

Quarterly Activities Report

For the period ended 30th September 2009

HIGHLIGHTS

- Drilling of EM geophysical anomalies at the Cowra JV commenced subsequent to the end of the quarter. Results are expected during the December Quarter
- Legend plan to carry out RC drilling over two EM targets in the Bungarra JV area in the December Quarter
- An RC drilling programme has been planned for the Montague area of the Gidgee Project, with a programme of up to 20 RC drillholes totaling 3200m planned.
- Subsequent to the quarter the company raised \$560,000 through a private placement.

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE PROJECT

As a result of the data review, a number of priority targets have been chosen for drill testing, with a programme of between 2000m and 3200m being planned. The targets include The Cup, Julia's Fault, Victory Well, Whistler, Montague-Boulder and Rosie North-East. It is expected that these holes will be completed in the December 2009 quarter. Statutory approval was received for this programme subsequent to the end of the September quarter, and prospect locations are shown in figure 2.

A MLTEM geophysical programme covering areas within the Montague tenements has been completed, with results and interpretations expected in the December quarter. Approximately 50 line kilometres of surveying was carried out.

Multi-element re-assaying of samples from the Victory Well gossans has resulted in weakly anomalous and interesting values of Bi, Sn, W Te and Mo. Two drillholes have been planned for these targets, which also returned gold values up to 377ppb.

The rationalisation of the Barrelnaker tenements is now underway, with the company withdrawing from the Legendre Joint Venture during the quarter.

Montague Area

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

Gateway 85%, Herald Resources 15%

Following the exploration review the company has planned up to 1600m of RC to test a number of targets in the vicinity of the historic mining area. The targets include:

- Whistler, where two holes are planned to test interpreted “hanging-wall” lodes intersected in drilling by WCP resources, and to test an interpreted NNW trending structure
- Rosie North-East, where a fence of three holes has been designed to test geophysical and structural features to the immediate east of the low grade, possibly “halo style” intersections in hole WRC012, which were reported to the market in the June 2009 quarterly report.
- Montague-Boulder, where three holes have been designed to test targets underneath the open-pit.

Holes are designed to test both oxide and fresh rock targets, and prospect locations are shown in figure 3.

The Cup E57/417

Gateway 100%

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.

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

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

Two drillholes, totalling 360m, have been designed to test the Victory Well gossans (located within P57/1181), which are associated with strong EM anomalies, and Au, Bi, Te, W and Mo geochemical anomalism.

Legend Mining, under the Bungarra JV, carried out reconnaissance work over ground EM anomalies in the southern part of E57/709. Twenty three “Niton” XRF analyses were taken, with generally low results. One sample returned 0.12% copper.

Legend has received statutory government approval for RC drilling of two EM conductors, and it is expected that this will be carried out in the December Quarter.

Barrelmaker Area

The company is currently rationalising tenement holdings in the Barrelmaker area and as part of this the company withdrawn from the Legendre JV, relinquishing its rights in tenements E57/686, P57/1148, P57/1183, P57/1184, P57/1185 and P57/1186.

Crater Joint Venture P57/1153, P57/1154, E57/682, P57/1137, P57/1138, P57/1139, E57/689

Gateway 80%, Goldfan Pty Ltd 20%

Subsequent to the end of the quarter the company advised Goldfan Pty Ltd (a subsidiary of Herald Resources) of its decision to withdraw from the Crater JV.

NEW SOUTH WALES

COWRA PROJECT EL 5514 & 6102

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

During the Quarter, Minotaur earned the right to 51% equity in the Joint Venture tenements and continues as operator with exploration focused on discovering porphyry and associated skarn-style copper+gold mineralisation at the southern end of the Ordovician volcanic belt that, further north, hosts the large Cadia Rideway copper-gold deposits.

Assessment and 3D geophysical modelling continued of the 16.8 line kilometres of ground electromagnetic surveys and 35 line kilometres of ground magnetic surveys undertaken over 9 VTEM targets. Seven of the targets produced encouraging results and drill testing commenced in early October.

Target locations are shown in Figure 4.

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.

Subsequent to the end of the quarter the company was offered and accepted EPM17870 "Centipede".

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 had raised a further \$560,000 through the placement of 7,000,000 ordinary shares at 8cents/share. These funds are intended for working capital and drilling.

Also, subsequent to the end of the quarter, Citigold's (ASX:CTO) takeover bid for the company closed, with acceptances taking Citigold's holding in Gateway to 48.76%.

CHANGES IN TENEMENT HOLDINGS

E57/686, P57/1148, P57/1183, P57/1184, P57/1185 and P57/1186 - Legendre JV, Gidgee Project - holding reduced to 0%.

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 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.

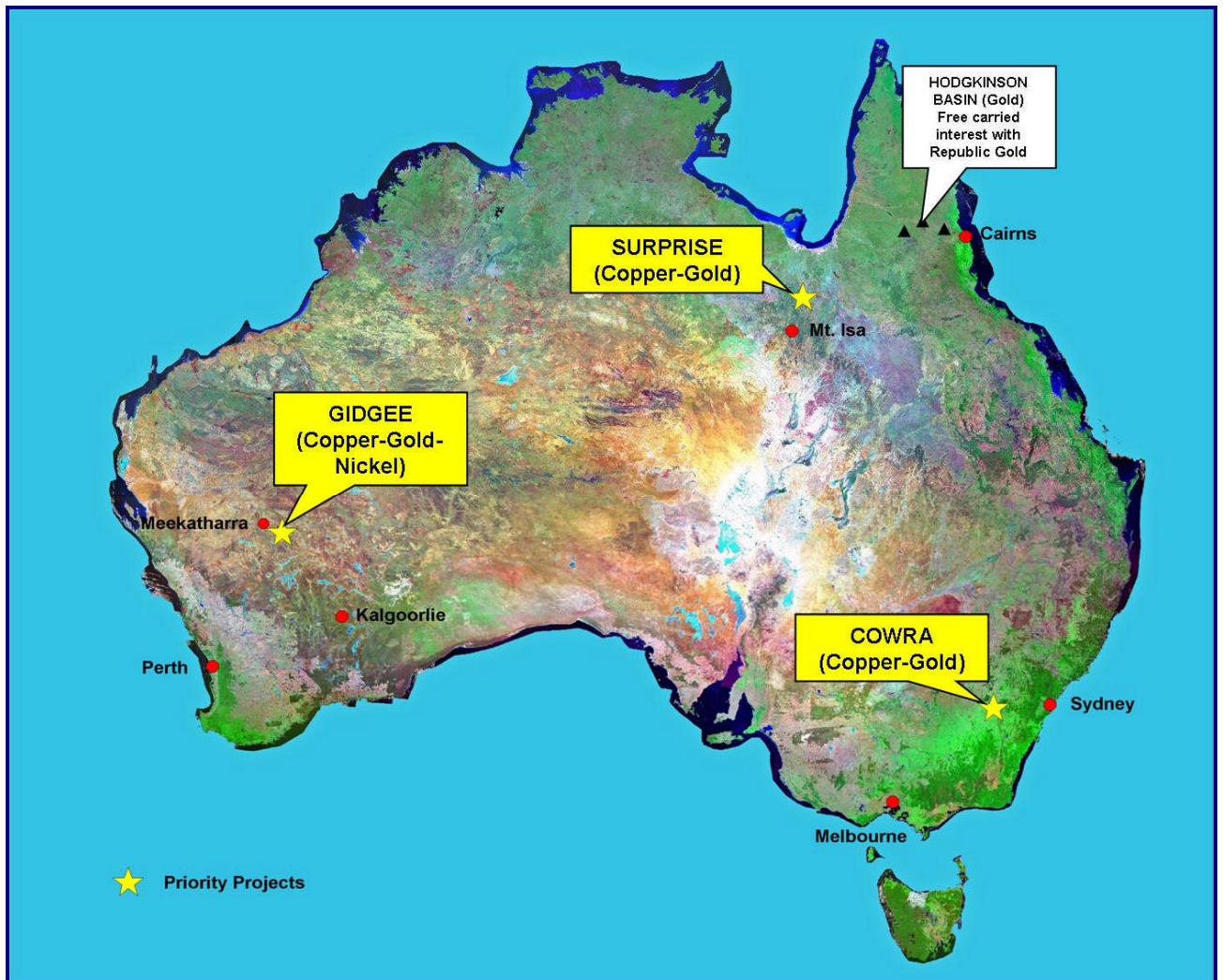


Figure 1. Gateway Mining Limited Project Locations

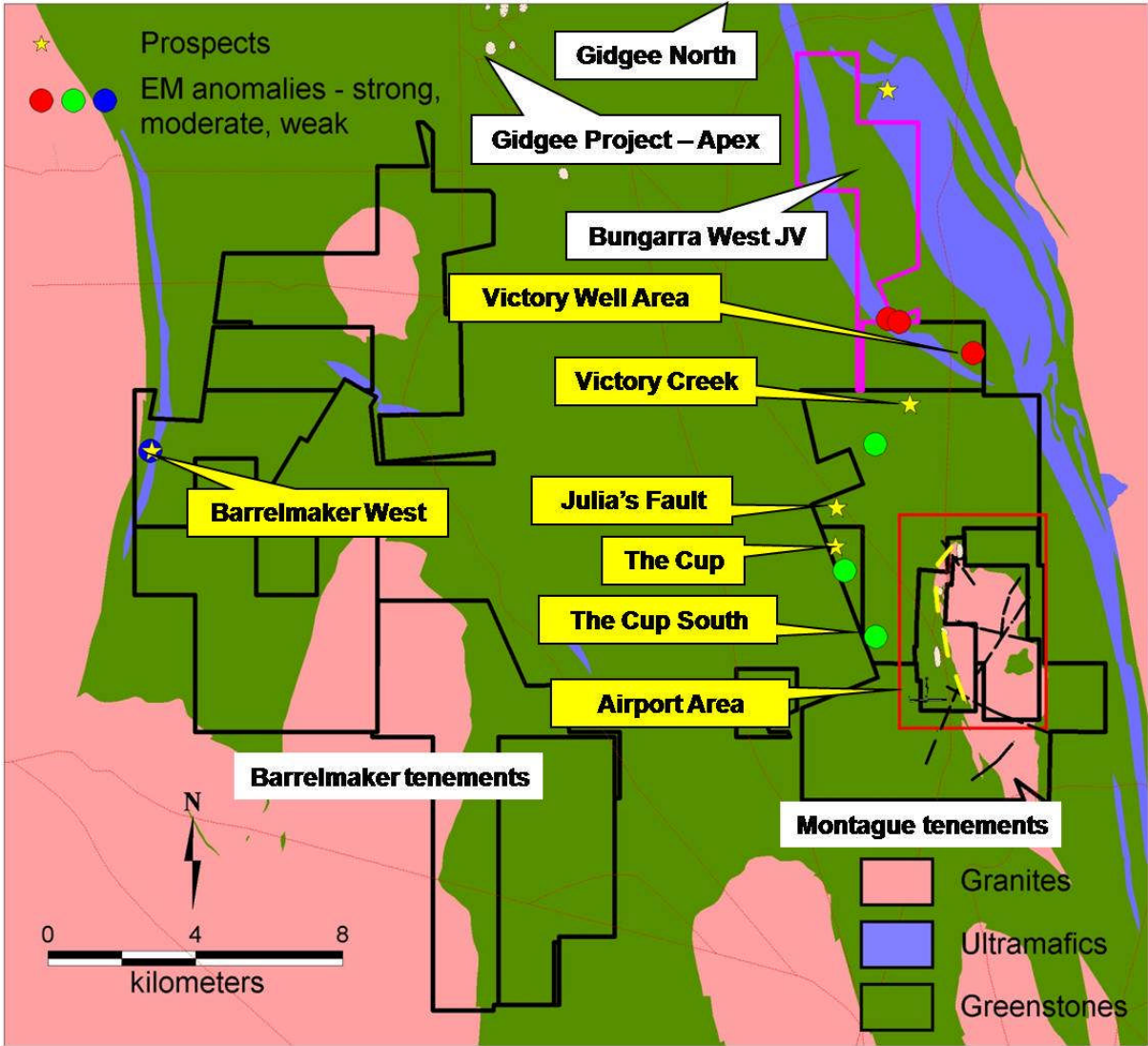


Figure 2. Prospect locations, Gidgee Project

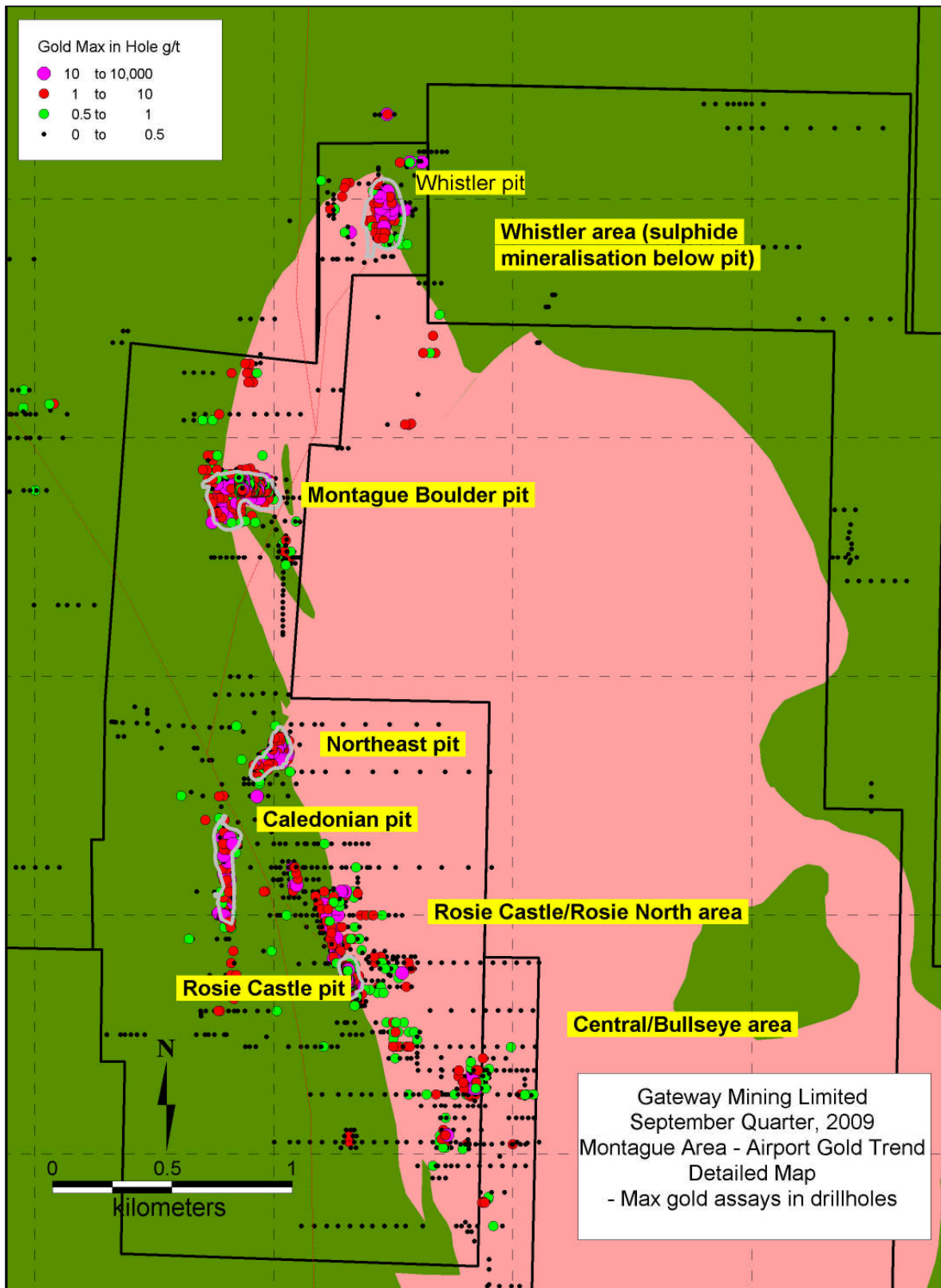


Figure 3. Airport area prospects

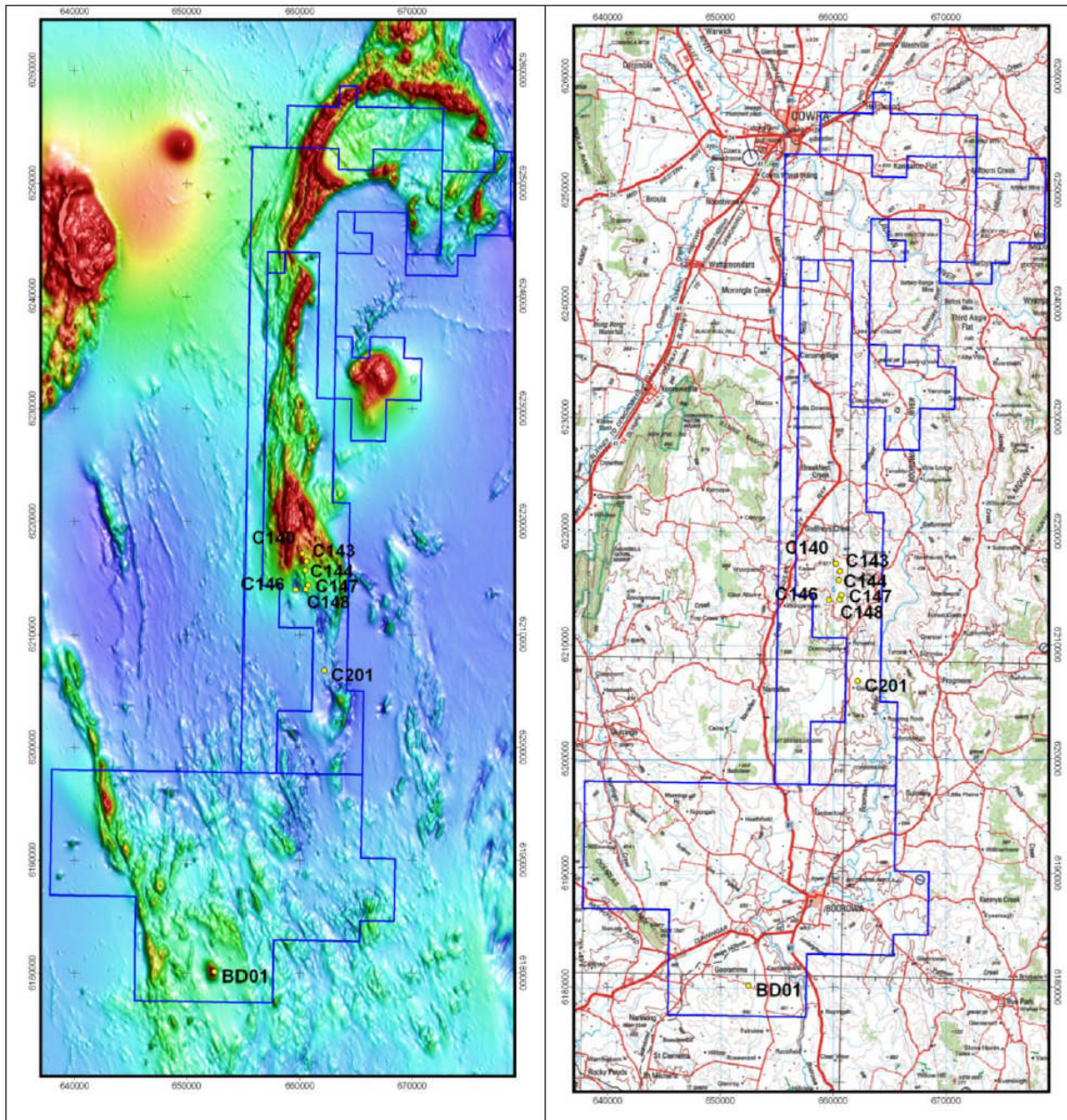


Figure 4. Cowra drill targets with respect to regional magnetic image (left) and topography (right). Targets prefixed “C” are within the JV tenements (figure from Minotaur presentation)