Annual Report 2008

GATEWAY

MINING LIMITED

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
Fax: 61 2 9283 5766

E-mail:
gml8@bigpond.com
Website:
www.gatewaymining.com.au

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. CHAIRMANS' REPORT

Significant progress has been made during the past year to further upgrade the potential of our exploration properties in New South Wales, Queensland and Western Australia to host significant gold and copper mineralisation.

At Cowra in NSW our joint venture partners, Mitsubishi Corporation, Mitsubishi Materials Corporation and Minotaur Exploration carried out a round of significant drilling which has shown the two targeted prospects at Kiola and Balbardie to be highly prospective for copper-gold skarns. Assay results are still awaited but further work needs to be done in these areas and on other targets that have been delineated in Cowra.

Minotaur also carried out a drilling program at the Surprise project in Queensland, where new copper mineralisation was intersected, including a best intersection of 4 metres averaging 0.86% copper and 44 parts per million cobalt. Subsequent to the year-end Minotaur has announced it is withdrawing from the Surprise joint venture as part of an overall assessment that has seen it withdraw from activities in Queensland. Gateway believes there is significant potential at Surprise and plans to move forward with further exploration work. The Minotaur withdrawal has meant that Gateway's stake now reverts to the original 100%.

The ongoing realignment of financial and commodity markets has also led WCP Resources to announce a withdrawal from the Whistler joint venture in the Gidgee area in Western Australia after the end of this financial year. Once again Gateway retains its original equity in the areas, some tenements of which are under an original JV with Herald Resources. Work completed by WCP points to the deeper potential for gold following the ounce grade hits WCP made while drilling below the Whistler open pit. This potential will be further explored in the coming year.

The greatest progress was made during the year at The Cup, where drilling has enhanced the copper potential of the prospect. Significant intersections have been made over a strike length of some 350 metres, which still remains open along strike. One of the RC holes struck 76 metres of mineralization that averaged 0.7% copper (including 27m @ 1.42% copper), while another nearby hole intersected 41m @ 0.53% copper. These holes support previous intersections of up to 45m @ 0.79% copper, including 30m @ 1.0% copper. The ground is held 100% by Gateway and further work will be conducted to test its potential for possible multiple zones of shallow dipping oxide/supergene copper mineralization.

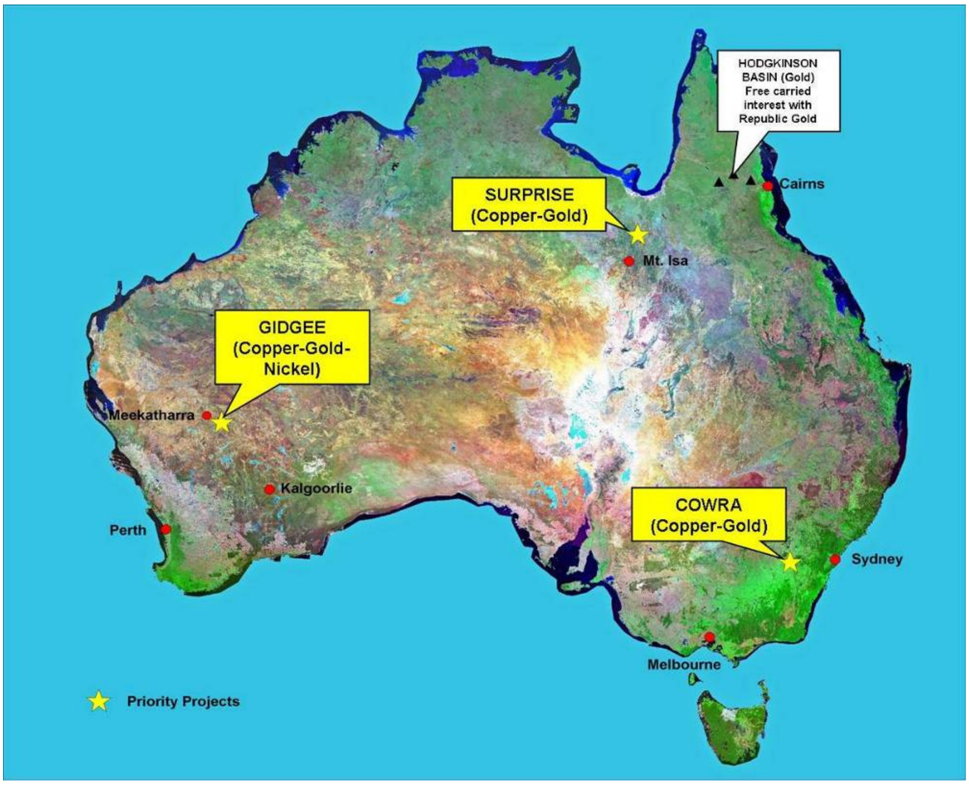
Much more work has also been carried out on Julia's Fault, which lies northeast of The Cup, possibly on the same or a parallel structure. Like The Cup this represents a virgin discovery by Gateway. Recent drilling has intersected wide intersections such as 26m @ 0.78 grams of gold per tonne, including zones of 2m @ 4.7 g/t, 1m @ 1.22 g/t and 1m @ 2.43 g/t. Again, these recent intersections support previous intersections at this prospect of up to 14m @ 2.95 grams of gold per tonne, with this intersection including 9m @ 4.2 grams per tonne. This prospect remains open along strike to the north.

Although the international climate for commodities has been adversely impacted by the global financial crisis and concerns about impending recession, it is only a matter of time before the strong growth of newly emerging countries such as China and India will reassert themselves to generate increased demand – and higher prices – for most mineral commodities.

Gateway is in a good position to further progress work at its various properties and to capitalize on future opportunities as they occur. While copper-gold is the key target at its NSW and Queensland properties, the Gidgee area appears to have the potential for both these metals as well as nickel and platinum group metals, as indicated by the company's own work as well as by our Bungarra West joint venture with Legend Mining.

Brian Gomez
Chairman

3. OPERATIONS REVIEW



Work has continued on all of the company's projects during the year, with very encouraging results.

At the Gidgee Project, RC drilling confirmed the tenor of copper mineralisation at The Cup, with significant intersections of copper being intersected. The Cup is a virgin find by Gateway, and interpretations indicate mineralisation is open to the north, south and down dip to the west. This prospect requires further drilling, which will be a key priority during the coming year. Julia's Fault, a gold prospect located along strike on the same structure as The Cup, returned significant gold results from drilling following up previous intersections. Again this prospect remains open in most directions, and further work is required over this prospect.

A number of other gold, copper and nickel targets have been followed up, including Victory Creek, nickel targets in the Barrelmaker area and gold and copper targets on the same trend hosting The Cup and Julia's Fault. Encouraging results have been returned from this work.

Also in WA Legend Mining have continued comprehensive exploration work over the Bungarra West joint venture, and although only returning slightly elevated results to date this work has resulted in areas requiring follow-up for both gold and nickel. Work over the WCP/Gateway Airport joint venture included an independent consultant's review of previous work, with a suggested drill programme the result of this. WCP exited the JV subsequent to the end of the year, and Gateway is now assessing the options on moving this project ahead.

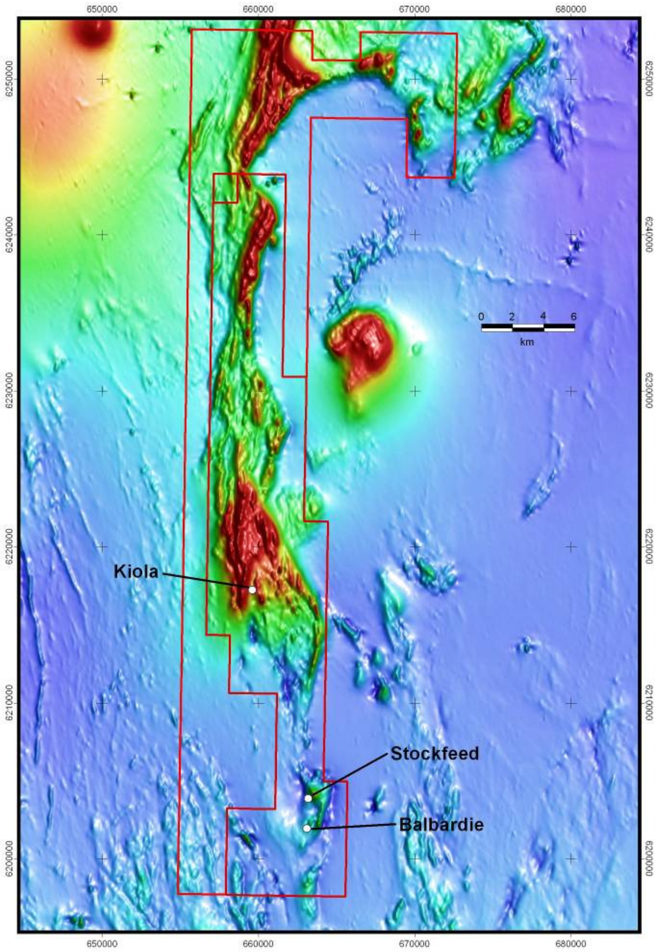
Minotaur Exploration carried out drilling over the Cowra (N.S.W.) and Surprise (Qld) tenements; however Minotaur advised Gateway that they wished to pull out of the Surprise JV, largely due to a corporate decision to cut back on exploration in Queensland. The drilling did intersect anomalous copper sulphides over short intersections, and Gateway is of the belief that there are still geophysical targets to be drilled in this area.

Drilling at Cowra intersected skarn-style mineralisation over both the Kiola and Balbardie prospects with associated copper mineralisation. The results of the work are currently being interpreted, however are very encouraging, and further work is planned over these targets in the coming year.

3. OPERATIONS REVIEW

Cowra Project   New South Wales

Gateway 100%, Minotaur/Mitsubishi Corporation/Mitsubishi Materials Corporation earning 75%



The Cowra Project is a JV between Minotaur, Gateway and Mitsubishi Corporation and Mitsubishi Materials Corporation. The equity earned by Mitsubishi does not dilute Gateway, which will retain 25% of the Cowra tenements up to a decision to mine.

A drill program was completed on the Cowra prospects following a revision of all geochemical and geophysical data that included the use of hand held NITON X-Ray florescence equipment and advanced interpretation of induced polarisation (IP) data. The NITON identified additional prospects to the south of Kiola; Stockfeed and Balbardie, both of which are associated with small gossans. IP lines surveyed across the Balbardie soil geochemistry anomaly yielded significant results. The IP was blended with the magnetic data, and the results appeared to have continuity with what was known of the geology.

A drilling program has now been completed but only after long delays in obtaining the services of a suitable rig. The program consisted of three holes to test a combination of geology and geophysical targets at Balbardie and three holes at Kiola.

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.

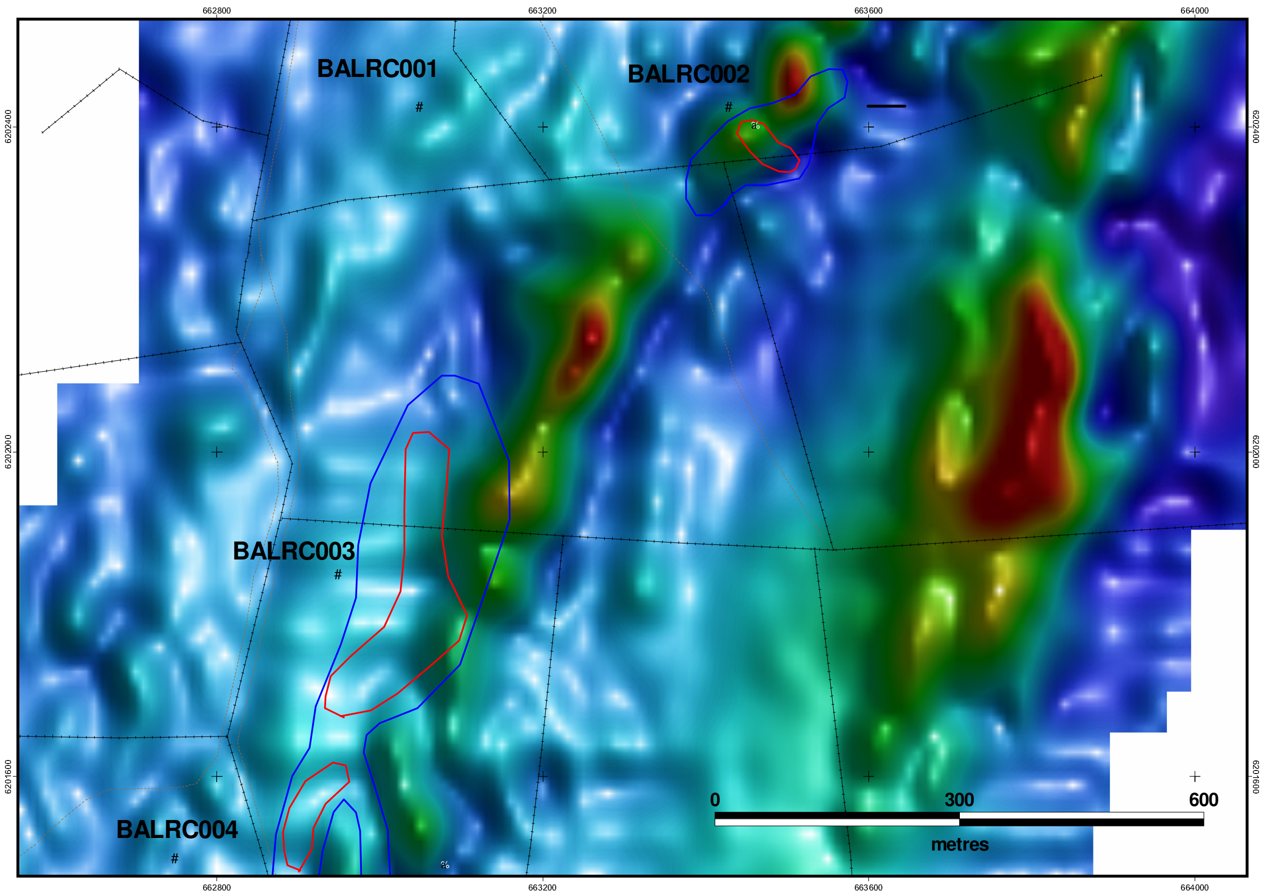
As at Balbardie the east bearing drill holes intersected strongly chlorite altered sections alternating with less altered calcite flooded sections. This indicated that the banding is most likely to be controlled by fracturing parallel to the granite metasediment contact.

3. OPERATIONS REVIEW

The drilling has explained that the cause of the IP anomalies is most likely the pyrrhotite which is abundant in the area and associated with the more altered zones. The best IP anomalies are a combination of high resistivity and high chargeability. What are not explained are the strong magnetic anomalies however, and thus the magnetic modeling has to be readdressed.

The results of the drilling strongly suggest that the areas targeted are still distal to the area of interest and the geochemistry and geophysics has to be extended eastwards closer to the granite metasediment contact. At Kiola this indicates that the skarn outcrops to the north east have to be mapped in more detail and the geophysics and geochemistry extended over the skarn rocks.

The area is considered very prospective and work is planned to continue through into the coming year.



Location of drill holes for Balbardie prospect. Base map is the magnetic response

Surprise Project Queensland

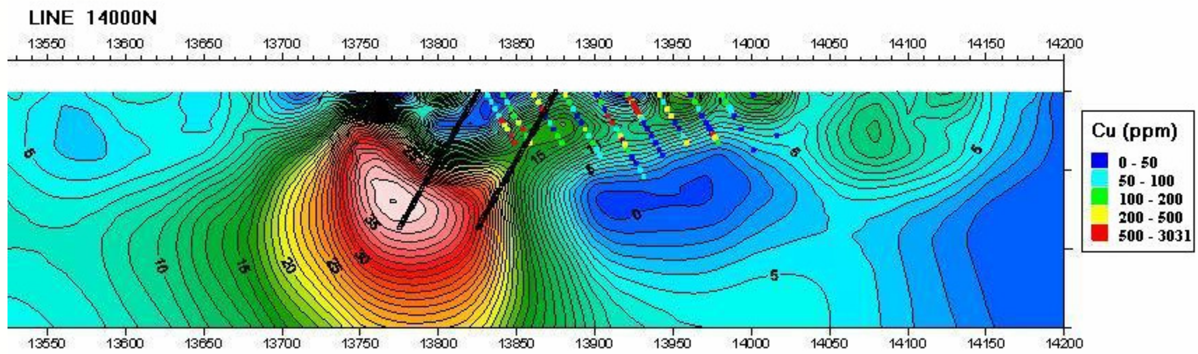
Gateway 100%, Minotaur earning 75%

Minotaur Exploration Limited as JV managers and operators intersected copper in two out of four RC holes drilled at the Surprise project (EPM 9053), 60 kilometres north west of Cloncurry in Queensland. The four RC holes were designed to test IP anomalies on three regional geophysical profiles, located along a 5km copper anomalous corridor previously outlined by Gateway Mining.

Intersections included 4m @ 0.86% copper, 44 ppm cobalt from 50 metres and 7m @ 0.60% copper, 183 ppm cobalt from 64 metres in hole 08RCSU002. The mineralisation was associated with variable quartz and calcite veining and sulphides (pyrite and pyrrhotite). A second RC drill hole, 08RCSU004 also intersected minor mineralisation (3m @ 0.15% copper from 49 metres) in similar rock types.

Minotaur reported that drill hole 08RCSU002 had targeted the peak of an IP chargeability anomaly on Electrical Geophysical Line 14000N.

Copper mineralisation in 08RCSU002 is open to the north and south and at depth. Higher resolution, infill geophysical surveys are planned to define the subsurface orientation of mineralisation prior to follow-up drilling.



Drill traces of 08RCSU002 (left) and 08RCSU003 (right in black) on Line 14000N IP chargeability profile at Surprise Project in Queensland

Minotaur Exploration has advised Gateway that they intend to withdraw from the Surprise Joint Venture. Gateway intend to further advance exploration in the area taking into account the data generated by the JV and other unpublished data obtained by Gateway recently. Minotaur's withdrawal is the result of a corporate decision to cut back on exploration in Queensland.

Gateway 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.

Gateway has applied for new ground in the area, and is proceeding with the renewal of EPM 13677. Renewal and the new application will involve native title negotiations which were begun by Minotaur, but are now continued by Gateway. The Company has confidence in the area, and will proceed with review of data and new exploration strategies.

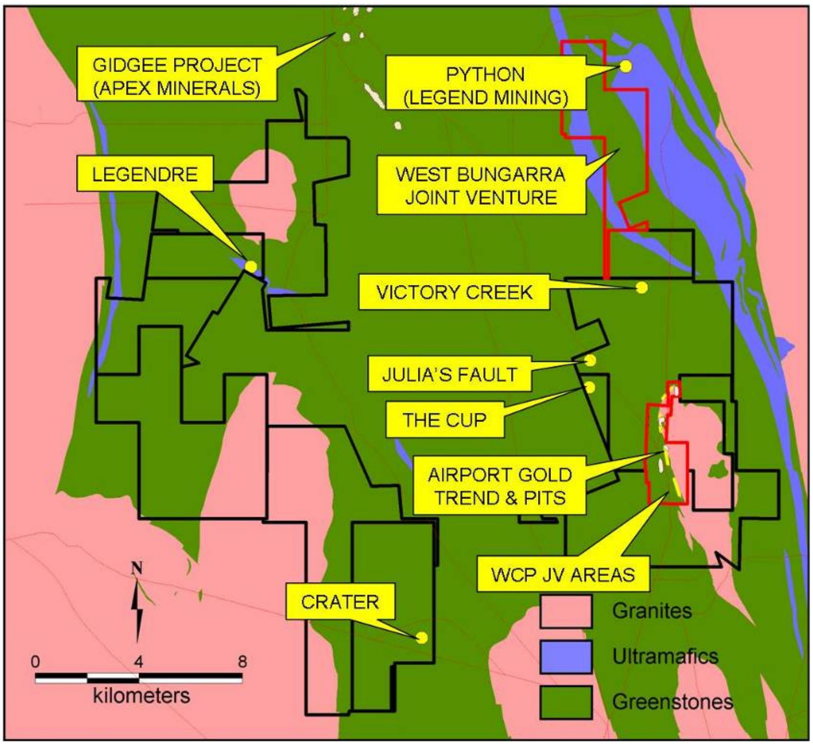
3. OPERATIONS REVIEW

Gidgee Project

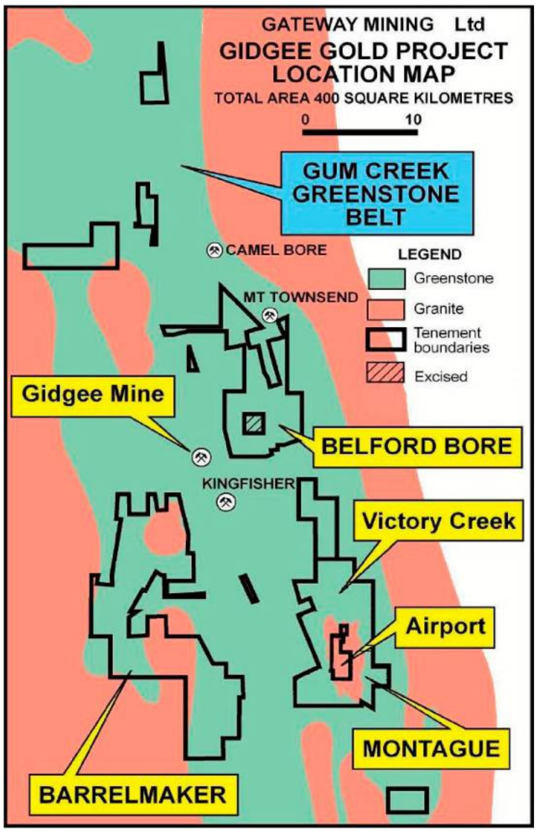
Western Australia

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 open pits within the company's Airport Central tenements. Much previous exploration work has been concentrated on near surface mineralisation; however more recent deeper drilling has intersected copper and gold mineralisation that indicates the prospectivity for deeper mineralisation.



Map of the Barrelmaker-Montague area, showing prospect locations



Gidgee Project Areas

Examples include the company's gold success at Julia's Fault, and The Cup copper discovery to the south. Deeper drilling by WCP Resources (as manager of the Gateway/WCP Resources joint venture) below the Whistler pit intersected plus ounce gold grades, supporting the prospectivity of this area for sulphide gold mineralisation below the historic oxide pits. Only limited deep drilling has been carried out in this area, and thus the sulphide gold potential remains largely untested.

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, however some areas still remain only lightly tested, and the company does still consider the area prospective for nickel mineralisation.

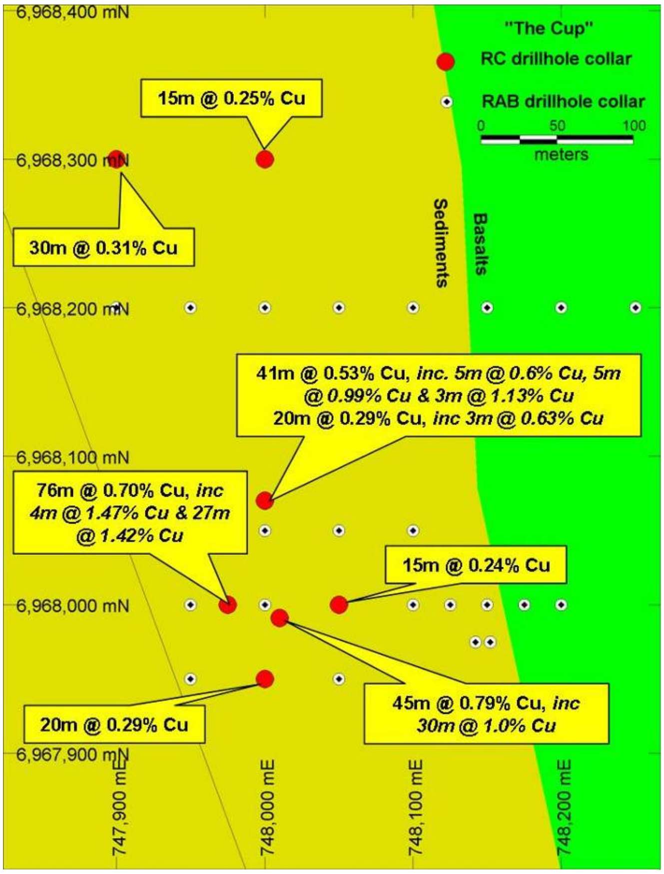
In summary work throughout the year has confirmed the prospectivity of The Cup, Julia's Fault, Victory Creek and the Airport Central areas and hence future work will be concentrated on these, along with further target delineation and testing over the other areas of the Gidgee tenements.

MONTAGUE AREA

The Cup E57/417

Gateway 100%

Gateway has continued exploration at The Cup copper prospect. Significant copper has been intersected in RC drillholes during the year, confirming previous results. 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 during the latest drilling include 76m @ 0.70% Cu from 65m (including 27m @ 1.42%) in hole GRC200. Preliminary interpretations that the mineralisation is shallowly dipping suggest that the intersections may be close to true width.



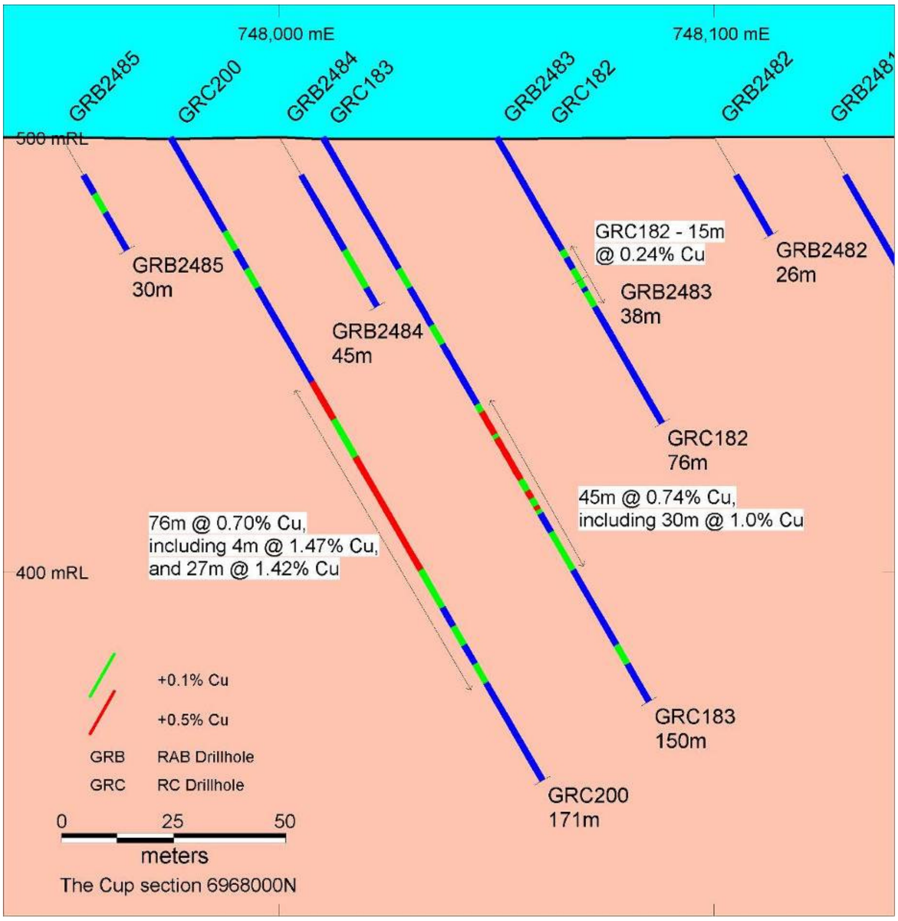
"The Cup" prospect, showing copper intersections in RC drillholes

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 or 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.

Further work, including drilling is required to test this prospect, which will be one focus of Gateway's activities in the coming year.

Copper sulphates leaching from chalcocite, CRC200 89 to 93m



The Cup section 6968000N, showing copper intersections

Julia's Fault

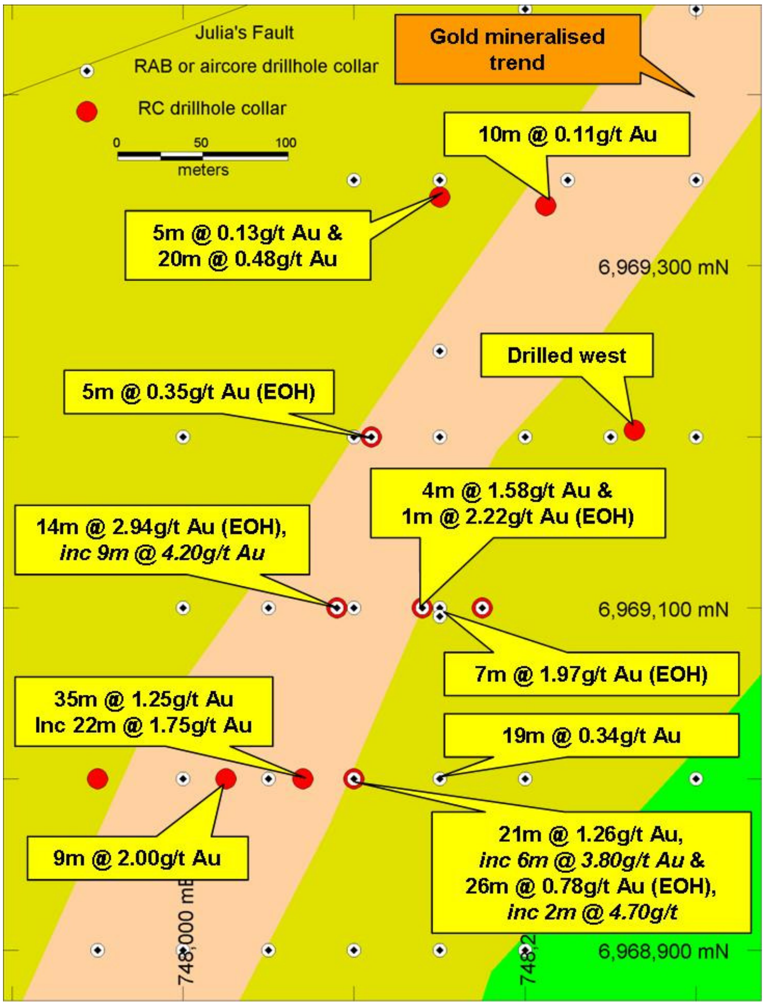
Gateway 75%, Red 5 25%

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.

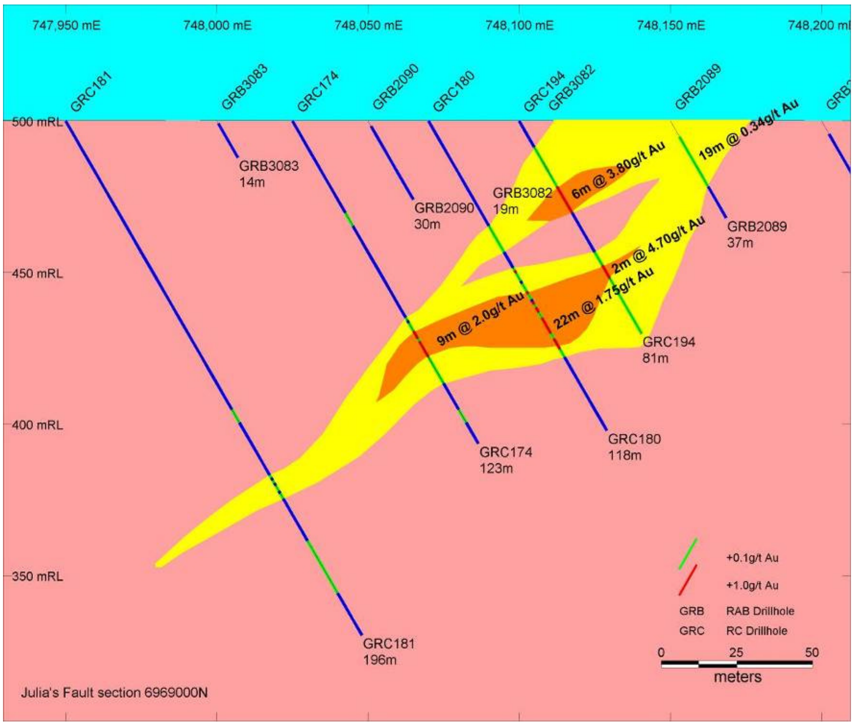
The initial 2005 work delineated a shallowly westerly dipping zone on section 6969000N, with a down dip extension of approximately 100m. Assay results included 35m @ 1.25 g/t Au and 9m @ 2 g/t Au. The up dip extension on this section was tested by hole GRC194 in early 2008, returning two separate mineralized 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.

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.

As for The Cup, further drilling required at this prospect, as well as along the structural zone between the two areas.



Julia's Fault prospect showing gold intersections



Julia's Fault section 6969000N, showing interpreted mineralized zone

3. OPERATIONS REVIEW

Airport Central Joint Venture

Gateway 85%, Herald Resources 15%, WCP Resources earning 70%

Work during the year comprised data collations, and interpretation and review of past exploration data. An independent consultant was also engaged to review the data and plan ongoing drilling programmes to thoroughly explore the potential for additional mineralisation in this area.

Significant intersections were drilled by WCP Resources at Whistler (22m @ 14.94g/t Au, including 9m @ 33.82g/t Au), and in addition the drilling intersected a number of gold mineralized hanging wall structures that require further follow up. Whistler currently has an inferred resource below the mined oxide gold of 105,000t @ 7.5g/t (uncut), or 25,300oz of gold at a 3 g/t lower cut.

The area is considered very prospective for additional sulphide mineralisation below the previously mined oxide pits, with only few drillholes testing these deeper areas. Subsequent to years end Gateway were notified that WCP Resources will be withdrawing from the Joint Venture, and hence Gateway will now be considering its options for advancing this project.

Victory Creek

Gateway 75%, Red 5 25%

Victory Creek, located approximately 4.5km NE of Julia's Fault along the same interpreted structure, is another virgin gold find by Gateway. RC drilling, following up previous anomalous gold was carried out during the year, and intersected a broad, but low grade intersection of 55m @ 0.46g/t Au from 75m downhole, including 4m @ 2.24 g/t Au in hole GRC203.

Previous work by Barrick as managers of an earlier Gateway/Barrick JV tested a gravity target, interpreted as a buried intrusive, however with no significant results. Gateway still considers that there is potential for mineralisation associated with intersections of structures with this interpreted intrusive.

Areas of this prospect still remain untested and further work s required.

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.

Work during year included RAB and RC drilling, to follow up both existing targets and to drill new targets. These include both gold and nickel targets, generated from geology, EM surveying and previous drilling.

Elevated nickel associated with ultramafics was encountered in both the Crater (Gateway 80%, Herald Resources 20%) and Legendre (Gateway 80%, Paul 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.

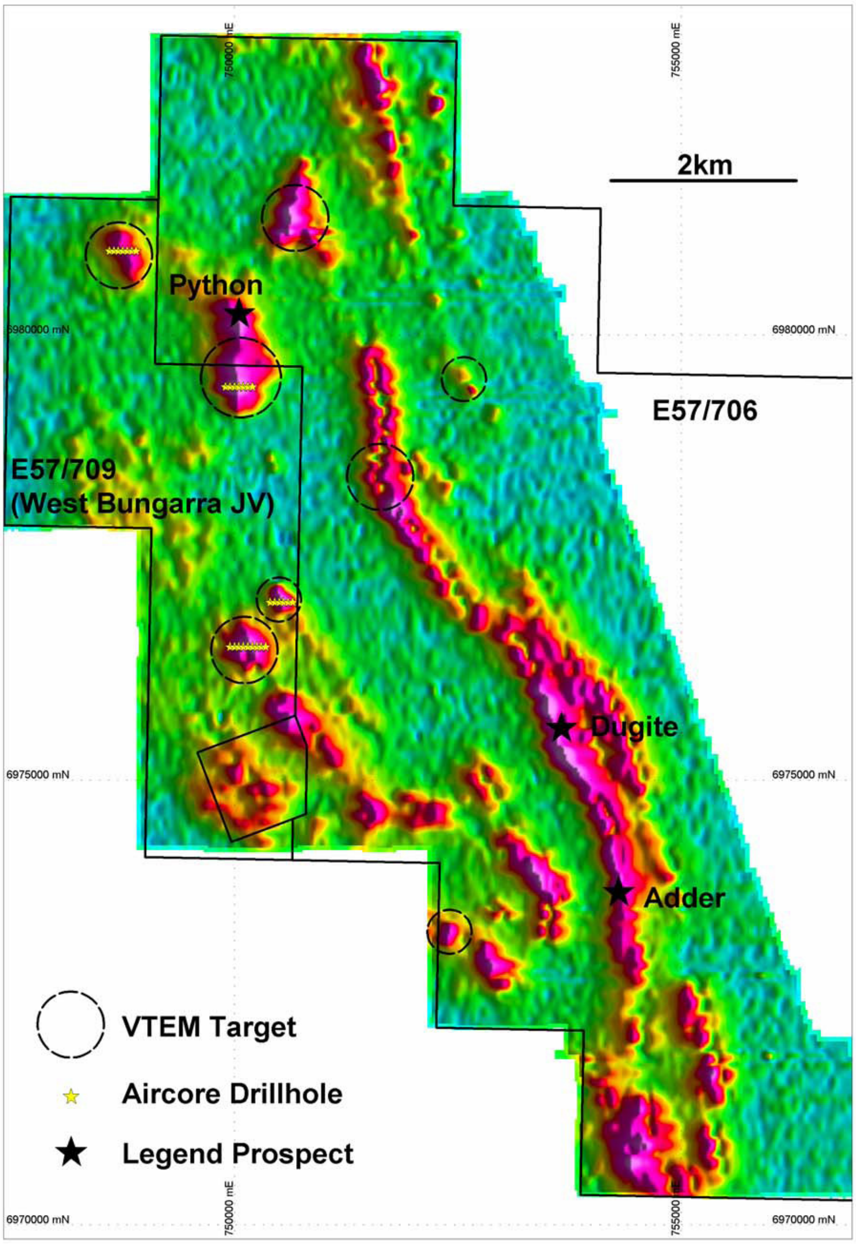
No significant gold results were intersected in any of the drilling in this area.

WEST BUNGARRA JOINT VENTURE

Gateway 30%, Legend Mining 70%

Gateway hold a 30% free carried interest in this area, 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 discovery is believed to extend southwards into the JV tenements.

Throughout the year Legend has carried out a comprehensive exploration programme over the complex, including surface geochemical sampling, EM surveying and aircore drilling. A number of aircore holes were drilled over VTEM targets in the JV tenements, however results were generally low. Two holes did intersect elevated PGA and copper values associated with gabbroic lithologies and sheared sediments. In addition reconnaissance mapping over VTEM targets in the southern part of the JV area delineated quartz veining and shearing associated with one VTEM feature. Although no anomalous results were returned from rock chip sampling the area is considered prospective for gold mineralisation and further evaluation is required.



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), P53/1303, P53/1304, P53/1305, P53/1306, P53/1330, P53/1331, P53/1332, P53/1333, P53/1334, P57/1133 (MLA57/462), P57/1136, P57/1140 (MLA57/470), P57/1143, P57/1144 (MLA57/497), P57/1145, P57/1146, P57/1147, P57/1152, P57/1161, P57/1163, P57/1164, P57/1167, P57/1168, P57/1169, P57/1170, 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/Falcon Minerals JV	75%	P53/1325 (MLA57/445) P53/1326 P53/1327 P53/1328 P53/1329 P57/1132 P57/1156 (MLA57/503) P57/1157 (MLA57/503) P57/1158 P57/1159 P57/1160 P57/1162 P57/1165 P57/1166
Gidgee	Gateway/Red 5 JV	75%	E57/561 M57/429 M57/485
Cowra	Gateway/Minotaur JV	100%	EL5514, EL6102
Hodgkinson Basin	Republic Gold	6%	EPM9934, EPM10026, EPM11765, MDL254
Surprise	Gateway	100%	ML9483, ML2509, ML2868, ML90102, EPM9053, EPM13677, EPM17870

5. DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2008.

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), FAICD

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	301,250	350,000
R.A. Creelman	330,500	350,000
B.F. Thornton	10,215,482	350,000
Specified Executives:	*Ordinary shares:*	*Options over ordinary shares:*
S.Lian	380,000	450,000

There were no movements in options held by key management personnel during the year.
Total 1,500,000 options at an exercise price of 30 cents per option exercisable at any time up to 30 November 2011 were issued to consultants during the year. With 2,500,000 options issued during the last financial year, a total of 4,000,000 options have been issued at an exercise price of 30 cents per option exercisable at any time up to 30 November 2011.

5. DIRECTORS' REPORT

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 $178,614 (2007 profit - $59,849). No dividends have been declared or paid during the year.

5. REVIEW OF OPERATIONS

On 14 September 2007 WCP Resources Ltd (WCP) issued a further 1,958,251 ordinary shares fully paid in consideration of a $500,000 option fee, as part of an agreement to exercise 35% interest on the Airport/Barrelmaker Project in Western Australia. The drilling results during the year have confirmed significant copper mineralization at the Cup Intersections and encouraging gold mineralization at Julia's Fault in Gidgee areas. JV operators have carried out work on the main JV areas Airport Central, with WCP Resources Limited and West Bungarra JV with Legend Mining Limited. A seven holes diamond drill program has been completed on the Cowra Project JV with Minotaur and Mitsubishi at the Balbardie and Kiola Projects. A new copper discovery was made at Surprise project, near Cloncurry in Queensland, by JV partner Minotaur.

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

The company's net equity has decreased during the year by $1,343,488 from $11,255,792 to $9,912,304. The principal contributing factor for the decrease was the fall in market value of the company's listed share investments as a result of global share market turmoil. The decrease in market values includes a component of approximately $1.77 million, which is unrealised.

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

The company has raised $400,000 through a private placement of 4,000,000 ordinary shares fully paid at 10 cents per share.

Since the end of the financial year, the value of the company's listed investments has decreased due to current turmoil in the equity markets.

Other than the above, no matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future periods.

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.

5. DIRECTORS' REPORT

10. SHARE OPTIONS

At the date of this report, there were 4,000,000 options (2007 - 2,500,000). The options are exercisable at 30 cents per option on or before 30th November 2011.

11. EMPLOYEES

There were 2 employees as at 30 June 2008 (2007 - 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	40,000	-	-	-	-	40,000
R.A. Creelman	28,600	-	2,289	-	-	30,889
B.F.Thornton	20,000	-	-	-	-	20,000
	88,600	-	2,289	-	-	90,889

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)	-	83,413	-	7,990	-	15,000	106,403
Mark Gordon (Exploration Consultant)	-	13,098	-	-	-	10,000	23,098
	120,000	96,511	-	25,295	11,547	25,000	278,353

No termination benefits were paid during the financial year.

A total of 1,500,000 options at exercisable price of 30 cents per option exercisable at any time up to 30th November 2011 were issued to consultants during the year.

5. DIRECTORS' REPORT

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, 5 meetings of directors (including committees) were held.
Attendances were:

	Meetings held	Meetings attended
B. Gomez	5	5
R.A.Creelman	5	5
B.F.Thornton	5	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 2008 has been received and can be found on page 5 of this financial report.

18. INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who has been an officer or auditor of the company.

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

Brian Gomez
Director

Dated this 29th day of September 2008
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 2008 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

PA Cordwell

P A Cordwell
Partner

Dated this 29th day of September 2008

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 FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 $	2007 $
Revenue	2	**900,020**	1,316,748
Depreciation and amortisation expense	3	**(2,054)**	(2,457)
Exploration expenditure written off		**(727)**	(714,031)
Employee benefit expenses		**(180,828)**	(244,334)
Professional services rendered		**(123,400)**	(105,000)
Office expenses		**(52,997)**	(44,927)
Compliance fees		**(20,482)**	(19,849)
Share registry fees		**(20,000)**	(22,727)
Travel and entertainment expenses		**(26,538)**	(28,225)
Impairment loss		**(577,060)**	-
Other expenses		**(74,548)**	(75,349)
(Loss)/Profit before income tax expense	3	**(178,614)**	59,849
Income tax expense	4	**-**	-
(Loss)/Profit for the year		**(178,614)**	59,849
Net (Loss)/Profit attributable to members of Gateway Mining Limited	14	**(178,614)**	59,849
Basic earnings per share	6	(0.0018)	0.0006
Diluted earnings per share	6	(0.0017)	0.0006

The accompanying notes form part of these financial statements

7. BALANCE SHEET
AS AT 30 JUNE 2008

	NOTE	2008 $	2007 $
CURRENT ASSETS			
Cash and cash equivalents	**18b**	**366,714**	921,100
Trade and other receivables	**7**	**68,176**	65,380
TOTAL CURRENT ASSETS		**434,890**	986,480
NON-CURRENT ASSETS			
Trade and other receivables	**7**	**12,608**	12,608
Financial assets	**8**	**2,079,284**	3,516,232
Plant and equipment	**9**	**5,168**	7,222
Deferred exploration and evaluation expenditure	**10**	**7,442,076**	6,792,336
TOTAL NON-CURRENT ASSETS		**9,539,136**	10,328,398
TOTAL ASSETS		**9,974,026**	11,314,878
CURRENT LIABILITIES			
Trade and other payables	**11**	**51,789**	49,153
Short-term provisions	**12**	**9,933**	9,933
TOTAL CURRENT LIABILITIES		**61,722**	59,086
TOTAL LIABILITIES		**61,722**	59,086
NET ASSETS		**9,912,304**	11,255,792
EQUITY			
Issued capital	**13**	**20,155,760**	20,155,760
Reserves	**15**	**133,000**	1,297,874
Accumulated losses	**14**	**(10,376,456)**	(10,197,842)
TOTAL EQUITY		**9,912,304**	11,255,792

The accompanying notes form part of these financial statements

8. CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(468,953)**	(455,073)
Interest and other income received		**33,035**	66,748
NET CASH USED IN OPERATING ACTIVITIES	**18a**	**(435,918)**	(388,325)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		**873,585**	-
Purchase of plant and equipment		**-**	(1,839)
Purchase of listed securities		**(334,374)**	(97,100)
Purchase of unlisted securities		**(7,212)**	-
Expenditure on mining interests		**(650,467)**	(443,133)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**(118,468)**	(542,072)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**-**	5,254
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	5,254
NET DECREASE IN CASH HELD		**(554,386)**	(925,143)
Add opening cash brought forward		**921,100**	1,846,243
CLOSING CASH CARRIED FORWARD	**18b**	**366,714**	921,100

The accompanying notes form part of these financial statements.

9. STATEMENT OF CHANGES IN EQUITY FOR THE ENDED 30 JUNE 2008

	Issued capital	Accumulated losses	Financial asset revaluation reserve	Share based payments reserve	Total
	$	$	$	$	
Balance at *1.7.2006*	**20,150,506**	**(10,257,691)**	**232,595**		**10,125,410**
Shares issued during the year	**5,254**				**5,254**
Share base payments				**103,000**	**103,000**
Revaluation increment at balance date			**962,279**		**962,279**
Profit attributable to members of the company		**59,849**			**59,849**
Balance at *30.06.2007*	**20,155,760**	**(10,197,842)**	**1,194,874**	**103,000**	**11,255,792**
Share based 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 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**

The accompanying notes form part of these financial statements.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 to which they apply. 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. They 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

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 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 relating to temporary differences and unused tax losses are recognized 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.

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 recognized 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.

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%

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The asset's 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.

d. Financial instruments

Recognition and initial measurement

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

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 derecognized where the related obligations are either discharged, cancelled or expire.

Classification and subsequent measurement

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

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 which permits reasonable assessment of the existence of economically recoverable reserves and where there are active and significant operations.

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.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Restoration costs
Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction or production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure, platform removal and other costs associated with the restoration of the site. These estimates of the obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. Any changes in the estimates are adjusted on a prospective basis. In determining the restoration obligations, the company has assumed no significant changes will occur in the relevant Federal and State Legislation in relation to restoration of such mineral mines in the future.

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

f. Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

g. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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).

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 plus related on-costs. 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.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

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 for impairment and an impairment loss has been recognised in respect of financial assets (listed shares).

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2: REVENUE

	NOTE	2008 $	2007 $
Non-operating activities			
Interest received	2a	**33,035**	58,748
Other revenue	3b	**500,000**	1,258,000
Gain on disposal of financial assets	3b	**366,985**	-
Total revenue		**900,020**	1,316,748
a. Interest revenue from:			
- other persons		**33,035**	58,748
Total interest revenue		**33,035**	58,748

NOTE 3: LOSS FOR THE YEAR

a. Expenses

	2008 $	2007 $
Depreciation of non-current assets:		
- plant and equipment	**2,054**	2,457
Share based payment to directors, employees and consultants	**30,000**	103,000
Rental expense on operating leases:		
- minimum lease payments	**44,678**	42,959

b. Significant revenues and expenses

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

	2008 $	2007 $
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**	1,250,000
Expenses:		
Impairment of financial assets	**577,060**	-
Exploration expenditure written off on abandoned tenements	**727**	714,031

NOTE 4: INCOME TAX EXPENSE

	2008 $	2007 $
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% (2007 – 30%)	**(53,584)**	17,995
Add tax effect of permanent difference:		
- non deductible share based payments	**9,000**	30,900
		-
Income tax expense (benefit) arising from profit (loss)	**(44,584)**	48,855
Utilisation of prior period tax losses	**-**	(48,855)
Benefit of tax loss not brought to account	**(44,584)**	-
Income tax expense attributable to profit (loss) from ordinary activities before income tax	**-**	-

As at balance date, the company has estimated carry-forward tax losses of $13,884,618 (2007: $13,764,668), which is an income tax benefit of $4,165,385 (2007: $4,129,400).

These potential net future tax benefits have not been brought into account. The taxation authority has not yet confirmed the quantum of the carried forward tax losses.

This future income tax benefit will only be obtained if:
(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with;
(c) no change in tax legislation adversely affects the company in realising the benefit.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 5: AUDITORS' REMUNERATION

	2008 $	2007 $
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	**20,000**	18,000

NOTE 6: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss

	2008 $	2007 $
(Loss)/Profit	**(178,614)**	59,849
(Loss)/Profit attributable to outside equity interest	**-**	-
Earnings (loss) used in calculating basic and dilutive earnings per share	**(178,614)**	59,849

	No of shares	No of shares
b. Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**101,122,962**	101,111,255
c. Effect of dilutive securities:		
Share options	**4,000,000**	-
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	**105,122,962**	101,111,255

d. Conversions, calls, subscription or issues after 30 June 2008

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 7: TRADE AND OTHER RECEIVABLES

	2008 $	2007 $
CURRENT		
Security deposits	**57,748**	53,106
Goods & services tax receivable	**10,428**	12,274
	68,176	65,380
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 (2007 – 6.07%). Non-current security deposits are non-interest bearing.

NOTE 8: FINANCIAL ASSETS

NON-CURRENT

Available for sale financial assets:		
Shares in listed corporations - at fair value	**1,522,072**	2,966,232
Shares in unlisted corporation – at cost	**557,212**	550,000
	2,079,284	3,516,232

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 company received 1,958,251 WCP Resources Limited ordinary shares fully paid as consideration of $500,000 option fees to exercise 35% interest in the company's Barrelmaker and Airport Central gold projects.

The fair value of the unlisted available for sale financial asset cannot be reliably measured as there is no quoted market price in an active market. As a result, the unlisted investment is measured at cost.

NOTE 9: PLANT AND EQUIPMENT

Plant and Equipment		
At cost	**92,440**	92,440
Accumulated depreciation	**(87,272)**	(85,218)
Total Plant and Equipment	**5,168**	7,222

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:	**7,222**	7,840
Additions	**-**	1,839
Depreciation expense	**(2,054)**	(2,457)
Carrying amount at the end of the financial year:	**5,168**	7,222

10. NOTES TO THE FINANCIAL STATEMEN FOR THE YEAR ENDED 30 JUNE 2008

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2008 $	2007 $
NON-CURRENT		
Exploration Expenditure- exploration and evaluation phases		
Costs carried forward in respect of areas of interest at beginning of the year	**6,792,336**	7,063,234
Additions	**650,467**	443,133
Expenditure written off	**(727)**	(714,031)
	7,442,076	6,792,336

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

NOTE 11: TRADE AND OTHER PAYABLES

	2008 $	2007 $
CURRENT		
Unsecured liabilities		
Sundry payables and accrued expenses	**51,789**	49,153
	51,789	49,153

NOTE 12: PROVISIONS

	2008 $	2007 $
CURRENT		
Provision for annual leave	**9,933**	9,933

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 13: ISSUED CAPITAL

	2008 $	2007 $
a. Ordinary shares fully paid		
Balance at beginning of year	**20,155,760**	20,150,506
Issued shares	**-**	5,254
Balance at end of year	**20,155,760**	20,155,760
b. Movements in ordinary shares on issue		
	No.	No.
At the beginning of the financial year	**101,122,962**	101,105,450
Shares issued	**-**	17,512
At end of the financial year	**101,122,962**	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 2008, there were 4,000,000 options issued (30 June 2007: 2,500,000) .The options are exercisable at 30 cents on or before 30th November 2011.

NOTE 14: ACCUMULATED LOSSES

	2008 $	2007 $
Balance at the beginning of the financial year	**(10,197,842)**	(10,257,691)
(Loss)/profit attributed to the members of the entity	**(178,614)**	59,849
Balance at end of the financial year	**(10,376,456)**	(10,197,842)

NOTE 15: RESERVES

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

b. Share Based Payments Reserve
The share based payments reserve comprises the value of options granted calculated at grant date using a Black-Scholes model.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 16: SHARE BASED PAYMENTS

All options granted to consultants are ordinary shares in the company, which confer a right of one ordinary share for every option held.

Options granted during the year – 1,500,000 options with an exercise price of $0.30 each.

The weighted average fair value of the Options granted during the period was $0.02.

The price was calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price : $0.30
Grant date: 02 January 2008 Expiring date: 30 November 2011
Share price at grant date: $0.18
Expected volatility of the company's shares: 50%
Risk free interest rate: 6%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of the future trends, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included in employment benefits is $30,000 being equity share based payment transactions.

NOTE 17: EXPENDITURE COMMITMENTS		**2008 $**	2007 $
Lease expenditure commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:	a		
Payable			
- not later than 12 months		**46,465**	44,672
- between 12 months and 5 years		**-**	46,465
- greater than 5 years		**-**	-
		46,465	91,143

a. 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 2008

NOTE 18: CASH FLOW INFORMATION

a. Reconciliation of the loss after tax to net cash flows from operating activities	**2008 $**	2007 $
Loss after income tax	**(178,614)**	59,849
Non-cash flows in profit:		
- Depreciation	**2,054**	2,457
- Share based payment	**30,000**	103,000
- Exploration Expenditure written off	**727**	714,031
- Impairment loss	**577,060**	
- Net (gain) loss on disposal of financial assets	**(366,985)**	-
- Option fees	**(500,000)**	(1,250,000)
Changes in assets and liabilities:		
- Decrease/ (Increase) in receivables	**(2,796)**	2,913
- Increase/ (Decrease) in payables, accruals and provisions	**2,636**	40,441
Net cash (outflow) from operating activities	**(435,918)**	(388,325)

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:

- cash and cash equivalents	**366,714**	921,100
	366,714	921,100

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 19: 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 accounting policies, terms and conditions of these items are normal commercial practice regularly adopted by businesses in Australia. The recent downturn in share prices had some significant impact in the financial report on remaining listed investments. The company had managed to dispose of some listed investments before the downturn and thus minimising some adverse effects on financial performance.

a. Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate $		Fixed Interest Rate Maturing: Within Year $		1 to 5 Years $		Over 5 Years $		Non-interest Bearing $		Total $	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Financial Assets:														
Cash	**5.90%**	5.00%	**366,714**	921,100	**-**	-	**-**	-	**-**	-	**-**	-	**366,714**	921,100
Receivables- other	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**10,428**	12,274	**10,428**	12,274
Security deposits	**7.68%**	**6.07%**	**57,748**	53,106	**-**	-	**-**	-	**-**	-	**12,608**	12,608	**70,356**	65,714
Available for sale financial assets	-	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,079,284**	3,516,232	**2,079,284**	3,516,232
Total Financial Assets			**424,462**	974,206	**-**	-	**-**	-	**-**	-	**2,102,320**	3,541,114	**2,526,782**	4,515,320
Financial Liabilities:														
Sundry payables and accruals	-	-	-	-	-	-	-	-	-	-	**51,789**	49,153	**51,789**	49,153
Total Financial Liabilities			-	-	-	-	-	-	-	-	**51,789**	49,153	**51,789**	49,156

b. Credit Risk Exposure

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.

c. 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.

d. **Sensitivity Analysis**

The effect on the company's results and equity at 30 June 2008 from exposure to interest rates risk at balance date would not be considered material.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 20: 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.

The company was granted change of corporate status by the Australian Securities and Investment Commission. The status changed from No Liability to Limited.

NOTE 21: SEGMENT INFORMATION

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

NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

On 5th September 2008, the company raised $400,000 through a private placement of 4,000,000 ordinary shares fully paid at 10cents per share. The purpose of the issue is to raise additional working capital.

Since the end of the financial year the value of the company's listed investments has decreased due to current turmoil in the equity markets.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 23: CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 6	Exploration for and Evaluation of Mineral	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 107	Cash Flow Statements		1.1.2009	1.7.2009
	AASB 119	Employee Benefits			
	AASB 107	Cash Flow Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 116	Property, Plant and Equipment			
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

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) give a true and fair view of the company's financial position as at 30 June 2008 and of it's performance for the year ended on that date; and

(ii) comply with Accounting Standards and the Corporations Regulations 2001;

b. the directors have been given the declarations 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 2008
Sydney

Priestley
&Morris

Chartered Accountants

12. INDEPENDENT AUDIT REPORT

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 2008, 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.

As permitted by the *Corporations Regulations 2001,* the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard *AASB 124: Related Party Disclosures*, under the heading "Remuneration report" on page 3 of the directors' report and not in the financial report.

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.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the *Corporations Regulations 2001*.

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 and that the remuneration disclosures in the directors' report comply with Accounting Standard *AASB 124*.

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 and the remuneration disclosures in the directors' 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, was provided to the directors of Gateway Mining Limited on 29th September 2008.

Priestley
&Morris
Chartered Accountants

Audit 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 2008 and of its performance for the year ended on that date; and

   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; and.

3. the remuneration disclosures that are contained on page 3 of the directors' report comply with Accounting Standard *AASB 124*.

Priestley & Morris
Chartered Accountants

P A Cordwell
Partner
Dated this 29th day of September 2008

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

13. SHAREHOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,352 and each share carried one vote in person, by proxy or poll.

b. Distribution of Shareholders Number

Category (size of Holding)	Ordinary
1-1,000	248
1,001-5,000	372
5,001-10,000	190
10,001 -100,000	427
100,001 -andover	115
Total	1,352

c. Number of shareholdings held in less than marketable parcels is 586.

d. Names of the substantial shareholders are:

Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
Citigold Corporation Limited	16,300,000	16.12

e. 20 largest Shareholders - Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
1	Citigold Corporation Limited	16,300,000	16.12
2	UOB Bank Limited	5,000,000	4.95
3	Belfort Investment Advisors Limited	3,990,600	3.95
4	Farrington Corporate Services Super Fund	3,799,953	3.76
5	LSK Consulting	3,490,880	3.45
6	Citicorp Nominees	2,917,754	2.89
7	Belfort Investment Advisors Limited	2,684,974	2.66
8	Bikini Atoll Investments Pty Ltd	2,434,500	2.41
9	Ee Yuen Tan	2,000,000	1.98
10	Edith Wong	1,897,000	1.88
11	Stafford Hill Group Ltd	1,600,000	1.58
12	Jit Choong Lim	1,519,000	1.50
13	Harold Clough	1,047,500	1.04
14	Farrington Corporate Services Pty Ltd	1,145,543	1.13
15	Mayfair Far East Ltd	1,047,500	1.04
16	Tan Geok Tang	1,000,000	0.99
17	Bikini Atoll Investments Pty Ltd	964,954	0.95
18	Jaiara Pty Ltd	918,500	0.91
19	Farrington Corporate Services Pty Ltd	910,557	0.90
20	Joseph Caristo	903,000	0.89
	TOTAL	55,724,715	55.12

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.

This page is left blank intentionally

GATEWAY

MINING LIMITED

Gateway Mining Limited
ABN 31 008 402 391
Level 7, Simpson House
249 Pitt Street, Sydney NSW 2000
PO Box A278, Sydney South 1235
Tel: 61 2 9283 5711 Fax: 61 2 9283 5766
Email: gml8@bigpond.com
Website: www.gatewaymining.com.au