

Quarterly Activities Report

For the period ended 31th March 2010

HIGHLIGHTS

- Infill and extensional EM surveying was completed on Avenue JV and Gateway tenements, and has identified a number of conductors requiring modeling and follow up drilling.
- A number of these conductors are coincident with magnetic features and anomalous geochemistry and geology intersected in the 2010 aircore drilling.
- Results from work to date, including drilling and geophysical surveys, indicate the prospectivity for VMS-style mineralisation in a number of areas, with mineralisation at The Cup interpreted to be a geochemical zoned massive sulphide lens.

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE PROJECT

Work completed during the quarter included ongoing interpretation of results of the 2010 drilling, followed by an EM survey over a number of targets identified by drilling and geology.

The interpretation of results of work to date has indicated the prospectivity of a number of tenements to host VMS mineralisation, with mineralisation at “The Cup” probably representing a zoned VMS lens. Factors that point towards the VMS potential include results from geology, geochemistry and geophysics.

The EM surveying totalled 54.7 line km, with 16.2 line km being completed on Gateway tenements and 38.5 line km being completed by Avenue Resources on joint venture tenements.

The survey was largely targeted at infilling and extending previous surveys, predominantly over what is considered to be VMS prospective stratigraphy.

An interpretation of the results of the survey, which was completed in March, is currently underway; however a preliminary interpretation of results is shown in Figure 2. Results of the ongoing interpretation will be used in planning future activities, including drilling.

Western Tenements – Gossans Galore E57/417, E57/688, P57/1232, P57/1152

Gateway 100%, (Avenue earning 80%)

Gravel Pit, E57/807

Gateway 100%,

EM surveying carried out over these tenements resulted in a number of conductors being defined, as shown in Figure 2. The survey infilled (to 250m spacing) and extended previous 500m spaced surveys carried out by Gateway.

Within the Western Tenements (Gossans Galore) a 2km long, SE trending zone was defined, which contains two distinct strong conductors, each with up to 500m strike. These conductors are steeply dipping, and are associated (along with the entire zone) with a similarly trending magnetic ridge. Aircore drillholes over this anomaly (AGAC001-004, AGAC019) intersected up to 2,130ppm Cu and 811ppm Zn in 5m composites, as previously reported.

A separate conductor is associated with the westernmost drillholes (AGAC009-AGAC011), with these holes, as reported in the December 2010 Quarterly report, intersecting up to 773ppm Cu and 396ppm Pb in 5m composites.

The Gravel Pit area contains four sub-parallel NNE trending conductors, with the strongest being the second from the east as shown on Figure 2. This strongest anomaly is coincident with the Gravel Pit prospect, and elevated geochemistry (to 517ppm Cu) and ironstones/gossans intersected in hole GAC073.

It is interpreted that this zone may be a continuation of the stratigraphic position that which hosts “The Cup” mineralisation, located approximately 6km to the NNW.

Interpretation, including modelling, of the conductors is ongoing, with the results to be used to plan further drilling.

The Cup E57/417

Gateway 100%, (Avenue earning 80%)

Analysis of the results of drilling to date indicate that mineralisation at The Cup may represent a massive sulphide lens, with the geochemistry indicating a zonation from copper rich sulphides to more zinc rich marginal sulphides. Detailed interpretation of The Cup mineralisation is currently underway, with the results to be used to plan further drilling.

Rosie Northeast M57/099

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

Drilling on this prospect in 2010 was designed to follow up an intersection of 102m @ 0.42 g/t gold in historic drillhole WRC012. Four holes totalling 665m (including one hole abandoned at 65m) were drilled at this prospect, with hole AGRC001 intersecting 120m @ 0.42g/t Au from 80m to end of hole (refer December 2010 Quarterly).

These holes also contain elevated copper, and some narrow zones of elevated molybdenum, and are geochemically and geologically distinct from the lode gold mineralisation present in the Montague area.

Interpretations suggest that the mineralisation may be sub-volcanic porphyry related, with the Montague Granite representing the coeval sub-volcanic intrusive to the volcanic rocks flanking the intrusion.

The mineralisation at Rosie Northeast is still open to the north, south and at depth, with planning for future work underway.

VMS Potential

An interpretation of results to date indicates that a number of tenements are highly prospective for VMS-style mineralisation, with the drilled mineralisation at The Cup probably being a geochemically zoned massive sulphide lens. Factors that point towards the VMS potential include:

- Aircore and RAB drilling has intersected significant Cu, Zn, As, Sb, Mn and Ba anomalism along a significant stratigraphic length
- A number of these holes have intersected sulphides and gossans
- This zone also contains a number of Electro-Magnetic (EM) geophysical conductors - VMS sulphide lenses are commonly EM conductors
- The greenstone package contains felsic and mafic volcanic rocks and siliciclastic sediments, typical of “Bi-Modal Mafic” packages that host a number of VMS occurrences within the Yilgarn Craton
- Mineralisation at The Cup occurs associated with massive sulphides, and exhibits geochemical zoning from Cu to Zn/As typical of Bi-Modal Mafic VMS systems
- The Montague Granite appears to be a sub-volcanic intrusion that is co-magmatic with the volcanics in the greenstone package, and was probably the heat engine that drove the VMS mineralisation
- The chemical composition of the granite is typical of sub-volcanic intrusions associated with this style of VMS
- The weak Au-Cu mineralisation within the granite at Rosie Northeast may possibly be porphyry-related mineralisation coincident with the intrusion of the granite and related to the higher level VMS mineralisation, and is different in character to the later lode gold style mineralisation mined previously in the area

This interpretation and assessment of the VMS potential is ongoing.

NEW SOUTH WALES

COWRA PROJECT : EL 5514 & 6102

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

Field checking of a number of targets identified from a combination of geological setting and geophysical characteristics were field checked during the quarter. No significant alteration, mineralisation of soil geochemical anomalism was identified.

QUEENSLAND

SURPRISE PROJECT : EPM 9053, 13677 & 17870

Gateway 100%

The Company relinquished Mining Leases ML 2483, 2509, 2868 and 90102 during the quarter. The areas covered by these MLs now fall into the EPM that surrounds them.

The Company is expecting the grant of EPM 17870 "Centipede" in the coming quarter after resolution of native title issues.

HODGKINSON BASIN

Republic Gold, Gateway 6% free carried

Republic Gold is reviewing options with regards to its North Queensland projects.

CHANGES IN TENEMENT HOLDINGS

Exploration tenements E57/823 and E57/824, located in the Gidgee Project area were granted during the quarter.

Transfer of the Bungarra tenements, E57/706 and E57/709 from Legend Mining to Gateway is progressing.

Mining Leases ML 2483, 2509, 2868 and 90102, located in the Surprise area were relinquished during the quarter.

***For further information visit our website at www.gatewaymining.com.au
or contact: Bob Creelman, Director, or Mark Gordon on Tel: 02 9283 5711***

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

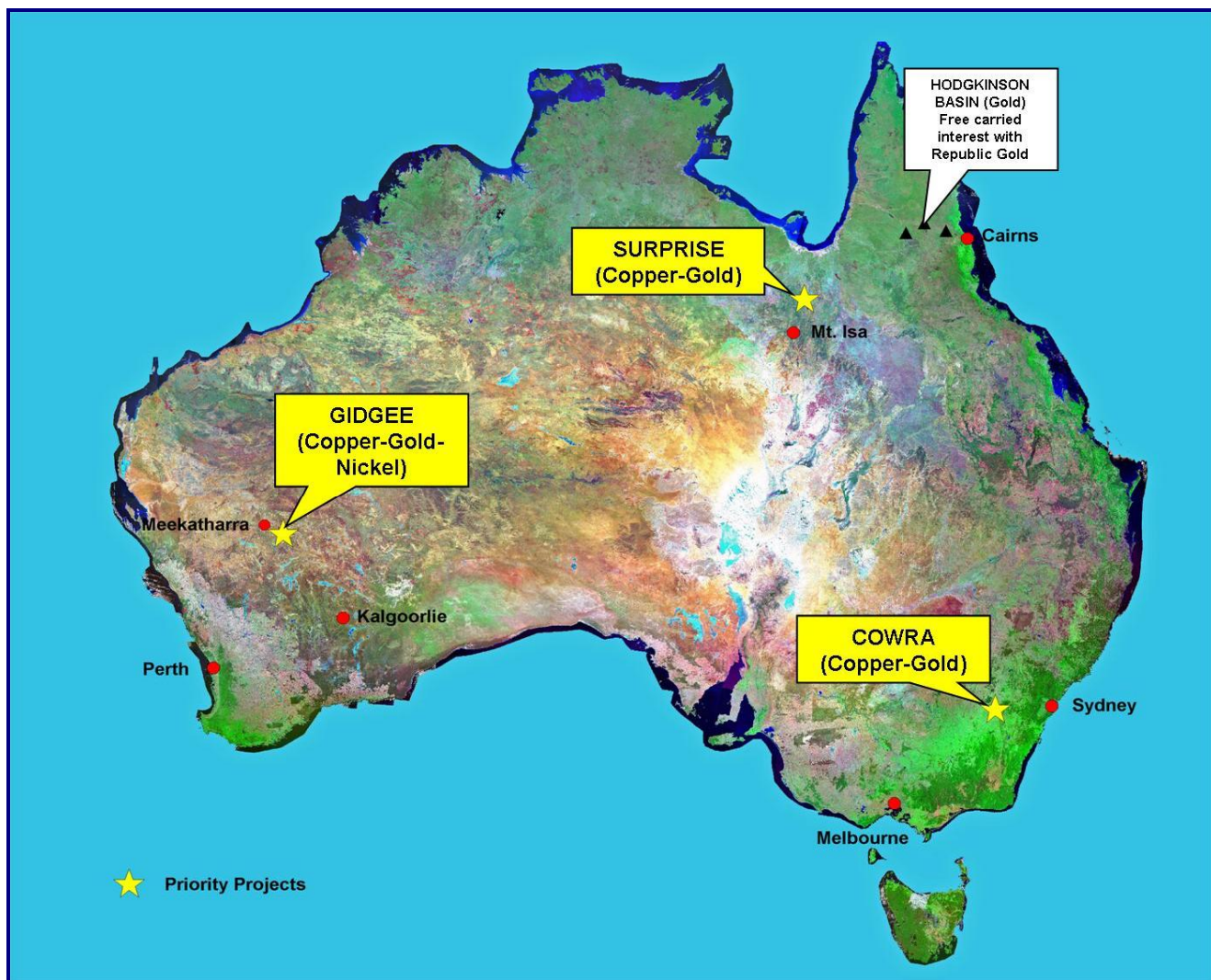


Figure 1. Gateway Mining Limited Project Locations

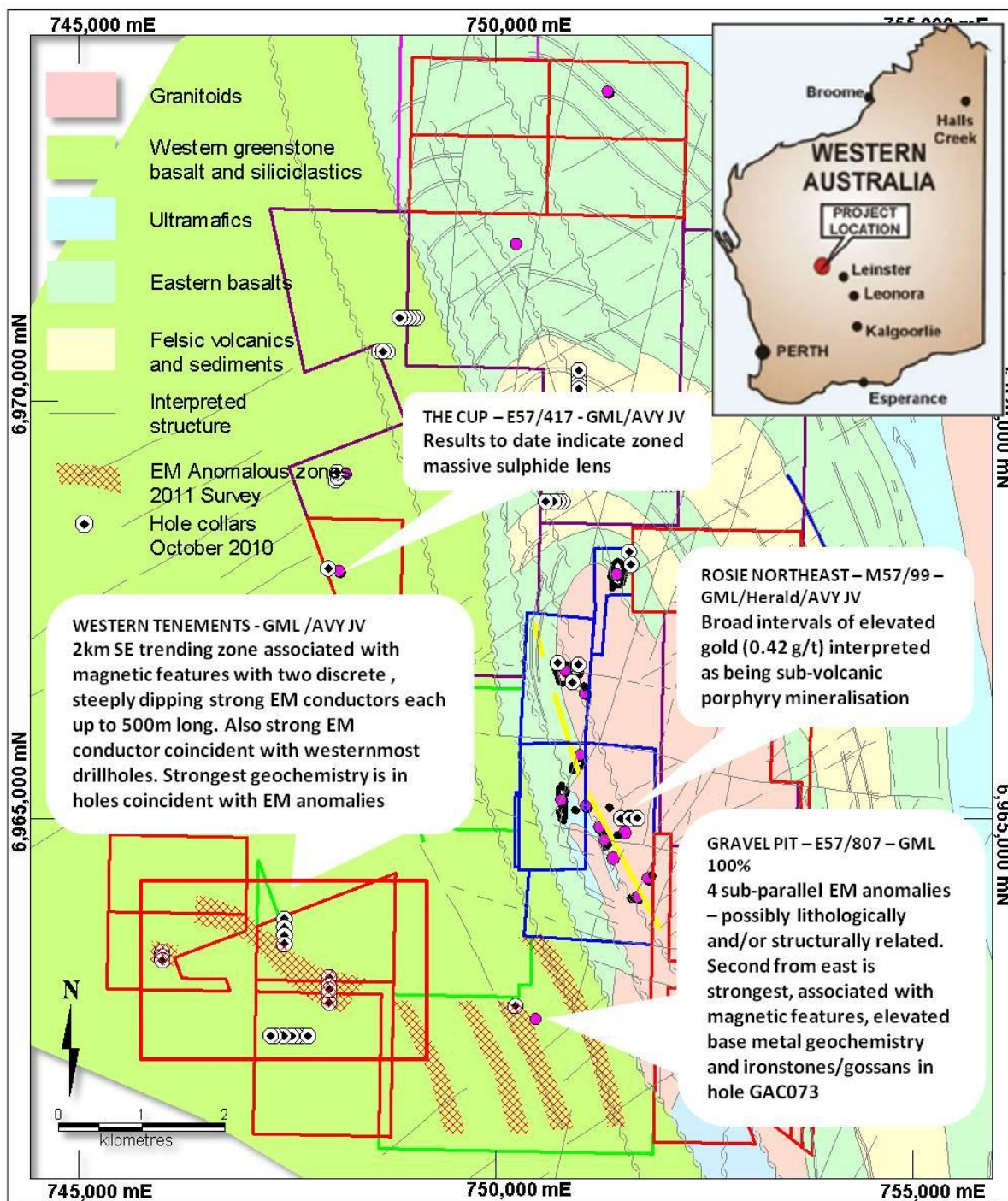


Figure 2. Gidgee Project, showing tenements, prospects (pink dots) and results summary. Tenements outlined in red and blue are in the Avenue JV's