

Quarterly Activities Report

For the period ended 30th June 2009

HIGHLIGHTS

- Significant VTEM geophysical results have been outlined at Cowra, and the JV partners are currently planning a drill programme to test these anomalies
- The Montague area review of exploration data at Gidgee has recognized the significance of previous drilling results at Rosie North, including **33m @ 0.67g/t Au and 102m @ 0.42g/t Au in hole WRC012.**
- These intersections remain open, and follow up work is currently being planned.
- Aircore drilling along the interpreted trend that hosts The Cup and Julia's Fault has resulted in elevated Au, As and Cu, confirming the prospectivity of these areas.
- Intersections at Julia's Fault include 5m @ 3.47g/t Au from a 5 metre composite sample.
- Subsequent to the quarter the company raised \$500,000 through an underwritten SPP.
- Subsequent to the quarter Citigold (ASX:CTO) launched an off-market takeover bid for Gateway.

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE PROJECT

During the period the company has continued its review of all project data, with some significant results being outlined as announced to the market subsequent to the end of the quarter on July 16 2009. This review has recognised the significance of previous drilling data, including intersections of 23m @ 0.67 g/t Au and 102m @ 0.42 g/t Au in drillhole WRC012.

The company has received the draft report for the resource estimations at Whistler, Rosie and Central/Bullseye, and is currently reviewing the results of this work.

The company carried out a 47 hole, 3368m aircore drilling programme at The Cup, Julia's Fault and Montague North, with highly anomalous gold being intersected at Julia's Fault, and reinforcing the prospectivity of this area. Interpretations of The Cup and Julia's Fault areas are under way.

Montague Area

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

Gateway 85%, Herald Resources 15%

The company has largely completed a review of the historic exploration data, with this review confirming that there is significant potential for the discovery of additional sulphide gold mineralisation within the area, given only limited drilling has been carried out below the oxide zone. This work has also delineated previously drilled areas that are worthy of follow up to define additional oxide mineralisation.

As reported to the market on July 16 2009, subsequent to the end of the quarter, the data review concluded that broad low grade intersections, including 23m @ 0.67 g/t Au and 102m @ 0.42g/t Au in hole WRC012 at Rosie North are significant, with these yet to be followed up. The intersections remain open in all directions, and one interpretation is that they could represent a halo to a gold mineralised system to the east of Rosie North. Hole locations are shown in figure 4, with hole and intersection details previously reported to the market. The review has also outlined potential target zones at Whistler as presented in the July 16 release.

Interpretations and target areas at Whistler were also released to the market in the July 16, 2009 release.

Preliminary resource calculations for Whistler, the Rosie area and Central/Bullseye areas have now been completed, and the company is reviewing the consultant's draft report.

Following the results of the previous sub-audio magnetics (SAM) survey to the east of Whistler, the company plans to carry out a further survey over, and to the east of the Airport gold trend. This, along with the results of the data review will be used to plan future drilling programmes.

The Cup E57/417

Gateway 100%

One aircore drillhole was completed at The Cup; however this failed to reach the target depth due to drilling conditions.

The Cup South E57/417 and E57/561

Gateway 100% / Gateway 75%/Red 5 25%

Seven aircore holes for 610m were completed to test a mid-channel response EM conductor approximately 2km south of The Cup prospect. A narrow zone of semi-massive pyrite was intersected, which may explain the anomaly. The only geochemical response was weak arsenic anomalism associated with a shallowly west dipping folded gossanous horizon.

Julia's Fault M57/429

Gateway 75%/Red 5 25%

Twenty five aircore holes totalling 1703m were drilled in the Julia's Fault area.

Seven holes drilled to the south near the M57/429 and E57561 boundary (GAC26 to 32) returned variably anomalous Au, As and Cu, in gossanous material, that may

reflect a weathered sulphidic black shale horizon, similar to that seen at Julia's Fault proper. Hole GAC031 intersected 2m @ 0.55g/t Au at the end of the hole, and therefore requires further follow up.

Drilling at Julia's Fault intersected the same gossanous horizon as intersected in past drilling, interpreted to be a folded and weathered sulphidic black shale. This horizon is associated with highly anomalous gold intersections as shown below, with in a number of cases the aircore holes terminating in anomalous gold due to the inability to drill through the gossans. Previous drilling also encountered similar difficulties.

Aircore Drilling Gold Intersections - 0.5 g/t Au cutoff. Composite sampling (generally 5m except where shorter at the bottom of holes), bottom of hole intersections are highlighted

Hole	AGD84E	AGD84N	Dip	Azimuth	Depth	Prospect	From	To	Interval	Au_ppm
GAC001	748175	6969200	-60	90	40	Julia's Fault	30	40	10 - EOH	0.92
GAC003	748125	6968950	-60	90	117	Julia's Fault	40	45	5	1.07
GAC004	748100	6968950	-60	90	71	Julia's Fault	35	45	10	0.77
GAC004	748100	6968950	-60	90	71	Julia's Fault	65	70	5	3.47
GAC005	748075	6968950	-60	90	119	Julia's Fault	40	50	10	0.8
GAC007	748120	6969000	-60	90	53	Julia's Fault	50	53	3 - EOH	1.05
GAC008	748115	6969050	-60	90	42	Julia's Fault	30	35	5	0.51
GAC009	748090	6969050	-60	90	45	Julia's Fault	40	45	5 - EOH	0.85
GAC012	748110	6969150	-60	90	72	Julia's Fault	70	72	2 - EOH	0.61
GAC031	747900	6968500	-60	90	42	Julia's Fault South	40	42	2 - EOH	0.55

Recent interpretations suggest that gold mineralisation at Julia's Fault may be controlled by the intersection of NNW structures and a reactive sulphidic black shale horizon, and an interpretation is near completion.

Results of this interpretation to date indicate areas that have not been fully drill tested, and also reinforce the need to drill deeper in places where holes drilled to date have terminated (due to drilling difficulties) in mineralisation. Results of previous drilling programmes have been presented in past company releases to the market.

A map of the interpreted gossanous horizon and conceptual cross section is presented as figure 5, and final results of the interpretation will be released to the market when completed.

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

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

Three short RAB holes totalling 45m were drilled across a strong EM conductor located within P57/1181, 100% held by Gateway. The anomaly is spatially associated with ironstone outcrops of possible sulphide origin. Lack of penetration of the drilling resulted in the target not being adequately tested

The ground EM anomaly identified in the southern part of the JV tenement (E47/709) has been modelled by Legend Mining, defining three moderate to strong conductors. The conductors have depths ranging from 30m to 100m and strike E-W and WNW-ESE with vertical to steep northerly dips.

Ground reconnaissance over the EM conductors was undertaken. Three rockchip samples of ferruginous/gossan material returned a maximum gold value of 377 ppb Au.

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

Barrelmaker Area

Barrelmaker West E57/685

Gateway 100%

A weak EM anomaly coincident with the base of a magnetic ultramafic unit was investigated as a potential Kambalda style nickel target.

Field investigations concluded the anomaly to be associated with an outcropping weakly sulphidic chert that is interpreted as being at the base of an ultramafic unit.

Rock chip and soil sampling returned no geochemistry indicative of nickel mineralisation. The chert however returned weak gold anomalism of 92ppb. The anomalism may warrant limited follow up as a low order gold target.

NEW SOUTH WALES

COWRA PROJECT EL 5514 & 6102

Gateway Mining 100%; Minotaur and Mitsubishi Corporation - Mitsubishi Materials Corporation earning 51% and 24% respectively.

Ground geophysical surveys were undertaken as follow-up work to the airborne electromagnetic (VTEM) surveys completed in the previous quarter. A total of 16.8 line kilometres of ground electromagnetic surveys and 35 line kilometres of ground magnetic surveys were completed over 9 VTEM targets. Eight of the targets gave excellent ground geophysical responses and are undergoing 3D modelling to assist drill planning, which is expected to commence during the next quarter.

Minotaur has now formally advised the company that they have met the \$700,000 expenditure commitment and that they have earned 51%. They advise that they will sole fund and work towards the second expenditure requirement. To date \$958,000 has been spent by the current JV partners on the Cowra Project.

QUEENSLAND

SURPRISE PROJECT EPM 9053 & 13677

Gateway 100%

Following the decision of Minotaur to exit the Surprise JV, Gateway has been reviewing all historic exploration data with a view to planning further work on the tenements.

HODGKINSON BASIN

Republic Gold, Gateway 6% free carried

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

CORPORATE

Subsequent to the end of the quarter the company announced that it would be raising funds through a share purchase plan (SPP), which has been underwritten to \$500,000.

Also, subsequent to the end of the quarter, Citigold (ASX:CTO) announced a takeover bid for Gateway. The Part A Bidders Statement is yet to be received.

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

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr. R.A.Creelman, a Director of the company, a Fellow of the Australasian Institute of Mining and Metallurgy and a Certified Professional (CP) of Aus. I.M.M. Dr.R.A.Creelman has a minimum of 5 years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. R.A.Creelman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

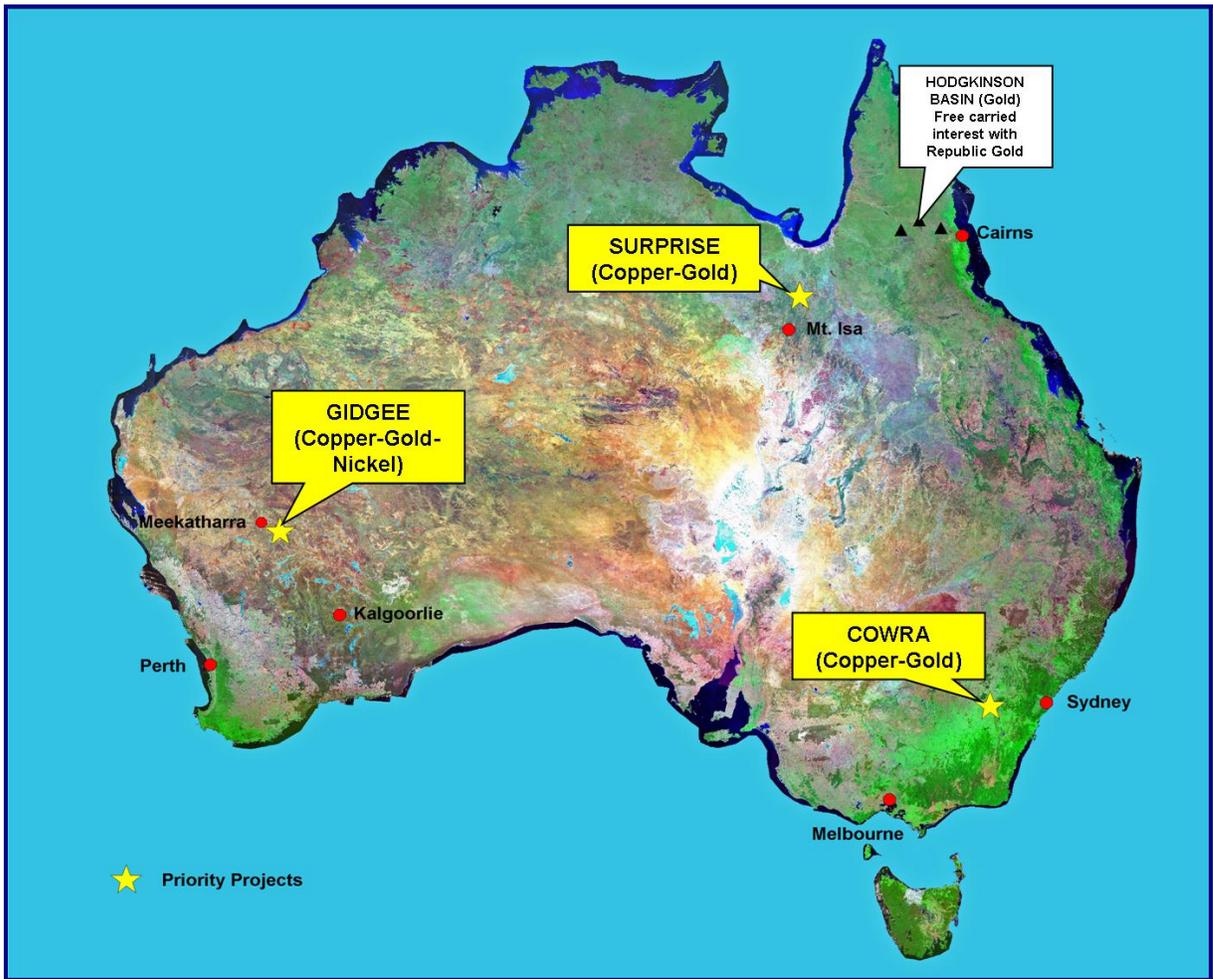


Figure 1. Gateway Mining Limited Project Locations

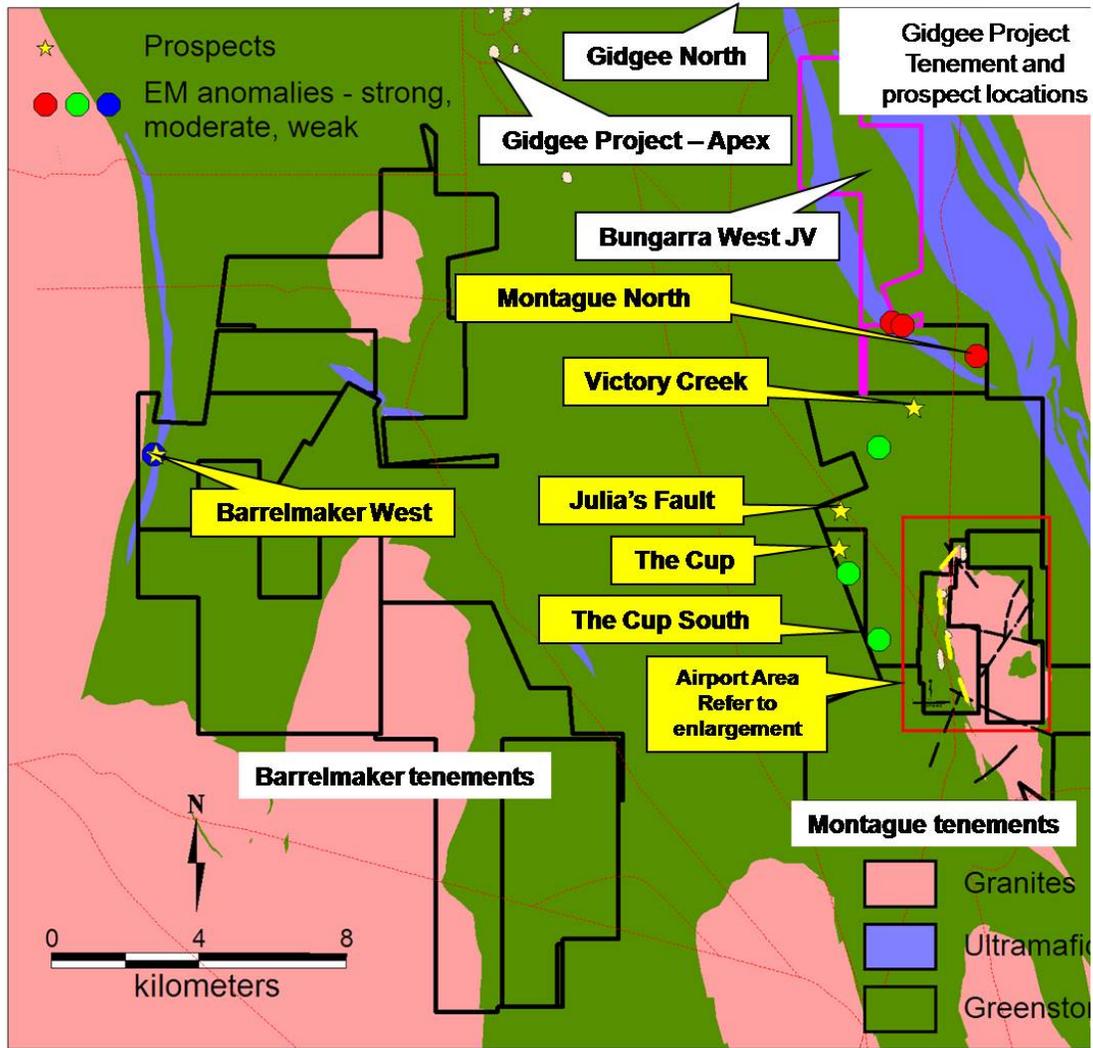


Figure 2. Prospect locations, Gidgee Project

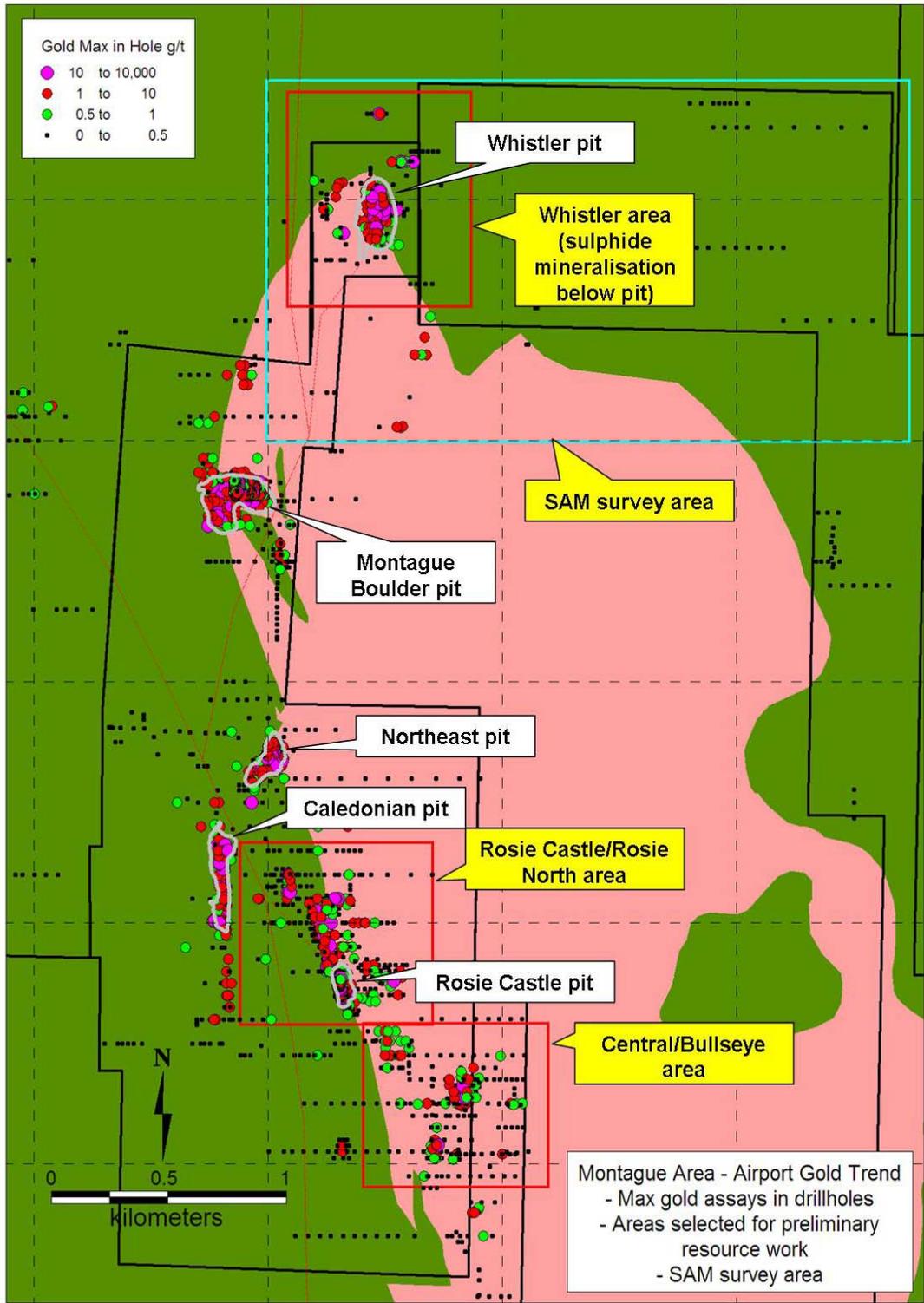


Figure 3. Airport Area, Gidjee, showing areas for further work

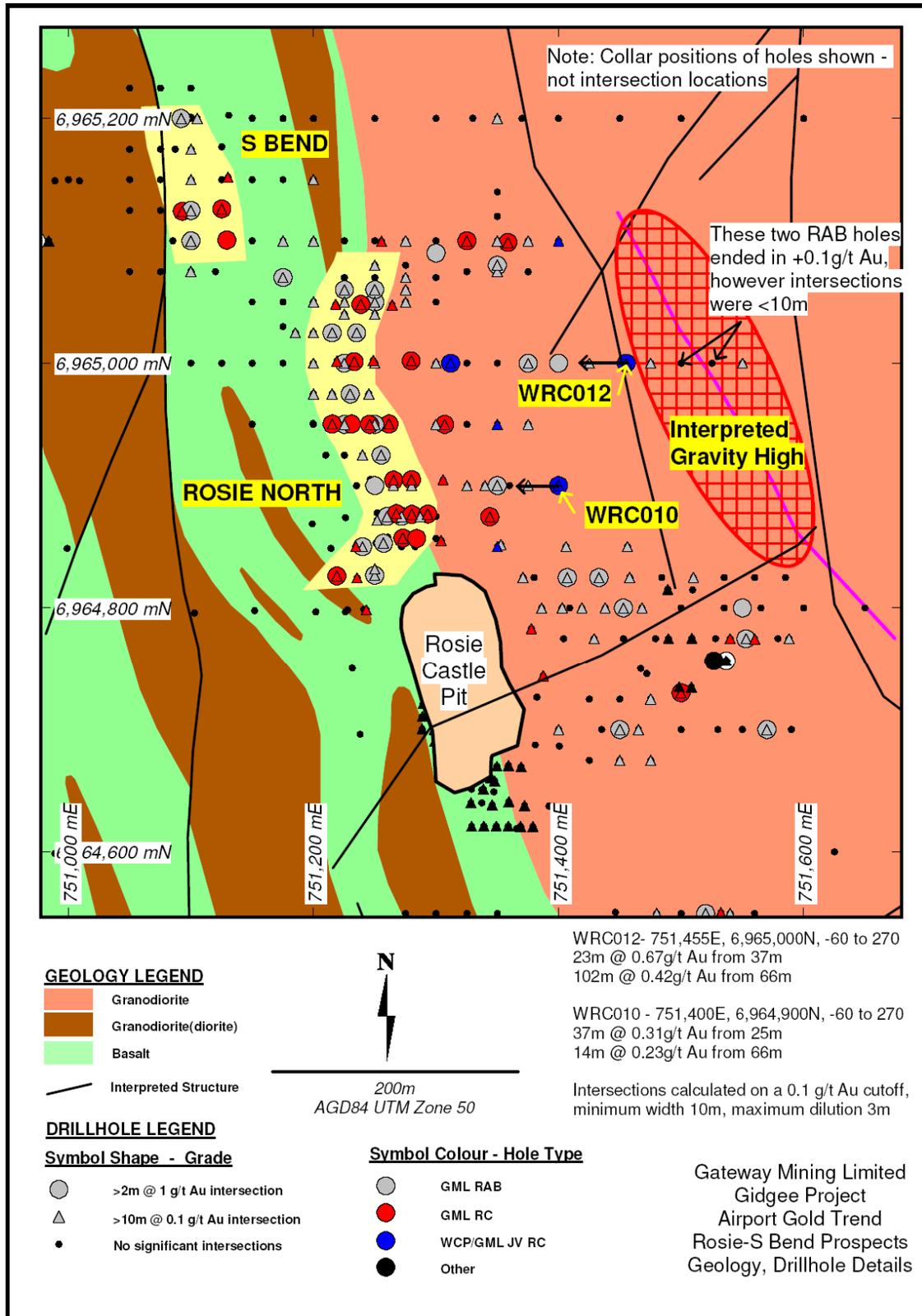


Figure 4. Rosie Area, showing drillhole details

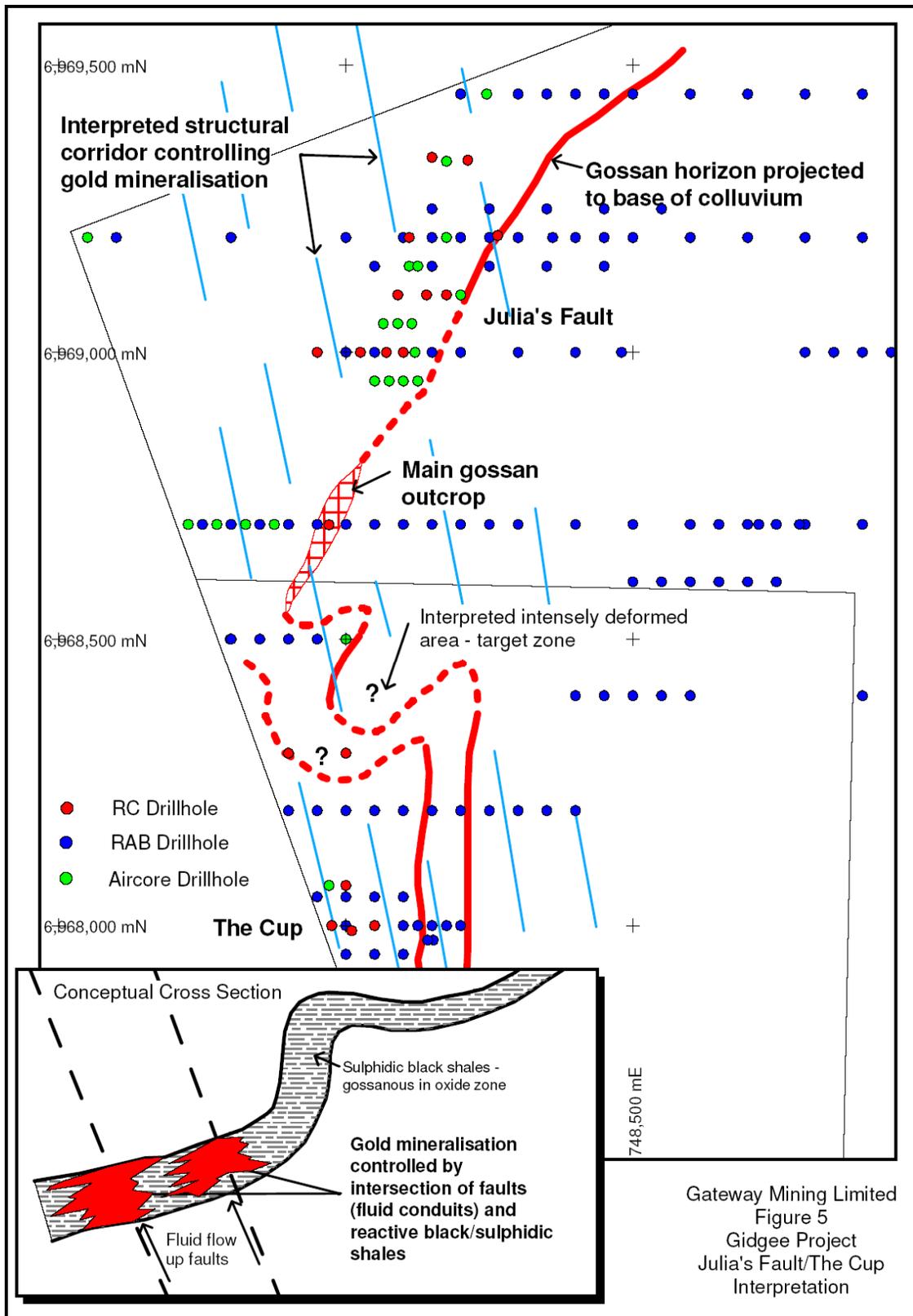


Figure 5. Geological interpretation of Julia's Fault/The Cup