

Quarterly Activities Report

For the period ended 30th September 2010

HIGHLIGHTS

- \$495,000 raised before costs to be used for drilling and working capital
- Drilling to commence late October 2010, with up to 2,300m of RC and 3,000m of aircore planned
- This will be undertaken both by Avenue Resources Limited on JV tenements and Gateway on tenements outside the Avenue JV areas
- Joint Venture partner, Avenue Resources Limited listed on the ASX on September 15 with the code ASX: AVY

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, a company which listed on the ASX on September 15, 2010. These tenements do not include those currently held in the current JV between Gateway and Red 5 Limited.

The listing of Avenue now means that drilling will commence - both an RC and aircore rig have been secured, with drilling commencing in the last week of October, 2010, as reported to the ASX on October 26, 2010.

This drilling will cover a number of targets, both within and outside the Avenue JV areas. Targets to be tested include Rosie Northeast, Julia's Fault, Montague-Boulder, Whistler and a number of geophysical targets throughout the tenement holdings. Locations and prospects are shown in Figures 2 and 3.

As reported previously statutory approvals and drill pad preparations have already been completed for the proposed drilling.

Montague Area

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

Gateway 85%, Herald Resources 15%, (Avenue earning 70%)

These tenements are included in the earn-in agreements with Avenue Resources, with a number of targets planned for drill testing. The main targets include Whistler,

Rosie Northeast and Montague Boulder. RC Seven drillholes for 1400m have been planned for these prospects.

The Cup E57/417

Gateway 100%, (Avenue earning 80%)

The JV is currently considering options for progressing “The Cup” copper prospect.

Julia’s Fault M57/429 and Victory Creek M57/485 tenements

Gateway 75%/Red 5 25%

Up to 500m in four drillholes are planned to further delineate the gold mineralisation at the Julia’s Fault prospect, which is not included in the Avenue agreements. In addition up to 1,700m of aircore drilling is planned to test a number of EM targets located within the two tenements.

A data review is continuing on the Victory Creek prospect, with this to be used to plan further field activities.

Victory Well area P57/1179, P57/1181

Gateway 100%, (Avenue earning 80%)

As reported last quarter one drillhole, GRC205, was drilled to test an EM anomaly and intersected 14m of semi-massive to massive sulphides, although no anomalous geochemistry was associated with this interval.

Despite the low assay results from hole GRC206, a further 100 to 200m of drilling is planned given the extent of the EM anomalies and presence of a number of gossanous outcrops.

Bungarra West Joint Venture E57/709

Gateway 30%, Legend Mining 70%

Following the results of the RC drilling as reported last quarter, Legend has elected to withdraw from the Bungarra West Joint Venture, with E57/709 to revert 100% to Gateway. Gateway will also purchase the adjoining 100% Legend held tenement E57/706, with settlement during the December quarter.

The Company will conduct a review of all exploration data to date on these tenements prior to planning future field activities.

NEW SOUTH WALES

COWRA PROJECT :EL 5514 & 6102

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

In the course of the quarter a detailed study was made of geophysical responses in the tenement areas. The result of this work which was guided by recent work by a number of authors and based on models of porphyritic sub intrusions around large granite batholiths was positive and nine targets were identified. These will be followed up in the next quarter. Planned field activities including field mapping, geochemical surveys employing NITON technology and a ground geophysics will be completed in the coming Quarter.

QUEENSLAND

SURPRISE PROJECT :EPM 9053, 13677 & 17870, ML 2483, 2509, 2868 & 90102

Gateway 100%

The Company has continued to review historic exploration data. A number of the tenements are currently in the renewal process. Native Title access negotiations are currently under way for EPM 17870.

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

Gateway issued 15 million shares at 3.3c to raise \$495,000 (before costs) during the quarter.

Avenue Resources Limited listed on the ASX on September 15, 2010. Avenue has entered into two earn-in agreements with Gateway over a number of Gidgee tenements.

CHANGES IN TENEMENT HOLDINGS

There were no changes in tenement holdings during the quarter.

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.

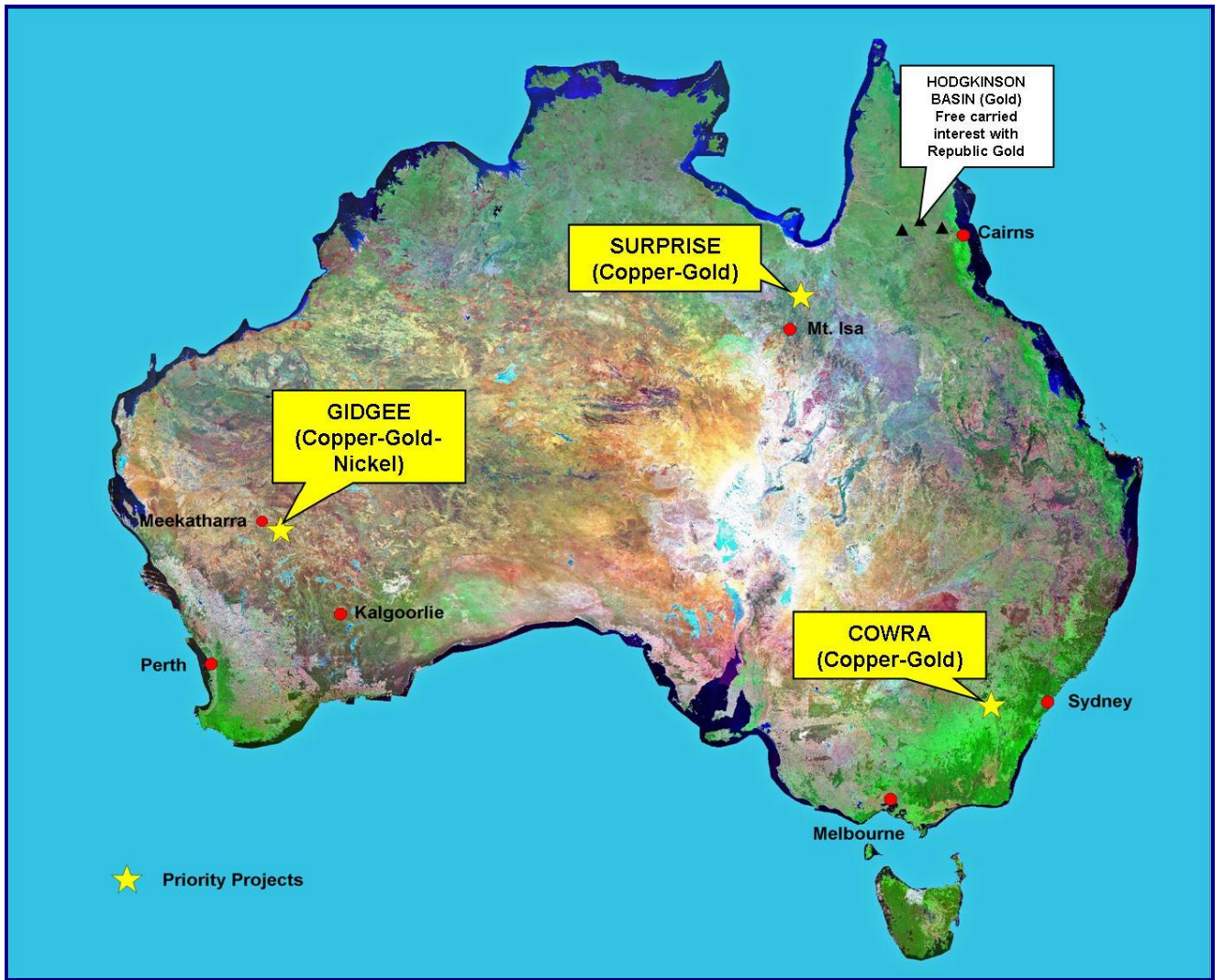


Figure 1. Gateway Mining Limited Project Locations

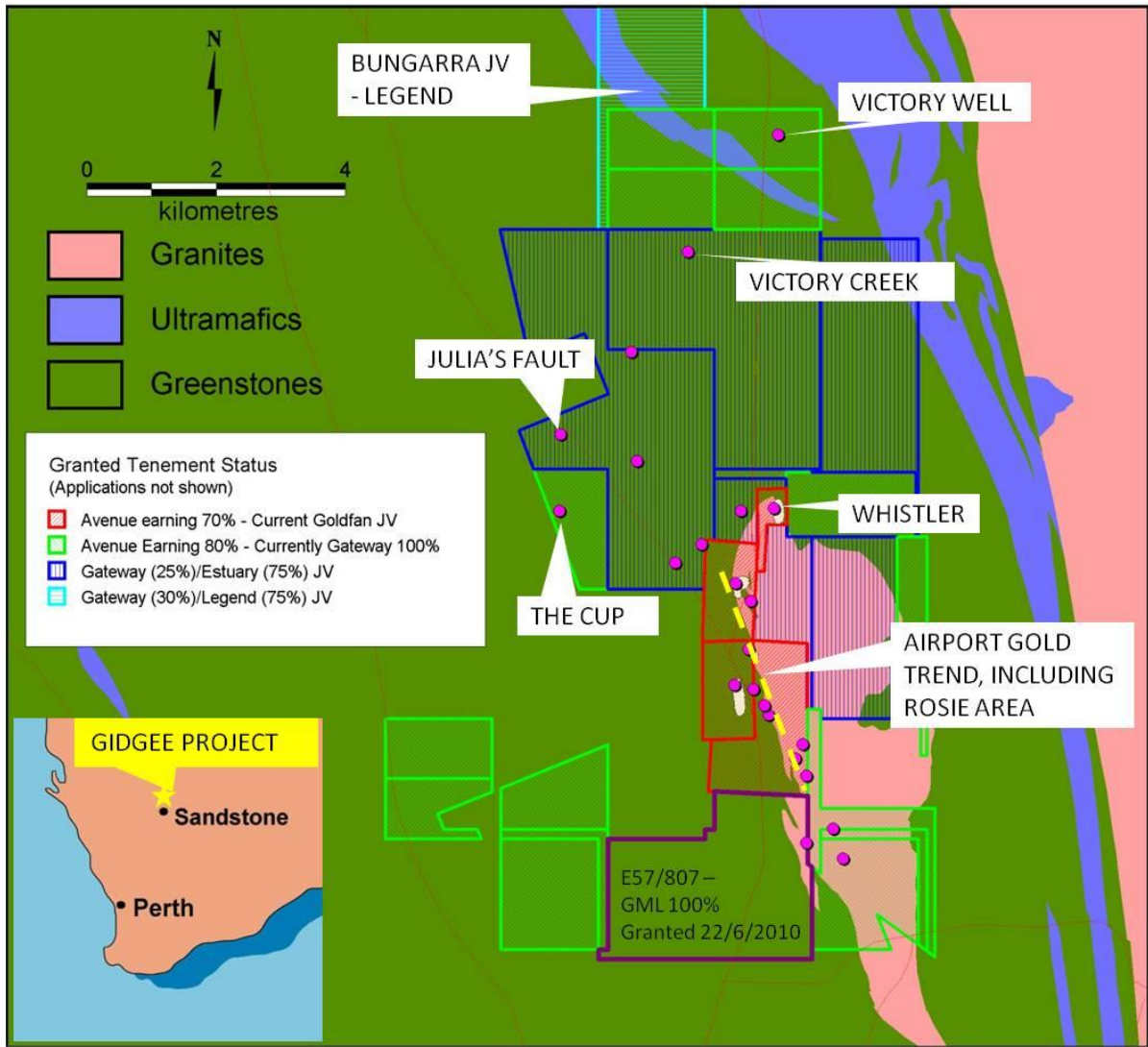


Figure 2. Gidgee Project, showing tenement status and major prospects

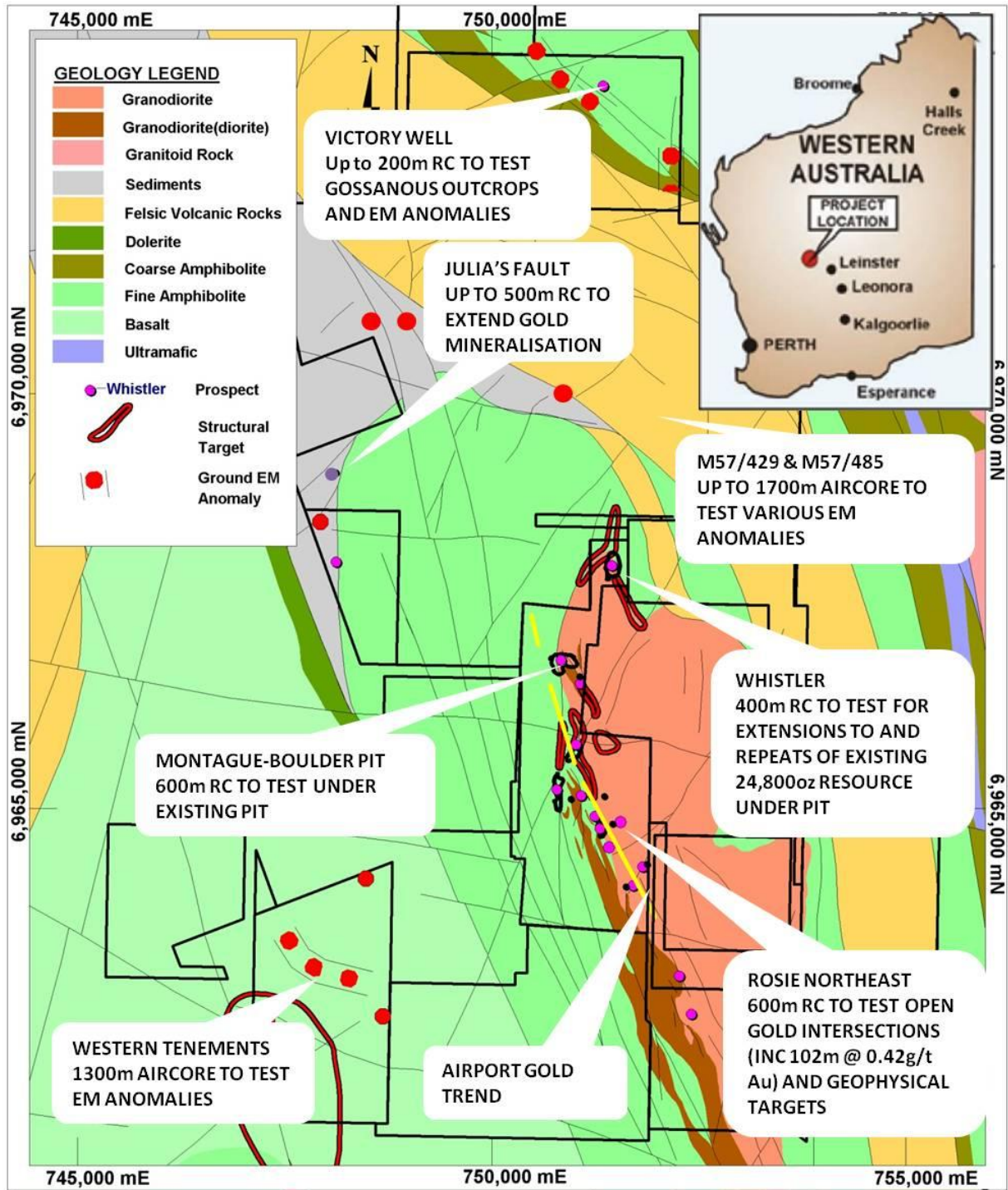


Figure 3. Gidgee Project area, showing tenements, geology and drill targets