Gateway Mining Limited

ANNUAL REPORT 2013

CONTENTS

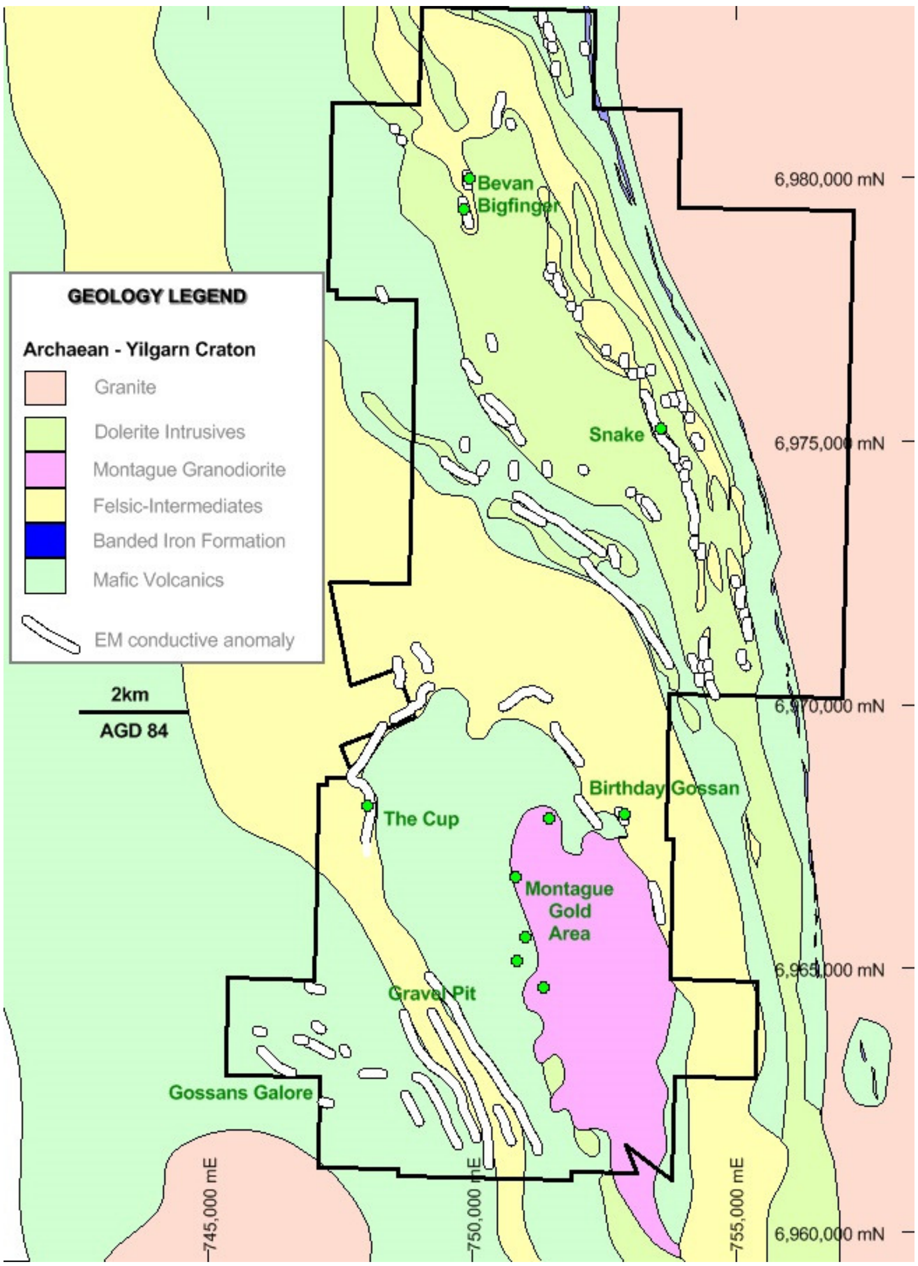
DIRECTORY

Registered Office	Level 8 210 George Street Sydney NSW 2000	Telephone: 02 9191 4543 Facsimile: 02 8247 7999 Email:info@gatewaymining.com.au
Directors	Mr. Trent Franklin (Non-executive Chairman) appointed 28/2/2013 Mr. Andrew Bray (Managing Director) appointed 29/10/2012 Mr. Ian McDonald (Non-executive Director) appointed 13/11/2012 Mr. Brian Gomez (Non-executive Chairman) resigned 28/2/2013 Dr. Robert Creelman (Non-executive Director) resigned 13/11/2012 Mr. Mark Lynch (Non-executive Director) resigned 17/1/2013	
Company Secretary	Mr. Gary Franklin	
Auditors	Crowe Horwath Sydney Chartered Accountants Level 15 1 O'Connell Street Sydney NSW 2000	
Solicitors	Chris Apostolakos Solicitor Suite 2, 8E Faraday Rd Padstow, NSW 2211	
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233	
Securities Exchange Listing	The Group is listed on the Australian Securities Exchange under Code GML	

OPERATIONS REVIEW

OVERVIEW

The Group has been very active over the past year in consolidating its tenement package in Gidgee as well as advancing the various targets within the project. At the date of writing, the Group is extremely excited about the potential of The Cup area as it has the potential to represent a Volcanogenic Massive Sulphide (VMS) copper deposit of significant size.



Project Overview of Gidgee Tenement Package

The Cup / The Chalice

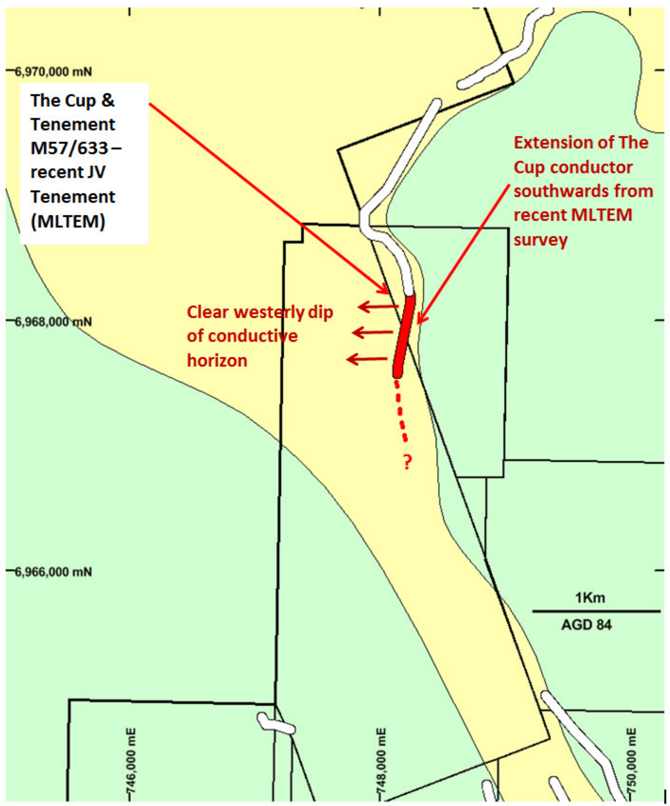
Gateway 100% E57/417; Gateway to earn 70% M57/633

The Cup area is host to (VMS) mineralisation which occurs very close to the tenement boundary with tenement M57/633. During August, 2013, Gateway entered into an agreement whereby it can earn 70% of M57/633, which opens up exploration in a number of directions.

Historical results from The Cup horizon include:

GRC200: 33m @ 1.23% Cu from 89m
GRC183: 22m @ 1.31% Cu from 74m
GRC209: 22m @ 0.70% Cu from 72m
GRC239: 25m @ 0.78% Cu from 65m
GRC199: 41m @ 0.53% Cu from 53m

Plan view of interpreted MLTEM conductor

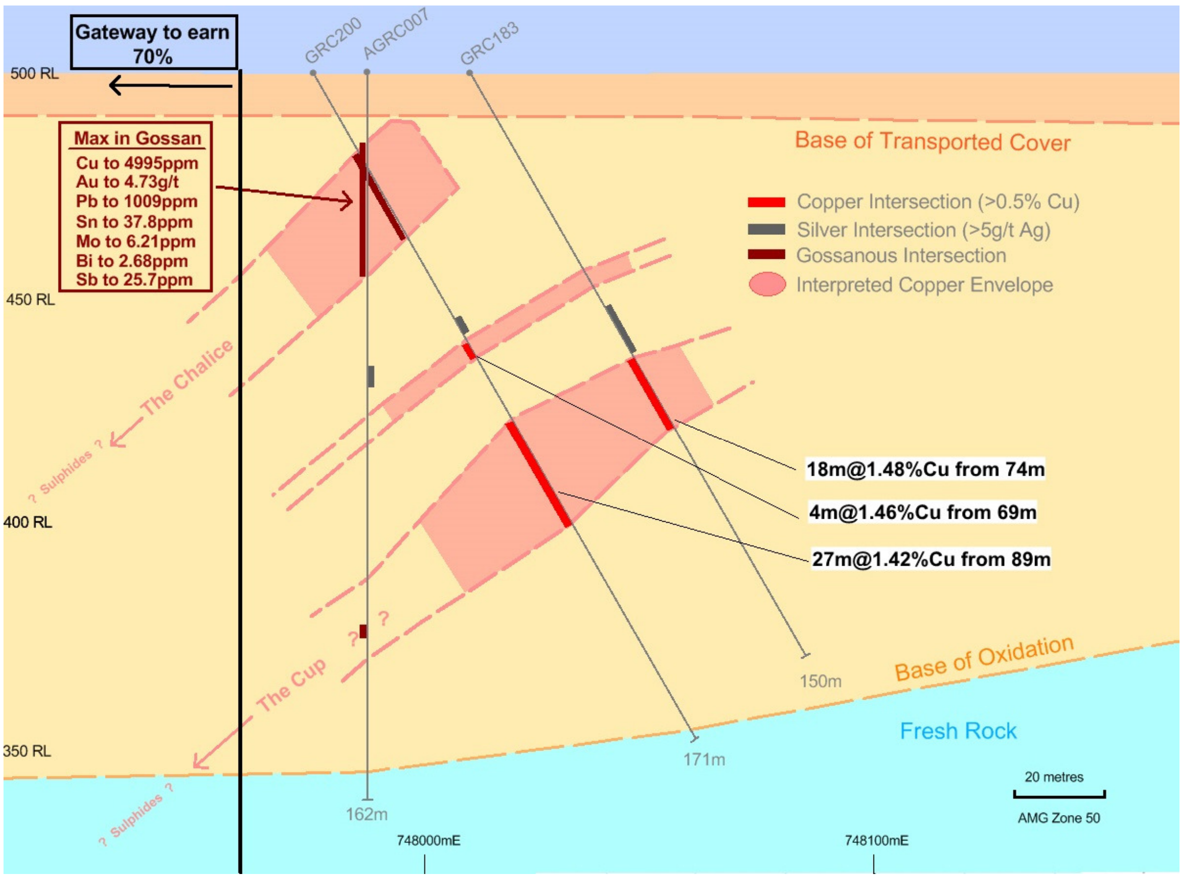


The Cup was discovered in 2007, however it has remained very underexplored since discover date. This is due both to the ensuing global financial difficulties throughout the years following discovery, and also because much of the mineralisation was 'backed up' against the tenement boundary, making exploration very challenging.

The limited historical work completed by Gateway has focused on 'The Cup' horizon, however the Group now believes there is an additional, more significant 'horizon' lying above The Cup which dips west into M57/633. This model is based on the exceptional gossan geochemisty which has been intersected along the tenement boundary, the recently completed MLTEM surveys, and the surrounding geology. The gossan, which is an iron-oxide rich 'cap' on top of a massive sulphide body, has returned Cu to 17,829ppm and Au to 4.73g/t. This level of copper and gold in a gossan is exceptionally high. Visible malachite, a copper carbonate, was also evident during historical drilling, which is a further sign of base metal fertility.

Furthermore, in what is an extremely encouraging sign, this new horizon, The Chalice, has very strong Pb results. Lead is one of the most important elements in the detection of VMS mineralisation. Pb to 1,484ppm has been intersected in gossan, which is an outstanding result.

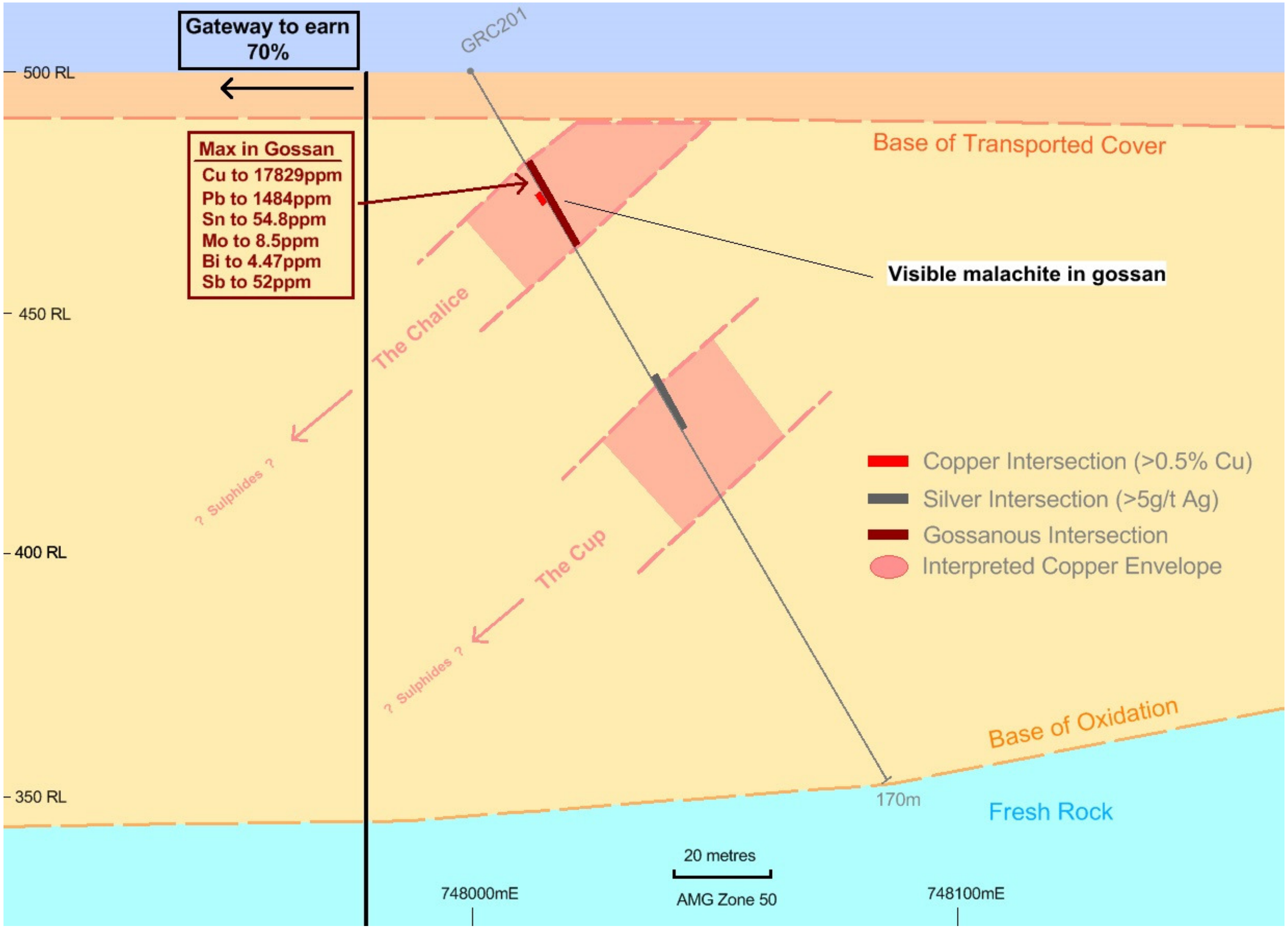
Cross-section: 6968000N



The presence of other extremely strong VMS multielement anomalism in the gossan lends further support for the Group's interpretation of the mineralisation: Bi to 4.47ppm, Mo to 11.6ppm, Sb to 52ppm, Se to 56ppm, Sn to 60.6ppm, and Te to 29.1. This level of anomalism is significantly above background levels, and indeed well above Gateway's internal thresholds for geochemical anomalism.

The Chalice horizon has significantly more favourable geochemistry than The Cup horizon, which has historically intersected ore-grade copper over significant widths (e.g. 27m @ 1.42% Cu from 89m in GRC200). The gossan corresponding to The Chalice is far more impressive than the gossan corresponding to The Cup. This leads to the interpretation that The Chalice horizon could be the primary VMS horizon in this system, and hence contain the strongest copper grades.

Cross-section: 6967950N



Since securing an agreement whereby Gateway can earn an interest in that neighbouring tenement, the Group has moved swiftly in advancing the prospect and working to test its model of the mineralisation. Drilling of this very exciting target is keenly awaited.

Gravel Pit and Gossans Galore

Gateway 100%

The Gravel Pit and Gossans Galore areas lie approximately 6km to the South of The Cup / The Chalice target.

During the year the Group completed a significant aircore program, with excellent results being returned. The strength of the VMS geochemistry gives the Group further confidence that its tenement package could potentially be host to a major new VMS province in the Yilgarn.

The purpose of the drilling was to rapidly traverse the broad extent of MLTEM conductive anomalism at relatively low cost and to pinpoint the location of potential VMS geological / geochemical horizons. Our understanding of this region has advanced significantly as a result of recent aircore drilling. Aircore holes were drilled to blade refusal through the weathering profile, with very limited capacity to drill deeper into fresh and/or hard rocks.

Two new VMS horizons have been successfully delineated at Gravel Pit and are characterised by carbonaceous and siliceous VMS sediment. VMS sediment from the east horizon is hosted wholly within volcaniclastic rocks while the west horizon is classified bi-modal because it is located at the contact between two different rock types, volcaniclastic and mafic volcanic rocks.

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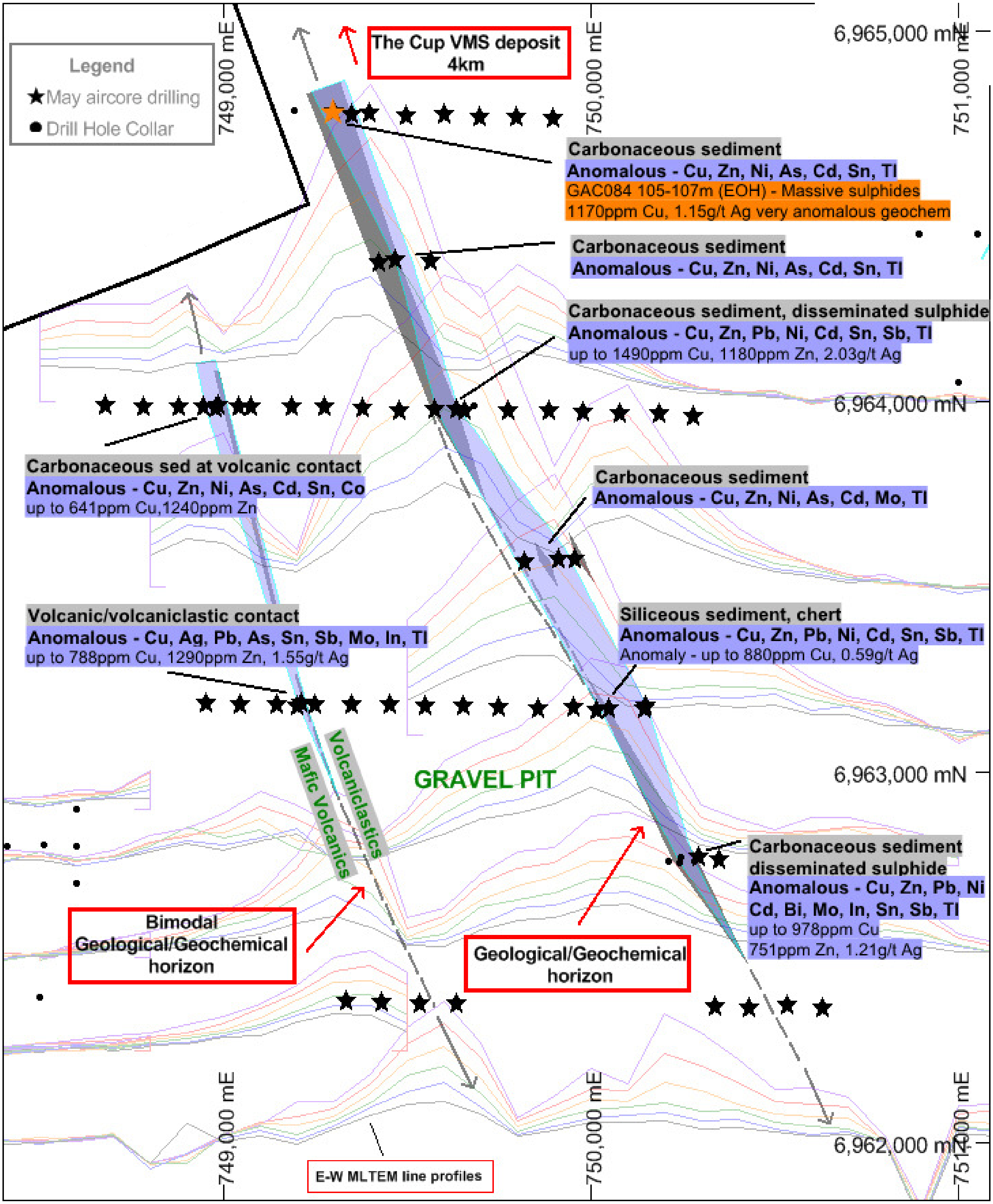
Massive sulphides were intersected in GAC084. Intersecting sulphides at such early stages of exploration is a very encouraging sign that significant massive sulphide accumulations occur in close proximity. A broad sequence of carbonaceous sediment was drilled before intersecting one meter of massive sulphides where penetration stopped completely at 107m depth. The final composite sample in GAC084 was over a 2m interval and returned 0.12% copper, 1.15g/t silver and strongly anomalous concentrations for Pb, Ni, Cd, Sb, Se, Bi, Mo and Tl. Similar strong multielement concentration is found above ore grade copper intersections at The Cup prospect located about 4km NNW. Interestingly, elevated silver anomalism was encountered – similar anomalism was intersected directly above copper mineralisation at The Cup. Follow up RC drilling scheduled to commence soon is keenly awaited.

Multielement anomalism intersected along the two stratigraphic horizons identified at Gravel Pit is in some instances almost as strong as that intersected in GAC084. Given the shallow depth, lack of penetration and wide spacing of aircore drilling to date, this level of anomalism is remarkable and consistent with a highly fertile VMS system.

The aircore results from the Gossans Galore area were excellent, intersecting highly anomalous VMS multielement anomalism as well as massive sulphide accumulations. The drilling has also improved the spatial definition of the MLTEM conductors, which allows for accurate targeting with deeper RC holes into zones of interest.



Overview of aircore results at Gravel Pit

1. Gossans Galore West - Three holes were drilled 130m southeast from previous drilling that intersected VMS stratigraphy and multielement anomalism at Gossans Galore West. GAC160 intersected 4m of massive sulphides to the end of hole at 88m where the aircore drill was not able to penetrate further into fresh massive sulphide rocks. Multielement anomalism was returned for Cu to 488ppm, Pb to 73.3ppm, Zn to 356ppm, Au to 72ppb, Ag to 2.18g/t, As to 175ppm, Cd to 2.01ppm, In to 0.63ppm, Sb to 15.65ppm, Se to 11ppm, Sn to 3ppm, Tl to 2.36ppm.

The presence of massive sulphides coincident with elevated silver (13m @ 1.49g/t Ag) at the end of GAC160 is highly encouraging, particularly considering wide zones of elevated silver are typically directly up hole from strong copper mineralisation in massive sulphides at The Cup and Dummy Spit prospects. Follow up RC drilling is keenly awaited.

The eastern line of aircore at Gossans Galore West drilled into a relatively deep sequence of transported cover of up to 50m vertical depth including a thick sequence of lake clays with sticky consistency. This deep overlying cover has reduced "coverage" drilling achieved into bed rock while also causing difficult drilling conditions. No VMS stratigraphy was intersected in this line but this is probably a result of the poor coverage gained into bedrock. There was however multielement anomalism in mafic volcanic rocks intersected with Cu to 560ppm, Zn to 474ppm, Ni to 305ppm and Au to 385ppb. Further drilling is required to locate the source of the very strong MLTEM conductivity at this end of the conductor.

2. Gossans Galore East - A fence of aircore drilling intersected VMS siliceous and carbonaceous sediment 250m east of previous drilling. These sediments were difficult to penetrate with the aircore rig, an initial hole terminating at 11m and a second hole terminating at 36m depth. Strong multielement anomalism was returned including:- Cu to 477ppm, Pb to 146ppm, Ag to 0.60ppm, Au to 91ppb, As to 276ppm, Cd to 1.54ppm, Sn to 4.9ppm, Sb to 9.55ppm, Se to 11ppm, Mo to 3.51ppm, In to 0.67ppm, Tl to 1.64ppm.

Favourable geology, MLTEM conductivity and multielement anomalism make Gossans Galore East a highly attractive target for follow up deep RC drilling.

3. Dummy Spit - Two fences of drilling crossed the Dummy Spit conductor, both intersecting zones of carbonaceous sediment, gossan and strong multielement anomalism.

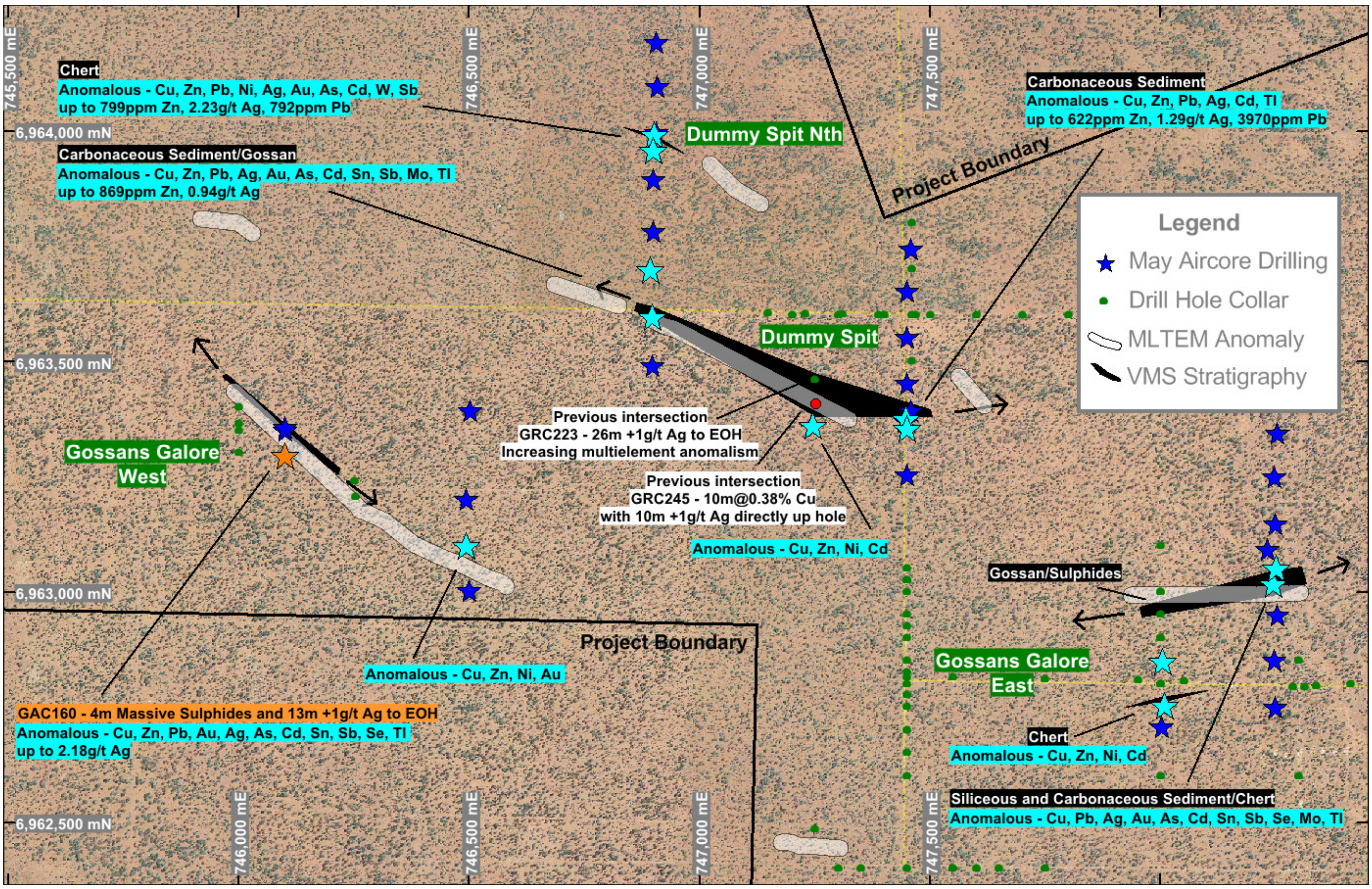
The first line of aircore drilled 200m east of previous drilling returned multielement anomalism including:- Cu to 262ppm, Zn to 622ppm, Pb to 3970ppm, As to 260ppm, Cd to 2.99ppm, Sb to 4.34ppm, Se to 10ppm, Bi to 1.45ppm, Mo to 4.76ppm, In to 0.67ppm, Tl to 1.59ppm.

The second line of aircore drilled 400m west of previous drilling returned multielement anomalism including:- Cu to 371ppm, Zn to 869ppm, Pb to 67ppm, Ni to 170ppm, As to 324ppm, Au to 51ppb, Cd to 3.21ppm, Sn to 3.5ppm, Sb to 7.48ppm, Mo to 3.14ppm, Tl to 2.33ppm.

The Dummy Spit conductor now defined over 600m of strike is the most advanced exploration target in this area with all the hallmarks of a VMS deposit including very strong MLTEM conductivity, multielement anomalism and massive sulphides with strong copper mineralisation. Deep RC drilling is keenly awaited targeting down dip from the copper intersection where conductivity and multielement anomalism is increasing.

4. Dummy Spit North - A line of aircore holes crossing a previously untested conductive MLTEM anomaly about 400m north of Dummy Spit intersected siliceous stratigraphy and strong multielement anomalism including: Cu to 461ppm, Zn to 799ppm, Pb to 792ppm, Ni to 156ppm, Ag to 2.23ppm, Au to 142ppb, As to 972ppm, Cd to 1.12ppm, W to 6.70ppm and Sb to 7.81ppm.

This level of multielement anomalism is very encouraging and represents an attractive target for follow up drilling.



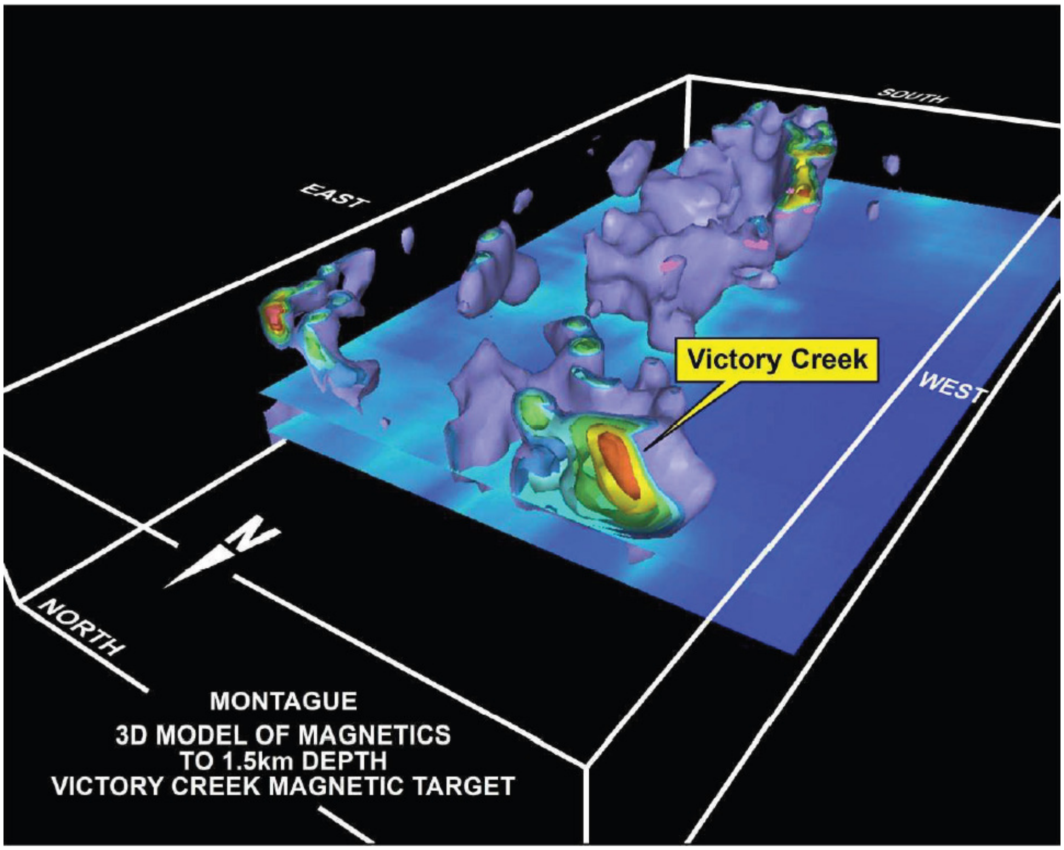
Overview of aircore results at Gossans Galore

Victory Creek

Gateway 75%; Red 5 Ltd 25%

During the year Gateway was approached regarding a potential farm-in on its Victory Creek gold target.

In 2006, Gateway entered into a Joint Venture agreement with Placer Dome to farm-in to the project. Placer were targeting a "minimum 5.0 million oz gold resource" (refer Gateway Announcement *'Placer Dome Joins Gateway at Gidgee',* 20 January, 2006) and noted geochemical, geophysical and geological similarities to the Wallaby Deposit which contained approximately 7.1 million ounces of gold. Soon after entering the Joint Venture, Placer Dome was taken over by Barrick Gold and the Joint Venture was terminated prematurely. The target has a very strong gold, arsenic and antimony anomaly at surface, which corresponds to a very strong magnetic anomaly at depth. Broad zones of gold mineralisation (between 0.4-0.5g/t Au) have also been intersected near the surface.



3D Magnetic Survey Model of Victory Creek

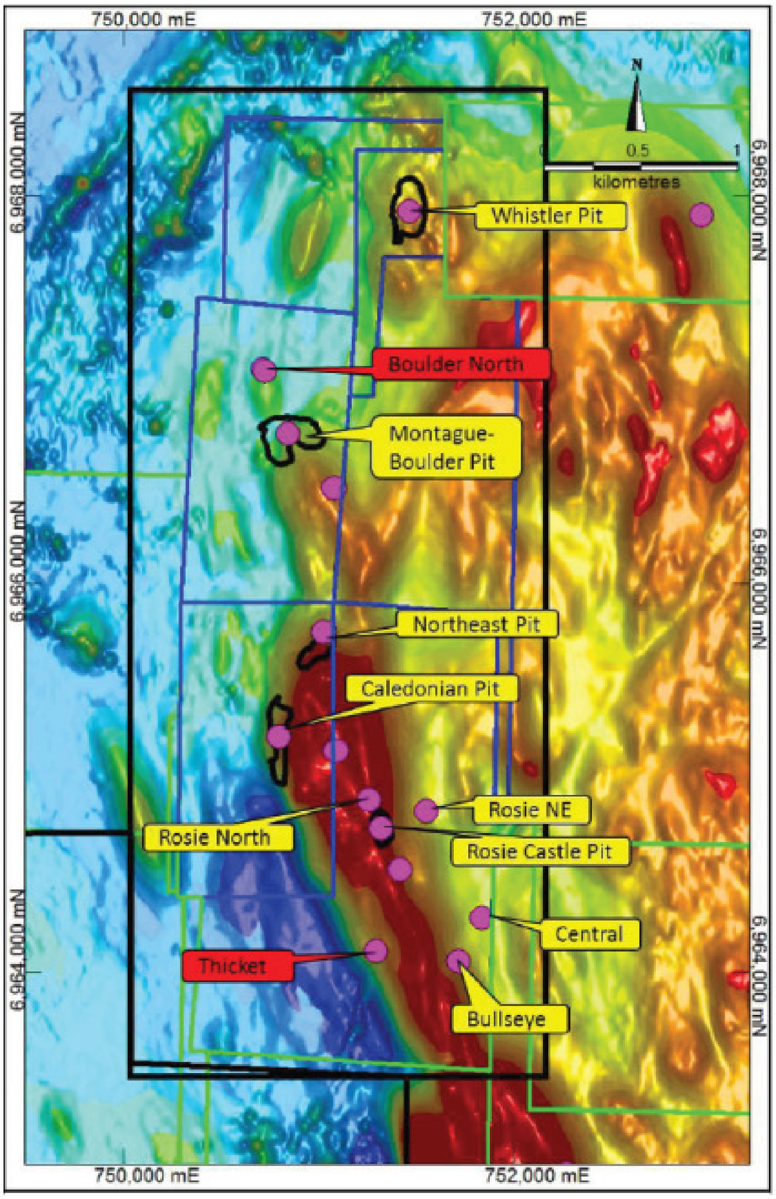
The discussions did not immediately materialise into anything due to agreeable terms not being reached, however the Group remains in contact with interested parties.

Airport Area

Gateway 85%; Goldfan Ltd 15%

The Airport Gold trend occurs over the Montague Granodiorite and margins. The area contains a number of prospects predominantly along the western margin

Work has been completed at the Airport Area gold targets during the year; however most of it was designed to meet minimum expenditure targets only. Given the Group's exceptional VMS targets described above, the Group is of the view that expenditure should be focused primarily on The Cup & The Chalice horizons & the related stratigraphy south towards Gravel Pit and Gossans Galore.



Location of historical gold pits relative to the Montague Granodiorite

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Scott Jarvis, the Head Geologist at Gateway Mining, a member of the Australian Institute of Geoscientists. Mr Scott Jarvis has a minimum of 5 years' experience which is relevant to the style of mineralisation 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 Scott Jarvis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the year ended 30th June 2013.

DIRECTORS

The names of directors who held office during the year:

Mr. Trent Franklin (Non-executive Chairman) appointed 28/2/2013

Mr. Andrew Bray (Managing Director) appointed 29/10/2012

Mr. Ian McDonald (Non-executive Director) appointed 13/11/2012

Mr. Brian Gomez (Non-executive Chairman) resigned 28/2/2013

Dr. Robert Creelman (Non-executive Director) resigned 13/11/2012

Mr. Mark Lynch (Non-executive Director) resigned 17/1/2013

REVIEW OF OPERATIONS

The last twelve months have been a period of significant change for Gateway Mining Limited ('Gateway' or 'the Group'). During the year Gateway installed a new board, management and technical teams and completed a major capital raising, the proceeds of which have been and will continue to be used to drive the Group's Gidgee project forward.

The Gidgee tenements hold immense potential for hosting Volcanogenic Massive Sulphide (VMS) deposits. VMS deposits tend to occur in clusters. The already known VMS mineralisation at The Cup prospect, highly anomalous aircore and rock chip geochemistry, and coincident electro-magnetic (EM) conductors leads the Group to believe that the Gidgee project has all the hallmarks of a significant new VMS province.

Some of the most encouraging mineralisation intersected at The Cup was backed up against the tenement boundary with M57/633, so it is extremely pleasing that the Group has been able to execute an agreement whereby it can earn a significant interest in the tenement. This opens up a lot of very exciting exploration scenarios.

During the year Gateway also rationalised its tenement holdings, dropping both the Cowra and Surprise projects. Gateway was of the opinion that further expenditure was not warranted, so dropping the tenements was a prudent decision from a cost efficiency perspective. Previous expenditure was written off during the period.

The Group has moved offices into space where rental and administration overheads are minimal. This keeps in line with management's philosophy of maintaining low administrative expenses in order to ensure maximum exploration expenditure.

The Group is looking forward to an exciting future as we progress the The Cup / The Chalice targets at Gidgee as a priority, while gradually progressing other VMS targets as well.

PRINCIPAL ACTIVITIES

The activities of the Group during the financial year were in the mineral exploration industry principally exploration for gold and base metals as well as investment. There were no significant changes in the nature of the activities of the Group that occurred during the year.

RESULTS AND DIVIDENDS

The loss of the Group for the financial year after providing for income tax amounted to $1,602,213. No dividends have been declared or paid during the year.

The Group is a mining exploration entity, and as such does not earn income from the sale of product. The loss for the group of $1,602,213 is approximately 9.29% less than the loss for the previous period.

In what is a very encouraging step forward, the total current assets of the Group has increased significantly during the year. At 30 June 2012, current assets were $143,136, whereas at 30 June 2013 current assets had increased to $3,315,306. This is due in large part to the successfully completed capital raising of 100,000,000 shares at 5c per share to raise $5,000,000 and the exercise of 5,750,000 options at 4c per share to raise $230,000.

As the Group does not earn any revenue, it is important to maintain a strong balance sheet so as to be able to efficiently fund exploration activities. The Group is now well positioned in this regard.

DIRECTORS

The names and details of the directors of the Group in office are as follows;

Trent Franklin
Non Executive Chairman
BSc (Geology)

Trent Franklin is a qualified geologist with a strong track record of corporate experience. He is currently the Managing Director of Enrizen Financial Group and formerly a director of the Australian Olympic Committee Inc and Australian Water Polo Inc. He is also a Fellow of the Australian Institute of Company Directors.

Andrew Bray
Managing Director
BEc LLB (Hons)

Mr Andrew Bray was appointed Managing Director in October 2012. He has a background in investment banking, corporate advisory and consulting. Mr Bray was instrumental in recapitalising Gateway during 2012. He holds a Bachelor of Economics and Bachelor of Laws (Hons I) from the University of Sydney.

Ian McDonald
Non Executive Director
BSc (Hons) (Geology)

Mr McDonald has had a career spanning more than three decades in the mineral exploration industry. He has previously held senior geologist positions with a number of leading resources companies, including Western Mining Corporation Limited, North Limited and Jabiru Metals Limited. Mr McDonald has extensive experience in VMS and Gold exploration projects.

Gary Franklin FCPA
Company Secretary
BEc

Mr Franklin has in excess of 30 years' experience in Company Secretarial and Chief Financial Officer roles. He has previously worked with Wambo Coal, Hartogen Energy Group, United Collieries and Mount Isa Mines Limited. He holds a Bachelor of Economics and is a Fellow of the Society of Certified Practicing Accountants.

There were no directorships held in listed entities by any Directors this year or in the previous three years.

Directors and Specified Executives (being key management personnel) Interests

As at 30 June 2013, the interests of the directors and specified executives in the shares and options of the Group were:

Directors:	*Ordinary shares:*	*Options over ordinary shares:*
T. Franklin	-	-
A. Bray	3,300,000	-
I. McDonald	-	-
Specified Executives:	*Ordinary shares:*	*Options over ordinary shares:*
S. Lian	1,486,978	1,000,000
S. Jarvis	-	1,000,000

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND FINANCIAL POSITION

During the period the Group conducted a significant capital raising, raising $5,000,000 in equity by way of issue of 100,000,000 at 5c. A further $230,000 was raised by way of exercise of 5,750,000 options at an exercise price of 4c. The funds will be used to advance the Gidgee project.

The Group appointed three new directors to the Board: Andrew Bray, Trent Franklin and Ian McDonald. A new company secretary, Gary Franklin, was also appointed.

The Group also terminated Steven Lian from the position of Chief Executive Officer on 30 June 2013. Mr Lian received a one-off termination payment of $120,000.

ENVIRONMENTAL REGULATION

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

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group signed a Farm-in and Joint Venture Agreement with Panoramic Gold Pty Ltd to explore on an adjoining tenement to the Group's Gidgee tenement package. The key terms of the agreement are:

- The Group to spend a minimum of $200,000 on tenement M57/633 within 18 months
- The Group to spend a minimum of $1,000,000 on tenement M57/633 to earn a 70% interest within a 30 month period.
- Upon the Group earning its 70% interest, Panoramic will retain a 30% interest free-carried through to successful completion of a Feasibility Study
- The Group will be the operator of the tenement and keep it in good standing.

FUTURE DEVELOPMENTS, PROPSECTS AND BUSINESS STRATEGIES

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

SHARE OPTIONS

At the date of this report, there were 235,800,000 options as per the table below:

Number of Options	Ex price per option	Grant Date	Expiring on or before
7,000,000	3.8 cents	5 April 2011	15 April 2014
28,800,000	2 cents	16 December 2011	15 November 2014
200,000,000	8 cents	6 December 2012	6 December 2016

REMUNERATION REPORT

Directors' and Specific Executives (being key management personnel) Remuneration

The Group's policy for determining the nature and amount of emoluments of board members and executives is as follows:

Group officers and directors are remunerated to a level consistent with the size of the Group. The Group'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 Group from time to time. This remuneration is by way of a fixed fee and may supplemented by the issue of incentive options as approved by shareholders in a general meeting of the Group.

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 Group and executives are on a fixed basis the terms of which are not expected to change in the immediate future.

As the Group is a mining exploration entity, it does not earn any revenue from the sale of product. The Group is therefore reliant on raising capital to continue operations. Consequently, the directors are very mindful of keeping cash remuneration to minimum levels. The Board may consider other non-cash remuneration in the future should it be required to attract and maintain particular talent.

The Board is of the opinion shareholder interests have been well looked after by keeping cash remuneration levels very low relative to many industry peers. Shareholder wealth has also appreciated markedly in recent years. Shares in Gateway Mining Limited on the Australian Securities Exchange reached an all-time low of 2.3c in June, 2011. Most recently the shares were trading at 8.3c with significantly more liquidity than in previous years.

Directors' Remuneration

2013

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
B. Gomez	-	-	-	-	-	-
R.A. Creelman	-	-	-	-	-	-
Mark J. Lynch	10,000	-	-	-	-	10,000
T. Franklin	15,000	-	-	-	-	15,000
A. Bray	116,000	-	-	720	-	116,720
I. McDonald	7,750	-	-	-	-	7,750
Total	**148,750**	**-**	**-**	**720**	**-**	**149,470**

2012

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
B. Gomez	25,000	-	-	-	-	25,000
R.A. Creelman	28,600	-	-	-	-	28,600
Mark J. Lynch	20,000	-	-	-	-	20,000
Total	**73,600**	**-**	**-**	**-**	**-**	**73,600**

Specified Executives Remuneration

2013

	Short-term benefits				Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Fees ($)	Non-monetary benefits ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Gary Franklin (Company Secretary)	45,000	-	-	-	-	-	45,000
Steven Lian (CEO)	178,107***	-	-	120,000*	5,400	-	303,507
Scott Jarvis (Head Geologist)	86,591	-	-	-	7,793	500**	99,884
Total	**309,698**	**-**	**-**	**120,000**	**13,193**	**500**	**443,391**

*A termination benefit of $120,000 shown as Other short-term benefits above was paid to Steven Lian.

**Scott Jarvis was issued 1,000,000 options during the year. The options have an exercise price of $0.08 with expiry of 6 December 2016.

***This amount includes payment for long service leave and outstanding annual leave payments totalling $55,756.58

2012

	Short-term benefits				Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Fees ($)	Non-monetary benefits ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Steven Lian (CEO)	120,000	-	-	9,000	10,800	-	139,800
Alan Pellegrini (exploration consultant)	-	121,502	-	1,174	-	-	122,676
Mark Gordon (Exploration Consultant)	24,835	-	-	-	-	-	24,835
Total	**144,835**	**121,502**	**-**	**10,174**	**10,800**	**-**	**287,311**

Key Service Agreements

Trent Franklin, *Non Executive Chairman*

Mr Trent Franklin has entered into an agreement with the Group whereby he receives a consulting fee of $2,500 per month. The agreement between the Group and Mr Franklin is for a period of two years. The agreement can be terminated by the Group by providing ninety days' written notice. In the event of termination by Gateway, Mr Franklin is to receive the fees that would have been payable for the remainder of the agreement had it remained in place.

Andrew Bray, *Managing Director*

A related party of Mr Andrew Bray, Andrew Bray Holdings Pty Ltd ('ABH'), has entered into a service agreement with the Group. Under the agreement, ABH receives a monthly fee of $12,000. The agreement between the Group and ABH is for a period of two years. The agreement can be terminated by the Group by providing ninety days' written notice. In the event of termination by Gateway, ABH is to receive the fees that would have been payable to ABH for the remainder of the agreement had it remained in place.

Scott Jarvis, *Head Geologist*

Mr Scott Jarvis is employed by the Group on a permanent full time basis. Under the terms of the employment agreement he was paid a salary at the rate of $120,000pa for the period from 5 November 2012 to 5 June 2013, and thereafter at the rate of $150,000pa. Mr Jarvis also received 1,000,000 options in Gateway Mining Limited. The options have an exercise price of $0.08 and expiry date of 6 December 2016. Mr Jarvis can be terminated by the Group by providing 4 weeks' notice if he has been employed by the Group for up to one year; or alternatively 6 weeks' notice if he has been employed by the Group for between one and three years.

DIRECTORS' MEETINGS

During the financial year, 12 meetings of directors (including committees) were held.

	Meetings eligible to attend	Meetings attended
B. Gomez	8	7
R.A. Creelman	5	5
Mark Lynch	6	4
T. Franklin	5	5
A. Bray	8	8
I. McDonald	7	6

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

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.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

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

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the year ended 30 June 2013 is enclosed and forms part of this annual report.

This report is signed in accordance with a resolution of the Board of Directors.

INDEMNIFYING OFFICERS OR AUDITOR

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

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

The directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

TRENT FRANKLIN
Non-executive Chairman
Dated this 30th day of September 2013
Sydney

Crowe Horwath.

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The Board of Directors
Gateway Mining Limited
Level 8, 210 George Street
SYDNEY NSW 2000

Dear Board Members

GATEWAY MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Gateway Mining Limited.

As lead audit partner for the audit of the consolidated financial statements of Gateway Mining Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

LRussell

LEAH RUSSELL
Partner

Dated this 30th day of September 2013.

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
Interest Received	2	76,667	7,970
Depreciation expense	3a	(3,623)	(1,453)
Employee benefits expense		(185,391)	(188,389)
Professional services rendered		(391,150)	(105,855)
Office expenses		(80,043)	(54,269)
Compliance fees		(33,085)	(18,308)
Share registry fees		(22,662)	(15,454)
Travelling and entertainment		(70,898)	(38,298)
Write off Exploration Expenditure	3c	(802,079)	(1,147,072)
Loss on sale of financial assets	3b	-	(97,964)
Non-Listed Investments written off		(30,827)	-
Other expenses		(30,391)	(33,580)
Loss before income tax		(1,573,482)	(1,692,672)
Income tax expense	12	-	-
Loss for the period attributable to members		(1,573,482)	(1,692,672)
Other comprehensive income:			
Fair Value Loss on available for sale financial assets		(28,731)	(73,707)
Other comprehensive income for the year, net of tax		(28,731)	(73,707)
Total comprehensive income (loss) for the period attributable to members of the company		(1,602,213)	(1,766,379)
Earnings per share			
Basic earnings per share (cents)	11	(0.6590)	(0.0113)
Diluted earnings per share (cents)	11	(0.6590)	(0.0113)

The accompanying notes form part of these financial statements.

GATEWAY MINING LIMITED
ABN: 31 008 402 391

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	NOTE	2013	2012
		$	$
ASSETS			
CURRENT ASSETS			
Cash and Cash equivalents	4	2,242,586	125,641
Trade and other receivables	5	372,720	17,495
Financial Assets	6	700,000	-
TOTAL CURRENT ASSETS		3,315,306	143,136
NON-CURRENT ASSETS			
Trade and other receivables	5	12,608	12,608
Financial assets	6	362,405	151,606
Plant and equipment	7	-	3,623
Deferred exploration and evaluation expenditure	8	8,445,035	8,210,108
TOTAL NON-CURRENT ASSETS		8,820,048	8,377,949
TOTAL ASSETS		12,135,354	8,521,081
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	416,990	234,978
Provisions	10	3,438	48,965
TOTAL CURRENT LIABILITIES		420,428	283,943
TOTAL LIABILITIES		420,428	283,943
NET ASSETS		11,714,926	8,237,138
EQUITY			
Issued capital	14	27,803,980	22,823,980
Reserves		304,501	233,232
Accumulated losses		(16,333,555)	(14,820,074)
TOTAL EQUITY		11,714,926	8,237,138

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(751,188)	(391,750)
Interest received		76,667	7,970
NET CASH USED IN OPERATING ACTIVITIES	**22**	(674,521)	(383,780)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		13,000	324,980
Purchase of listed securities		(952,528)	(3,750)
Receipt of loans		150,000	-
Investment in Interest Bearing Loans		(462,000)	-
Payment for exploration and evaluation		(1,037,006)	(476,926)
NET CASH USED IN INVESTING ACTIVITIES		(2,288,534)	(155,696)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		5,230,000	368,000
Placement fees		(150,000)	(22,080)
Proceeds from unsecured loan		-	120,000
NET CASH FROM FINANCING ACTIVITIES		5,080,000	465,920
NET INCREASE / (DECREASE) IN CASH HELD		2,116,945	(73,556)
Cash and cash equivalents at beginning of financial year		125,641	199,197
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**4**	2,242,586	125,641

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Contributed equity	Accumulated losses	Available for sale financial assets reserve	Share based payments reserve	Total
	$	$	$	$	
Balance at 1 July 2011	**22,478,060**	**(13,127,401)**	**173,939**	**133,000**	**9,657,598**
Loss for the period	-	(1,692,672)	-	-	(1,692,672)
Other comprehensive income / (loss)	-	-	(73,707)	-	(73,707)
Total comprehensive income / (loss) for the period	**-**	**(1,692,672)**	**(73,707)**	**-**	**(1,766,379)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	345,920	-	-	-	345,920
Balance at 30 June 2012	**22,823,980**	**(14,820,073)**	**100,232**	**133,000**	**8,237,138**
Loss for the period	-	(1,573,482)	-	-	(1,573,482)
Other comprehensive income / (loss)	-	-	(28,731)	-	(28,731)
Total comprehensive income / (loss) for the period	**-**	**(1,573,482)**	**(28,731)**	**-**	**(1,602,213)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	4,980,000	**-**	**-**	**-**	4,980,000
Share based scheme	-	-	-	100,000	100,000
Balance at 30 June 2013	**27,803,980**	**(16,393,555)**	**71,501**	**233,000**	**11,714,926**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

b. Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

c. Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

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 asset's employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset:	*Depreciation Rate:*
Plant and Equipment	8 to 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserves relating to that asset are transferred to retained earnings.

d. Financial Instruments

Initial recognition and initial measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost.

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.

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 of financial assets due to their nature. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised

Impairment

At the end of each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

e. Exploration and Development Expenditure

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

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

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 tile economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks or financial institutions. A short-term deposit is held with Quickfund which is managed by Quickfund (Australia) Pty Ltd and was earning interest at commercial rates.

g. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognised using the effective interest method.

h. Employee benefits

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

i. 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 Group is not a party to any finance leases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. 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.

k. Trade 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 Group.

l. Contributed equity

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

m. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the asset's carrying amount over its recoverable amount is expensed to the statement of comprehensive Income.

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

n. 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 within the Group.

Key estimates – Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Deferred exploration and evaluation expenditure and financial assets have been reviewed by the Group. A write off of capitalised exploration and evaluation expenditure for the Cowra and Surprise tenements of $802,079 was taken up for the financial year ended 30 June 2013 as the Group no longer believed expenditure was warranted on the tenements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key judgments - Exploration and Evaluation Expenditure

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

o. Comparative Figures

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

p. New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9*: Financial Instruments* (December 2010) and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6*: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of the change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 10*: Consolidated Financial Statements*, AASB 11: *Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

– AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

  The Group's interest in various joint venture tenements which is currently referred to as a "joint venture entity", will be referred to as a "joint venture" under AASB 11. Joint ventures are required to be accounted for using the equity method of accounting under AASB 11. The proportionate consolidation method is no longer permitted. However, this will not have a material impact on the Group's financial statements.

– AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group's financial statements.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The expected impact of AASB 10, 11, 12 is nil. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

– AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

  These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

– AASB 2011–4: *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (applicable for annual reporting periods beginning on or after 1 July 2013).

  This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

  This Standard is not expected to significantly impact the Group's financial report as a whole because:

  - some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
  - AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.

– AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans, including:

  - removal of the "corridor" approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability/(asset) when they occur; and
  - disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
    (i) service cost and net interest expense in profit or loss; and
    (ii) remeasurements in other comprehensive income.

  AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation. This standard is not expected to have material impact on Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

– AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact the Group's financial statements.

– AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Group's financial statements.

– AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011* (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including:

  - AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
  - AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
  - AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
  - AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
  - AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

  This Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: REVENUE & OTHER INCOME

	Note	2013 $	2012 $
Interest – Non Related Parties		71,667	7,970
Interest – Related Parties	**20e**	5,000	-
		76,667	7,970

NOTE 3: LOSS FOR THE PERIOD

The Group's loss for the 12 months to 30 June 2013 includes the write-off $802,079 expenditure on exploration of the Cowra and Surprise tenements. Also during the period a write-off of non-listed financial assets totalling $30,827 was taken into account.

	2013 $	2012 $
a. Expenses		
Depreciation of non-current assets:		
- Plant and equipment	3,623	1,453
b. Loss on sale of financial asset	-	97,964
c. Significant Expenses The following significant expense item is relevant in explaining the financial performance:		
Write off of capitalised exploration expenditure	802,079	1,147,072

NOTE 4: CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and on hand	1,130,833	125,641
Short term deposit	1,111,753	-
	2,242,586	125,641

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 statement of financial position as follows:	2,242,586	125,641
	2,242,586	125,641

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2013 $	2012 $
CURRENT			
Loans to Key Management Personnel	**19**	252,000	-
Other Receivables		106,664	17,494
Prepayments		14,056	-
		372,720	17,494
NON-CURRENT			
Security deposits		12,608	12,608
		12,608	12,608

As at 30 June, 2013, a loan of $252,000 to an entity associated with Mr Steven Lian, JVR Resources Pty Ltd, remains outstanding. The loan is to be repaid by 31 December 2013 with an interest rate of 7.1%pa. The loan is subject to a personal guarantee from Mr Lian. The Group does not believe there is any significant credit risk attaching to the loan. An additional loan of $150,000 was made during the year to JVR Resources Pty Ltd which was repaid by 30 June 2013 with $5,000 interest.

All other receivables are within their trading terms and are not impaired.

NOTE 6: FINANCIAL ASSETS

	2013 $	2012 $
CURRENT		
Shares in listed corporations-subject to contract of sale – fair value	700,000	-
	700,000	-
NON-CURRENT		
Available for sale financial assets:		
Shares in listed corporations-at fair value	299,482	50,213
Security deposits Mining Bonds	62,923	70,567
Shares in unlisted corporation- at cost	-	30,827
Total Non-Current	362,405	151,607

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

The fair value of the unlisted available for sale financial asset cannot be reliably measured as variability in the range of reasonable fair estimates is significant. It is unlikely that the unlisted investments have any real value. The Directors having considered this have written off the unlisted shares during the current reporting period.

NOTE 7: PLANT AND EQUIPMENT

	2013 $	2012 $
Plant and Equipment		
At cost	99,069	99,069
Accumulated depreciation	(99,069)	(95,446)
Total Plant and Equipment	-	3,623
Reconciliation		
Carrying amount at the beginning of the year:	3,623	5,076
Additions	-	-
Depreciation expense	3,623	(1,453)
Carrying amount at the end of the financial year	-	3,623

NOTE 8: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	2013 $	2012 $
NON-CURRENT		
Exploration expenditure capitalised:		
- Exploration and evaluation phases	8,444,035	8,210,108
Reconciliation		
Capitalised expenditure in respect of areas of interest at beginning of the year	8,210,108	8,880,254
Additions	1,037,006	476,926
Write off of capitalised exploration expenditure	(802,079)	(1,147,072)
Capitalised Exploration Expenditure at end of financial year	8,445,035	8,210,108

The recoverability for the carrying amount of exploration assets is dependent upon further exploration and exploitation of commercially viable mineral deposits.

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group 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.

NOTE 9: TRADE AND OTHER PAYABLES	2013 $	2012 $
CURRENT		
Financial Liabilities amortised as Trade and Other Payables	416,990	234,978

NOTE 10: PROVISIONS

	2013 $	2012 $
CURRENT		
Provisions	3,438	48,965

NOTE 11: EARNINGS PER SHARE

	2013	2012
a. Reconciliation of earnings to profit or loss	**$**	**$**
Loss	(1,573,482)	(1,692,672)
Loss attributable to non-controlling equity interest	-	-
Earnings used in the calculation of basic and dilutive earnings per share	(1,573,482)	(1,692,672)
	No of shares	No of shares
b. Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	243,139,885	149,851,044
Basic Earnings Per Share (cents)	(0.6590)	(0.0113)
Diluted Earnings Per Share (cents) (i)	(0.6590)	(0.0113)

(i) Diluted Earnings Per Share is capped at Basic Earnings Per Share

NOTE 12: INCOME TAX EXPENSE

	2013 $	2012 $
Loss for current year from ordinary activities:	1,573,482	1,766,379
Less non-allowable provisions	(33,438)	(46,006)
Exploration written off	(802,079)	-
Impairment loss	(30,827)	(171,671)
Add:		
Superannuation paid	13,0743	4,549
Exploration Costs	1,036,806	398,293
Allowable provisions	32,932	-
Taxable Loss for year	1,789,950	1,951,544
Tax Losses brought forward from earlier years	18,804,638	16,853,094
Tax Losses carried forward to later years	20,594,588	18,804,638
Future Income Tax Benefit 30% of Tax Losses	6,178,376	5,641,391

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

The tax rate used in the above table is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian Tax Law. There has been no change in the corporate tax rate when compared to the previous reporting period.

There are no non-allowable permanent differences during the current year.

The deductible temporary differences and tax losses do not expire under current legislation. Potential deferred tax assets attributable to tax losses carried forward have not been brought to account because the Directors do not believe it appropriate in regards to realizing the benefit at this time.

At the end of the reporting period, the Group has carry-forward tax losses of $20,594,588 (2012 $18,804,638). The potential net future tax benefits have not been brought into account.

This potential future income tax benefit will only be obtained if:

(a) The Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997 and
(b) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) No change in tax legislation adversely affects the Group in realising the benefits.

NOTE 13: AUDITORS' REMUNERATION	**2013 $**	**2012 $**
Remuneration of the auditors of the Group for:	43,000	27,400
- Auditing or reviewing the financial report		

NOTE 14: ISSUED CAPITAL	**2013 $**	**2012 $**
a. Ordinary shares fully paid		
Balance at beginning of year	22,823,980	22,478,060
Issued shares	5,230,000	368,000
Transactions costs	(250,000)	(22,080)
Balance at end of year	27,803,980	22,823,980

b. Movements in ordinary shares on issue	Number	Number
At the beginning of the financial year	157,872,962	141,872,962
Shares issued – 19 December 2011	-	16,000,000
Shares issued – 17 September 2012 (exercise of options)	5,750,000	-
Shares issued – 17 September 2012	3,100,000	-
Shares issued – 25 October 2012	96,900,000	-
At the end of the financial year	263,622,962	157,872,962

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 2013, the details of options issued are as follows:

Date issued	Number of Options	Exercise price per option	Expiring on or before
5 April 2011	7,000,000	3.8 cents	15 April 2014
16 December 2011	28,800,000	2 cents	15 November 2014
6 December 2012	200,000,000	8 cents	6 December 2016

During the year the Group issued 200,000,000 options with an exercise price of 8.0 cents and expiry of 6 December 2016. The options were issued at an issue price of $0.0005 as part payment of underwriting fees.

7,500,000 options exercisable at 4 cents were due to expire on 1 September 2012. 5,750,000 of these options were exercised and 1,750,000 expired.

The below table shows the movement of options over the previous two full year periods.

	Number	**Weighted Average Exercise Price**
		$
Options outstanding as at 1 July 2011	25,500,000	0.0967
Granted	28,800,000	0.0200
Forfeited	-	-
Exercised	-	-
Expired	(11,000,000)	0.1727
Options outstanding as at 30 June 2012	43,300,000	0.0390

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2012	43,300,000	0.0390
Granted (i)	200,000,000	0.0800
Forfeited	-	-
Exercised	(5,750,000)	0.0400
Expired	(1,750,000)	0.0400
Options outstanding as at 30 June 2013	235,800,000	0.0724

(i) During the period, the Group issued 200,000,000 options with an exercise price of 8c and expiry of 6 December 2016. The options were issued as part payment of an invoice for consideration of $100,000. The options therefore an effective price of $0.0005.

e. Capital Management

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

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

There are no externally imposed capital requirements.

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

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

NOTE 15: SEGMENT INFORMATION

The Group operates in Australia predominantly in the mineral exploration industry and mainly in gold and base metals. The Board of Directors have determined that the Group operates only in one segment.

NOTE 16: CONTINGENT LIABILITIES

The Board of Directors believe that there are no contingent liabilities up to or subsequent to the 30th June 2013 (2012: Nil)

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

The Group signed a Farm-in and Joint Venture Agreement with Panoramic Gold Pty Ltd to explore on the adjoining tenement to the Group's Gidgee tenement. The key terms of the agreement are:

- The Group to spend a minimum of $200,000 on tenement M57/633 within 18 months
- The Group to spend a minimum of $1,000,000 on tenement M57/633 to earn a 70% interest within a 30 month period.
- Upon the Group earning its 70% interest, Panoramic will retain a 30% interest free-carried through to successful completion of a Feasibility Study
- The Group will be the operator of the tenement and keep it in good standing.

There are no other significant events subsequent to reporting date.

NOTE 18: CONTROL GAINED / LOST OVER CONTROLLED ENTITIES

During the twelve month period to 30th June 2013, Gateway Mining Limited established Boomgate Nominees Pty Ltd as a 100% owned subsidiary. The group has not gained and/or lost control over this entity since the 30th June 2013 up to the present date. A separate parent entity note has not been included as balances were insignificant.

NOTE 19: RELATED PARTY TRANSACTIONS

a. Directors

The names and positions held of Group key personnel are:

Key Management Person	Position
Trent Franklin	Non-Executive Chairman
Andrew Bray	Managing Director
Ian McDonald	Non-Executive Director
Gary Franklin	Company Secretary / CFO
Steven Lian	Chief Executive Officer
Scott Jarvis	Head Geologist

b. Shareholdings of Key Management Personnel

The number of shares held directly, indirectly or beneficially, by each Key Management Person, including their controlled entities, is as follows:

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Trent Franklin	-	-	-
Andrew Bray	-	3,300,000	3,300,000
Ian McDonald	-	-	-
Steven Lian	1,486,978	-	1,486,978

c. Option holdings of Key Management Personnel

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Steven Lian	1,000,000	-	1,000,000
Scott Jarvis	-	1,000,000	1,000,000

d. Directors loans

No director has received any loans from the Group nor has the Group made any loans to directors. For details of Directors' and Key Management Personnel remuneration and service agreements refer to pages 16-21.

e. Other

Trent Franklin: Enrizen Pty Ltd, a company of which Mr Franklin is a director, acted as insurance broker for the Group in placing a Directors & Officers insurance policy. Enrizen Pty Ltd received a commission of $975 from the insurer. This fee was received by Enrizen Pty Ltd prior to Mr Franklin's appointment to the Board.

Steven Lian: An entity associated with Mr Lian, JVR Resources Pty Ltd, received two loans during the period, one for $150,000 and a second for $252,000. The first loan was repaid prior to the end of the period with $5,000 interest earned by the Group. The second loan remains outstanding and is due to be repaid by 31 December 2013. The interest rate attaching to the loan is 7.1%pa.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits at banks, other financial institutions, receivables and payables, and available for sale financial assets.

The Group does not have any derivative instruments at the end of the reporting period.

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

Financial assets	Notes	2013 $	2012 $
Cash and cash equivalents	**4**	2,242,586	125,641
Security deposits		62,923	70,567
Available-for-sale financial assets			
-at fair value:			
- Listed investments	**6**	999,482	50,213
- Unlisted investments		-	-
Trade & Other Receivables	**5**	358,664	17,494
-at cost:			
- Unlisted investments (i)		-	30,827
Total financial assets		**3,663,655**	**224,175**
Financial liabilities			
- Trade and other payables	**9**	416,990	234,978
- Borrowings		-	-
Total financial liabilities		**416,990**	**234,978**

(i) It is unlikely that the unlisted investments have any real value. The Directors, having considered this, have written off the unlisted shares during the current reporting period.

Financial Risk Management Policies

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

Financial Risk Exposures and Managements

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

Interest Rate Risk

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

The Group has a mix of fixed rate and variable financial instruments. The loans in other receivables are fixed rate, all others are variable.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial abilities and exploration expenditure. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained. During the 2013 year, the Group raised funds through private share placements by issuing ordinary shares.

Financial Liability and financial assets maturity analysis

The tables below reflect an undiscounted contractual maturity analysis for financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

	Maturing with 1 Year		Maturing 1 to 5 Years		Total	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Financial Assets						
Cash	2,242,586	125,641	-	-	2,242,586	125,641
Receivables & others	358,664	17,494	-	-	358,664	17,494
Security deposits	62,923	70,567	12,608	12,608	75,531	83,175
Available for sale financial assets	999,482	81,040	-	-	999,482	81,040
Total anticipated inflows	3,663,655	294,742	12,608	12,608	3,676,263	307,350
Financial Liabilities						
Sundry payables and accruals	416,990	114,978	-	-	416,990	114,978
Loan payable	-	120,000	-	-	-	120,000
Total expected outflows	416,990	234,978	-	-	416,990	234,978
Net inflow on financial instruments	**3,246,665**	**59,764**	**12,608**	**12,608**	**3,259,273**	**72,372**

Credit Risk

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as present in the statement of financial potion.

As at 30 June, 2013, the Group had entered into a contract whereby it sold a parcel of listed securities for an aggregate price of $700,000. As at the date of this report, $350,000 has been received by the Group according to the payment schedule, with the remainder due to be paid by 30 September. There is small credit risk regarding the remaining $350,000 as the price of the listed securities has since fallen below the sale price.

Fair Value

The fair values of listed investments, except that mentioned above, have been valued at the quoted market bid price at the end of the reporting period, adjusted for transaction costs expected to be incurred. Listed security mentioned above was valued at expected sale price.

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. For the parcel of shares referred to above in the Credit Risk section, the fair value was calculated based on the contract sale price in an arm's length transaction.

All financial assets held by the Group are assessed as Level 1 financial assets.

Sensitivity Analysis

The effect on the Group's results and equity at 30 June 2013 from exposure to interest rates risk at the end of the reporting period would not be material.

NOTE 21: RESERVES

a. **Share based payments reserve**

   The share based payments reserve is used to recognise the grant date fair vale of option issued.

b. **Available for sale financial assets reserve**

   Changes in the fair value of available for sale financial assets are recognised in other comprehensive income. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

NOTE 22: RECONCILIATION OF LOSS TO NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	**2013 $**	**2012 $**
Loss for the period	(1,573,482)	(1,692,672)
Depreciation	3,623	1,453
Write off of capitalised exploration costs	802,079	1,147,072
Net loss on disposal of financial assets	-	97,964
Change in operation assets and liabilities:		
(Increase)/decrease in trade and other debtors	(43,226)	(7,436)
Increase/(decrease) in trade creditors	182,012	47,906
Increase/(decrease) in provision	(45,527)	21,933
Net cash flow from operating activities	(674,521)	(383,780)

NOTE 23: COMPANY DETAILS

The registered office & sole principal place of business of the Group is:

Gateway Mining Limited

Level 8, 210 George Street

Sydney NSW 2000

Australia

DIRECTORS DECLARATION

The directors of the Group declare that:

1. The financial statements and notes of the Group as set out on pages 24-51 are in accordance with the Corporations Act 2001 and:
   a. Comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   b. Give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Group;
2. The directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Financial Officer for the financial year ended 30 June 2013, and
3. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

TRENT FRANKLIN
Non-executive Chairman
Dated this 30th September 2013

Crowe Horwath.

Crowe Horwath Sydney

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INDEPENDENT AUDITOR'S REPORT
to the members of Gateway Mining Limited

Report on the Financial Report

We have audited the accompanying consolidated financial report of Gateway Mining Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Crowe Horwath.

Opinion

In our opinion:

a) 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 consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16-19 of the directors' report for the year ended 30 June 2013. The directors of the group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Gateway Mining Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Yours sincerely
CROWE HORWATH SYDNEY
Crowe Horwath Sydney
LRussell

LEAH RUSSELL
PARTNER

Dated this 30th day of September 2013

SHARE HOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,204 and each share carried one vote in person, by proxy or poll

b. Distribution of Shareholders by Number

Category (size of Holding)	Ordinary
1-1,000	233
1,001-5,000	283
5,001-10,000	145
10,001-100,000	324
100,001- and over	219
Total	1,204

c. Number of shareholdings held in less than marketable parcels is 518

d. There are no substantial shareholders

e. 20 largest Shareholders as at 30 September 2013

	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	HSBC CUSTODY NOMINEES	11,005,531	4.17%
2	HERITAGE INVESTMENTS NO 5 LTD	10,757,500	4.08%
3	MR LIM KIM QUEE	10,669,605	4.05%
4	GREAT PACIFIC HI TECH INVESTMENTS LTD	10,600,000	4.02%
5	BRAY SPORT SERVICES PTY LTD	9,000,000	3.41%
6	MR WONG CHI WAI	8,680,000	3.29%
7	SACHA INVESTMENTS PTY LTD	8,450,000	3.21%
8	MR KOK LEONG TAN	8,309,716	3.15%
9	CITICORP NOMINEES PTY LIMITED	7,638,201	2.90%
10	MR IVAN CHI HUNG WONG	6,400,000	2.43%
11	MR EDWIN ZIHONG CHEN	6,000,000	2.28%
12	FARRINGTON CORPORATE SERVICES	5,941,253	2.25%
13	BELFORT INVESTMENT ADVISORS	5,239,237	1.99%
14	BIKINI ATOLL INVESTMENTS PTY	4,439,872	1.68%
15	STRATEGIC WEALTH JOURNIES	4,200,000	1.59%
16	DRS DIWAN PTY LTD	3,625,000	1.38%
17	GREAT PACIFIC INVESTMENT PTY	3,500,000	1.33%
18	DR GOH PING WONG	3,500,000	1.33%
19	MR PAUL GABRIEL SHARBANEE	3,160,000	1.20%
20	MR ANDREW GORDON BRAY	3,120,000	1.18%
	TOTAL	134,235,915	50.92%

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Gateway Mining Limited is responsible for the corporate governance of the Group.

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 Group.

Board and Management Functions

Generally, the Board is responsible for establishing the policies of the Group, overseeing its financial position, approving major capital expenditures, exploration programs and expenditures. The small management team is responsible for the Group'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 Group does not have a formal Board character.

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.

The Directors in office at the date of this statement are: Trent Franklin (Non-Executive Chairman), Ian McDonald (Non-executive Director), and Andrew Bray (Executive & Managing Director)

Under current ASX guidelines, two of the current Board (Trent Franklin and Ian McDonald) are considered to be independent directors. Each Director of the Group has the right to seek independent professional advice at the expense of the Group. Prior approval of the Chairman is required but this will not be unreasonably withheld.

Due to the small size of the Board, the Group 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 Group 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 Group.

Similarly, the Group does not have a code of conduct to guide compliance with legal and other obligations. This reflects the Group's size and the close international 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.

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 Group's securities.

Audit Committee

The Group 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 Group'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 Group does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Communications Strategy

While the Group 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 Group 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 Group's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Group'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 Group's auditor who, in accordance with the Corporations Act, is required to attend the Group'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 Group 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 Group 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 Group has established a Remuneration Committee comprising the Chairman and Company Secretary.