

Quarterly Report

For the Quarter ended 31st December 2005

HIGHLIGHTS

GIDGEE GOLD PROJECT WA

- Top global gold producer farms in to Gateways Gidgee Gold Project.
- Two Farm-In Agreements signed with Placer Dome Australia Limited targeting a minimum 5.0 million ounces of gold. Placer to spend over \$4 million to earn 70% of selective area totalling 80 square kilometres. Gateway to retain 30% of any further acquisitions made by Placer adjoining the project.
- Through the successful takeover of Placer Dome by Barrick Gold Corp the company now has Agreements in place with the largest gold producer in the world.
- Priority drilling target at Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs. Target to be tested by reverse circulation and deep diamond drilling.
- Latest sampling confirms new gold discovery at Julia's Fault. Results of 1 metre splits of previous RC drilling have confirmed a shallow flat lying structure at Julia's Fault returning 22 metres @ 1.8 g/t gold from a depth of 65 metres. This prospect now to be explored by Barrick-Placer.
- Gateway to continue to explore remainder of its 400 square km landholding. This includes Rosie North where RAB drilling during the quarter returned 6 metres @ 8.2 g/t from a hanging wall structure located 90 metres to the east of the main mineralised zone. Previous RAB intersected multiple quartz veins over a 400 metre length while this latest drilling extends the zone a further 100 metres to the south.

COWRA NSW

- Joint Venture partner Goldminco Corporation has advised that it intends to drill three RC drill holes for a minimum of 500 metres at the Cowra Project. Three magnetic targets will be drill tested for skarn associated mineralisation. Drilling is likely to start in mid February 2006.

QUEENSLAND

- Mt Isa Surprise Project. Positive results of a soil sampling program have extended the Jolt gold-in-soil anomaly with a peak value of up to 0.11 g/t gold. The Company now seeks a joint venture partner to test numerous copper, copper-gold and gold only targets

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE GOLD PROJECT

EXPLORATION ACTIVITY

The company has completed an exciting quarter signing two Farm-In Agreements with Placer Dome Australia Limited, received positive sampling results confirming a gold discovery at Julia's Fault and completed a program of rotary airblast (RAB) drilling (2,957 metres) testing regional targets at Barrelmaker and Montague.

PLACER DOME FARM-IN AGREEMENTS

The company was pleased to announce to the ASX on 20th January 2006 that it had completed discussions with Placer Dome Australia Limited (Placer) and signed two Farm-In Agreements over a portion of its Gidgee Gold Project.

The interest shown by Placer is a major stepping stone in the company's growth and recognition that the Gum Creek Greenstone Belt has the potential to host a significant large multi-million ounce gold resource. Placer has indicated they will be targeting a minimum of **5 million ounces of gold**.

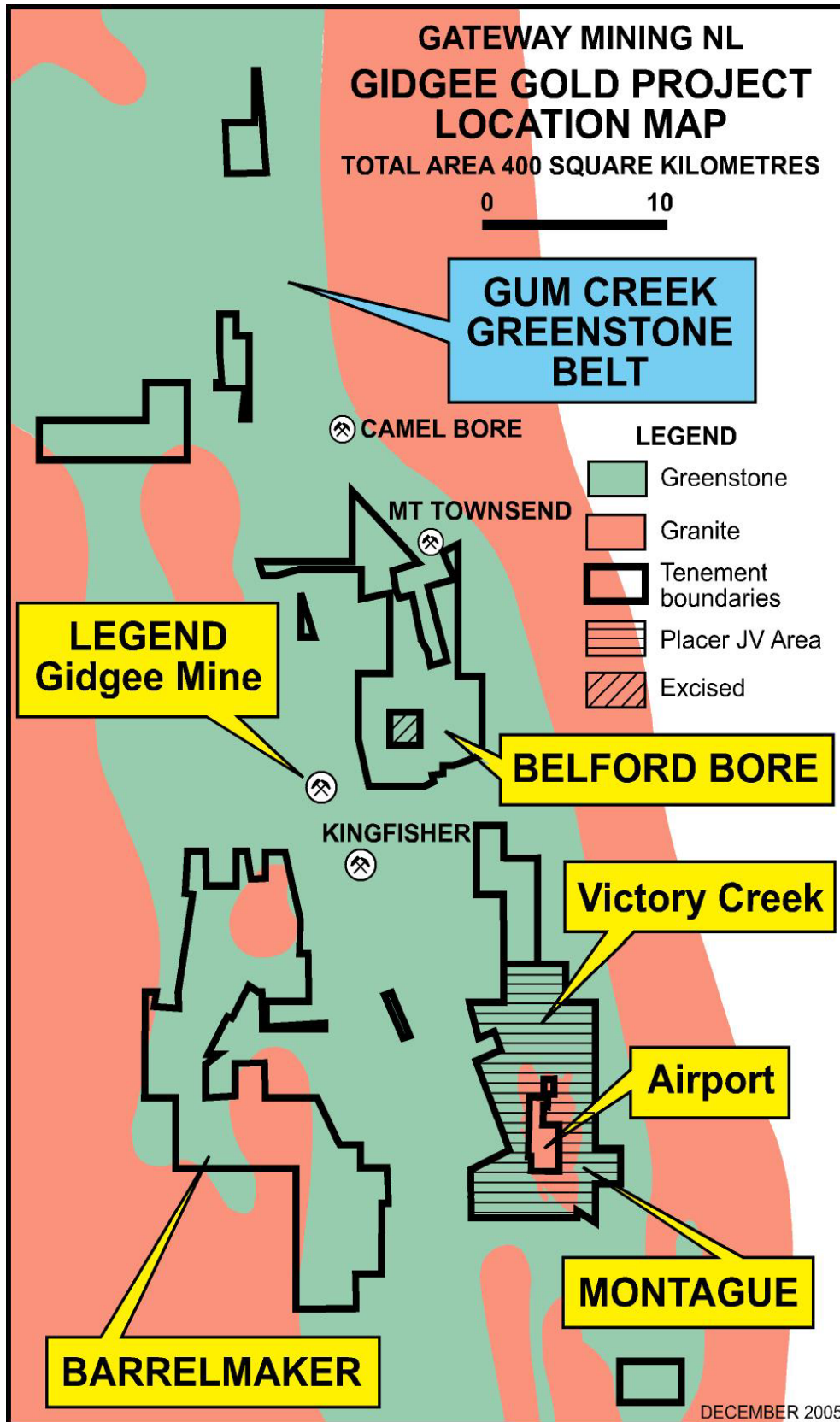
Results of exploration success by Gateway, and in particular the results of three-dimensional modelling of gravity and magnetics coupled with multi-element analysis, has delineated an exploration model that fits the minimum size of potential deposit required by Placer.

The key terms of the Agreements include

- **Placer to spend over \$4 million to earn 70% of selective tenements totalling 80 square kilometres within the Montague Project.**
- **Placer must spend \$400,000 within the first year and before it can exit.**
- **Placer and Gateway agree to include any further acquisitions adjoining the area on a Placer 70% - Gateway 30% basis**

Subsequent to the signing of the Agreements, Barrick Gold Corp (Barrick) has completed a successful takeover of Placer Dome. As a result of the Barrick-Placer takeover, Gateway now has Agreements in place with the world's largest gold producer. The Company looks forward to an exciting period of increased financial and technical capacity to rapidly progress exploration and development on its exciting ground holding.

Gateway believes the Belt is largely under explored and will now focus its efforts on its remaining leases, which make up its total acreage of 400 square kilometres. Previous high-grade intersections at its adjoining Airport leases and at Barrelmaker have provided Gateway with confidence that further discoveries will be made outside the Victory Creek/Montague area.



Tenement Location plan showing Gateways 400 square kilometre ground holding and the Placer JV area at Montague Project to the southwest.

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VICTORY CREEK TARGETS

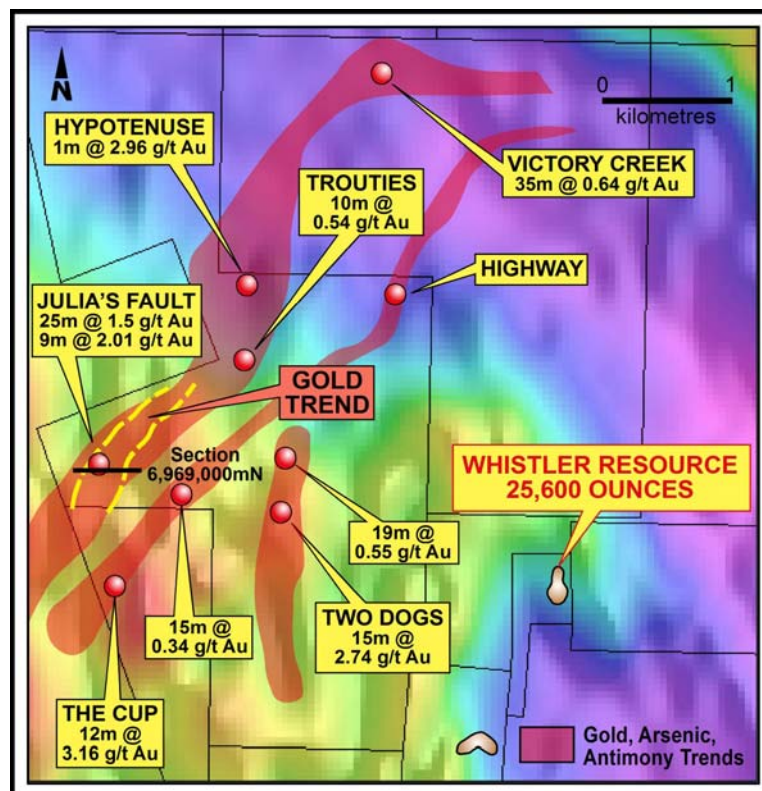
Barrick-Placer earning 70%

Placer has delineated a priority target at **Victory Creek** that will be the subject of aggressive exploration. The target will be tested in conjunction with the recent gold discovery by Gateway at **Julia's Fault** announced to the ASX on 19th October 2005.

Programs of multi-element, air core/RAB and RC drilling of the 4.5 kilometre long Julia's fault to Victory Creek target zone and deep diamond drilling of the Victory Creek magnetic target will be conducted. Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs.

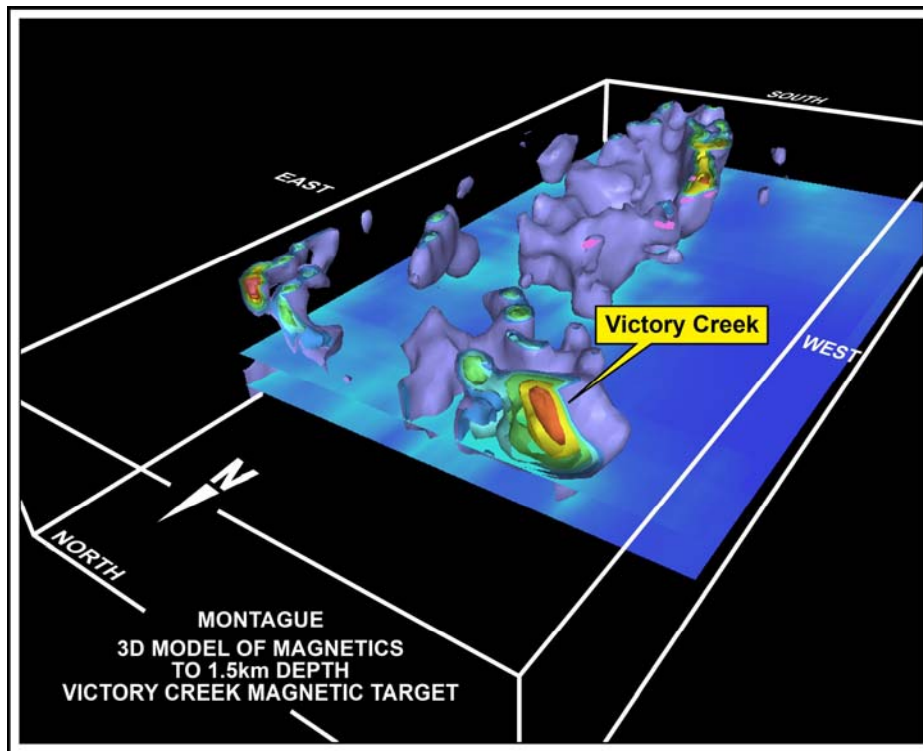
Julia's Fault is located on the western side of the Montague block at the southern end of a 4.5 kilometre long structure highly anomalous in arsenic and antimony. The company now believes this a major mineralised structure extending from Victory Creek to Julia's Fault. Most of the structure northeast from Julia's Fault is blind to surface hidden below up to 40 metres of cover in some places.

Barrick-Placer also intends to further investigate the potential associated with outstanding anomalism at the **Cup** and **Bypass** prospects where historical RAB drilling returned 12 metres @ 3.16 g/t gold that has never been followed up. Additionally significant gold anomalism at **South Airport** will be further investigated which includes 2 kilometres of the southern extension to the **Airport Gold Trend**.



**VICTORY CREEK
GOLD-ARSENIC-ANTIMONY TRENDS
GRAVITY IMAGE BACKGROUND**

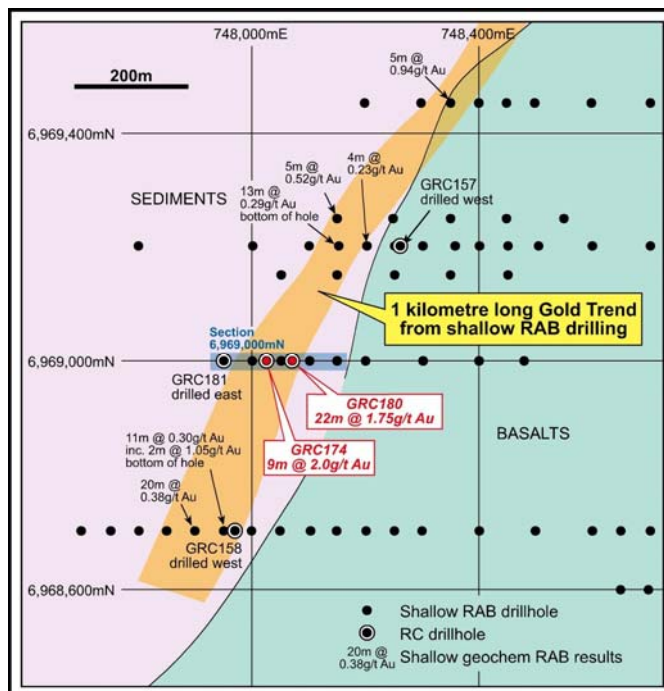
Plan showing Julia's Fault location and target extending north east to Victory Creek



3D Model showing Victory Creek magnetic target

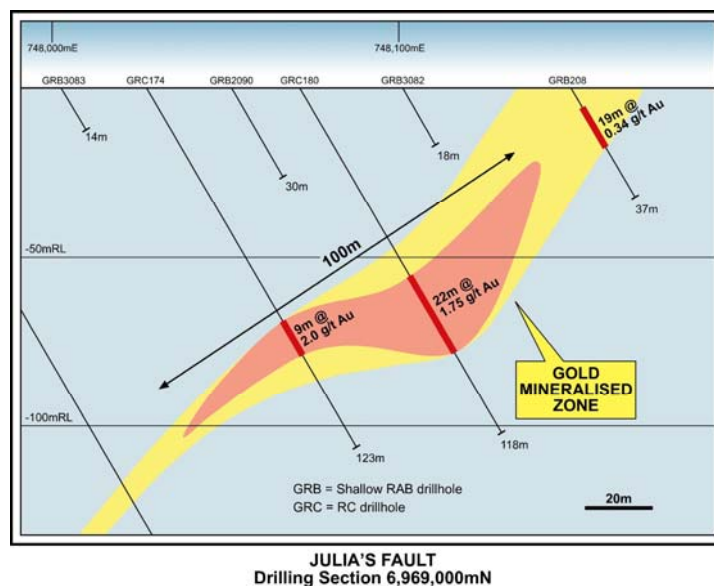
Julia's Fault

During the quarter results were received of 1-metre split drilling samples. Gateway previously announced an encouraging drilling intersection of 25 metres @ 1.5 g/t gold from a depth of 65 metres, based on 5 metre composite sampling. Subsequent sampling of 1-metre splits has returned 22 metres @ 1.8 g/t gold. Comparison of the 5 metre versus 1-metre sample results is encouraging and further confirms a virgin gold discovery at Julia's Fault.



Julia's Fault - One Kilometre target

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DEAL STRUCTURES

The two deals cover tenements held 100% by Gateway and those held in an existing joint venture between Gateway (75%) and Red 5 (25% free carried).

Placer must complete a successful due diligence review within a three-month period. Placer is required to spend a minimum of \$400,000 in the first year and before it can exit.

The deals are structured such that Placer will spend \$4 million over a five-year period to earn a 70% interest in the tenements between Gateway and Red 5. This will occur in two parts with an initial \$2.5 million to earn a 60% interest and a second earn in of \$1.5 million to earn a 70% interest.

At the completion of the first earn-in the second deal is triggered such that Placer can earn up to a 70% interest in ten tenements held 100% by Gateway by meeting mines department expenditures over a one-year period. Gateway will retain a 20% interest in tenements held in joint venture with Red 5 in the second deal.

At the completion of the second earn-in Gateway will have a 30% interest in tenements held 100% by Gateway and a 10% interest in tenements held in joint venture with Red 5 Limited. Gateway can elect to contribute or dilute. If it elects to dilute below 10% it will maintain a 2% Net Smelter Return royalty on its 100% owned tenements and a 1% NSR in the JV with Red 5 Limited.

AIRPORT TARGETS

Gateway 85%, Herald Resources 15%

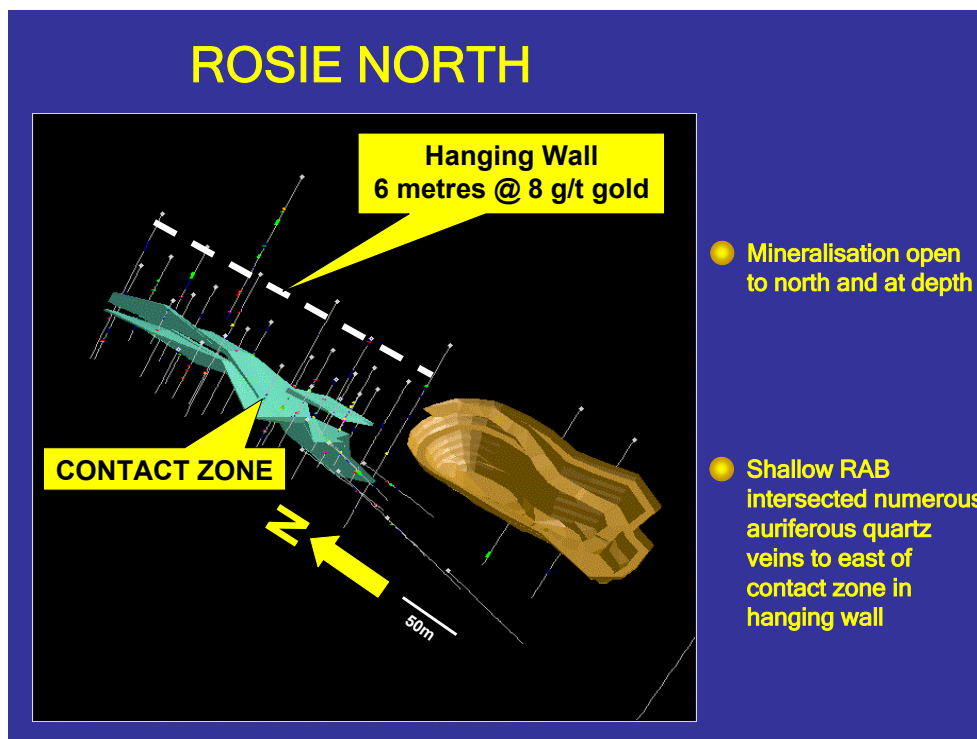
At Rosie North scout RAB drilling tested for additional hanging wall reef structures to the east of the main mafic granodiorite contact zone where Gateway has intersected ore grade material over an open ended strike of 300 metres.

Drilling was successful in intersecting further gold mineralised veins. RAB drill hole GRB 2386 (6964900N, 751350E) intersected **6 metres @ 8.2g/t gold** from 30 to 36 metres down hole. The result was from a 6 metre composite sample. This hole was 100 metres south of previous shallow drilling that returned results of 5 metres @ 1.4 g/t and 5 metres @ 1.0 g/t from 5 metre composites.

WESTERN AUSTRALIA

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 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.



About Airport

Located on the western edge of the Montague granodiorite, the Airport area has produced over 100,000 ounces of gold from 5 shallow (50 metres) open pit mines. Four of the five open pits mined in the late 1980's are located along the granodiorite basalt contact zone. Three dimensional modelling of the granodiorite contact using magnetic and gravity data is now completed. The model will aid in selecting additional drilling targets to those already delineated from geological interpretations.

Drilling by Gateway within the granodiorite has discovered high-grade shoots (up to 5 ounces gold) at Central and Bullseye whilst within the basalts high-grade veins to 24 g/t gold have been intersected at Rosie North and S Bend. At Rosie North gold mineralisation has been intersected along the contact zone over a length of 300 metres with the most northern hole intersecting grades of up to 28-g/t gold.

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.

Rotary airblast drilling of regional targets during the quarter returned anomalous gold values up to a maximum of 0.46 g/t gold.

NEW SOUTH WALES

COWRA PROJECT EL5514, 6102

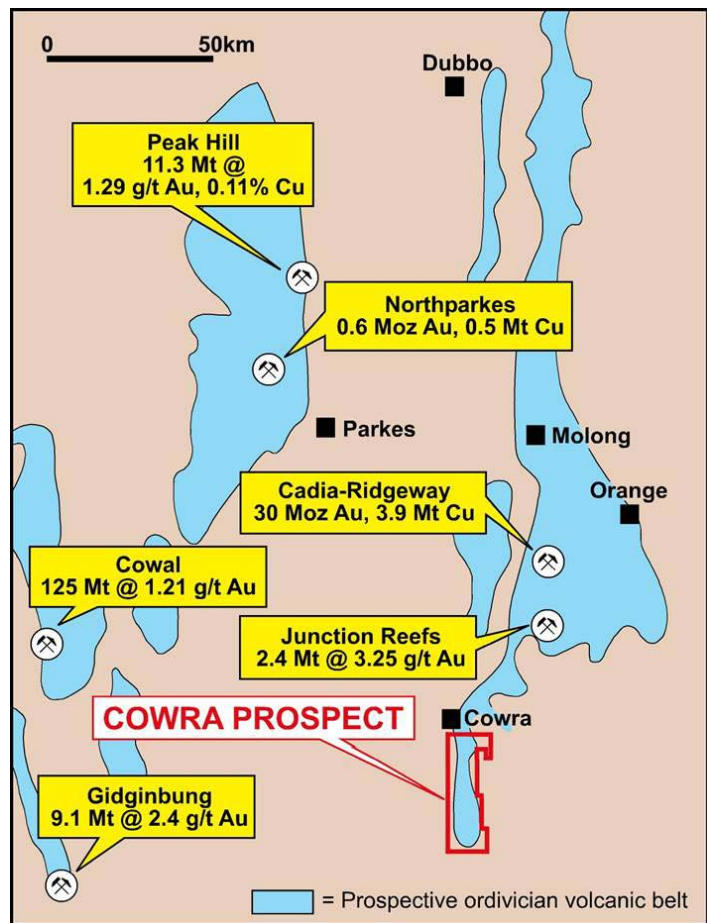
Gateway 100%, Goldminco Corporation earning 70%

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). Under the terms of the agreement Goldminco have an option to earn a 70 percent interest in the project by spending a total of \$2m on exploration over 4 ½ years.

Goldminco has advised that three magnetic targets will be drilled in mid February.

A total of 3 holes for 500 meters is planned to test magnetic targets for skarn associated mineralisation.

The company will advise on an exact date when the drilling rig is mobilised.



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.

A ground magnetic survey was completed during the quarter.

Results of preliminary modelling indicates a distinct mag low on the eastern side of the Johnstons Hill line of lode. This may represent a wide quartz vein or a zone of magnetic destruction around a fracture zone. This will be further investigated.

BARRA PROJECT EL5947

Gateway 100%

No field work was completed during the quarter.

HODGKINSON BASIN

Gateway 6% free carried

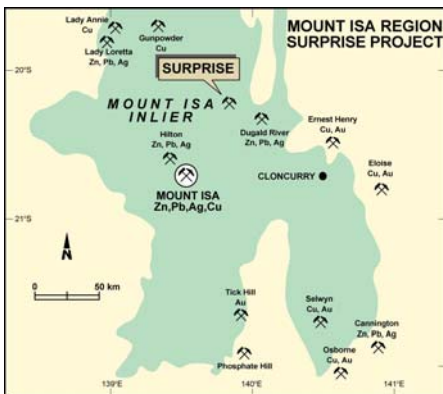
Through a joint venture with Republic Gold Limited (RGL) Gateway will retain a 6% free carried interest in four projects within the Hodgkinson Basin. At a decision to mine, Gateway can elect to contribute or dilute to a 2.6% share and contribute or to a 0.6% NSR royalty. Gateway has been issued with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

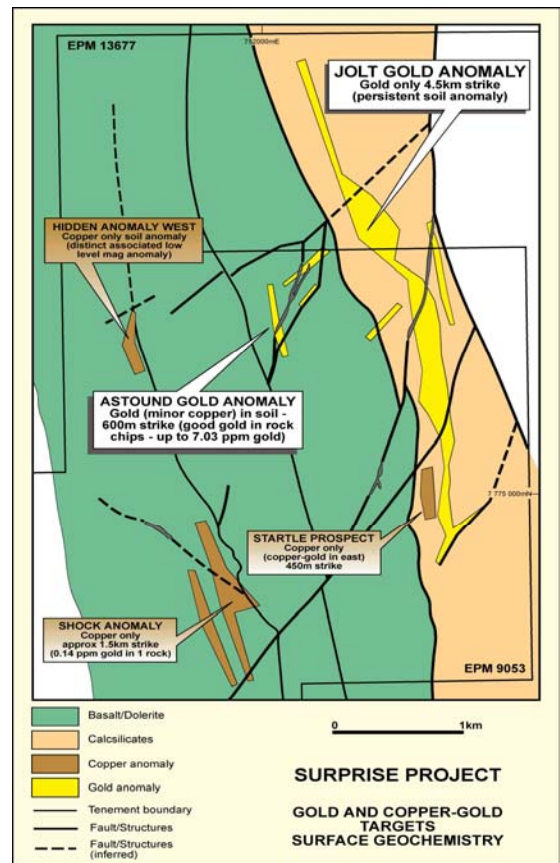


Results of soil sampling to the north of the Jolt gold-in-soil anomaly are encouraging.

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 now seeks a joint venture partner to advance the project.



For further information visit our website at www.gatewaymining.com.au or contact: Simon Taylor, Exploration Manager Tel: 02 9283 5711 Fax: 02 9283 5766

This review accurately reflects information compiled by a full time officer of 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.