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Date: 16 September 2009

The Manager
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY, NSW 2000

Dear Sir,

Takeover Bid for Shares in Gateway Mining Limited by Citigold Corporation Limited

Gateway Mining Limited (ACN 008 402 391) hereby gives notice pursuant to section 633(1) item 14 of the Corporations Act 2001 (Cth) (Corporations Act) that in accordance with section 633(1) item 12 of the Corporation Act the Target's Statement dated 16 September 2009, in relation to the takeover bid for all the ordinary shares in Gateway Mining Limited by Citigold Corporation Limited (ACN 060 397 177), were today dispatched to all Gateway Mining Limited securityholders entitled to receive the Target Statement.

A copy of the Target's Statement is attached.

Yours faithfully

A.C. de Govrik

A.C. de Govrik
Company Secretary
Gateway Mining Limited



**THIS IS AN IMPORTANT DOCUMENT THAT REQUIRES YOUR
IMMEDIATE ATTENTION**

**If you are in doubt as to how to deal with this document please consult
your financial or other professional adviser.**

GATEWAY MINING LIMITED

ABN 31 008 402 391

TARGET'S STATEMENT

**Target's Statement prepared by Gateway Mining Limited in response to
the Offer by Citigold Corporation Limited to acquire all your Shares in
Gateway Mining Limited**

**FOR THE REASONS SET OUT IN THIS TARGET'S
STATEMENT YOUR DIRECTORS RECOMMEND THAT YOU
REJECT THE OFFER**

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This is the Target's Statement dated 16 September 2009 given under sections 633, 638 and 639 of the Corporations Act by Gateway Mining Limited. This Target's Statement is given in response to a Bidder's Statement and accompanying offer dated 1 September 2009 served on Gateway Mining Limited by Citigold Corporation Limited on 18 August 2009.

A copy of this Target's Statement was lodged with the Australian Securities and Investments Commission on 16 September 2009. Neither the Australian Securities and Investments Commission nor any of its officers take any responsibility for the contents of this Target's Statement.

Note: A number of defined terms are used in this document. These terms are explained in full in the Glossary and Interpretation section at the back of this document.

Corporate Directory

Directors

Brian Gomez (*Chairman*)
Robert A. Creelman
Brian Thornton

Company Secretary

Anthony C. de Govrik

Management

Steven Lian (*Chief Executive*)

Registered Office

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249 Pitt Street
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Tel: 61 2 9283 5711
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Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
SYDNEY NSW 2000

Auditors

Priestley & Morris
Chartered Accountants
PO Box 19
PARRAMATTA NSW 2124

Solicitors

A. C. de Govrik & Associates
Suite 2, 7 Cammeray Road
CAMMERAY NSW 2062

Letter from the Chairman

Dear Shareholder,

By now you will have received a Bidder's Statement and accompanying offer from Citigold Corporation Limited (Citigold) under which Citigold is making an offer to acquire all of your shares in Gateway Mining Limited (Gateway Mining). The basis of the offer is two (2) Citigold shares for every five (5) Gateway Mining shares which you hold. Unless extended, the Offer will close on 2 October 2009. This Target Statement is your Directors' response to the Citigold Bidder's Statement.

I am sure that as an investor in the mining resources sector you will appreciate the current difficulties for companies engaged in these activities - especially in the area of fund raising which is even more difficult for junior exploration companies such as Gateway Mining. You may also be aware of the recent rationalisation which has been taking place within the resources industry which has resulted in a number of company mergers. However, notwithstanding these matters, your Director's strongly recommend that you **REJECT** the Citigold Offer for the reasons set out in this Target Statement. In particular, your Directors regard the share consideration offered by Citigold as grossly inadequate as highlighted in the comparative pricing tables in this Target Statement – where the volume weighted average prices since the takeover bid was announced indicate an 18% discount to the value of your Shares.

Thanks to the efforts of our extremely committed management team, Gateway Mining now has a number of highly prospective mining areas, with particularly promising tenements in New South Wales and Western Australia. Great effort has been made to identify and define these areas and it is your Directors' wish that shareholders, many of whom have showed outstanding loyalty and patience over a number of years, should share directly in the benefits that may in the future be derived from this hard work.

In this regard, shareholders should be aware of the following exploration developments:

- Recent geophysical results from the Cowra joint venture tenements in NSW are extremely encouraging
- A drilling program at Cowra based on the geophysics is planned for September
- In Western Australia the review and reinterpretation of the Gidgee gold project data has yielded a number of new and promising exploration targets
- Gateway has successfully raised \$500,000 from its recent Share Purchase Plan to fund on-going exploration and development of the Company's projects

A detailed and up-to-date profile and prospectivity summary of your Company's project areas is included in this Target Statement.

While Citigold may have a much larger management team with an established mining infrastructure in the Charters Towers goldfield area of Queensland none of your company's more prospective areas are located in Queensland and so the Citigold infrastructure and experience is of little benefit to your Company.

More significantly, while the position may now have improved following a subsequent capital raising, Citigold disclosed in its Quarterly Report to the ASX for the 3 months ended 31 March 2009 that its "cash on hand and at bank" had dropped to an alarmingly low level of just \$74,000. On the other hand, your Company has managed its funds well and has sufficient cash reserves for the immediate future following a successful capital raising under its recent Share Purchase Plan. In addition, your Directors have, over a number of years, demonstrated that they have the ability to raise funds even in the tough economic climate that we are presently experiencing.

Therefore, after careful consideration of the Offer by Citigold and for the reasons more fully set out elsewhere in this Target Statement, your Directors have decided to recommend to shareholders that they **REJECT** the Citigold Offer.

May I personally thank you for your loyal support in the past and I look forward to your continuing support as a Shareholder in Gateway Mining.

A handwritten signature in black ink, appearing to read 'CB Gomez', with a horizontal line underneath.

Brian Gomez
CHAIRMAN

Directors' Recommendation

Gateway's Directors as at the date of this Target's Statement are as follows:

Brian Gomez	Non Executive Chairman
Robert Creelman	Non Executive Director
Brian Thornton	Non Executive Director

Each of the Directors of Gateway Mining has carefully considered the offer by Citigold and recommends that shareholders **REJECT** the Citigold Offer.

Shareholders not wishing to accept the Citigold Offer do not need to take any action and should simply ignore the Bidder's Statement and accompanying Offer sent to them.

However, if Citigold becomes entitled to not less than 90% of the number of Gateway Mining Shares on issue by the close of the Offer period, it will be entitled to compulsorily acquire any outstanding Gateway Mining Shares on the same terms as its current Offer. Citigold has indicated that if it reaches the necessary threshold, it intends to move to compulsory acquisition. This means that Shareholders may have their Gateway Mining Shares compulsorily acquired by Citigold even if they have previously rejected the Citigold Offer.

The reasons for your Directors' recommendation are set out below.

Directors' Intentions

Each Director who has a beneficial interest in Gateway Mining Shares intends to **reject** the offer by Citigold in respect of all of their Shares.

Reasons for Directors' Recommendation

In reaching their decision to recommend to Shareholders that they reject the Offer by Citigold, your Directors had regard to the following factors in weighing up whether or not to recommend acceptance of the Offer:

Grossly Inadequate Consideration

The shares of both Gateway Mining and Citigold are listed on the Australian Securities Exchange (ASX) and consequently some price comparisons in relation to the Offer can be made based on the recent share market prices of both companies.

Gateway Mining Limited/Citigold Limited Comparative Pricing

Looking at the respective share market prices for both Gateway Mining and Citigold, your Directors believe that the 2 Citigold shares for every 5 Gateway Mining Shares offer is undervalued, and we present the following data in support of our belief.

The figures presented in the following table are based on calculated volume weighted average prices (VWAP's) for three periods, namely for the last 12 months and the last 6 months prior to the Offer being sent to Shareholders and since July 3, when the takeover bid was announced.

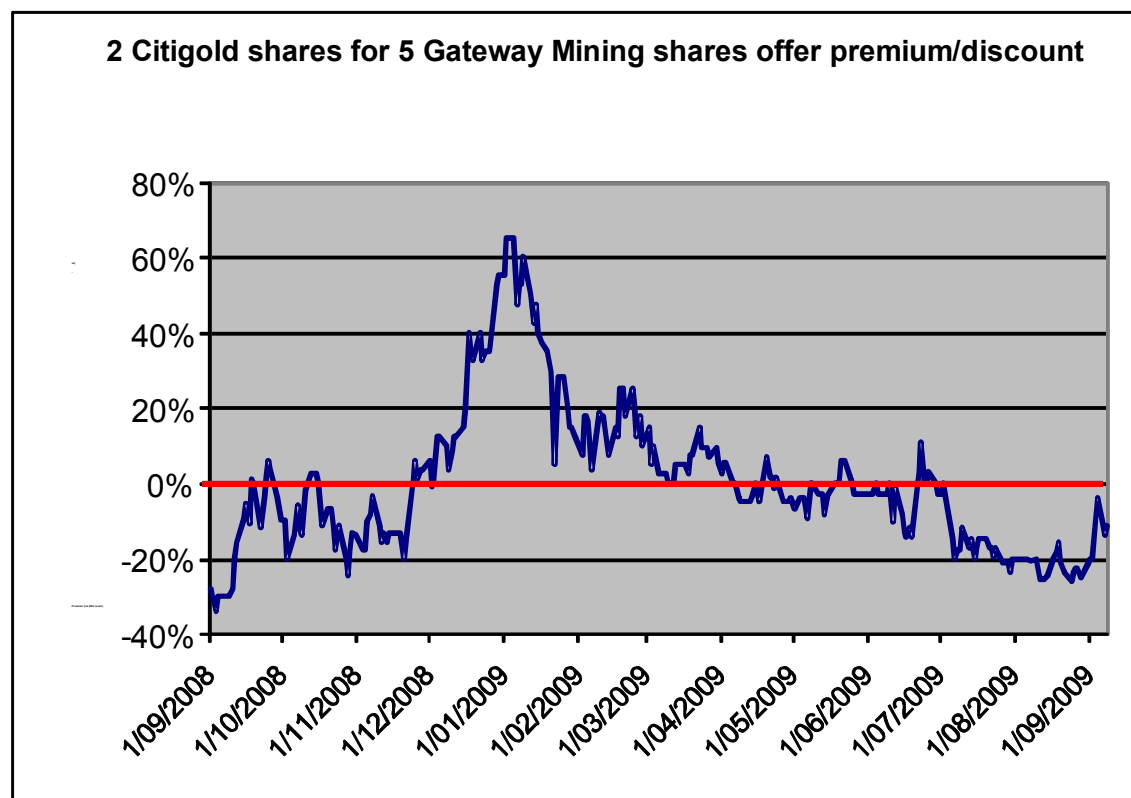
Comparison: Gateway Mining and Citigold VWAP's and Offer Discount

	Gateway Mining	Value of 5 shares	Citigold	Value of 2 shares	Discount
12 Month VWAP	\$0.082	\$0.41	\$0.201	\$0.40	-2%
6 Month VWAP	\$0.076	\$0.38	\$0.181	\$0.36	-5%
VWAP since announcement	\$0.080	\$0.40	\$0.164	\$0.33	-18%

In all three cases the Offer is at a discount, with this being slight for the longer time frames. This latest change is due both to an increase (5%) in Gateway's VWAP and a fall (11%) in Citigold's VWAP. However, since the bid was announced, the discount on a day-to-day basis has increased substantially and has been as high as 26% and is presently around a 13% discount.

The graph below shows the bid's premium/discount on daily closing prices over the last 12 months prior to the Offer being sent to Shareholders. This clearly highlights that the bid is currently at a significant discount to Gateway Mining's market price, and also shows a pattern of a falling trend since the peak in early 2009. The sharp break in early July is coincident with the announcement of the takeover.

Closing Price Bid Premium/Discount over a 12 Month Period



The following table presents the 12 month daily closing prices and 20 trading day moving averages of the closing prices for Gateway Mining and Citigold. This clearly shows a general downward trend of Citigold's share price since reaching its peak of \$0.33 on January 5, 2009. This downtrend appears to be still continuing.

12 Month Closing Prices and 20 Trading Day Moving Averages – Gateway Mining and Citigold



Ability to Finance Future Exploration and Development

Gateway Mining, in common with other junior resource companies, has in the past experienced difficulties in raising the funds necessary to progress its exploration projects notwithstanding the prospective nature of its tenement interests. However, even in these difficult times Gateway Mining has been successful in raising a small amount of additional working capital sufficient to keep its exploration program moving forward. The opportunity for further capital rising for exploration work or development will, of course, depend on a number of factors outside the control of your Directors such as the prevailing economic climate and the current gold price. In the past, Gateway Mining has managed to see itself through downturns and Directors believe that the company still has sufficient cash reserves to see it through to the next upturn in the resources sector.

Accordingly, although Citigold has a proven track record of being able to raise sufficient amounts of capital to fund its own exploration activities, it is not beyond the capabilities of Gateway Mining to raise capital as and when required through various funding mechanisms.

Management Team

The management and consulting team at Gateway Mining has continued to maintain an active exploration program through the difficult times over the last few years. As a result of these efforts, very encouraging results have been achieved in relation to Gateway Mining's tenements, particularly in NSW and Western Australia. Gateway Mining's management and consulting team, because of their knowledge of these areas, would like to control the way in which the more highly prospective areas are developed.

Citigold has a much larger management team as well as an established mining infrastructure in the Charters Towers goldfield area of Queensland. However, Gateway Mining's more prospective areas are not located in Queensland and so the Citigold infrastructure and experience is of no real benefit to your Company. In addition, it is always open to Gateway Mining, as it has done in the past and is presently doing, to joint venture its tenements with other partners or contract in the experience and resources necessary to further develop its interests.

Value of the Offer

The shares of both Gateway Mining and Citigold are listed on the stock market of ASX. The share prices for both Gateway and Citigold have proven to be somewhat volatile over the recent past in a market where junior exploration stocks continue to be generally ignored.

In the four months before the date of the Bidder's Statement and accompanying offers the stock market price of Citigold fluctuated between 21 cents and 17 cents with the latest available sale price on 8 September 2009, being 17.5 cents. On the other hand, in the four months prior to the date of this Target Statement the price of Gateway Mining shares has varied between 6.5 cents and 8.6 cents with the last recorded sale on 8 September 2009 being 7.9 cents.

Share Market Liquidity

Should the Offer result in Gateway Mining becoming 100% owned by Citigold, the combination of the two companies may have the effect of bringing greater depth of market and liquidity to the combined stock market entity.

On the other hand, should the Offer by Citigold result in it acquiring less than 100% of the Shares in Gateway Mining, shareholders need to be aware that market liquidity in Gateway Mining Shares would be reduced - the extent of the reduction in market liquidity depending on the level of acceptances which Citigold receives under its Offer.

Minority Shareholding

In the event that Citigold's Offer does not result in Gateway Mining becoming 100% owned by Citigold, Shareholders need to consider their likely position in this situation. It is possible that if Citigold does not acquire 100% of the Shares

in Gateway Mining that your Company will still remain listed on ASX. However, this is not certain and will largely depend on whether Gateway Mining still has a sufficient number of Shareholders and spread of shareholdings after the Offer closes to warrant its continued listing on ASX. The higher the level of acceptances under the Offer the more likely it is that Gateway Mining will not meet ASX requirements in this regard and the greater the likelihood that the company will be delisted by ASX.

In the event of the delisting of Gateway Mining by ASX, shareholders may find themselves in the position of minority shareholders in an unlisted public company. They would therefore have no readily available market in which to sell their shares should delisting occur.

However, if the majority of Gateway Mining Shareholders follow the recommendation of Directors and do not accept the Citigold Offer, your Directors are confident that they will be able to maintain your Company's listing on ASX.

Conditional Offer

The Citigold Offer is subject to a number of “defeating conditions” which may make it less attractive to Shareholders in Gateway Mining as they do not have the certainty of knowing that the consideration for their acceptance will be received by them without delay.

The nature of the Offer means that Shareholders who accept can expect to receive their Citigold share consideration within one month of acceptance or, if the Offer is still conditional when accepted, within one month after the Offer or the contract resulting from their acceptance of the Offer becomes unconditional, or 21 days after the Offer closes whichever is the earlier. However, Directors do not regard this as a major factor in their deliberations.

No Competing Offer

Citigold's Offer is the only takeover offer that has been made for Gateway Mining Shares. The Directors are not aware of any possible counter offer that may be made.

Conclusion

Taking into account all of the above factors, your Directors are of the unanimous view that the Offer by Citigold, cannot be considered to be fair in terms of value, is not reasonable and is not in the best interests of Shareholders. In the circumstances, Directors recommend that Shareholders **REJECT** the Offer.

Additional Information

Investment Advice

This Target Statement does not take into account your investment objectives, financial situation or particular needs. You should obtain independent financial, investment, legal and taxation advice before deciding whether or not to accept Citigold's Offer.

Taxation Considerations

The taxation considerations of accepting the Citigold Offer will depend upon the circumstances of each Shareholder. Citigold has provided a summary of the taxation implications for Shareholders in its Bidder's Statement. As individual taxation circumstances differ, Shareholders should review their tax position carefully and, if in any doubt, obtain their own taxation advice in relation to the Citigold Offer.

Relevant Interest of Directors of Gateway Mining in Gateway Mining Shares and Options

As at the date of this Target Statement the relevant interest of each Director of Gateway Mining in the share capital of Gateway Mining is as follows:

<i>Director</i>	<i>Shares</i>	<i>Options expiring 30/11/2011</i>
Brian Gomez	363,750	350,000
Robert Creelman	393,000	350,000
Brian Thornton	10,643,625	350,000

Relevant Interest of Directors of Gateway Mining in Citigold Shares

As at the date of this Target Statement, no Director of Gateway Mining had a relevant interest in any Citigold shares except as follows:

<i>Director</i>	<i>Shares</i>
Robert Creelman	20,000

Dealings in Citigold Shares

Gateway Mining does not, in any capacity, hold any shares in Citigold and has not, and nor have any Directors, dealt in any Citigold shares in the 4 month period before the date of this Target Statement.

Dealings in Gateway Mining Shares

In the 4 month period before the date of this Target Statement no Director of Gateway Mining or any of their associates have dealt in any Gateway Mining Shares, except that Brian Thornton acquired a relevant interest in an additional 178,143 ordinary Shares through on-market purchases and the following Directors acquired shares through a Share Purchase Plan in July this year:

<i>Director</i>	<i>Shares</i>
Brian Gomez	62,500
Robert Creelman	62,500
Brian Thornton	250,000

Benefits

No benefit (other than a benefit permitted by sections 200F or 200G of the Corporations Act) has or will be given to a person:

- (a) in connection with the retirement of a person from a board or managerial office in Gateway Mining or a related body corporate of Gateway Mining ;
or
- (b) who holds, or has held a board or managerial office in Gateway Mining or a related body corporate, or spouse, relative or associate of such a person, in connection with the transfer of the whole or any part of the undertaking or property of Gateway Mining.

No Agreement with any Gateway Mining Director

There are no agreements or arrangements made between any of the Gateway Mining Directors and any other person conditional upon the outcome of the Citigold Offer.

Changes in Financial Position of Gateway

Since the release to the ASX on 31 October 2008 of Gateway Mining's Annual Report and Financial Statements for the year ended 30 June 2008, there have been no significant changes to the financial position of Gateway Mining.

Announcements by Gateway to ASX

The table below summarises all the information that has been advised to the ASX in relation to Gateway Mining since 1 July 2008:

Date	Announcement
31/08/2009	Directors Reject CTO Takeover Bid
11/08/2009	Appendix 3B
30/07/2009	Fourth Quarter Cash Flow Report
30/07/2009	Fourth Quarter Activities Report
16/07/2009	Significant results from Gidgee Project review
15/07/2009	Change of Director's Interest Notice
10/07/2009	GML extension of Share Purchase Plan offer
10/07/2009	Change of Director's Interest Notice
09/07/2009	Cowra and Boorowa JV update
08/07/2009	Change of Director's Interest Notice
07/07/2009	Citigold off market takeover for Gateway Mining Limited
25/06/2009	SPP Notice and Application Form
12/06/2009	Share Purchase Plan
27/04/2009	Third Quarter Cash Flow Report
27/04/2009	Third Quarter Activities Report
13/03/2009	Half Year Accounts
30/01/2009	Second Quarter Cash Flow Report
30/01/02009	Second Quarter Activities Report
05/01/2009	Appendix 3B
27/11/2008	Results of Meeting
27/11/2008	Presentation given at Gateway Mining AGM today
27/11/2008	Chairman Address to AGM 2008
31/10/2008	First Quarter Cashflow Report
31/10/2008	Annual Report 2008
31/10/2008	First Quarter Activities Report
31/10/2008	Notice and Proxy Form AGM 2008
30/09/2008	Full Year Statutory Accounts
05/09/2008	Appendix 3B
30/07/2008	Fourth Quarter Cashflow Report
30/07/2008	Fourth Quarter Activities Report

Other Material Information

Under the Corporations Act, this Target Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Citigold offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Target Statement; and
- only if the information is known to any of the Directors of Gateway Mining.

The Directors of Gateway Mining are of the opinion that the information that Shareholders and their professional advisers reasonably require in order to make an informed assessment whether or not to accept the Citigold Offer is:

- (a) the information contained in Citigold's Bidder's Statement dated 1 September 2009 which you should now have received from Citigold;
- (b) the information contained in Gateway Mining's Annual Report for the year ended 30 June 2008 which has been sent to shareholders and was released to ASX on 31 October 2008; and
- (c) the information contained in this Target Statement including the information in the ASX announcements referred to above.

Requests for copies of any documents referred to in this Target Statement may be made to Gateway Mining's registered office during normal business hours (telephone 02 9283 5711).

Consents

Each of the persons to whom a statement is attributed in this Target Statement or whose statement is included in this Target Statement, or on which a statement in this Target Statement is said to be based, has:

- consented to the relevant statement being included in this Target Statement in the form and context in which it is included; and
- has not withdrawn that consent before this Target Statement was lodged with the Australian Securities and Investments Commission.

Glossary and Interpretation

Glossary

In this Target Statement, unless the context otherwise requires:

\$ or A\$ means Australian dollar;

ASIC means the Australian Securities and Investments Commission;

ASX means Australian Securities Exchange Limited ;

Bidder's Statement means the bidder's statement dated 1 September 2009 served by Citigold on 18 August 2009 pursuant to the Corporations Act;

Board means the board of Directors of Gateway Mining;

Business Day means a day on which banks are open for business in Sydney excluding Saturday, Sunday or public holiday;

Citigold means Citigold Corporation Limited ACN 060 397 177;

Directors means the directors of Gateway Mining;

Gateway Mining means Gateway Mining Limited ACN 008 402 391;

JV means joint venture;

Offer means the offer which Citigold has made to you to acquire all of your Gateway Mining shares on the terms set out in the Bidder's Statement;

Shares means shares in Gateway Mining;

Shareholder means a shareholder in Gateway Mining;

Target Statement means the statement made pursuant to the Corporations Act as set out in this document and which has been served on Citigold.

VWAP means volume weighted average price.

Interpretation

In this Target Statement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa and words importing one gender include other genders;

- (b) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (c) terms defined in the Corporations Act as at the date of this Target Statement have the meanings (if any) ascribed to them in the Corporations Act at that date;
- (d) a reference to any currency is a reference to Australian currency unless otherwise stated;
- (e) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a paragraph, section, schedule, appendix or annexure is a reference to a part of this Target Statement and a reference to this Target Statement includes any schedules, appendices and annexures;
- (g) a reference to writing includes facsimile transmissions;
- (h) a reference to time is a reference to time in Sydney, Australia; and
- (i) headings are used for reference only and do not affect the interpretation of this Target Statement.

Execution

This Target Statement is signed on behalf of Gateway Mining by Mr Brian Gomez, the Chairman of your Board of Directors. Mr Gomez was authorised to sign this Target Statement following a resolution of your Directors passed on 14 September 2009.

Dated 16 September 2009 being the date on which this Target Statement was lodged with ASIC.



Brian Gomez
CHAIRMAN

PROFILE AND PROSPECTIVITY OF GATEWAY MINING LIMITED PROJECT AREAS

Gateway Mining is active on three main exploration projects, the Cowra JV in NSW, Gidgee in Western Australia and Surprise in Queensland. In addition the company holds a 6% free carried interest in a number of Republic Gold tenements in the Hodgkinson Basin in Queensland.

A summary of the projects is provided below, and further details on progress on the projects can be found on the company's website.

COWRA PROJECT

Gateway Mining 49%, Minotaur Exploration Limited 51%, Mitsubishi Corporation-Mitsubishi Materials Corporation earning 24%.

The Cowra Project is located over Ordovician volcanic arc units of the Molong Volcanic Belt, a part of the multi-commodity prospective Lachlan Fold Belt, with the project being considered very prospective for gold and copper/gold mineralisation.

The Lachlan Fold Belt contains significant currently and past operating mines, including Newcrest's Cadia operations, Rio Tinto's North Parkes assets and Barrick's Lake Cowal mine. Past operations include Brown's Creek Gold Mine, the Woodlawn and Captains Flat VMS deposits, Peak Hill Gold, Gidginbung Gold and Climax's Junction Reefs operations.

Recent years have seen a number of new discoveries in the LFB, including Alkane's Wyoming, Caloma and McPhillamy's gold deposits, and Goldminco's West Wyalong porphyry copper-gold discoveries. Earlier stage work includes a number of promising porphyry intersections by the Goldfields/Clancy Exploration JV.

Given the history of exploration in the LFB, and the fact that the most significant discoveries have been made in the last 30 years the Cowra JV is considered very prospective for gold and copper/gold porphyry related mineralisation. Early work by Gateway on the tenement defined significant areas of skarn alteration and mineralisation. Historic intersections have included 4m @ 4.90g/t Au and 0.17% Cu (hole CWC002) and 0.8m @ 8.41g/t Au in hole CWC018.

The Joint Venture management came to the conclusion that surficial geochemistry and IP were giving ambiguous results. The last round of drilling clearly indicated the presence of mineralisation associated with endo- and exoskarns in a porphyry setting. The decision was taken to employ VTEM, a geophysical technique that is known to have deep penetration.

960 line kilometres of helicopter airborne VTEM covering an area of 205 km² was flown, with the best targets being followed up ground VTEM and magnetics. Careful processing of the data eliminated 48 of the 125 anomalies in the area as being due to cultural features. Of the remainder, 19 were of very high response and 28 high response. The best anomaly is adjacent to the Kiola area.

A drilling programme has been planned for September 2009 and results should be available in October 2009.

GIDGEE PROJECT – WESTERN AUSTRALIA

The Gidgee Project is located approximately 600km NNE of Perth and covers areas of the Gum Creek Greenstone Belt, located in the northern part of the Southern Cross Province of the Archaean Yilgarn Craton. Historic mining within the belt has yielded upwards of 1 million ounces of gold, with approximately 100,000 ounces being recovered from within Gateway's current tenements, largely from a series of oxide open pits that were mined in the 1980's-1990's in the Montague area.

Whilst the holdings are considered primarily prospective for economic gold mineralisation results of work at "The Cup" highlight the prospectivity for copper mineralisation.

The majority of work has been concentrated on oxide gold mineralisation; however the company considers that there is significant potential for further primary gold discoveries in addition to further oxide discoveries. Only a limited proportion of drilling to date has targeted the primary potential, and that that has been done has resulted in some significant results. These include a primary shoot below the Whistler open cut which included intersections of up to 22m @ 14.94g/t Au (including 9m @ 33.82 g/t Au). Other holes throughout the tenements have intersected primary gold mineralisation that requires further follow up.

Gateway's Gidgee holdings are predominantly in two main areas – Barrelmaker to the east and Montague to the west. A recent comprehensive data review by Gateway has led to the decision to look at relinquishing parts of the Barrelmaker area so as work can be concentrated on the Montague area, which the company considers significantly more prospective for gold and copper mineralisation.

Ongoing work to date has resulted in a number of early stage to advanced priority targets:

- Various oxide and primary gold targets within the Airport JV
- Follow up of significant low grade gold results to the east of Rosie North
- Grassroots work over largely untested areas of the Montague Granodiorite
- The Cup (copper)
- Julia's Fault (gold)
- Victory Creek (gold)
- North Montague/Bungarra JV (gold)

The company believes that each of these areas has the potential to host significant mineralisation and still require further work which will largely comprise drilling. Gateway is also carrying out conceptual targeting by interpreting the original geologic environment in relation to the known geology. This is expected to result in further targets for testing.

Montague Area

Airport Central Joint Venture M57/048, M57/098, M57/099, M57/217

Gateway 85%, Herald Resources 15%

This JV covers the previously mined oxide gold open cuts, including Whistler, Rosie, Caledonian, Monty-Boulder and Northeast. With the exception of Whistler, these pits all occur along the Airport Gold Trend, a 4km long NNW trending structural zone located along the margin of the Montague Granodiorite to the east and meta-basalts to the west. It is considered that crosscutting NE trending structures may also be a control on gold mineralisation.

Previous work by Gateway has outlined further mineralisation in the area, and although too small to be considered economic on their own, these prospects support the prospectivity of the area for additional resources. These prospects include Airport Central, Bullseye and Rosie North amongst others.

Little work has been carried out in appraising the primary gold potential of this area, however limited work to date does point to primary gold mineralisation prospectivity. This includes drilling below the Whistler pit as discussed earlier. Only very limited drilling has been carried out below the other open pits, and therefore these are considered as high priority targets for additional mineralisation. In support of this a 2004 consultants report indicated the potential for both high grade lode-style and lower grade, bulk stockwork mineralisation below the Montague-Boulder open pit.

Potential also exists along a NNW trend north of Whistler, where historic drilling has intersected high grade primary lode-style mineralisation, which may reflect a continuation of an interpreted hanging wall shoot intersected at Whistler.

As announced to the market on July 16, 2009, hole WRC012 drilled to the east of Rosie North by a previous JV partner intersected significant widths of low grade gold mineralisation, including 23m @ 0.67g/t Au from 37-60m in oxide material and 102m @ 0.42g/t Au from 66m-168m (end of hole) in primary material. These intersections also contain elevated copper and associated Mo and Bi anomalism.

This intersection which is almost completely within the Montague Granodiorite is open to the east, north and south, has not as yet been followed up. This may represent an alteration halo to a higher grade mineralized system, and is a priority area for follow-up drilling. Troy Resources has recently announced large tonnage; low grade intrusive hosted gold resources at their Sandstone operations located 90km south of the Montague Project.

Very little work has been carried out to date on the Montague Granodiorite away from the gold trend – this is largely due to previous work being concentrated elsewhere, and then, with delays in tenement granting, access not being permitted onto the relevant areas. Large areas of the granite are covered by tenements E57/561, held under a 75/25 JV with Red 5 Limited.

The Cup E57/417

Gateway 100%

The Cup prospect is a copper discovery by Gateway. The prospect occurs along the same structural zone/lithological contact as the Julia's Fault gold prospect which is located some 2km to the north, with the trend associated with Au, Cu, Sb and As geochemistry. The prospect is interpreted to be located at the west dipping contact between mafic volcanics and overlying sediments, including carbonaceous black shales.

Copper mineralisation has been intersected over 350m of N-S strike in RAB and RC holes, and is open to the north, south and downdip to the west. Mineralisation is largely comprised of secondary sulphide minerals, including abundant chalcocite, with no primary mineralisation as yet being intersected. The geology and geochemical signatures indicate a possible VMS origin for the mineralisation, although this interpretation should be regarded as preliminary.

Significant intersections announced to date include 30m @ 1.0% Cu from 70m in hole GRC183, and 80m @ 0.66% Cu from 65m (including 20m @ 1.46% Cu from 90m) in hole GRC200. Preliminary interpretations that the mineralisation is shallowly dipping suggest that the intersections may be close to true width.

Significant work still needs to be carried out on this exciting prospect.

Julia's Fault M57/429

Gateway 75%/Red 5 25%

Julia's Fault is a Gateway gold discovery, with mineralisation interpreted to be associated with folded black shales. Recent interpretations suggest that the gold mineralisation is controlled by the intersection of the reactive shales and a NNW trending structural grain. The structure and lithology is similar to that seen at The Cup copper prospect. Gold intersections to date have been largely associated with gossanous horizons which are interpreted to be the weathered black shales.

The company considers that the prospect has not been fully drill tested, being open to the north and south. In addition a number of holes terminated in mineralisation due to drilling difficulties. Intersections as announced to the market to date include 14m @ 2.94 g/t Au from 67m in hole GRC196, 6m @ 3.80g/t Au from 28m in hole GRC 194 and 5m @ 3.47 g/t Au from 65m in GAC004.

Further drilling is required at Julia's Fault, including testing for along strike extensions of the known mineralisation and deeper drilling to intersect the complete gossan intervals and possible deeper repeats.

Victory Creek M57/485

Gateway 75%/Red 5 25%

The Victory Creek prospect is located approximately 4km NE of Julia's Fault and represents both a geochemical and geophysical target. Magnetics surveying indicates the presence of a deep magnetic target, and the most recent drilling (which included two deep RC/diamond holes) intersected a possible volcanic breccia with some magnetite in the matrix, although this was not associated with gold. Previous shallow drilling resulted in strongly anomalous gold in RAB and RC drillholes above the magnetic anomaly.

The company still regards the anomalism at Victory Creek as not being fully explained and thus further follow up is required.

Bungarra West Joint Venture E57/709 / North Montague Area P57/1179, P57/1181

Gateway 30%, Legend Mining 70%/Gateway 100%

This area is located in the north of the Montague area and previous work has outlined a number of strong EM anomalies that may reflect the downdip extensions of surface ironstone outcrops of possible sulphide origin. Rock chips over the outcrops returned up to 377ppb Au.

An attempt was made to drill the anomaly on the 100% Gateway tenement; however lack of penetration resulted in the target not being tested.

The significance of the EM anomalies is not clear, and drilling is planned by Legend to test the anomalies on the JV tenement. In addition Gateway has drilling planned to test the anomalies on its 100% held tenements.

SURPRISE PROJECT – MT ISA REGION, QUEENSLAND

The Surprise Project, located south of the town of Kajibbi near Mt Isa includes two EPM's and four ML's as listed on the tenement schedule.

The prospect includes a number of historic prospecting pits, as well as the small Surprise Mine. The project is considered prospective for IOCG gold/copper mineralisation, and the most recent drilling by Minotaur Exploration under a previous JV intersected copper-cobalt mineralisation associated with a strong EM conductor.

Gateway is currently assessing past exploration data with a view to planning future strategies over the project.

HODGKINSON BASIN - FAR NORTH QUEENSLAND

Gateway holds 6% free carried interests in a number of tenements held by Republic Mining Limited as part of their Hodgkinson Basin Project located west

of Port Douglas in Far North Queensland. A number of resources have been identified in the project area, including an inferred JORC-compliant inferred resource of 877,000 tonnes @ 1.3 g/t Au for 37,000 ounces contained gold on EPM9934 (source – Republic Gold website).

Republic is currently working towards development and eventual production from their Hodgkinson Project.

TENEMENT SCHEDULE			
Project	Holder/JV	% Interest	Tenements
Gidgee	Gateway	100%	E53/1067, E53/1073, E53/1298, E57/394 (P57/1140, P57/1143), E57/417, E57/418, E57/554, E57/562, E57/563, E57/685, E57/687, E57/688, ELA57/405, ELA57/683 (E57/394, MLA57/470), MLA57/462, MLA57/470 (E57/394), MLA57/472 (P57/1133), MLA57/483 (P57/1167 to 1170), MLA57/484 (P57/1181, 1182), MLA57/497 (P57/1144), P53/1330, P53/1331, P53/1332, P53/1333, P53/1334, P57/1140 (MLA57/470), P57/1143, P57/1144 (MLA57/497), P57/1145, P57/1146, P57/1147, P57/1152, P57/1161, P57/1179, P57/1180, P57/1181, P57/1182, PLA57/1232, PLA57/1233,
Gidgee	Gateway/Herald Resources JV	85%	G57/2 M57/048 M57/098 M57/099 M57/217
Gidgee	Gateway/Herald Resources JV	80%	E57/682 P57/1137 P57/1138 P57/1139 PL57/1153 (E57/563) PL57/1154 E57/689 (MLA's 57/447, 488 & 489)
Gidgee	Gateway/Legendre JV	80%	E57/686 P57/1148 P57/1183 P57/1184 P57/1185 P57/1186
Gidgee	Gateway/Red 5 JV	75%	E57/561 M57/429 M57/485
Cowra	Gateway/Minotaur JV	100% (MEP has fulfilled requirements for 51% stake - change in holding being processed)	EL5514, EL6102
Hodgkinson Basin	Republic Gold	6%	EPM9934, EPM10026, EPM11765, MDL(A)
Surprise	Gateway	100%	ML2483, ML2509, ML2868, ML90102, EPM9053, EPM13677