



18 August 2014

## Upcoming Aircore Drill Program

### Highlights:

- **3,000m aircore program to commence later this week**
- **Testing along the highly prospective Birthday Trend VMS corridor**
- **Drilling to occur south of The Cup at Intrepid and Gravel Pit – interpreted to be part of same mineralised stratigraphic horizon**
- **Several holes to be drilled at Bungarra South – highly anomalous VMS zinc and copper gossans yet to be drill tested**
- **Several other targets possibly drilled depending on time/planned expenditure constraints**

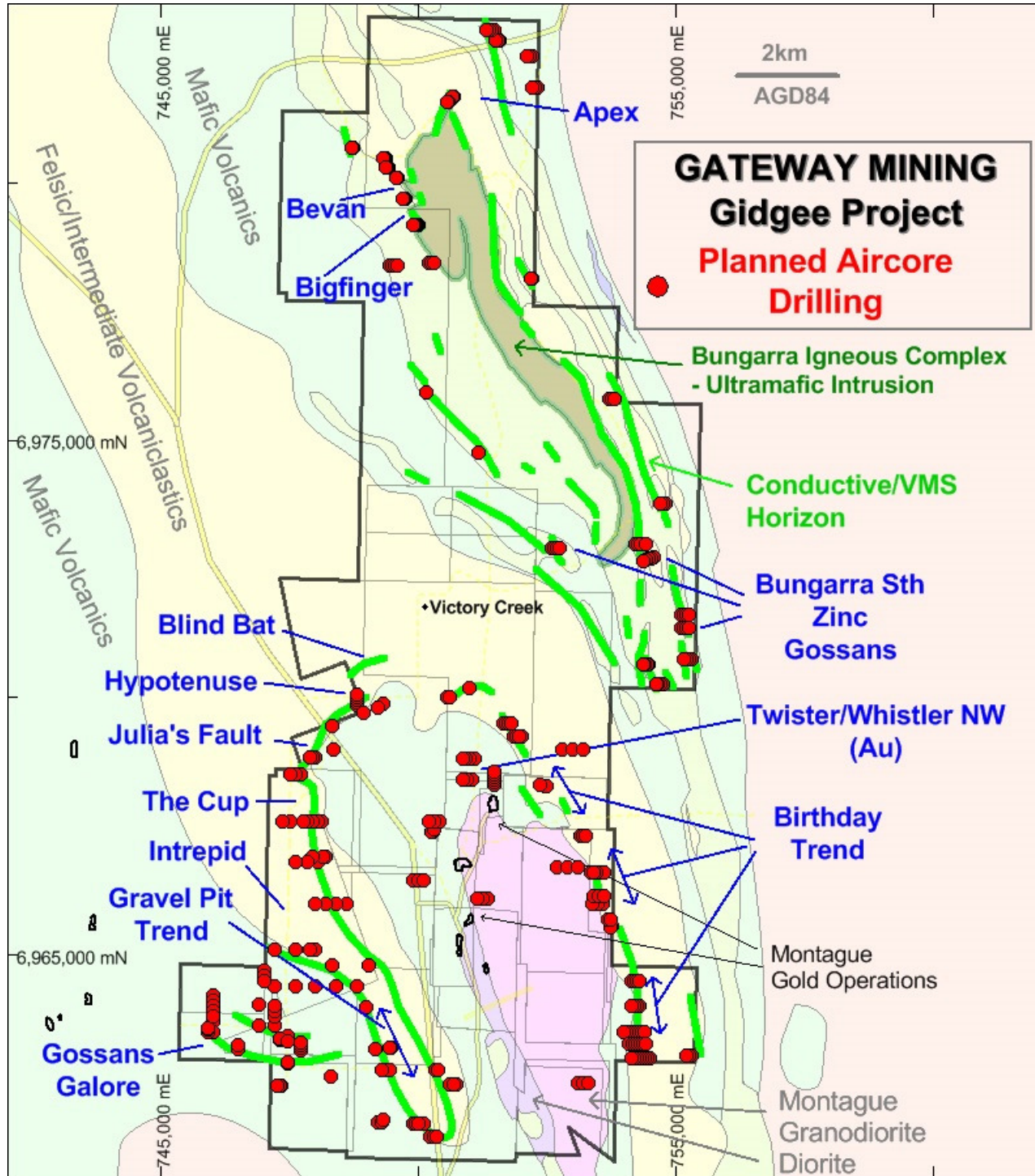
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Gateway Mining Ltd ('Gateway' or 'the Company') is very pleased to announce that a significant aircore program will commence later this week. The program meets the dual purpose of achieving minimum tenement expenditure on certain tenements, but also testing entirely new targets which have promising surface expression of mineralisation with coincident geophysical characteristics.

Due to the Company's focus on The Cup and the surrounding areas, many other highly prospective targets have not been followed up in recent times. For example, at Bungarra South numerous gossan outcrop and subcrop have been sampled with each gossanous area returning zinc results above 1,500ppm, and up to 3,600ppm. Geochemistry indicates it is typical of a VMS system. A coincident VTEM anomaly is coincident with the outcrop, however the targets have never been drill tested

Similarly, the Birthday Trend is a very promising part of the project stratigraphy. Geochemical and lithological results along the trend show very strong similarities to other significant VMS provinces, confirming the Company's opinion that this is a very prospective part of the project tenure. To date only sparse drilling has occurred, with many conductors yet to be drilled.

The Company's dual focus will be to continue to test The Cup stratigraphy by gradually stepping out the drilling and following the zones of higher grade copper & drilling as yet untested conductors, while also focusing on testing other very promising targets within the project.



Overview of drill program – not all holes will be drilled in this program

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### **Birthday AC.**

The Birthday trend comprises an 8km long mafic, felsic and sedimentary corridor that flanks the eastern side of the interpreted comagmatic, sub-volcanic Montague granodiorite intrusion.

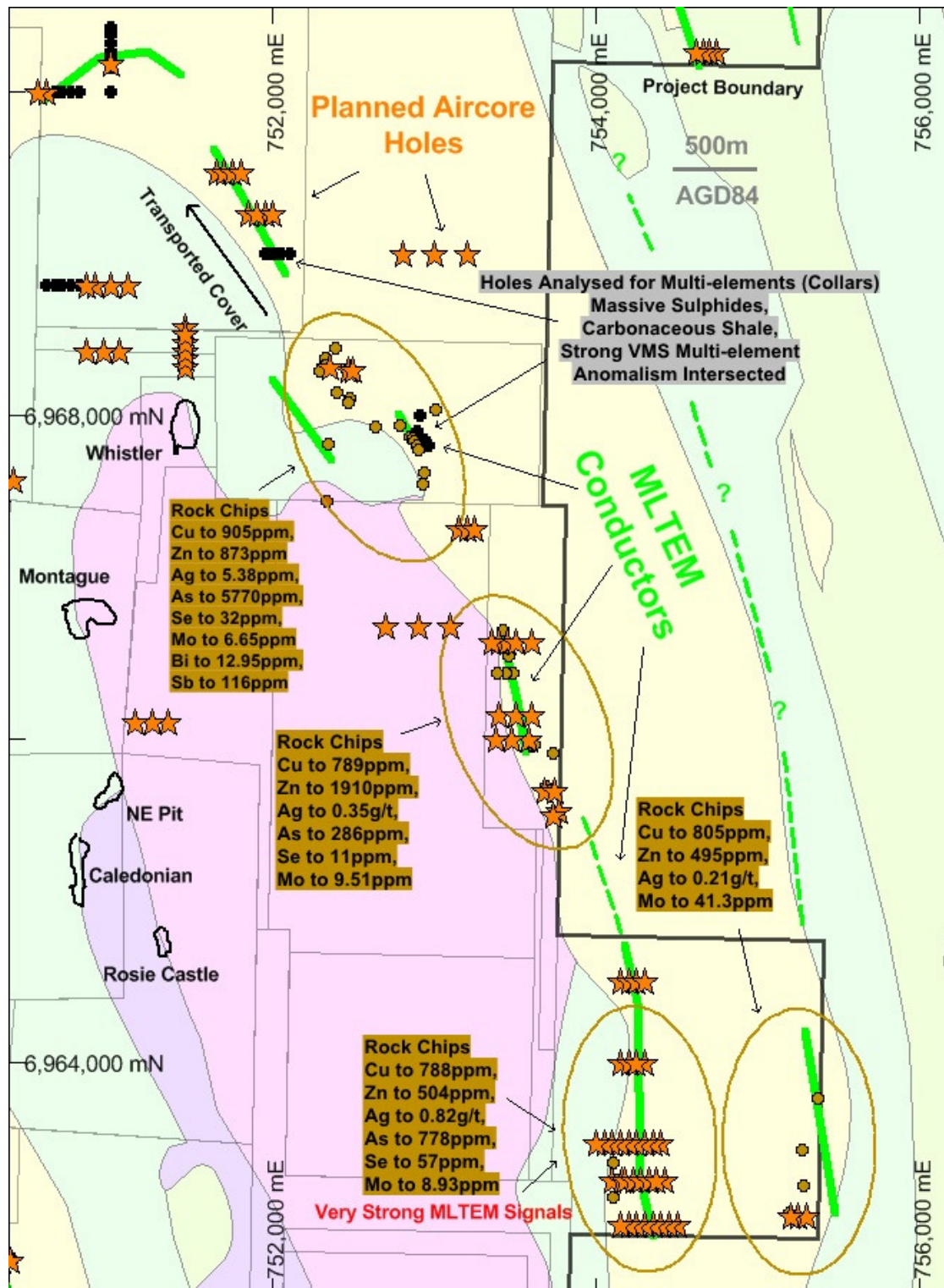
The Birthday stratigraphic trend is interpreted as a folded repetition of the same stratigraphy that hosts The Cup (27m @ 1.42% Cu), Julia's Fault (6m @ 3.8g/t Au and 14m @ 2.94g/t Au), Bevan (13m @ 3.41% Cu & 10m @ 1.32% Cu) and Ed's Bore (14m @ 1.9% Zn) VMS mineralisation. What this means is that further exploration work within the same stratigraphic horizon has the potential to find the same style of minearlisation.

The corridor is host to numerous intermittent sub-cropping gossans containing highly elevated trace and base metal anomalism. Gossan samples to 905ppm Cu, 1,910ppm Zn, 5.38g/t Ag, 5,770ppm As, 57ppm Se, 41.3ppm Mo, 12.95ppm Bi and 116ppm Sb have been received to date. This level of anomalism is highly indicative of VMS mineralisation.

Limited MLTEM work has been conducted on the Birthday Trend. Geophysical work, however, has returned responses indicative of underlying massive sulphide most likely related to the strong surface expression.

Limited drilling to date on only two traverses at 1.5Km line spacing intersected narrow zones of massive sulphide with strong trace/base metal geochemistry and lithology/alteration indicative of base metal fertile VMS stratigraphy.

The majority of the corridor is obscured by transported colluvial sheetwash deposits, which explains why the trend was not discovered and explored historically. The planned air core drilling is designed to test both the sub-cropping gossans and MLTEM anomalies beneath transported cover. The transported cover sequence thickens at the northern end of the Birthday Trend. The drilling here will hopefully define areas of very strong anomalism which can be swiftly followed up with subsequent RC drilling



Overview of Birthday Trent

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## **Gravel Pit**

The gravel pit trend is totally obscured by transported colluvial deposits apart from a single sub-outcropping gossan which is interpreted as correlating with the Julia's 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 is thus interpreted as the southern extension of the highly prospective The Cup-Julia's VMS stratigraphy.

Initial aircore drilling through this area returned moderately anomalous trace element geochemistry along two apparent sub-parallel horizons.

The drilling did not appear to correlate well with the initial interpretation of the strong multiple MLTEM anomaly trends that were defined, returning dominantly disseminated sulphide from interpreted interflow sedimentary/tuffaceous horizons within dominantly mafic volcanics.

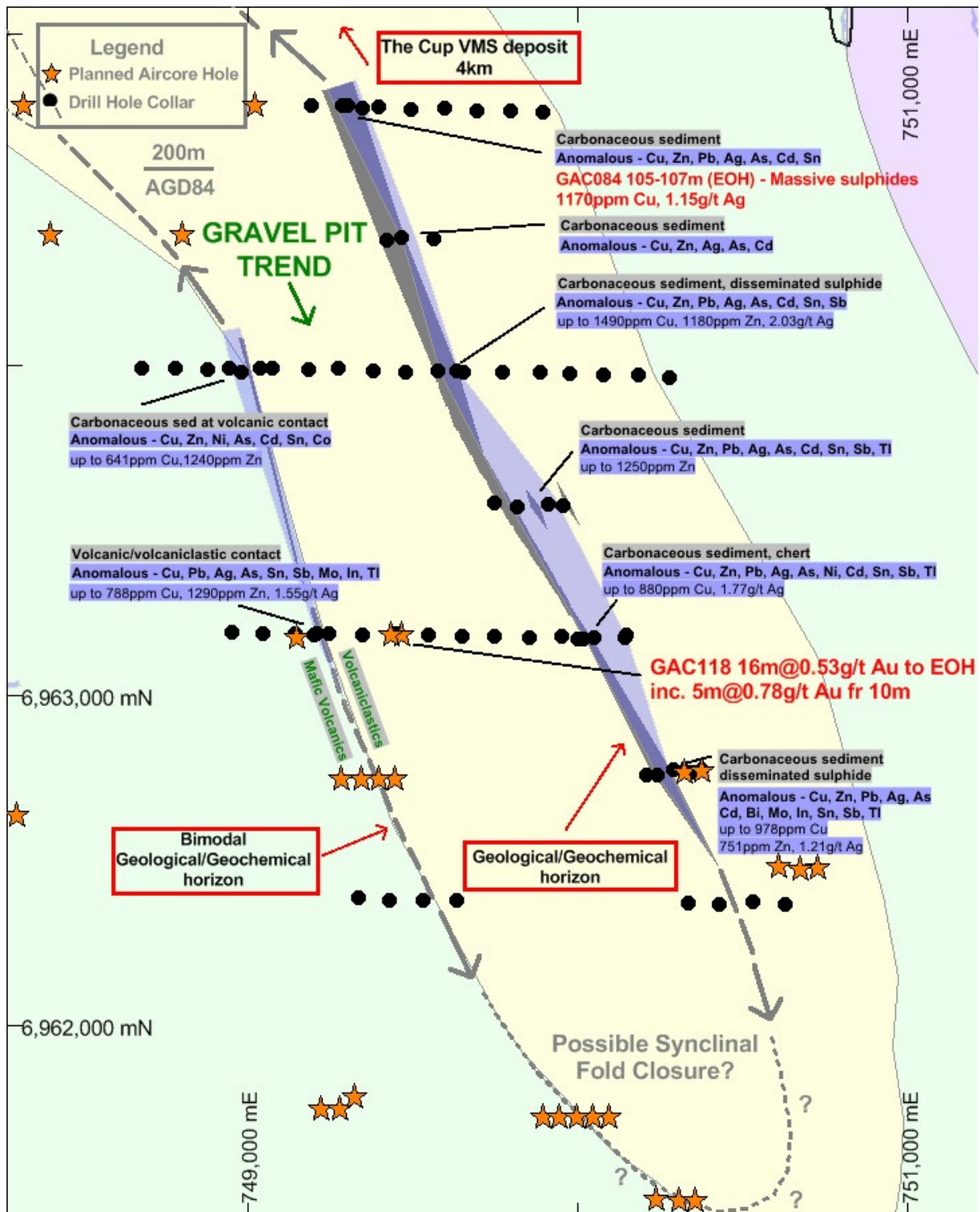
Subsequent reinterpretation of the MLTEM profiles revealed that the initial multiple horizon interpretation may be better explained by two sub-parallel horizons which are in fact the east and west limbs of a syncline. The same fold geometry may hold true to the north at The Cup and Julia's creating a lot of exciting space for future exploration.

In light of the new interpretation it would appear the Gravel Pit trend at this stage has not been adequately tested and remains highly prospective for VMS style mineralisation.

The air core drilling in the coming program is designed to test the new interpretation.

A strong gold only anomaly was returned from the area in the last aircore program which was not expected. GAC118 returned 16m @ 0.53g/t Au, including 5m @ 0.78g/t Au, from 10m to EOH. The type of gold here appears to be of different character to gold anomalism associated with the VMS systems. Two aircore holes are planned to better define any potential extensions to the mineralisation.

Limited aircore follow up is planned to further test the anomaly.



Overview of Gravel Pit

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### **Cup South/Intrepid trend**

Again no outcrop occurs south of The Cup mineralisation.

Information south along strike for 3-4km is limited to old wide spaced RC/ RAB/AC holes and some widely spaced more recent aircore drilling.

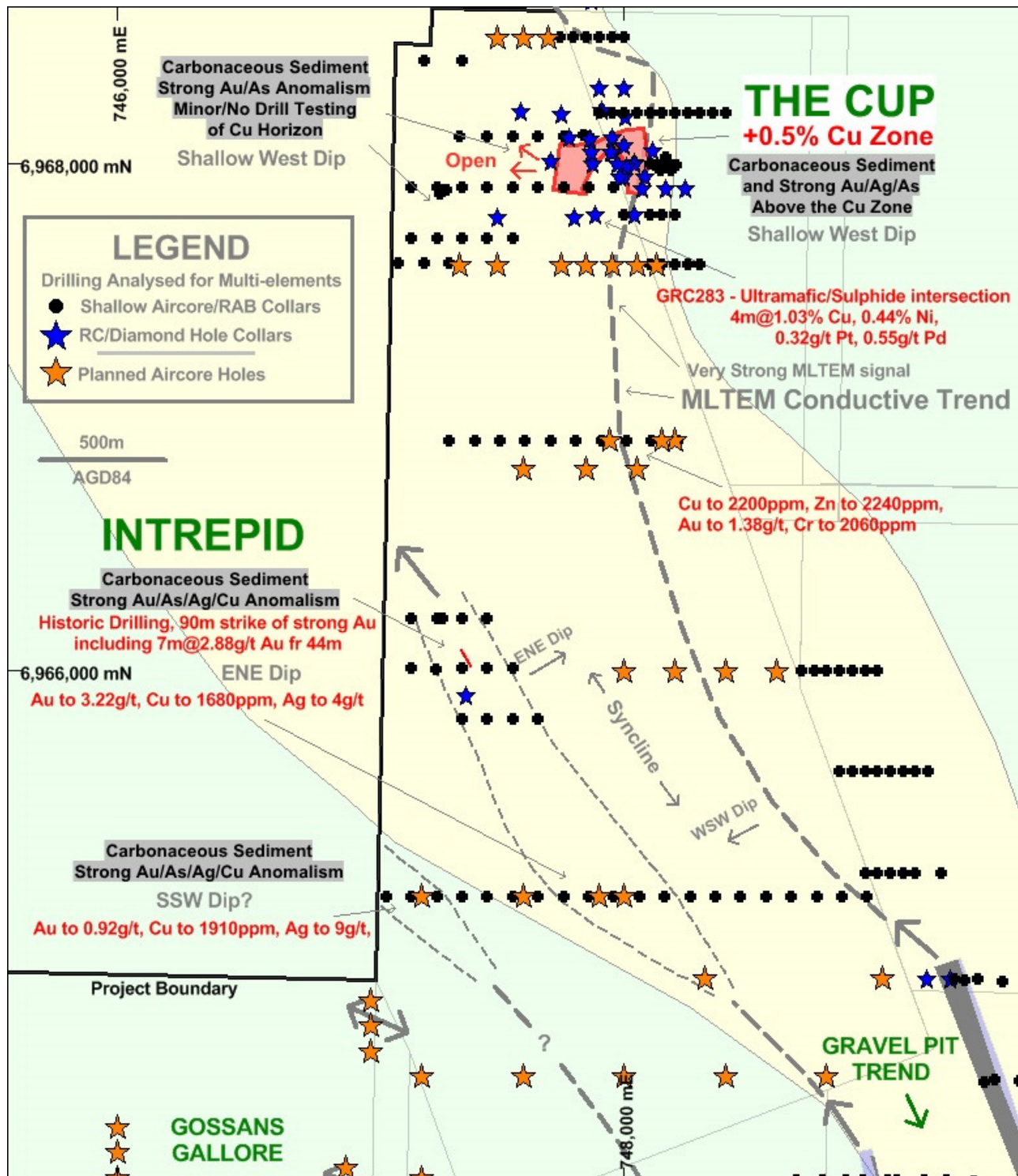
Interrogation of the historical drilling in this area shows limited base and trace element analysis was done on old drill hole samples designed primarily for gold exploration.

Numerous gold and base/trace element anomalies (where available) are evident and appear to generally suggest the area south along strike of The Cup is relatively unexplored in terms of VMS type gold and base metal mineralisation and also appears highly prospective. A narrow intersection of ultramafic hosted Ni/Cu sulphides in GRC283 (4m@ 1.03% Cu, 0.44% Ni, 0.32g/t Pt, 0.55g/t Pd) is also located to the south of The Cup. Copper/Chromium/Nickel anomalism (Cu to 0.22%, Cr to 0.21% and Ni to 0.09%) in shallow air core drilling 1km to the south and a very strong MLTEM signal 500m south indicate potential for mineralisation of this style.

The upcoming aircore drilling is designed to follow up the better of the historical data anomalism and further test the validity of the postulated synclinal fold architecture along the entire trend strike length.

The strong +0.5% copper zone at The Cup remains open to the NW but is at depths too great for air core drilling to target. Strong arsenic and gold enrichments in historic drilling indicate the system continues in this direction, historic drilling did not test for other significant metals such as silver and copper, nor did it drill very far beyond the gold zone into the copper/sulphide horizon.

Extension of this copper zone represents an attractive target with intersections to date of copper, particularly given there are additional strongly mineralised zones located higher in the stratigraphic sequence such as 3m @ 67.3g/t Ag and 1.17g/t Au from 62m in GRC277 and also if mineralised widths/grade were to improve. The strong gold mineralisation in historic drilling at Intrepid is a good indication that a system similar to The Cup is located along this trend and there may also be significant silver concentrations associated with the gold.

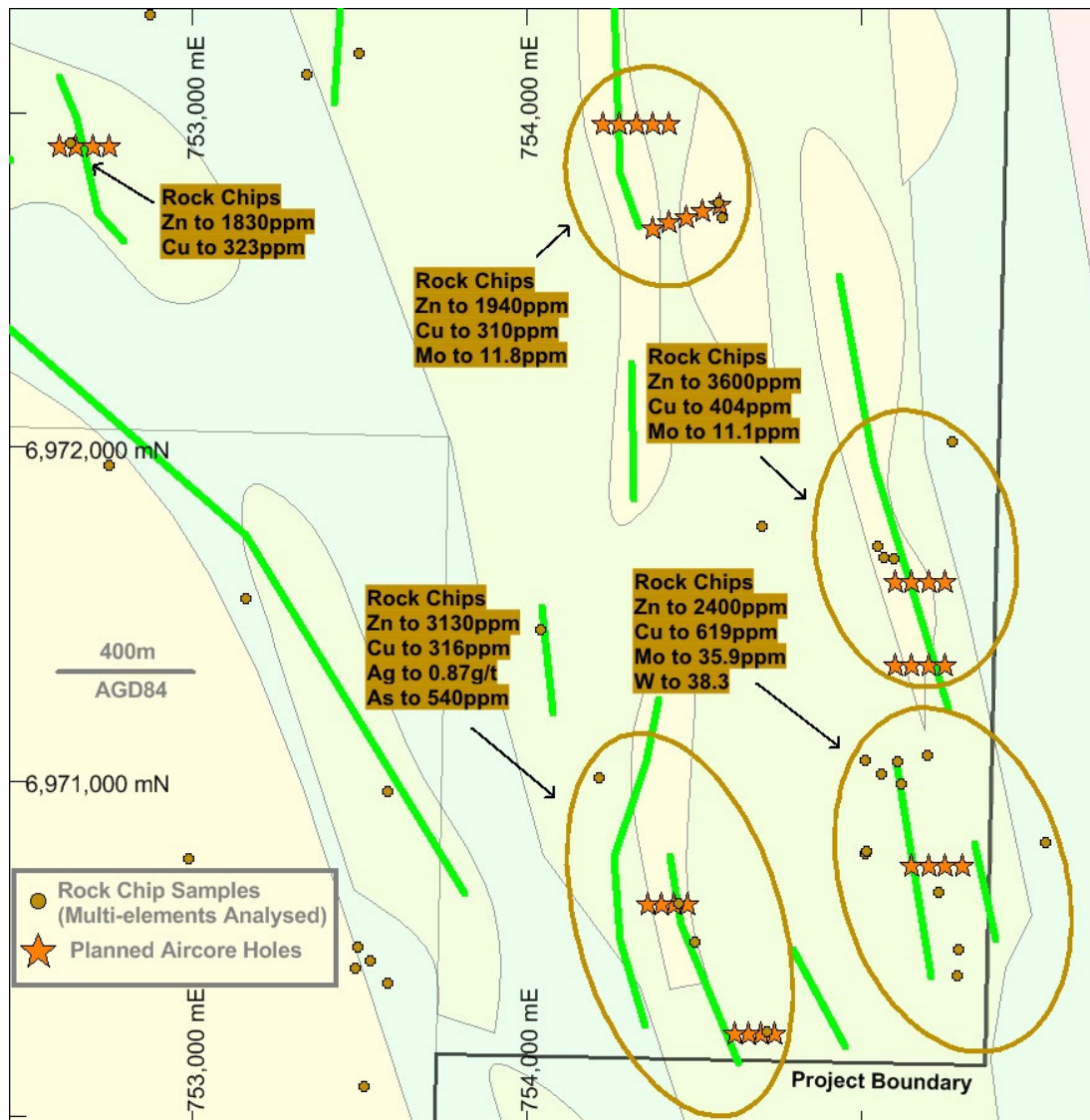


Cup South / Intrepid prospects

## **Bungarra South**

Numerous sub-cropping, highly zinc anomalous ironstones with coincident VTEM anomalies occur south of the Ed's bore Zinc mineralisation trend and Bungarra trend in general. The ironstones outcrop intermittently but are often obscured by scree slope colluvium. None of these have been drill tested.

The area is not ideally suited for aircore drilling however some attempted aircore drill testing would appear justified even if only partial testing is accomplished.

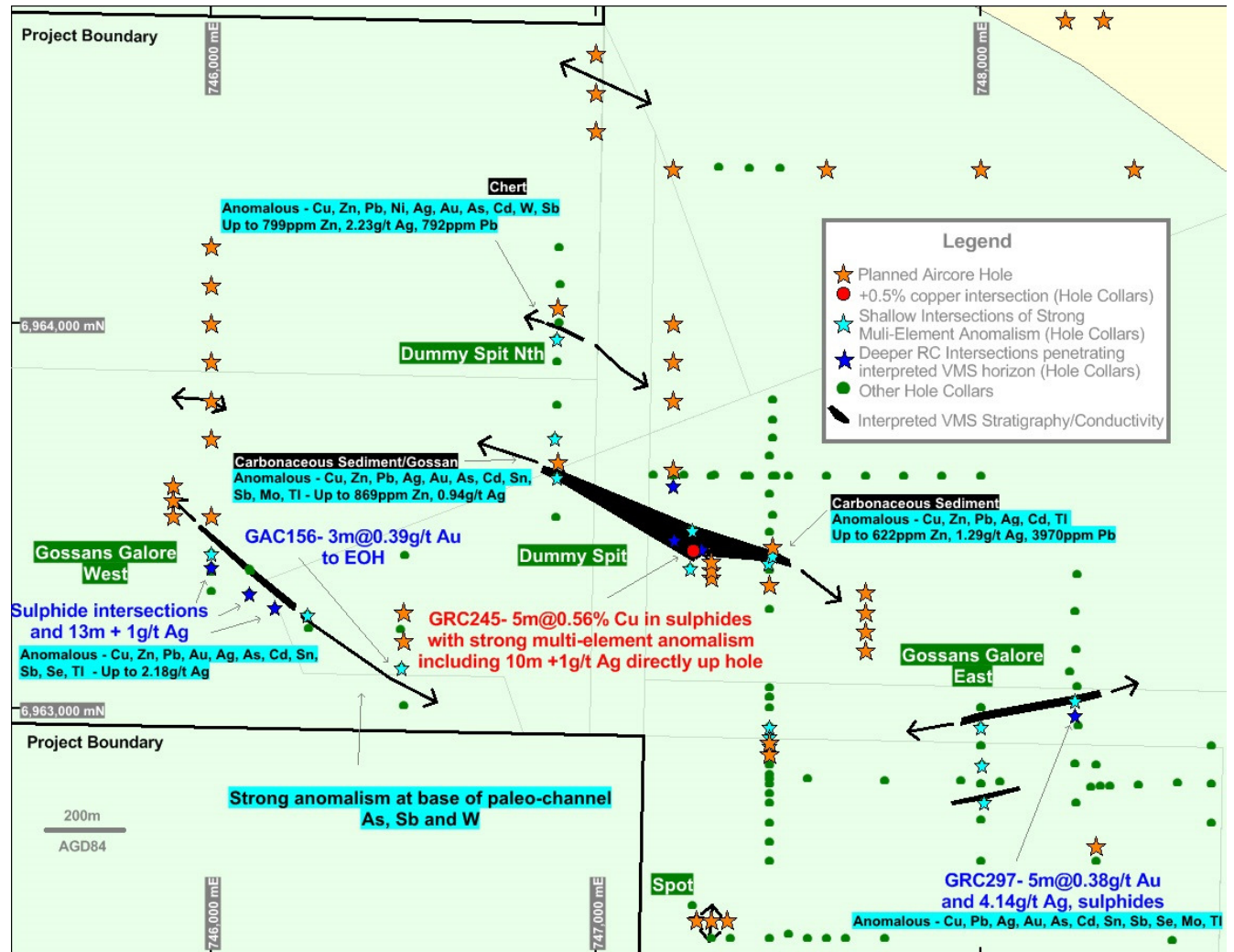


*Bungarra South zinc gossans*

## **Gossans Galore**

Aircore drilling is planned to further test previously defined trends both along and across strike.

Strong sub-horizontal paleo-channel base hosted As, Sb and W anomalism still appears unexplained by RC drilling to date in this area and could be a result of strike parallel horizons not yet detected by drilling.



*Gossans Galore prospect*



### **Bevan and Bigfinger**

An updated structural/lithological model at Bevan and Bigfinger is based upon detailed magnetic surveying, aerial photography and geology records from limited drilling conducted.

There is prominent normal faulting interpreted related to a phase of NNW-SSE extensional deformation that occurred after emplacement of the ultramafic intrusive and prior to the main WSW-ENE compressional “orogenic” phase of deformation responsible for the majority of folding/faulting deformation on the project.

Stratigraphy at Bevan and Bigfinger consists of carbonaceous sediment and a mafic footwall sequence that are sub-vertical dip, and an ultramafic intrusive dips steeply to the SW and appears to have assimilated some of the carbonaceous sediment. Two “Horst” blocks with relative upward throw appear to have had significant assimilation of sediments, including a VMS copper trend, downward thrown “Graben” blocks have the copper trend remaining intact. Assimilation of sulphidic, reduced shales into ultramafic intrusions is known to result in the formation of Ni/Cu sulphide formations. Local indications of strong Ni/Cu anomalism within the ultramafic intrusion include surface rock chip samples of gossan outcrop with up to 0.99% Ni and 5.7% Cu and elevated Pt, Pd anomalism. Ultramafic Ni/Cu sulphides are generally relatively high in conductance, and the highest conductive responses at Bevan and Bigfinger are positioned below ultramafic rocks. A further supporting indication that these strong conductors might be related to Ni/Cu sulphides is that the strong conductor at Bevan modelled from MLTEM surveying has shallow ENE dip. An orientation discordant to the orientation of local stratigraphy.

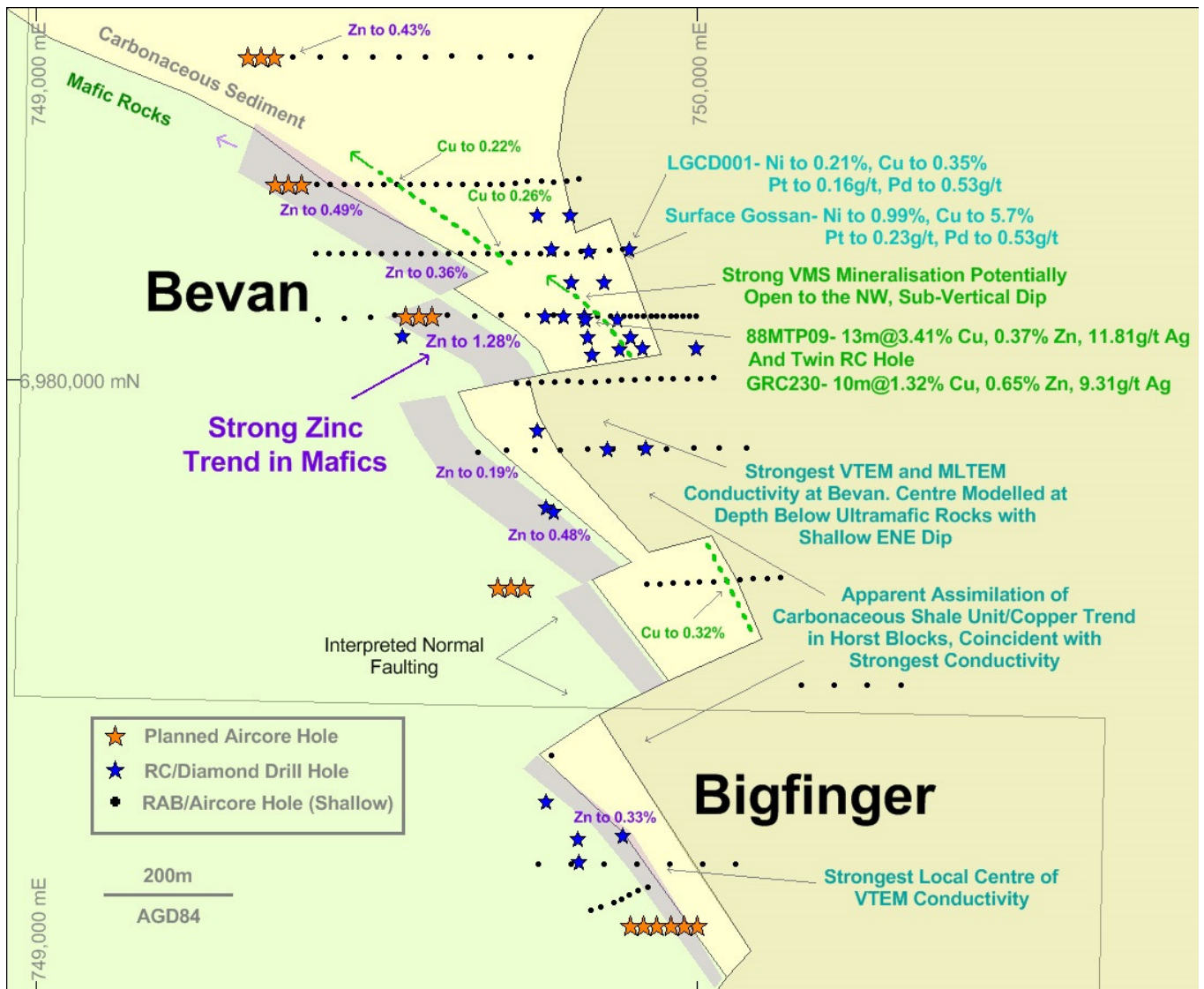
VMS related mineralisation includes a zone of very strong zinc enrichment in mafic rocks at or just below the mafic/shale contact, up to 1.28% Zn is intersected in shallow vertical RAB drilling. This level of anomalism at shallow depth represents a strong target and air core drilling has been planned. The carbonaceous shale is host to a copper rich horizon that has been targeted by RC and diamond drilling. Strongly mineralised intercepts have been intersected on 6980100mN AMG in twin RC holes including:

88MTP09 - 13m @ 3.41% Cu, 0.37% Zn and 11.81g/t Ag from 40m

and

GRC230 – 10m @ 1.32% Cu, 0.65% Zn and 9.31g/t Ag

RC drill targeting of strike extension to the above intersections was carried out to the SSE and intersected highly anomalous VMS multi-element anomalism in carbonaceous shale. In the updated structural/lithological model, the mineralisation remains open to the NW, and possible NW plunging shoot. The previous interpretation of mineralisation was with a more N-S strike for which current drilling has sufficiently tested to the north. There may be some localised folding that has contributed to the previous interpretation, strike appears to fold around from NNW to NW strike orientation in a northward direction.



### Other Targets

Other targets which may be tested in this program include follow up on arsenic anomalism along the Julia's VMS gold trend, The Apex Proper Zinc gossan, a large as yet unexplored ironstone to the east of the Birthday trend interpreted as a possible south extension to the general Bungarra trends and some scout drilling to the south of the Bevan Bigfinger trend. Several holes may also be drilled near the Whistler deposit to test for Whistler type gold mineralisation.

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### **Competent Person Statement**

*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.*