

Quarterly Report

For the Quarter ended 31st March 2006

HIGHLIGHTS

GIDGEE GOLD PROJECT WA

- Top global gold producer farms in to Gateways Gidgee Gold Project.
- Received notification from Placer Dome Australia that it has satisfactorily completed its due-diligence on the Gidgee Gold Project. Placer to spend over \$4 million to earn 70% of selective area totalling 80 square kilometres and must spend \$400,000 within the first year and before it can exit.
- 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. Work programs for exploration are currently being prepared with Placer indicating that deep diamond drilling of the Victory Creek target and reconnaissance air core drilling will occur towards the end of the coming quarter.
- Gateway has commenced a 4,000 metre rotary airblast (RAB) drilling program testing several targets at Airport and the Cup, where previous drilling has returned 12 metres @ 3.16 g/t gold that has never been followed up.

COWRA NSW

- Joint Venture partner Goldminco Corporation has completed a reverse circulation (RC) drilling program testing three magnetic targets for skarn associated mineralisation. A total of three holes for 359 metres were completed. No assay results have yet been received.

QUEENSLAND

- The company has had several expressions of interest for a potential JV of the Surprise Project located in Mt Isa. Positive results of a soil sampling program completed last year have extended the Jolt gold-in-soil anomaly with a peak value of up to 0.11 g/t gold. The Company seeks a joint venture partner to test numerous copper, copper-gold and gold only targets

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE GOLD PROJECT

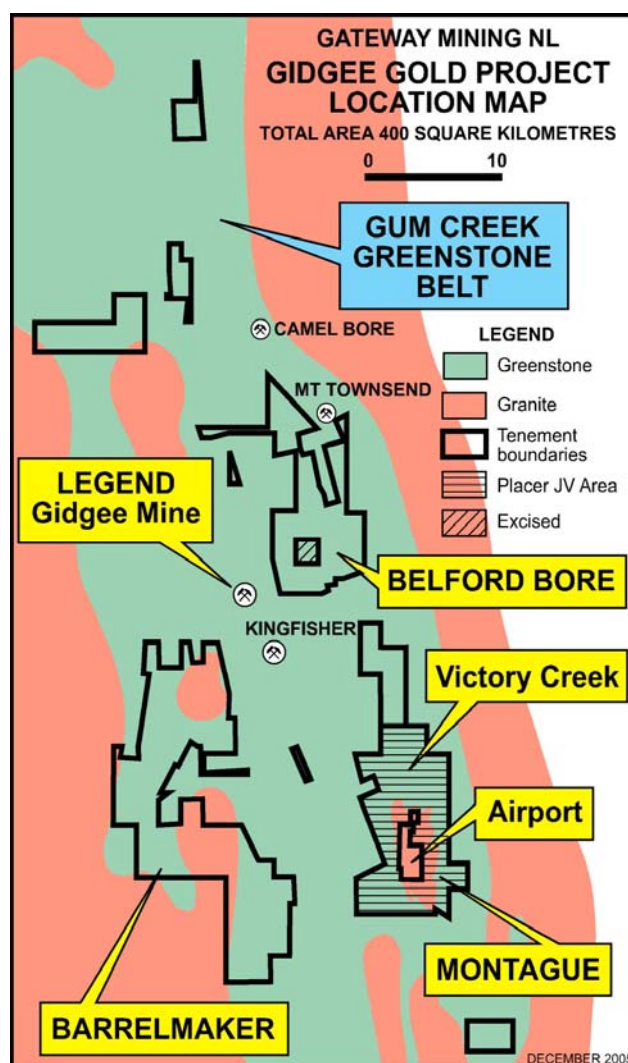
EXPLORATION ACTIVITY

No field work was completed during the quarter. Placer Dome completed due diligence on the Farm-In tenements covering 80 square kilometres of the Project. Gateway compiled exploration work programs and budgets for the remainder of its total acreage of 400 square kilometres.

PLACER DOME FARM-IN AGREEMENTS

The company was pleased to announce to the ASX on 21st April 2006 that it had received notification from Placer Dome Australia that it had satisfactorily completed its three month due diligence period and that exploration at Gidgee will commence in the near future. The Gidgee Gold Project is located about 400 kilometres north west of Kalgoorlie, Western Australia.

Placer Dome, which is now a subsidiary of Barrick Gold, have advised that work programs for exploration are currently being prepared. Work would begin in the June quarter, including reconnaissance air core and deep diamond drilling of the priority target at Victory Creek. Victory Creek shows similarities to Placer's Wallaby deposit in the Laverton Tectonic zone that contains a total resource of 7.1 million ozs.



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

Key Terms of the Agreements with Placer 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.

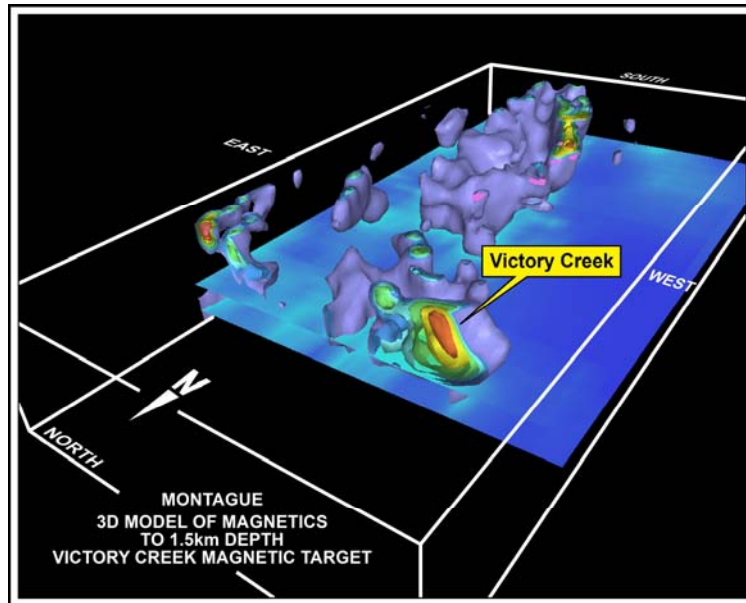
Placer farmed into the area after Gateway had completed 3D modelling of gravity and magnetics, along with multi-element analysis to delineate an exploration model that confirmed the potential of the area to host a large gold deposit.

WESTERN AUSTRALIA

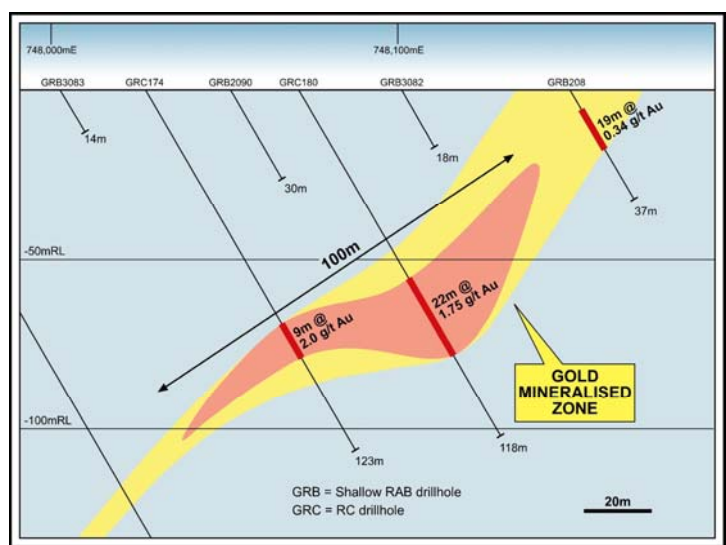
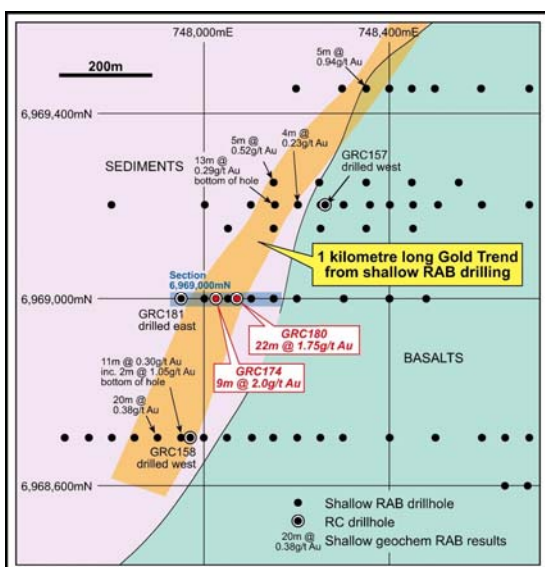
VICTORY CREEK TARGETS

Barrick-Placer earning 70%

As stated the initial priority target for Placer is at Victory Creek. Other targets include Julia's Fault and Hypotenuse. 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 that extends to Victory Creek. Most of the structure northeast from Julia's Fault is blind to surface hidden below up to 40 metres of cover in some places.



3D Model showing Victory Creek magnetic target



JULIA'S FAULT
Drilling Section 6,969,000mN

Julia's Fault - One Kilometre target

RAB DRILLING PROGRAM

Exploration by Gateway will now focus its efforts on the remaining leases where high-grade intersections at its adjoining Airport and Barrelmaker leases have provided Gateway with confidence that further discoveries will be made.

A 4,000 metre rotary airblast (RAB) drilling program commenced this week to test several targets at Airport and the Cup, where previous drilling has returned **12 metres @ 3.16g/t gold** that has never been followed up.

AIRPORT TARGETS

Gateway 85%, Herald Resources 15%

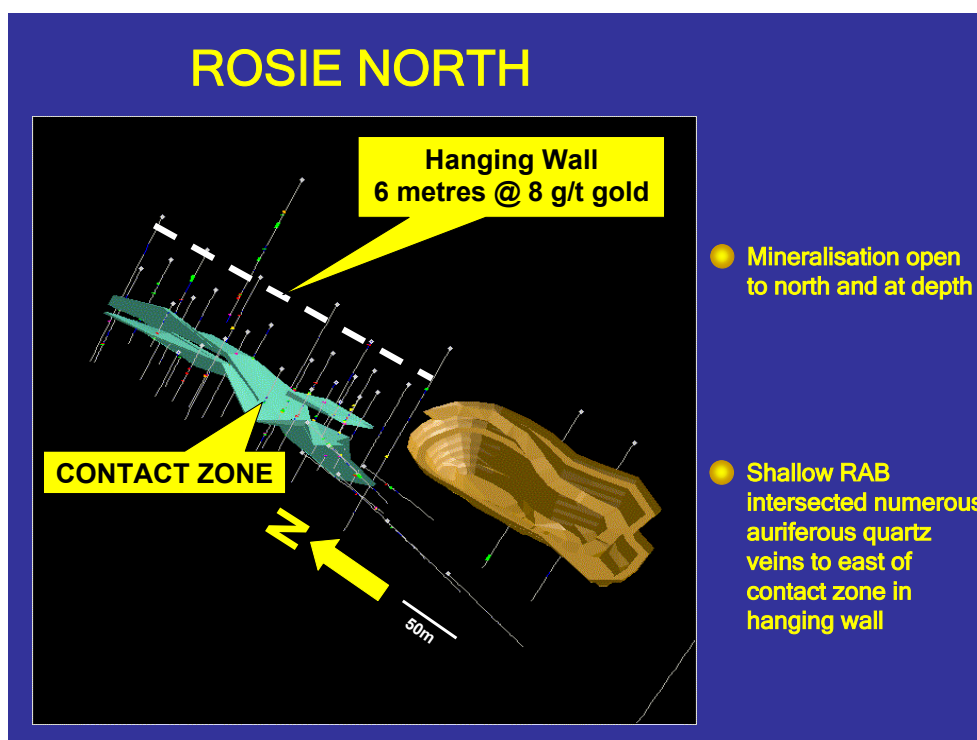
At Rosie North RAB drilling has been successful in locating additional hanging wall reef structures to the east of the main mafic granodiorite contact zone where Gateway has intersected ore grade material over an open ended strike of 300 metres.

Last quarter the company reported further gold mineralised veins including **6 metres @ 8.2g/t gold** from 30 to 36 metres down hole. 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.

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.

The company will further test this zone with infill drilling in the current RAB drilling program that commenced this week.



WESTERN AUSTRALIA

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.

NEW SOUTH WALES

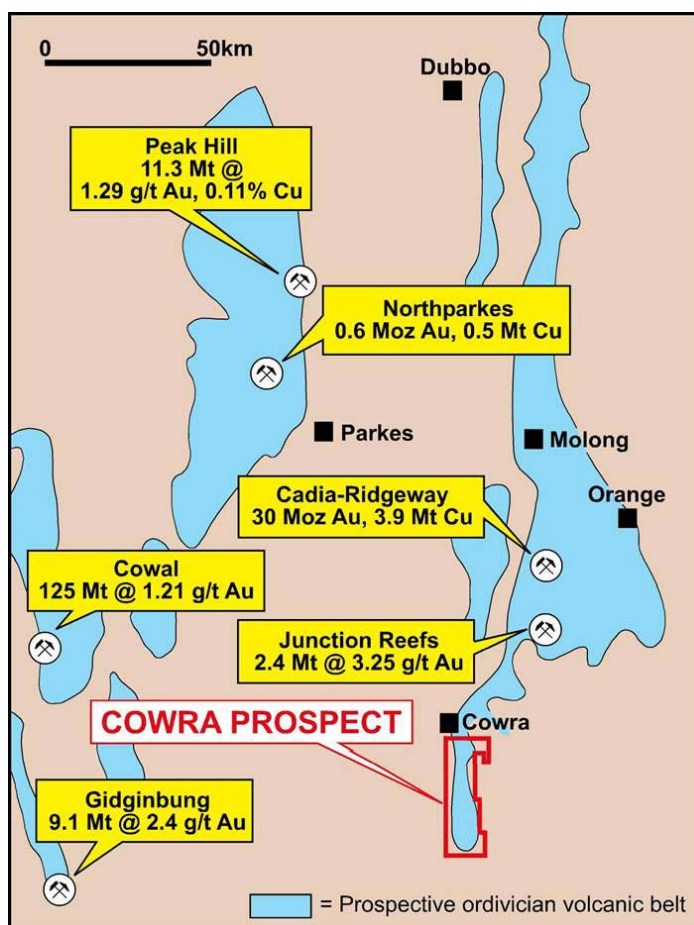
COWRA PROJECT EL5514, 6102

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 were drill tested for skarn associated mineralisation during the quarter. A total of three holes for 359 metres were completed.

No assay results have yet been received.



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. Results of a ground magnetic survey were reported last quarter. No field work was completed during the quarter

BARRA PROJECT EL5947

Gateway 100%

No field work was completed during the quarter.

HODGKINSON BASIN

Gateway 6% free carried

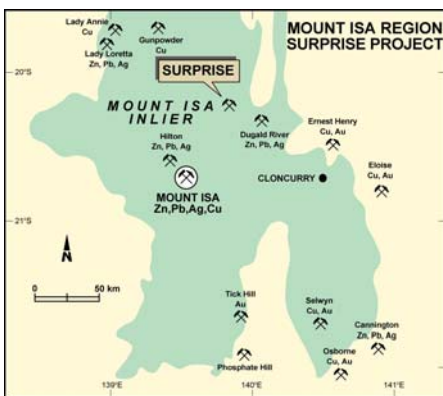
Through a joint venture with Republic Gold Limited (RGL) Gateway will retain a 6% free carried interest in four projects within the Hodgkinson Basin. At a decision to mine, Gateway can elect to contribute or dilute to a 2.6% share and contribute or to a 0.6% NSR royalty. Gateway has been issued with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

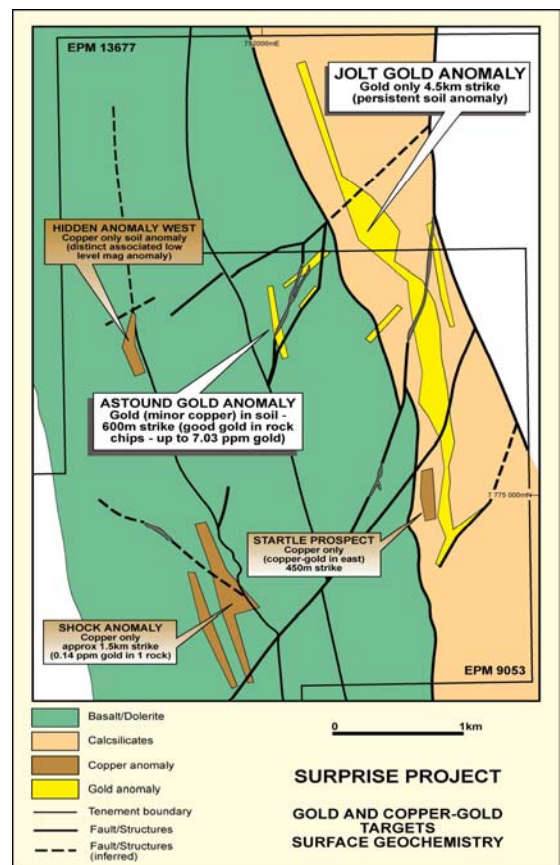


Results of soil sampling to the north of the Jolt gold-in-soil anomaly are encouraging.

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: Brian Gomez, Chairman Tel: 02 9283 5711 Fax: 02 9283 5766

This review accurately reflects information compiled by Mr SJR Taylor, who is an advisor to 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.