

Quarterly Activities Report

For the period ended 30th September 2012

HIGHLIGHTS

- RC drilling intersects significant sulphides at Gossans Galore EM targets, with assay results yet to be received
- Drilling at Gossans Galore and other prospects has also intersected units and alteration typical of those associated with Copper & Zinc VMS systems
- Geochemical sampling over target EM trends has returned anomalous base and pathfinder element assays
- Results confirm the highly significant Copper & Zinc VMS prospectivity of the Gidgee Project, with only limited drill testing of a number of targets
- Additional gold results at Whistler Pit from previously un-assayed core samples demonstrate potential to find additional mineralisation at the prospect.

OVERVIEW OF EXPLORATION PROJECTS

WESTERN AUSTRALIA

GIDGEE PROJECT

Gateway is targeting major and significant world class VMS deposits within its Gidgee tenements. Work during the September quarter further enhanced the Company's belief its tenements are potentially host to significant Copper & Zinc deposits.

Field activities during the quarter included a thirteen hole, 1335m RC programme over various targets (Figures 2 and 3, Table 1), as well as rock and stream geochemical sampling.

The drilling included four holes at the Gossans Galore area, the first RC drilling on this highly promising prospect. A number of these holes intersected semi-massive to massive sulphides and altered volcanics, confirming the VMS prospectivity of the area.

Assay results are yet to be received for this programme. However, geological results have supported the prospectivity of most of the areas drilled, in particular Gossans

Galore, which remains significantly under drilled and a prime Copper & Zinc VMS prospect.

Drilling at the Bigfinger Prospect at Bungarra confirmed the geological complexity of this area, however did intersect significant sulphides, and this area warrants further work.

Geochemical sampling over the project has also returned interesting results, confirming the prospectivity of a number of prospects including Gravel Pit and the Birthday Trend.

Table 1: Drillhole details

Hole	North AGD84	East AGD84	Depth	Dip	Azimuth True	Type	Prospect	Licence
GRC216	6980066	749555	60	-60	360	RC	Bigfinger	E57/706
GRC217	6979807	749772	100	-60	315	RC	Bigfinger	E57/706
GRC218	6979305	749820	60	-60	180	RC	Bigfinger	E57/709
GRC219	6979362	749771	60	-60	135	RC	Bigfinger	E57/709
GRC220	6979310	749887	60	-60	90	RC	Bigfinger	E57/709
GRC221	6963365	746000	158	-60	360	RC	Gossans Galore	P57/1232
GRC222	6963240	746250	89	-60	180	RC	Gossans Galore	E57/876
GRC223	6963460	747250	126	-60	180	RC	Gossans Galore	E57/417
GRC224	6962485	747250	90	-60	180	RC	Gossans Galore	E57/688
GRC225	6967860	752880	72	-60	245	RC	Birthday	P57/1155
GRC226	6968050	748110	144	-60	90	RC	The Cup	E57/417
GRC227	6971765	750250	150	-60	360	RC	Victory Creek	M57/485
GRC228	6970800	749050	166	-60	90	RC	Deep EM	M57/485

The Cup E57/417

Gateway 100%

GRC226 (144m) was designed to explore the footwall sequence to The Cup copper mineralisation. The hole was drilled approximately 100m east (up-dip) from hole GRC119, which intersected 41m @ 0.53% Cu.

The hole traversed the main Cup gossan zone and intersected an additional footwall gossan before intersecting what appear to be oxidised sulphide stringers in relatively fresh felsic volcanics.

Preliminary interpretation is that this could represent an altered footwall stockwork/feeder system typical of many VMS systems elsewhere.

Gossans Galore, E57/417, E57/688, P57/1232, P57/1152

Gateway 100%,

Gossans Galore is a highly prospective target for the Company. Four RC holes, GRC221 to GRC224 were drilled at Gossans Galore to test EM anomalies. Only limited aircore drilling had been previously completed in this area - the current programme is the first RC drilling over this exciting prospect.

GRC221 (158m) was designed to test an EM anomaly that had been spatially defined by an aircore hole that intersected a gossan. This hole also intersected very strong multi-element anomalism, and hence this was a priority target.

Hole GRC221 successfully drilled the target, intersecting variable sulphide mineralisation from 120 to 140m downhole, explaining the EM conductor. The sulphide appears to be hosted in felsic units near the contact with a chlorite altered mafic. Although pyrite appears to be the dominant sulphide, visually there appeared to be chalcopyrite and other copper bearing sulphides. However, pulverising of the material by drilling makes sulphide species recognition difficult

Hole GRC222 (89m) was designed to test another EM anomaly, however ground conditions caused the abandonment of the hole before reaching target. The hole terminated in fresh felsic volcanics.

Another EM anomaly was tested by hole GRC223. This hole intersected significant semi-massive to massive sulphides in black carbonaceous sediments from 98m to the end of the hole at 126m. The presence of the sulphides would appear to explain the anomaly - it has been found in previous drilling that the carbonaceous sediments in this area do not form EM conductors.

The fourth Gossans Galore hole, GRC224, was again terminated before target depth due to ground conditions. This hole was terminated at 90m in chlorite altered basalt containing disseminated sulphides.

Given the limited drilling to date, the results of this programme can be considered successful, in that the holes, in addition to the sulphides, have intersected lithologies commonly associated with VMS style mineralisation, which is the target style at this prospect. It has also shown that the EM anomalies are commonly associated with sulphides.

Birthday Gossan P57/1155

Gateway 100%

One hole for 72m was drilled to test at shallow depth beneath a highly anomalous sub-cropping gossan only recently discovered in 2011.

GRC225 successfully penetrated the gossan but sample quality was poor in broken damp ground. The hole intersected what appeared to be an altered mafic footwall sequence and ended in felsic units.

This is part of the Birthday Trend, a 6km long zone along the eastern side of the Montague Granodiorite, and marked by a number of EM anomalies, and base and pathfinder element anomalism possibly related to VMS-style mineralisation.

Victory Creek M57/485

Gateway 75%/Estuary Resources NL 25%

Two holes were drilled for a total of 316m.

GRC227 was designed to further investigate the geometry of strong As and Sb anomalism and coincident gold mineralisation at Victory Creek proper.

The Company is working to enhance its understanding of Victory Creek. Recent interpretations suggest the mineralisation may in fact be rod like and controlled by fold nose geometry.

The hole was designed to further constrain the limits of this hypothesis. The drill hole intersected two metres of disseminated py/asp in sericite altered felsic cobble conglomerate.

Assay results should help vector further drilling.

GRC228 was drilled to test an interpreted blind to surface deep EM conductor.

The hole failed to make target due to extremely hard drilling conditions and was terminated at 166m in what are possibly black silicified metasilstones.

Bungarra E57/706, E57/709

Gateway 100%

Five holes (GRC216 to GRC220) for 340m were drilled to test the Bigfinger prospect within the Bungarra area (Figure 3). This prospect is marked by strong a north-south trending Zn anomalous corridor and numerous gossans. The geology is interpreted to be a largely felsic greenstone package intruded by mafic intrusives of the Bungarra Complex. Folding and disruption by the intrusives make for a very structurally complex area.

The dominant trend is a north-south trending highly anomalous Zn corridor; however mapping has also delineated a number of east-west trending features of interest.

Holes GRC216 and GRC217 were targeted at gossan outcrops, and both intersected gossanous felsic volcanics and sediments, however without intersecting massive sulphides that would explain the gossan outcrops. Possible interpretations are that these outcrops are either large pieces of float (GRC216) or the keel of a steeply plunging syncline (GRC217).

Holes GRC218 and GRC219 targeted east-west trending highly Zn anomalous ironstones. Both intersected significant sulphide (dominantly pyrite); in the case of GRC218 in dolerite, and in GRC219 in mixed dolerite/felsic units.

Hole GRC220 targeted a more north-south trending Zn feature, however failed to reach target, terminating in un-mineralised dolerite.

The structurally and geologically complex nature of the Bigfinger Prospect indicates the need for further ground work, including geophysics and detailed structural mapping before further drilling is carried out. The area remains of interest, with significant sulphides and a felsic volcanic-sedimentary package being intersected., albeit with the disruption by the dolerites.

Gidgee Project – Geochemical Sampling

Geochemical sampling over the project has returned very promising results.

This has included rock chip sampling, which included outcrop, subcrop, float and samples scavenged from old RAB hole spoil. Sample sites, annotated by copper values are shown in Figure 4.

Scavenging from poorly preserved RAB samples along EM trends at the Gravel Pit has returned anomalous Cu, Zn and Ag, supporting the prospectivity of this area - these holes had originally only been assayed for gold, and the poor quality of the samples possibly indicates that the anomalism may be understated.

At the Birthday Trend rock chip samples have also returned significant base and pathfinder element values, indicating that this area requires further follow up. These are largely coincident with EM anomalies which characterise this trend.

These results confirm the prospectivity, and hence the need for further work at these prospects. Both have been defined by work by Gateway, and are for all intents and purposes undrilled.

Other sampling has included soil sampling in the south-eastern corner of the tenement package. This work has returned some elevated gold values (up to 49ppb, commonly around 7-12ppb over basalts near the eastern margin of the Montague Granodiorite - the results of this are currently being interpreted.

Whistler – M57/217

Gateway 85% Goldfan Pty Ltd 15%

Whistler Pit is currently host to a high-grade 25,600 oz JORC compliant inferred gold resource (106,000t at 7.5g/t uncut). In 2006 a Joint Venture partner drilled two diamond holes, WRC017 & WRC018, into the resource.

Original results from hole WRC017 using a 0.5g/t Au downhole cutoff included:

- WRC017 - 4m @ 1.26g/t Au from 131-135m
- WRC017 - **9m @ 33.82g/t Au** from 136-145m
- WRC017 - 3m @ 5.95g/t Au from 146-149m

Original results from hole WRC018 using a 0.5g/t Au downhole cutoff included:

- WRC018 - 6m @ 1.26g/t Au from 96 -102m
- WRC018 - 2m @ 10.53g/t Au from 179.6-181.6m

Despite these strong results, not all drill core intervals had been sent for assaying.

During the quarter a number of these previously un-sampled drill core intervals in holes WRC017 and WRC018 were sampled and assayed for gold.

The current sampling returned the following result:

- WRC017: 2m @ 19.00g/t Au from 153-155m
- WRC018: 1m @ 1.80g/t Au from 174-175m

The original and updated results of holes WRC017 and WRC018 do not form part of the JORC resource at Whistler Pit.

These results are shown in Figure 5.

NEW SOUTH WALES

COWRA PROJECT: EL 5514 & 6102

Cowra Project tenements EL5514 and EL6102 were relinquished during the period.

QUEENSLAND

SURPRISE PROJECT: EPM 9053

Gateway 100%

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

CORPORATE

Approval was given in a General Meeting of shareholders to raise \$5,000,000 through a fully underwritten placement of 100 million shares at \$0.05. The placement closed on 19 October 2012 with the full capacity having now been allocated. The funds from the Placement will be used to advance the Company's Gidgee projects.

As noted in the Company's announcement, 'Company Update', of 19 October 2012, Gateway is currently preparing a detailed document to outline the significant potential for the Gidgee tenements to host major Copper and Zinc VMS deposits. This will be released in due course.

For further information visit our website at 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

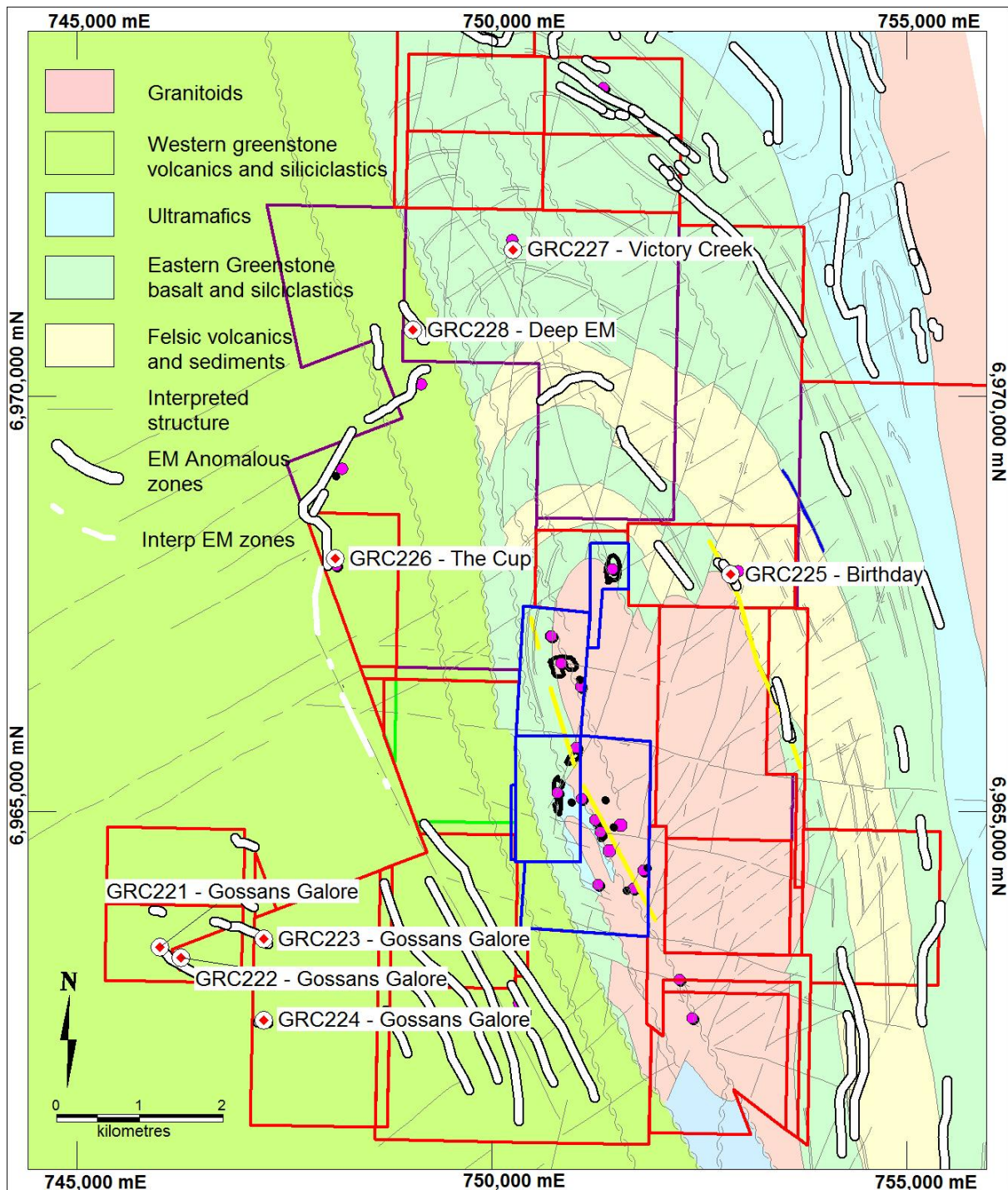


Figure 2. Gidgee Project, showing tenements, prospects (pink dots) September quarter drillholes and EM interpretation.

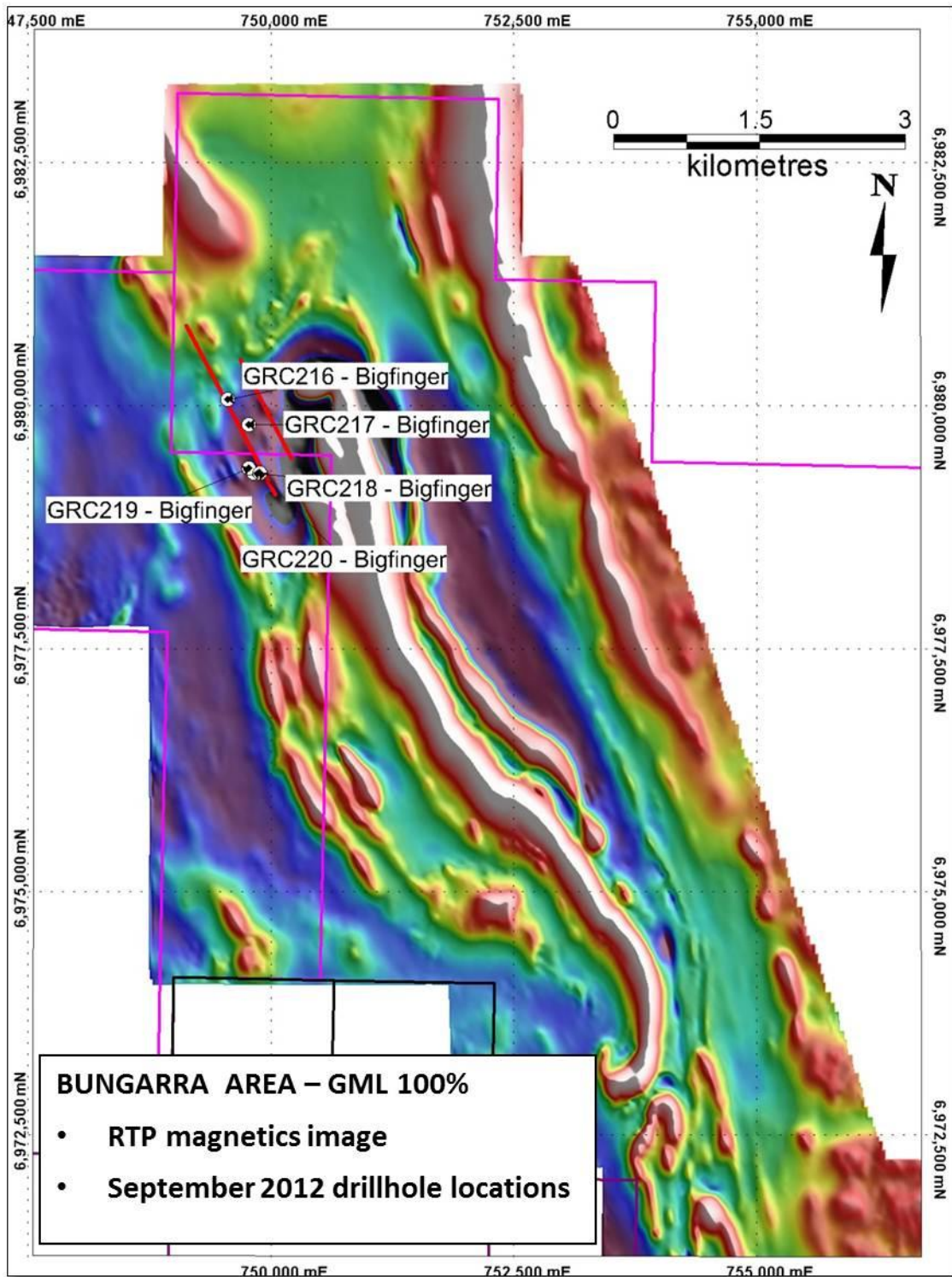


Figure 3. Bungarra area, showing September 2012 drillhole collars

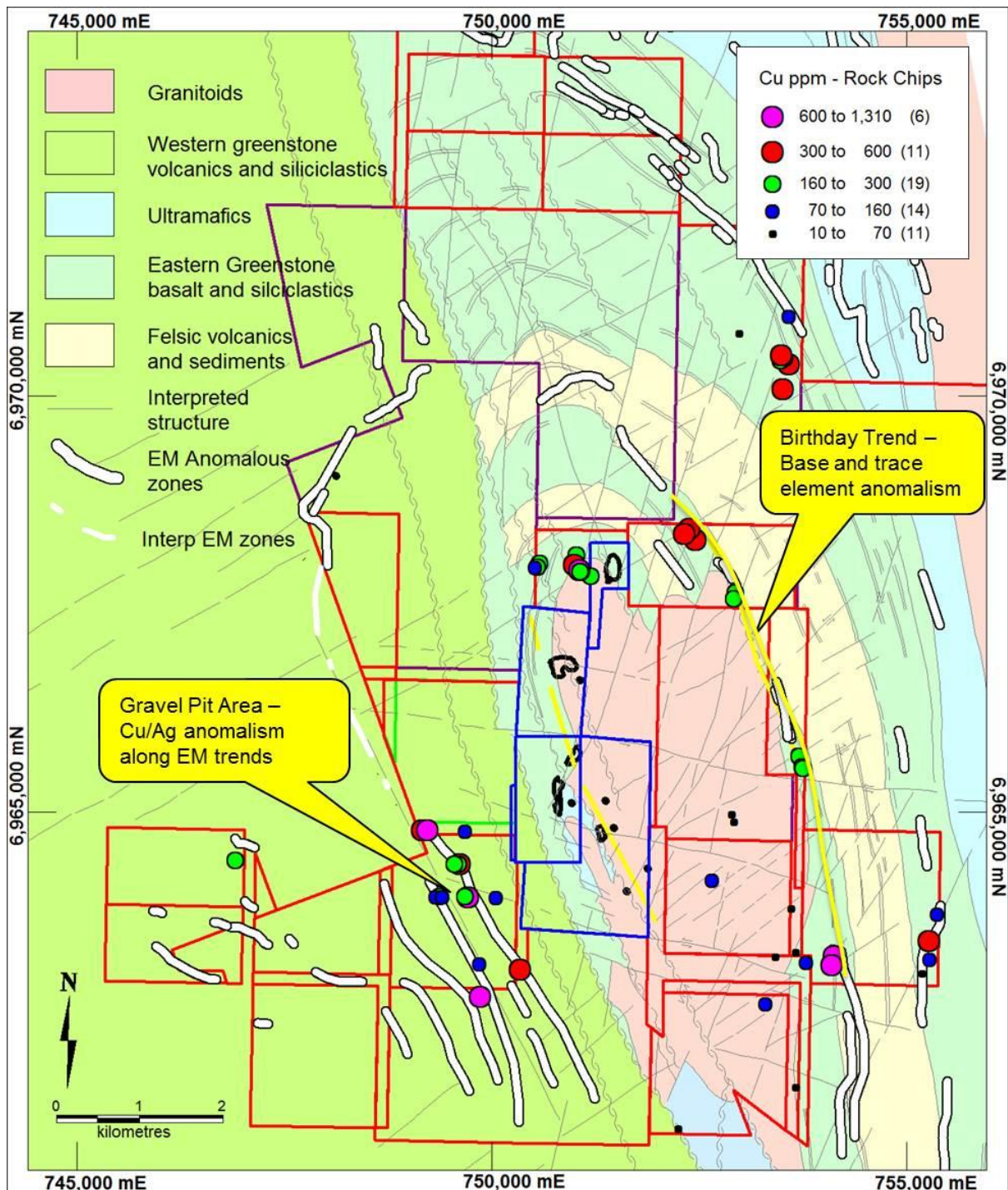


Figure 4. Montague area rock chip sampling summary, annotated by copper grade

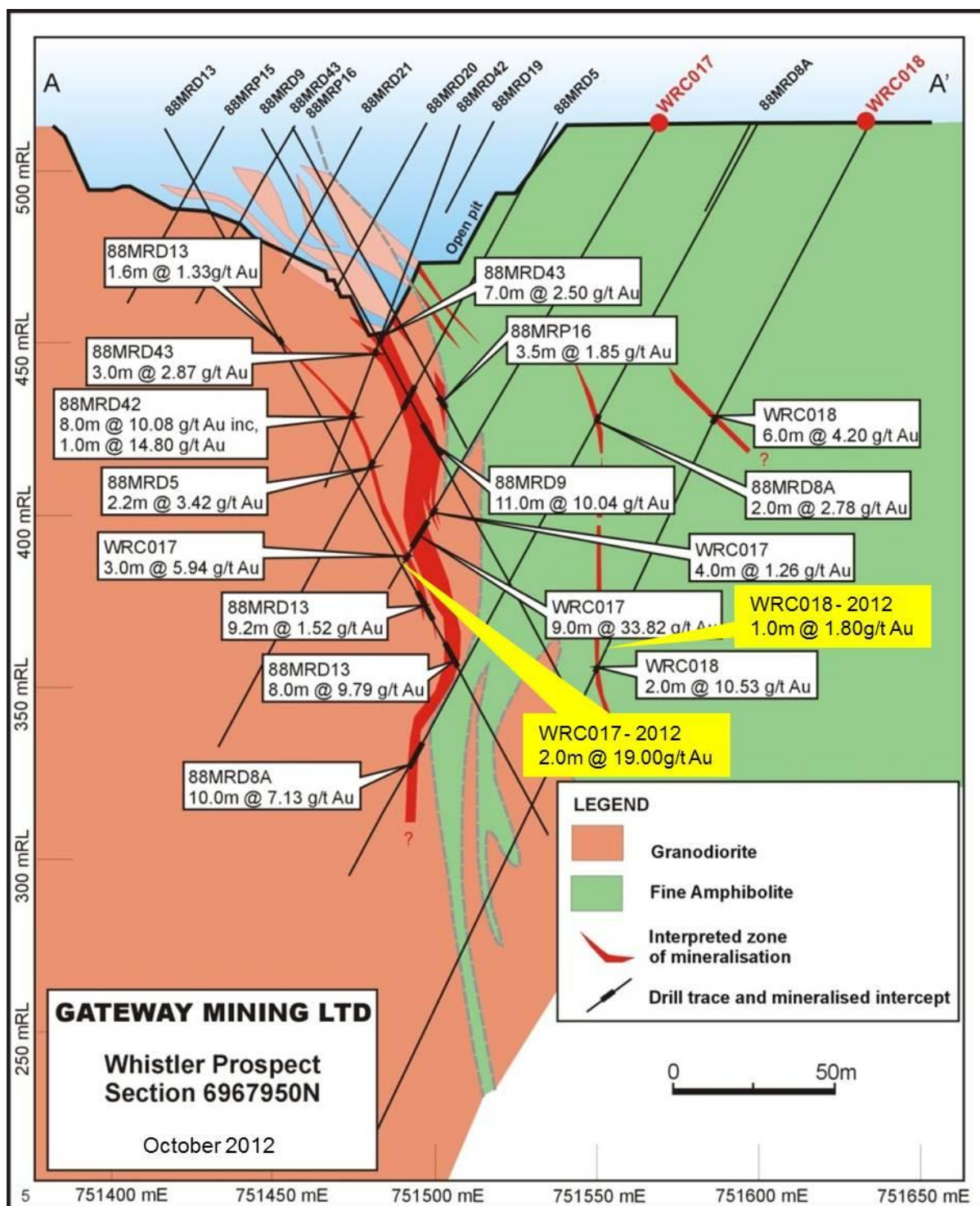


Figure 5. Whistler section, showing gold intersections