



31 July 2015

Quarterly Activities and Cashflow Report

Highlights:

- **Approximately ~2,000m RC Drilling completed during the quarter**
- **Reduced Intrusion Related (RIR) gold mineralisation intersected inside margin of granodiorite intrusion**
- **Follow-up drill planning underway**

RC Drilling - Reduced Intrusion Related gold mineralisation

During the Quarter, Gateway Mining Limited ('Gateway' or 'the Company') completed approximately 2,000m of Reverse Circulation (RC) drilling on its Gidgee tenements in Western Australia.

The target of the program was Volcanogenic Massive Sulphide (VMS) mineralisation, however in an unexpected – yet very pleasing – outcome for the Company, two of the holes intersected significant gold mineralisation. GRC303 and GRC304, intersected a Reduced Intrusive Related (RIR) gold mineralised system.

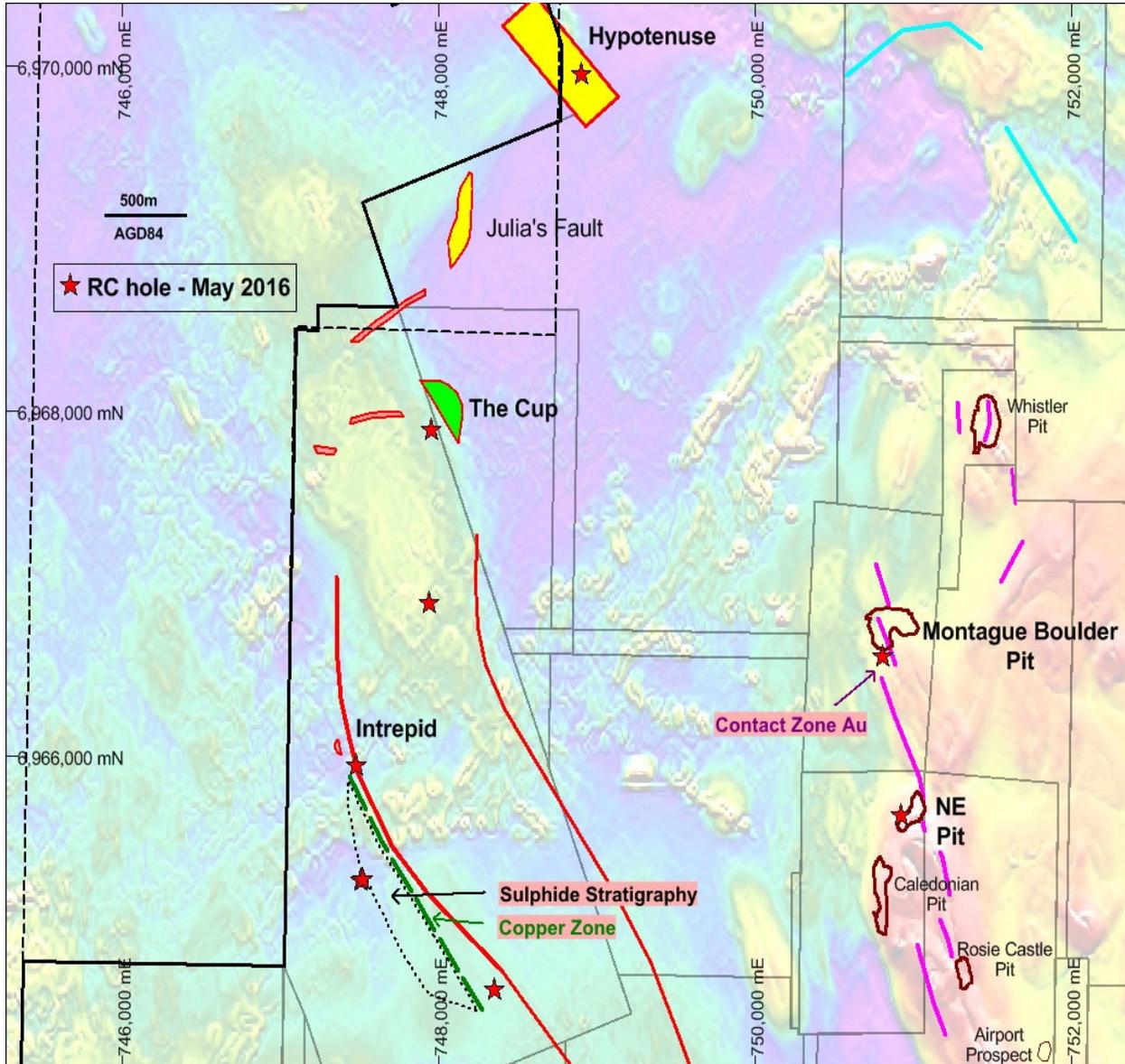
GRC303: 8m @ 0.63g/t Au from 49m

GRC304: 2m @ 2.31g/t Au from 41m

Intrusive related gold systems are a relatively newly defined class of gold mineralisation. The gold was intersected along the 'contact zone' between the basalts to the west and the Montague granodiorite to the east. These holes are approximately 1km apart yet are interpreted to be part of the same system, highlighting the significant potential for extensive gold mineralisation.

This system represents a very exciting exploration frontier as its expansive strike length means there is capacity for a large tonnage mineralised system.

Interpretation of previous magnetic and gravity surveys has allowed the Company to model a system that has an apparent 4km strike length to both the north and south of GRC303 & GRC304.



Overview of May/June programme 2015 – (background: Total Magnetic Intensity)

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
Email: info@gatewaymining.com.au



The vast majority of the 'contact zone' between the basalt and granodiorite has not been tested, despite historic gold mining going in the region. Locating the contact was most likely quite problematic for previous explorers because certain geophysical and geochemical techniques would not have been available. This would otherwise have highlighted the gravity contrast between the granodiorite intrusion and basalt wall rock i.e. the target contact zone. Additionally, past efforts were hampered by piecemeal tenement holdings and almost no outcrop of gold.

Almost all exploration drilling for gold was conducted further to the west of this gold rich 'contact zone' with historic exploration focused on locating small gold deposits within basalts.

However, this re-interpretation of the historic gold results means there are likely to be two separate gold systems within the Montague tenements: (1) typical Yilgarn style orogenic gold; and (2) the recently identified Reduced Intrusion Related (RIR) Mesozonal Intrusion-Hosted mineralisation (Robert, F., et al. 2007). The ongoing geological interpretation also strongly supports this hypothesis.

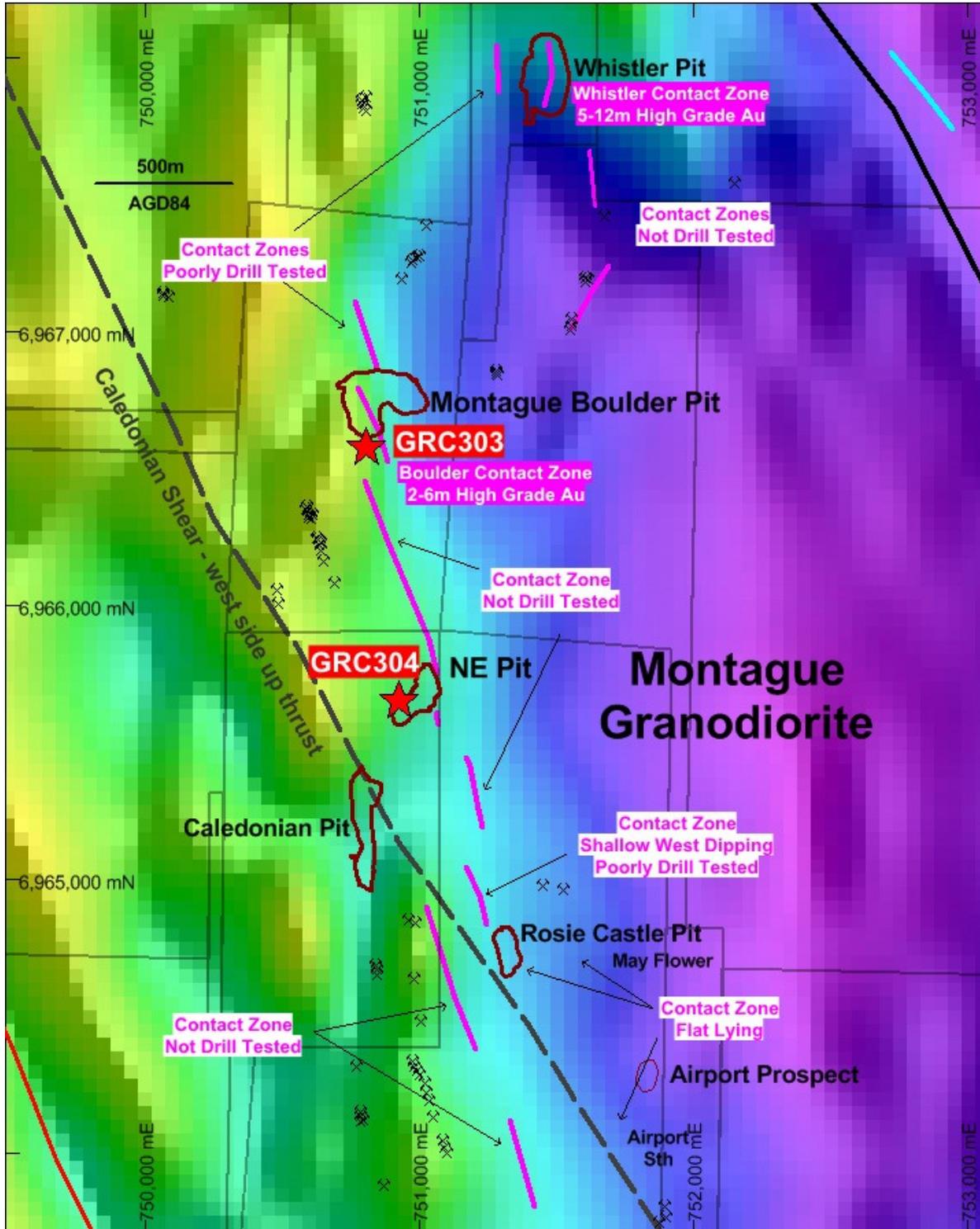
Key characteristics of the gold mineralisation intersected in GRC303 supportive of an RIR model include:

- Mineralisation has close spatial and temporal association with a felsic to intermediate intrusion with additional gold mineralisation occurrences that flank around the intrusion margin.
- Sulphide content is relatively low (<5% volume); base metal concentrations are also much lower (Cu to 304ppm, Pb to 38ppm and Zn to 285ppm).
- Gold mineralisation has associated quartz veining with miarolitic cavities and aggregates of tourmaline.
- Gold occurs in association with sheeted veining internal with in the intrusion
- Geochemical indicators are for high Bi (up to 18.55ppm) and W (up to 13.3ppm), relatively low As (up to 59ppm) and gold occurs in greater abundance than silver.

It is pleasing to note that many of the historic high grade intercepts (many of which are still open) most likely sit within the RIR system, such as:

Boulder Lode:	6m @ 12.3g/t Au
Whistler:	20m @ 15.2g/t Au
Rosie Castle:	3m @ 8.58g/t Au
Airport prospect:	6m @ 39.85g/t

The grade of gold is expected to vary along the system, however the above results give an idea of the possibility of very high grades being intersected near surface.



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
Email: info@gatewaymining.com.au



Follow-up drilling – RIR gold mineralisation

The Company is quite advanced with planning for a follow up drill program to test the Montague 'contact zone' for further gold mineralisation.

Approximately 3,000m of RC drilling is planned, almost all of which will occur within the Montague gold tenements. The drilling will largely consist of short holes so the cost per metre is expected to be lower than in previous programs.

Given the modelling of the system in recent weeks, the Company has stronger confidence that it will intersect further gold mineralisation in numerous holes in the program.

It is expected details of the program will be released to the market in the coming weeks.

RC drilling – other results

The drilling during the program conducted south of The Cup prospect at Conductors 1, 2, 4, 6 and 7 has significantly advanced understanding of the stratigraphic succession in this section of the project.

GRC308 drilled at Conductor 1 intersected strongly carbonate altered footwall volcanics before intersecting a lower unit of carbonaceous shale with elevated As-Au. The dip of the As-Au enrichments in the area defined by shallow geochemical drilling and also within GRC308 is steeply WSW dipping and provides the best indication yet for the attitude of local stratigraphy.

GRC307, drilled at Conductor 2 intersected a broad expanse of sulphide rich shale to the end of hole. This sulphide intersection would appear to explain the extremely high level of conductance extending 1.4km along NNW-SSE strike as shown in the above plan. The spectacular width of strong multielement concentrations intersected, indicate this sulphidic shale is analogous to the shale/dacite stratigraphic package at The Cup ("Main Shale") where the strong copper zone is located at the base and is overlying a carbonate altered basaltic footwall sequence. If stratigraphy is dipping steeply WSW, which if correct, leaves at least 150m from GRC307 to the east across strike to traverse before reaching the possible copper zone horizon. The high level of multielement rich sulphides encountered in the upper section of the shale at Conductor 2 is an encouraging sign for strongly elevated metal enrichments within the copper/silver horizon.

GRC306 was drilled at Conductor 4 and intersected a complete structural repetition of the Cup stratigraphic package intersecting 5m@0.2% Cu through the copper zone in an area with much lower conductance, multielements and sulphide concentrations than at Conductor 2.

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
Email: info@gatewaymining.com.au

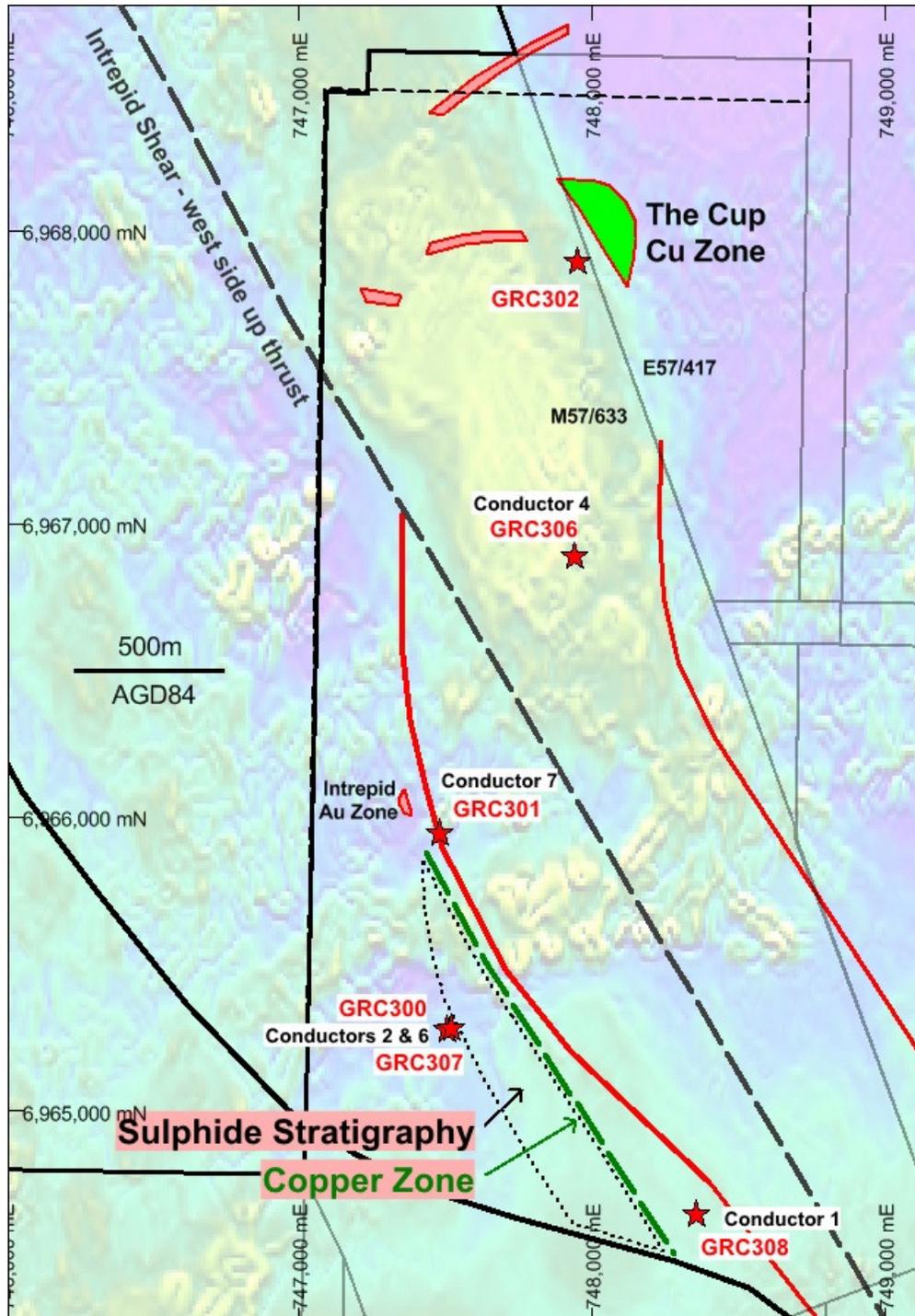


Conductor 1

GRC308 (273m) was drilled east and abandoned at 273m, the RC rig had reached its limit of capacity resulting in slow ground penetration and wet sample return.

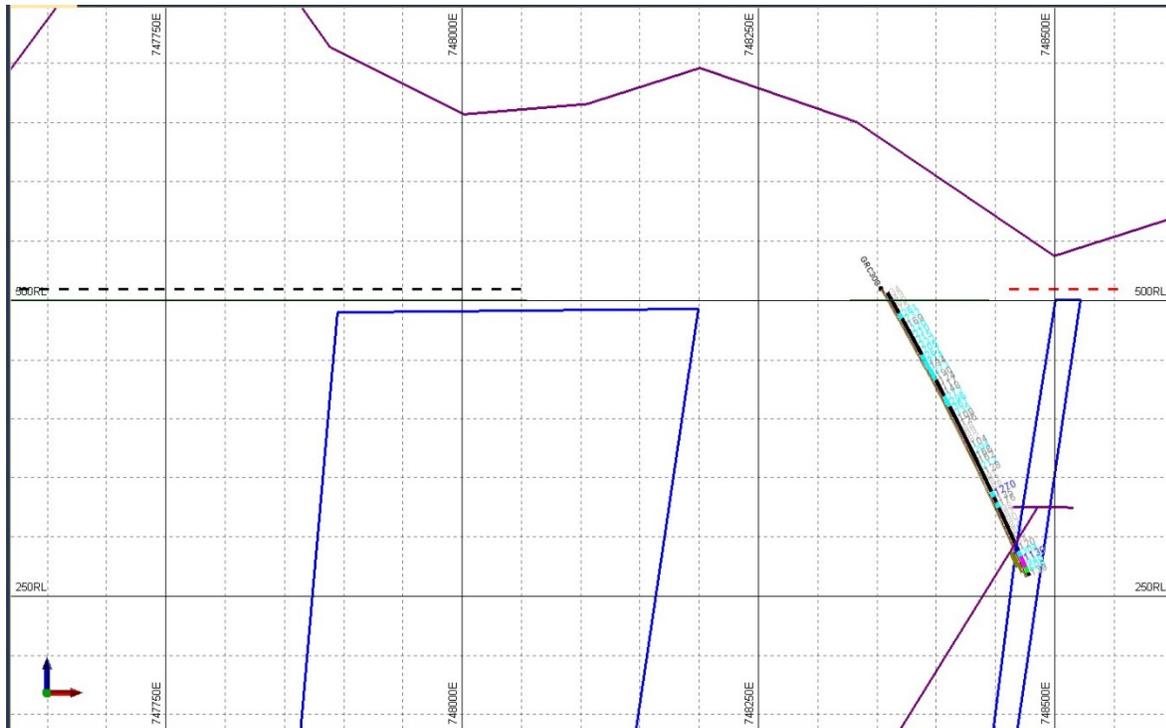
Basaltic andesite volcanics were intersected in the upper levels of the hole above a unit of sulphide rich carbonaceous shale from 249m with strong VMS multielement geochemistry, including very high levels of As. The hole did not continue far enough to be sure it had completely penetrated the shale unit. Anomalous geochemistry includes Zn to 0.11%, Ag to 0.57g/t, Au to 69ppb, Pb to 56ppm, As to 893ppm, Sb to 10.4ppm, Bi to 0.98 and Te to 1.90ppm. High Ca down the length of the hole is indicative of strong carbonate alteration in the footwall of The Cup Main Shale unit.

This "Lower Shale Unit" is enclosed within FII type basaltic andesite and is interpreted as sitting within the footwall in relation to The Cup Main Shale stratigraphic succession, it is also a relatively narrow unit of shale and is not expected to be the source of the extremely high conductance levels on this section (6964650N) detected in recent high powered MLTEM surveying. The high conductance is located further to the west and is expected to be in association with sulphidic Main Shale stratigraphy.



The Lower Shale Unit intersected in GRC308 is part of a high As-Au geochemical zone trending NNW toward Intrepid and SSE toward Gravel Pit, the intersection position in GRC308 delineates steep west dip. FII type stratigraphy in Canadian Archean terrain is documented as fertile for typical VMS (Cu, Zn, Au, Ag) style mineralisation in association with centres of felsic FII volcanism.

The very high levels of conductance in the vicinity of Conductor 1 would appear to “drown out” elevated conductive signals returned from possible deposits along this VMS horizon in surface based EM work. Continued exploration suitable would include either geochemical vectoring in shallow aircore drilling and/or deep RC drilling geochemical vectoring with possible accompanying downhole EM.



Cross section 6964650N, Sulphide and gossan histogram, zinc assays, multielement colour trace

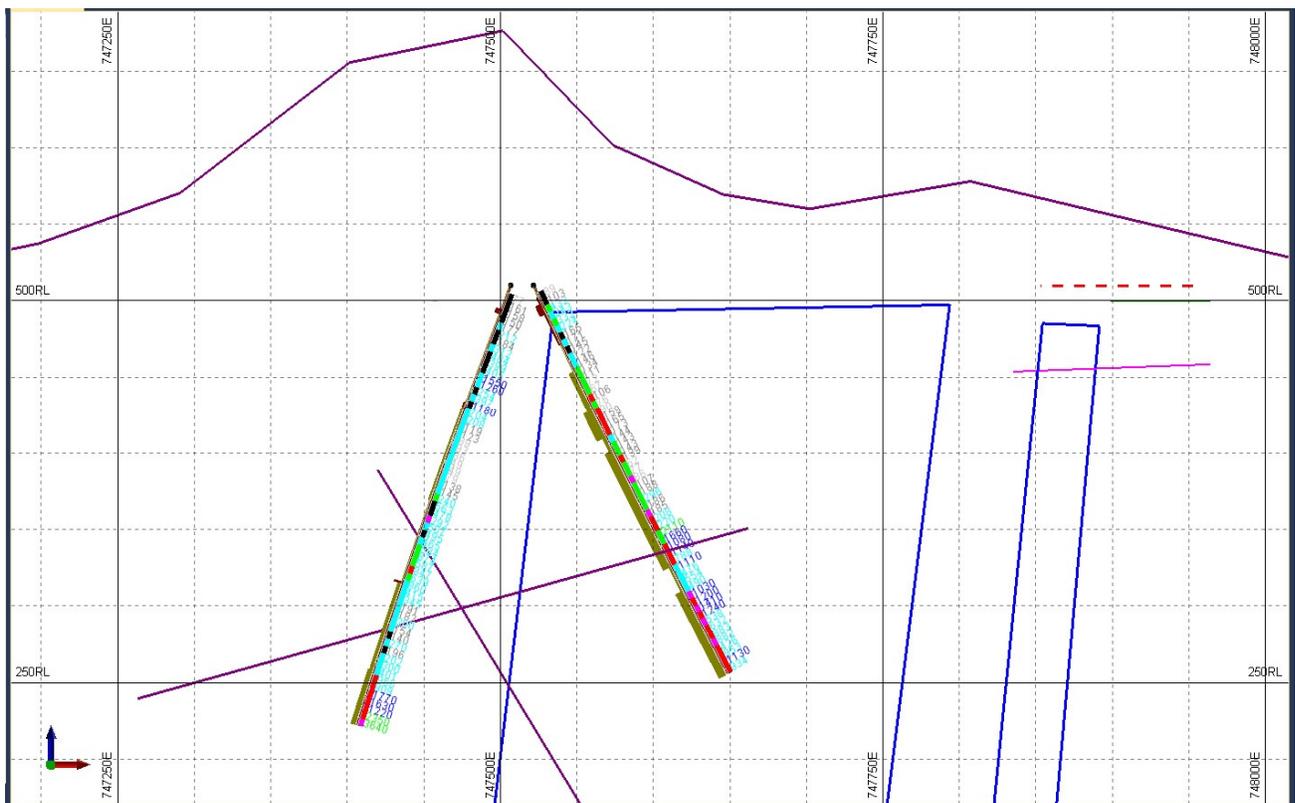
Conductors 2 and 6

GRC300 (305m, drilled west) and GRC307 (285m, drilled east) drilled on cross section 6965300N, see cross section below, targeted very strong EM conductance occurring in close proximity to a trend of elevated multielement concentrations in shallow drilling.

GRC307 intersected an impressive width of massive sulphides and sulphide bearing carbonaceous shale containing very high levels of multielement anomalism from 65m to the end of hole. Multielement anomalism generally increases toward the base of the hole and includes Zn to 0.21%, Ag to 1.46g/t, Au to 35ppb, Pb to 364ppm, As to 156ppm, Sb to 7.63ppm, Bi to 1.69 and Te to 3.30ppm.

This expanse of sulphide rich shale intersected in GRC307 appears to explain the extremely high conductance detected in recent high powered MLTEM work that extends along 1.4km of NNW-SSW strike as shown in the above plan. Stratigraphy at Intrepid is interpreted as dipping steeply to the west, which if correct, leaves at least 150m of sulphide/shale remaining untested to the east of GRC307.

The sulphide rich shale unit appears to be the same stratigraphic succession of shale (“Main Shale”) that occurs at The Cup where there is a strong copper/silver zone located at the base. Dacite volcanic rocks occur at the Cup which may or may not be the case at Intrepid. The shale/dacite stratigraphic position is distinct in that it is located at the transition between volcanic units with very different signature multielement concentration “patterns”. Multielement patterns of hangingwall rocks are aligned with FI signature type (calcalkaline), while footwall rocks are aligned to FII type (transitional between calcalkaline and tholeiitic) and this transition is evident at both The Cup and at Intrepid. Any copper zone equivalent unit at Intrepid remains untested.



Cross section 6965300N, Sulphide and gossan histogram, zinc assays, multielement colour trace

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
Email: info@gatewaymining.com.au



Additional to potential for occurrences of “Cup Style” (Cu, Ag) mineralisation at Intrepid, similar Canadian Archean FI - FII type VMS districts have world class “giant” deposits such as Laronde (Au, Cu, Zn, Ag) and Horne (Cu, Au). These deposits comprise metal enrichments resulting from hydrothermal “zone refinement” in favourable subsea strata, in stacked lodes with replacement pyrrhotite concentrations that occur across relatively limited strike extent and are located at the outer limit of a volcanic centre.

At Intrepid, there is an intense and discrete magnetic anomaly located directly in the footwall stratigraphy that might fit the above exploration model description and is yet to be drill tested. The Intrepid magnetic anomaly, if validated, is probably in relation to pyrrhotite, especially given that magnetic stringer pyrrhotite has been found in association with the more diffuse magnetic anomaly located directly adjacent and to the north. It would also appear that Intrepid occurs at the verge of the dacite volcanic centre at The Cup.

GRC300 had begun to penetrate strongly multielement anomalous sulphidic carbonaceous shale before the hole was required to be abandoned at 305m ending in 0.36% Zn.

Conductor 3

Not drilled due to time constraints

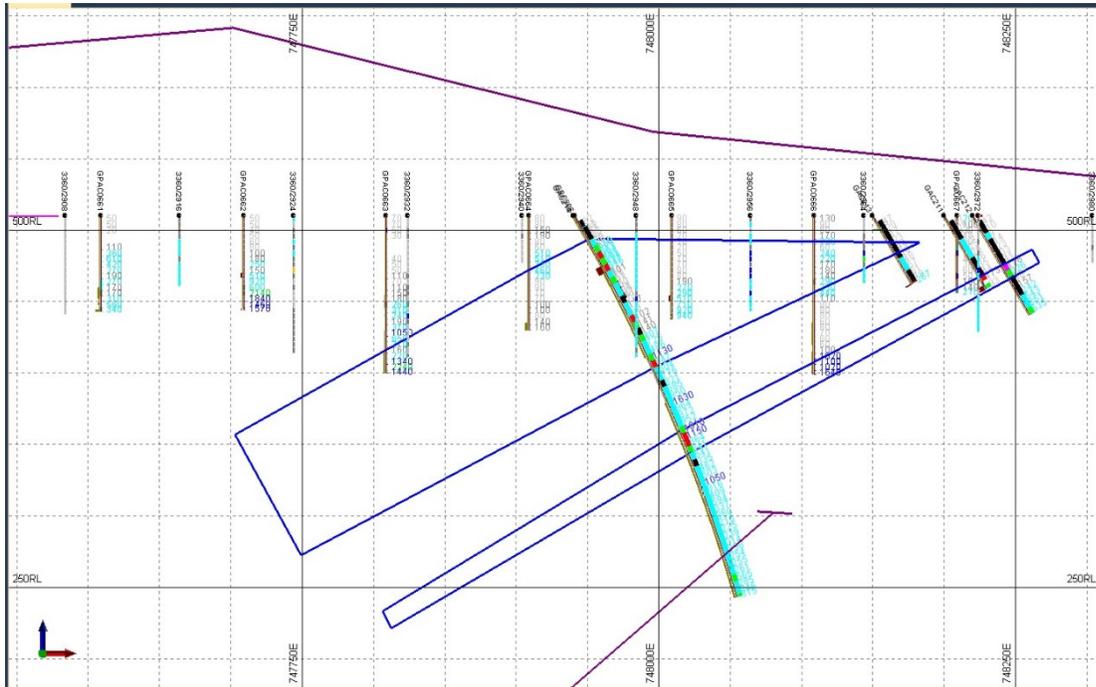
Conductor 4

GRC306 for 291m was drilled at Conductor 4 and appears to have traversed a repeat of the stratigraphic sequence at Intrepid dipping shallow to the west, however, geochemical anomalism and conductance levels are at lower levels.

5m of 0.20% Cu was intersected in the copper zone the base of the Main Shale unit from 115m down hole, associated anomalism includes Zn to 0.11%, Ag to 1.06g/t, As to 140ppm and Te to 1.44ppm.

The hole continued through to the lower carbonaceous shale unit intersecting elevated As-Au anomalism located within carbonate altered footwall mafic andesite. Anomalism in the lower shale unit includes Zn to 0.12%, Ag to 0.75g/t, Au to 25ppb, Pb to 128ppm, As to 134ppm, Sb to 10.3ppm, Bi to 1.01ppm and Te to 2.03ppm.

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
Email: info@gatewaymining.com.au

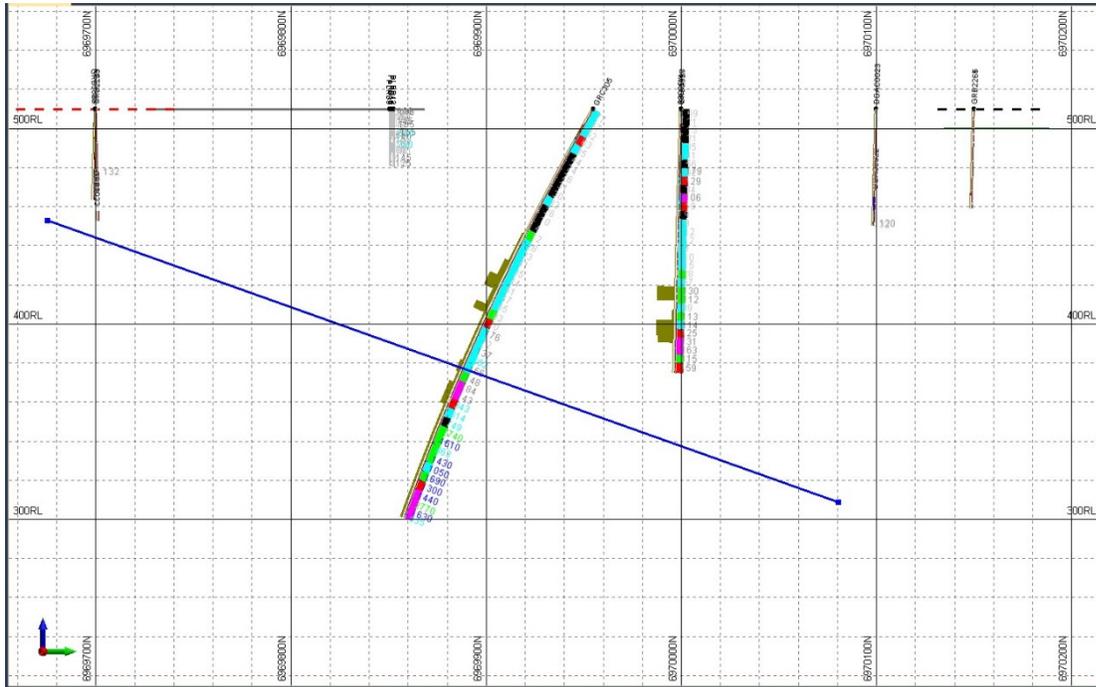


Cross section 6966900N, Sulphide and gossan histogram, zinc assays, multielement colour trace

Conductor 5

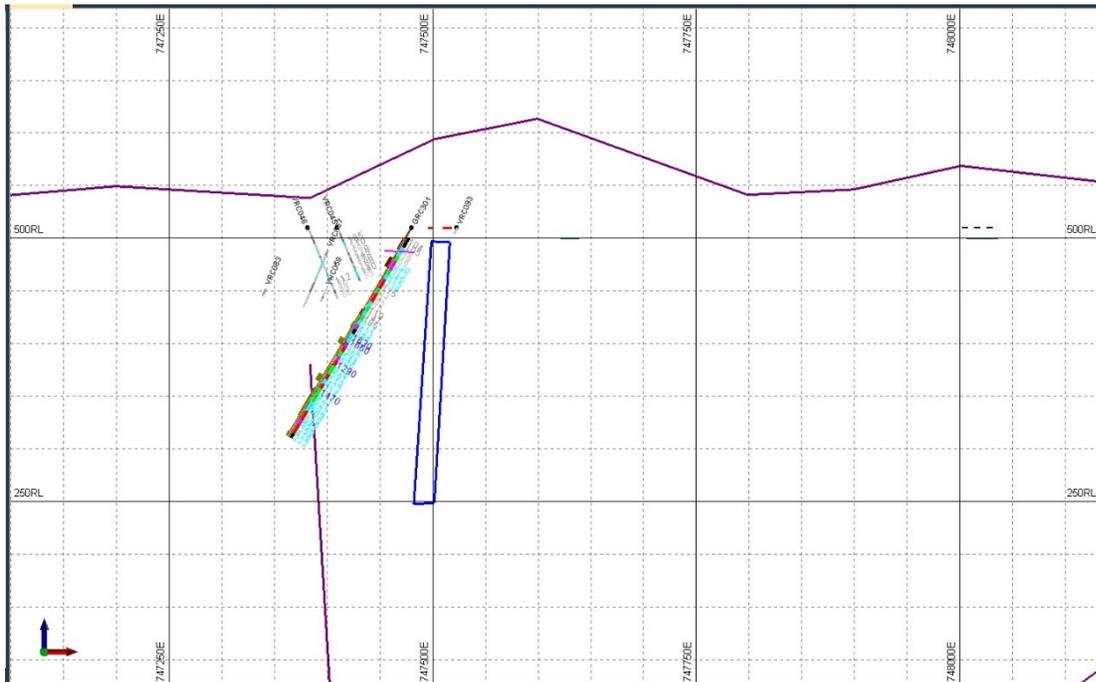
GRC305 (231m) was drilled at Hypotenuse prospect and intersected VMS related sulphidic carbonaceous shale at expected target depths in the hole. The hole then continued into a possible dacite felsic/intermediate unit before re-entering carbonaceous shale. The hole was abandoned at 231m with high water volumes in the ground. VMS multielement anomalism is generally increasing toward the base of the hole including up to 0.28% Zn, Ag to 0.75g/t, Au to 1.27ppb, Pb to 285ppm, As to 281ppm, Sb to 37.7ppm, Bi to 1.88ppm and Te to 3.95ppm. The hole did not pass into carbonate altered footwall mafic volcanics and so is not interpreted to have penetrated deep enough to have intersected the possible copper horizon.

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
Email: info@gatewaymining.com.au



Cross section 748900E, Sulphide and gossan histogram, zinc assays, multielement colour trace

Conductor 7



Cross section 6965950N, Sulphide and gossan histogram, zinc assays, multielement colour trace

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
Email: info@gatewaymining.com.au



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 July 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	(167)	(882)
	(b) development	-	-
1.2	(c) production	-	-
	(d) administration	(102)	(504)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	62
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	(257)	(1,324)
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	-	171
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(140)
1.11	Loans repaid by other entities	-	310
1.12	Other	-	-
	Net investing cash flows	-	341
1.13	Total operating and investing cash flows (carried forward)	(257)	(983)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(257)	(983)
	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	(257)	(427)
1.20	Cash at beginning of quarter/year to date	1,105	1,275
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	848	848

**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	110
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	185

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	16	22
5.2 Deposits at call	832	1,083
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)	848	1,105

+ 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: 31 July 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.

== == == == ==

+ See chapter 19 for defined terms.