

## Quarterly Activities Report

For the period ended 30<sup>th</sup> September 2011

### HIGHLIGHTS

- Further work confirms the VMS prospectivity of a number of prospects at the Gidgee Project in Western Australia
- Targets are defined by coincident geological, geophysical and geochemical VMS-style signatures
- Programmes of work for drilling at Gidgee approved by the Department of Mines and Petroleum
- Subsequent to the end of the reporting period the company has agreed to place 20,000,000 fully paid ordinary shares at 2.3 cents per share with a 1.8 free attaching option expiring 15 November 2014 exercisable at 2 cents per option.

### OVERVIEW OF EXPLORATION PROJECTS

#### WESTERN AUSTRALIA

##### GIDGEE PROJECT

Work completed during the quarter included litho-geochemical and alteration analysis of multi-element geochemical data throughout the project area, and reconnaissance ground work over a number of areas. A summary of results is shown in Figure 2.

The litho-geochemical work has confirmed the potential for VMS mineralisation, with the results outlining possible large scale alteration systems, with styles and zonation typical of those seen in VMS districts.

This ongoing work has reinforced the prospectivity of a number of tenements to host VMS mineralisation, with the known mineralisation at “The Cup” probably representing a zoned VMS lens.

Of particular interest are the under-drilled tenements that include the Gravel Pit and Gossans Galore prospects, which have returned very promising results to date. These prospects exhibit geological, geophysical and geochemical signatures that can be considered indicative of VMS-mineralised systems.

Reconnaissance is ongoing over the Bungarra tenements, which were recently acquired by Gateway from Legend Mining. The results are currently being interpreted; however preliminary thoughts indicate that this area too is prospective for

VMS mineralisation; however the prospective stratigraphy has been disrupted due to the intrusion of the Bungarra Intrusive Complex.

Subsequent to the end of the period programmes of work for planned aircore and reverse circulation drilling programmes over Gateway and joint venture tenements were approved by the Department of Mines and Petroleum. Approved drilling includes 2,975m of RC and 6,780m of aircore.

### **Western Tenements – Gossans Galore E57/417, E57/688, P57/1232, P57/1152**

*Gateway 100%, (Avenue earning 80%)*

#### **Gravel Pit, E57/807**

*Gateway 100%,*

These under-explored tenements represent a prime VMS target area, with pointers to mineralisation including geochemical, geophysical and geological anomalism. The lithogeochemical work has reinforced the prospectivity, returning alteration styles and lithologies typical of those associated with VMS mineralisation.

At Gossans Galore, there appears to be zoned alteration, ranging from distal albite to sericite/chlorite proximal to the EM anomalies and known gossans. In addition the work indicates that the dominant lithologies are basalts, with subordinate intermediate volcanoclastics. Alteration at Gravel Pit includes sericite and chlorite/sericite.

Both aircore and RC drilling has been planned to further test these exciting targets.

#### **The Cup E57/417/Julia's Fault M57/429**

*Gateway 100%, (Avenue earning 80%)/Gateway 75% - Red 5 25%*

Lithogeochemical analysis of The Cup and Julia's Fault shows sericite/chlorite and strong sericite alteration, with this alteration also occurring along the trend between the prospects and to the south of The Cup. In addition the results of the lithology analysis indicate a possible transition from basalts in the east to overlying intermediate volcanics to the west, with mineralisation occurring near the contact between the units.

RC drilling has been planned to further delineate mineralisation at The Cup, with both RC and aircore drilling planned for Julia's Fault and nearby areas.

#### **Birthday Trend P57/1151, P57/1155/E57/795**

*Gateway 100%, (Avenue earning 80%)/Gateway 75% - Red 5 25%*

This trend (Figure 2) has been traced thus far for approximately 5km, and appears to be open to the north and south. The trend is marked by sporadic gossan outcrops and EM conductors, and in part forms a faulted eastern boundary to the Montague Granodiorite.

At the Birthday Gossan, work to date has identified approximately 140m of strike of gossan, with up to rock chip sample SEP036 returning 1,070ppm Zn and 789ppm Cu.

Some aircore drilling is planned to test this zone.

## **Bungarra E57/706, E57/709**

*Gateway 100%*

Follow up reconnaissance work was carried out on the Bungarra leases. This included further follow up along the Bigfinger trend, for which initial results were reported last quarter (Figure 3).

The interpreted zinc corridor strikes NNW for approximately 2km, and is defined by surface geochemistry and EM responses. Rock chips collected during the current quarter returned up to 4930ppm Zn and 901 ppm Cu (sample SEP096).

Aircore drilling is planned to test the zinc corridor.

## **NEW SOUTH WALES**

### **COWRA PROJECT : EL 5514 & 6102**

*Gateway Mining 49%; Minotaur 51%, Mitsubishi Corporation - Mitsubishi Materials Corporation earning 24%.*

On June 10, 2011 Minotaur Operations P/L provided Gateway with 30 days notice of its wish to withdraw from the Cowra Joint Venture.

As part of the termination Minotaur offered Gateway its 51% interest in EL5514 and EL6102, an offer which Gateway has accepted.

Gateway will now begin a review process of all exploration carried out to date over these tenements with a view to deciding on a future strategy and activities. The Company is seeking joint venture partners for the Cowra Project.

## **QUEENSLAND**

### **SURPRISE PROJECT : EPM 9053, 13677**

*Gateway 100%*

The Company declined the offer of EPM17870.

No other work has been carried out on the Surprise Project during the quarter.

### **HODGKINSON BASIN**

*Republic Gold, Gateway 6% free carried*

Republic Gold is reviewing options with regards to its North Queensland projects.

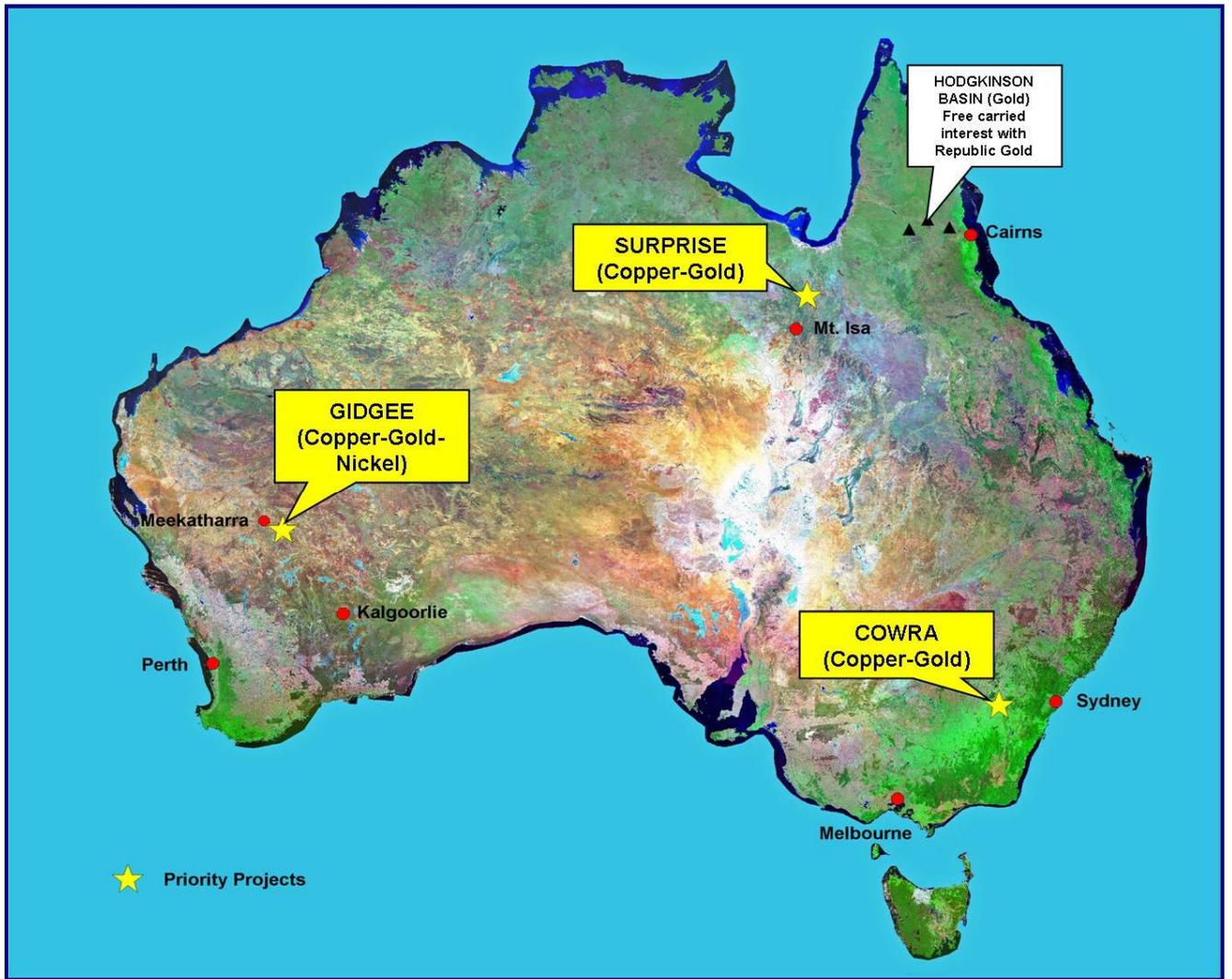
## **CHANGES IN TENEMENT HOLDINGS**

Following the termination of the Cowra JV, EL's 5514 and 6102 have now reverted 100% to Gateway.

The offer of Surprise area tenement EPM17870 was declined.

***For further information visit our website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au)  
or contact: Bob Creelman, Director, or Mark Gordon on Tel: 02 9283 5711***

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. M.J.Gordon, a consultant to Gateway Mining, a Member of the Australasian Institute of Mining and Metallurgy (CPGeo) and Australian Institute of Geoscientists. Mr.M.J.Gordon has a minimum of 5 years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. M.J.Gordon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



*Figure 1. Gateway Mining Limited Project Locations*

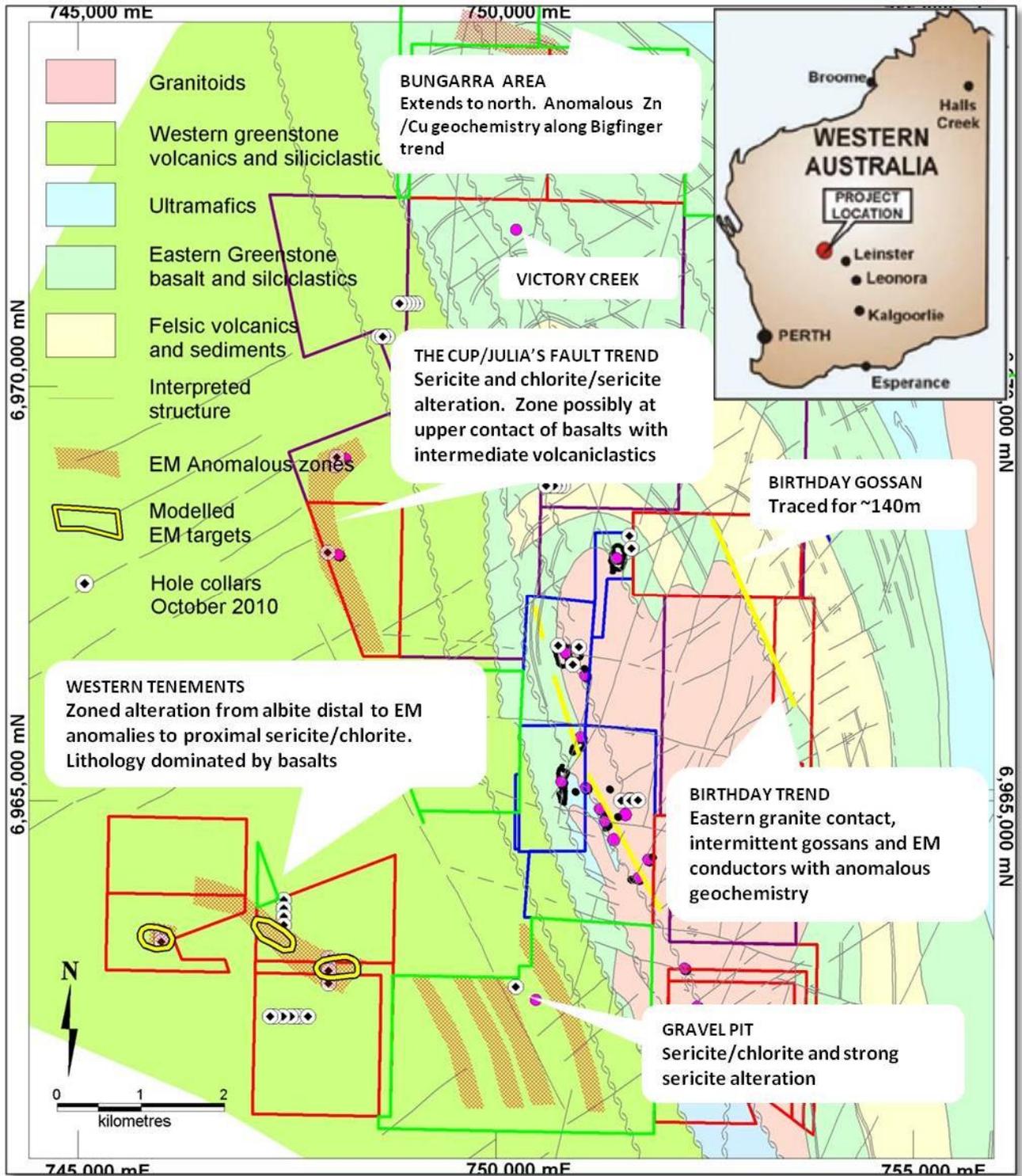


Figure 2. Gidgee Project, showing tenements, prospects (pink dots) and results summary. Tenements outlined in red and blue are in the Avenue JV's

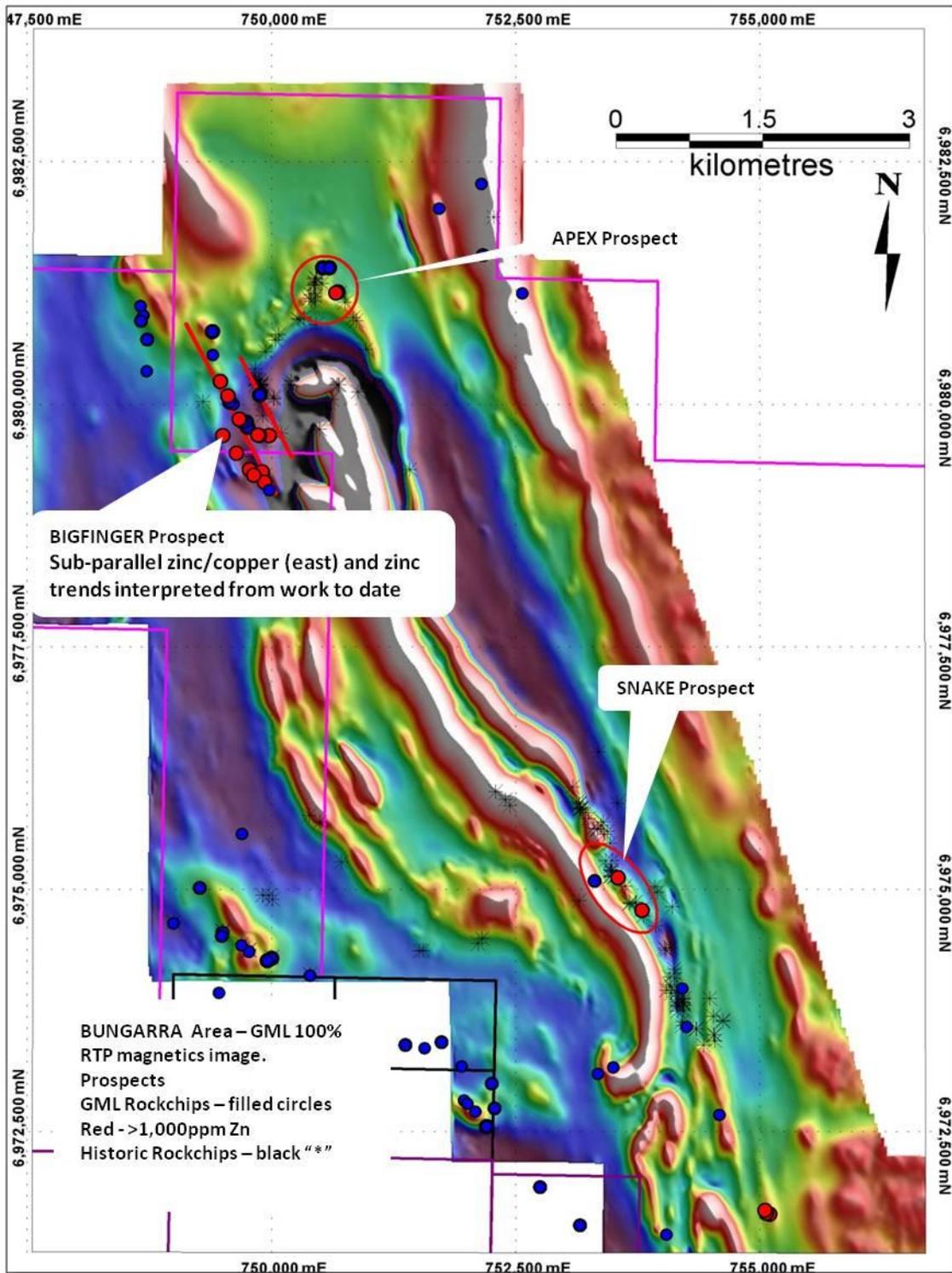


Figure 3. Bungarra area, Gidgee Project, on magnetic image, showing main prospects and sampling to date