

Quarterly Activities Report

For the period ended 30th June 2010

HIGHLIGHTS

- Farm-in agreements signed with Avenue Resources Limited over a number of Gidgee tenements.
- This is expected to result in the acceleration of exploration programmes over a number of key prospects within the project area once Avenue completes a successful IPO, expected in late August/early September.
- Exploration work will concentrate on drilling.
- Gateway will retain an interest in the farm-in tenements, whilst being able to concentrate activities on advanced prospects, including Julia's Fault and Victory Creek, which are not included within the farm-in areas.

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE PROJECT

As reported to the ASX on June 28, 2010, Gateway has entered into two farm-in agreements with Avenue Resources Limited, an unlisted Australian public company that is expected to list on the ASX in August/September 2010.

The agreements cover two groups of tenements (Figure 2), one currently held 100% by Gateway, and a second held 85% by Gateway and 15% by Goldfan Limited, a subsidiary of Herald Resources Limited.

The Gateway/Goldfan area covers the Airport gold trend, which includes four Mining Leases covering the shallow open pits that were mined by Herald and Polaris Pacific in the 1980's/early 1990's, and cover a number of advanced drill-ready prospects including Rosie, Whistler and Montague-Boulder (Figure 3).

Gateway believes that the area is underexplored at depth, with less than 5% of holes being drilled deeper than 100m. The Company believes that the agreement will bring in funding to effectively test this prospective area, with Gateway still retaining an interest.

The second group of tenements include "The Cup" copper prospect, and a number of EM anomalies in the Victory Well area, immediately south of the current Bungarra JV with Legend Mining.

The terms of the agreements stipulate a total minimum expenditure over the two earn-in areas of \$320,000 in the first year, with an exploration programme being specified. The planned exploration work largely includes the proposed drilling programme as previously reported in the December 2009 Quarterly Report. Targets to be tested under the agreements include Montague-Boulder, Rosie, Whistler, Victory Well and The Cup. Gateway will manage the programmes for the first year of the agreements, and by mutual agreement subsequently.

Detailed terms of the agreements are given in the June 28, 2010 release to the ASX.

The agreements do not include tenements currently held in conjunction with Estuary Resources (a subsidiary of Red 5 Limited), over which Gateway will still continue to fund and operate and which include a number of significant prospects, including Victory Creek and Julia's Fault (a virgin gold discovery by Gateway), along with a number of other geochemical and geophysical targets.

As reported previously statutory approval was received for the proposed drilling, and preparatory work, including drillhole siting and pad preparation has been completed.

Preliminary interpretations have been completed for the recent EM and SAM surveys, and a number of additional targets have been outlined that require follow up.

Montague Area

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

Gateway 85%, Herald Resources 15%, (Avenue entitled to earn 70% after IPO)

These tenements are included in the earn-in agreements with Avenue Resources, with a number of targets planned for drill testing once the Avenue IPO is successfully completed. The main targets include Whistler, Rosie and Montague Boulder. RC Seven drillholes for 1400m have been planned for these prospects.

The Cup E57/417

Gateway 100%, (Avenue entitled to earn 80% after IPO)

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

Julia's Fault M57/429

Gateway 75%/Red 5 25%

Nine drillholes, totalling 1250m have been designed to further delineate the gold mineralisation at Julia's Fault, which is not included in the Avenue agreements.

Victory Creek M57/485

Gateway 75%/Red 5 25%

Gateway will commence a review of exploration data with the view to further drill testing this prospect.

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

Gateway 30%, Legend Mining 70%/ Gateway 100%, Avenue entitled to earn 80% after IPO)

Legend Mining completed three RC drillholes for 343m (LBMC001 - 003) within E57/709 targeting two moderate to strong EM anomalies (Table 1). The holes intersected two semi-massive sulphide zones of 3m and 6m thickness, which explain the EM anomalies. One hole, LBMC003 returned 4m @ 0.13g/t Au from 64m and 4m @ 0.18g/t Au from 72m. This second interval is coincident to the 6m interval of semi-massive sulphides.

One 102m RC drillhole (GRC205) was completed by Gateway to test an EM anomaly within P57/1181 (Table 1). This hole intersected 14m of disseminated to massive sulphides from 19m downhole, associated with silicification and shearing in meta-basalts. The sulphide intersection would explain the EM anomaly; assays returned no significant results, with maximum assays of 11ppb Au from 5-10m and 813ppm Cu from 20-25m.

Hole	Easting MGA_94	Northing MGA_94	Dip	Azimuth	Depth
LBMC001	750140	6974400	-60	0	121
LBMC002	749890	6974500	-60	0	126
LBMC003	749943	6974548	-60	225	96
GRC205	752125	6973365	-60	225	102
Total					445

Given the appreciable sulphides intersected in the drilling and the strike extent of the EM anomalies Gateway plan to carry out further work on the prospect, including geochemical and petrographical studies and possible drilling.

Legend has advised Gateway that they plan no further work on the prospect within the JV lease E57/709.

NEW SOUTH WALES

COWRA PROJECT :EL 5514 & 6102

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

Planned field activities including field mapping, geochemical surveys and a ground EM survey were not undertaken during the June Quarter due to other tenement activities and will instead be carried out during the coming Quarter.

QUEENSLAND

SURPRISE PROJECT :EPM 9053 & 13677

Gateway 100%

The Company has continued to review historic exploration data.

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

As announced on June 28, 2010 and discussed earlier, Gateway has entered into two farm-in agreements with Avenue Resources Limited over a number of tenements in the Gidgee Project area. These agreements will not come into force until Avenue successfully lists on the ASX, which is expected in August/September 2010.

The Company has agreed to place ten million shares at 3.3 cents per share to raise additional working capital.

CHANGES IN TENEMENT HOLDINGS

One new tenement was granted in the Gidgee area during the quarter:

- E57/807, 3 sub-blocks, granted on 22/6/2010 for a period of 5 years.

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

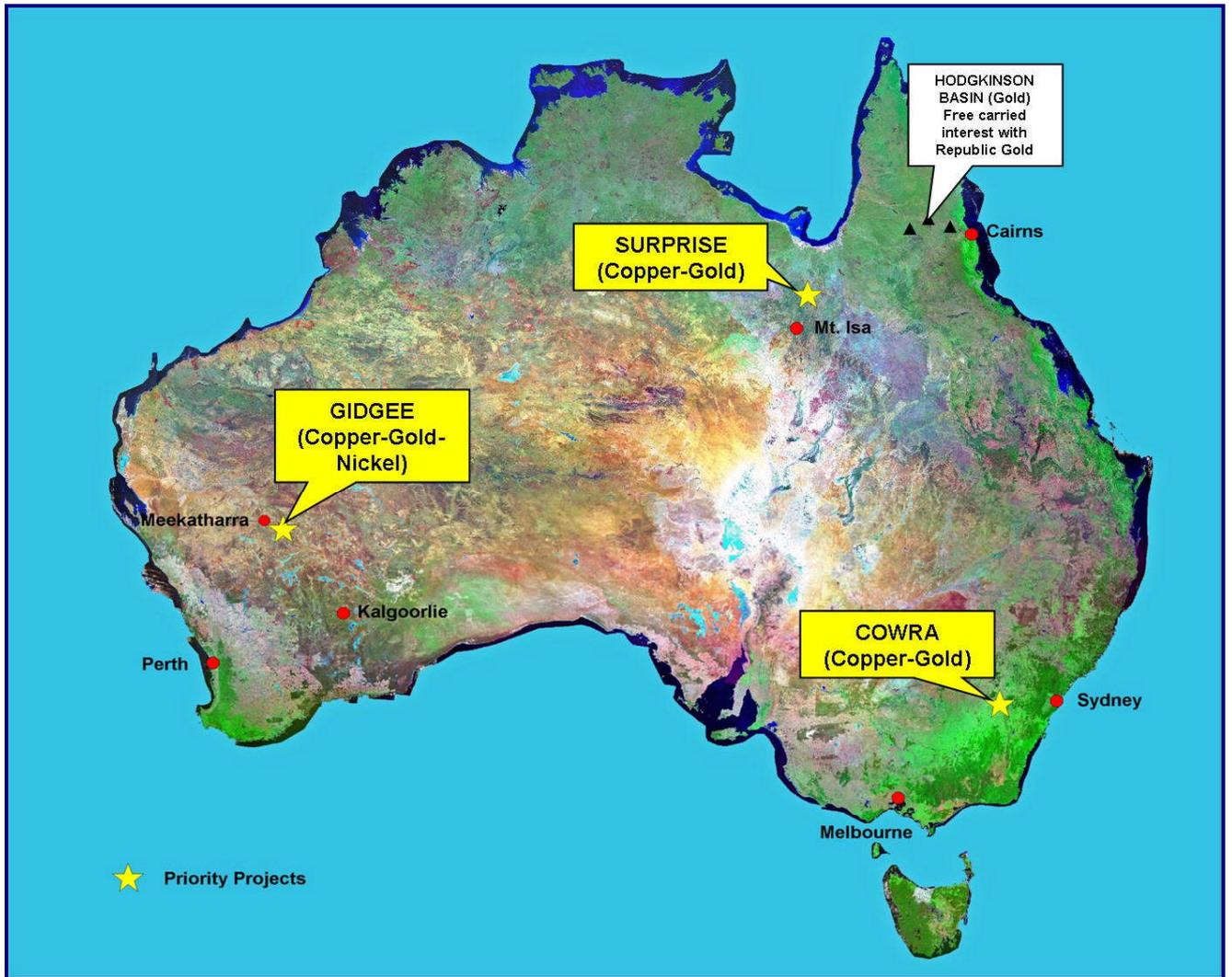


Figure 1. Gateway Mining Limited Project Locations

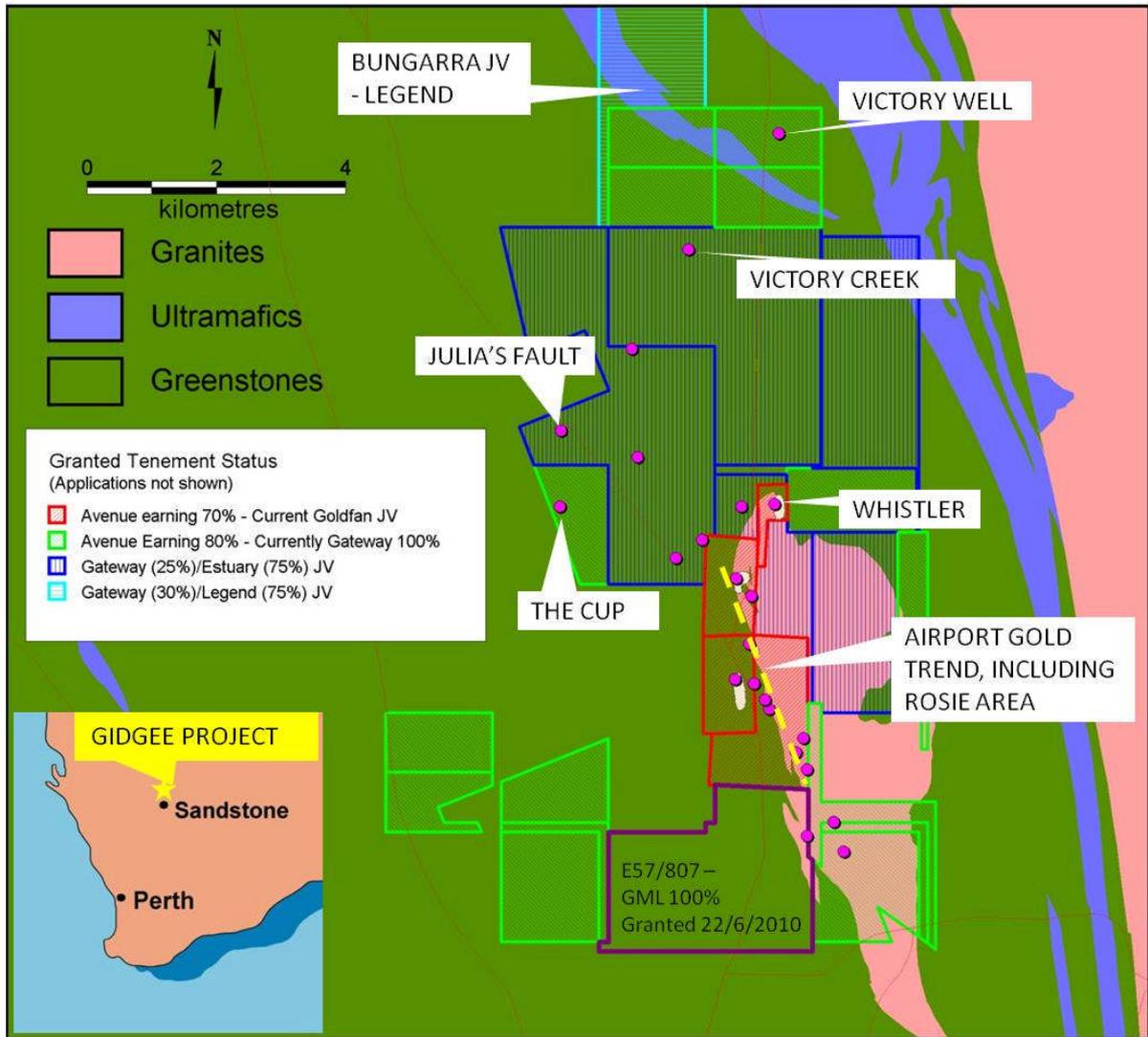


Figure 2. Gidgee Project, showing tenement status and major prospects

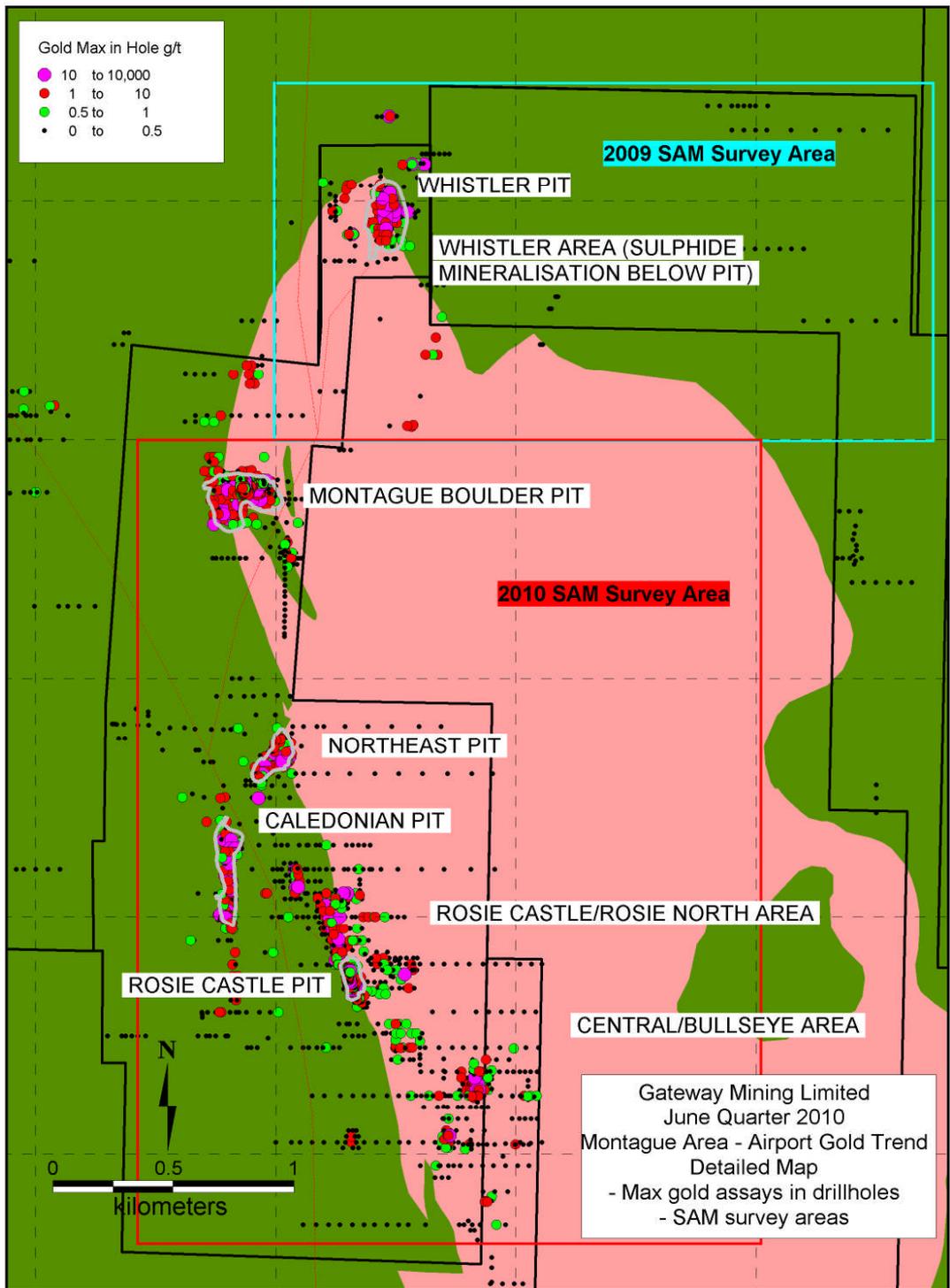


Figure 3. Airport area prospects