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28 January 2015

Company Update

Highlights:

- **New tenements under application, Gateway expect to increase Gidgee footprint by approx. 70%**
- **Entirety of system hosting The Cup VMS cluster to be controlled by Gateway upon grant**
- **Excellent follow up targets are now viable drill targets due to extension of project boundaries**
- **Planning for exploration programs in 2015 significantly advanced**
- **Electromagnetic program to commence in February/March**

Gateway Mining Limited ('Gateway' or 'the Company') is pleased to provide an update on exploration efforts at its flagship Gidgee project in Western Australia.

Late last year, the Company applied for two new tenements adjoining its existing project tenure, E57/1004 and E57/1005. Both tenements encompass areas the Company has been actively trying to secure for some time. They are currently pending and expected to be granted in the coming weeks/months.

The tenements were unexpectedly surrendered by the previous holder and swiftly applied for by Gateway.

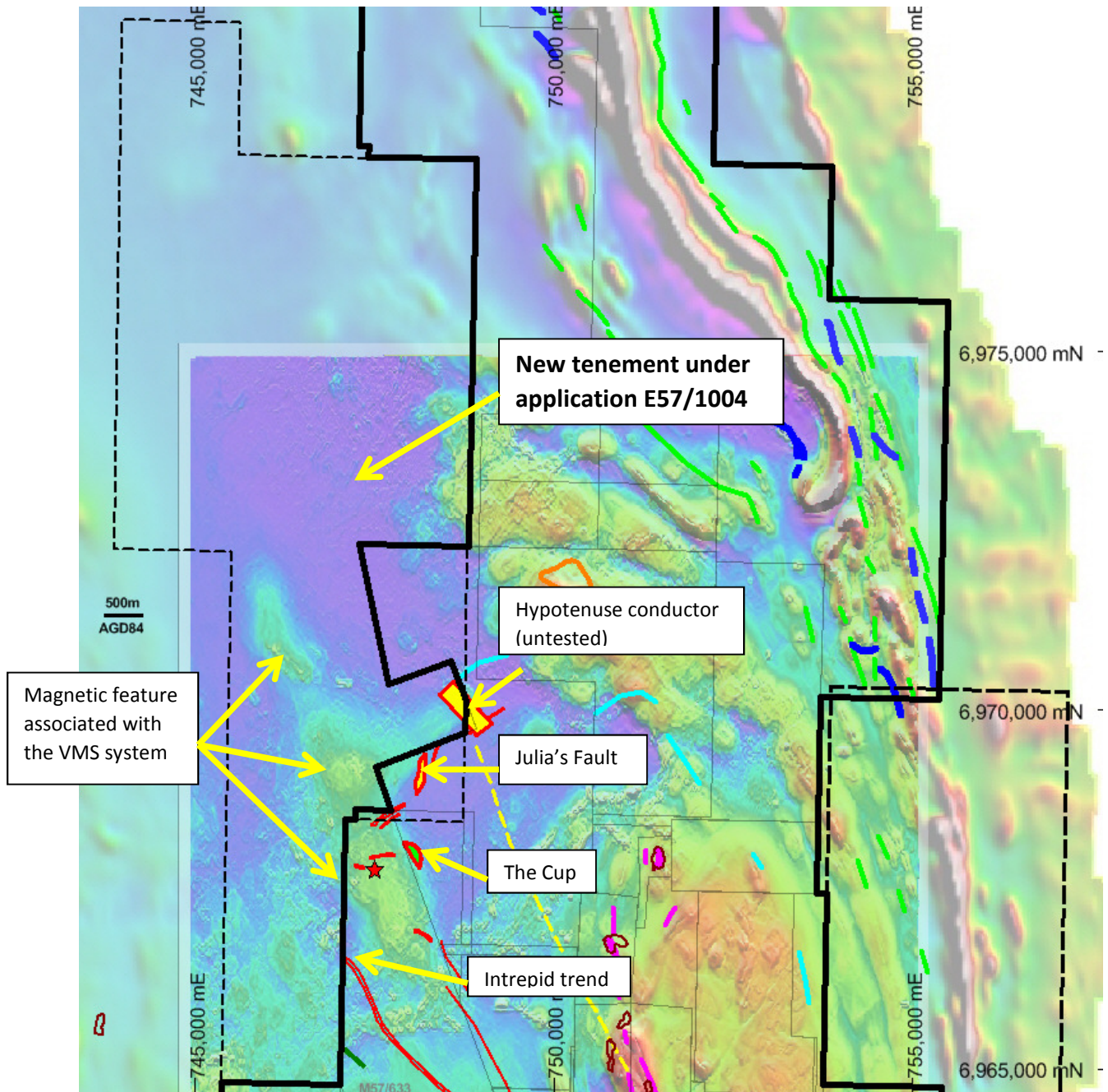
Gateway is extremely excited about securing the interests and the potential they hold for significant new discoveries. The addition of these two tenements expands Gateway's footprint in Gidgee by approximately 70%. Importantly, the additional ground is considered highly prospective.

E57/1004 adjoins the Company's Joint Venture tenement with Panoramic Resources Ltd, M57/633. This area is host to a significant Volcanogenic Massive Sulphide (VMS) mineralised system, and securing the tenement will result in Gateway controlling what it believes is 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 the Company would have like to have tested but as unable to.

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

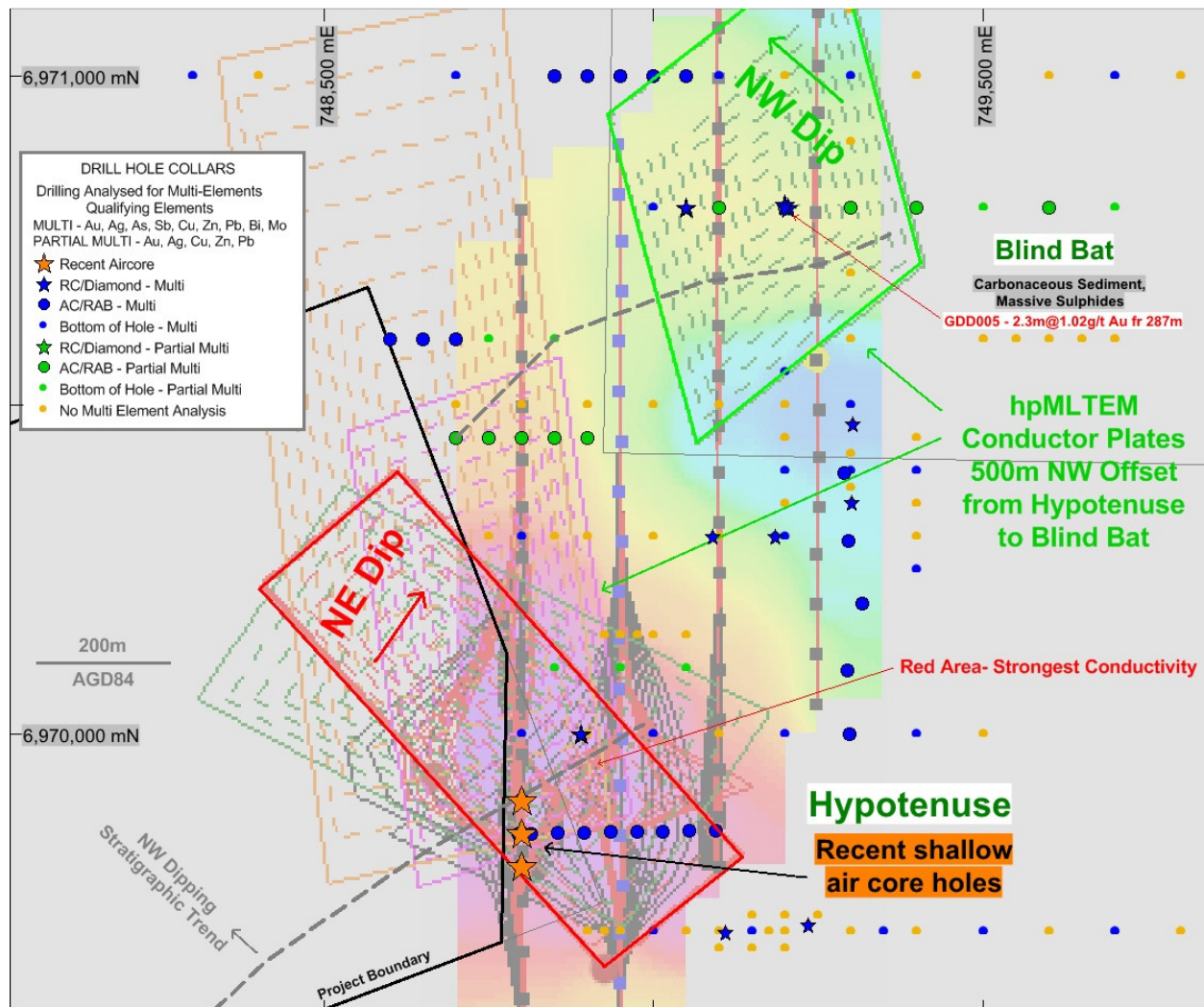
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Location of tenement E57/1004 under application



As an example of the difficulties the Company previously faced with respect to exploring the VMS system, a very strong conductor was identified at Hypotenuse (north of The Cup) which straddled the project boundary (shown by the red plate below) and the strongest part of the conductor was outside of Gateway's ground. The conductor has still not been tested.



Hypotenuse conductor which will be drill tested upon granting of tenement

Two electromagnetic surveys had been conducted over the target and three aircore holes were recently drilled above the Hypotenuse conductor right on the tenement boundary. The holes returned strong VMS multi-element and base metal anomalism, including 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 results are in line with what would be expected in a fertile VMS system. Further, they are coincident with a very strong geophysical feature (the red place conductor in the above diagram).

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Diamond drill hole GDD005, which was drilled only approximately 1km from the untested Hypotenuse conductor, intersected a system that is definitely 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 conductor is of a level that would be consistent with a massive sulphide accumulation. It would have represented an outstanding target for drill testing but for less than one third of the conductor being situated within Gateway's tenement. A similar situation occurs at the Intrepid target, which is approximately 4km south of The Cup

Once the tenement has been granted, the Company plans to drill test the conductor, and other targets, as soon as possible.

It is important to note that VMS deposits occur in clusters. VMS mineralisation has been confirmed at The Cup, Julia's Fault and Blind Bat, along with several other nearby occurrences. This highlights the importance of securing the additional surrounding ground and the potential it holds for further larger discoveries.

The Company has been conducting data reviews of the tenement with the aim of commencing significant exploration efforts on it during the various 2015 planned programs.

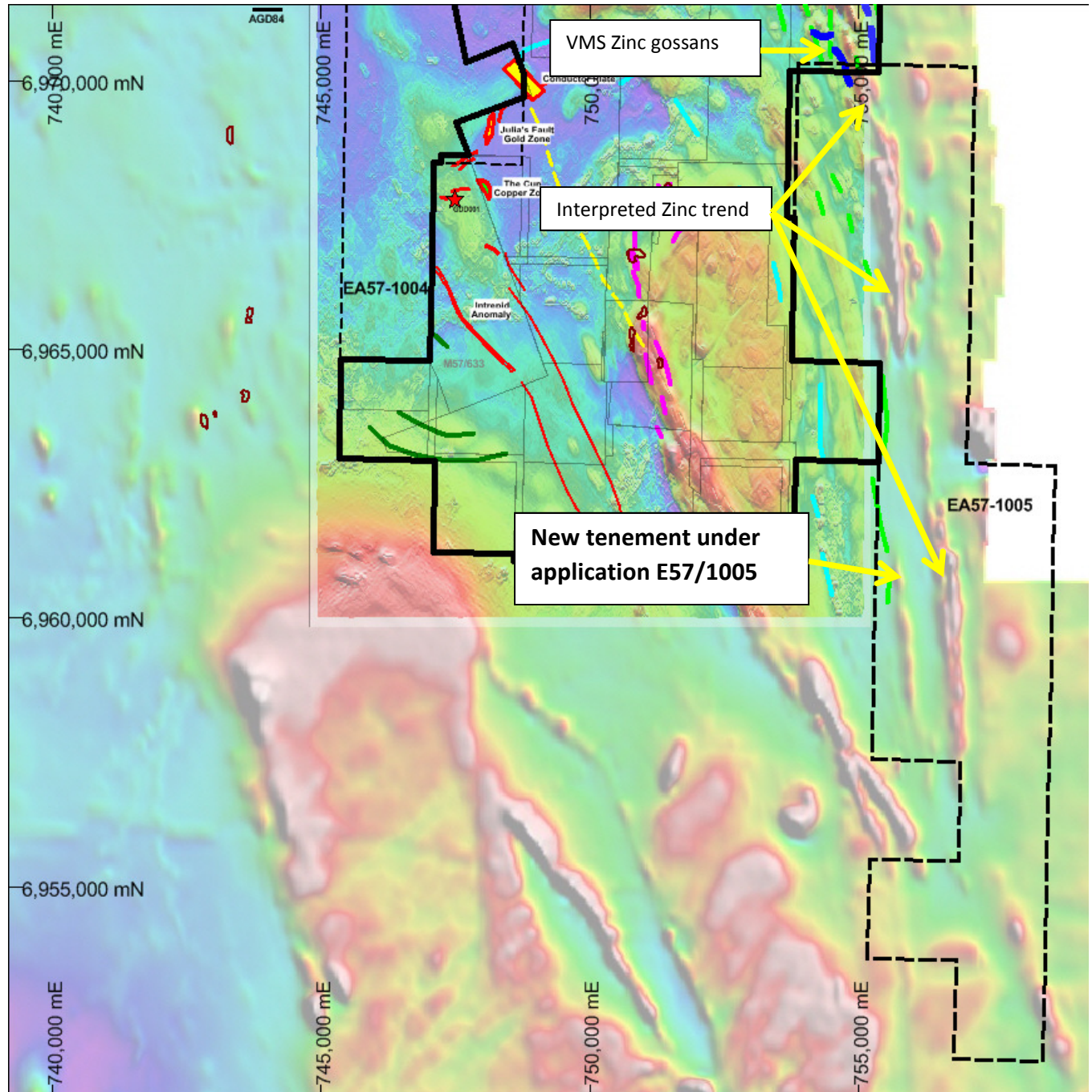
The additional tenement under application, E57/1005, hosts what is believed to be an large VMS related zinc trend interpreted to be up to 13km in length.

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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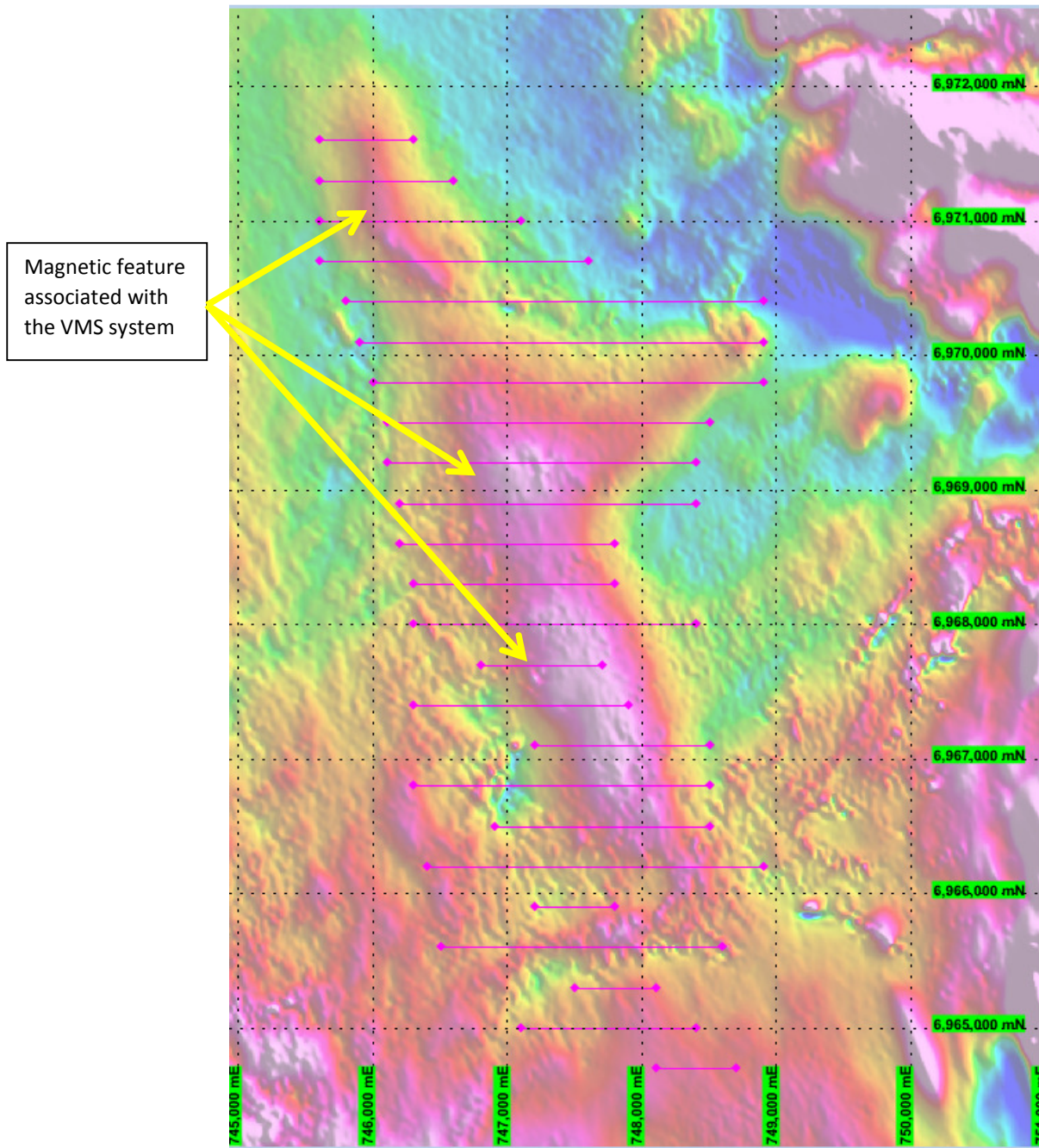
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Future exploration

A significant high-powered moving loop electromagnetic (HPMLTEM) survey is planned over the new tenement E57/1004 as shown below. VMS deposits typically have a geophysical signature which can be detected using this type of electromagnetic survey.



Planned MLTEM survey lines over magnetic feature

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HPMLTEM geophysics has proved very useful in locating massive sulphide accumulations in this terrain. This program is designed to comprehensively cover the magnetic feature in search of near surface electromagnetic conductors and it is expected this survey will locate a number of targets which can be swiftly followed up with RC drilling. Previously identified conductors lie relatively close to the feature.

Gateway has a very strong understanding of the geology in the area and is confident of being able to delineate high priority targets out of the HPMLTEM survey. It is expected this survey will commence in the coming weeks, subject to necessary approvals being obtained.

The Company is also planning a number of drill programs. It is expected the first one for 2015 will commence in March.

Further updates will be provided in due course.

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.