



# WOLVERTON WEEKLY

Ian Thomson, VP Research  
iant@wolverton.ca  
403.218.0259

Jim Dartnell, Mining Analyst  
jimd@wolverton.ca  
604.662.5265

Theresa Garthwaite, Associate Analyst  
tgarthwaite@wolverton.ca  
403.218.6594

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## Mining and Resource Stocks

### Gateway Gold Targeting +1 million oz Carlin Style Gold Deposits

Gateway Gold Corp. (GTQ.TSX - \$1.30) has an attractive set of four gold exploration properties in the “right” State of Nevada, the “right” Mining District of Jerritt Canyon and just north of Queenstake’s (QRL.TSX) operating gold mine that recently celebrated the pouring of its 7 millionth oz.

Northeastern Nevada is reputed to be one of the richest, if not the second richest gold mining area outside of South Africa in the World. We have the parallel Carlin Trend and Battle Mountain Trend/Cortez Trends to the south and southwest of Jerritt Canyon.

Newmont Mining discovered 4.3 million ozs of gold at the Carlin Mine in 1961 while Barrick Gold acquired its flagship Goldstrike mine in 1986 and greatly expanded reserves through deep drilling to \*20.2 million ozs @ 0.18 oz/ton gold. Today, Barrick’s Goldstrike mines, Betze Post and the Meikle still boast a 23.9 million oz resource and 9 straight years of +2 million ozs annual production.

\* At one time, the 20.2 million ozs represented 78% of Barrick’s total gold reserves.

Over at the Battle Mountain/Cortez Trend we have Placer Dome 60% / Kennecott Exploration Ltd 40% (Rio Tinto) initiating a joint venture in 1964. Battle Mountain Trend has reported 23 million ozs of gold production over the last 30 years. The most recent news this past year, is Placer/Kennecott’s operating Cortez JV announcing an 8 million oz gold Cortez Hill discovery. This doesn’t count the JV’s geological resource of 15.4 million ozs and the annual production of +1 million ozs of gold over the last 15 years.

This brings us to Jerritt Canyon and Gateway Gold. Queenstake Resources Ltd operates the Jerritt Canyon Mine and is their immediate neighbour to the south. Jerritt’s production commenced in 1981 mining open pits and naturally evolved to underground mining with historical averages of 0.175 ozs gold per ton and 0.336 ozs gold per ton respectively. As mentioned, they recently commemorated the significant milestone of 7 million oz of gold produced.

### Gateway’s Potential

We like Gateway’s upside potential. Not only would it seem to have an advantage of being right next to the long producing Jerritt Canyon Mine but the Jerritt Canyon District may hold as much potential as the Carlin or Battle Mountain/Cortez Trends. Jerritt Canyon’s 50 mile geological trend would seem to be about the same length as Carlin’s or the Cortez Trend, yet the only

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notable mine has been Queenstake's Jerritt Canyon sitting on about 7 miles of strike length.

The three trends of Cortez, Carlin and Jerritt Canyon share geological similarities such as northwest, northeast and east-west faults that favour Carlin sediment hosted gold deposits. These fractures serve as conduits for gold enriched solution.

Gateway Gold Corp. has budgeted \$6 million for a minimum of 100,000 ft of drilling on four different properties listed below. At last report they have completed a third of the drill program with some initial results received from the Big Springs Property reading: hole GW04-55, 154 ft @ 0.182 oz/t, GW04-61C, 20 ft @ 0.349 oz/t and GW04-67C, 19.5 ft @ 0.536 oz/t gold. They seem to be off to a good start.

We like the Dorsey Creek geological setting – there are signs of a large mineralizing event combined with the presence of a volcanic dyke or sill that might act as a cap. Drill testing will prove or disprove this particular target.

## **Conclusion**

There should be a steady stream of drill news going forward into the New Year. Gateway's strategy is to delineate resources on the Big Springs pty and the Island Mountain pty – targeting underground and open pit resources respectively. The Golden Dome and Dorsey Creek pty's are being drilled hoping to intersect significant gold mineralization. Some of the Carlin Style gold deposits next door at the Jerritt Canyon mine contained about one and a half million ozs of gold and we believe Gateway Gold's package of properties should hold the same potential.

## **Properties and the 2004 Exploration Blueprint**

Big Springs Property – is situated about 7 miles north of Queenstake's Jerritt Canyon Mine. 47 drill holes tested eleven gold bearing structures in 2003 and were traced from 200 ft to 1,000 ft in length and to 600 ft depths; widths ranged from 5 to 50 ft and all structures are open for extension in all directions. A few of the better drill holes assayed: GW03-1C, 15.5 ft. of 0.49 opt; GW03-12 65.0 ft of 0.27 opt and GW03-58 ft of 0.78 opt. This season, closer spaced drill holes are planned with the objective of delineating a resource by year-end.

Dorsey Creek Property – is about 2 miles southwest of the Big Springs targets. Low grade gold has been discovered over a distance of approximately  $\frac{1}{2}$  to  $\frac{3}{4}$  of a mile along a prominent ridge. Interpretation suggests a sizable gold deposit could exist below or adjacent to the ridge. This August, geochemical soil sampling along with rock sampling and geophysical surveying have been completed aiding in the definition of drill targets. An initial eight holes are planned to start drilling in September.

Golden Dome Property – is located about 5 miles north of the Jerritt Canyon Mine and 2 miles south of the Big Springs property. This geologic model targeted is similar to the Jerritt Canyon gold deposits. Geophysical surveying is underway and 20,000 ft of drilling is planned for September.

Island Mountain Property - this property is located about 12 miles northeast of the Big Springs property and last year Gateway completed 27 holes of which 21 intersected gold mineralization; intervals ranged in size from five to fifty feet with gold grades of between 0.015 oz to 0.121 oz per ton. Four near surface, separate zones have been established on the property and this field season the company plans to drill up to 150 holes with the objective of establishing a reserve by year-end. The Island Mountain property is a low-grade open-pittable gold prospect.



Secretary, CFO	Michael Raftery, C.A. – actively involved with mining and mining exploration since 1971. He is President of a private venture capital firm, Hamilton Investments.
Director	Louis Montpellier, LLB – has practiced law in Vancouver since 1981 and since 1983 has worked exclusively in the mining and mineral exploration sectors. He is a member of the Denver, Colorado based Rocky Mountain Mineral Law Foundation and the Prospectors and Developers Association of Canada.
Director	Alvin Jackson, P. Geo. – brings over 30 years of mineral exploration and development experience to the Board. He is currently President/COO of EuroZinc Mining Corp. Prior to this Mr. Jackson held the position of Exploration Manager in Canada, Norway and New Zealand for Amoco Minerals/Cyprus Minerals. During his career he has been directly involved with the exploration drilling and pre-feasibility studies on two major gold deposits and one porphyry copper deposit all of which became producers.
Director	Roman Friedrich – has over 30 years experience in banking, investment banking and resource company development in the area of mergers and acquisitions. He is President of Roman Friedrich and Company, specializing in the provision of financial services to resource companies. Mr Friedrich is currently Chairman of the Dreman/Claymore Dividend and Income Fund, a NYSE listed company and a director of Stratagold Corporation.

Qualified Person under NI 43-101	Dr Giles Peatfield		
Head of Field Operations	Don Merrick		
Manager, Investor Relations	Richard R. Roy	604.801.6040	rroy@gatewaygold.com

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