

# Quarterly Activities Report

## For the period ended 31<sup>st</sup> December 2009

### HIGHLIGHTS

- Testing is planned on a number of EM anomalies following completion of a 50 line km EM survey at the Gidgee project in Western Australia, where a number of significant bedrock conductors have been delineated
- Further work on these anomalies will include infill EM surveying and RC/aircore drilling
- Drilling of these new targets will be incorporated into a revised drilling programme, which will include the proposed drilling programme as presented in the September Quarterly.
- The previously reported programme of up to 3200m includes testing possible mineralisation extensions in the Airport/Montague area, further drilling at The Cup copper prospect, further delineating gold mineralisation at Julia's Fault and testing the Victory Well gossans.
- The Company raised \$560,000 (less costs) through a private placement
- The Citigold (ASX:CTO) takeover offer closed, with acceptances taking Citigold's holding to 48.76% of Gateway at the time of closing

### OVERVIEW OF EXPLORATION PROJECTS

#### WESTERN AUSTRALIA

##### GIDGEE PROJECT

Statutory approval was received for an RC drilling programme over a number of prospects in the Montague tenements with prospect locations shown in figure 2. Preparatory work, including hole siting and pad preparation has been completed for the drillholes.

As outlined in the September 2009 Quarterly Report a number of priority targets were initially chosen for drill testing, with a programme of between 2000m and 3200m being planned for early 2010. The targets include The Cup, Julia's Fault, Victory Well, Whistler, Montague-Boulder and Rosie North-East.

A MLTEM survey, totalling approximately 50 line kilometres was completed covering selected areas of the Montague tenements. The results of this survey identified a number of bedrock conductors concealed by transported cover (Figure 2). Follow up work is required to assess the nature of these conductors, with the expected work including infill MLTEM surveying, RC and aircore drilling.

The Company intends to revise the planned drilling as reported in the September Quarterly Report to incorporate testing of a number of the EM anomalies.

The rationalisation of the Barrelnaker tenements has now been completed, with all but one tenement surrendered or passed back to the relevant JV partners.

## **Montague Area**

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

*Gateway 85%, Herald Resources 15%*

As reported in the September 2009 Quarterly Report the company has planned up to 1600m of RC drilling to test a number of targets in the vicinity of the historic mining area. The targets include:

- Whistler, where two holes are planned to test interpreted “hanging-wall” lodes intersected in drilling by WCP Resources, and to test an interpreted NNW trending structure
- Rosie North-East, where a fence of three holes has been designed to test geophysical and structural features to the immediate east of the low grade, possibly “halo style” intersections in hole WRC012, which were reported to the market in the June 2009 quarterly report.
- Montague-Boulder, where three holes have been designed to test targets underneath the open-pit.

Holes are designed to test both oxide and fresh rock targets, and prospect locations are shown in figure 3.

### **The Cup E57/417**

*Gateway 100%*

As reported in the September 2009 report one RC drillhole totalling 200m has been planned to test the down plunge extents of mineralisation on section 6968000N.

### **Julia’s Fault M57/429**

*Gateway 75%/Red 5 25%*

Nine drillholes, totalling 1250m have been designed to further delineate the gold mineralisation at Julia’s Fault.

### **Bungarra West Joint Venture E57/709 / Victory Well Area P57/1179, P57/1181**

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

Two drillholes, totalling 360m, have been designed to test the Victory Well gossans (located within P57/1181), which are associated with strong EM anomalies, and Au, Bi, Te, W and Mo geochemical anomalism.

The planned drill testing of EM anomalies in the southern part of the JV tenement E47/709 was delayed due to rig availability. All preparatory work for the drilling, including establishing sumps was completed.

## **Barrelmaker Area**

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Rationalisation of the company's Barrelmaker tenements was largely completed during the quarter, with all but one tenement either relinquished or handed back to the relevant JV partners.

This rationalisation will allow the Company to concentrate its efforts on the Montague area tenements.

## **NEW SOUTH WALES**

### **COWRA PROJECT :EL 5514 & 6102**

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*Gateway Mining 49%; Minotaur 51%, Mitsubishi Corporation - Mitsubishi Materials Corporation earning 24%.*

Six targets, defined by coincident airborne and ground EM anomalies, were drill tested during the Quarter for a total of 1435.7 m (RC/Diamond). Pyrrhotite and pyrite occurring as both disseminated and within veins were intersected within the metasediments, but only very minor chalcopyrite is present. The maximum assay recorded was only 4 m @ 0.14% Cu in hole 09COWRC147 (from 16 m) and other results were disappointingly low (Target C147, Figure 4). Even though observed pyrite abundances are low, the higher pyrrhotite content combined with the pyrite is probably sufficient to account for the EM anomalies.

Work over the next three to six months will include further ground surveys over other areas considered prospective within the JV tenements. These areas include two high priority targets, one south and one north of the Nasdaq area.

The planned work will include detailed geological mapping (including "Niton" geochemical reconnaissance), soil geochemical sampling, ground magnetics and ground EM (25 line kilometres) surveys. The results of this work will be used for planning further exploration.

## **QUEENSLAND**

### **SURPRISE PROJECT :EPM 9053 & 13677**

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*Gateway 100%*

The company was offered and accepted EPM17870 "Centipede".

The Company is reviewing its strategy with regard to the Surprise Project

### **HODGKINSON BASIN**

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*Republic Gold, Gateway 6% free carried*

Republic Gold is continuing on work to advance its Far North Queensland gold and tungsten projects.

## **CORPORATE**

The Company raised a further \$560,000 (less costs of raising) through the placement of 7,000,000 ordinary shares at 8c/share. These funds are intended for working capital and drilling.

Citigold Corporation Limited's (ASX:CTO) takeover bid for the company closed, with acceptances taking Citigold's holding in Gateway to 48.76% prior to the October raising. Diluted for the October 2009 placement Citigold's holding is 45.99%

## CHANGES IN TENEMENT HOLDINGS

The following table lists changes in the Company's tenement holdings during the quarter.

PROJECT	PROSPECT	TENEMENT	GML INTEREST PRE CHANGE	GML INTEREST POST CHANGE
Gidgee	BM Herald JV	P57/1138	80%	0%
Gidgee	BM Herald JV	P57/1139	80%	0%
Gidgee	Herald JV/Crater	P57/1137	80%	0%
Gidgee	Herald JV/Crater	P57/1153	100%	0%
Gidgee	Herald JV/Crater	P57/1154	100%	0%
Gidgee	Herald JV/Crater	E57/689	80%	0%
Gidgee	BM Herald JV	E57/682	80%	0%
Gidgee	Bo Peep	E57/562	100%	0%
Gidgee	West Crater	E57/563	100%	0%
Gidgee	BM Central	E57/683	100%	0%
Gidgee	BM Central	P57/1140	100%	0%
Gidgee	BM Central	P57/1143	100%	0%
Gidgee	BM	P57/1145	100%	0%
Gidgee	BM	P57/1146	100%	0%
Gidgee	BM	P57/1147	100%	0%
Gidgee	Legendre JV	P57/1184	100%	0%
Gidgee	Legendre JV	P57/1185	100%	0%
Gidgee	Legendre JV	P57/1186	100%	0%
Gidgee	Legendre JV	P57/1148	100%	0%
Gidgee	Legendre JV	E57/686	80%	0%
Gidgee	Legendre JV	P57/1183	100%	0%
Gidgee	BM Central	P57/1144	100%	0%

***For further information visit our website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au) or contact: Bob Creelman, Director, or Mark Gordon on Tel: 02 9283 5711***

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. M.J.Gordon, a consultant to Gateway Mining, a Member of the Australasian Institute of Mining and Metallurgy (CP) and Australian Institute of Geoscientists. Mr.M.J.Gordon has a minimum of 5 years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. M.J.Gordon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

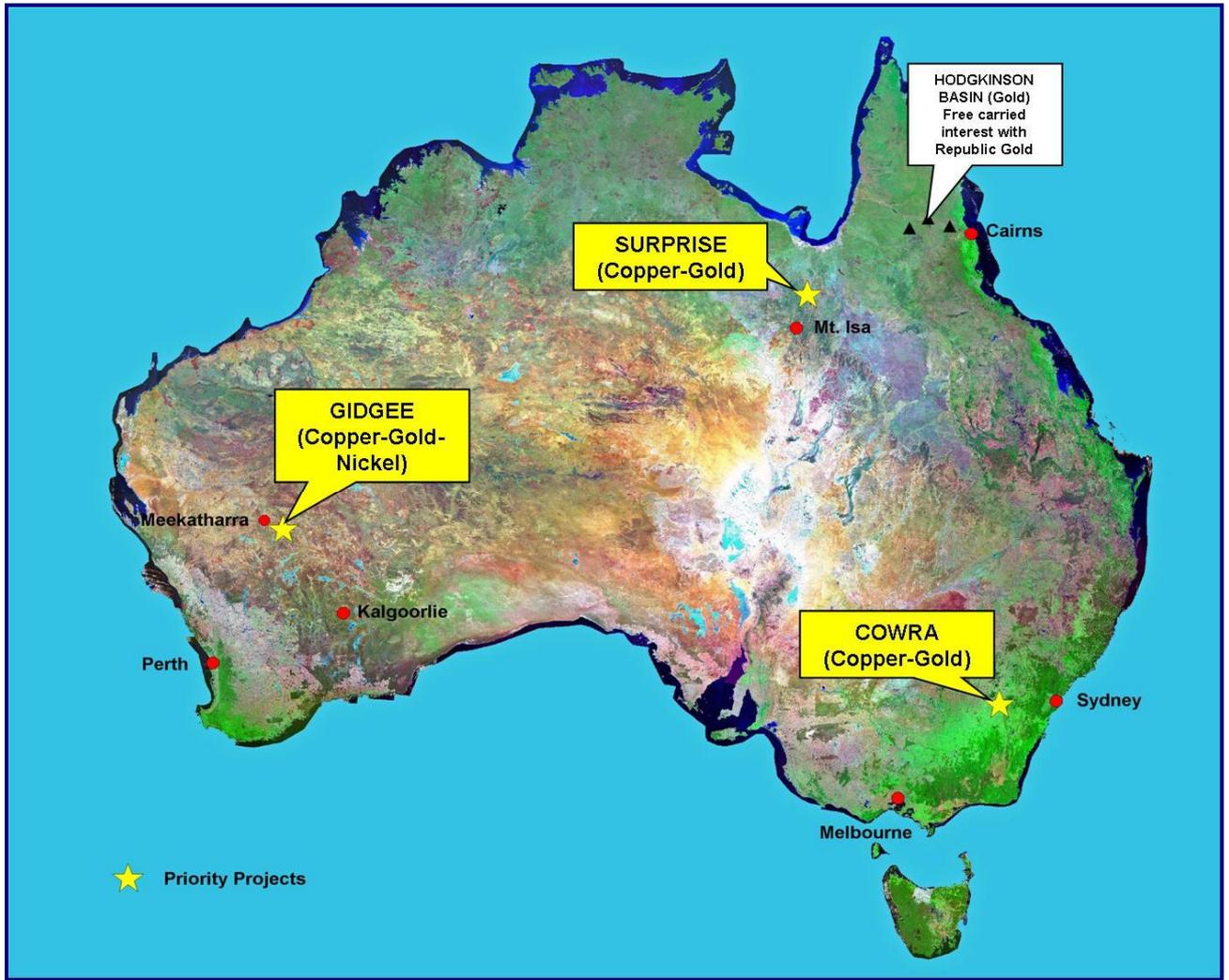


Figure 1. Gateway Mining Limited Project Locations

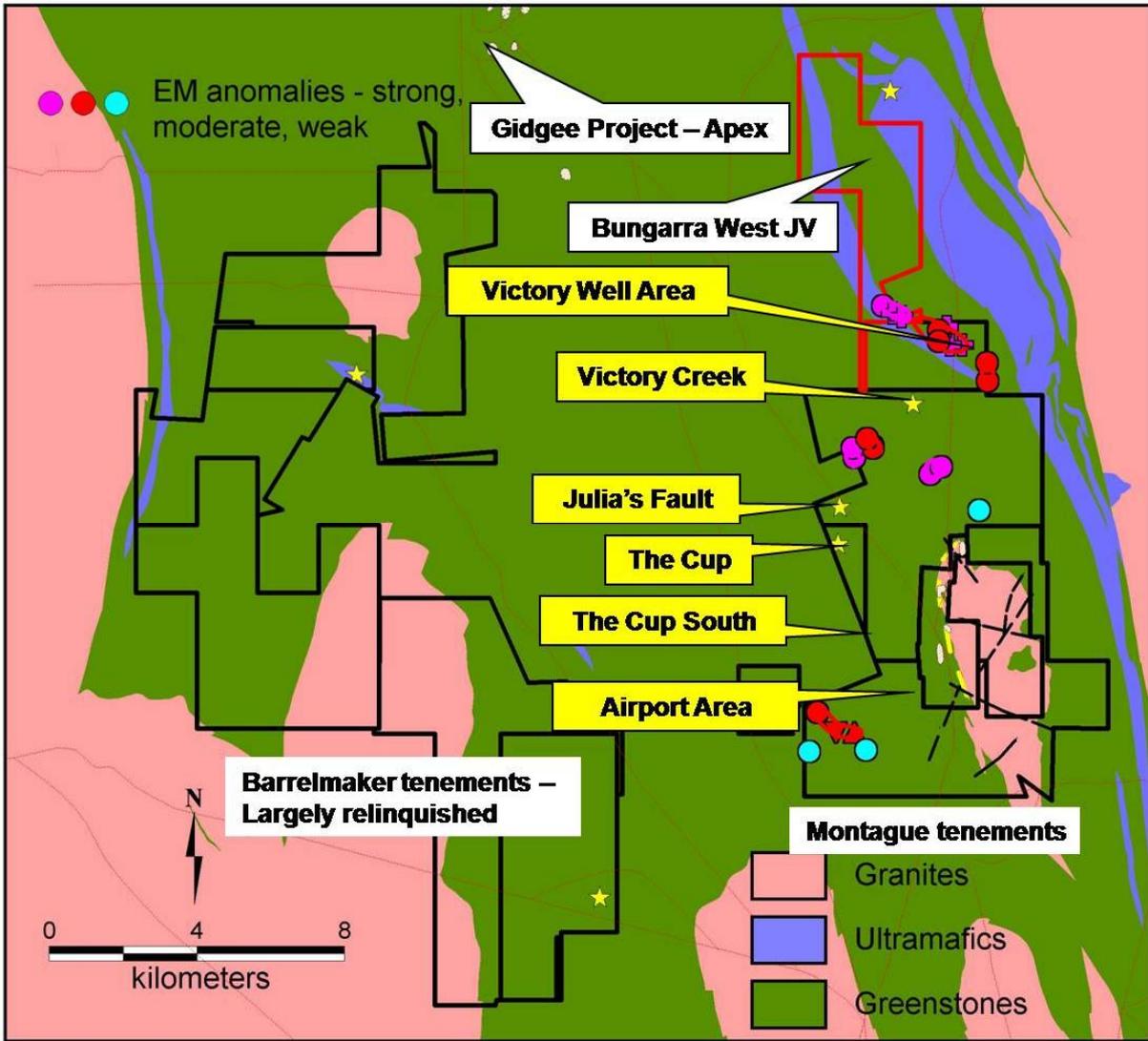


Figure 2. Prospect locations and MLTEM anomalies from October 2009 survey, Gidgee Project

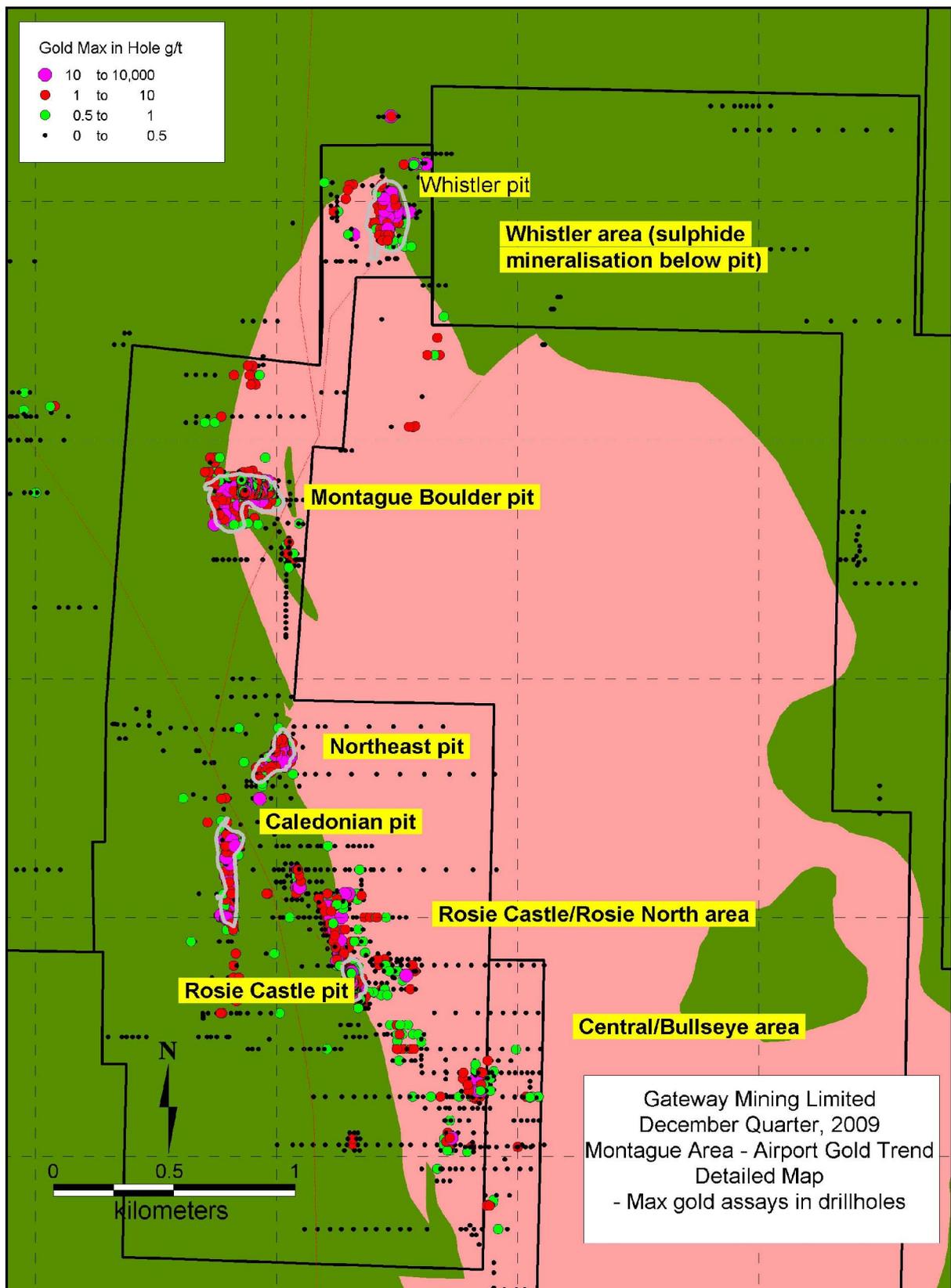


Figure 3. Airport area prospects

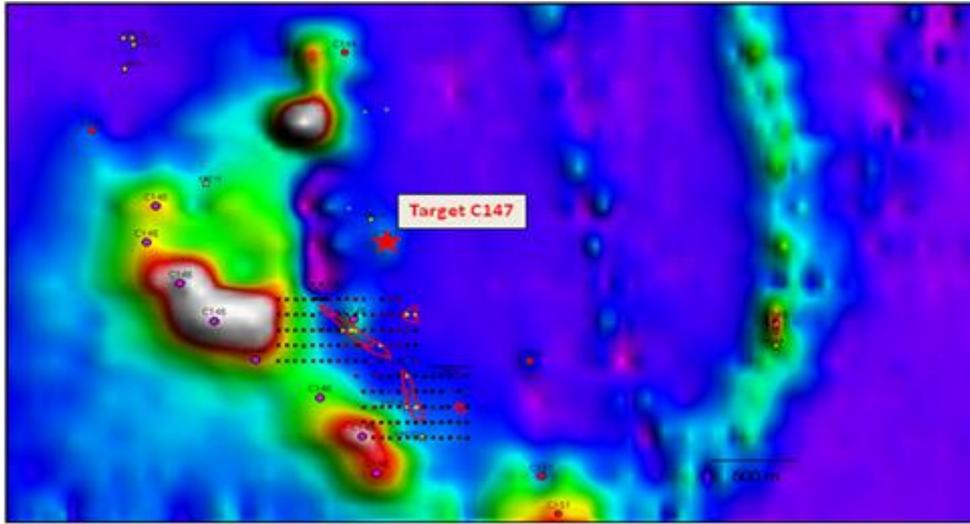


Figure 4. Cowra JV - Target C147 on late-channel VTEM image