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30 April 2015

Quarterly Activities and Cashflow Report

Highlights:

- **Imminent commencement of drilling**
- **High Powered Moving Loop Electromagnetic survey completed, which identified exceptional drill targets**
- **Tenement applications lodged to significantly expand footprint over highly prospective ground**

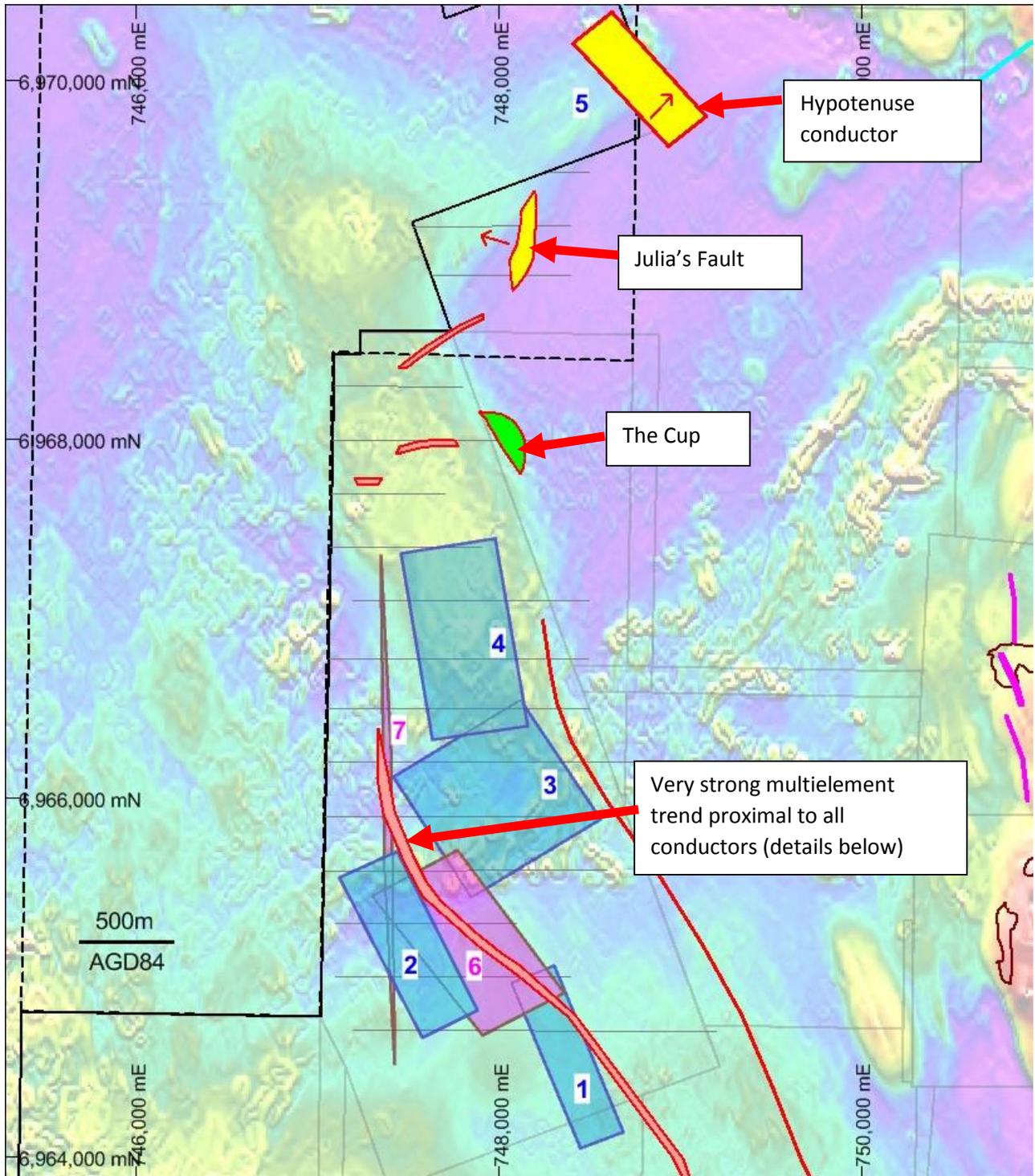
Gateway Mining Limited ('Gateway' or 'the Company') has been very active during the last quarter, having progressed with expansion of the tenement package at Gidgee, completed a very significant geophysical program which has identified a number of very exciting drill targets, and most importantly designing a drilling program which will commence in the coming days.

The upcoming drill program of approximately 2,000m of Reverse Circulation (RC) drilling will test targets defined by the geophysical work completed during the quarter. The survey returned results which were at the highest end of expectations. It located six new conductors, all of which are strongly indicative of massive sulphide accumulations and all of which are contained within the interpreted VMS stratigraphy (refer to announcement 10 March 2015). The conductors **range between 2,100S to 4,900S**. This level of conductivity is **typical of massive sulphide accumulations** of this style, and all conductors have coincident geochemical anomalism.

The tenements which were applied for (and are still pending) are very close to this stratigraphy, with one of them sharing a boundary with the tenement on which most of the conductors are hosted. These tenements will substantially increase in value, and indeed present outstanding exploration frontiers, should a successful discovery be made in the upcoming drilling.

Imminent commencement of drill program

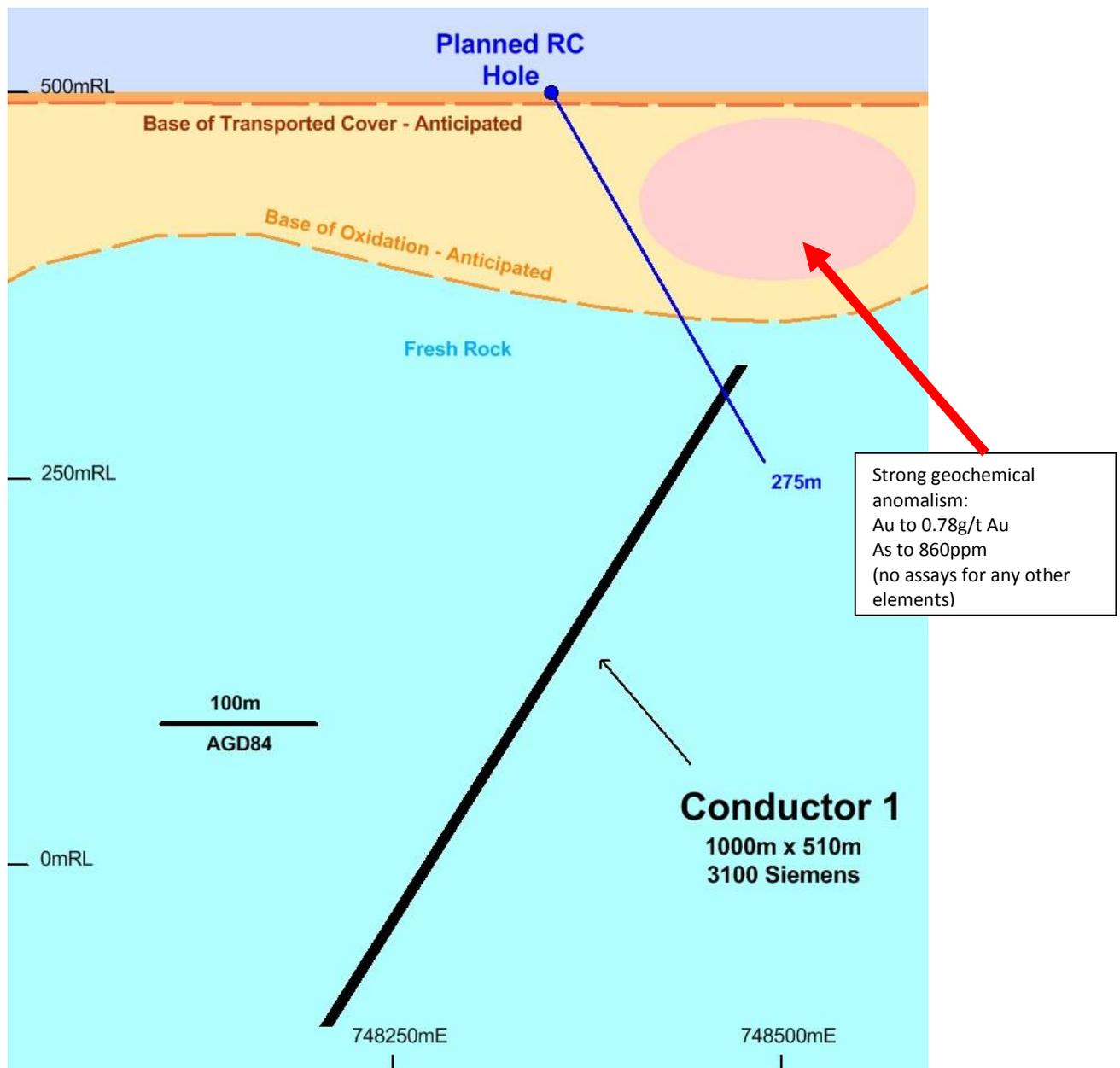
On 23 March 2015 the Company announced details of the upcoming drilling. It was expected that the program would have commenced by now, however due to difficult weather conditions on the drilling contractor's current job, the Gateway program has been pushed back by approximately one month.



Overview of HPMLTEM conductors 1-7

Conductor 1

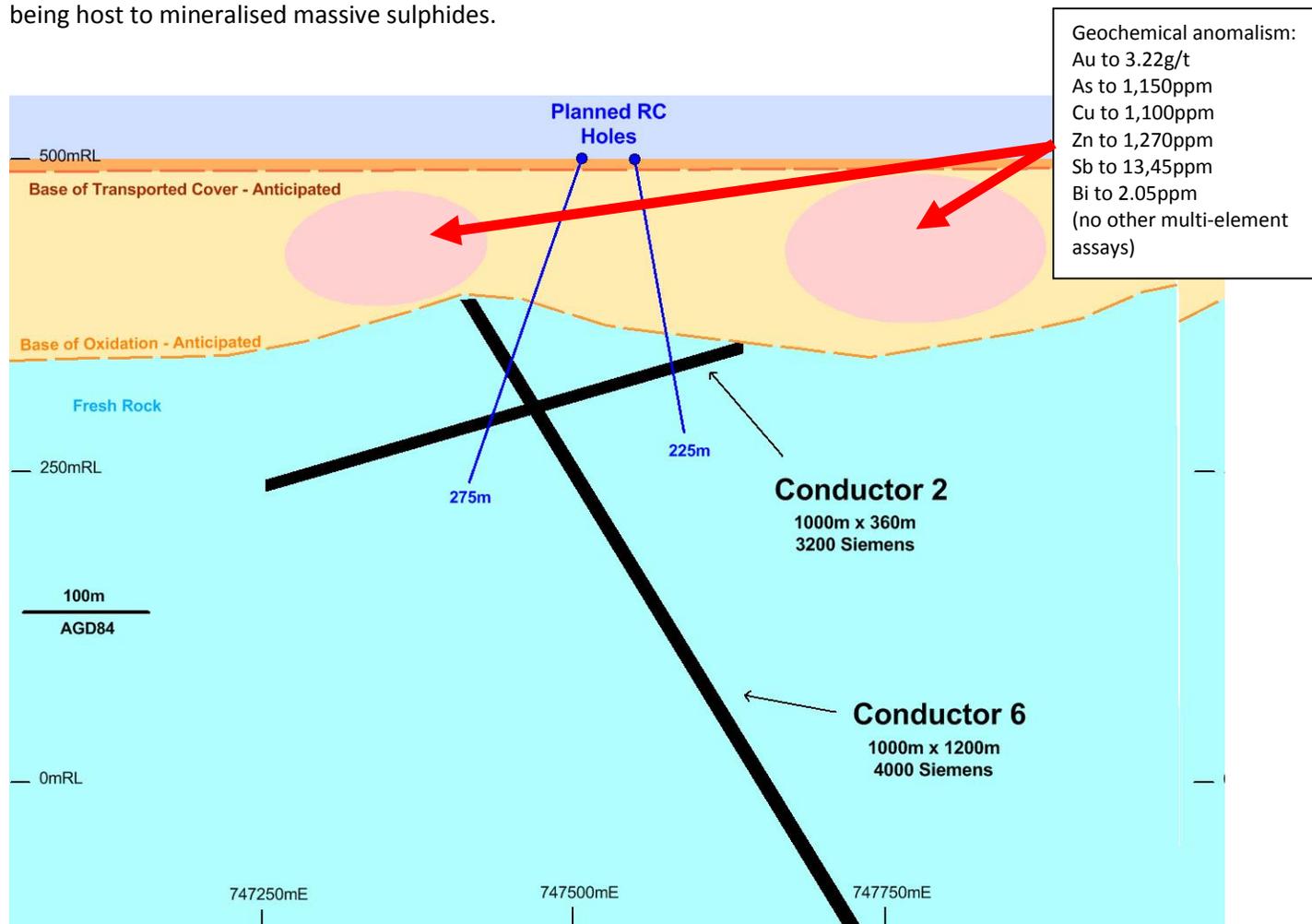
The HPMLETEM survey located a conductor with a moderate WSW dip and dimensions of 1,000m x 510m, and conductance of 3,100S. A 275m hold is planned to test the conductor. Only one historic line of RAB drilling occurred in proximity to the conductor, with no follow up exploration. The samples were only assayed for gold and arsenic, and returned strong geochemistry with Au to 0.78g/t and As to 860ppm.



Section showing Conductor 1

Conductors 2 and 6

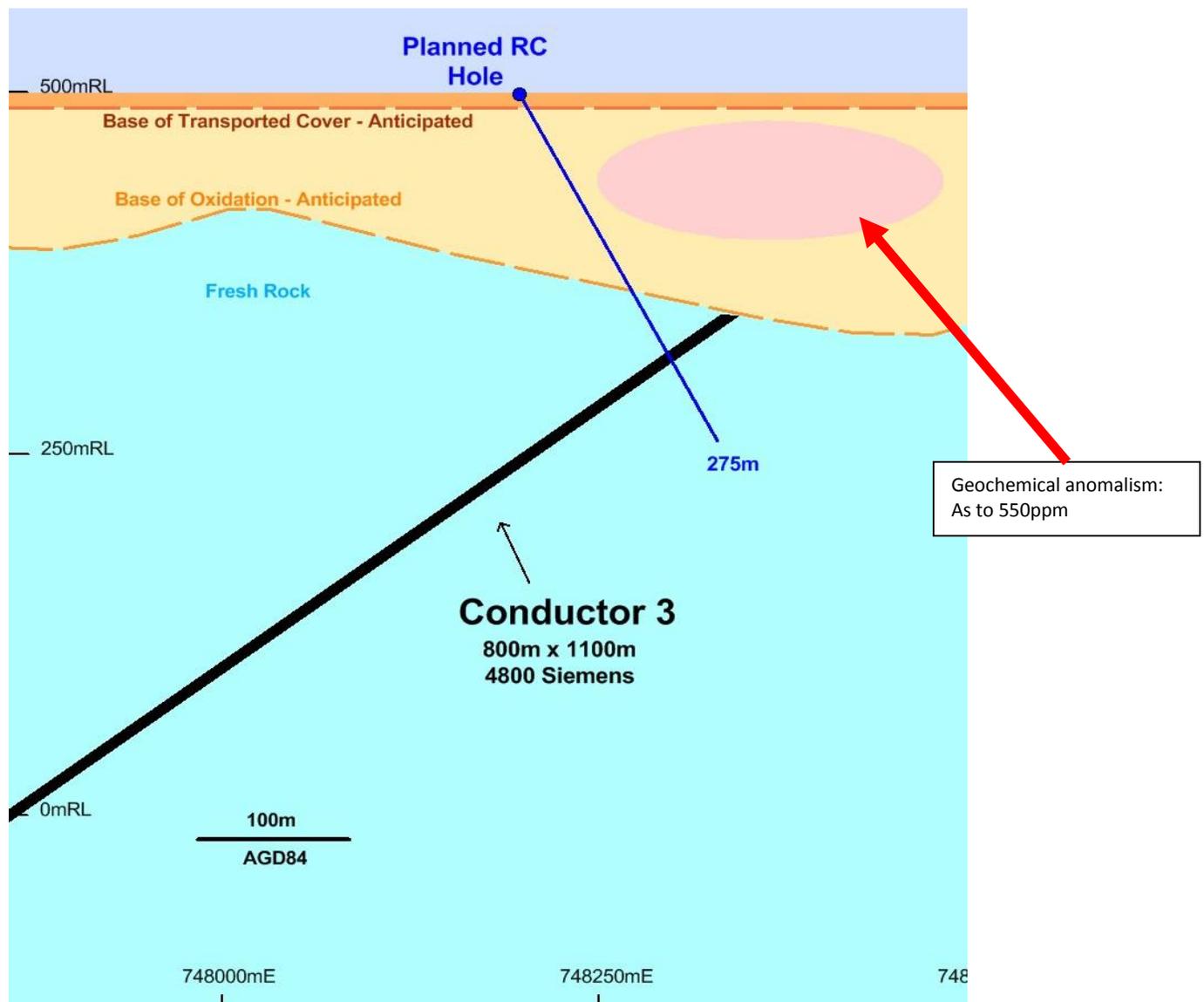
Two holes are planned to test conductors 2 and 6. Conductor 2 has a shallow WSW dip with dimensions of 1,000m x 360m and conductance of 3,200S, and will be tested with a hole of 225m. Conductor 6 has a moderate ENE dip with dimensions of 1,000m x 1,220m and conductance of 4,000S and will be tested with a hole of 275m. This hole is also expected to intersect Conductor 2. Very impressive geochemistry has been intersected above the conductors. One traverse of shallow RAB drilling was drilled on the 6965120N line. Gossan was intersected within a rich halo of multielement anomalism, **including As to 1,150, Au to 3.22g/t, Cu to 1,100ppm, Zn to 1,270ppm, Sb to 13.45ppm and Bi to 2.05ppm**. These results are particularly strong, and the intersection of gossanous material bodes very well for the conductors being host to mineralised massive sulphides.



Section showing Conductors 2 & 6 on the 6965120N Line

Conductor 3

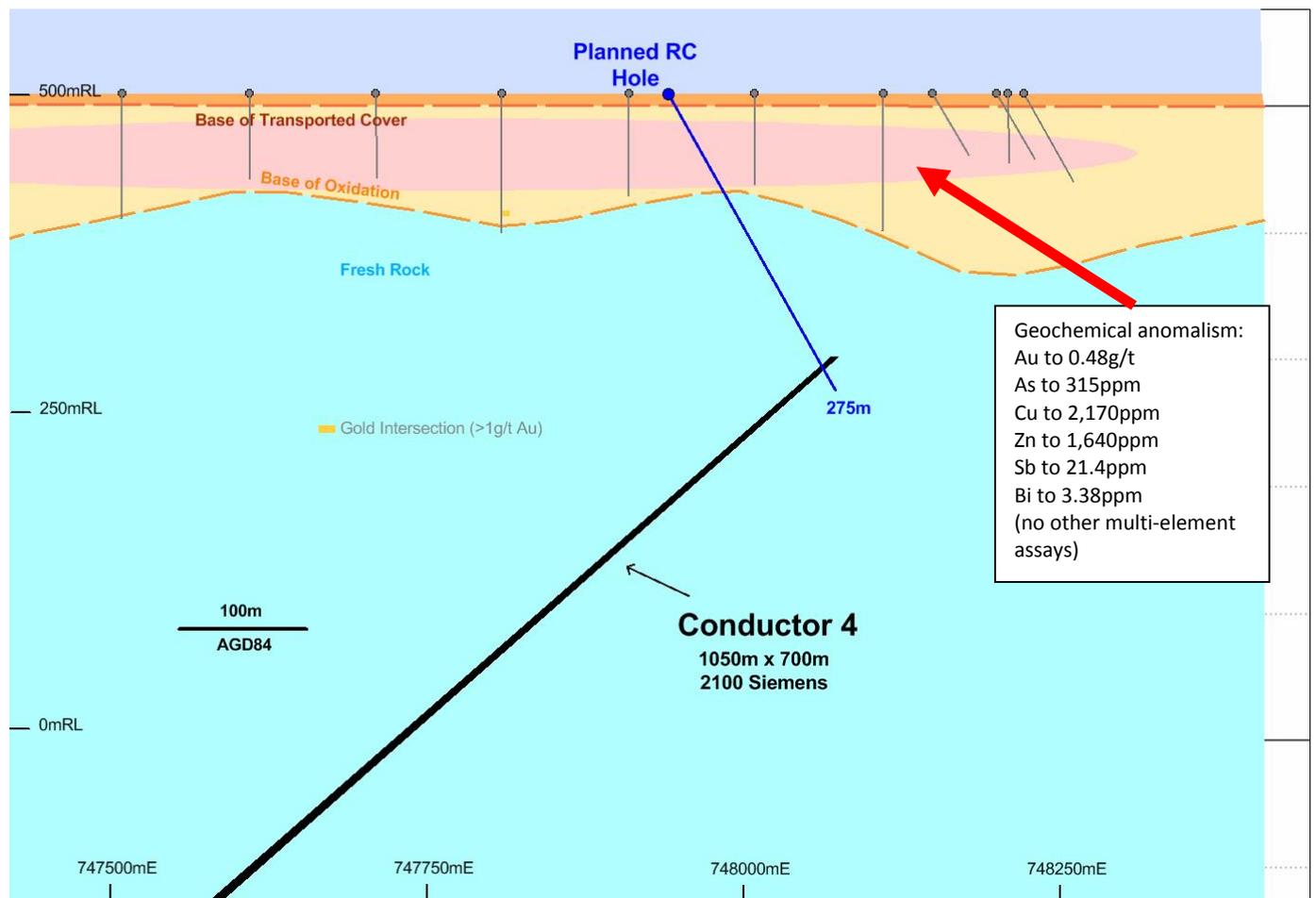
Conductor 3 will be tested with a 275m hole, and has a moderate WSW dip and dimensions of 800m x 1,100m with conductance of 4,800S. One traverse on the 6965990N line was drilled mostly with RAB vertical holes. No multi-element analysis was conducted, however a broad zone of arsenic anomalism is coincident with the projected conductor surface expression. Maximum values for arsenic in the shallow drilling is 550ppm.



Section showing Conductor 3 on the 696599N Line

Conductor 4

Conductor 4 has a moderate west dip with dimensions of 1,050m x 700m, and conductance of 2,100S, which is planned to be tested with a 275m hole. Again, there is one traverse of shallow geochemical RAB drilling, with limited multi-element analysis. Results returned include As to 315ppm, Au to 0.48g/t, Cu to 2,170ppm, Zn to 1,640ppm, Sb to 21.4ppm and Bi to 3.38ppm. Once again, these are considered very strong geochemical results.



Section showing Conductor 4

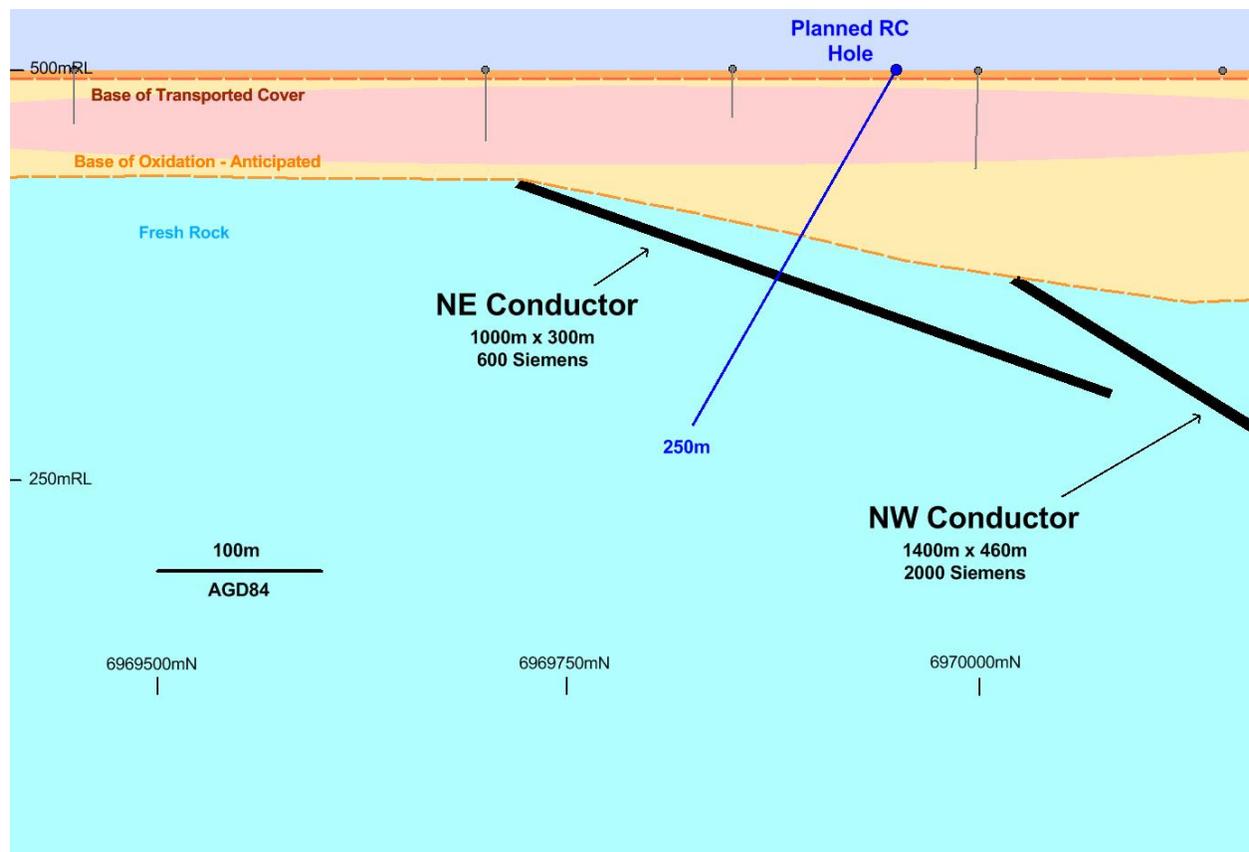
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Conductor 5

Conductor 5 is the previously identified Hypotenuse target which, unlike the newly identified conductors, is north of the copper mineralisation at The Cup. The Company conducted shallow aircore drilling directly above the conductor, and intersected As to 1,595ppm, Cu to 658ppm, Ag to 2.1g/t, Pb to 81ppm, Bi to 1.56ppm and Sn to 7.3ppm.

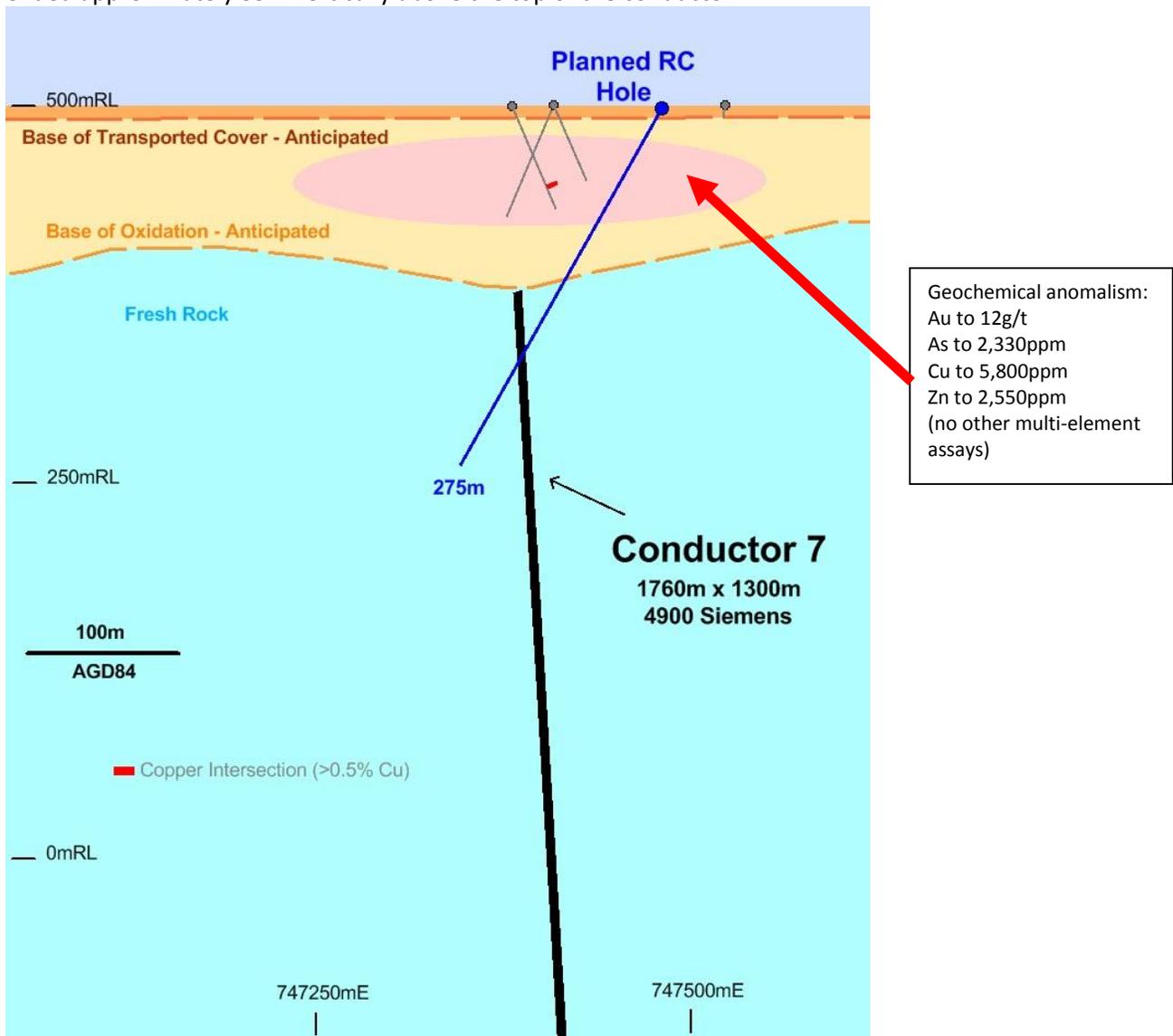
The conductor will be tested with a 250m hole, and may be shortened in the field depending on when the hole intersected the conductor.



Conductor 7

Conductor 7 is a steeply east dipping conductor. It has dimensions of 1,760m x 1,300m and conductance of 4,900S (the strongest of all the new conductors). Historic drilling targeted strong gold mineralisation, with results including **6m @ 4.53 g/t Au** from 12m, and **7m @ 2.88g/t Au from 44m**. Geochemical results include As to 2,330ppm, Au to 12g/t, Cu to 5,800ppm and Zn to 2,550ppm. Most of the holes were not analysed for a full multielement suite.

These are exceptionally strong results, and all occur above the top of the identified conductor, meaning that **none of the historic drilling has penetrated the conductor**. The deepest hole from historic drilling ended approximately 35m vertically above the top of the conductor.



Section showing Conductor 7

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Overall these conductors represent outstanding drill targets. They are all contained within the interpreted VMS system and have strong electromagnetic signatures typical of massive sulphide accumulations. Furthermore they all have very strong coincident geochemistry.

Bearing in mind that VMS deposits occur in 'clusters', these conductors are sitting within exceptionally prospective ground as all lie very close to the VMS copper mineralisation at The Cup and Julia's Fault. Previous results from The Cup include 27m @ 1.55% Cu from 87m and 18m @ 1.48% Cu from 74m. VMS gold mineralisation has been intersected at Julia's Fault, including 9m @ 4.20g/t Au from 67m. Widespread geochemical anomalism for As, Bi, Mo, Sb, Se, Sn, Te, Pb, Hg, Zn, Cd, In and Tl has also been intersected throughout the system in shallow drilling.

The electromagnetic responses are much stronger than the responses in The Cup zone, meaning that these conductors are possibly the main part of the mineralised system.

Completion of HPMLTEM geophysical survey

The drill program details above were based on the HPMLTEM survey conducted in February/March.

Six new conductors were identified within the fertile VMS stratigraphy, and further information gained on a seventh conductor (the Hypotenuse target) which had been previously modelled but is yet to be drill tested.

All conductors range between 2,100S to 4,900S, which is the targeted range of conductivity given the Company's knowledge of geophysics within this stratigraphy. None of these targets have been drilled before by Gateway or any previous holder of the tenement.

This level of conductivity is typical of massive sulphide accumulations. Importantly, the conductors are coincident with strong geochemical anomalism, making them excellent drill targets.

In a very encouraging sign, the EM results for these new conductors are much stronger and more significant than anything seen anywhere else within the stratigraphy. This potentially means that the Company has finally located the strongest part of the mineralised system.

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New tenement applications lodged

As announced to the market on 21 January 2015, Gateway applied for two important tenements adjoining the boundaries of the existing project tenure, E57/1004 and E57/1005. They are currently pending and expected to be granted soon.

The Company is very excited about securing the interests as they cover areas the Company has been actively trying to secure for some time. The addition of these two tenements expands Gateway's footprint in Gidgee by approximately 70%. Importantly, the additional ground is considered highly prospective.

E57/1004 adjoins the Company's Joint Venture tenement with Panoramic Resources Ltd, M57/633. This area is host to the tenement on which the vast majority of the upcoming drilling will take place on, and securing the tenement will result in the Company controlling what it believes is now the entirety of the system.

The system is considered highly prospective given the numerous occurrences of ore-grade mineralisation. Efforts to date have been hampered by targets being very close to or straddling tenement boundaries. Securing the joint venture tenement M57/633 went some way to remedying the issue, however there were still a number of targets which the Company would have like to have tested but as unable to.

This development will allow for exploration efforts to be unconstrained by existing project boundaries.

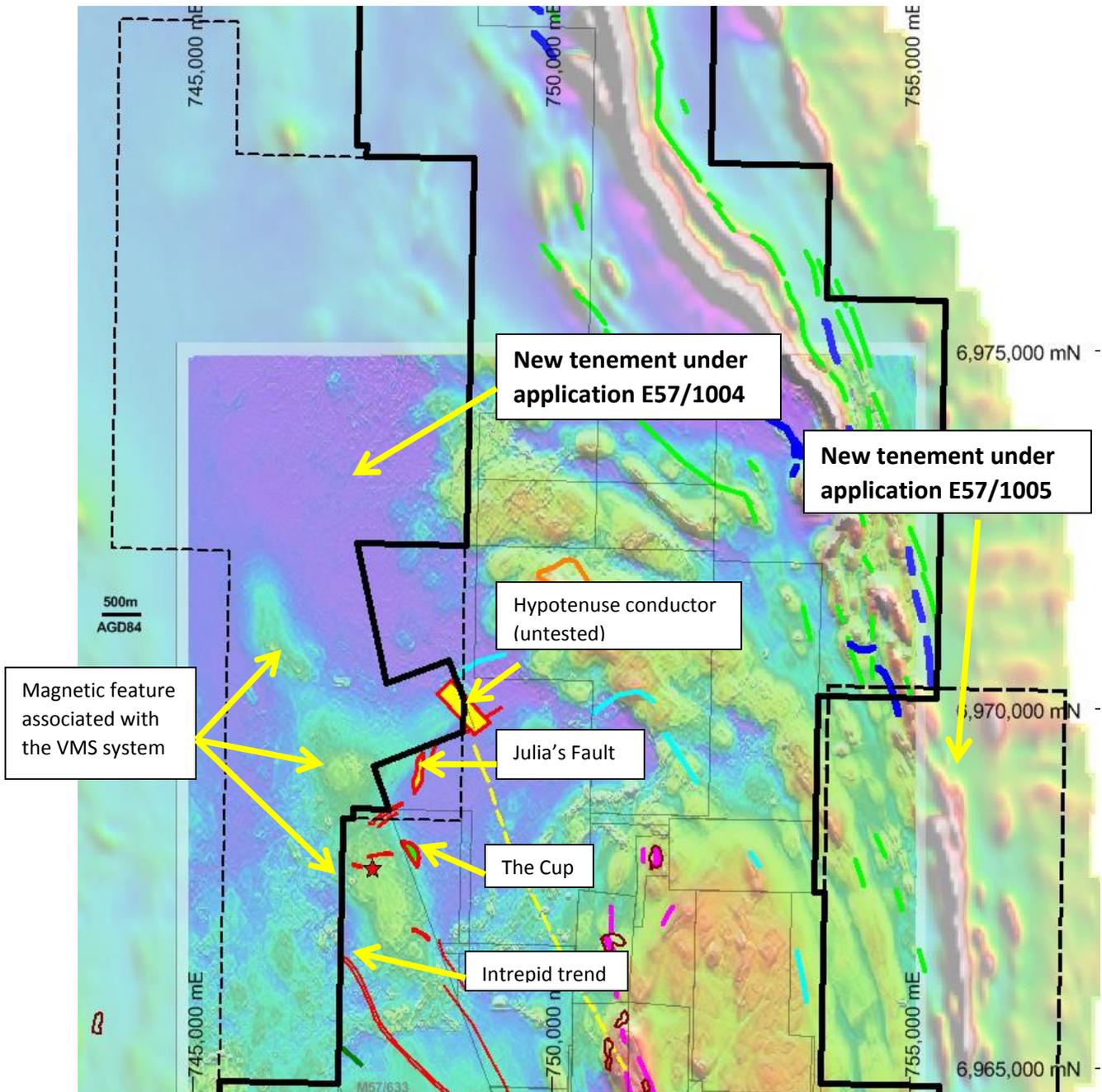
The additional tenement under application, E57/1005, hosts what is believed to be an large VMS related zinc trend interpreted to be up to 13km in length. Limited exploration work has been conducted on the trend, however Gateway's tenements to the immediate north of E57/1005 are host to a number of impressive zinc gossans all of which have returned rock chip samples of +1,000ppm Zn with accompanying VMS geochemistry.

An historic drill hole at the Ed's Bore prospect nearby returned 14m @ 1.9% Zn as part of the remnants of VMS basemetal mineralisation in a felsic lense within dolerite.

Historic tenement reports dating from pre-1990 also report the intersection of significant zinc results, however no meaningful exploration has occurred on the tenements since this period. Gateway geologists have walked the trend and conducted surface sampling, finding numerous outcropping zinc gossans intermittently throughout the trend.

The targets on the tenement are not as advanced as the tenement E57/1004, however it represents an excellent early stage prospect which Gateway will steadily advance during the coming exploration programs.

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Location of tenements E57/1004 and E57/1005 under application

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.

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")

31 March 2015

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	(124)	(715)
	(b) development	-	-
1.2	(c) production	-	-
	(d) administration	(149)	(402)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18	50
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(255)	(1,067)
Cash flows related to investing activities			
	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	20	171
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(140)
1.11	Loans repaid by other entities	140	310
1.12	Other	-	-
	Net investing cash flows	160	341
1.13	Total operating and investing cash flows (carried forward)	(95)	(726)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(95)	(726)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	556
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)	-	-
	Net financing cash flows	-	556
	Net increase (decrease) in cash held	(95)	(170)
1.20	Cash at beginning of quarter/year to date	1,200	1,275
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,105	1,105

**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	49
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	130
4.2 Development	-
4.3 Production	-
4.4 Administration	95
Total	225

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	22	32
5.2 Deposits at call	1083	1,168
5.3 Bank overdraft	-	-
5.4 Other (cash on deposit held by non-bank financial institution)	-	-
Total: cash at end of quarter (item 1.22)	1,105	1,200

+ 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			

+ 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 Preference securities (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	291,422,962	291,422,962		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	200,000,000	-	<i>Exercise price</i> 8 cents	<i>Expiry date</i> 6 Dec 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ 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: 30 April 2015

(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.