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31 October 2014

## Quarterly Activities Report

### Highlights:

- **Completion of aircore program – excellent platform for future exploration**
- **RC and diamond results received during the quarter – ore grade mineralisation and confirmation major mineralised VMS system**
- **Future programs currently being planned and designed**
- **Balance sheet remains strong with approximately \$1.5m available plus expected option exercise in coming weeks**

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Gateway Mining Ltd (“Gateway” or “the Company”) has continued to be very active exploring its tenement package in Gidgee, WA. The results of the last quarter provide a lot of encouragement for the Company’s future exploration programs.

The Company has recently completed significant diamond, reverse circulation (RC) and aircore drilling, all of which demonstrated the excellent prospectivity of the Gidgee tenement package.

Exploration efforts continue to highlight the extent of the mineralised stratigraphy. Strong VMS geochemistry and alteration are continuing to be intersected within the stratigraphically defined mineralised horizons. The geochemical, geophysical and geological characteristics within the tenement package gives the Company confidence that the tenements still hold potential for a major discovery.

The Company will continue its strategy of systematically testing electro-magnetic conductive units within the mineralised structures already identified by previous exploration efforts.

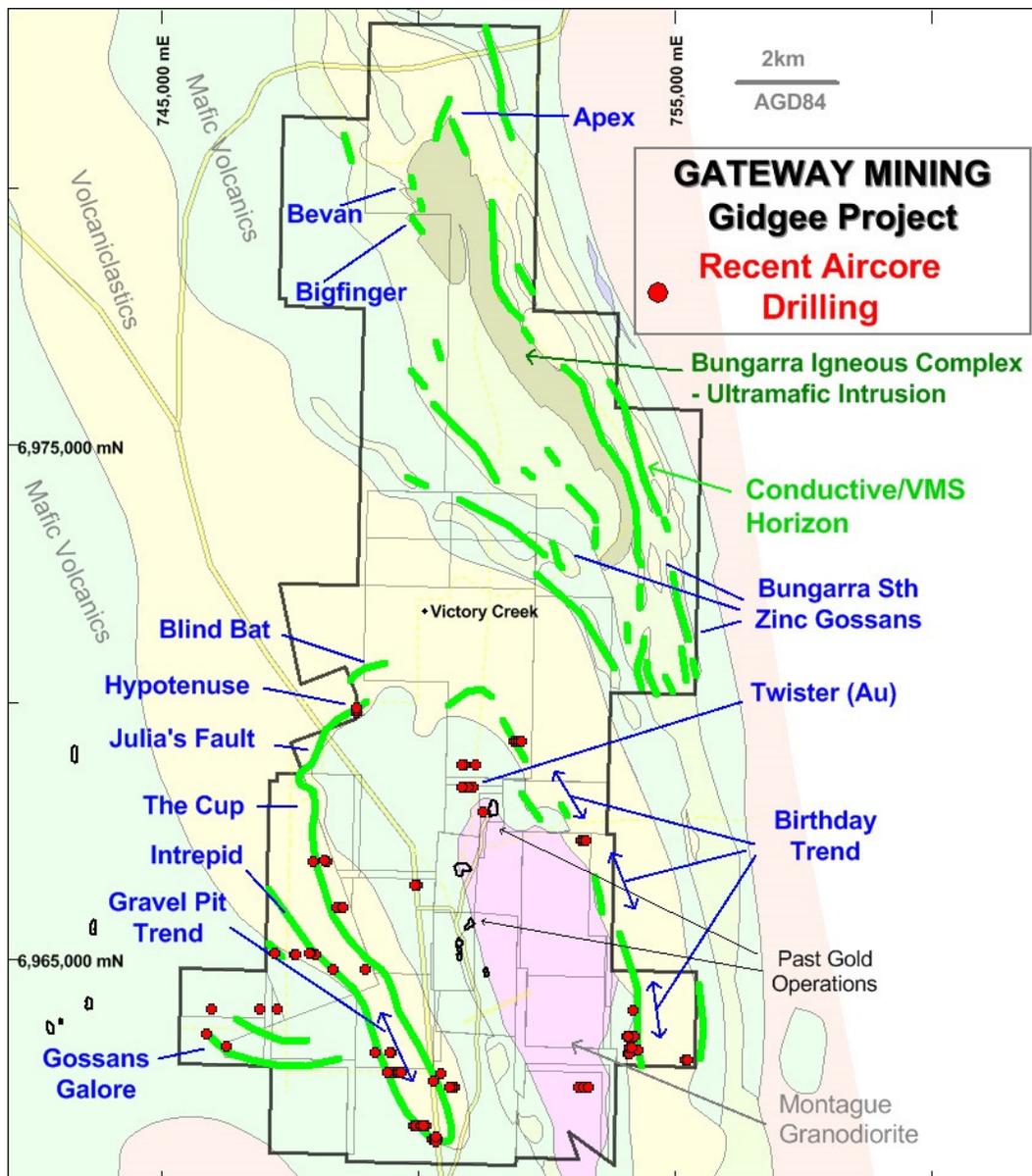
### Aircore Program

The aircore program recently completed by the Company has provided an excellent platform from which to conduct further exploration efforts. Further analysis of the results from the stratigraphy running from The Cup south through to Gravel Pit are beginning to present a very compelling exploration prospect. Strongly anomalous copper and VMS multielement geochemistry was encountered.

The program demonstrated that the fertile horizons appear to be more indicative of a synclinal structure, which opens up a number of exploration possibilities not previously realised. The Company is still

analyzing the results in light of previous geochemical and geophysical work. These results will form the basis of the next exploration program.

The focus of the current modelling on that trend is using the data from the 4 drill traverses on the 6964800N, 6965100N, 6966000N and 6966900N lines. Collating this data with historical data has identified a clear gold trend with overlaying shales. The gossans which were intersected in the previous drilling intersected strongly anomalous copper and VMS geochemistry, including Cu to 943ppm and Pb to 470ppm. Multielement geochemistry included As to 887ppm, Bi to 2.05ppm, Sb to 13.45ppm, Se to 19ppm, Sn to 13.5ppm, Tl to 5.95ppm and W to 11.7ppm.



A clearer picture of the geological structure is beginning to emerge, which will be key to designing future exploration programs. The geological insights gained from the drilling have helped develop an understanding of the orientation of the various mineralised horizons.

22 air core holes were also drilled in the Gravel Pit area, which is the southern extension of structure tested above, in an attempt to resolve the complex and enigmatic EM responses returned to date.

The gravel pit trend is totally obscured by transported colluvial deposits apart from a single sub-outcropping gossan which was initially interpreted as correlating with the Julia's Fault outcropping gossan and The Cup sub-surface gossans approximately 7km to the NNW. No further outcrop occurs between these two outcropping gossans. The Gravel Pit trend was thus interpreted as the southern extension of the highly prospective Cup, Julia's VMS stratigraphy.



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The recent air core holes were drilled in an attempt to further refine this syncline concept.

GAC268 returned interesting levels of base and trace elements, including Pb to 103ppm, given that the hole terminated in a hard quartz vein.

A line of air core on the 6961500N line was drilled to target the least complicated of the EM responses from the area. GAC189 intersected an impressive gossan zone over a 15m downhole interval. The gossan contained weakly anomalous VMS geochemistry and provided further evidence of a massive sulphide system as well as conductive VMS prospective stratigraphy.

Weak base metal and trace element trends appear to in fact map out a synclinal like architecture to the stratigraphy in this area. This is highly encouraging from a mineral exploration point of view.

The zinc and thallium trends (geochemical results of which are on the diagram above) are associated with cherty silicified sediments. The initial interpretation of this trend is that it could be signal of proximity to the exhalite horizons which are VMS vent areas. Further, it also provides strong evidence for the synclinal exploration model.

### **Birthday Trend**

The Birthday trend comprises an 8km plus long mafic, felsic and sedimentary corridor that flanks the eastern side of the interpreted co-magmatic, sub-volcanic Montague granodiorite intrusion. The Birthday stratigraphic trend is interpreted as perhaps the folded repetition of the same general stratigraphy that hosts The Cup, Julia's, Bevan and Ed's Bore VMS mineralisation to the north and west.

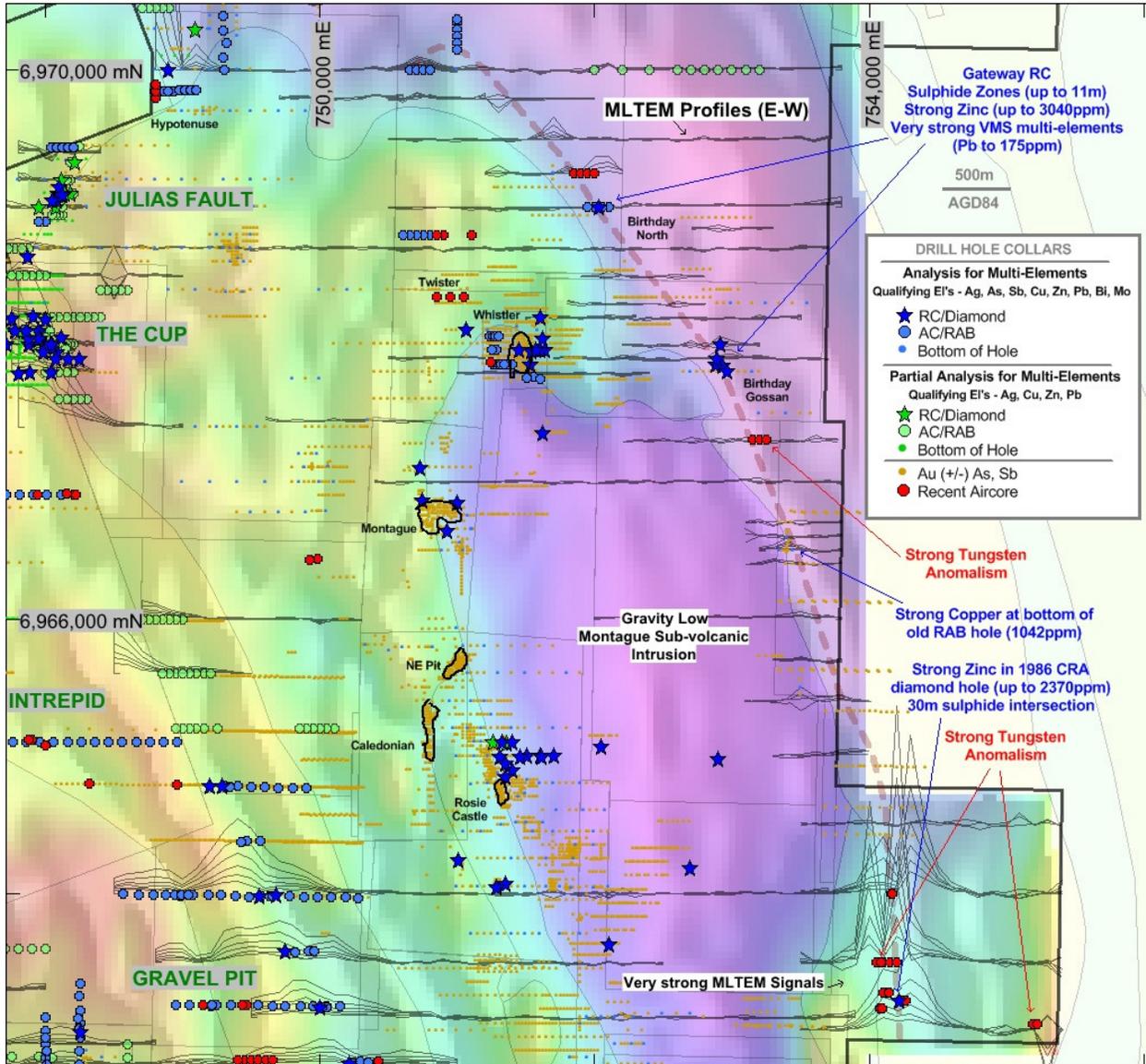
The corridor is host to numerous intermittent sub-cropping gossans showing highly elevated trace and base metal anomalism. The gossans are supported by variable MLTEM responses indicative of underlying massive sulphide. Intermittent EM responses from areas obscured by colluvium are also evident along the general trend of the corridor.

The recent program comprised 23 relatively wide spaced air core holes on 7 regional spaced traverses. The main aim of the drilling was to test EM anomalies below transported cover where no outcrop was evident from surface prospecting.

A small outcropping gossan was also drilled in an attempt to correlate it with an old CRA diamond hole which returned a 30m disseminated/semi-massive to massive sulphide intersection containing highly anomalous zinc, tungsten, selenium and elevated copper. No obvious ironstones indicative of weathered sulphide horizons were evident from the recent drilling and the source of the EM anomalies remains as yet unresolved.

Subtle zinc and pathfinder anomalism was however evident on most traverses and should greatly assist in positioning and prioritising future RC drill testing of the EM responses under transported cover.

From a geochemical prospecting point of view it appears that the Birthday trend, in the near surface weathering environment may be highly depleted in base metals and some of the more mobile pathfinder elements to a greater degree than elsewhere in the project.



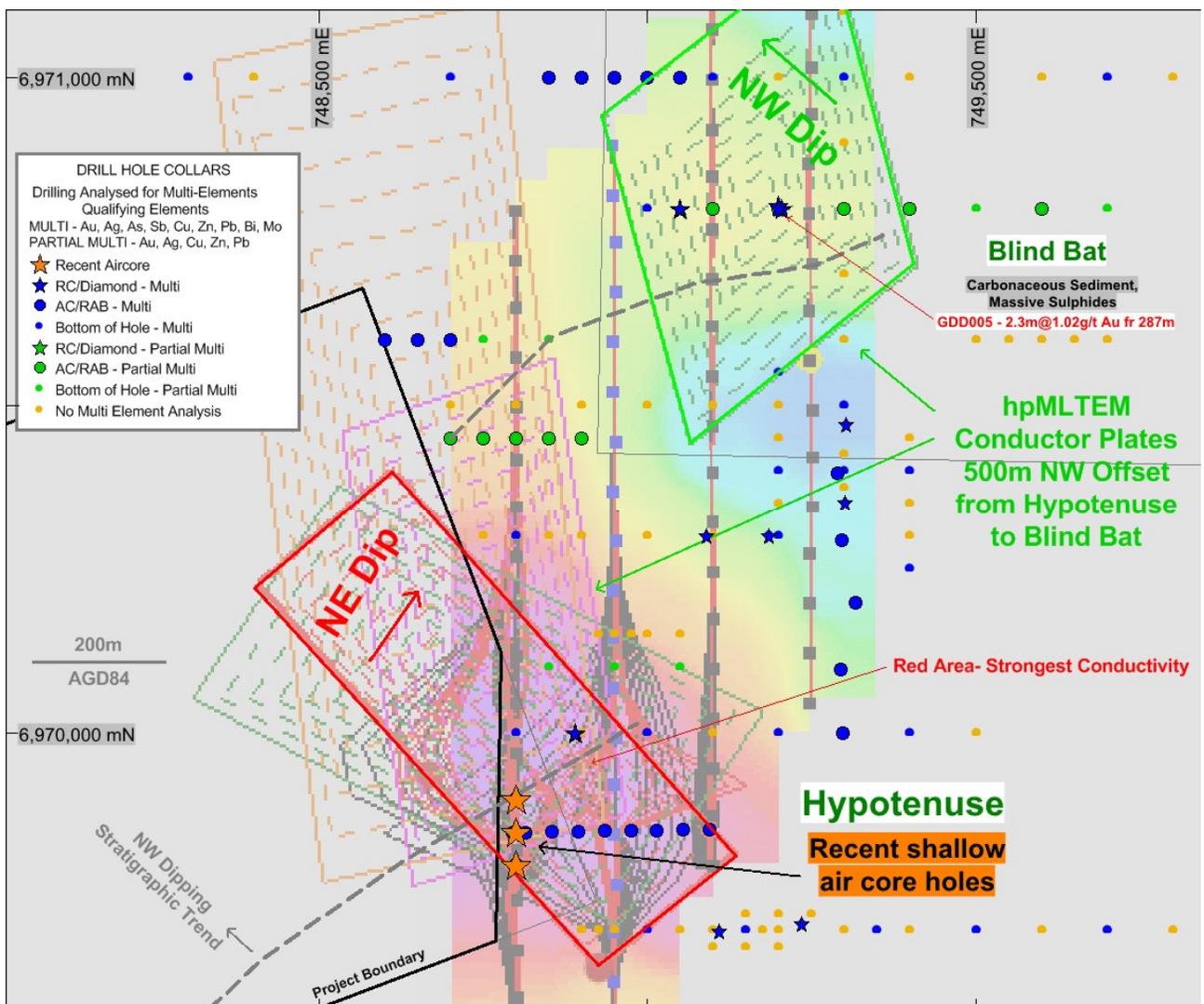
This would appear consistent with the low water table encountered in this region which is probably restricted to fractures in coherent relatively fresh bedrock. In this situation one has to be wary in that any secondary geochemical dispersion halos are much more likely to be subtle.

From a geophysical prospecting point of view subtle EM responses are not necessarily indicative of small sources. High grade low Fe zinc deposits with high grade copper zones can often have subtle EM response in the absence of significant pyrite and pyrrhotite.

Alteration geochemistry also suggests significant hydrothermal alteration assemblages of chlorite and sericite are apparent along this trend.

### Other targets

3 holes were drilled to test a very strong MLTEM anomaly at the Hypotenuse prospect. All three holes returned strong multi-element and base metal anomalism from a partly gossanous black shale/siltstone sequence. Multielement geochemical anomalism included 1,595ppm As, 1.56ppm Bi, 658ppm Cu, 2.1g/t Ag, 185ppm Pb, 81ppm Sb, and 7.3ppm Sn. These results are highly suggestive of a VMS fertile system



Modelling of high powered MLTEM recently carried out has a complex set of conductor plates interpreted. There is a set of 3 conductive plates that dip to the NW increasing from shallow to moderate dip to the

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NW. There is also an unusually oriented conductor plate dipping moderately to the NE, which at this stage is probably the most interesting of all of the conductors.

The NW dipping conductors align with stratigraphic trends observed at Julia's Fault prospect to the south and at Blind Bat to the North, and appear to be located along the continuation of the same VMS stratigraphic horizon. Conductivity, however, is much stronger at Hypotenuse, a phenomena that is yet to be explained. Drilling to date has not penetrated all the way through the carbonaceous shale unit, and mineralisation at The Cup, just 2km to the SW, sits at the base of this VMS exhalative package. The base of the highly conductive VMS stratigraphy at Hypotenuse remains a strong target for future drill programs.

The NE dipping conductor is also considered highly prospective because of its unusual orientation. Recent air core holes did not penetrate deeply enough to intersect this conductor and it too remains to be drill tested.

5 holes were drilled at the Gossans Galore general area. GAC262 intersected a weakly anomalous gossan zone underlain by a wide zone of disseminated sulphides hosted by a highly bleached/altered/weathered mafic lithology easily mistaken as felsic in origin. Three of the holes drilled in this program returned strong As, Sb and W anomalism from the overlying colluvium and paleochannel deposits. The area may be prospective for tungsten mineralisation in addition to VMS type mineralisation. The Company is currently evaluating data to determine an appropriate exploration program to test for mineralisation.

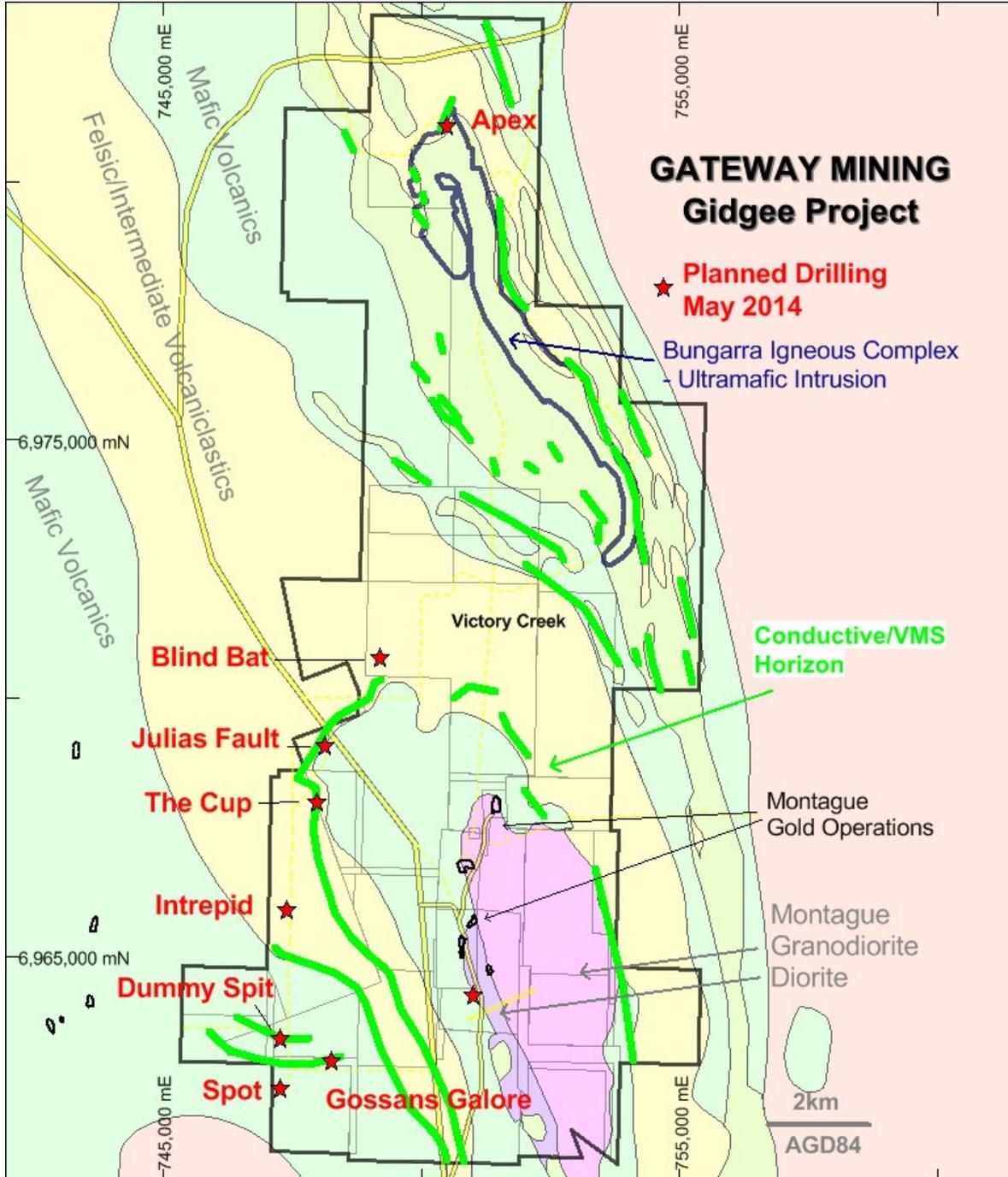
Drilling also occurred at the Twister prospect. Highly elevated multielement anomalism was intersected, including Cu to 1,1190ppm, As to 1,1105 ppm, and Pb to 348ppm. Relatively elevated Potassium would also appear to indicate reasonably extensive sericite alteration within a predominantly mafic sequence. The multi element data appears to have upgraded this area as a gold target and further exploration is most definitely warranted

### **RC and Diamond Drilling Program**

Approximately 1,400m of RC drilling and 500m of diamond drilling was completed focusing primarily on the VMS stratigraphy. Results were received and announced to the market during the quarter on 21 July 2014.

First drilling was conducted at both the Blind Bat and Intrepid prospects with one hole drilled at each target. Both holes returned very encouraging results, providing excellent follow up targets for the next RC drill program. The Blind Bat hole, from a technical perspective, was considered a major success in that it intersected what is unquestionably a VMS-related system. This opens up a further part of the stratigraphy which is now considered very prospective for VMS mineralisation. The Intrepid prospect too returned the sort of geochemistry that would be associated with much stronger mineralisation in the primary sulphides.

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## **The Cup**

GDD003 was drilled at The Cup and was designed to test the chalcocite zone with diamond drilling. The hole intersected:

53m @ 1.01% Cu, 1.77g/t Ag from 67m  
Incl 27m @ 1.55% Cu, 0.95g/t Ag from 87m

A strong sulphide zone was intersected at the top of the copper mineralisation with better copper grade sitting below the base of the sulphide zone in lower saprolite clays (reduced clays). Dark and light banding in the clay was returned in drill core and when analysed using an XRF gun the darker bands were more strongly mineralised for copper. The lamination is most likely the product of supergene weathering with the darker bands enriched in the copper sulphide mineral chalcocite. Structural measurements taken from GDD003 support geometry of mineralised interpretations.

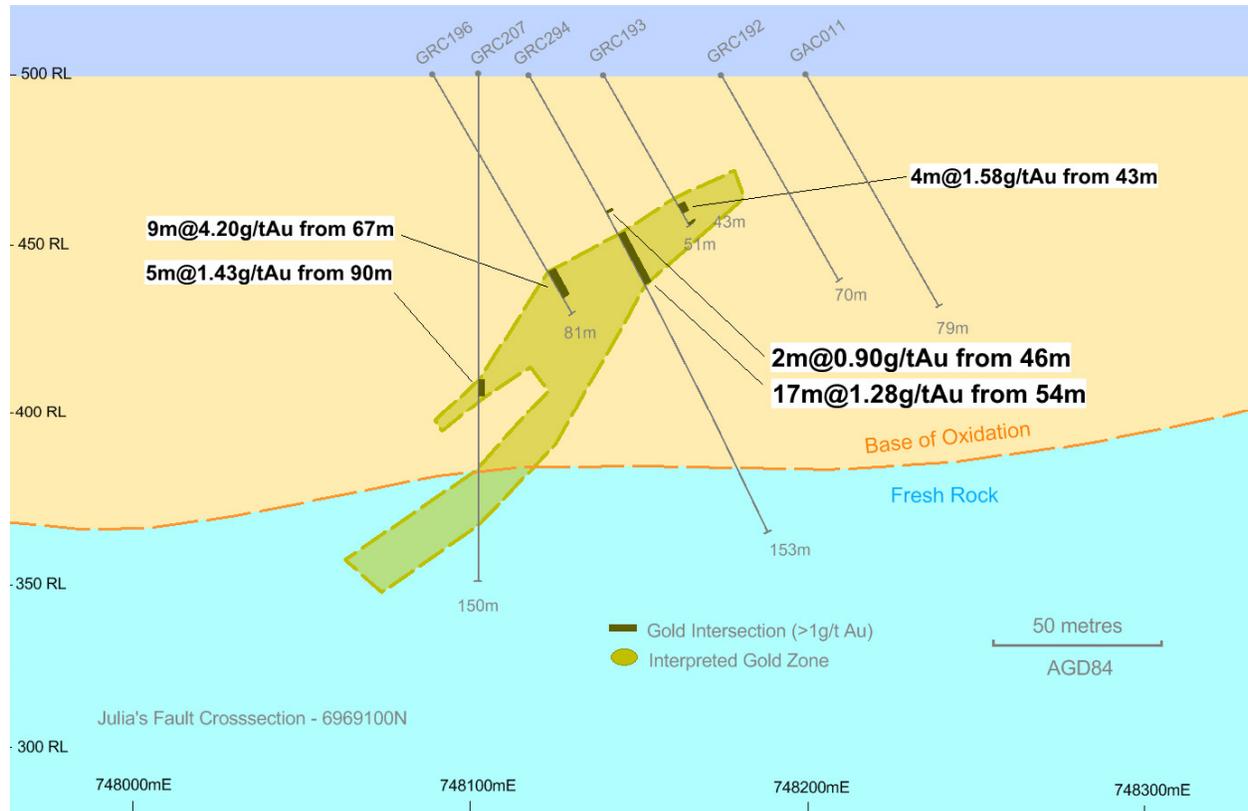
This level of copper represents an approximate 10% increase in grade compared with previous drilling. Further work is being planned at The Cup to continue developing an understanding of the mineralised horizon. However, work to date shows that it is an excellent mineralised target that warrants further step out and extensional drilling.

## **Julia's Fault**

GRC294 was drilled at Julia's Fault prospect targeting copper and gold mineralisation. Much historic work in the area was not assayed for a full multielement suite, with a significant number of samples not having copper assays. Hence the hole was designed to test for both copper and gold, along with the objective of obtaining a wider set of assays. Significant gold mineralisation was intersected including:

17m @ 1.28g/t Au and 3.20g/t Ag from 54m

Gold enrichment occurred within a highly weathered siliceous gossan in fine grained intermediate tuffaceous rocks. The gold zone is also strongly anomalous for antimony to 142.5ppm and arsenic to 7640ppm. Other multi-element anomalism includes Bi to 2.13ppm, Mo to 11.1ppm, Pb to 293ppm, Se to 46ppm and W to 7.1ppm.



## Blind Bat

Diamond drill hole GDD005 intersected VMS related stratigraphy that would appear to explain the conductor identified in FLTEM surveying. Stratigraphy includes two 8m wide zones of massive pyrite overlying 40 metres of carbonaceous shale. The sulphide zones and the shale show elevated VMS multi-element anomalism and sit at the contact between sheared basalt and fine grained felsic tuffaceous rocks. The massive sulphide zones show signs of possible re-mobilisation, perhaps during the phase of high deformation that has caused shearing in the overlying basalt. Moderately intense quartz veining and biotite alteration are located at the base of the carbonaceous shale that appear related to later stage orogenic hydrothermal activity.

What the drilling intersected is certainly VMS related. There was a typical Sb-Tl-Te-W-Cs-Ni-Cr-Mo-Se halo in the footwall of the massive sulphides, which is what would be expected in a VMS system. There was also good Na depletion and large mass gains in S and Fe throughout the mineralised section. The hole is considered a significant success given it was the first piece of drilling into the target.

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## **Other targets**

GRC297 is the first RC hole drilled at Gossans Galore East where shallow transported cover overlies a strong conductive response from ground MLTEM work and strong geochemical anomalism was intersected in shallow aircore drilling.

Recent drilling successfully intersected VMS stratigraphy including gossan and sulphide zones in carbonaceous shale. 41 meters of strongly sulphidic carbonaceous shale was intersected from 72m depth with sub-vertical to steep northerly dip.

Strong silver/gold anomalism was intersected including 25m @ 0.12g/t Au and 2.09g/t Ag from 100m depth including 5m @ 0.38g/t Au and 4.14g/t Ag from 115m. Other geochemical anomalism includes As to 229ppm, Bi to 1.04ppm, Cd to 10.25ppm, Cu to 432ppm, Mo to 3.66ppm, Pb to 134ppm, Sb to 7.22ppm, Sn to 6ppm, W to 4.5ppm and Zn to 1140ppm. Intersection of VMS stratigraphy with strongly anomalous gold and silver is an encouraging result for this section of the project where only significant copper had been intersected to date and exploration is in very early stages.

One RC hole was also drilled at Apex targeting DHTEM conductivity that was identified during the previous round of drilling in March 2014. Drilling intersected a wide zone of ultramafic intrusive rocks anomalous for Ni, Pt, Pd and Cu including:

60m @ 0.11% Ni, 0.04g/t Pt and 0.13g/t Pd from 180m

Highly elevated magnetic susceptibility readings were also returned at or close to these anomalous intersections.

Further geophysical work is planned in the area to better define further conductive units. The Apex area has very strongly anomalous surface expression of sulphide mineralisation and very anomalous results in drilling.

## **Corporate**

The Company has approximately \$1.5m available in cash, debt securities, term deposits and listed equity securities for future exploration programs and working capital.

It is expected that further significant funds will flow into the Company from the exercise of options during November. The Company may consider engaging an underwriter closer to the expiry date to ensure the full amount of capital is issued. This maintains the integrity of the Company's cash flow forecasts and budgets.

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### **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, as well as significant potential for Ni-Cu-PGE related mineralisation along with existing gold mineralisation throughout the project. The Company is well funded and plans to focus exploration efforts on stratigraphy host to The Cup for the immediate future. Gateway also has in place an 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, a full time employee & 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 2012 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.*

Rule 5.3

# 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 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 12 months \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
Payments for (a) exploration & evaluation	(283)	(283)
1.2 (b) development	-	-
(c) production	-	-
(d) administration	(117)	(117)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(390)</b>	<b>(390)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	151	151
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	120	120
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>271</b>	<b>271</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(119)</b>	<b>(119)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	<b>(119)</b>	<b>(119)</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>(119)</b>	<b>(119)</b>
1.20	Cash at beginning of quarter/year to date	1,275	1,275
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,156</b>	<b>1,156</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
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**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
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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
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+ 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	120
4.2 Development	-
4.3 Production	-
4.4 Administration	90
<b>Total</b>	<b>210</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	85	166
5.2 Deposits at call	1,071	1,109
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>1,156</b>	<b>1,275</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>	265,622,962	265,622,962		
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>	28,800,000 200,000,000		<i>Exercise price</i> 2 cents 8 cents	<i>Expiry date</i> 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: (signature held on file) ..... Date: 31 October 2014  
(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.