Annual Report 2009

GATEWAY

MINING LIMITED

1. DIRECTORY

DIRECTORS

Brian Gomez
Chairman
B Sc (Earth Sciences)
FAICD

Dr Robert Creelman
BA. MSc (Hons), PhD.,
F.AUS.IMM.CP (Geol.)

Brian Thornton
B.Ec., F.Fin

COMPANY SECRETARY

Anthony deGovrik LL.B

MANAGEMENT

Steven Lian
Chief Executive

REGISTERED OFFICE

Level 7, Simpson House
249 Pitt Street
SYDNEY NSW 2000
Tel: 61 2 9283 5711
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E-mail:
gml8@bigpond.com

Website:
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SHARE REGISTRY

Computershare
Registry Services
GPO Box 7045
SYDNEY NSW 1115
Tel: 1300 855 080

SOLICITORS

A.C. deGovrik & Associates
7 Cammeray Road
CAMMERAY NSW 2026

BANKER

Citibank
2 Park Street
SYDNEY NSW 2000

AUDITORS

Priestley & Morris
Chartered Accountants
PO Box 19
PARRAMATTA NSW 2124

GEOLOGICAL CONSULTANTS

Gondor Geoconsult Pty Ltd
Mark Gordon
GPO Box 2240
SYDNEY NSW 2001

Alan Pellegrini
12 Holland Street
Wembley WA 6014

AUSTRALIAN STOCK EXCHANGE

Ordinary Shares	GML
Options	GMLO

2. CHAIRMAN'S REPORT

Gateway revitalizes exploration efforts at Gidgee, Western Australia

Global financial and commodity markets have been in turmoil since late 2008 in the wake of the global financial crisis. Two joint venture partners pulled out of exploration and development farm-in projects in Queensland and Western Australia, and Gateway was able to strengthen its hand through two separate placements and a Share Purchase Plan that raised $1.3 million.

Following the close of the financial year one of the company's major shareholders, Citigold, launched a scrip takeover bid for Gateway, offering two Citigold shares for five Gateway shares. Although Gateway directors rejected the bid on price concerns, Citigold successfully increased its equity to just over 48%. Gateway's share placement and SPP have reduced this to around 46%.

Citigold has signalled its intention for Gateway to maintain its independence with the current board and management to remain in place. This stance has been echoed in other public statements by Citigold.

Most commodity prices have recovered from a big plunge since the March quarter of 2009. However, gold has been a standout performer and has moved from strength to strength during and since the crisis ended. Prices have recently been running at over US$1,000 an ounce, compared to a low of US$700 an ounce in November 2008.

However, some of this potential has been eroded by the extremely strong performance of the Australian dollar, which some analysts suggest could be headed for parity with the US dollar in the coming year.

With medium to long term concerns in many countries about inflation there is a reasonable prospect that gold prices will strengthen even further, particularly with anticipated weakness in the US dollar. Copper, another commodity for which Gateway has active exploration programmes, has also risen considerably from its lows earlier this year.

These trends stand in good stead for Gateway. Our partners in New South Wales, Mitsubishi and Minotaur Exploration, are making good progress at the Cowra copper-gold project. Results from their latest drilling campaign are currently being awaited.

Numerous high priority targets have been located in the project.

With the withdrawal of our Western Australian joint venture partner, Gateway is stepping up its exploration activities on that front. The most prospective areas at Gidgee, Western Australia, are being targeted for further geophysical work and drilling. One high priority is to increase the size of gold resources below the open pit at Whistler.

Exploration success in the area has been extremely good. Advanced exploration work needs to be conducted at Julia's Fault, Rosie North, and at Victory Creek as well as to further prove up the virgin copper discovery at the Cup.

We have also delineated a new prospect just north of Victory Creek, now named Victory Well.

2. CHAIRMAN'S REPORT

Much more work also needs to be carried out in the Airport Gold Trend, which has yielded high gold grades at shallow deposits in recent years at Airport, Central and Bullseye. Following a thorough data review of the Montague area, we are optimistic the area will yield exciting news in the year ahead.

Brian Gomez
Chairman

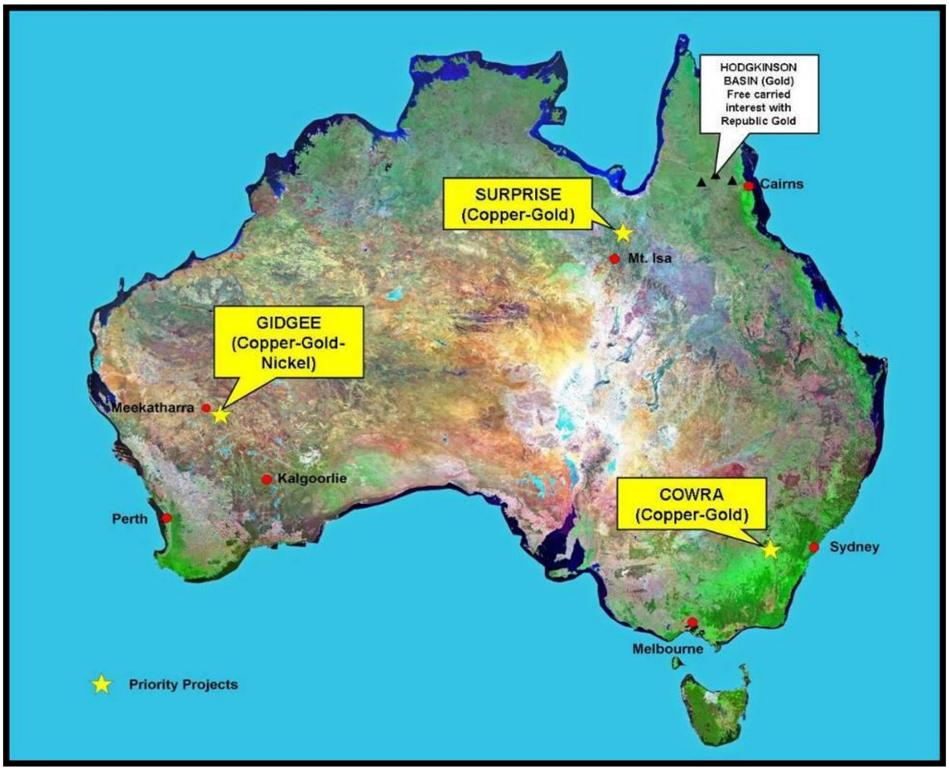
3. OPERATIONS REVIEW

Overview

Work has continued on all of the company's projects during the year, however given the effects of the downturn and the associated inability to raise significant capital, exploration programmes have by necessity been limited.

Work at the Gidgee project has included EM and sub-audio magnetics (SAM) geophysical surveying, RAB (111 holes for 3176m) and aircore (47 holes for 3368m) drilling and a review of past exploration data. This review, which commenced after WCP Resources withdrew from the Airport Joint Venture, has resulted in the recognition of a number of priority targets being outlined, with RC drilling planned to test these targets.

Field work at Gidgee has covered a number of areas, including nickel targets in the Barrelmaker area, The Cup copper prospect, Julia's Fault gold prospect and gold and copper targets on the same trend hosting The Cup and Julia's Fault. Encouraging results have resulted from this work.



The decision was made subsequent to the end of the year to concentrate activities in the Montague area, and hence the company is now in the process of relinquishing the Barrelmaker Group of tenements, including exiting from two joint ventures.

Legend Mining has continued exploration work over the Bungarra West Joint Venture, with this comprising EM geophysical surveys which have outlined a number of targets requiring drilling.

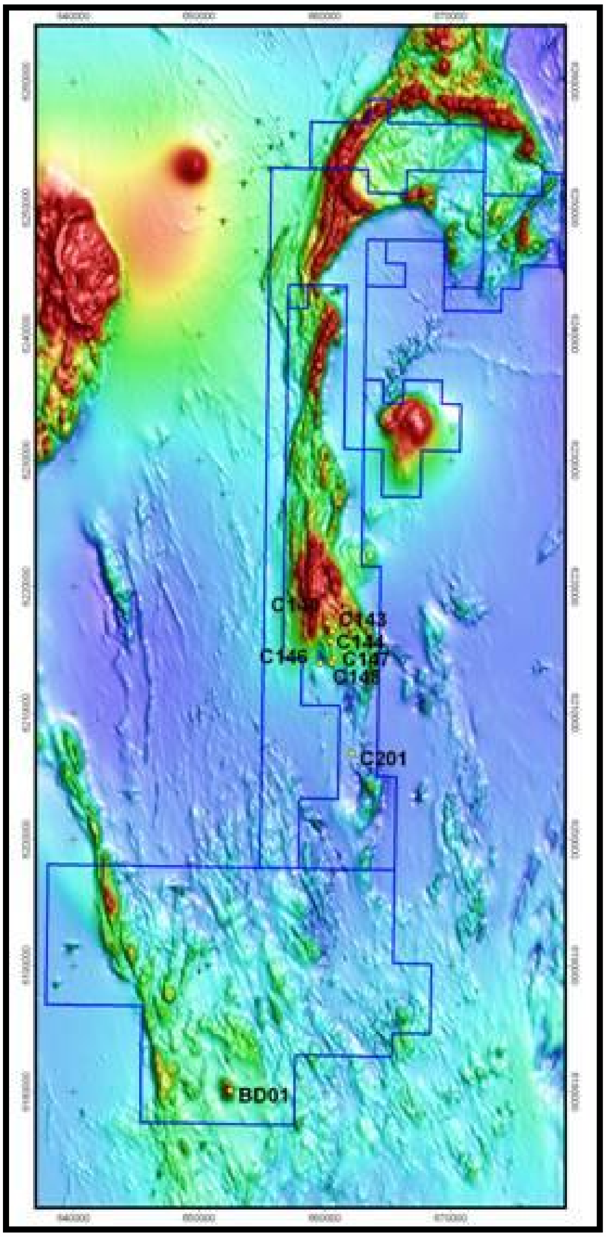
Minotaur Exploration has completed a helicopter-borne VTEM survey over the Cowra Project, with a number of significant anomalies being outlined. These anomalies were followed up by ground EM surveys, with a number then selected for drill testing. Drilling commenced subsequent to the year's end in October 2009.

The withdrawal of Minotaur Exploration from the Surprise Joint Venture has resulted in the Company assessing its options for this project.

Cowra Project — New South Wales

Gateway 49%, Minotaur 51%, Mitsubishi Corp./Mitsubishi Materials Corp. earning 24%

The Cowra Project is a JV between Minotaur, Gateway and Mitsubishi Corporation & Mitsubishi Materials Corporation. The equity earned by Mitsubishi does not dilute Gateway. During the year Minotaur earned 51% of the project through meeting the required expenditure commitments. Gateway has been granted 25% equity in adjacent tenements that were taken out by Minotaur at the start of the project. The deal with Minotaur stipulates that after an expenditure of A$2 million each partner will proportionally contribute to the project. There is approximately $600,000 of sole expenditure remaining.



As reported in the 2008 annual report, Gateway's JV partners completed a six hole drilling programme late in the 2008 reporting year, with assay results received subsequent to the end of the year (however also as reported in the 2008 Annual Report)

The results from Balbardie showed that there was disseminated pyrrhotite, as well as up to 0.5m thick intersections of massive pyrrhotite in all holes in positions consistent with the IP anomalies. The holes intersected intercalated highly altered and less altered but carbonate flooded zones. All Balbardie holes were drilled towards the east, and the banding of the alteration is consistent with the north-south contact between the granite and the metasediments.

The three holes at Kiola were designed to test geochemical and geophysical targets as at Balbardie, and significant pyrrhotite, similar to that seen at Balbardie was intersected. There was one intersection in KIORC003 which was 6m at 0.64% Cu (198m - 204m) and included 1m at 1.0% Cu (199m - 200m) and 1m at 1.24%Cu (202m - 203m). A feature of the rocks associated with this intersection is the appearance of quartz veining.

As at Balbardie the east bearing drill holes intersected strongly chlorite altered sections alternating with less altered calcite flooded sections. This indicated that the banding is most likely to be controlled by fracturing parallel to the granite metasediment contact.

Subsequent to the receipt of these results the JV partners decided to expand their commitment to the JV. Work during the current year included a 350km^2 heliborne VTEM electromagnetic survey, followed by ground surveys over nine anomalies generated by the aerial work. A total of 16.8 line kilometres of ground electromagnetic surveys and 35 line kilometres of ground magnetics surveys were completed as part of this follow up. Eight of these targets gave excellent ground geophysical responses, and were modeled to assist in drillhole planning. Drilling of these targets commenced subsequent to the end of the year in October 2009, however no results have as yet been received.

Surprise Project Queensland

Gateway 100%,

Minotaur Exploration Limited withdrew from the Surprise Joint Venture early in the year, with the tenements reverting to Gateway. In addition to the existing tenure, Gateway applied for EPM17870 "Centipede" adjacent to the existing tenure, with the license being offered to the company subsequent to year's end.

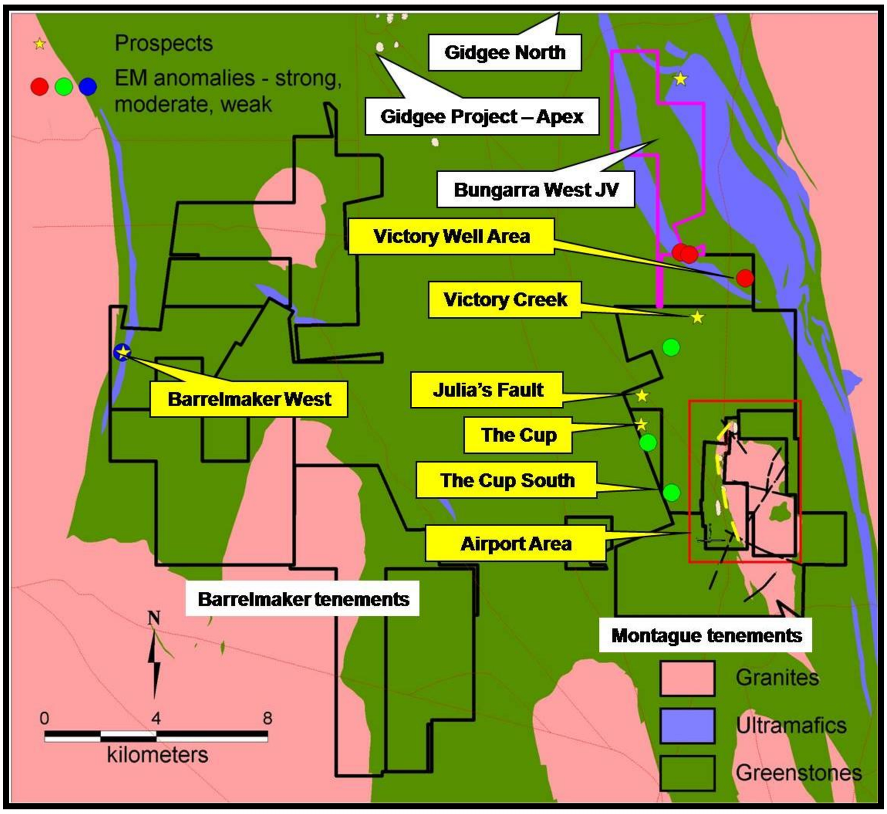
Due to the withdrawal of Minotaur, and the GFC severely limiting the ability to raise exploration funds, work over the Surprise Project has been limited to a data review, and in addition the company has been seeking a JV partner to operate the Project.

The company still regards the project as being prospective for Cu/Au mineralisation and the company holds the view that the deeper gravity anomalies have not yet been tested. The last round of drilling tested IP anomalies with positive results, the mineralisation being very similar to the Surprise mine. The Surprise mine consisted of a calcite vein that hosts chalcopyrite and pyrrhotite. The style of mineralisation suggests that the veining is a result of hydrothermal remobilisation of a deeper metal bearing horizon. The deeper gravity anomalies reflect a denser source that may be increased sulphide content in the deeper rocks.

Gidgee Project Western Australia

Gateway Mining holds interests in approximately 300km^2 of tenements in the Gidgee area, located 600km northeast of Perth. These tenements are located over the Gum Creek Greenstone Belt, considered prospective for gold, copper and nickel.

Historically the Gidgee area has produced around 1.5 million ounces of gold, including production from shallow oxide open pits within the company's Airport Central tenements. To date Gateway has enjoyed exploration success in the project area, predominantly on shallow gold targets. Examples include S-Bend, Rosie North, Airport Central and Bullseye. More recent exploration successes include the Julia's Fault gold mineralisation, and The Cup copper discovery to the south of Julia's Fault.

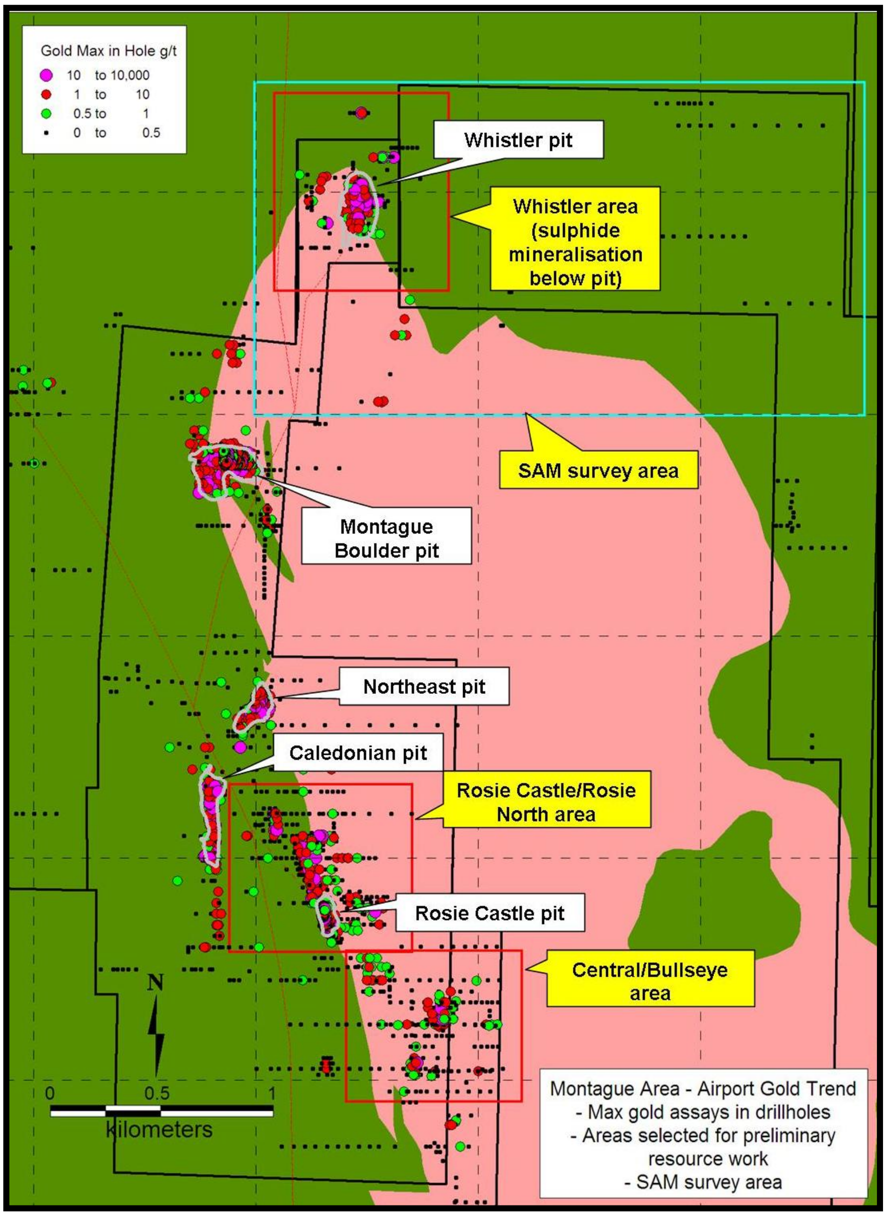


Much previous exploration work (including the discoveries listed above) has been concentrated on near surface oxide mineralisation; however more recent drilling has intersected gold mineralisation that supports the prospectivity for deeper mineralisation.

3. OPERATIONS REVIEW

Only limited deep drilling has been carried out in the Gidgee area, and thus the hypogene gold potential remains largely untested.

Historic work intersected sulphide gold mineralisation below the Whistler open pit, with subsequent work delineating a previously reported 25,000oz JORC-compliant resource in a steeply plunging shoot. As previously reported, drilling by WCP Resources (as manager of the previous Gateway/WCP joint venture) into this shoot intersected ounce plus gold grades (9m @ 33.82 g/t Au in a broader intersection of 22m @ 14.94g/t Au), in addition to two other high grade intersections supporting the prospectivity of this area for hypogene gold mineralisation below and in the vicinity of the historic oxide pits. Intersections of 33m @ 0.67g/t Au and 102m @ 0.42g/t Au in hole WCR012 as announced during the year also confirm the prospectivity of the Montague Granite to host significant gold mineralisation.



EM and ground work in the north of the Montague tenements has resulted in the delineation of a new prospect - Victory Well. This is adjacent to the Legend/Gateway Bungarra Joint Venture area, and exhibits EM and geochemical anomalism.

In the Barrelmaker area, on the western side of the company's holdings, drilling has intersected komatiitic basalts which exhibit spinifex textures, typical of similar lithologies that host the world-class Kambalda nickel mineralisation. No strongly anomalous nickel or copper geochemistry has been intersected in drilling to date, and the company, post year's end made the decision to relinquish the Barrelmaker tenements so as work could be concentrated on the Montague tenements. The company also relinquished the northern tenements during the year.

In summary work throughout the year has confirmed the prospectivity of The Cup, Julia's Fault, Victory Well and the Airport Central areas and hence future work will be concentrated on these, along with further target delineation and testing over the other areas of the Gidgee tenements.

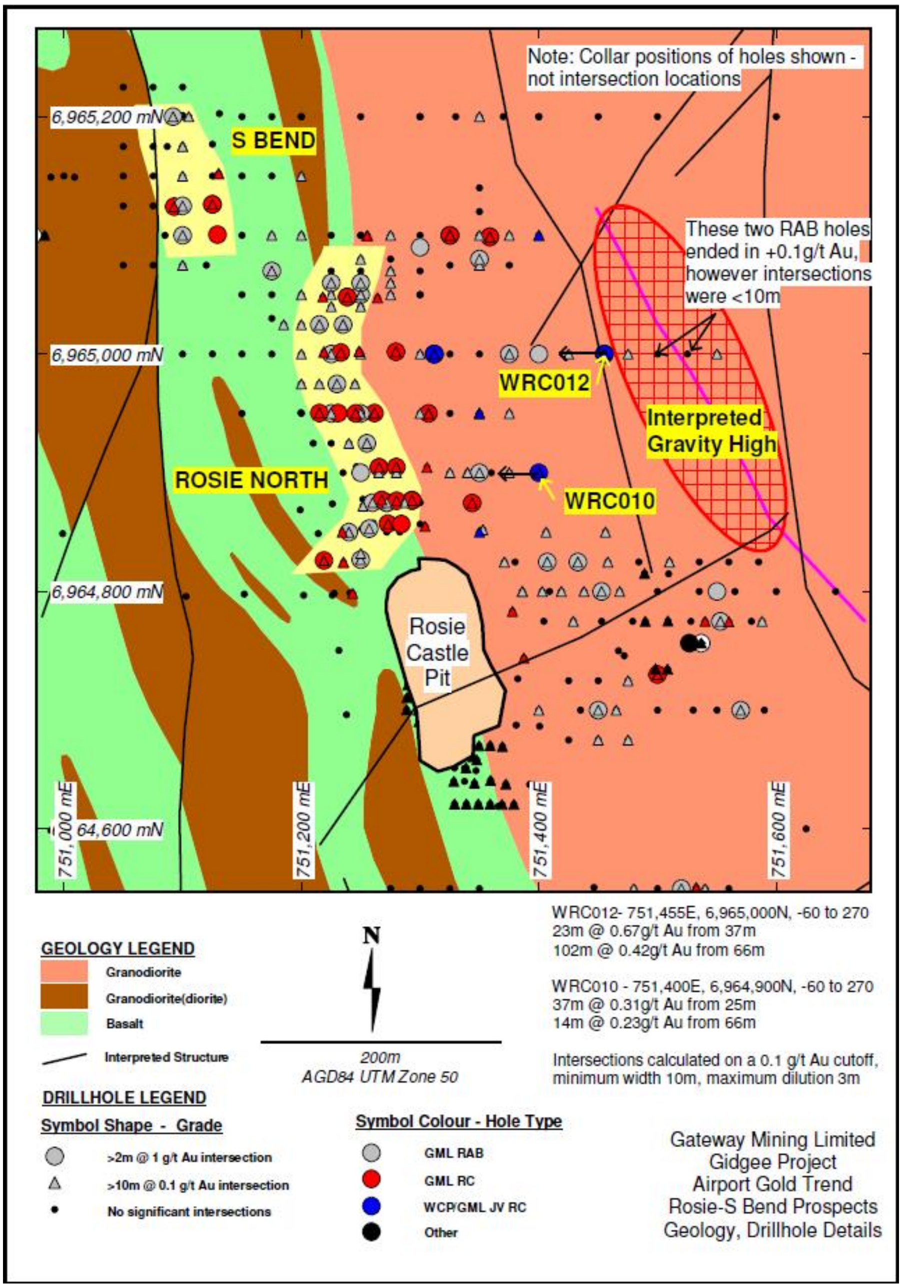
MONTAGUE AREA

Airport Gold Trend

Gateway 85%, Herald Resources 15%,

Following the withdrawal of WCP Resources from the Airport Central Joint Venture early in the year, work carried out by Gateway has included a data review and sub-audio magnetics (SAM) geophysical surveying. In addition preliminary resource work was carried out over three areas - Whistler, Rosie Castle/Rosie North and Central/Bullseye. A summary of these areas are shown above.

SAM is a cost and time effective tool that is considered useful for detailed mapping of structure.



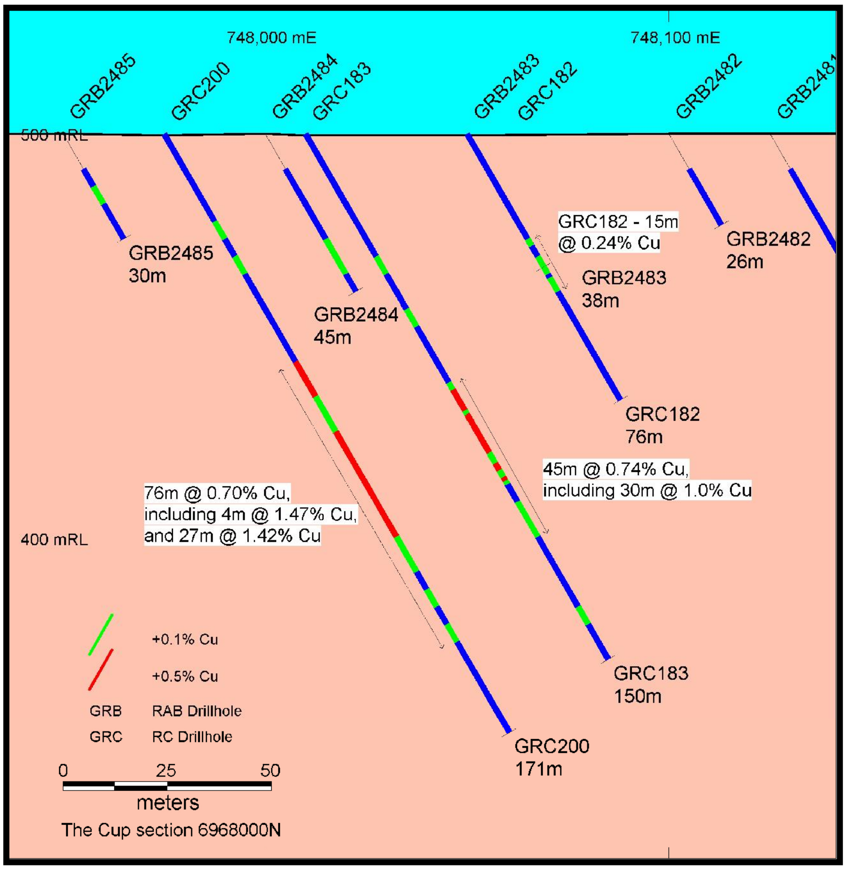
The company carried out a 4km^2 orientation survey to the east of the Whistler pit, and the results of this work indicate that the method is suitable for the Gidgee area. The company intends to apply this method to the Montague Granodiorite east of the Airport gold trend, given that this area is considered underexplored.

The results of the data review are very encouraging, and support the prospectivity of the area for additional oxide and hypogene gold mineralisation. A large proportion of historic work was carried out in the vicinity of the basalt/granodiorite contacts, which resulted in the discovery of the now mined resources amongst others. However the data review has pointed towards the prospectivity of the granodiorite, which has largely remained underexplored. There are some notable exceptions, with Gateway discoveries such as Airport Central and Bullseye being hosted in the granodiorite away from the contact.

As announced during the year one of the significant results to come out of the data review were the results from hole WRC012, which have not been followed up until now. This hole intersected 33m @ 0.67g/t Au from 27m and 102m @ 0.42g/t Au from 66m, with the hole ending in mineralisation. The first of these intersections was in oxide material with the second in fresh rock. The main lithology intersected was granite, with some basalt intersections.

This hole is located approximately 250m to the NE of the Rosie Castle pit, and is adjacent to a demagnetized zone, associated with an interpreted N-S structure and a basement gravity ridge. This may reflect major structure dislocating basement basalts under the granite, and as such could be an ideal site for mineralisation. The mineralisation in hole WRC012, which may represent a halo to a higher grade system, is open to the north, south and east, Two shallow RAB holes drilled to the east of the hole terminated in +0.1g/t gold.

The company is still reviewing the results of the preliminary resource work that was completed during the year and if considered worthwhile these preliminary calculations will be upgraded to JORC-compliance and released to the market.



The Cup

Gateway 100%

The Cup is a Gateway copper discovery. Rockchip, historical aircore and RAB copper anomalism was first followed up by RC drilling in late 2006, which intersected significant copper, including 30m @ 1.0% copper from 70m in hole GRC183. Results from the latest drilling include 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. Copper has been intersected in RC and RAB holes over a strike length of 350m to date, with the mineralisation still open to the north and south, as well as down dip to the west.

The mineralisation appears to sit on the contact between basaltic volcanics to the east, and carbonaceous and non-carbonaceous sediments to the west, and comprises strongly altered sediments overly a possibly volcanic derived greywacke.

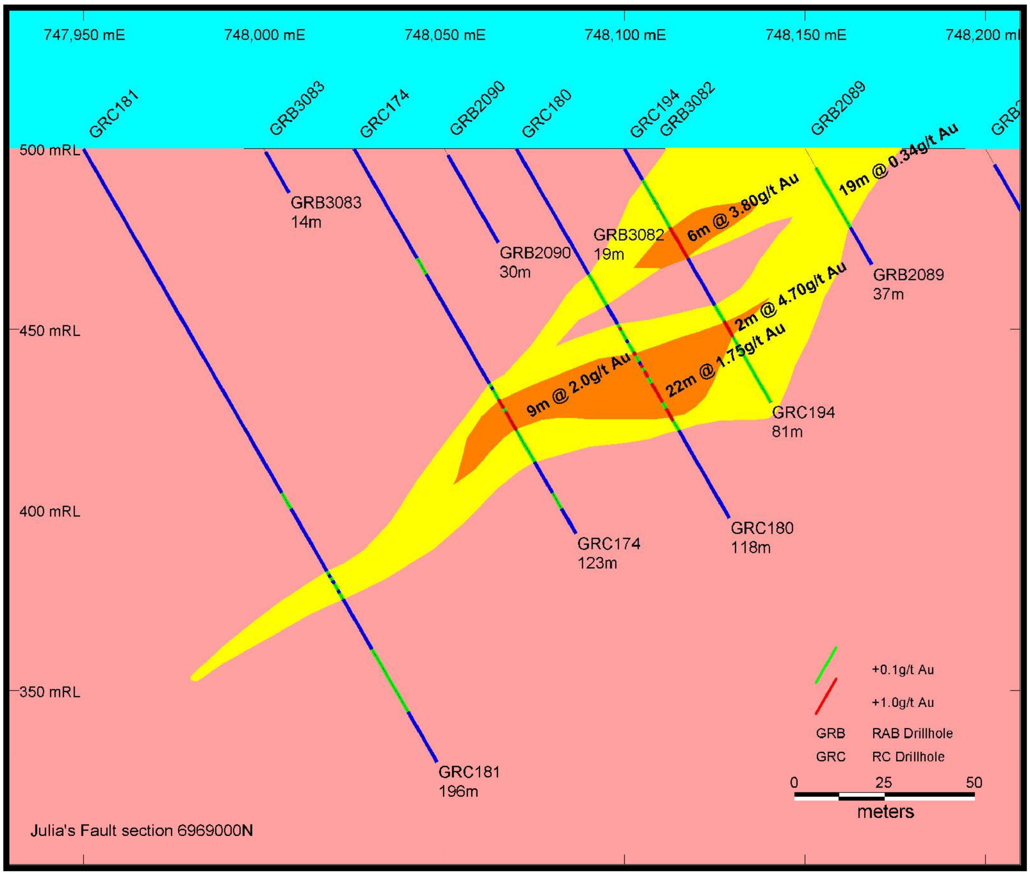
Preliminary interpretations indicate that the mineralisation may include a number of shallowly westward dipping zones, and includes disseminated to massive sulphides (dominantly pyrite), and significant oxide and sulphide copper minerals including abundant chalcocite in what appears to be a zone of secondary mineralisation.

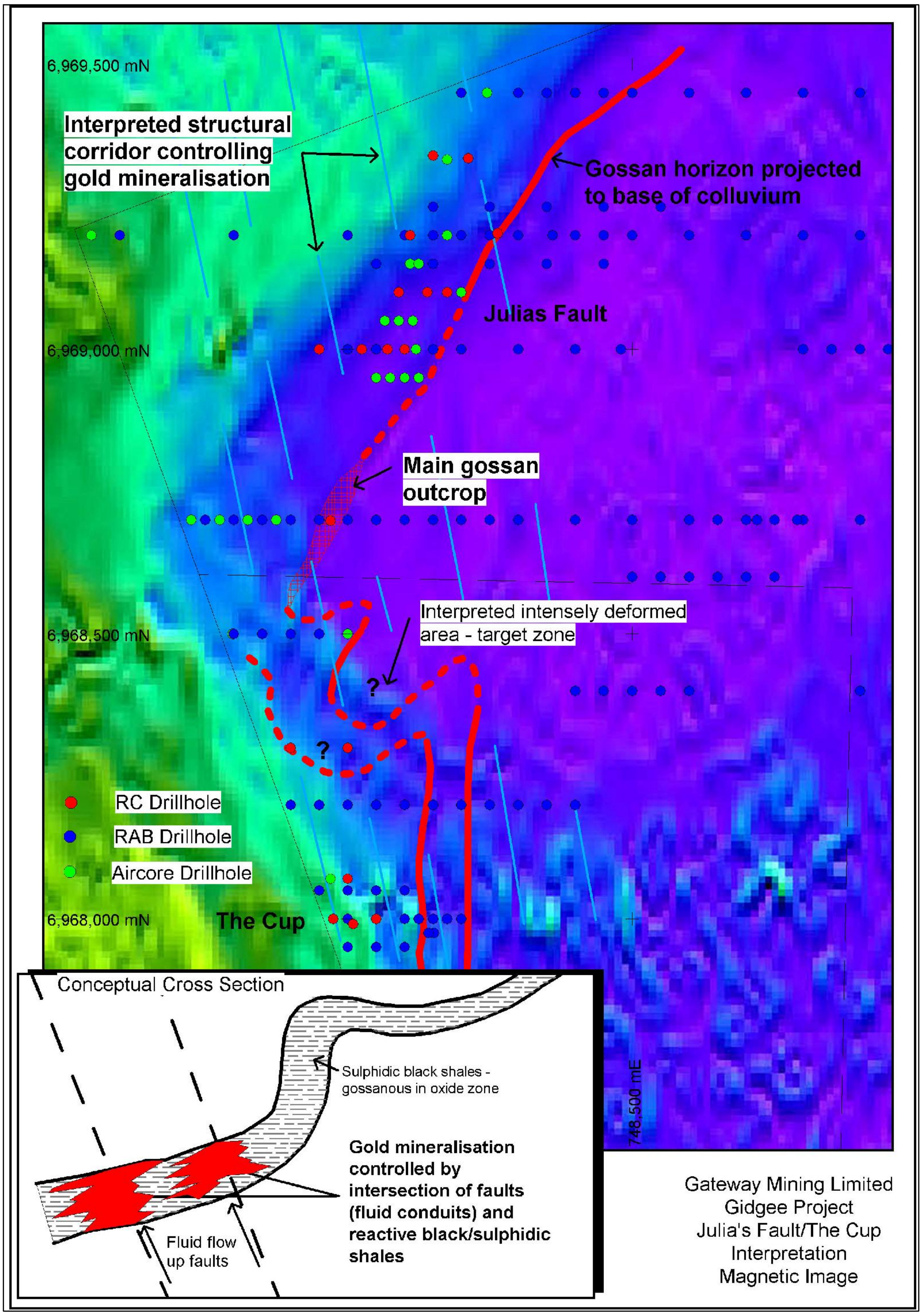
RAB and aircore drilling during the year to the north and south along The Cup/Julia's Fault structural trend intersected variable Au, As and Cu anomalism, including As anomalism associated with semi-massive pyrite approximately 2km south of The Cup and Cu anomalism associated with gossanous ironstone 2.5km south of the prospect. One aircore hole was drilled at The Cup during the year; however this failed to reach the target depth due to drilling conditions.

Julia's Fault

Gateway 75%, Red 5 25%

Julia's Fault is a virgin find by Gateway, originally discovered in 2005 during RC drill testing of RAB gold anomalies. The prospect is located immediately NNE of the Cup, and is possibly located on the same structural zone, where it appears to swing around from the NNW to NNE. The geology of The Cup and Julia's Fault is similar – both being within strongly altered metasediments near the boundary with interpreted underlying basalts, and having mineralisation associated with disseminated to massive sulphides. The initial 2005 work delineated a shallowly westerly dipping zone on section 6969000N, with a down dip extension of approximately 100m. Assay results (1g/t Au cutoff) included 22m @ 1.75 g/t Au and 9m @ 2 g/t Au. The up dip extension on this section was tested by hole GRC194 in early 2008, returning two separate mineralized intervals – one returning 6m @ 3.80 g/t Au and the other of 2m @ 4.70 g/t Au, both within a broader mineralised halo.





Aircore holes drilled during the current period and reported in the June 2009 Quarterly Report returned intersections (5m composite samples) including 5m @ 3.47g/t Au in hole GAC004 and 10m at 0.92g/t in hole GAC001. These intersections were associated with an ironstone unit, interpreted to be weathered sulphidic black shales. A number of the holes (including GAC001) terminated in anomalous gold, due to the inability to drill through the gossans. Interpretations suggest that the gold mineralisation is controlled by the intersection of structure and the black shale unit.

Gold has been intersected in other drilling over a strike length of at least 950m, including a number of intersections at the base of holes where drilling difficulties resulted in holes being terminated prematurely.

Further drilling is planned for Julia's Fault in the coming year.

BARRELMAKER AREA

The Barrelmaker area, on the western side of the Gum Creek Greenstone Belt includes a number of interpreted ultramafic units and is considered prospective for gold and nickel mineralisation. In addition to 100% held tenements, Gateway has joint ventures with Joseph Legendre and Goldfan Pty Ltd (a subsidiary of Herald Resources).

Work during year included RAB and aircore drilling to follow up both existing, and to drill new targets. These included both gold and nickel targets, generated from geology, EM surveying and previous drilling. Additional EM surveying was also carried out, which resulted in a weak EM conductor at Barrelmaker West, interpreted to be caused by a weakly sulphidic chert at the base of an ultramafic unit. Rock chip and soil sampling over this target returned no geochemistry indicative of nickel mineralisation, however weakly anomalous gold results up to 92ppb were returned.

Elevated copper and nickel (up to 7,950ppm at Legendre) associated with ultramafics was encountered in both the Crater (Gateway 80%, Goldfan 20%) and Legendre (Gateway 80%, Legendre 20%) prospects; however values were consistent with expected background values for these units and no evidence of nickel sulphides was observed. However the presence of komatiitic basalts including spinifex textures (commonly associated with Kambalda-style nickel occurrences), combined with some under-explored areas indicates that the area can still be considered prospective for nickel mineralisation.

Subsequent to the year's end, and following a review of operations and exploration priorities it was decided to commence relinquishment of the Barrelmaker tenements.

BUNGARRA WEST JOINT VENTURE /VICTORY WELL

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

Gateway holds a 30% free carried interest in Bungarra West JV licence E57/709, with Legend being operators and managers of the JV which covers the ultra-mafic Bungarra Intrusive Complex. The western contact of the complex, which hosts Legend's Python Cu-Ni-PGE prospect is believed to extend southwards into the JV tenements.

Work over the JV area during the year included EM surveying, carried out in conjunction with a survey over 100% Gateway owned tenements immediately to the south of the JV area (P57/1179 and P57/1181). This surveying outlined a number of EM anomalies, and rock chips of gossanous/ironstone material collected during ground checking returned a maximum of 377ppb gold.

Three short RAB holes were drilled across a strong conductor within P57/1181, held 100% by Gateway, and spatially associated with ironstone outcrops of possible sulphide origin. Lack of penetration of the drilling resulted in the target not being adequately tested.

Modelling by Legend of the southernmost anomaly in E57/709 outlined three moderate to strong conductors, with depths ranging from 30-100m, EW-WNW strikes and vertical to steep northerly dips.

The significance of the EM anomalies is not clear, and drill testing of these features is planned by Legend on the JV tenements and by Gateway on the Gateway tenements.

4. TENEMENTS

The company holds the following percentage interest in the under mentioned tenements:

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

5. DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2009

1. DIRECTORS

The names and details of the directors of the company in office at any time during or since the end of the year are:

Names, Qualifications, Experience and Special Responsibilities

Brian Gomez (Non-Executive Chairman)
B.Sc (Earth Sciences) from Macquarie University

Appointed Chairman in 1995. Board member since 1995. Brian has been analysing and writing about resource projects and issues in Australia and internationally for more than two decades. He has acted in a corporate advisory capacity to a number of listed and unlisted resource companies and delivered papers at International Conferences. Brian is a former Jefferson Fellow at the East West Center in Honolulu and a Fellow of the Institute of Company Directors.

Robert A.Creelman (Non-Executive Director)
BA.MSc (Hons), PhD., F.Aust.IMM.CP (Geol)

Board member since 1994. Dr Creelman is a Fellow of the Australian Institute of Mining and Metallurgy, and a Certified Professional (Geology) with the Institute. He has had over 30 years experience in the geosciences and allied engineering disciplines and has been a director of public companies involved in exploration and mining.
He recently accepted an Adjunct Associate Professorship on a part time basis at the University of Western Sydney, and is a Research Fellow at the University of Newcastle in coal combustion and utilisation. He has in the past been in CSIRO involvement in the development of automated mineralogy for the minerals industry. Through his consultancy, he has been involved in exploration for gold, base metals, fuel and platinum resources.

Brian F. Thornton (Non-Executive Director)
B.Ec., F.Fin

Board member since 2001. Brian Thornton, a graduate in Economics from the Australian National University and a Fellow of the Financial Services Institute of Australia, has a diverse background covering the public and private sectors. He has worked as an adviser to the resources sector for almost 20 years and consults to a number of listed gold base metals and bulk commodity companies.
His expertise covers IPO's, mergers and acquisitions and capital raisings.
He is also a director of Gel Resources Pty Limited and Chairman of Xanadu Mines Ltd.

Directors and Specified Executives (being key management personnel) Interests

As at the date of this report, the interests of the directors and specified executives in the shares and options of the company were:

Directors:	*Ordinary shares:*	*Options over ordinary shares:*
B. Gomez	363,750	350,000
R.A. Creelman	393,000	350,000
B.F. Thornton	10,643,625	350,000
Specified Executives:	*Ordinary shares:*	*Options over ordinary shares:*
S.Lian	1,486,978	450,000

2. COMPANY SECRETARY

Mr. Anthony C. de Govrik – Solicitor. Mr. de Govrik also acts as the company solicitor and was appointed company secretary on 8 October 1992.

3. PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were resource exploration and investment. There were no significant changes in the nature of the activities of the company that occurred during the year.

4. RESULTS AND DIVIDENDS

The loss after tax for the year was $1,859,477 (2008 loss - $178,614). No dividends have been declared or paid during the year.

5. REVIEW OF OPERATIONS

Significant VTEM geophysical results have been outlined at Cowra. A total of 16.8 line kilometres of ground electromagnetic surveys and 35 line kilometres of ground electromagnetic surveys were completed over 9 VTEM targets. The JV partners are expected to commence drill programme in the next quarter.

The Montague area review of exploration data at Gidgee is still continuing and has recognised the significance of previous drilling results at Rosie North, including 33m @0.67 g/t Au and 102m @0.42g/t Au in hole WRC012.

Aircore drilling along the interpreted trend that hosts The Cup and Julia Fault has resulted in elevated Au, As and Cu, confirming the prospectivity of these areas. Intersections at Julia's fault include 5m @3.47g/t Au from a 5 metre composite sample.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND FINANCIAL POSITION

During the year, the company had raised $800,000 through two private share placements by issuing a total of 9,000,000 fully paid ordinary shares.

The main factors contributing to a fall in the company's net equity from $9,912,304 to $8,794,827 were the result of the fall in market value of the company's listed share investments and the write off of an unlisted investment.

7. ENVIRONMENTAL REGULATION

The company's operations are subject to various environmental regulations under State regulations. The Directors are not aware of any material breaches during the financial year.

8. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 11th August 2009, the company raised $500,000 through a private placement of 6,250,000 fully paid ordinary shares at 8 cents under its share purchase plan.

On 18th August 2009, the company received a Bidder Statement issued by Citigold Corporation Ltd with regard to an offer by Citigold to acquire all ordinary shares in Gateway Mining Ltd in the ratio of 2 Citigold shares for every 5 Gateway shares.

9. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the company if any further information on likely developments, future prospects and business strategies in the operations of the company and the expected results of these operations, were included herein.

10. SHARE OPTIONS

At the date of this report, there were 10,250,000 options (2008 - 4,000,000). The 4,000,000 options are exercisable at 30 cents per option on or before 30 November 2011 and the balances of 6,250,000 options are exercisable at 15 cents per option on or before 30 June 2011.

11. EMPLOYEES

There were 2 employees as at 30 June 2009 (2008 - 2).

12. REMUNERATION REPORT

Directors' and Specified Executives (being key management personnel) Remuneration
The company's policy for determining the nature and amount of emoluments of board members and executives is as follows:

Company officers and directors are remunerated to a level consistent with the size of the company.
The company's aim is to remunerate at a level that will attract and retain suitably qualified directors and employees.

The remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders of the company from time to time. This remuneration is by way of a fixed fee and supplemented by the issue of incentive options as approved by shareholders in a general meeting of the company.

The remuneration structure for executive officers is based on a number of factors including experience of the individual concerned and their overall performance. The contracts for service between the company and executives are on a continuing basis the terms of which are not expected to change in the immediate future.

No remuneration is linked to the current performance of the company. This may change in time.

Directors' Remuneration

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Non-executive Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-Contribution	Options	
	$	$	$	$	$	$
B. Gomez	25,000	-	-	-	-	25,000
R.A. Creelman	28,600	-	4,923	-	-	33,523
B.F.Thornton	20,000	-	-	-	-	20,000
	73,600	-	4,923	-	-	78,523

Specified Executives Remuneration

	Short-term benefits				Post-employment benefits	Share-based payments	Total
	Cash Salary	Fees	Non-monetary benefits	Other short-term benefits	Super-Contribution	Options	
Name:	$	$	$	$	$	$	$
S. Lian (CEO)	120,000	-	-	17,305	11,547	-	148,852
Allan Pellegrini (Exploration Consultant)	-	111,122	-	5,114	-	-	116,236
Mark.Gordon (Exploration Consultant)	-	57,559	-	-	-	-	57,559
	120,000	168,681	-	22,419	11,547	-	322,647

No termination benefits were paid during the financial year.
No options were issued as share based payments during the year.

Related Party Transactions

Since the end of previous financial year, other than the remuneration disclosed above, no director has received any benefits.

13. DIRECTORS' MEETINGS

During the financial year, 6 meetings of directors (including committees) were held.
Attendances were:

	Meetings held	Meetings attended
B. Gomez	6	6
R.A.Creelman	6	6
B.F.Thornton	6	5

The company does not have an Audit Committee as this function is performed by the Board of Directors.

14. CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Gateway Mining Limited support and adhere to the principles of corporate governance. These principles have been formalised by the Board in the corporate governance statement contained in the additional ASX information section of the annual report.

15. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.
The company was not a party to any such proceedings during the year.

16. NON-AUDIT SERVICES

There were no non-audit services performed by the external auditor during the financial year.

17. AUDITOR INDEPENDENCE DECLARATION

The auditor independence declaration for the year ended 30 June 2009 has been received and can be found on page 6 of this financial report.

18. INDEMNIFYING OFFICERS OR AUDITOR

The company has paid a premium to insure the directors and officers of the company. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Signed in accordance with a resolution of the Board of Directors.

Brian Gomez
Director

Dated this 29th day of September 2009
Sydney

Priestley &Morris
Chartered Accountants

AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GATEWAY MINING LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

(1) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(2) no contraventions of any applicable code of professional conduct in relation to the audit.

Priestley & Morris

Priestley & Morris
Chartered Accountants

MOlevill

M A Nevill
Partner

Dated this 29th day of September 2009

Priestley & Morris - ABN: 51 502 720 047

Level 7, 3 Horwood Place, Parramatta NSW 2150
PO Box 19, Parramatta NSW 2124
Tel: +61 2 8836 1500 Fax: +61 2 8836 1555
E: email@priestleymorris.com.au W: www.priestleymorris.com.au

6. INCOME STATEMENT

	NOTE	2009 $	2008 $
Revenue	2	**10,834**	900,020
Depreciation and amortisation expense	3	**(1,912)**	(2,054)
Exploration expenditure written off		**-**	(727)
Employee benefit expenses		**(179,564)**	(180,828)
Professional services rendered		**(108,784)**	(123,400)
Office expenses		**(48,698)**	(52,997)
Compliance fees		**(29,517)**	(20,482)
Share registry fees		**(13,636)**	(20,000)
Travel and entertainment expenses		**(27,496)**	(26,538)
Impairment loss		**(861,095)**	(577,060)
Investment write off		**(550,000)**	-
Other expenses		**(49,609)**	(74,548)
Loss before income tax expense	3	**(1,859,477)**	(178,614)
Income tax expense	4	**-**	-
Loss for the year		**(1,859,477)**	(178,614)
Net loss attributable to members of Gateway Mining Limited	14	**(1,859,477)**	(178,614)

FOR THE YEAR ENDED 30 JUNE 2009

Basic earnings per share	6	**(0.0176)**	(0.0018)
Diluted earnings per share	6	**(0.0170)**	(0.0017)

The accompanying notes form part of these financial statements

7. BALANCE SHEET
AS AT 30 JUNE 2009

	NOTE	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	**17b**	**126,550**	366,714
Trade and other receivables	**7**	**79,121**	68,176
Other assets	**8**	**7,500**	-
TOTAL CURRENT ASSETS		**213,171**	434,890
NON-CURRENT ASSETS			
Trade and other receivables	**7**	**12,608**	12,608
Financial assets	**9**	**681,523**	2,079,284
Plant and equipment	**10**	**8,734**	5,168
Deferred exploration and evaluation expenditure	**11**	**7,935,623**	7,442,076
TOTAL NON-CURRENT ASSETS		**8,638,488**	9,539,136
TOTAL ASSETS		**8,851,659**	9,974,026
CURRENT LIABILITIES			
Trade and other payables	**12**	**56,832**	61,722
TOTAL CURRENT LIABILITIES		**56,832**	61,722
TOTAL LIABILITIES		**56,832**	61,722
NET ASSETS		**8,794,827**	9,912,304
EQUITY			
Issued capital	**13**	**20,897,760**	20,155,760
Reserves	**15**	**133,000**	133,000
Accumulated losses	**14**	**(12,235,933)**	(10,376,456)
TOTAL EQUITY		**8,794,827**	9,912,304

The accompanying notes form part of these financial statements

8. CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(480,640)**	(468,953)
Interest and other income received		**10,834**	33,035
NET CASH USED IN OPERATING ACTIVITIES	**17a**	**(469,806)**	(435,918)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		**-**	873,585
Purchase of plant and equipment		**(5,478)**	-
Purchase of listed securities		**(13,333)**	(334,374)
Purchase of unlisted securities		**-**	(7,212)
Expenditure on mining interests		**(493,547)**	(650,467)
NET CASH USED IN INVESTING ACTIVITIES		**(512,358)**	(118,468)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**800,000**	-
Placement fees		**(58,000)**	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**742,000**	-
NET DECREASE IN CASH HELD		**(240,164)**	(554,386)
Add opening cash brought forward		**366,714**	921,100
CLOSING CASH CARRIED FORWARD	**17b**	**126,550**	366,714

The accompanying notes form part of these financial statements.

9. STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 30 JUNE 2009

	Issued capital	Accumulated losses	Financial asset revaluation reserve	Share Based payments reserve	Total
	$	$	$	$	
Balance at *1.7.2007*	20,155,760	(10,197,842)	1,194,874	103,000	11,255,792
Share base payments				30,000	30,000
Cumulative revaluation increment realised on disposal of financial assets			(184,800)		(184,800)
Revaluation decrement at balance date			(1,010,074)		(1,010,074)
Loss at attributable to members of the company		(178,614)			(178,614)
Balance at *30.06.2008*	20,155,760	(10,376,456)	0	133,000	9,912,304
Shares issued during the year	800,000				800,000
Transaction costs	(58,000)				(58,000)
Loss attributable to members of the company		(1,859,477)			(1,859,477)
Balance at *30.06.2009*	20,897,760	(12,235,933)	0	133,000	8,794,827

The accompanying notes form part of these financial statements.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers the financial statements and notes of Gateway Mining Limited as an individual entity.

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows

c. Plant and Equipment

Plant and equipment are measured on the cost basis less where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation
Depreciation is provided on a reducing balance basis on all plant and equipment over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset:	*Depreciation rate:*
Plant and equipment	8 to 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserves relating to that asset are transferred to retained earnings.

d. Financial instruments

Initial recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement.

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions reference to similar instruments and option pricing models.

Impairment
At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

e. Exploration and Development Expenditure

Costs carried forward
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Amortisation
When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuity to carry forward costs in relation to that area of interest.

Restoration costs
Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

No provision for restoration work has been made at this stage.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

g. Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Provision for annual leave is now classified under Trade and Other Payables instead of Provisions as in prior years.

h. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:
Interest revenue is recognised when the company controls the right to receive interest payments.
Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
All revenue is stated net of the amount of goods and services tax (GST).

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

i. Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows, including on-costs, to be made for those benefits.

Contributions are made by the company to an employee defined contribution superannuation fund and are charged as expenses when incurred.

j. Leases

Leases are classified at their inception as either operating or financial leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in the period in which they are incurred.

Finance leases
The company is not a party to any finance leases.

k. Earnings per share

Basic earnings per share is determined by dividing the net profit or loss attributable to members by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determining earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

l. Sundry payables and accruals

Recognition is based upon amounts to be paid in the future for goods and services received, whether or not billed to the company.

m. Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.
Any transactions costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

n. Impairment of Assets

At each reporting date, the company reviews the carrying value of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

o. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical trends and economic data, obtained both externally and from within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Plant and equipment, deferred exploration and evaluation expenditure and financial assets have been reviewed by the company. Impairment losses of $861,095 have been taken up in relation to financial assets.

Key judgments – Exploration and Evaluation Expenditure

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at $7,935,623.

	NOTE	2009 $	2008 $
NOTE 2: REVENUE			
Non-operating activities			
Interest received	**2a**	**10,834**	33,035
Other revenue	**3b**	**-**	500,000
Gain on disposal of financial assets	**3b**	**-**	366,985
Total revenue		**10,834**	900,020
a. Interest revenue from:			
- other persons		**10,834**	33,035
Total interest revenue		**10,834**	33,035

NOTE 3: LOSS FOR THE YEAR

a. Expenses

		2009 $	2008 $
Depreciation of non-current assets: - plant and equipment		**1,912**	2,054
Share based payment to directors, employees and consultants		**-**	30,000
Rental expense on operating leases: - minimum lease payments		**46,465**	44,678

b. Significant revenues and expenses

The following significant revenues and expenses are relevant in explaining the financial performance:

		2009 $	2008 $
Revenue			
Net gain on disposal of non-current assets: - Financial assets		**-**	366,985
Option fee received to exercise 35% interest in Barrelmaker and Airport gold exploration tenements		**-**	500,000
Expenses			
Impairment of financial assets		**861,095**	577,060
Investment write off		**550,000**	-

10.NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $
NOTE 4: INCOME TAX EXPENSE		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable (benefit) on profit (loss) from ordinary activities before income tax at 30% (2008 – 30%)	**(557,843)**	(53,584)
Add tax effect of permanent differences		
- share based payments	**-**	9,000
- write off investment	**165,000**	-
- impairment loss	**258,328**	-
Income tax expense (benefit) arising from profit (loss)	**(134,515)**	(44,584)
Utilisation of prior period tax losses	**-**	-
Benefit of tax loss not brought to account	**134,515**	44,584
Income tax expense attributable to profit (loss) from ordinary activities before income tax	**-**	-

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $
NOTE 5: AUDITORS' REMUNERATION		
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	**20,100**	20,000
NOTE 6: EARNINGS PER SHARE		
a. Reconciliation of earnings to profit or loss		
Loss	**(1,859,477)**	(178,614)
Loss attributable to outside equity interest	**-**	-
Earnings used in calculating basic and dilutive earnings per share	**(1,859,477)**	(178,614)
	No of shares	No of shares
b. Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**105,607,894**	101,122,962
c. Effect of dilutive securities:		
Share options	**4,000,000**	4,000,000
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	**109,607,894**	105,122,962

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 7: TRADE AND OTHER RECEIVABLES

	2009 $	2008 $
CURRENT		
Security deposits	**62,702**	57,748
Goods & services tax receivable	**16,419**	10,428
	79,121	68,176
NON-CURRENT		
Security deposits	**12,608**	12,608
	12,608	12,608

Current security deposits are mining bonds and have a floating interest rate, which has averaged 7.68% for the year (2008 – 6.87%). Non-current security deposits are non-interest bearing.

NOTE 8: OTHER ASSETS

	2009 $	2008 $
CURRENT		
Prepayments	**7,500**	-
	7,500	-

NOTE 9: FINANCIAL ASSETS

	2009 $	2008 $
NON-CURRENT		
Available for sale financial assets:		
Shares in listed corporations - at fair value	**674,311**	1,522,072
Shares in unlisted corporation – at cost	**7,212**	557,212
	681,523	2,079,284

Available for sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

The fair value of the unlisted available for sale financial asset cannot be reliably measured as variability in the range of reasonable fair estimates is significant. As a result, the unlisted investment is measured at cost. No intention to dispose of any unlisted available-for-sale financial assets existed at balance date.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 10: PLANT AND EQUIPMENT

	2009 $	2008 $
Plant and Equipment		
At cost	**97,917**	92,440
Accumulated depreciation	**(89,183)**	(87,272)
Total Plant and Equipment	**8,734**	5,168

Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year:

Plant and Equipment		
Carrying amount at the beginning of the year:	**5,168**	7,222
Additions	**5,478**	-
Depreciation expense	**(1,912)**	(2,054)
Carrying amount at the end of the financial year	**8,734**	5,168

NOTE 11: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

NON-CURRENT

Exploration Expenditure- exploration and evaluation phases

Costs carried forward in respect of areas of interest at beginning of the year	**7,442,076**	6,792,336
Additions	**493,547**	650,467
Expenditure written off	**-**	(727)
	7,935,623	7,442,076

The recoverability of the above is dependent upon further exploration and exploitation of commercially viable mineral deposits.

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Sundry payables and accrued expenses	**46,899**	51,789
Accrued employee annual leave entitlements	**9,933**	9,933
	56,832	61,722

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 13: ISSUED CAPITAL

	2009 $	2008 $
a. Ordinary shares fully paid		
Balance at beginning of year	**20,155,760**	20,155,760
Issued shares	**800,000**	-
Transaction costs	**(58,000)**	
Balance at end of year	**20,897,760**	20,155,760
b. Movements in ordinary shares on issue		
	No.	No.
At the beginning of the financial year	**101,122,962**	101,122,962
Shares issued	**9,000,000**	-
At end of the financial year	**110,122,962**	101,122,962

c. Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared and, in event of the winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares and amount paid up on the shares held. Ordinary shares entitle their holder to vote, either in person or by proxy, at a meeting of the company.

d. Share options

At 30 June 2009, there were 4,000,000 options issued (30 June 2008: 4,000,000). The options are exercisable at 30 cents per option on or before 30 November 2011.

e. Capital Management

The directors control the capital of the company in order to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

The company's capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

The directors effectively manage the company's capital by assessing the company's financial risks and responding to changes in these risks. These responses include share issues.

There have been no changes in the strategy adopted by management since the prior year.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 14: ACCUMULATED LOSSES

	2009 $	2008 $
Balance at the beginning of the financial year	**(10,376,456)**	(10,197,842)
Loss attributed to the members of the entity	**(1,859,477)**	(178,614)
Balance at end of the financial year	**(12,235,933)**	(10,376,456)

NOTE 15: RESERVES

Financial Asset Revaluation Reserve
The financial asset reserve records revaluation of financial assets.

Share Based Payments Reserve		
Balance at the beginning and end of the financial year	**133,000**	133,000

The share based payments reserve comprises the value of options granted calculated at grant date using a Black-Scholes model. No options were granted in the 2009 financial year.

NOTE 16: EXPENDITURE COMMITMENTS

Lease expenditure commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than 12 months	**46,465**	46,465
- between 12 months and 5 years	**205,204**	-
- greater than 5 years	**-**	-
	251,669	46,465

The above represents the lease on the office premises, being a non-cancellable operating lease, with payments made quarterly in advance. The lease expires within a five-year period and has an option to renew for a further three years. The rental rate review is calculated annually and fixed at 4%. Upon renewal the terms of the leases are renegotiated. At present these terms do not allow subletting.

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met. The future obligations which are subject to renegotiation when an application for a mining lease is made and at other times are not provided for in the financial statements.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17: CASH FLOW INFORMATION

	2009 $	2008 $
a. Reconciliation of the loss after tax to net cash flows from operating activities		
Loss after income tax	**(1,859,477)**	(178,614)
Non-cash flows in profit:		
- Depreciation	**1,911**	2,054
- Share based payment	**-**	30,000
- Exploration Expenditure written off	**-**	727
- Impairment loss	**861,095**	577,060
- Net gain on disposal of financial assets	**-**	(366,985)
- Option fees received	**-**	(500,000)
- Investment write off	**550,000**	-
Changes in assets and liabilities:		
- Increase in receivables and other assets	**(18,445)**	(2,796)
- Decrease in payables, accruals and provisions	**(4,890)**	(7,297)
Net cash outflow from operating activities	**(469,806)**	(435,918)

b. Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Balance sheet as follows:

	2009 $	2008 $
- cash and cash equivalents	**126,550**	366,714
	126,550	366,714

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 18: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits at bank, receivables and payables, and available for sale financial assets.

The company does not have any derivative instruments at balance date.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2009 $	2008 $
Financial Assets		
Cash and cash equivalents	**126,550**	366,714
Trade and other receivables	**79,121**	68,176
Available for sale financial assets	**681,523**	2,079,284
	887,194	2,514,174
Financial Liabilities		
Trade and other payables	**46,899**	51,789
	46,899	51,789

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The company does not have fixed rate financial instruments at balance date. It only manages floating rate financial instruments.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities and exploration expenditure. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained During the 2009 year, the company raised funds through private share placements by issuing ordinary shares.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 18: FINANCIAL RISK MANAGEMENT (continued)

Financial liability and financial asset maturity analysis

The tables below reflect an undiscounted contractual maturity analysis for financial instruments. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

	Maturing with 1 Year		Maturing 1 to 5 Years		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Financial Assets:						
Cash	**126,550**	366,714	**-**	-	**126,550**	366,714
Receivables & others	**16,419**	10,428	**-**	-	**16,419**	10,428
Security deposits	**62,702**	57,748	**12,608**	12,608	**75,310**	70,356
Available for sale financial assets	**681,523**	2,079,284	**-**	-	**681,523**	2,079,284
Total anticipated inflows	**887,194**	2,514,174	**12,608**	12,608	**899,802**	2,526,782
Financial Liabilities:						
Sundry payables and accruals	**46,899**	51,789	**-**	-	**46,899**	51,789
Total expected outflows	**46,899**	51,789	**-**	-	**46,899**	51,789
Net inflow on financial instruments	**840,295**	2,462,385	**12,608**	12,608	**852,903**	2,474,993

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Net Fair Value

The net fair values of listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market the net fair value has been based on cost. For all other assets and other liabilities the net fair value approximates their carrying value.

Sensitivity Analysis

The effect on the company's results and equity at 30 June 2009 from exposure to interest rates risk at balance date would not be material.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 19: COMPANY DETAILS

The registered & principal office of the company is:

Level 7, 249 Pitt Street, Sydney, NSW 2000.

The company's domicile is in Australia.

The company is incorporated in Australia.

NOTE 20: SEGMENT INFORMATION

The company operates in Australia predominantly in the mineral exploration industry, mainly gold.

NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

On 11th August 2009, the company raised $500,000 through an issue of 6,250,000 fully paid ordinary shares at 8 cents per share under its share purchase plan.

On 18th August 2009, the company received a Bidder's Statement issued by Citigold Corporation Limited with regard to an offer by Citigold to acquire all ordinary shares in Gateway Mining in the ratio of two Citigold shares for every five Gateway shares.

11. DIRECTORS' DECLARATION

The directors of the company declare that:

a. the financial statements and notes of the company are in accordance with the Corporations Act 2001: and:

(i) comply with Accounting Standards; and

(ii) give a true and fair view of the company's financial position as at 30 June 2009 and of the performance for the year ended on that date of the company

b. the directors have been given the declarations by the Chief Executive Officer for the financial year ended 30 June 2009 as required by s.295A of the Corporations Act 2001, and

c. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.

Brian Gomez
Director

Dated this 29th day of September 2009
Sydney

Priestley & Morris
Chartered Accountants

12. INDEPENDENT AUDIT REPORT
TO THE MEMEBERS OF GATEWAY MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Gateway Mining Limited which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for ***Gateway Mining Limited*** at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard 101: Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporation Act 2001. We confirm that the independence declaration required by the Corporation Act 2001, provided to the directors of Gateway Mining Limited on 29th September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

12. INDEPENDENT AUDIT REPORT

TO THE MEMEBERS OF GATEWAY MINING LIMITED (continued)

Auditor's Opinion

In our opinion:

1. the financial report of ***Gateway Mining Limited*** is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date

   ii. complying with Accounting Standards in Australia (including Australian Accounting Interpretations) and Corporations Regulations 2001;

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on page 3 of the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of ***Gateway Mining Limited*** for the year ended 30 June 2009, complies with s300A of the Corporations Act 2001.

Priestley & Morris

Priestley & Morris
Chartered Accountants

MNevill

M A Nevill
Partner

Dated this 29th day of September 2009

Priestley & Morris - ABN: 51 502 720 047

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13. SHAREHOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,270 and each share carried one vote in person, by proxy or poll.

b. Distribution of Shareholders by Number

Category (size of Holding)	Ordinary
1-1,000	247
1,001-5,000	349
5,001-10,000	171
10,001 -100,000	387
100,001 -and over	116
Total	1,270

c. Number of shareholdings held in less than marketable parcels is 636.

d. Names of the substantial shareholders are:

Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
Citigold Corporation Limited	56,744,321	48.76

e. 20 Largest Shareholders - Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
1	Citigold Corporation Limited	56,744,321	48.76
2	Belfort Investment Advisors Limited	3,990,600	3.43
3	Farrington Corporate Services Super Fund	3,862,453	3.32
4	Great Pacific Custodian Pty Ltd	2,825,000	2.43
5	Belfort Investment Advisors Limited	2,684,974	2.31
6	Bikini Atoll Investments Pty Ltd	2,434,500	2.09
7	Farrington Corporate Services Pty Ltd	1,145,543	0.98
8	Mayfair Far East Ltd	1,047,500	0.90
9	Bikini Atoll Investments Pty Ltd	1,027,454	0.88
10	JVR Resources Pty Ltd	1,000,000	0.86
11	Farrington Corporate Services Pty Ltd	910,557	0.78
12	Reynolds (Nominees) Pty Limited	888,000	0.76
13	Nyook Fong Chin	850,000	0.73
14	Primasia Securities (Asia) Ltd	839,250	0.72
15	Kim Liew	679,352	0.58
16	Lan Lim	660,000	0.57
17	SK Lam & LC Lam	630,000	0.54
18	Drs Diwan Pty Ltd	625,000	0.54
19	Sap Mok	600.000	0.52
20	Guat Leng Chew	588,875	0.51
	TOTAL	83,433,979	72.21

14. CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Gateway Mining Limited is responsible for the corporate governance of the company.
In accordance with the Australian Stock Exchange (ASX) Corporate Governance and Best Practice Recommendations, the following statement outlines the principal corporate governance practices that apply to the company.

Board and Management Functions

Generally, the Board is responsible for establishing the policies of the company, overseeing its financial position, approving major capital expenditures, exploration programs and expenditures. The small management team is responsible for the company's day to day operations including exploration activities, budgets, reporting activities and general administration. Due to the relatively small size of the Board and management team and the need for roles and functions to be flexible to meet specific requirements the company does not have a formal Board charter.

Board Structure

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board should comprise at least three directors and should maintain a majority of independent non-executive directors
- The chairperson must be a non-executive director
- The Board should comprise Directors with an appropriate range of qualifications and expertise
- The Board shall meet at least quarterly and follow meeting guidelines set down to ensure all Directors are made aware of, and have available, all necessary information to participate in an informed discussion of all agenda items.

At present, all Directors are non-executive directors. The Directors in office at the date of this statement are: Brian Gomez (Chairman), Brian Thornton, Robert Creelman.

Under current ASX guidelines, two of the current Board (Mr Brian Gomez and Dr Robert Creelman) are considered to be independent directors. Each Director of the company has the right to seek independent professional advice at the expense of the company. Prior approval of the Chairman is required but this will not be unreasonably withheld.

Due to the small size of the Board and its static nature, the company does not have a board nomination committee. Such decisions are presently the responsibility of the Board as a whole. When appropriate, and at least annually, the Board meets to consider certain aspects of its operations. This includes ensuring that the Board continues to operate within the established guidelines including, when necessary, selecting candidates for the position of Director.

Codes of Conduct

The company does not at present have a formal code of conduct for the guidance of Directors and senior executives. However, the Board's stated policy is for Directors and management to conduct themselves with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the company.
Similarly, the company does not have a code of conduct to guide compliance with legal and other obligations. This reflects the company's size and the close interaction of the small number of individuals employed by the organisation. However, the Board continues to review the risk and compliance situation to determine the most appropriate and effective operational procedures.

14. CORPORATE GOVERNANCE STATEMENT

In relation to share trading, Directors, employees and key consultants are not permitted at any time whilst in the possession of price sensitive information not already available to the market to deal in any of the company's securities. In addition, the law prohibits insider trading, and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the company's securities.

Audit Committee

The company does not have a formally constituted audit committee of the Board of Directors. The Board presently fulfils the functions of an audit committee. The Board is of the view that to date such a committee has not been necessary given the size and nature of its operations. This situation is subject to ongoing review.

Disclosure Requirements

The company's Directors and management are aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. While the company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Communications Strategy

While the company does not have a formal communications strategy to promote effective communication with its shareholders, as it believes this is excessive and too costly for small companies, the company does communicate regularly with its shareholders.

Besides the Annual Report which is sent to all shareholders, all significant information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the company's operations, the material used in the presentation is released to the ASX and posted on the company's website. There is also an email address available to shareholders who have enquiries or are seeking further information.

In addition, a notice of meeting and related communications are provided to the company's auditor who, in accordance with the Corporations Act, is required to attend the company's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative.

Risk Management

The company is a small exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the board of Directors and senior management collectively. The situation may need to be reviewed should the company move to mining production.

Board Performance

There has been no formal performance evaluation of the Board during the past financial year although its composition is reviewed at a Board meeting at least annually. However, the Remuneration Committee, which meets as and when required, reviews matters relating to board performance and remuneration as part of its deliberations.

Remuneration Committee

The company has established a Remuneration Committee comprising the Chairman and Chief Executive of the company. The Committee has now formulated its remuneration policies as set out in the Remuneration Report.