

## Quarterly Report

For the Quarter ended 31<sup>st</sup> December 2007

### HIGHLIGHTS

- Another area of interest has been identified within the Cowra leases at Ingleside, where there is a Cu in soils anomaly, and selected rock chip samples yields values up to 3% Cu, and gold at 1.4 g/t.
- The Cowra leases will be drilled in the March quarter to test significant IP responses that correlate with known geology and magnetics.
- Drilling of targets at Surprise, Queensland, pinpointed from recent gravity surveys and reinterpretation of IP responses, is also expected to take place in the March quarter.
- Gateway's JV partner WCP is proceeding with an intensive review of all geological data with a view to better define drill targets. This will be completed in the coming quarter.
- A program of RC drilling is planned to follow up significant EM responses at Julia's Fault, to test gold targets at Victory Creek, and work on the copper prospect at the Cup is proceeding despite rain and inclement heat in the area.
- Legend Mining continues work on their Python copper-nickel-platinum group elements which includes Gateway's P57/976 lease areas. Electromagnetic geophysics has identified strong conductors. A total of 507 soil samples await assay results.

### OVERVIEW OF EXPLORATION PROJECTS

#### NEW SOUTH WALES

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

*Gateway 100%, Minotaur - Mitsubishi JV earning 75%*

Various geophysical targets generated from previous electrical surveys at the Kiola and Balbardie Prospects await drill testing with a suitable RC/DDH rig. Securing a drill rig for Cowra has been problematic, but a rig has been booked for commencement between the last week of February and mid-March. Three holes will be drilled at the Kiola prospect and four holes at the Balbardie prospect, as outlined in the September quarterly.

A new Cu-Au target has been identified near Ingleside based on anomalous Cu in soils along a strike length of 200 m and a series of select rock chip samples - the three best samples assayed 3%, 1.5% and 0.16% Cu respectively, with corresponding gold values of 0.1 g/t, 0.5 g/t and 1.4 g/t Au.

## QUEENSLAND

### SURPRISE PROJECT

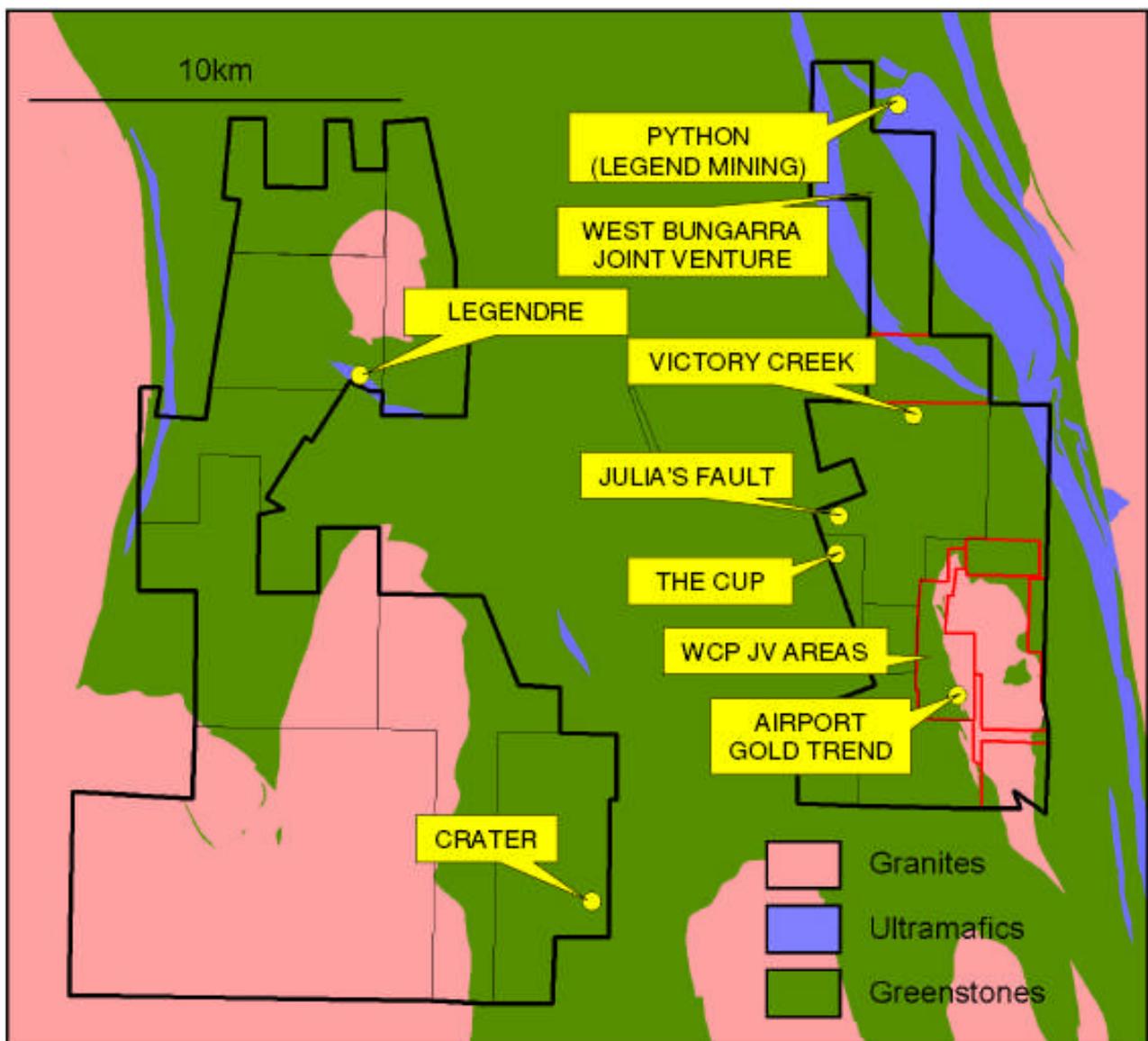
*Gateway 100%, Minotaur/Oxiana earning 75%*

As with the Cowra project, targets await the arrival of a drill rig. The advent of the wet in North Queensland has precluded drilling in early February 2008. At this time it is expected that access to the site will be possible in mid-March. Several deep drilling targets have been identified for potential copper-gold mineralization.

No further work has been completed during the Quarter.

## WESTERN AUSTRALIA

### GIDGEE



*Gidgee Project - Geology & Prospects*

## **Barrelmaker**

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*Gateway 100%*

During the previous quarter 2,480 line kilometres of detailed airborne magnetics covering approximately 105 sq km was completed over portions of the Barrelmaker area, encompassing prospective nickel and gold mineralisation targets. Interpretation of the data has been completed, and drill targets have been defined.

Assay results have now been received from 2346m of RAB drilling from 73 holes completed in late September.

This program covered prospective nickel targets at the Barrelmaker prospect and potential southern extensions to copper mineralisation at the Cup. Interpreted komatiitic flows ranging from 100m to 300m thick were intersected at Barrelmaker. The Crater area is interpreted to be prospective for Kambalda-style nickel in sulphide mineralisation associated with the base of komatiitic flows.

Within the Barrelmaker Project significant Ni was intersected within interpreted komatiitic units. These included 7m @ 8150ppm Ni at the base of hole GRB2764 at the Legendre prospect. The elevated Ni within the area is associated with sporadic weakly elevated Cu. This work, associated with the results of the magnetics data has defined approximately 12 strike kilometers of potentially prospective komatiitic stratigraphy, with another 10km of magnetic stratigraphy to be lithologically tested.

These target areas will be investigated with an RC drilling programme (25 holes for 3345m) during the March Quarter with the possibility that further regional airborne VTEM surveys may be applicable to these types of target areas in the future.

## **The Cup**

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*Gateway 100%*

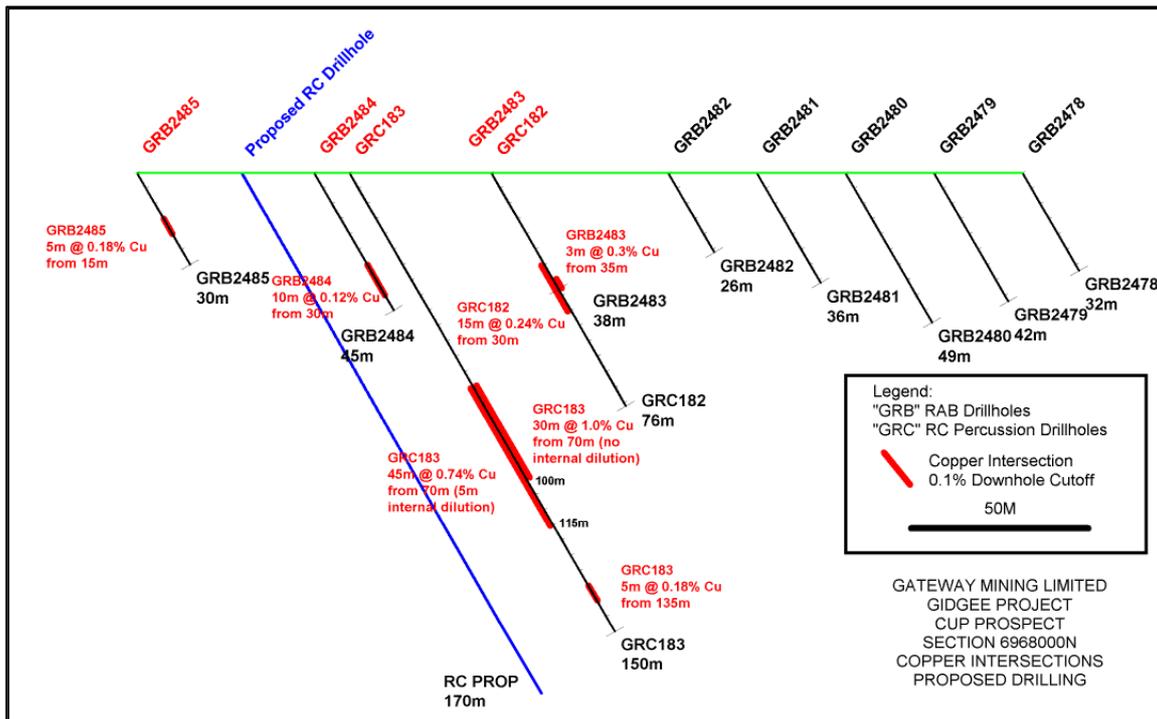
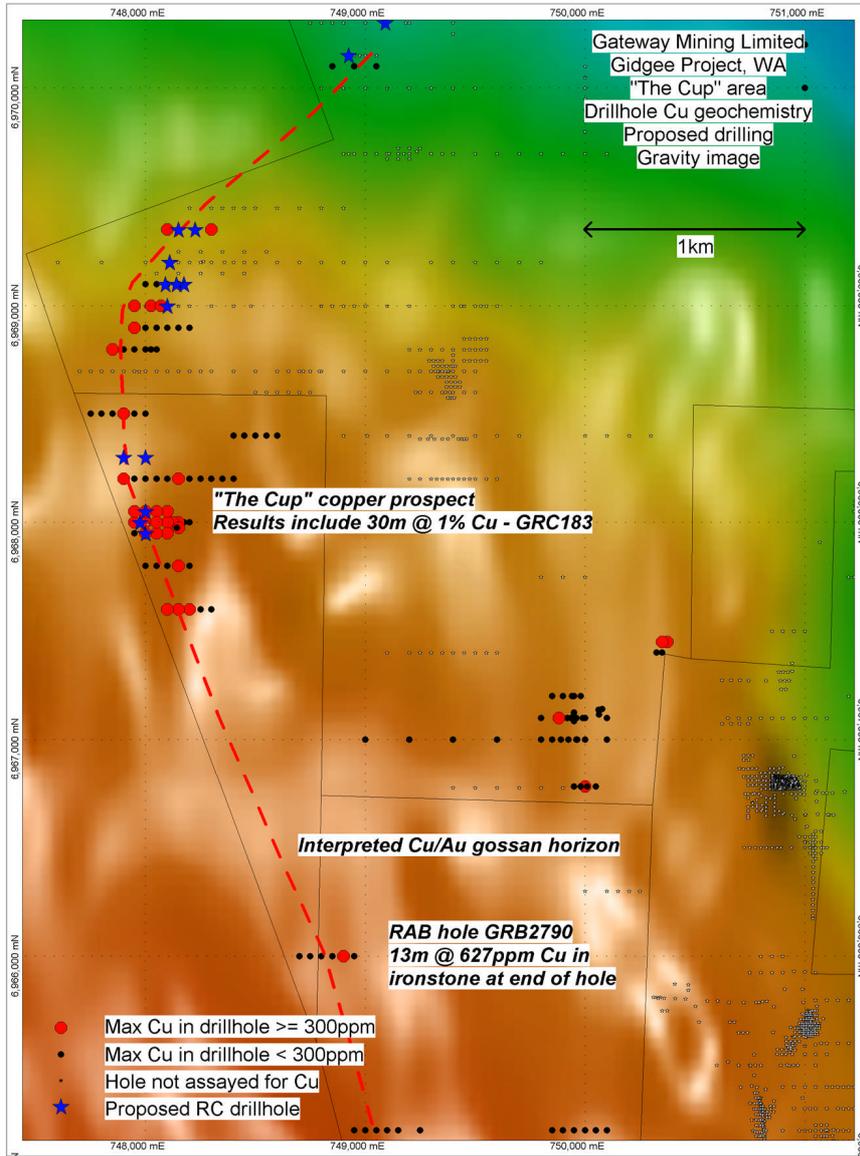
At the Cup, subsurface gossans were intersected in drilling 200m and 400m south of previously reported mineralisation of 30m @ 1% copper. Similar gossans were also intersected 1.8km and 2.5 km further to the southeast.

Significant intersections from this work included 13m @ 627ppm Cu at the base of hole GRB2790, situated on line 6,966,000N, 2km south of "The Cup", in addition to a number of other values at >300ppm Cu. Upper level gossans intersected in earlier RAB drilling over the main copper mineralization intersected in hole GRC183 returned values in the order of 200-300ppm Cu, hence Cu levels of this magnitude are considered significant in targeting possible down-dip Cu mineralization.

There are some indications that copper-gold at the Cup and the Julia's Fault gold mineralisation 800m to the north may be part of the same arcuate mineralized system controlled by the regional basalt sediment contact interpreted to date.

Gateway's 30m copper intersection could point to an exciting opportunity at the Cup since previous drilling suggests the prospect could be up to 1km long. An old drill hole 300m north of the Cup intersected 4000ppm copper. Subsurface gossans, that were not analysed, were found 200m and 400m to the south.

Significant responses were also obtained from three EM surveys over sulphide mineralisation at Julia's Fault, the Cup copper-gold sulphide mineralisation and over an ironstone horizon interpreted to be near the base of an ultramafic unit at Crater.



## Montague Projects

Gateway 100%, WCP earning 70%

Gateway entered into a Deed of Variation on 6 October 2007 with WCP Resources Limited (WCP) on the existing Option Agreement over Gateway's Barrelmaker and Airport Central projects. Under the terms of this document WCP has added four extra licences that collectively cover 7.32 square kilometres within the Montague area, and removed all tenements included within the Barrelmaker project.

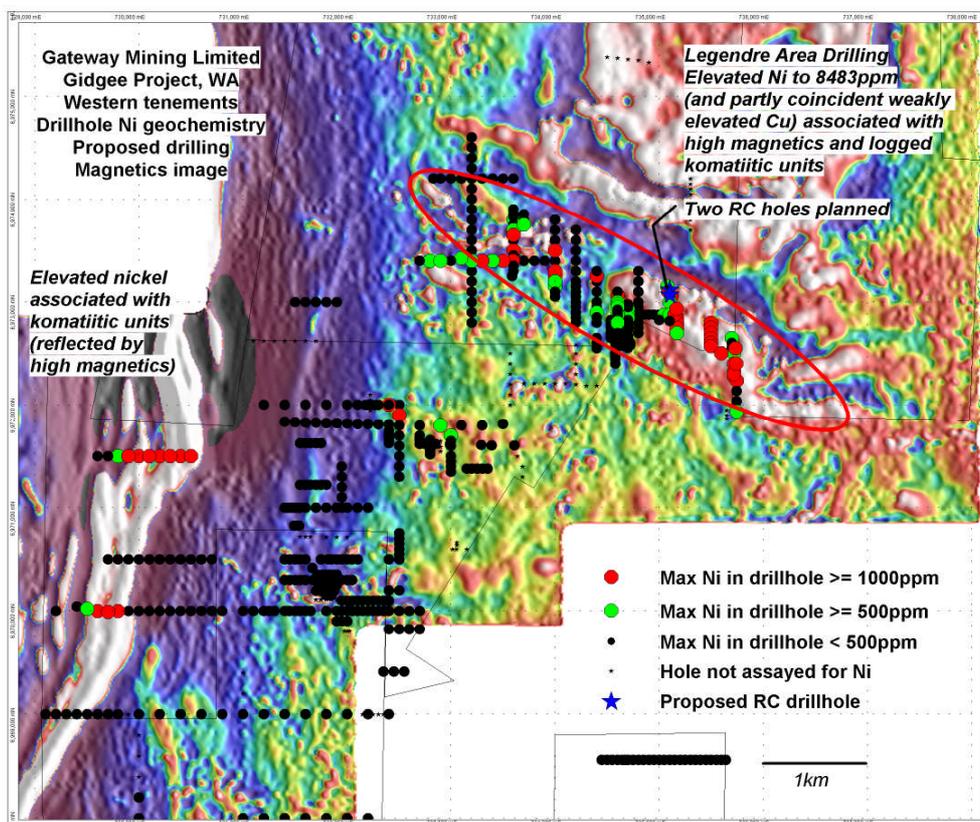
WCP as operators of the joint venture will be carrying out ongoing work on the revised joint venture area, including defining new drill targets and further assessment of the resource potential at Whistler in light of the results of the drill programme finished in the March 2007 quarter. This work will lead to a drilling programme that is scheduled in the New Year.

## West Bungarra Joint Venture

Legend 70% Gateway 30%

Legend Mining is planning a major drilling campaign over its Gum Creek project area, which includes Gateway's P57/976 lease areas. Its Python copper-nickel-platinum group elements discovery is believed to extend into the Gateway blocks.

A Moving Loop Transient Electromagnetic survey at Python has identified a strong conductor that is coincident with a mineralised gossan. Results of 507 soil samples are also awaited from the Python prospect and regional traverses over the western margin of the West Bungarra Intrusive Complex.



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 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 qualifies 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 under mentioned tenements:

<b>TENEMENT SCHEDULE</b>		
<b>PROJECT</b>	<b>TENEMENTS</b>	<b>% INTEREST</b>
GIDGEE	<p>MLA53/905 (PLA53/1304), MLA53/938 (PLA53/1331-1333), P57/976, MLA53/939 (PLA53/1306), MLA53/906 (ELA53/1298, PLA53/1303), MLA53/926 (PLA53/1330, PLA53/1334), P57/879 (MLA57/483, P57/1168, PLA57/1170), P57/882 (MLA57/472, PLA57/1150), P57/883 (MLA57/471, PLA57/1155, PLA57/1151), P57/884 (MLA57/471, PLA57/1155), P57/893 (MLA57/497, PLA57/1144), MLA57/504 (PLA57/1175-1178), MLA57/464 (PLA57/1171-1174), E57/342 (MLA57/487, ELA57/688, PLA57/1152), E57/343 (MLA57/486, ELA57/687, PLA57/1149), E57/359 (MLA57/460, MLA57/495, MLA57/496, ELA57/685, PLA57/1145-1147), MLA57/462 (PLA57/1133), MAL57/463 (PLA57/1136), MLA57/466 (PLA57/1179, PLA57/1180), MLA57/484 (PLA57/1181, PLA57/1182), E57/394 (MLA57/470, MLA57/498, ELA57/683, PLA57/1140, PLA57/1143), ELA57/563, ELA57/405, E57/417, E57/418, E57/562, E57/554, MLA53/909 (PLA53/1305), MLA57/456 (PLA57/1163, PLA57/1164),</p> <p>E57/232 (MAL57/387, MLA57/388, ELA57/686, PLA57/1148, PLA57/1183-1186) - <b>LEGENDRE JV</b></p> <p>E57/334 (MLA57/447, MLA57/488, MLA57/489, ELA57/689, ELA57/682, PLA57/1153, PLA57/1154), E57/335 MLA57/488-491, ELA57/689, ELA57/682, PLA57/1137-1139) - <b>HERALD RESOURCES JV</b></p> <p>M57/429, M57/485, E57/561 - <b>ESTURAY RESOURCES JV</b></p> <p>M57/48, M57/49, M57/99, M57/217 &amp; G57/2 - <b>HERALD RESOURCES JV (WCP JV)</b></p> <p>MLA57/446 (PLA57/1132), MLA57/503 (PLA57/1156, PLA57/1157), MLA57/461 (PLA57/1158-1160), MLA57/445 (PLA53/1325, PLA57/1161, PLA57/1162), MLA57/502 (PLA57/1165, PLA57/1166), MLA53/907 (PLA53/1326, PLA53/1327), MLA53/987 (PLA53/1328, PLA53/1329), - <b>FALCON MINERALS JV</b></p>	<p>100</p> <p>80</p> <p>80</p> <p>75</p> <p>85</p> <p>75</p>
COWRA	<p>EL 5514</p> <p>EL 6102</p>	<p>100</p> <p>100</p>
HODGKINSON BASIN	<p>EPM 9934</p> <p>EPM 10026</p> <p>EPM 11765</p> <p>EPM 12240</p> <p>MDL(A) 254</p>	<p>6</p> <p>6</p> <p>6</p> <p>6</p> <p>100*</p>
SURPRISE	<p>ML 2483, 2509, 2686, 90102</p> <p>EPM 9053, EPM 13677</p>	<p>100</p> <p>100</p>

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