Annual Report 2010

GATEWAY
MINING LIMITED

DIRECTORS

Brian Gomez
Chairman
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FAICD

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BA. MSc (Hons), PhD.,
F.AUS.IMM.CP (Geol.)

Brian Thornton
B.Ec., F.Fin

COMPANY SECRETARY

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AUSTRALIAN STOCK EXCHANGE

Ordinary Shares	GML
Options	GMLO

2. CHAIRMAN'S REPORT

Exploration Intensity Increases at Gidgee

Gold prices have remained at exceptionally high levels during the past year. This coincides with a period during which equity markets generally continue to face severe volatility in the wake of uncertainty generated by the Global Financial Crisis in late 2008. With the flight to safety, quality junior exploration companies have also had to face up to the uncertain economic climate.

For Gateway Mining this has been a period of consolidation and reassessment.

This has to a significant extent also been necessary following the sudden withdrawal of two joint venture partners.

However, towards the end of the financial year, Gateway has forged two new farm-in agreements with Avenue Resources Limited, which has since completed its Initial Public Offering exercise and been successfully listed on the Australian Stock Exchange.

As a result, exploration activity is about to accelerate at our highly promising Gidgee properties. At the time of this annual report, Avenue was poised to commence renewed drilling at the Whistler gold project and other prospective Western Australian targets. New targets delineated by recent geophysical surveys and a comprehensive data review in the Montague area have unveiled new priority targets.

Gateway itself is stepping up exploration work at Julia's Fault, where more gold has been delineated in recent drilling, and at Victory Creek.

Shareholders will recall that last year we announced a rationalization of our Gidgee tenements with the dropping of Gidgee North and progressive withdrawal from Barrelmaker.

Following the end of the financial year we have moved to acquire 100% of more prospective adjoining leases in an area previously held by Legend Mining, both under the Bungarra West JV and an adjoining tenement held 100% by Legend.

This tenement acquisition broadens our mineralisation interests in Gidgee, adding to the ongoing advanced exploration effort being undertaken on gold and copper prospects.

The Bungarra ultra-mafic intrusive complex, which is the focus of the acquisition, broadens the exploration flavour of Gidgee. It provides an additional focus for exploration, targeting copper-nickel and platinum group elements. Previous drilling has failed to adequately test the area and Gateway has now taken over sole responsibility for this exploration effort.

Much reassessment has been undertaken by our JV partner, Minotaur Exploration, and their farm-in partner Mitsubishi, following drilling last year that intersected massive sulphides but failed to uncover significant mineralisation. A thorough review of geophysical data has been undertaken, leading to the identification of a number of new targets. Ground follow up is expected to start before the end of CY2010.

A new round of highly focused drilling activity has commenced at Gidgee as this annual report goes to print with separate programs undertaken by Gateway in its own right and by JV partner, Avenue Resources.

We expect significant results to emerge from activities at Gidgee and at Cowra in the coming months, which certainly would augur well for Gateway in the current climate of intense interest particularly in gold but flowing to virtually all other mineral commodities.

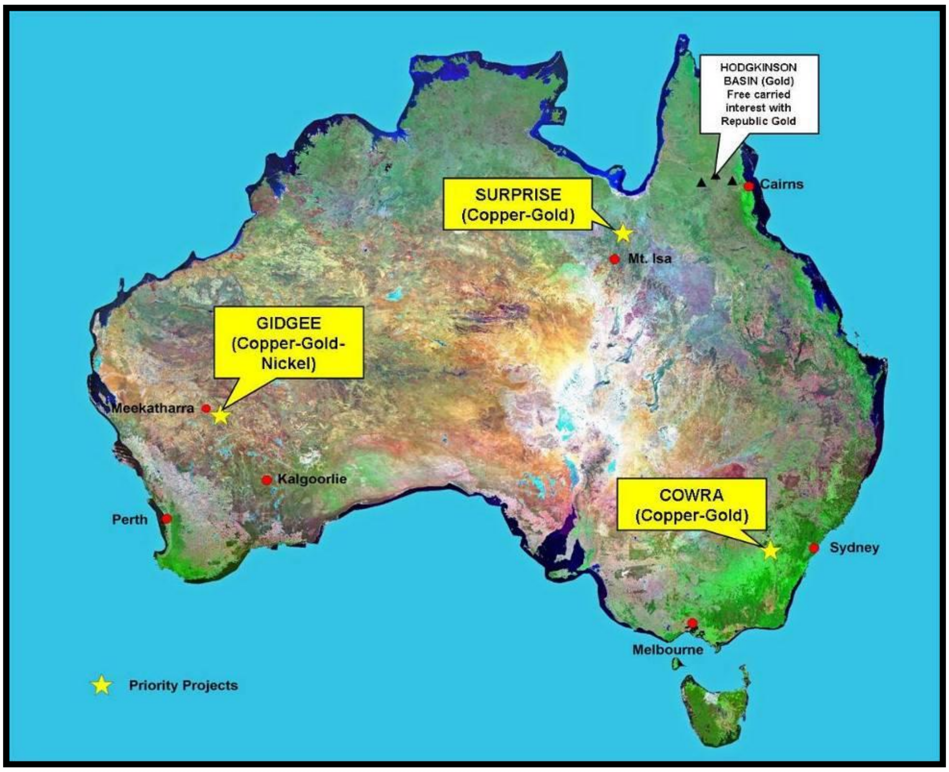
Brian Gomez
Chairman

OVERVIEW

Work has continued on all of the company's projects during the year; however exploration programmes have by necessity been limited due to tight budgets.

Work at the Gidgee project has included further EM and a second sub-audio magnetics (SAM) geophysical survey and a continuing review of past exploration data. This review, which commenced after WCP Resources withdrew from the Airport Joint Venture in 2007, has resulted in the recognition of a number of priority drill targets. These targets are to be drill tested in late 2010.

Field work at Gidgee has covered a number of areas, with the geophysical surveying outlining a number of areas requiring further work.



The decision was made during the year to concentrate activities in the Montague area at Gidgee, and hence the company has now largely relinquished the Barrelmaker Group of tenements, including exiting from two joint ventures.

The Company entered into two new joint ventures over a number of the Gidgee tenements with Avenue Resources Limited, a company which successfully listed on the ASX on September 15, 2010, subsequent to the end of the reporting year. These JV's will allow Gateway to concentrate resources on a number of tenements that it still retains in the Gidgee Project area.

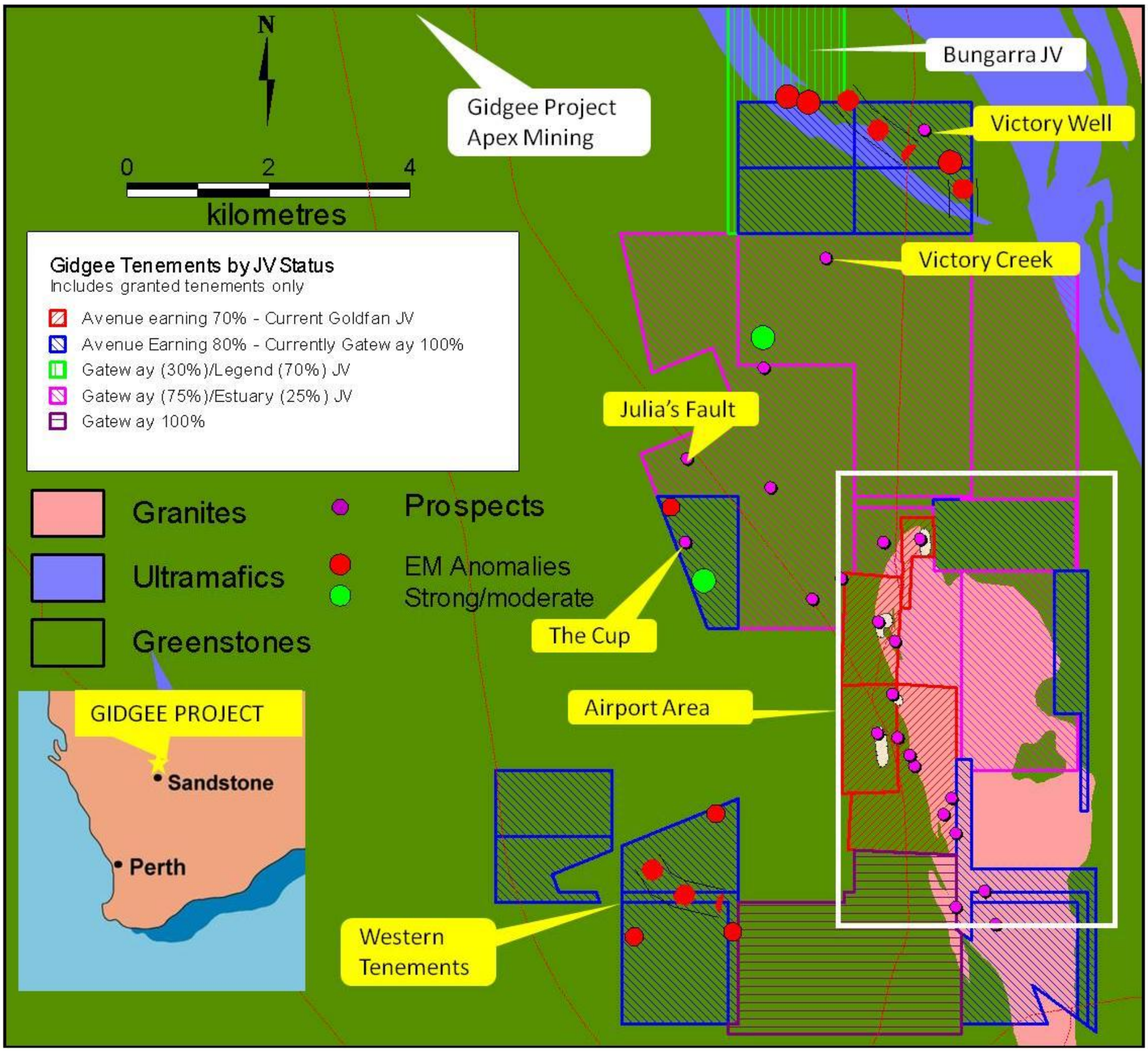
Legend Mining continued exploration work over the Bungarra West Joint Venture, including ground follow up of EM anomalies, and subsequent to the end of the year the drilling of three RC drillholes to test targets delineated from the EM work. Following this drilling Legend decided to exit the Joint Venture (and from other tenements within its Bungarra Project) with the JV tenement reverting 100% to Gateway. Gateway has also made the decision to purchase Legend's 100% held Bungarra tenement E57/706.

Minotaur Exploration completed a completed a number of drillholes over the Cowra Project targeting anomalies outlined from helicopter and ground EM surveys. Although a number of these intersected sulphides, no appreciable mineralisation was encountered. Minotaur are now planning further work, including field mapping and further ground follow up of EM anomalies.

GIDGEE PROJECT WESTERN AUSTRALIA

Gateway Mining holds interests in approximately 100km^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, predominantly on shallow gold targets. Examples include S-Bend, Rosie North, Airport Central and Bullseye. More recent exploration successes include the Julia's Fault gold mineralisation, and The Cup copper discovery to the south of Julia's Fault.



Much previous exploration work (including the discoveries listed above) has been concentrated on near surface oxide mineralisation; however more recent drilling has intersected gold mineralisation that supports the prospectivity for deeper mineralisation.

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

Historic work intersected sulphide gold mineralisation below the Whistler open pit, with subsequent work delineating a previously reported 25,000oz JORC-compliant resource in a steeply plunging shoot. As previously reported, drilling by WCP Resources (as manager of the previous Gateway/WCP joint venture) into this shoot intersected ounce plus gold grades (9m @ 33.82 g/t Au in a broader intersection of 22m @ 14.94g/t Au), in addition to two other high grade intersections supporting the prospectivity of this area for hypogene gold mineralisation below and in the vicinity of the historic oxide pits. Intersections of 33m @ 0.67g/t Au and 102m @ 0.42g/t Au in hole WCR012 as announced last year also confirm the prospectivity of the Montague Granite to host significant gold mineralisation.

EM and ground work in the north of the Montague tenements has resulted in the delineation of a new prospect – Victory Well. This is adjacent to the Legend/Gateway Bungarra Joint Venture area, and exhibits EM and geochemical anomalism. In addition a number of new EM anomalies have been outlined in the “Western Tenements”, which remain to be drill tested.

Given generally negative results, the Company took the decision to relinquish the Barrelmaker tenements so as work could be concentrated on the Montague tenements. The company also relinquished the northern tenements during the year.

In summary work throughout the year has confirmed the prospectivity of The Cup, Julia’s Fault, Victory Well and the Airport Central areas and hence future work will be concentrated on these, along with further target delineation and testing over the other areas of the Gidgee tenements.

The Company and JV partners Avenue Resources have up to 3000m of aircore and 2,500m of RC drilling planned for November 2010 over a number of targets.

Avenue Resources Limited Joint Ventures

As announced to the market on June 29, 2010 Gateway entered into two Joint Ventures with Avenue Resources Limited. At the time of signing Avenue was unlisted; Avenue subsequently listed on the ASX on September 15.

The first JV includes tenements over the Montague area, held 85% by Gateway and 15% by Goldfan Limited, a 100% owned subsidiary of Herald Resources Limited. The second JV covers tenements held 100% by Gateway. Full details of the agreements are included in the June 29, 2010 release to the ASX.

The Goldfan JV tenements include four ML’s and one GL that cover the historically mined Montague open pits and Avenue is required to spend a minimum of $200,000 in the first year, and then has the option to earn 70% over a maximum of 5 years by spending a cumulative total of $1,450,000. Goldfan’s 15% equity in the tenements remains unchanged, with Gateway reducing to 15%.

The second JV requires Avenue to spend a minimum of $125,000 in the first year over a number of tenements currently held 100% by Gateway. Avenue then has the option to earn up to 80% by spending a total of $1,100,000 over a maximum of five years.

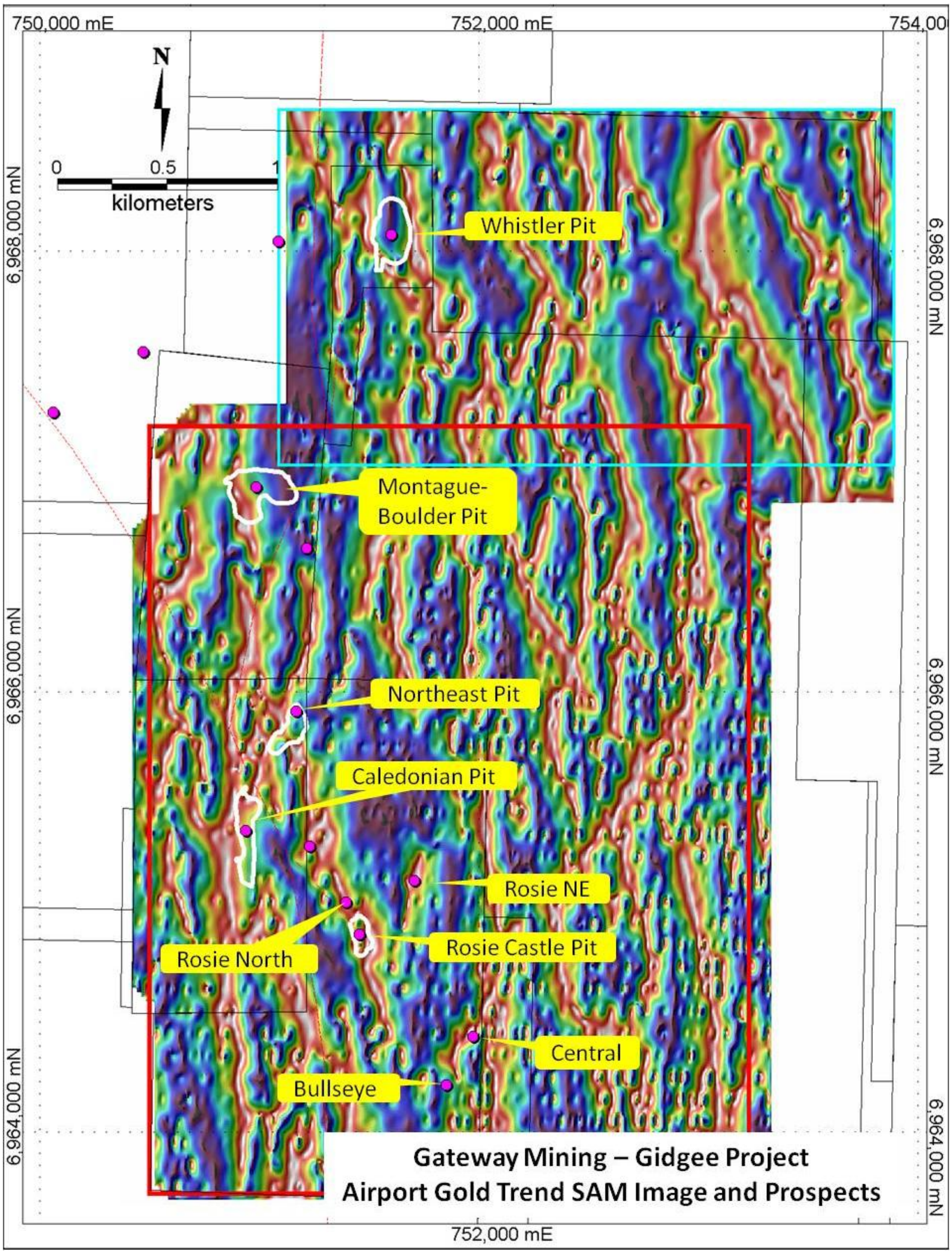
The current Gateway/Red 5 JV tenements are unaffected, and the new Avenue JV’s will allow Gateway to concentrate exploration tenements on these tenements, which include the Victory Creek and Julia’s Fault prospects, as well as a number of untested geochemical and EM anomalies. In addition Gateway will manage the Avenue JV’s for an initial period of one year, and by mutual agreement after that.

Montague Area

Airport Gold Trend

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

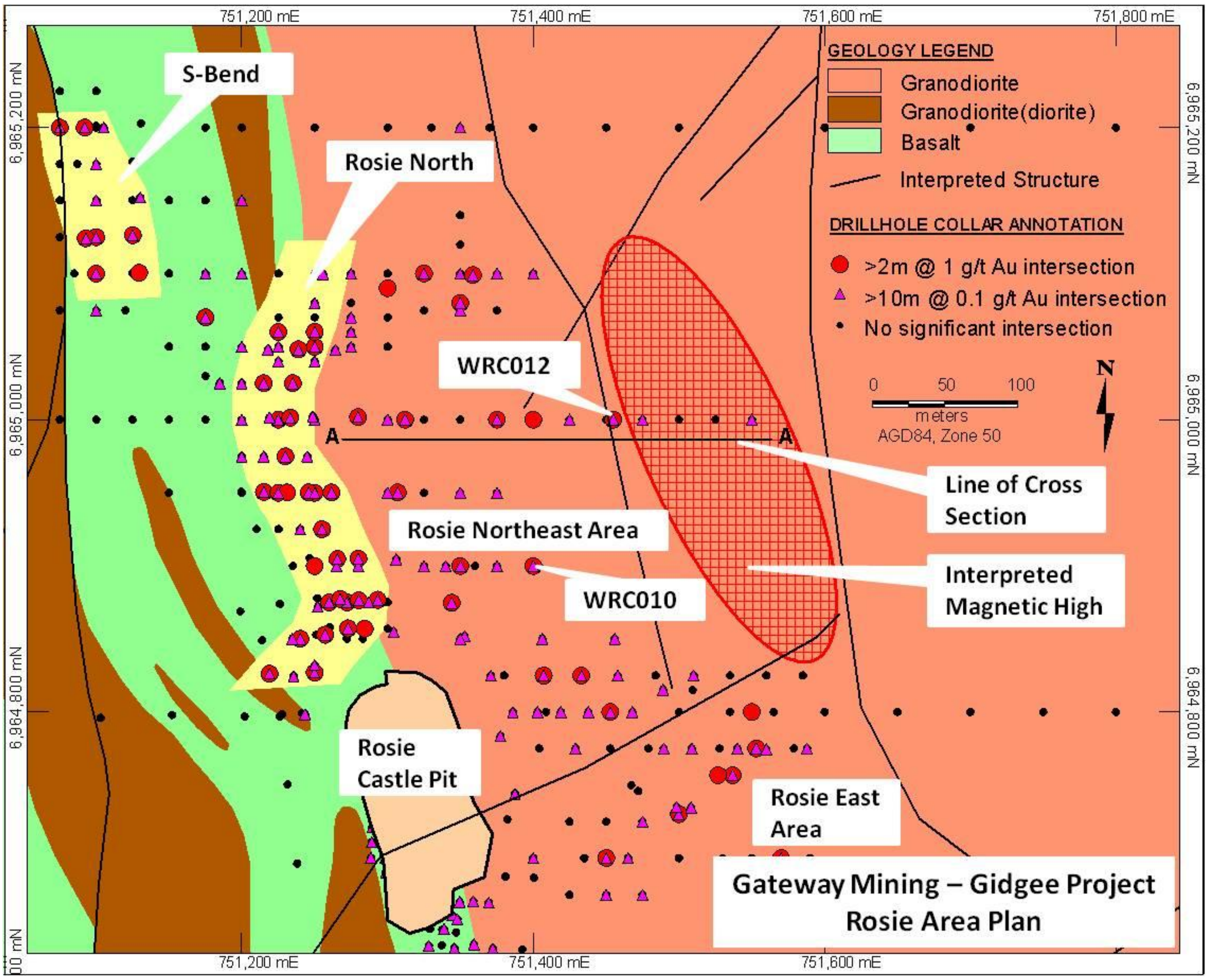
Following the withdrawal of WCP Resources from the Airport Central Joint Venture early in the previous year, work carried out by Gateway has included a data review and sub-audio magnetics (SAM) geophysical surveying. SAM is a cost and time effective tool that is considered useful for detailed mapping of structure.



In early 2009 the company carried out a 4km^2 orientation SAM survey to the east of the Whistler pit, and the results of this work indicated that the method is suitable for the Gidgee area. A second survey was then carried out over the Montague Granodiorite east of and over the Airport gold trend, given that this area is considered underexplored. This work has clearly outlined a number of anomalous zones and structures within the granite, with these now requiring follow-up work.

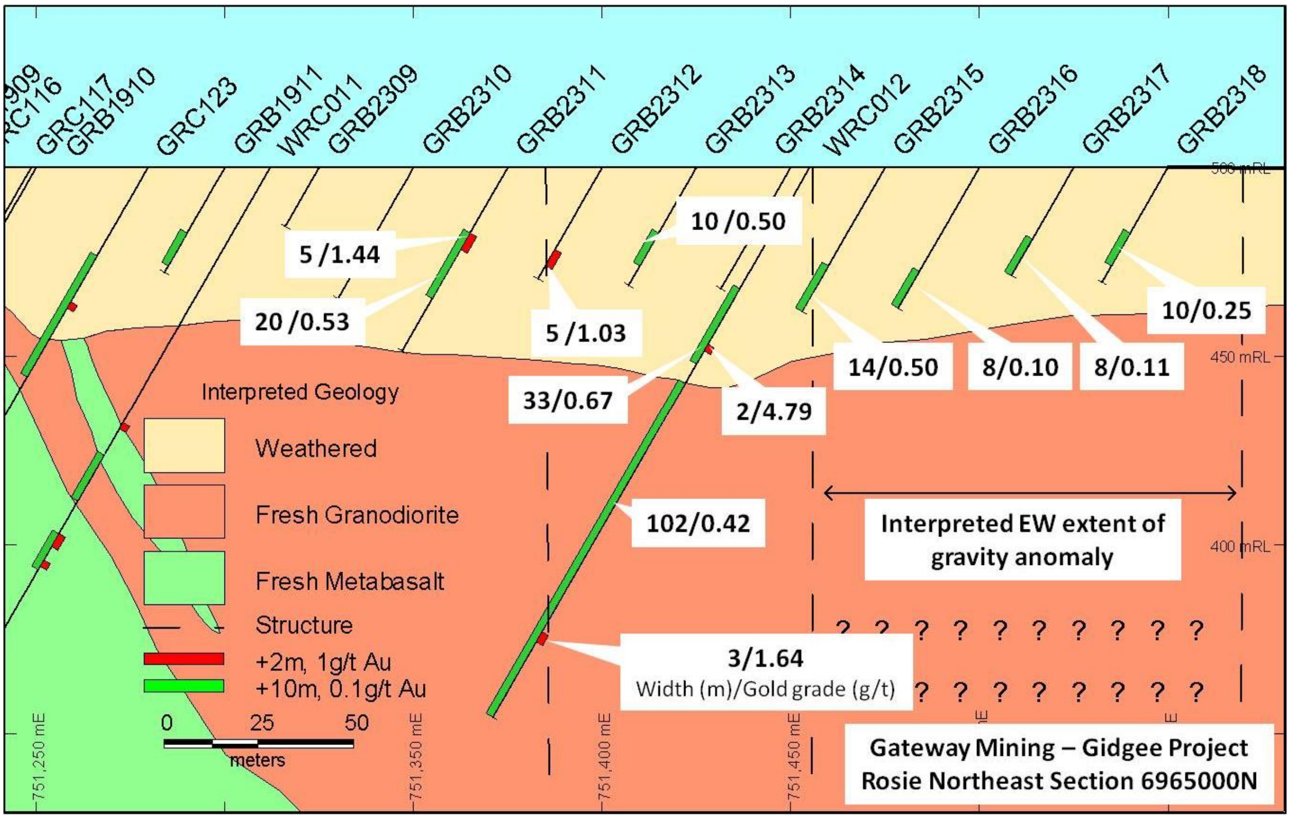
The results of the data review have also been very encouraging, and support the prospectivity of the area for additional oxide and hypogene gold mineralisation. A large proportion of historic work was carried out in the vicinity of the basalt/granodiorite contacts, which resulted in the discovery of the now mined resources amongst others. However the data review has pointed towards the prospectivity of the granodiorite, which has largely remained underexplored. There are some notable exceptions, with Gateway discoveries such as Airport Central and Bullseye being hosted in the granodiorite away from the contact.

As previously reported one of the significant results to come out of the data review were the results from hole WRC012, which have not been followed up until now. This hole intersected 33m @ 0.67g/t Au from 27m and 102m @ 0.42g/t Au from 66m, with the hole ending in mineralisation. The first of these intersections was in oxide material with the second in fresh rock. The main lithology intersected was granite, with some interpreted basalt intersections.



This hole is located approximately 250m to the NE of the Rosie Castle pit, and is adjacent to a demagnetized zone, associated with an interpreted N-S structure and a basement gravity ridge. In a addition there is a subtle SAM feature at this location. This may reflect major structure dislocating basement basalts under the granite, and as such could be an ideal site for mineralisation. The mineralisation in hole WRC012, which may represent a halo to a higher grade system, is open to the north, south and east, Two shallow RAB holes drilled to the east of the hole terminated in +0.1g/t gold.

Three 200m RC drillholes are planned to test these geochemical and geophysical anomalies as part of the November 2010 programme. In addition three holes have been designed to test below the Montague-Boulder open pit, and two to test interpreted hanging wall lodes north of the Whistler pit.



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The Cup

Gateway 100%, Avenue earning 80%

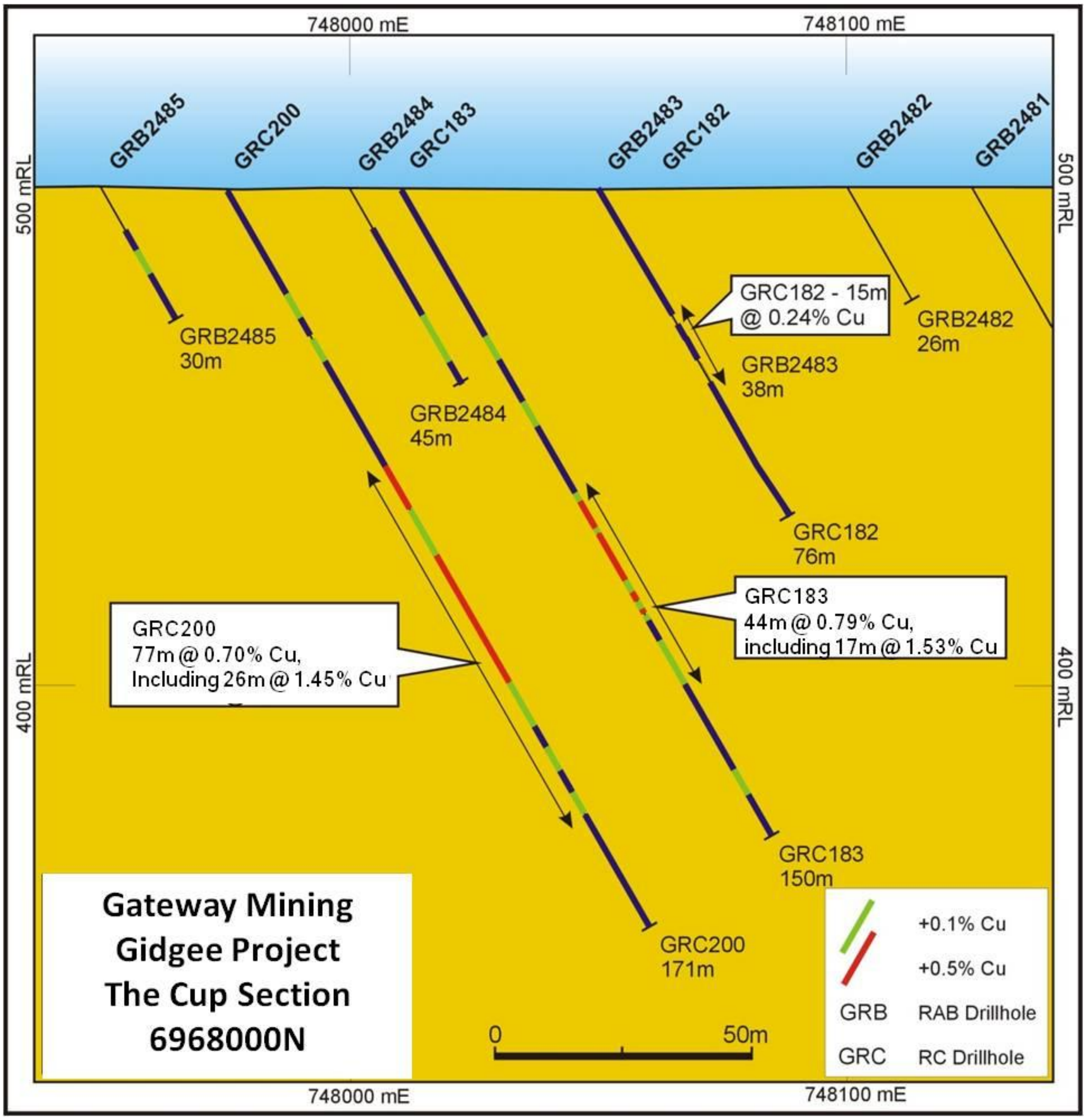
The Cup is a Gateway copper discovery. Rockchip, historical aircore and RAB copper anomalism was first followed up by RC drilling in late 2006, which intersected significant copper, including 30m @ 1.0% copper from 70m in hole GRC183. Results from the latest drilling include 80m @ 0.66% Cu from 65m (including 20m @ 1.46% Cu from 90m) in hole GRC200.

Preliminary interpretations that the mineralisation is shallowly dipping suggest that the intersections may be close to true width. Copper has been intersected in RC and RAB holes over a strike length of 350m to date, with the mineralisation still open to the north and south, as well as down dip to the west.

The mineralisation appears to sit on the contact between basaltic volcanics to the east, and carbonaceous and non-carbonaceous sediments to the west, and comprises strongly altered sediments overly a possibly volcanic derived greywacke.

Preliminary interpretations indicate that the mineralisation may include a number of shallowly westward dipping zones, and includes disseminated to massive sulphides (dominantly pyrite), and significant oxide and sulphide copper minerals including abundant chalcocite in what appears to be a zone of secondary mineralisation.

RAB and aircore drilling during the previous reporting year to the north and south along The Cup/Julia's Fault structural trend intersected variable Au, As and Cu anomalism, including As anomalism associated with semi-massive pyrite approximately 2km south of The Cup and Cu anomalism associated with gossanous ironstone 2.5km south of the prospect. In addition EM surveying along this trend has outlined a number of EM anomalies.

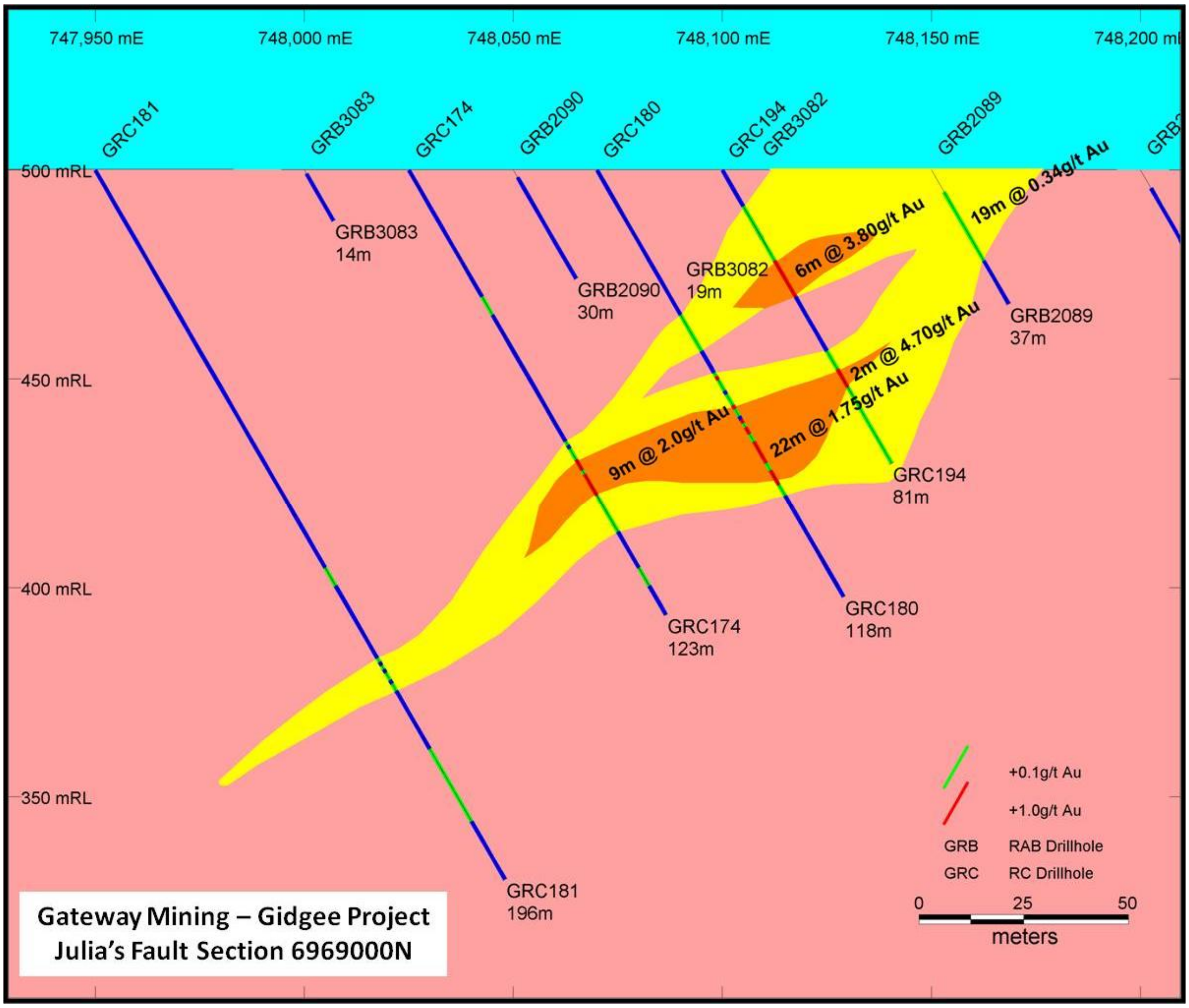


Julia's Fault

Gateway 75%, Red 5 25%

Julia's Fault is a virgin find by Gateway, originally discovered in 2005 during RC drill testing of RAB gold anomalies. The prospect is located immediately NNE of the Cup, and is possibly located on the same structural zone, where it appears to swing around from the NNW to NNE. The geology of The Cup and Julia's Fault is similar - both being within strongly altered metasediments near the boundary with interpreted underlying basalts, and having mineralisation associated with disseminated to massive sulphides.

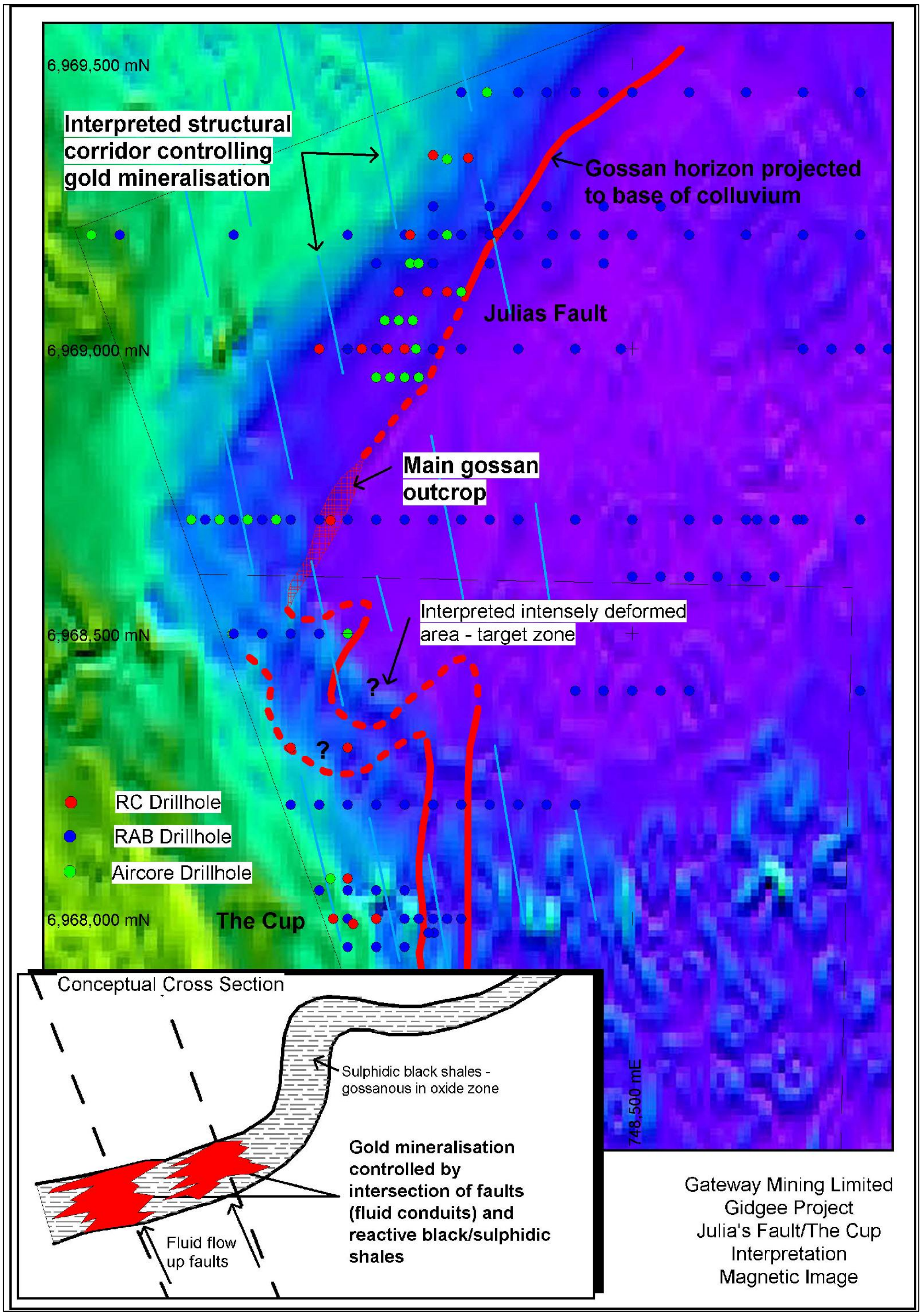
The initial 2005 work delineated a shallowly westerly dipping zone on section 6969000N, with a down dip extension of approximately 100m. Assay results (1g/t Au cutoff) included 22m @ 1.75 g/t Au and 9m @ 2 g/t Au. The up dip extension on this section was tested by hole GRC194 in early 2008, returning two separate mineralized intervals – one returning 6m @ 3.80 g/t Au and the other of 2m @ 4.70 g/t Au, both within a broader mineralised halo.



The most recent drilling at Julia's fault included a number of aircore holes as reported in the June 2009 Quarterly Report. These holes returned intersections (5m composite samples) including 5m @ 3.47g/t Au in hole GAC004 and 10m at 0.92g/t in hole GAC001. These intersections were associated with an ironstone unit, interpreted to be weathered sulphidic black shales. A number of the holes (including GAC001) terminated in anomalous gold, due to the inability to drill through the gossans. Interpretations suggest that the gold mineralisation is controlled by the intersection of structure and the black shale unit.

Gold has been intersected in other drilling over a strike length of at least 950m, including a number of intersections at the base of holes where drilling difficulties resulted in holes being terminated prematurely.

A number of RC holes are planned to be drilled at Julia's Fault as part of the November 2010 drilling programme.



Western Tenements

Gateway 100%, Avenue earning 80%

EM surveying during the year outlined a number of EM anomalies. No other ground work has been carried out over this area, and up to thirteen aircore drillholes are planned to be drilled to test the EM anomalies as part of the November 2010 drilling programme.

Bungarra West Joint Venture/Victory Well

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

During the reporting period Gateway held a 30% free carried interest in Bungarra West JV licence E57/709, with Legend being operators and managers of the JV which covers the ultra-mafic Bungarra Intrusive Complex. The western contact of the complex, which hosts Legend's Python Cu-Ni-PGE prospect is believed to extend southwards into the JV tenements.

Work over the JV area during the year included follow-up of ground EM anomalies in the southern part of E57/709 and, as well as follow-up of EM anomalies in the 100% Gateway held Victory Well tenements. Rock chip sampling returned anomalous Au, Bi, Te, W and Mo.

Subsequent to the end of the year three RC holes were drilled on the JV tenement, and one on an EM conductor in P57/1181. The Gateway hole, GRC205 intersected 14m of disseminated to massive sulphide from 19m downhole, associated with silicification and shearing in metabasalts. Assays however returned no significant results for both the JV and Gateway drilling.

The sulphides would explain the EM anomalism, and despite the lack of results from the assaying the area is still considered prospective given the extent of the EM anomalies.

Subsequent to the end of the year Legend elected to withdraw from activities in the area, and the JV tenement E57/709 has reverted back to Gateway. In addition Legend offered their 100% held tenement E57/706 to Gateway, with Gateway making the decision to purchase the tenement. This tenement includes a large area of the Bungarra Intrusive Complex, and a number of Cu-Ni-PGE prospects.

Barrelmaker Area

Due to generally disappointing exploration results the Barrelmaker area tenements were relinquished during the year.

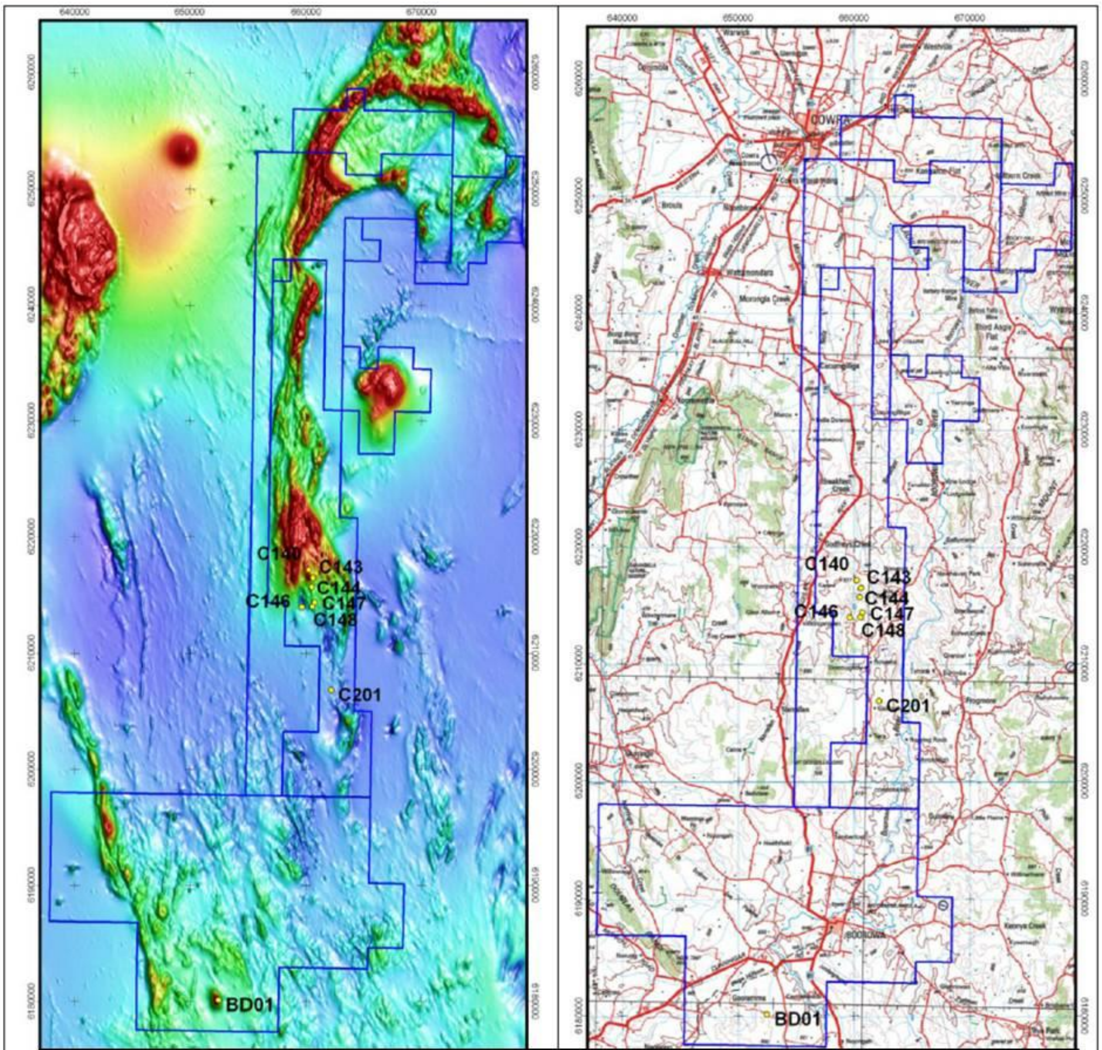
COWRA PROJECT NEW SOUTH WALES

Gateway 49%, Minotaur 51%, Mitsubishi Corp./Mitsubishi Materials Corp. earning 24%

The Cowra Project is a JV between Minotaur, Gateway and Mitsubishi Corporation & Mitsubishi Materials Corporation. The equity earned by Mitsubishi does not dilute Gateway. During the previous year Minotaur earned 51% of the project through meeting the required expenditure commitments. Gateway has been granted 25% equity in adjacent tenements that were taken out by Minotaur at the start of the project. The agreement with Minotaur stipulates that after an expenditure of A$2 million each partner will proportionally contribute to the project. There is approximately $600,000 of sole expenditure remaining.

Work during the year included drilling of a number of EM targets generated from surveys carried out in the previous year Six targets, defined by coincident airborne and ground EM anomalies, were drill tested for a total of 1435.7 m (RC/Diamond). Pyrrhotite and pyrite occurring as both disseminated and within veins were intersected within the metasediments, but only very minor chalcopyrite is present. The maximum assay recorded was only 4m @ 0.14% Cu in hole 09COWRC147 (from 16m) and other results were disappointingly low (Target C147, Figure 4). Even though observed pyrite abundances are low, the higher pyrrhotite content combined with the pyrite is probably sufficient to account for the EM anomalies.

Subsequent to the end of the reporting year 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. Follow-up, including field mapping, ground geophysics and geochemical sampling is planned over these targets.



Cowra drill targets tested during the reporting period with respect to regional magnetic image (left) and topography (right). Targets prefixed "C" are within the JV tenements (figure from Minotaur presentation)

SURPRISE PROJECT QUEENSLAND

Gateway 100%,

Work on the Surprise Project has been restricted to a data review, partly due to tight budgets and secondly due to delays in processing Licence renewals in Queensland. At the end of the year all of the ML's within the project are currently in the process of being renewed, as well as EPM9053.

EPM17870 "Centipede" was granted during the year; however the Company is still in the process of negotiating the Native Title Agreement

The company still regards the project as being prospective for Cu/Au mineralisation and the company holds the view that the deeper gravity anomalies have not yet been tested. The last round of drilling tested IP anomalies with positive results, the mineralisation being very similar to the Surprise mine. The Surprise mine consisted of a calcite vein that hosts chalcopyrite and pyrrhotite. The style of mineralisation suggests that the veining is a result of hydrothermal remobilisation of a deeper metal bearing horizon. The deeper gravity anomalies reflect a denser source that may be increased sulphide content in the deeper rocks.

4. TENEMENT SCHEDULE

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/Legend JV	30%	E57/709
Gidgee	Gateway	100%	E57/685, E57/807 (granted subsequent to the end of the year)
Gidgee	Gateway/Red 5 JV	75%	E57/561 M57/429 M57/485
Cowra	Gateway/Minotaur JV	49%	EL5514, EL6102
Hodgkinson Basin	Republic Gold	6%	EPM9934, EPM10026, MDL(A)
Surprise	Gateway	100%	ML2483, ML2509, ML2868, ML90102, EPM9053, EPM13677, EPM17870

Disclaimer

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 (CPGeo) 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.

Your directors present their report on the company for the financial year ended 30 June 2010.

1. 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) from Macquarie University

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 Australian 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 recently accepted an Adjunct Associate Professorship on a part time basis at the University of Western Sydney, and is a Research Fellow at the University of Newcastle in coal combustion and utilisation. 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.

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

Board member since 2001. Brian Thornton, a graduate in Economics from the Australian National University and a Fellow of the Financial Services Institute of Australia, has a diverse background covering the public and private sectors. He has worked as an adviser to the resources sector for almost 20 years and consults to a number of listed gold base metals and bulk commodity companies.
His expertise covers IPO's, mergers and acquisitions and capital raisings.
He is also a director of Gel Resources Pty Limited and Chairman of Xanadu Mines Ltd.

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
B.F. Thornton	10,643,625	350,000
Specified Executives:	*Ordinary shares:*	*Options over ordinary shares:*
S.Lian	1,486,978	450,000

2. 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.

3. 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.

4. RESULTS AND DIVIDENDS

The loss after tax for the year was $494,780 (2009 loss - $1,859,477). No dividends have been declared or paid during the year.

5. REVIEW OF OPERATIONS

Activities by the Company were concentrated on the Gidgee Project in Western Australia, where a number of geophysical surveys were undertaken and a review of all previous exploration data was completed.

The geophysical surveys included a second Sub-Audio Magnetics (SAM) survey following the positive results from an orientation survey carried out in 2009. This survey was designed to test areas of the Montague Granite west and over the historically mined pits, and has resulted in a number of drill targets being identified.

Likewise ground EM surveys completed during the year resulted in a number of anomalies being identified which now require drill testing.

The data review, which has continued from the previous year, resulted in the identification of a number of areas requiring follow-up, including the Rosie Northeast prospect, which includes a historical drill hole with an intersection of 102m @ 0.42g/t that must now be followed up.

The results of the above work have been used in planning a combined air core/reverse circulation drilling programme which is planned to commence early in the December Quarter, 2010.

To accelerate exploration activities Gateway entered into two farm-in agreements with Avenue Resources Limited, a new IPO on the ASX, which listed on September 15, 2010. Under the terms of the agreements as released to the market on June 29, 2010, Avenue will earn equity in the applicable tenements by funding exploration work. This will allow Gateway to concentrate resources on a number of other tenements not subject to the farm-in agreements, with these tenements including the Julia's Fault gold prospect.

The Company has also completed a rationalization of their Gidgee holdings, relinquishing the Barrelmaker and northern group of tenements, but retaining the core Montague group of tenements.

At the Cowra Project in NSW drilling of a number of EM anomalies by JV partners Minotaur Exploration and Mitsubishi Corporation/Mitsubishi Materials Corporation did not intersect significant gold or copper mineralisation; however evidence of mineralising systems, including appreciable sulphides was found.

Minotaur and Gateway are currently reassessing all datasets with a view to defining further drill targets within the Cowra Project. A program of soil geochemistry and ground geophysics is planned to the north of the drill sites. The sitting of these surveys is based on recently published concepts of sub intrusive alteration and related de-magnetization that are apparent from re-processed geophysical data at Cowra.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND FINANCIAL POSITION

During the year, the company has raised $1,060,000 through a private investment under its share purchase plan and its new share placements.

The share purchase plan raised $500,000 by issuing 6,250,000 shares @ 8 cents per share on 11th August 2009.

The new share placement raised $560,000 by issuing 7,000,000 shares @ 8 cents per share on 7th October 2009.

The main factor contributing to an increase in the company's net equity from $8,794,757 to $9,469,813 was the result of the increase in market value of the company's listed share investments.

7. 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.

8. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 10th September 2010, the company raised $495,000 through a private placement of 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.

9. 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.

10. SHARE OPTIONS

At the date of this report, there were 24,750,000 options (2009 - 10,250,000).

No of options	Exercise price	Expiring on or before
4,000,000	30 cents	30th November 2011
6,250,000	15 cents	30th June 2011
7,000,000	10 cents	07 October 2011
7,500,000	04 cents	01 September 2012

11. EMPLOYEES

There were 2 employees as at 30 June 2010 (2009 - 2).

12. 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	21,450	-	2,293	-	-	23,743
B.F.Thornton	20,000	-	-	-	-	20,000
	66,450	-	2,293	-	-	68,743

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	-	-	17,305	11,547	-	148,852
Allan Pellegrini (Exploration Consultant)	-	98,796	-	2,757	-	-	101,553
Mark.Gordon (Exploration Consultant)	-	60,047	-	-	-	-	60,047
	120,000	158,843	-	20,062	11,547	-	310,452

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

Related Party Transactions

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

13. DIRECTORS' MEETINGS

During the financial year, 6 meetings of directors (including committees) were held.
Attendances were:

	Meetings held	Meetings attended
B. Gomez	4	4
R.A.Creelman	4	4
B.F.Thornton	4	4

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

14. 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.

15. 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.

16. NON-AUDIT SERVICES

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

17. AUDITOR INDEPENDENCE DECLARATION

The auditor independence declaration for the year ended 30 June 2010 has been received and can be found on page 6 of this financial report.

18. 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 24th day of September 2010
Sydney

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 2010 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

MOleuill

M A Nevill
Partner

Dated this 24th day of September 2010

Priestley & Morris - ABN: 51 502 720 047

Level 7, 3 Horwood Place, Parramatta NSW 2150
PO Box 19, Parramatta NSW 2124
Tel: +61 2 8836 1500 Fax: +61 2 8836 1555
E: email@priestleymorris.com.au W: www.priestleymorris.com.au

6. STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 $	2009 $
Revenue	2	**3,996**	10,834
Depreciation and amortisation expense	3	**(2,693)**	(1,912)
Employee benefit expenses		**(180,643)**	(179,564)
Professional services rendered		**(124,669)**	(108,784)
Office expenses		**(53,283)**	(48,698)
Compliance fees		**(26,700)**	(29,517)
Share registry fees		**(33,386)**	(13,636)
Travel and entertainment expenses		**(30,929)**	(27,496)
Impairment loss		**-**	(861,095)
Investment write off		**-**	(550,000)
Other expenses		**(46,473)**	(49,609)
Loss before income tax	3	**(494,780)**	(1,859,477)
Income tax expense	4	**-**	-
Loss for the year	14	**(494,780)**	(1,859,477)
Other comprehensive income:			
Net gain on revaluation of financial assets		**175,366**	-
Other comprehensive income for the year, net of tax		**175,366**	-
Total comprehensive loss for the year attributable to members of the company		**(319,414)**	(1,859,477)

Earning per share			
Basic earnings per share	6	**(0.0041)**	(0.0176)
Diluted earnings per share	6	**(0.0036)**	(0.0170)

The accompanying notes form part of these financial statements

7. BALANCE SHEET
AS AT 30 JUNE 2010

	NOTE	2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	17b	35,640	126,550
Trade and other receivables	7	79,244	79,121
Other assets	8	-	7,500
TOTAL CURRENT ASSETS		114,884	213,171
NON-CURRENT ASSETS			
Trade and other receivables	7	12,608	12,608
Financial assets	9	935,348	681,523
Plant and equipment	10	6,041	8,734
Deferred exploration and evaluation expenditure	11	8,485,445	7,935,623
TOTAL NON-CURRENT ASSETS		9,439,442	8,638,488
TOTAL ASSETS		9,554,326	8,851,659
CURRENT LIABILITIES			
Trade and other payables	12	84,513	56,832
TOTAL CURRENT LIABILITIES		84,513	56,832
TOTAL LIABILITIES		84,513	56,832
NET ASSETS		9,469,813	8,794,827
EQUITY			
Issued capital	13	21,892,160	20,897,760
Reserves	15	308,366	133,000
Accumulated losses	14	(12,730,713)	(12,235,933)
TOTAL EQUITY		9,469,813	8,794,827

The accompanying notes form part of these financial statements

8. CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(494,025)**	(480,640)
Interest and other income received		**3,996**	10,834
NET CASH USED IN OPERATING ACTIVITIES	**17a**	**(457,029)**	(469,806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**-**	(5,478)
Purchase of listed securities		**(72,125)**	(13,333)
Purchase of unlisted securities		**(6,334)**	-
Expenditure on mining interests		**(549,822)**	(493,547)
NET CASH USED IN INVESTING ACTIVITIES		**(628,281)**	(512,358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**1,060,000**	800,000
Placement fees		**(65,600)**	(58,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**994,400**	742,000
NET DECREASE IN CASH HELD		**(90,910)**	(240,164)
Add opening cash brought forward		**126,550**	366,714
CLOSING CASH CARRIED FORWARD	**17b**	**35,640**	126,550

The accompanying notes form part of these financial statements.

9. STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 30 JUNE 2010

	Issued capital	Accumulated losses	Financial asset revaluation reserve	Share Based payments reserve	Total
	$	$	$	$	
Balance at *1.7.2008*	20,155,760	(10,376,456)	-	133,000	9,912,304
Share issued during the year	800,000	-	-	-	800,000
Transaction costs	(58,000)	-			(58,000)
Total other comprehensive income for the year	-	-	-	-	-
Loss at attributable to members of the company	-	(1,859,477)	-	-	(1,859,477)
Balance at *30.06.2009*	20,897,760	(12,235,933)	-	133,000	8,794,827
Shares 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 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

The accompanying notes form part of these financial statements.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report 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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is 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 calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore 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 unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or substantively enacted at the end of the reporting date. 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.

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.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

c. Plant and Equipment

Plant and equipment are measured on the cost basis less, where applicable, any accumulated depreciation and impairment losses.

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 assets 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 each balance sheet date.

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.

d. Financial instruments

Initial recognition and initial measurement

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 either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets either designated as such or that are not

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair Value
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.

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 statement of comprehensive income.

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

Costs carried forward
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped 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.

Amortisation
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 continuity to carry forward costs in relation to that area of interest.

Restoration costs
Costs of site restoration are provided over the life of the facility 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 at call deposits with banks or financial institutions.

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 now classified under Trade and Other Payables

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 balance date. 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.

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 each reporting date, the company reviews the carrying value of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 2010.

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 $8,485,445.

p. Adoption of New and Revised Accounting Standards

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Gateway Mining Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Company's financial statements.

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE	NOTE	2010 $	2009 $
Non-operating activities			
Interest received	**2a**	**3,996**	10,834
Total revenue		**3,996**	10,834
a. Interest revenue from:			
- other persons		**3,996**	10,834
Total interest revenue		**3,996**	10,834

NOTE 3: LOSS FOR THE YEAR

a. Expenses

Depreciation of non-current assets:		
- plant and equipment	**2,693**	1,912
Rental expense on operating leases:		
- minimum lease payments	**46,465**	46,465

b. Significant expenses

There are no significant expenses in the financial year.

Expenses		
Impairment of financial assets	**-**	861,095
Investment write off	**-**	550,000

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 4: INCOME TAX EXPENSE	**2010 $**	2009 $
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% (2009 – 30%)	**(148,434)**	(557,843)
Add tax effect of permanent differences		
- share based payments	**-**	-
- write off investment	**-**	165,000
- impairment loss	**-**	258,328
Income tax expense (benefit) arising from profit (loss)	**(148,434)**	(134,515)
Utilisation of prior period tax losses	**-**	-
Benefit of tax loss not brought to account	**148,434**	134,515
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.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5: AUDITORS' REMUNERATION

	2010 $	2009 $
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	**21,200**	20,100

NOTE 6: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss		
Loss	**(494,780)**	(1,829,477)
Loss attributable to outside equity interest	**-**	-
Earnings used in calculating basic and dilutive earnings per share	**(494,780)**	(1,859,477)
	No of shares	No of shares
b. Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**120,905,839**	105,607,894
c. Effect of dilutive securities:		
Share options	**17,250,000**	4,000,000
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	**138,155,839**	109,607,894

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: TRADE AND OTHER RECEIVABLES

	2010 $	2009 $
CURRENT		
Security deposits	**65,575**	62,702
Goods & services tax receivable	**13,669**	16,419
	79,244	79,121
NON-CURRENT		
Security deposits	**12,608**	12,608
	12,608	12,608

Current security deposits are mining bonds and have a floating interest rate, which has averaged 4.5% for the year (2009 – 7.68%). Non-current security deposits are non-interest bearing.

NOTE 8: OTHER ASSETS

CURRENT		
Prepayments	**-**	7,500
	-	7,500

NOTE 9: FINANCIAL ASSETS

NON-CURRENT		
Available for sale financial assets:		
Shares in listed corporations - at fair value	**921,802**	674,311
Shares in unlisted corporation – at cost	**13,546**	7,212
	935,348	681,523

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.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 10: PLANT AND EQUIPMENT

	2010 $	2009 $
Plant and Equipment		
At cost	**97,917**	97,917
Accumulated depreciation	**(91,876)**	(89,183)
Total Plant and Equipment	**6,041**	8,734

Reconciliations

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

	2010 $	2009 $
Plant and Equipment		
Carrying amount at the beginning of the year:	**8,734**	5,168
Additions	**-**	5,478
Depreciation expense	**(2,693)**	(1,912)
Carrying amount at the end of the financial year	**6,041**	8,734

NOTE 11: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

NON-CURRENT

Exploration Expenditure- exploration and evaluation phases

	2010 $	2009 $
Costs carried forward in respect of areas of interest at beginning of the year	**7,935,623**	7,442,076
Additions	**549,822**	493,547
	8,485,445	7,935,623

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

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

	2010 $	2009 $
Sundry payables and accrued expenses	**66,274**	46,899
Accrued employee annual leave entitlements	**18,239**	9,933
	84,513	56,832

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 13: ISSUED CAPITAL	2010 $	2009 $
a. Ordinary shares fully paid		
Balance at beginning of year	**20,897,760**	20,155,760
Issued shares	**1,060,000**	800,000
Transaction costs	**(65,600)**	(58,000)
Balance at end of year	**21,892,160**	20,897,760
b. Movements in ordinary shares on issue		
	No.	No.
At the beginning of the financial year	**110,122,962**	101,122,962
Shares issued	**13,250,000**	9,000,000
At end of the financial year	**123,372,962**	110,122,962

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 2010, 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
6,250,000	15 cents	30 June 2011
7,000,000	10 cents	07 October 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.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14: ACCUMULATED LOSSES	**2010 $**	2009 $
Balance at the beginning of the financial year	**(12,235,933)**	(10,376,456)
Loss attributed to the members of the entity	**(494,780)**	(1,859,477)
Balance at end of the financial year	**(12,730,713)**	(12,235,933)

NOTE 15: RESERVES

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

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 2010 financial year.

NOTE 16: EXPENDITURE COMMITMENTS

Lease expenditure commitments

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

Payable		
- not later than 12 months	**48,323**	46,465
- between 12 months and 5 years	**156,880**	205,204
- greater than 5 years	**-**	-
	205,203	251,669

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.

10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: CASH FLOW INFORMATION	**2010 $**	2009 $
a. Reconciliation of the loss after tax to net cash flows from operating activities		
Loss after income tax	**(494,780)**	(1,859,477)
Non-cash flows in profit:		
- Depreciation	**2,693**	1,911
- Share based payment	**-**	-
- Exploration Expenditure written off	**-**	-
- Impairment loss	**-**	861,095
- Net gain on disposal of financial assets	**-**	-
- Option fees received	**-**	-
- Investment write off	**-**	550,000
Changes in assets and liabilities:		
- Increase in receivables and other assets	**7,377**	(18,445)
- Decrease in payables, accruals and provisions	**27,681**	(4,890)
Net cash outflow from operating activities	**(457,029)**	(469,806)

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 Balance sheet as follows:

- cash and cash equivalents	**35,640**	126,550
	35,640	126,550

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 18: 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:

	2010 $	2009 $
Financial Assets		
Cash and cash equivalents	**35,640**	126,550
Trade and other receivables	**79,244**	79,121
Available for sale financial assets	**935,348**	681,523
	1,050,232	887,194
Financial Liabilities		
Trade and other payables	**66,274**	46,899
	66,274	46,899

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 2010 year, the company raised funds through private share placements by issuing ordinary shares.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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**	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Financial Assets:						
Cash	**35,640**	126,550	**-**	-	**35,640**	126,550
Receivables & others	**13,669**	16,419	**-**	-	**13,669**	16,419
Security deposits	**65,575**	62,702	**12,608**	12,608	**78,183**	75,310
Available for sale financial assets	**935,348**	681,523	**-**	-	**935,348**	681,523
Total anticipated inflows	**1,050,232**	887,194	**12,608**	12,608	**1,062,840**	899,802
Financial Liabilities:						
Sundry payables and accruals	**66,274**	46,899	**-**	-	**66,274**	46,899
Total expected outflows	**66,274**	46,899	**-**	-	**66,274**	46,899
Net inflow on financial instruments	**983,958**	840,295	**12,608**	12,608	**996,566**	852,903

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 2010 from exposure to interest rates risk at balance date would not be material.

10. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19: 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 20: SEGMENT INFORMATION

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

NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

On 10th September 2010, the company raised $495,000 through an issue of 15,000,000 fully paid ordinary shares at 3.3 cents per share with 7,500,000 options attached. The options expire on 1st September 2012 with an exercise price 4.0 cents per share.

11. DIRECTORS' DECLARATION

The directors of the company declare that:

a. the financial statements and notes of the company are in accordance with the Corporations Act 2001: and:

(i) comply with Accounting Standards; and

(ii) give a true and fair view of the company's financial position as at 30 June 2010 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 2010 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.

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

Brian Gomez
Director

Dated this 24th day of September 2010
Sydney

Priestley &Morris

Chartered Accountants

12. INDEPENDENT AUDIT REPORT
TO THE MEMEBERS 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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard 101: Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with 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. These Auditing 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 24th September 2010, would be in the same terms if provided to the directors as at the date of this
auditor's report.

12. 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 2010 and of its performance for the year ended on that date;

   ii. complying with Accounting Standards in Australia (including Australian Accounting Interpretations) 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 2010. 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 2010, complies with s300A of the Corporations Act 2001.

Priestley & Morris

Priestley & Morris
Chartered Accountants

MONevill

M A Nevill
Partner

Dated this 24th day of September 2010

Priestley & Morris - ABN: 51 502 720 047

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13. SHAREHOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,111 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	221
1,001-5,000	296
5,001-10,000	153
10,001 -100,000	339
100,001 -and over	102
Total	1,111

c. Number of shareholdings held in less than marketable parcels is 676.

d. Names of the substantial shareholders are:

Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
Citigold Corporation Limited	56,744,321	41.01

e. 20 Largest Shareholders - Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares	% of Issued Ordinary Capital
1	Citigold Corporation Limited	56,744,321	41.01
2	Great Pacific Investment Pty Limited	6,500,000	4.70
3	Chi Hung Wong	6,400,000	4.63
4	Belfort Investment Advisors Limited	3,990,600	2.88
5	Farrington Corporate Services Super Fund	3,862,453	2.79
6	GP Realty Pty Ltd	3,500,000	2.53
7	Soon Keng Wee	3,500,000	2.53
8	Great Pacific Custodian Pty Ltd	2,825,000	2.04
9	Belfort Investment Advisors Limited	2,684,974	1.94
10	Bikini Atoll Investments Pty Ltd	2,434,500	1.76
11	Joseph Caristo	1,500,000	1.08
12	Farrington Corporate Services Pty Ltd	1,145,543	0.83
13	Mayfair Far East Ltd	1,047,500	0.76
14	Bikini Atoll Investments Pty Ltd	1,027,454	0.74
15	JVR Resources Pty Ltd	1,000,000	0.72
16	Farrington Corporate Services Pty Ltd	910,557	0.66
17	Nyook Fong Chin	850,000	0.61
18	Primasia Securities (Asia) Ltd	839,250	0.61
19	Kim Liew	679,352	0.49
20	SK Lam & LC Lam	630,000	0.46
	TOTAL	102,696,504	74.22

14. 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), Brian Thornton, 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.

14. CORPORATE GOVERNANCE STATEMENT

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.

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