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30 October 2015

Quarterly Activities and Cashflow Report

Highlights:

- **Results released from RC Drilling Program during the quarter**
- **Extensive data review and modelling of existing gold mineralisation**
- **Evaluation of new acquisition opportunities**

Results released from RC Drilling during the Quarter

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

The most exciting aspect of the program was the intersection of a Reduced Intrusive Related (RIR) gold system. GRC303 intersected 8m @ 0.63g/t Au from 49m and GRC304 intersected 2m @ 2.31g/t Au from 41m.

The system has excellent potential for a substantial gold mineralised system. 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.

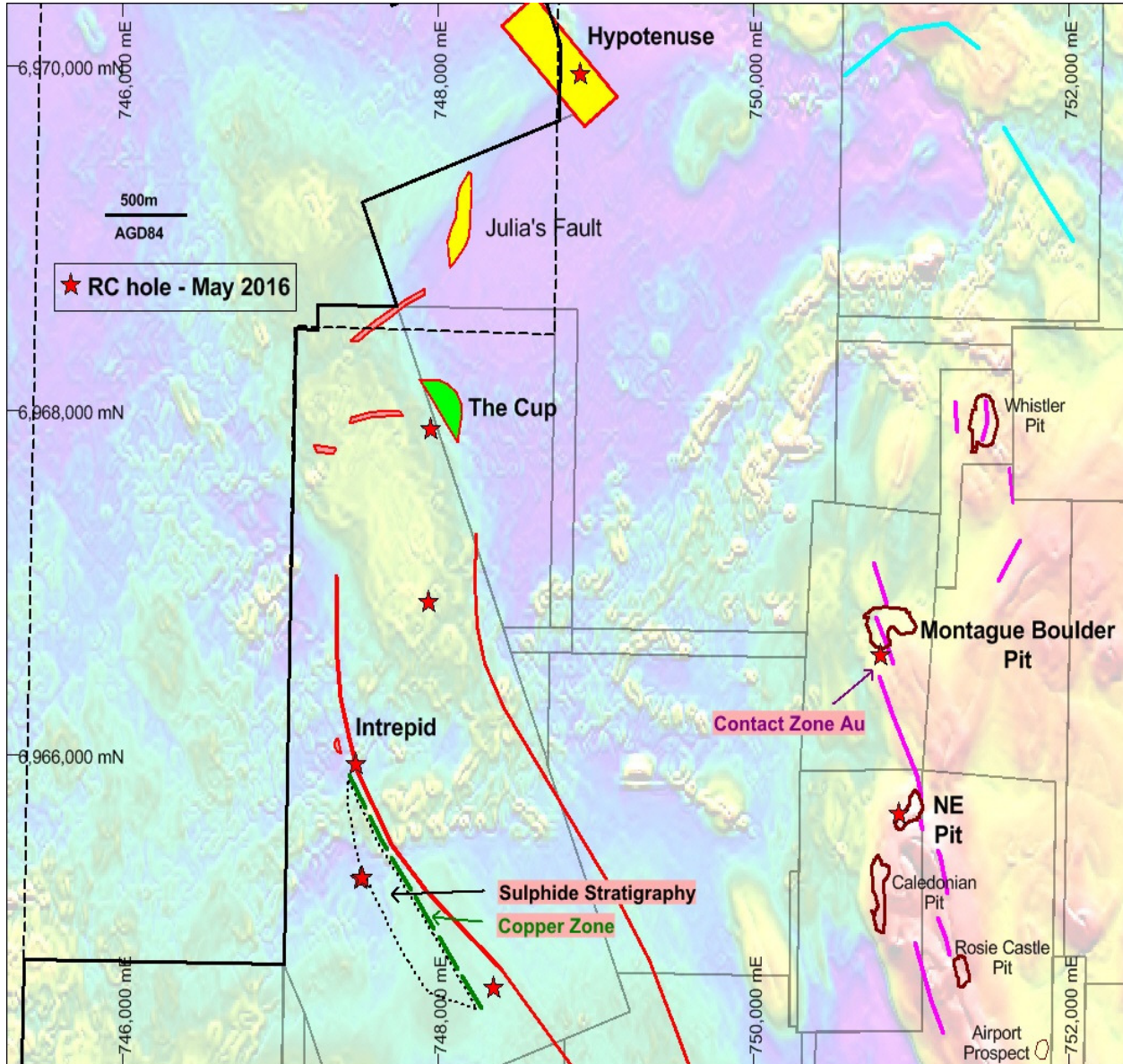
This system represents a very exciting exploration frontier as its expansive strike length means there is capacity for a large tonnage mineralised system.

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.

The gold was intersected in the vicinity of much higher intercepts, including 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.

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Overview of RC Drilling program – (background: Total Magnetic Intensity)

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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.

Importantly, the sulphide content is relatively low, as are the base metal concentrations. Geochemical concentrations for bismuth and tungsten are high, combined with low arsenic; all very important characteristics of this style of mineralisation.

Full details of the results can be found in the announcement made to the ASX on 7 September 2015.

Extensive data review and modelling of existing gold mineralisation

The Company has spent considerable time modelling the existing gold mineralisation during the quarter. The focus of the modelling has been along the western margin of the Montague granodiorite

Substantial historical drilling has occurred, and combined with selected recent drilling and a developing understanding of the nature of the mineralisation, the Company is of the opinion it may be able to release an initial JORC compliant inferred gold resource.

Future exploration programs will aim to delineate extensions of the gold mineralisation, with the target of developing and adding to a resource base. Work is ongoing on the modelling of mineralisation and designing programs to intersect further gold.

It is expected that pursuing this strategy will provide a more substantial base for the Company, which it can use as a platform for future shareholder value creation. This is particularly important given the difficult market conditions being faced by junior exploration companies

Further details will be provided when available.

Evaluation of new acquisition opportunities

During the quarter the Company has been evaluating several acquisition opportunities. While market conditions are not ideal for junior explorers, the Board is of the opinion that should an opportunistic high quality acquisition target present itself, it could provide an excellent opportunity for long term shareholder value creation, particularly for when market conditions improve

The Company is focusing on both base and precious metals projects where it has particular expertise.

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None of the opportunities or negotiations have yet reached a point where there is enough certainty to make an announcement to the market. Should the Board decide to proceed with any further opportunities, the market will be promptly informed and shareholder approval sought, if required.

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.

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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 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	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(62)	(62)
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)	-	-
	Net Operating Cash Flows	(101)	(101)
Cash flows related to investing activities			
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 (c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(101)	(101)

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1.13	Total operating and investing cash flows (brought forward)	(101)	(101)
	Cash flows related to financing activities		
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(101)	(101)
1.20	Cash at beginning of quarter/year to date	848	848
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	747	747

**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	16
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

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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	50
Total	160

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	28	16
5.2 Deposits at call	719	832
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)	747	848

+ 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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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	292,422,962	292,422,962		
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	-	Exercise price 8 cents	Expiry date 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)	-	-		

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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 October 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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