GATEWAY

MINING Limited

ABN 31 008 402 391

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2011

CONTENTS

CORPORATE DIRECTORY

DIRECTORS
Brian Gomez B Sc (Earth Sciences) FAICD
Chairman
Dr Robert Creelman BA. MSc (Hons), PhD., F.AUS.IMM.CP (Geol.)
Mark Lynch FAICD

COMPANY SECRETARY
Anthony deGovrik LL.B

MANAGEMENT
Steven Lian
Chief Executive

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E-mail: gml8@bigpond.com
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SHARE REGISTRY
Computershare Registry Services
GPO Box 7045
SYDNEY NSW 1115 Tel: 1300 855 080

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

BANKER
Citibank
2 Park Street
SYDNEY NSW 2000

AUDITORS
Priestley & Morris Chartered Accountants
PO Box 19
PARRAMATTA NSW 2124

GEOLOGICAL CONSULTANTS
Gondor Geoconsult Pty Ltd
Mark Gordon MAusIMM CP
GPO Box 2240
SYDNEY NSW 2001

Alan Pellegrini
12 Holland Street
WEMBLEY WA 6014

AUSTRALIAN STOCK EXCHANGE

Ordinary Shares	GML
Options	GMLO

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2011.

DIRECTORS

The names and details of the directors of the company in office at any time during or since the end of the year are:
Names, Qualifications, Experience and Special Responsibilities

Brian Gomez (Non-Executive Chairman)
B.Sc (Earth Sciences), FAICD

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

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

Board member since 1994. Dr Creelman is a Fellow of the Australian Institute of Mining and Metallurgy, and a Certified Professional (Geology) with the Institute. He has had over 30 years experience in the geosciences and allied engineering disciplines and has been a director of public companies involved in exploration and mining.
He has in the past been in CSIRO involvement in the development of automated mineralogy for the minerals industry. Through his consultancy, he has been involved in exploration for gold, base metals, fuel and platinum resources.

Mark J. Lynch (Non-Executive Director)
FAICD

Appointed Board member on 29 November 2010. Mark has been actively involved in gold exploration and mining for over 28 years with extensive experience in mine operation and management.
He is a Fellow of the Australian Institute of Company Directors and held the position of Director of Queensland Resources Council for 6 years. He is currently the managing Director and CEO of Citigold Corporation Limited, a public listed resource company on the Australian Stock Exchange.

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

Board member since 2001. Brian Thornton is a graduate in Economics from the Australian National University and a Fellow of the Financial Services Institute of Australia. He has worked as an advisor to the resources sector for almost 20 years and consults to a number of listed gold base metals and bulk commodity companies. He is a director and Chairman of Xanadu Mines Ltd. Brian Thornton resigned as a director on 29 November 2010. The Board wishes to thank him for his past contributions to the company.

Directors and Specified Executives (being key management personnel) Interests

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

Directors:	*Ordinary shares:*	*Options over ordinary shares:*
B. Gomez	363,750	350,000
R.A. Creelman	393,000	350,000
M J. Lynch –Indirect	56,744,321	-
B.F. Thornton	10,643,625	350,000
Specified Executives:	*Ordinary shares:*	*Options over ordinary shares:*
S.Lian	1,486,978	450,000

DIRECTORS' REPORT (continued)

COMPANY SECRETARY

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

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The loss after tax for the year was $396,689 (2010 loss - $494,780). No dividends have been declared or paid during the year.

REVIEW OF OPERATIONS

Gidgee Project – Western Australia

Work has concentrated on the Gidgee Project this year, with minor work on the other project areas.

Gateway Mining holds interests in approximately 150km^2 of tenements in the Gidgee area, located 600km northeast of Perth. These tenements are located over the Gum Creek Greenstone Belt, considered prospective for gold, copper and nickel.

Historically the Gidgee area has produced around 1.5 million ounces of gold, including production from shallow oxide open pits within the company's Airport Central tenements. To date Gateway has enjoyed exploration success in the project area, initially on shallow gold targets, with more recent success on copper targets.

As announced last year, Gateway entered into joint ventures over two groups of tenements at Gidgee with Avenue Resources, which listed on the ASX on September 15, 2010. Work at the Gidgee project has included EM surveying and an aircore and RC drilling programme over a number of gold and copper targets. Other work has included ongoing ground follow up, and work during the year has confirmed the prospectivity of the area for VMS-style base metal mineralisation.

Areas exhibiting VMS potential include The Cup, a GML copper discovery located along an underexplored >4km long NNW trend of geochemical and geophysical anomalism, and the Gossans Galore area. The Cup trend also hosts Julia's Fault, predominantly a gold prospect; which also returned significant anomalous copper associated with massive sulphides in the most recent drilling. It is interpreted that the trend also extends SSE to the early stage Gravel Pit prospect, which has returned encouraging results from fieldwork during the current year.

Gossans Galore is an early stage prospect, with work to date including aircore drilling and EM surveying. Most recent work at this prospect has been carried out by joint venture partners Avenue Resources, with this delineating a number of priority drill targets, characterized by coincident geochemical, geophysical and geological anomalies which show characteristics indicative of VMS systems.

Results of lithogeochemical work carried out subsequent to the year's end have indicated the presence of large scale alteration systems, another possible VMS indicator. This work has also indicated a greater compositional variation within the greenstones than previously thought, with lithologies including mafic to intermediate volcanic and volcaniclastics.

DIRECTORS' REPORT (continued)

Work has also confirmed the gold prospectivity, particularly in the Airport area. Drilling at the Rosie Northeast gold prospect intersected 120m @ 0.41g/t Au, similar in tenor to an adjacent historical drillhole. This prospect is still open to the north, south and at depth, with further work planned.

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

During the year Gateway acquired the "Bungarra" tenements from Legend Mining, with these being originally tested for Cu-Ni-PGE style mineralisation by Legend. Preliminary reconnaissance work by Gateway has resulted in a number of interesting geochemical and geological features being outlined, with further work planned.

In summary work throughout the year has confirmed the prospectivity of The Cup, Julia's Fault, and the Airport Central areas, and delineated and upgraded a number of other prospects including Gossans Galore, Gravel Pit and a number of areas at Bungarra. Future work will be concentrated on these areas, along with further target delineation and testing over the other areas of the Gidgee tenements.

Cowra Project – New South Wales

Work on the Cowra Project in NSW by JV partners Minotaur Exploration and Mitsubishi Corporation/Mitsibishi Materials Corporation included ground checking a number of geophysical features; however this did not result in any significant geological or geochemical anomalism. The JV partners advised Gateway of their wish to withdraw from the project on June 10, 2011, with the JV being terminated 30 days later.

Surprise Project - Queensland

During the year Gateway decided to terminate the renewals of the four Surprise Mining Leases, with the areas previously covered by the ML's falling into the surrounding Exploration Permits. In addition, although offered, Gateway did not take up EPM17870.

DIRECTORS' REPORT (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND FINANCIAL POSITION

On the 10th September 2010, the company raised $495,000 by issuing 15,000,000 fully paid ordinary shares at 3.3 cents per share with 7,500,000 options attached at an exercise price of 4 cents per share expiring on 1st September 2012.

A further sum of $122,500 was raised through the issue of 3,500,000 fully paid ordinary shares at 3.5 cents per share on 5th April 2011 with 7,000,000 options attached at an exercise price of 3.8 cents per share expiring on 15 April 2014.

ENVIRONMENTAL REGULATION

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Minotaur Exploration and Mitsubishi Corporation withdrew from the Cowra joint venture and the leases reverted back to the company.

The company relinquished its Surprise project Mining Leases (MLs) in North Queensland. The areas covered by these MLs now fall into the EPM that surrounds them.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

SHARE OPTIONS

At the date of this report, there were 25,500,000 options (2010 – 24,750,000).

No of options	Exercise price	Expiring on or before
4,000,000	30 cents	30 November 2011
7,000,000	10 cents	07 October 2011
7,500,000	4 cents	1 September 2012
7,000,000	3.8 cents	15 April 2014

6,250,000 options with an exercise price of 15 cents expired on 30th June 2011.

EMPLOYEES

There were 2 employees as at 30 June 2011 (2010 - 2)

GATEWAY MINING LIMITED
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DIRECTORS' REPORT (continued)

REMUNERATION REPORT

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

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

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

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

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

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

Directors' Remuneration

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Non-executive Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-Contribution	Options	
	$	$	$	$	$	$
B Gomez	25,000	-	-	-	-	25,000
R A. Creelman	28,600	-	593	-	-	29,193
M J. Lynch	10,000	-	-	-	-	10,000
B F. Thornton	8,333	-	-	-	-	8,333
	71,933	-	593	-	-	72,526

Specified Executives Remuneration

	Short-term benefits				Post-employment benefits	Share-based payments	Total
	Cash Salary	Fees	Non-monetary benefits	Other short-term benefits	Super-Contribution	Options	
Name:	$	$	$	$	$	$	$
S Lian (CEO)	120,000	-	-	9,000	10,800	-	139,800
Alan Pellegrini (Exploration Consultant)	-	111,447	-	5,920	-	-	117,367
Mark Gordon (Exploration Consultant)	-	29,953	-	-	-	-	29,953
	120,000	141,400	-	14,920	10,800	-	287,120

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

DIRECTORS' REPORT (continued)

Related Party Transactions

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

DIRECTORS' MEETINGS

During the financial year, 5 meetings of directors (including committees) were held.
Attendances were:

	Meetings eligible to attend	Meetings attended
B Gomez	5	5
R A Creelman	5	5
M J Lynch	4	4
B F Thornton	1	1

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

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 company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.
The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

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

AUDITOR INDEPENDENCE DECLARATION

The auditor independence declaration for the year ended 30 June 2011 has been received and can be found on page 6 of this financial report.

INDEMNIFYING OFFICERS OR AUDITOR

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

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

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

Brian Gomez
Director
Dated this 26th day of September 2011
Sydney

GATEWAY MINING LIMITED
ABN: 31 008 402 391

Priestley &Morris
Chartered Accountants

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

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

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

Priestley & Morris

Priestley & Morris
Chartered Accountants

MOlevill

M A Nevill
Partner

Dated this 26th day of September 2011

Priestley & Morris - ABN: 51 502 720 047

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GATEWAY MINING LIMITED
ABN: 31 008 402 391

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue	2	**53,834**	3,996
Depreciation and amortisation expense	3	**(2,117)**	(2,693)
Employee benefit expenses		**(180,880)**	(180,643)
Professional services rendered		**(104,933)**	(124,669)
Office expenses		**(51,108)**	(53,283)
Compliance fees		**(19,201)**	(26,700)
Share registry fees		**(18,183)**	(33,386)
Travel and entertainment expenses		**(32,224)**	(30,929)
Other expenses		**(41,877)**	(46,473)
Loss before income tax	3	**(396,689)**	(494,780)
Income tax expense	4	**-**	-
Loss for the year	14	**(396,689)**	(494,780)
Other comprehensive income:			
Net (loss) / gain on revaluation of financial assets (applicable income tax $nil)		**(1,427)**	175,366
Other comprehensive income for the year, net of tax		**(1,427)**	175,366
Total comprehensive loss for the year attributable to members of the company		**(398,116)**	(319,414)
Earnings per share			
Basic earnings per share	6	**(0.0032)**	(0.0041)
Diluted earnings per share	6	**(0.0027)**	(0.0036)

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 2011

	Note	2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents	16b	199,197	35,640
Trade and other receivables	7	80,625	79,244
TOTAL CURRENT ASSETS		279,822	114,884
NON-CURRENT ASSETS			
Trade and other receivables	7	12,608	12,608
Financial assets	8	573,941	935,348
Plant and equipment	9	5,076	6,041
Deferred exploration and evaluation expenditure	10	8,880,254	8,485,445
TOTAL NON-CURRENT ASSETS		9,471,879	9,439,442
TOTAL ASSETS		9,751,701	9,554,326
CURRENT LIABILITIES			
Trade and other payables	11	94,104	84,513
TOTAL CURRENT LIABILITIES		94,104	84,513
TOTAL LIABILITIES		94,104	84,513
NET ASSETS		9,657,597	9,469,813
EQUITY			
Issued capital	12	22,478,060	21,892,160
Reserves	14	306,939	308,366
Accumulated losses	13	(13,127,402)	(12,730,713)
TOTAL EQUITY		9,657,597	9,469,813

The accompanying notes form part of these financial statements

GATEWAY MINING LIMITED
ABN: 31 008 402 391

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(435,180)**	(461,025)
Interest and other income received		**4,456**	3,996
NET CASH USED IN OPERATING ACTIVITIES	**16a**	**(430,724)**	(457,029)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		**532,157**	-
Purchase of plant and equipment		**(1,152)**	-
Purchase of listed securities		**(110,534)**	(72,125)
Purchase of unlisted securities		**(17,281)**	(6,334)
Expenditure on mining interests		**(394,809)**	(549,822)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**8,381**	(628,281)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**617,500**	1,060,000
Placement fees		**(31,600)**	(65,600)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**585,900**	994,400
NET INCREASE (DECREASE) IN CASH HELD		**163,557**	(90,910)
Add opening cash brought forward		**35,640**	126,550
CLOSING CASH CARRIED FORWARD	**16b**	**199,197**	35,640

The accompanying notes form part of these financial statements.

GATEWAY MINING LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 30 JUNE 2011

	Issued capital	Accumulated losses	Financial asset revaluation reserve	Share Based payments reserve	Total
	$	$	$	$	
Balance at *1.7.2009*	20,897,760	(12,235,933)	-	133,000	8,794,827
Share issued during the year	1,060,000	-	-	-	1,060,000
Transaction costs	(65,600)	-			(65,600)
Total other comprehensive income for the year	-	-	175,366	-	175,366
Loss at attributable to members of the company	-	(494,780)	-	-	(494,780)
Balance at *30.06.2010*	21,892,160	(12,730,713)	175,366	133,000	9,469,813
Shares issued during the year	617,500	-	-	-	617,500
Transaction costs	(31,600)	-	-	-	(31,600)
Total other comprehensive loss for the year	-	-	(1,427)	-	(1,427)
Loss attributable to members of the company	-	(396,689)	-	-	(396,689)
Balance at *30.06.2011*	22,478,060	(13,127,402)	173,939	133,000	9,657,597

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a 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 otherwise stated.

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. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Income Tax (continued)

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

b. Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST 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.

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. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(n) for details of impairment).

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 have been discounted to their present values in determining recoverable amounts.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). 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.

Impairment
At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the 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 either discharged, cancelled or expired.

e. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred are capitialised 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 the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Exploration and Development Expenditure (continued)

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

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

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

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

g. Comparative figures

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

h. Revenue recognition

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

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

i. Employee benefits

Provision is made for the company's liability for employee benefits 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.

j. Leases

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

Operating leases

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Earnings per share

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

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

l. Sundry payables and accruals

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

m. Contributed equity

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

n. Impairment of assets

At the end of each reporting period, the company 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 asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

o. Critical accounting estimates and judgments

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

Key estimates - Impairment

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

Plant and equipment, deferred exploration and evaluation expenditure and financial assets have been reviewed by the company. No impairment losses were taken up for the financial year ended 30 June 2011.

Key judgments – Exploration and Evaluation Expenditure

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at $8,880,254.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
NOTE 2: REVENUE			
Non-operating activities			
Interest received	2a	**4,456**	3,996
Miscellaneous income		**5,016**	-
Gain on disposal of non-current investments		**44,362**	-
Total revenue		**53,834**	3,996
a. Interest revenue from:			
- other persons		**4,456**	3,996
Total interest revenue		**4,456**	3,996

NOTE 3: LOSS FOR THE YEAR
a. Expenses

		2011 $	2010 $
Depreciation of non-current assets:			
- plant and equipment		**2,117**	2,693
Rental expense on operating leases:			
- minimum lease payments		**48,323**	46,465

b. Significant expenses

There are no significant expenses in the financial year.

NOTE 4: INCOME TAX EXPENSE

	2011 $	2010 $
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable (benefit) on profit (loss) from ordinary activities before income tax at 30% (2010 – 30%)	**(119,006)**	(148,434)
Add tax effect of permanent differences		
- share based payments	**-**	-
- write off investment	**-**	-
- impairment loss	**-**	-
Income tax expense (benefit) arising from profit (loss)	**(119,006)**	(148,434)
Utilisation of prior period tax losses	**-**	-
Benefit of tax loss not brought to account	**119,006**	148,434
Income tax expense attributable to profit (loss) from ordinary activities before income tax	**-**	-

As at balance date, the company has carry-forward tax losses. The potential net future tax benefits have not been brought into account.

This future income tax benefit will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with;

(c) no change in tax legislation adversely affects the company in realising the benefit.

	2011 $	2010 $
NOTE 5: AUDITORS' REMUNERATION		
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	**18,000**	21,200

NOTE 6: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss

	2011 $	2010 $
Loss	**(396,689)**	(494,780)
Loss attributable to outside equity interest	**-**	-
Earnings used in calculating basic and dilutive earnings per share	**(396,689)**	(494,780)
	No of shares	No of shares
b. Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**122,988,715**	120,905,839
c. Effect of dilutive securities:		
Share options	**25,500,000**	17,250,000
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	**148,488,715**	138,155,839

		2011 $	2010 $
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Security deposits		**69,741**	65,575
Goods & services tax receivable		**10,884**	13,669
	7a	**80,625**	79,244
NON-CURRENT			
Security deposits		**12,608**	12,608
	7a	**12,608**	12,608

Current security deposits are mining bonds and have a floating interest rate, which has averaged 6.3% for the year (2010 – 4.5%). Non-current security deposits are non-interest bearing.

a. Financial Assets classified as trade and other receivables (Refer **Note 17**)

NOTE 8: FINANCIAL ASSETS
NON-CURRENT

	2011 $	2010 $
Available for sale financial assets:		
Shares in listed corporations - at fair value	**543,114**	921,802
Shares in unlisted corporation – at cost	**30,827**	13,546
	573,941	935,348

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
NOTE 9: PLANT AND EQUIPMENT		
Plant and Equipment		
At cost	**99,069**	97,917
Accumulated depreciation	**(93,993)**	(91,876)
Total Plant and Equipment	**5,076**	6,041

Reconciliations

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

Plant and Equipment		
Carrying amount at the beginning of the year:	**6,041**	8,734
Additions	**1,152**	-
Depreciation expense	**(2,117)**	(2,693)
Carrying amount at the end of the financial year	**5,076**	6,041

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

NON-CURRENT

Exploration Expenditure- exploration and evaluation phases

Costs carried forward in respect of areas of interest at beginning of the year	**8,485,445**	7,935,623
Additions	**394,809**	549,822
	8,880,254	8,485,445

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

NOTE 11: TRADE AND OTHER PAYABLES

	Note		
CURRENT			
Unsecured liabilities			
Sundry payables and accrued expenses	**11a**	**67,072**	66,274
Accrued employee annual leave entitlements		**27,032**	18,239
		94,104	84,513

a. Financial liabilities at amortised cost classified as trade and other payables (refer **Note 17**).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: ISSUED CAPITAL

	2011 $	2010 $
a. Ordinary shares fully paid		
Balance at beginning of year	**21,892,160**	20,897,760
Issued shares	**617,500**	1,060,000
Transaction costs	**(31,600)**	(65,600)
Balance at end of year	**22,478,060**	21,892,160
b. Movements in ordinary shares on issue		
	No.	No.
At the beginning of the financial year	**123,372,962**	110,122,962
Shares issued	**18,500,000**	13,250,000
At end of the financial year	**141,872,962**	123,372,962

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 2011, the details of options issued are as follows:

Number of options	Exercise price per option	Expiring on or before
4,000,000	30 cents	30 November 2011
7,000,000	10 cents	7 October 2011
7,500,000	4 cents	1 September 2012
7,000,000	3.8 cents	15 April 2014

6,250,000 options with an exercise price of 15 cents expired on 30th June 2011.

e. Capital Management

The directors control the capital of the company in order to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.
The company's capital includes ordinary share capital, supported by financial assets.
There are no externally imposed capital requirements.
The directors effectively manage the company's capital by assessing the company's financial risks and responding to changes in these risks. These responses include share issues.
There have been no changes in the strategy adopted by management since the prior year.

NOTE 13: ACCUMULATED LOSSES

	2011 $	2010 $
Balance at the beginning of the financial year	**(12,730,713)**	(12,235,933)
Loss attributed to the members of the company	**(396,689)**	(494,780)
Balance at end of the financial year	**(13,127,402)**	(12,730,713)

NOTE 14: RESERVES

	2011 $	2010 $
Financial Asset Revaluation Reserve		
The financial asset reserve records revaluation of financial assets.	**173,939**	175,366
Share Based Payments Reserve		
Balance at the beginning and end of the financial year	**133,000**	133,000
	306,939	308,366

The share based payments reserve comprises the value of options granted calculated at grant date using a Black-Scholes model. No options were granted in the 2011 financial year.

NOTE 15: EXPENDITURE COMMITMENTS

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

	2011 $	2010 $
Payable		
- not later than 12 months	**50,256**	48,323
- between 12 months and 5 years	**106,624**	156,880
- greater than 5 years	**-**	-
	156,880	205,203

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

Exploration expenditure commitments

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

NOTE 16: CASH FLOW INFORMATION

	2011 $	2010 $
a. Reconciliation of the loss after tax to net cash flows from operating activities		
Loss after income tax	**(396,689)**	(494,780)
Non-cash flows in profit:		
- Depreciation	**2,117**	2,693
- Net gain on disposal of financial assets	**(44,362)**	-
Changes in assets and liabilities:		
- Decrease/(increase) in receivables and other assets	**(1,381)**	7,377
- Increase/(decrease) in payables, accruals and provisions	**9,591**	27,681
Net cash outflow from operating activities	**(430,724)**	(457,029)

b. Reconciliation of cash
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash and cash equivalents	**199,197**	35,640
	199,197	35,640

NOTE 17: FINANCIAL RISK MANAGEMENT

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

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

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

	Note	2011 $	2010 $
Financial Assets			
Cash and cash equivalents	**16b**	**199,197**	35,640
Trade and other receivables	**7a**	**93,233**	91,852
Available for sale financial assets	**8**	**573,941**	935,348
		866,371	1,062,840
Financial Liabilities			
Trade and other payables	**11a**	**67,072**	66,274
		67,072	66,274

Financial Risk Management Policies

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

Financial Risk Exposures and Management

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

Interest Rate Risk

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

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

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities and exploration expenditure. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained During the 2011 year, the company raised funds through private share placements by issuing ordinary shares.

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

Financial liability and financial asset maturity analysis

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

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

	Maturing with 1 Year		Maturing 1 to 5 Years		Total	
	2011	2010	**2011**	2010	**2011**	2010
	$	$	**$**	$	**$**	$
Financial Assets:						
Cash	**199,197**	35,640	**-**	-	**199,197**	35,640
Receivables & others	**10,884**	13,669	**-**	-	**10,884**	13,669
Security deposits	**69,741**	65,575	**12,608**	12,608	**82,349**	78,183
Available for sale financial assets	**573,941**	935,348	**-**	-	**573,941**	935,348
Total anticipated inflows	**853,763**	1,050,232	**12,608**	12,608	**866,371**	1,062,840
Financial Liabilities:						
Sundry payables and accruals	**67,072**	66,274	**-**	-	**67,072**	66,274
Total expected outflows	**67,072**	66,274	**-**	-	**67,072**	66,274
Net inflow on financial instruments	**786,691**	983,958	**12,608**	12,608	**799,299**	996,566

Credit Risk

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

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

Net Fair Value

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

Sensitivity Analysis

The effect on the company's results and equity at 30 June 2011 from exposure to interest rates risk at balance date would not be material.

NOTE 18: COMPANY DETAILS

The registered & principal office of the company is:

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

The company's domicile is in Australia.

The company is incorporated in Australia.

NOTE 19: SEGMENT INFORMATION

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

NOTE 20: EVENTS AFTER THE REPORTING PERIOD

Minotaur Exploration and Mitsubishi Corporation withdrew from the Cowra joint venture and the leases reverted back to the company.

The company relinquished its Surprise project Mining Leases (MLs) in North Queensland. The areas covered by these MLs now fall into the EPM that surrounds them.

DIRECTOR'S DECLARATION

The directors of the company declare that:

a. the financial statements and notes of the company, as set out on pages 7 to 26, are in accordance with the Corporations Act 2001 and:

(i) comply with Accounting Standards, which, as stated on accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the company's financial position as at 30 June 2011 and of the performance for the year ended on that date of the company;

b. the directors have been given the declarations by the Chief Executive Officer for the financial year ended 30 June 2011 as required by s.295A of the Corporations Act 2001, and

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

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

Brian Gomez
Director

Dated this 26th day of September 2011
Sydney

Priestley & Morris
Chartered Accountants

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF GATEWAY MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Gateway Mining Limited which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for Gateway Mining Limited at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporation Act 2001. We confirm that the independence declaration required by the Corporation Act 2001, provided to the directors of Gateway Mining Limited on 26th September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

INDEPENDENT AUDIT REPORT
TO THE MEMEBERS OF GATEWAY MINING LIMITED (continued)

Auditor's Opinion

In our opinion:

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

   i. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date;

   ii. complying with Accounting Standards in Australia and Corporations Regulations 2001;

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

Report on the Remuneration Report

We have audited the Remuneration Report included on page 4 of the report of the directors for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Gateway Mining Limited for the year ended 30 June 2011, complies with s300A of the Corporations Act 2001.

Priestley & Morris

Priestley & Morris
Chartered Accountants

MOleuill

M A Nevill
Partner

Dated this 26th day of September 2011

Priestley & Morris - ABN: 51 502 720 047

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SHAREHOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,093 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	227
1,001–5,000	291
5,001–10,000	146
10,001 –100,000	325
100,001 – and over	104
Total	1,093

c. Number of shareholdings held in less than marketable parcels is 691.

d. Names of the substantial shareholders are:

Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
Citigold Corporation Limited	56,744,321	40.00

e. 20 Largest Shareholders – Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
1	Citigold Corporation Limited	56,744,321	40.00
2	Great Pacific Investment Pty Limited	6,500,000	4.58
3	Chi Hung Wong	6,400,000	4.51
4	Belfort Investment Advisors Limited	6,339,237	4.47
5	Farrington Corporate Services Super Fund	3,862,453	2.72
6	GP Realty Pty Ltd	3,500,000	2.47
7	Soon Keng Wee	3,500,000	2.47
8	Lan Lim	3,000,000	2.11
9	Great Pacific Custodian Pty Ltd	2,825,000	1.99
10	Bikini Atoll Investments Pty Ltd	2,434,500	1.72
11	Farrington Corporate Services Pty Ltd	1,145,543	0.81
12	Mayfair Far East Ltd	1,047,500	0.74
13	Bikini Atoll Investments Pty Ltd	1,027,454	0.72
14	JVR Resources Pty Ltd	1,000,000	0.70
15	HSBC Custody Nominees (Australia) Limited	939,250	0.66
16	Farrington Corporate Services Pty Ltd	910,557	0.64
17	Nyook Fong Chin	850,000	0.60
18	Christine Emily Coglan	800,000	0.56
19	Bryanwillims Pty Limited	750,000	0.53
20	Kim Liew	679,352	0.48
	TOTAL	104,255,167	73.48

CORPORATE GOVERNANCE STATEMENT

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

In accordance with the Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations, the following statement outlines the principal corporate governance practices that apply to the company.

Board and Management Functions

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

Board Structure

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

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

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

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

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

Codes of Conduct

The company does not at present have a formal code of conduct for the guidance of Directors and senior executives. However, the Board's stated policy is for Directors and management to conduct themselves with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

Similarly, the company does not have a code of conduct to guide compliance with legal and other obligations. This reflects the company's size and the close interaction of the small number of individuals employed by the organisation.

However, the Board continues to review the risk and compliance situation to determine the most appropriate and effective operational procedures.

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

Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the company's securities.

Audit Committee

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

Disclosure Requirements

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

Communications Strategy

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

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

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

Risk Management

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

Board Performance

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

Remuneration Committee

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

TENEMENT REPORT

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

TENEMENT SCHEDULE			
Project	Holder/JV	Current Interest	Tenements
Gidgee	Gateway/Avenue Resources JV	100%	E57/688, E57/687, P57/1155, P57/1149, P57/1150, P57/1151, P57/1152, P57/1179, P57/1180, P57/1181, P57/1182, E57/417, P57/1232, P57/1233
Gidgee	Gateway/Herald Resources/Avenue Resources JV	85%	G57/2 M57/048 M57/098 M57/099 M57/217
Gidgee	Gateway	100%	E57/706, E57/709, E57/685, E57/807, E57/823, E57/824
Gidgee	Gateway/Red 5 JV	75%	E57/561 M57/429 M57/485
Cowra	Gateway/Minotaur JV	49%	EL5514, EL6102 (reverted 100% to Gateway subsequent to year's end)
Hodgkinson Basin	Republic Gold	6%	EPM9934, EPM10026
Surprise	Gateway	100%	EPM9053, EPM13677