.65	5m comps (6m last sample)
<i>Including<sup>(2)</sup></i>	748100	6969000	<i>-60/090</i>	<b>81</b>	<b>55</b>	<b>60</b>	<b>5</b>	<b>2.37</b>	<i>5m comps</i>
GRC196 <sup>(1)</sup>	748090	6969100	-60/090	81	67	81	14	2.90	
<i>Including<sup>(2)</sup></i>	748090	6969100	<i>-60/090</i>	<b>81</b>	<b>67</b>	<b>76</b>	<b>9</b>	<b>4.20</b>	
<i>Including<sup>(3)</sup></i>	748090	6969100	<i>-60/090</i>	<b>81</b>	<b>68</b>	<b>72</b>	<b>4</b>	<b>6.90</b>	
<b>Victory Creek RC Drilling</b>									
GRC203 <sup>(1)</sup>	750300	6971800	-60/360	153	75	130	55	0.46	5m comps
<i>Including<sup>(2)</sup></i>	<b>750300</b>	<b>6971800</b>	-60/360	<b>153</b>	<b>95</b>	<b>100</b>	<b>5</b>	<b>1.88</b>	<b>5m comps</b>

Notes:

(1) Calculated on a 0.1g/t Au cutoff

(2) Calculated on a 1.0g/t Au cutoff

(3) Calculated on a 5.0g/t Au cutoff

Minimum intersection width of 1m, except where noted with 5m composites

No internal diluted required in intersection calculations

The prospect is a virgin find by Gateway, discovered in 2005 in RC drilling testing gold anomalism in RAB drillholes. Initial interpretations indicate a shallowly westerly dipping zone of mineralisation, with this being open along strike to the north.

Interpretation of the results of the drilling is currently underway.

### Victory Creek M57/485

Gateway 75%, Red 5 25%

Three holes (GRC 202, 203, and 204) were drilled for 503m. The targets tested were of a low-level nature. The main objective was to better define the geometry of anomalous gold previously encountered on the 750300E section and weak arsenic anomalism previously encountered on the 750600E line.

Significant gold, arsenic and antimony anomalism was returned from GRC203 on the 750300E line which included a 55m intersection at 0.46g/t from 75-130m downhole. This included 5m @ 1.88g/t Au from 95m, all collected from 5m composites.

Interpretation of the results is currently underway.

## **Pistol M57/485**

*Gateway 75%, Red 5 25%*

This prospect is located approximately 900m south of the Victory Creek prospect.

Two holes (GRC190, 191) were drilled for 181m, and returned no significant assays.

## **Airport Central Joint Venture**

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

WCP have engaged an independent consulting group to fully evaluate the database and identify drill targets. The consultants are now in the final stages of planning an RC-diamond drill program that will include follow-up drilling of high-grade gold intersected in the previous drill program at Whistler. Drill targets will be finalised following additional surface mapping and sampling in progress, with drilling planned for mid-2008.

## **Bungarra West Joint Venture**

*Gateway 100%, Legend Mining earning 75%*

During the quarter Legend mining, as operators of the JV, carried out a VTEM survey over the entire Bungarra Intrusive Complex. The results indicated a strong conductive feature extending south from the Python prospect into the JV tenement, as well as a number of features on the western margin of the BIC in areas of transported cover.

Legend carried out aircore drilling on a number of the targets, however assay results are pending.

## **Barrelmaker Area**

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### **Legendre E57/232**

*Gateway 80%, Paul Legendre 20%*

Two holes (GRC184 and 185) were drilled for 267m. The holes tested the north-eastern basalt/ultramafic contact position for indications of basal nickel sulphides. No evidence of nickel sulphides was observed about the contact. Nickel values to 7171 ppm and MgO values to 26% appear consistent with background values for Ni and MgO common in komatiite volcanic suites.

### **Crater E57/334**

*Gateway 80%, Herald Resources 20%*

One RC hole (GRC186) was drilled for 175m. The hole was drilled to test an outcropping ironstone horizon and coincident moderate ground EM response within or in contact with sub-cropping ultramafic rocks.

The ironstone was found to be the surface expression of a graphitic sulphide-bearing shale unit at the contact of the ultramafic rock unit. Again no evidence of nickel sulphides was observed and nickel and MgO assays were consistent with expected background values for ultramafics in the region.

## NEW SOUTH WALES

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

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

The situation is unchanged concerning drilling at Cowra. A rig has been contracted but the start date has been delayed due to a number of special requirements for this job. The program calls for 7 holes for a total of 1550 metres on various IP and Magnetic geophysical targets all of which correspond to well defined soil geochemical targets.

The two main areas to be drilled are Kiola and Balbardie. Details of the targets were presented in the previous Quarterly report. Drilling is expected to commence in early May 2008.

## QUEENSLAND

### **SURPRISE PROJECT**

*Gateway 100%, Minotaur earning 75%*

Several IP targets were drill tested in a four (4) hole angled RC drilling program totalling 438m. Visible sulphides occur in two holes and assay results are pending.

### **HODGKINSON BASIN**

*Gateway 6% free carried*

No work was completed during the quarter. There has been a program of Mine Development lease renewal done by Republic Gold.

***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***

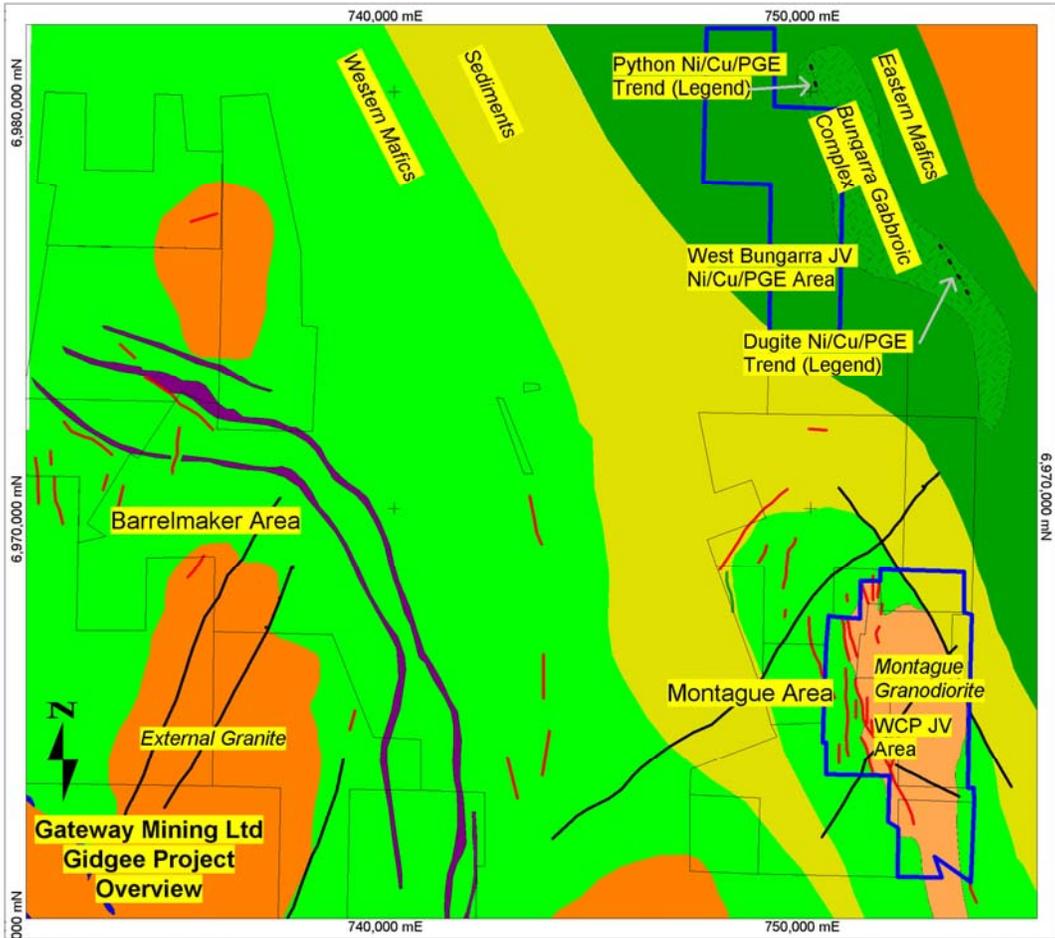
*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr. R.A.Creelman, a Director of the company, a Fellow of the Australasian Institute of Mining and Metallurgy and a Certified Professional (CP) of Aus. I.M.M. Dr.R.A.Creelman 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.*

## MINING TENEMENTS

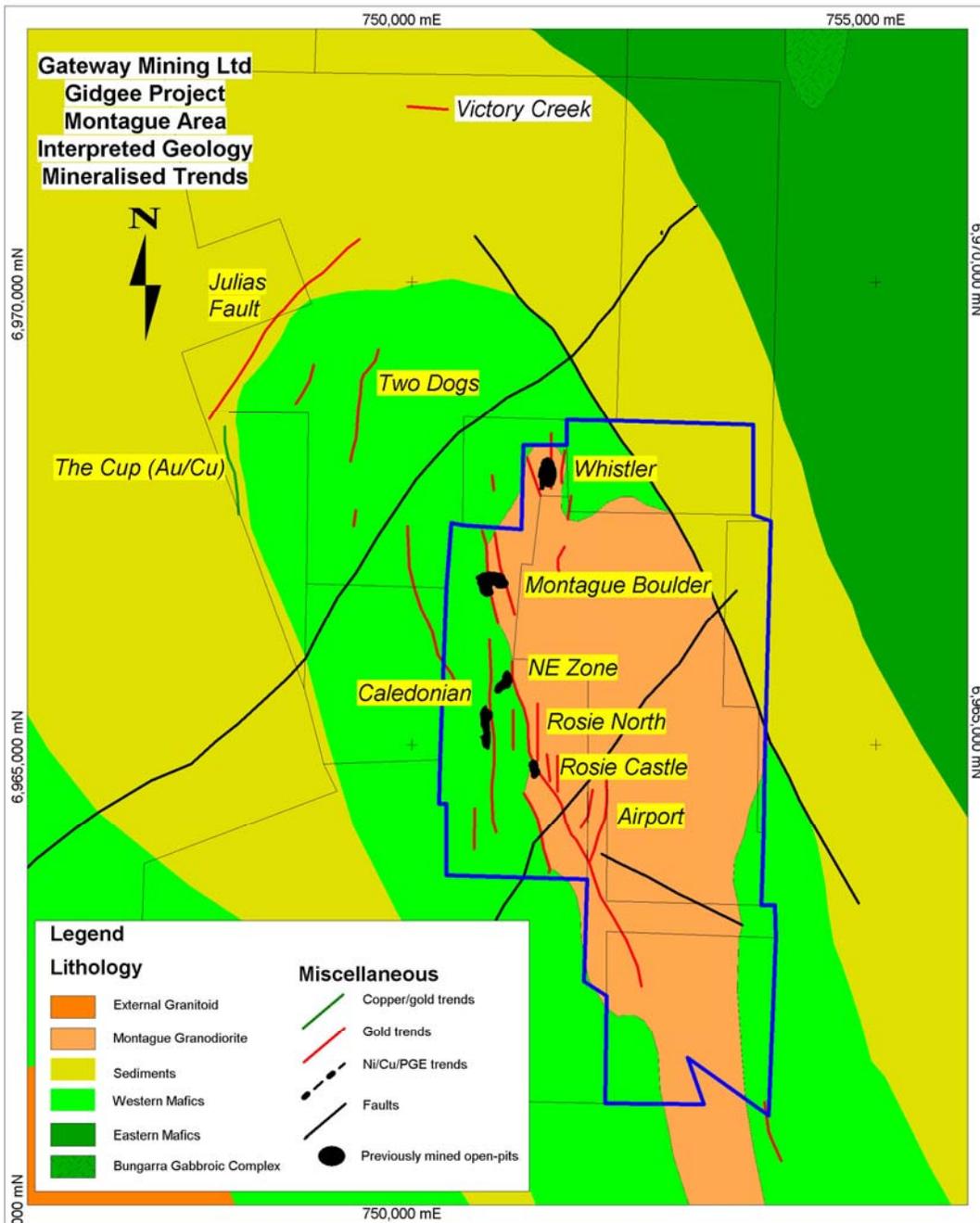
The company holds the following percentage interest in the undermentioned tenements.

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 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

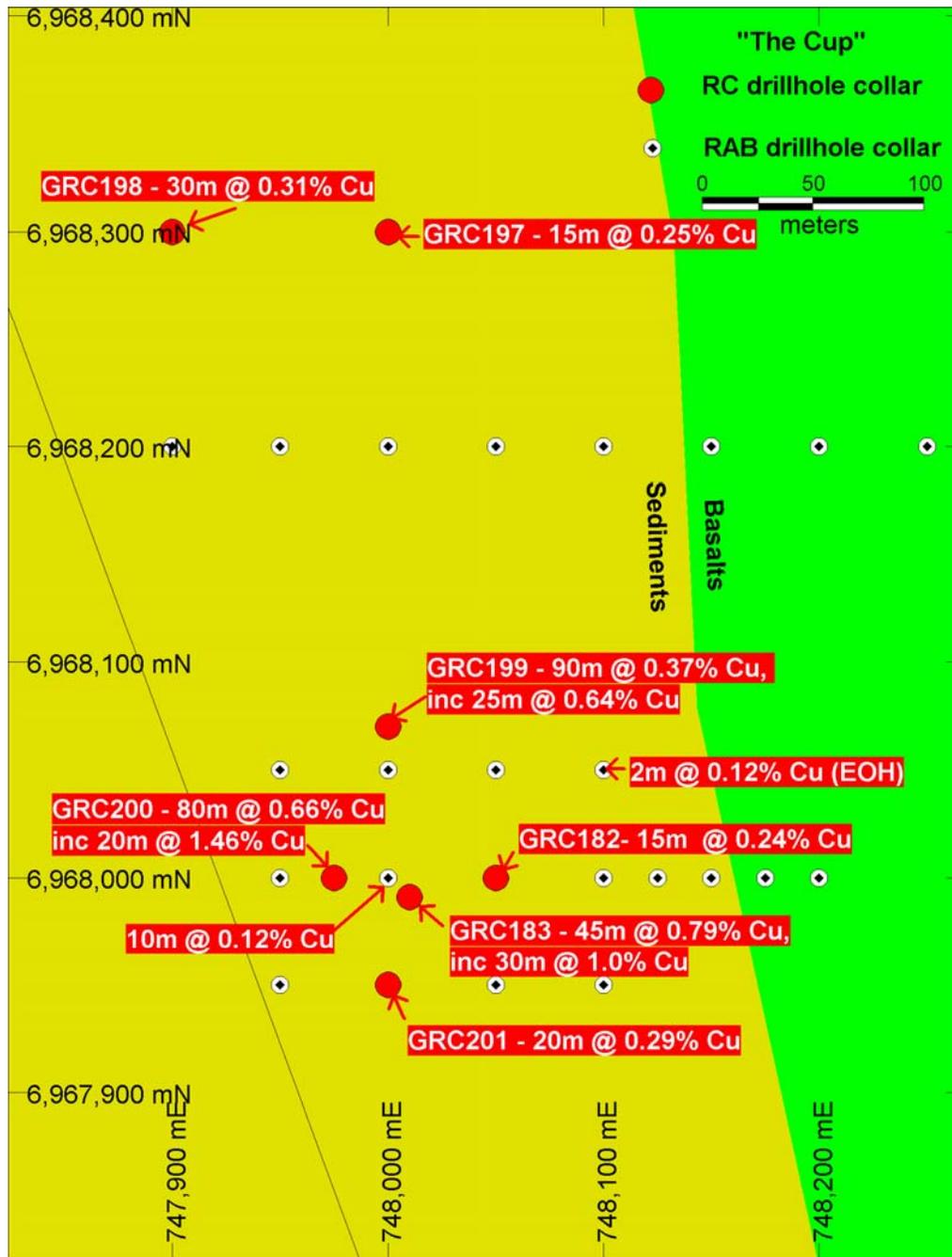
- Denotes- Transfers to be lodged with Department of Natural Resources and Mines. Gateway to reduce to 6% on approval. + Denotes- Transfers to be lodged with Department of Natural Resources and Mines. Gateway to reduce to 6% on approval.



Overview of Gidgee Project tenements



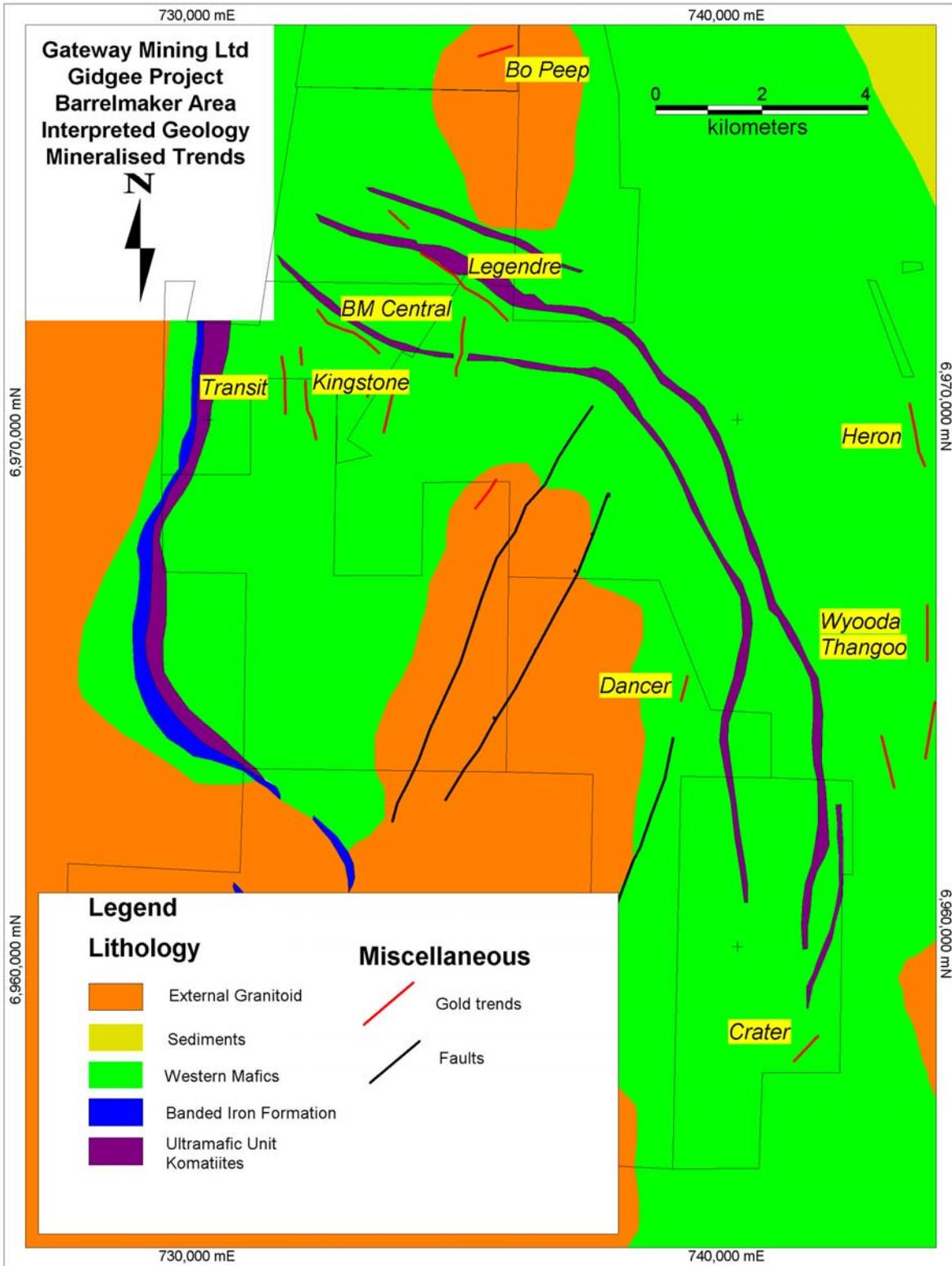
Montague area tenements and prospects, Gidgee Project



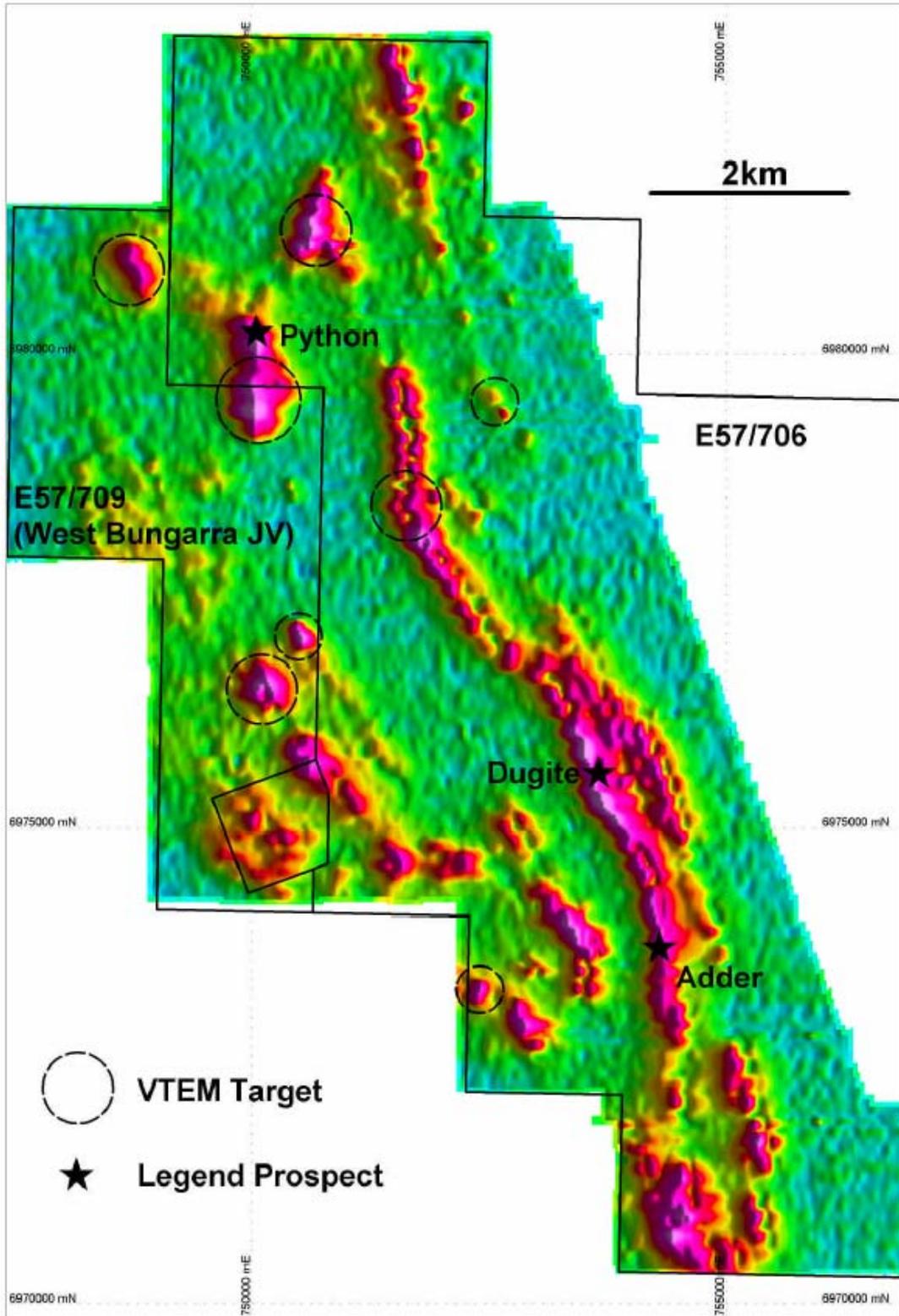
Drilling plan and significant results, The Cup (intersections calculated on 0.1% and 0.5% copper downhole cutoffs)



Drilling plan and significant results, Julia's Fault (intersections calculated at 0.1g/t and 1g/t gold downhole cutoffs)



Barrelmaker area tenements and prospects



Bungarra West JV VTEM image (CHANNEL 34) and targets (source - Legend Mining March 2008 quarterly report)