

31 October 2013

## Quarterly Activities Report

### Highlights:

- **Entering of Joint Venture Agreement with Panoramic Resources**
- **RC Drill program recently completed**
- **EM Surveying identifies further conductive horizons**
- **Strong VMS geochemistry encountered in aircore drilling**
- **Strong Balance Sheet of approximately \$2.7m available for drilling**

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The last quarter has been a very busy time for Gateway Mining Ltd (“Gateway” or “the Company”).

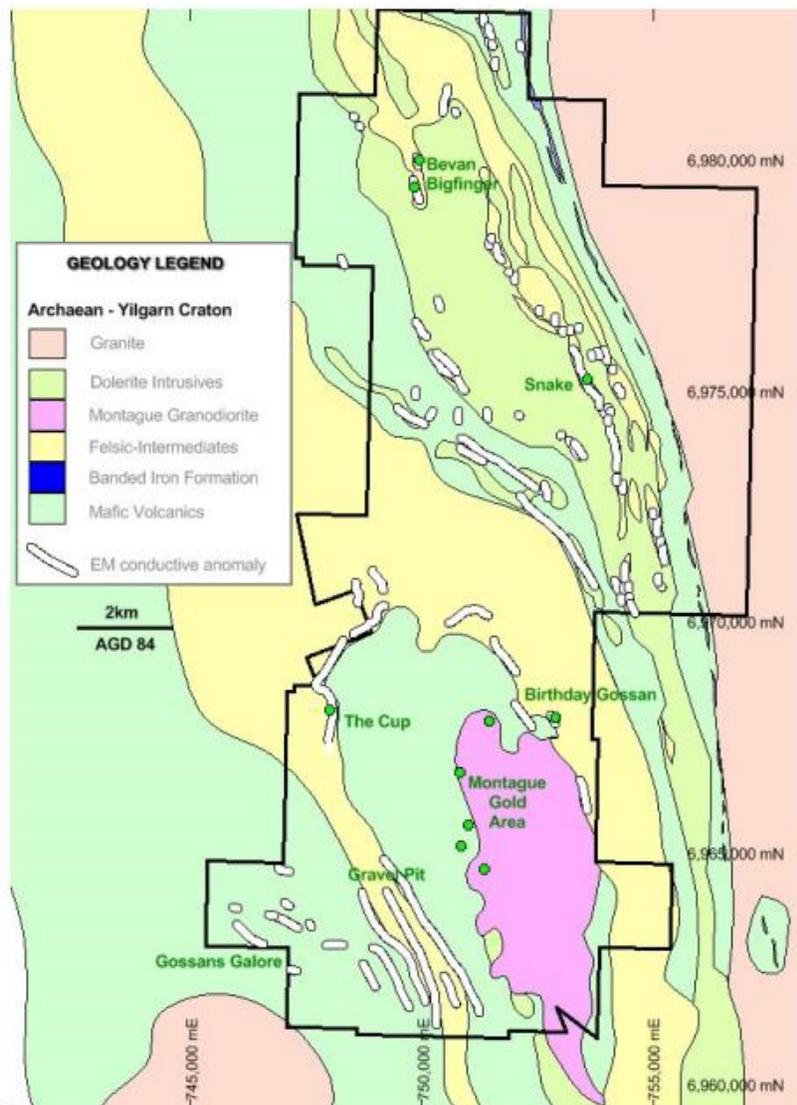
On 12 August 2013, the Company concluded an agreement with Panoramic Resources Ltd whereby it can earn an interest in the tenement M57/633 in Gidgee, WA. This tenement shares a boundary with part of Gateway’s existing tenement package, and in particular being very close to the copper mineralisation encountered at The Cup.

On 27 August 2013, Moving Loop and Fixed Loop Electromagnetic surveys commenced over a number of targets. Electromagnetic surveying is particularly important for exploration of VMS mineralisation given that VMS deposits are typically characterized by EM responses. EM surveying also allows for more accurate design of holes and planning for future drilling programs. The survey results were broadly in line with expectations, and most importantly, confirmed the continuation of the conductive VMS horizon hosting The Cup copper mineralisation across the tenement boundary into the newly acquired joint venture tenement M57/633.

A Programme of Work (POW) was lodged for a number of drill holes over The Cup area and small parts on M57/633 to commence an 1,800m Reverse Circulation (RC) drill program. This drilling commenced 17 October 2013 and the Company recently announced that several of the holes intersected massive sulphides which appear to contain chalcopyrite (the main copper bearing sulphide). These results will be released to the market when assays are received by the Company.

During the quarter, the Company also received results of an aircore program which focused mainly on the Gossans Galore and Gravel Pit areas. These areas lie approximately 6km south of The Cup area. The Company is targeting further VMS mineralisation within these tenements.

Very encouraging VMS geochemistry coincident with historically identified electromagnetic conductors was encountered. The VMS prospectivity of these areas is very strong, particularly so as VMS deposits occur as 'clusters', and The Cup VMS mineralisation is only 6km away. While the Gossans Galore and Gravel Pit areas represent a very compelling exploration front, in light of the strong copper mineralisation at The Cup & the newly acquired joint venture over the neighbouring tenement M57/633, the Company will focus exploration expenditure predominantly in that area.

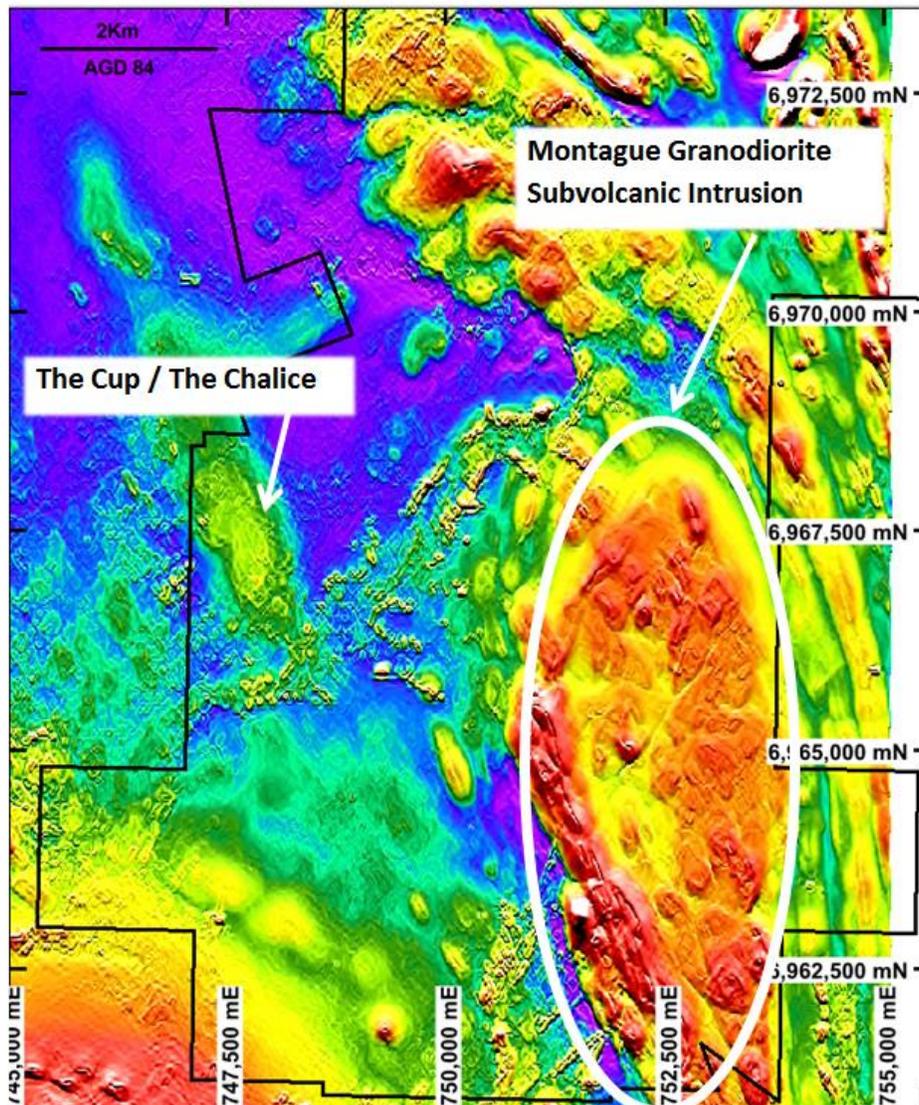


*Project Overview of Gidgee Tenement Package*

### **Joint Venture over tenement M57/633**

On 12 August 2013 Gateway entered into an agreement with Panoramic Resources Ltd whereby it was able to earn a 70% interest in the tenement M57/633, the boundary of which is very close to The Cup VMS copper mineralisation.

The Cup area is host to VMS mineralisation and has the potential to host a very large copper / base metal deposit.



The location of The Cup / The Chalice appears to be an ideal location for a VMS deposit as it is proximal to the Montague Granodiorite (see above). It appears that the Montague Granodiorite is a subvolcanic intrusion that is co-magmatic with the volcanics in the greenstone package. This was also probably the

source of the heat which drove the VMS mineralisation. Further, the chemical composition of the Granodiorite is very similar to other subvolcanic intrusions associated with this style of VMS.

Large subvolcanic intrusions are a key feature of many of the significant VMS districts around the world. This bodes extremely well for not only The Cup area, but also for the prospectivity of the rest of Gateway's tenement holdings in the area.

Previous results from The Cup horizon include:

GRC200: 33m @ 1.23% Cu from 89m  
GRC183: 22m @ 1.31% Cu from 74m  
GRC209: 22m @ 0.70% Cu from 72m  
GRC239: 25m @ 0.78% Cu from 65m  
GRC199: 41m @ 0.53% Cu from 53m

All of these results occur within less than 90m of the tenement boundary.

The copper mineralisation also occurs alongside high silver values, with a silver 'blanket' being intersected on top of the copper zones. For example, in GRC199 an intersection of 2m @ 177g/t Ag was intersected directly above the copper intersection.

Strongly anomalous gold (up to 4.73g/t Au) has also been intersected, which is consistent with the interpreted VMS mineralisation. Additionally, VMS multielement anomalism is exceptionally high, with As, Bi, Mo, Sb, Se, Sn, Te, Pb, Hg, Zn, Cd, In and Tl values being returned well above threshold levels.

The Cup area is now the Company's main exploration focus.

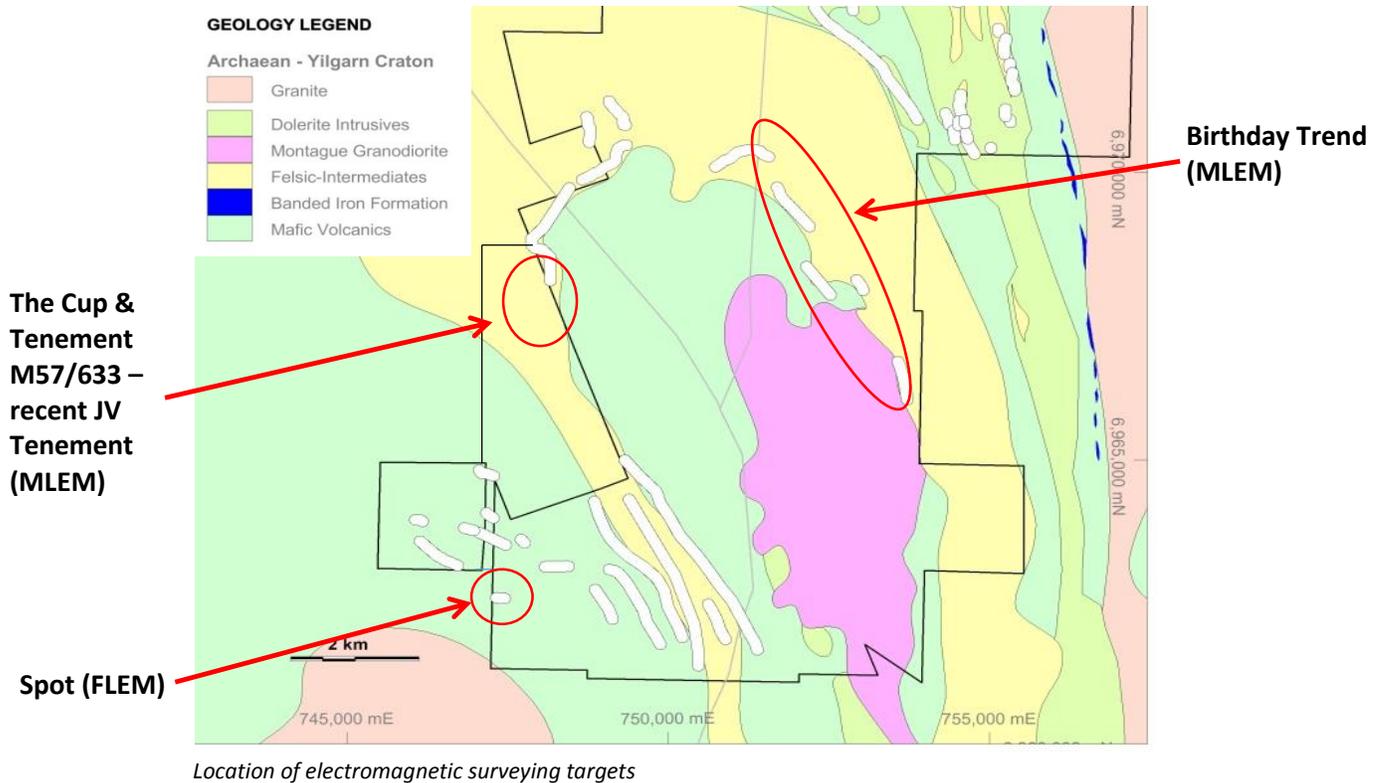
### **Recently completed drilling**

The Company recently completed an RC drilling program which included a number of holes on M57/633 as well as The Cup and several other areas. As announced on 28 October 2013, impressive intersections of massive sulphides were returned from the drilling and inspection of the pulverised drill chips in the field appears to confirm the presence of chalcopyrite, which is the main copper bearing sulphide. This is a very encouraging sign, and confirms the Company's strong opinion that there are very significant copper systems existing throughout the tenement package.

Full details of the program and results will be released as soon as assays are received, which is expected in approximately 4 weeks.

## Electromagnetic Surveying

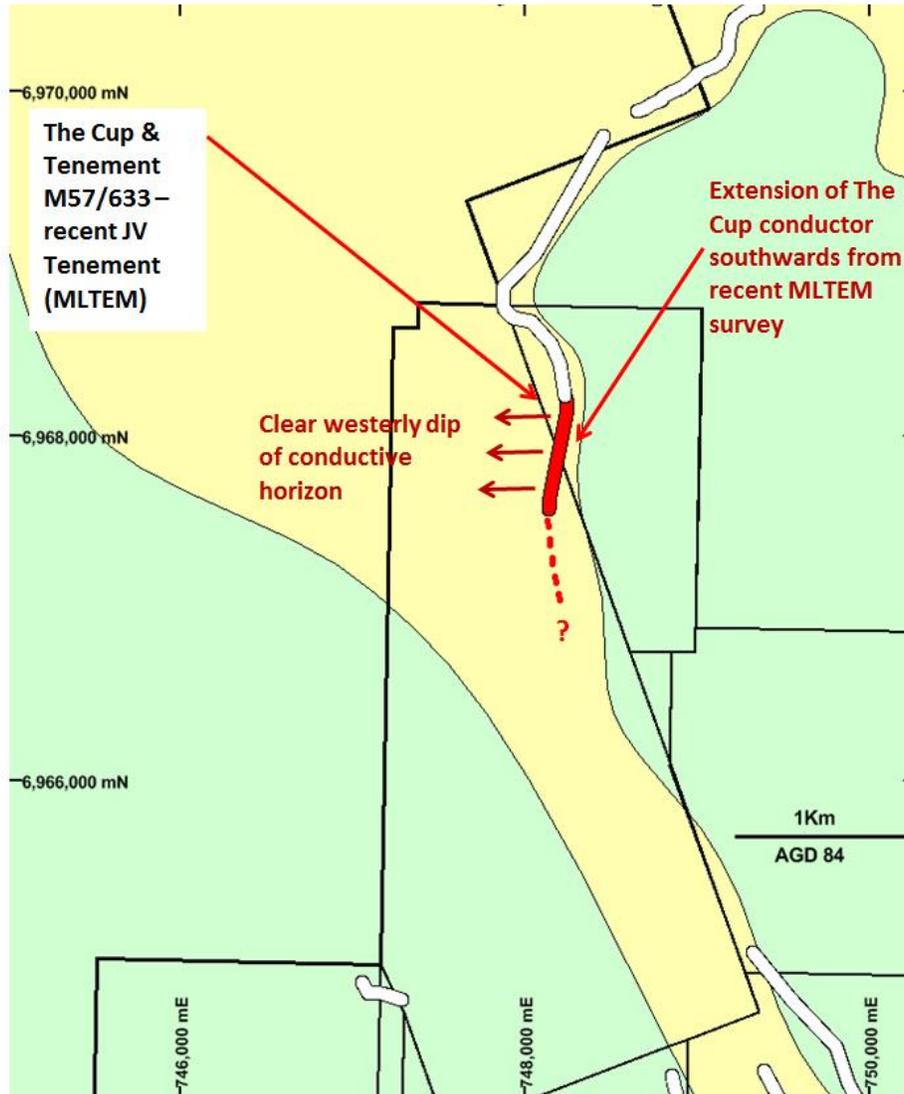
The Company conducted both Moving Loop and Fixed Loop Electromagnetic surveying during the quarter.



The MLTEM survey identified multiple conductors at The Cup. The conductive horizon at The Cup extends southwards onto the tenement M57/633. The survey also confirmed the shallow westerly dip of the various conductors

In what is an extremely encouraging sign, these conductive horizons at The Cup correspond to previously intersected gossanous material and ore-grade copper mineralisation identified along the tenement boundary. The horizons dip westward into the new Joint Venture tenement, suggesting that mineralisation may extend down-dip.

### Plan view of interpreted MLTEM conductors



The Company also identified two new conductors, one on the Birthday Trend and the other at the Spot.

The Birthday Trend occurs on the eastern side of the Montague Grandiorite (a sub-volcanic intrusion). The surrounding geology is an ideal environment for the formation of VMS mineralisation. For example, there is a strong felsic unit running the length of the trend, and chlorite and sericite alteration has been identified along that trend

The Spot target at Gossans Galore was identified by previous MLTEM surveying. The conductor lies within a highly prospective sub-region of the tenement package, with numerous surrounding conductors having excellent VMS geochemistry.

The previously drilled GRC224 was designed to test Spot, however no lithology was intersected which would account for the conductor. Difficulties with spatial definition meant accurate targeting was difficult, and drilling conditions in the field also proved difficult resulting in the hole not meeting its planned depth (it was drilled to only 90m). In saying that, GRC224 intersected disseminated sulphides from 70-90m in basalts. The sulphides were weakly anomalous in gold and copper.

### **Aircore results**

The Company received results on 26 August 2013 from an aircore program which occurred in the previous quarter. The focus of the program was on the Gravel Pit and Gossans Galore areas, which lie approximately 6km south of The Cup VMS mineralisation.

Overall the results were excellent, with widespread multielement anomalism detected throughout area. Much of the intersected anomalism corresponds directly to previously identified MLTEM conductors, suggesting the strong potential of the area to host significant base metal mineralisation

Two new VMS horizons have been successfully delineated at Gravel Pit and are characterised by carbonaceous and siliceous VMS sediment. VMS sediment from the east horizon is hosted wholly within volcanoclastic rocks while the west horizon is classified bi-modal because it is located at the contact between two different rock types, volcanoclastic and mafic volcanic rocks. The aircore results show strong anomalism in Cu, Zn, Pb, As, Ni, Cd, Sn, Sb, Tl, Bi, Mo, In, and Ag.

The aircore results from the Gossans Galore area were similarly strong, intersecting highly anomalous VMS multielement anomalism as well as massive sulphide accumulations. The drilling has also improved the spatial definition of the MLTEM conductors, which allows for accurate targeting with deeper RC holes into zones of interest.

Intersecting strong VMS anomalism in this area is consistent with the Company's opinion that the tenements represent an emerging VMS mineralised province. While this area represents a very compelling and attractive exploration front, the Company will focus exploration expenditure and efforts on The Cup area in the immediate future.



ABN: 31 008 402 391  
Level 8, 210 George Street Sydney NSW 2000  
GPO Box 225 Sydney NSW 2001  
Tel: 61 2 9191 4543  
Fax: 61 2 8247 7999  
Website: [www.gatewaymining.com.au](http://www.gatewaymining.com.au)



### **Strong Balance Sheet**

Gateway's balance sheet remains strong, with approximately \$2.7million available for drilling. This includes cash, deposits, short term receivables, and shares in listed companies. It is expected these funds will be sufficient to fund exploration activities for at least the next twelve months.

### **About Gateway Mining Limited**

Gateway holds approximately 150sqkm of tenements over the Gum Creek Greenstone Belt in the Yilgarn Craton, Gidgee WA (600km NE of Perth). The tenements have all the hallmarks of a significant new VMS province, along with existing gold mineralisation throughout the project. The Company is well funded and plans to test a large number of highly prospective targets over the remainder of 2013. Gateway also has in place a very experienced management and technical team.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Scott Jarvis, the Head Geologist at Gateway Mining, a member of the Australian Institute of Geoscientists. Mr Scott Jarvis has a minimum of 5 years' experience which is relevant to the style of mineralisation 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 Scott Jarvis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Gateway Mining Limited

ABN

31 008 402 391

Quarter ended ("current quarter")

30 September 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 12 months \$A'000
1.1	Receipts from product sales and related debtors	-	-
	Payments for (a) exploration & evaluation	(441)	(441)
	(b) development	-	-
1.2	(c) production	-	-
	(d) administration	(111)	(111)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(120)	(120)
	<b>Net Operating Cash Flows</b>	<b>(657)</b>	<b>(657)</b>
<b>Cash flows related to investing activities</b>			
	Payment for purchases of: (a) prospects	-	-
1.8	(b) equity investments	-	-
	(c) other fixed assets	-	-
	Proceeds from sale of: (a) prospects	-	-
1.9	(b) equity investments	350	350
	(c) other fixed assets	-	-
1.10	Loans to other entities	(176)	(176)
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	<b>Net investing cash flows</b>	<b>174</b>	<b>174</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(483)</b>	<b>(483)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	<b>(483)</b>	<b>(483)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(483)</b>	<b>(483)</b>
1.20	Cash at beginning of quarter/year to date	2,244	2,244
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,761</b>	<b>1,761</b>

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	44
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & consultancy fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	120
<b>Total</b>	<b>520</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	65	65
5.2 Deposits at call	1,696	1,696
5.3 Bank overdraft	-	-
5.4 Other (cash on deposit held by non-bank financial institution)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,761</b>	<b>1,761</b>

+ See chapter 19 for defined terms.

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	263,622,962	263,622,962		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	7,000,000 28,800,000 200,000,000		<i>Exercise price</i> 3.8 cents 2 cents 8 cents	<i>Expiry date</i> 15 Apr 2014 15 Nov 2014 6 Dec 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

(signature held on file)

Sign here: ..... Date: 31 October 2013

(Company secretary)

Print name: Gary Franklin

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.