GATEWAY MINING LIMITED
ABN: 31 008 402 391

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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GATEWAY MINING LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the half-year ended 31 December 2008.

DIRECTORS

The names of directors who held office during or since the end of the half-year:

Mr. Brian Gomez (Chairman)
Dr. Robert A. Creelman
Mr. Brian F. Thornton

REVIEW OF OPERATIONS

Following positive drilling results, Minotaur in alliance with Mitsubishi Corporation and Mitsubishi Material Corporation as managers and operators have decided to continue and expand their base metal search over the Cowra JV in New South Wales in early 2009.

The company is actively seeking joint venture partners to further work in the Montague area of Gidgee. This area includes the Whistler gold resource of 25,600 ozs, a shoot of sulphide gold mineralisation below the historic Whistler oxide pit. The company has been actively reassessing historic exploration data, and believes the area has significant potential for the discovery of further sulphide gold mineralisation. Gateway is intensifying their search for additional sulphide gold mineralisation within the Gidgee Project area.

EM surveying over various areas within the Gidgee Project has been completed and has resulted in the identification of a number of conductors worthy of follow-up. This included work in conjunction with Legend Mining, who, during the half, also continued work on their Bungarra Ni/Cu/PGE Project, which includes tenements in which Gateway have a 30% free carried interest under a joint venture agreement.

Subsequent to the end of the period the company has raised an additional $400,000 in working capital through a private placement.

AUDITOR'S DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2008.

This report is signed in accordance with a resolution of the Board of Directors.

BRIAN GOMEZ
Director
Dated this 12th day of March 2009

GATEWAY MINING LIMITED
ABN: 31 008 402 391

Priestley &Morris

Chartered Accountants

AUDITOR'S 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 half-year ended 31 December 2008 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

Priestley & Morris
Chartered Accountants

P A Cordwell
Partner

Dated this 13th day of March 2009
Parramatta

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

GATEWAY MINING LIMITED
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INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	NOTE	**31 December 2008**	31 December 2007
		$	$
Revenue	**2**	**8,583**	881,671
Depreciation expense		**(750)**	(1,132)
Employee benefits expense		**(84,419)**	(84,419)
Professional services rendered		**(57,200)**	(48,400)
Office expenses		**(23,360)**	(24,942)
Compliance fees		**(19,517)**	(19,691)
Share registry fees		**(13,636)**	(10,909)
Impairment loss		**(1,093,771)**	-
Other expenses		**(38,612)**	(45,427)
(Loss)/profit before income tax		**(1,322,682)**	646,751
Income tax expense	**3**	**-**	-
(Loss)/profit for the period		**(1,322,682)**	646,751
(Loss)/profit attributable to members of Gateway Mining Limited		**(1,322,682)**	646,751
Overall Operations:			
Basic (loss)/earnings per share		**(0.0131)**	0.0064
Diluted (loss)/earnings per share		**(0.0126)**	0.0064

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The accompanying notes form part of these financial statements.

GATEWAY MINING LIMITED
ABN: 31 008 402 391

BALANCE SHEET
AS AT 31 DECEMBER 2008

	NOTE	31 Dec 2008	30 June 2008
ASSETS		$	$
CURRENT ASSETS			
Cash and cash equivalents		**159,408**	366,714
Trade and other receivables		**107,884**	68,176
TOTAL CURRENT ASSETS		**267,292**	434,890
NON-CURRENT ASSETS			
Trade and other receivables		**12,608**	12,608
Financial assets	**4**	**985,513**	2,079,284
Plant and equipment		**4,418**	5,168
Deferred exploration and evaluation expenditure		**7,718,286**	7,442,076
TOTAL NON-CURRENT ASSETS		**8,720,825**	9,539,136
TOTAL ASSETS		**8,988,117**	9,974,026
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**28,868**	51,789
Short-term provisions		**1,627**	9,933
TOTAL CURRENT LIABILITIES		**30,495**	61,722
TOTAL LIABILITIES		**30,495**	61,722
NET ASSETS		**8,957,622**	9,912,304
EQUITY			
Issued capital		**20,523,760**	20,155,760
Reserves		**133,000**	133,000
Accumulated losses		**(11,699,138)**	(10,376,456)
TOTAL EQUITY		**8,957,622**	9,912,304

The accompanying notes form part of these financial statements

GATEWAY MINING LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Issued Capital Ordinary	Accumulated losses	Financial assets revaluation and Share Based Payment Reserve	Total
	$	$	$	$
Balance at *1.7.2007*	**20,155,760**	**(10,197,842)**	**1,297,874**	**11,255,792**
Cumulative revaluation increment realized on disposal of financial assets			**(184,800)**	**(184,800)**
Revaluation decrement			**(847,899)**	**(847,899)**
Profit attributable to members of the company	-	**646,751**	-	**646,751**
Balance at *31.12.2007*	**20,155,760**	**(9,551,091)**	**265,175**	**10,869,844**
Balance at *1.7.2008*	**20,155,760**	**(10,376,456)**	**133,000**	**9,912,304**
Shares issued during the period	**400,000**			**400,000**
Transaction Costs	**(32,000)**			**(32,000)**
Loss attributable to members of the company	-	**(1,322,682)**	-	**(1,322,682)**
Balance at *31.12.2008*	**20,523,760**	**(11,699,138)**	**133,000**	**8,957,622**

GATEWAY MINING LIMITED
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CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008	31 December 2007
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	**(307,679)**	(264,278)
Interest and other income received	**8,583**	20,935
NET CASH USED IN OPERATING ACTIVITIES	**(299,096)**	(243,343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	**-**	667,335
Purchase of non-current assets	**-**	(166,588)
Expenditure on mining interests	**(276,210)**	(251,970)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(276,210)**	248,777
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**400,000**	-
Placement fees	**(32,000)**	-
NET CASH FROM FINANCING ACTIVITIES	**368,000**	-
NET INCREASE (DECREASE) IN CASH HELD	**(207,306)**	5,434
Cash at 1 July 2008	**366,714**	921,100
CASH AT 31 DECEMBER 2008	**159,408**	926,534

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by the company during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entity and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has applied.

Accounting Policies

(a) Exploration and Development Expenditure

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.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: BASIS OF PREPARATION (continued)

(b) Income Tax

The charge for current income tax expenses is based on the profit or loss for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

As at balance date the company has estimated carry-forward tax losses of $14,670,506 (2007: $14,663,389), which is an income tax benefit of $4,401,152 (2007: $4,399,017).

In view of the tax losses, which have not yet been confirmed by the taxation authority, deferred tax accounting has not been adopted.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c)Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible 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.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains or losses arising from changes in fair value are taken directly to equity.

NOTE 2: PROFIT FOR THE PERIOD

	31 December 2008	31 December 2007
The following revenue and expense items are relevant in explaining the financial performance for the interim period:-	**$**	**$**
REVENUE		
Net gain on disposal of financial assets	**-**	360,735
Option fee received to acquire 35% interest in Barrelmaker and Airport gold exploration tenements		500,000
EXPENSES		
Impairment of financial assets	**1,093,771**	-

NOTE 3: INCOME TAX EXPENSE

	31 December 2008	31 December 2007
	$	**$**
Prima facie tax payable (benefit) on profit (loss) from ordinary activities before income tax at 30%	**(396,805)**	194,025
Add tax effect of permanent difference	**-**	-
Tax effect of capital losses used and carried forward separately	**-**	**-**
Income tax expense (benefit) arising from profit (loss)	**(396,805)**	194,025
Utilisation of prior period tax losses	**-**	(194,025)
Benefit of tax loss not brought to account	**396,805**	-
Income tax expense attributable to profit (loss)	**-**	-

NOTE 4: OTHER FINANCIAL ASSETS

	31 December 2008	30 June 2008
Available for sale financial assets:	**$**	$
Shares in listed corporations at fair value	**428,301**	1,522,072
Shares in unlisted corporations	**557,212**	557,212
	985,513	2,079,284

NOTE 5: SEGMENT INFORMATION

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

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

After reporting date, the company issued 5 million ordinary shares at 8 cents per share fully paid raising $400,000.

DIRECTORS’ DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 – 11:

   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   b. give a true and fair view of the company’s financial position as at 31 December 2008 and of its performance for the half-year ended on that date.

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

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

BRIAN GOMEZ
Director

Dated this 12th day of March 2009

GATEWAY MINING LIMITED
ABN: 31 008 402 391

Priestley &Morris
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GATEWAY MINING LIMITED

Report on the Half-Year Financial Report
We have reviewed the half-year financial report of Gateway Mining Limited which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report
The directors are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporation Act 2001.This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of procedures described, we have become aware of any matters that make us believe that the financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporation Regulations 2001. As the auditor of Gateway Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporation Act 2001, was provided to the directors of Gateway Mining Limited on the date of auditor's report.

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

Priestley
&Morris
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GATEWAY MINING LIMITED
(CONTINUED)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gateway Mining Limited is not in accordance with the Corporations Act including:

A. giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
B. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Priestley & Morris

Priestley & Morris
Chartered Accountants

PA Cordwell

P A Cordwell
Partner
Dated this 13th day of March 2009
Parramatta

Priestley & Morris - ABN: 51 502 720 047
Level 7, 3 Horwood Place, Parramatta NSW 2150
PO Box 19, Parramatta NSW 2124
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E: email@priestleymorris.com.au W: www.priestleymorris.com.au