

19 February 2014

Initial leach testing results from The Cup

Highlights:

- Drilling progressing well on Ni-Cu-PGE target – expected completion next week
- Initial leach testing of copper at The Cup shows very high recovery of ~97%
- Results suggest primary copper mineral is 'sooty' chalcocite, meaning historic RC drill intercepts could have underestimated grade

Drilling program progress

Drilling is progressing very well on the Company's Ni-Cu-PGE target. Given current drilling conditions, the hole is expected to reach the targeted conductor next week.

As detailed in previous announcements, the Company is following up very promising Ni-Cu-PGE sulphide mineralisation intersected in GRC283 (see announcement 3 December 2013). The intersection lies directly above a strong electromagnetic conductor with dimensions of approximately 1,000m x 500m and conductance of ~10,000S. It was intersected in mafic-ultramafic host rock which is the type of rock that typically hosts intrusive related Ni-Cu-PGE style mineralisation.

The Company expects to be able to provide an update to the market next week.

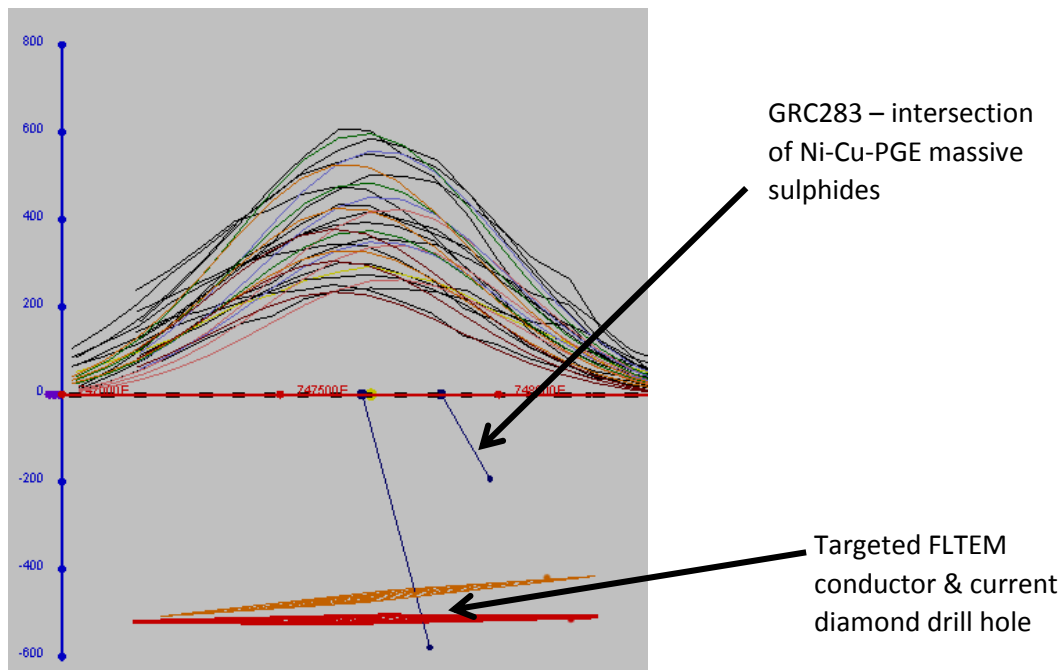
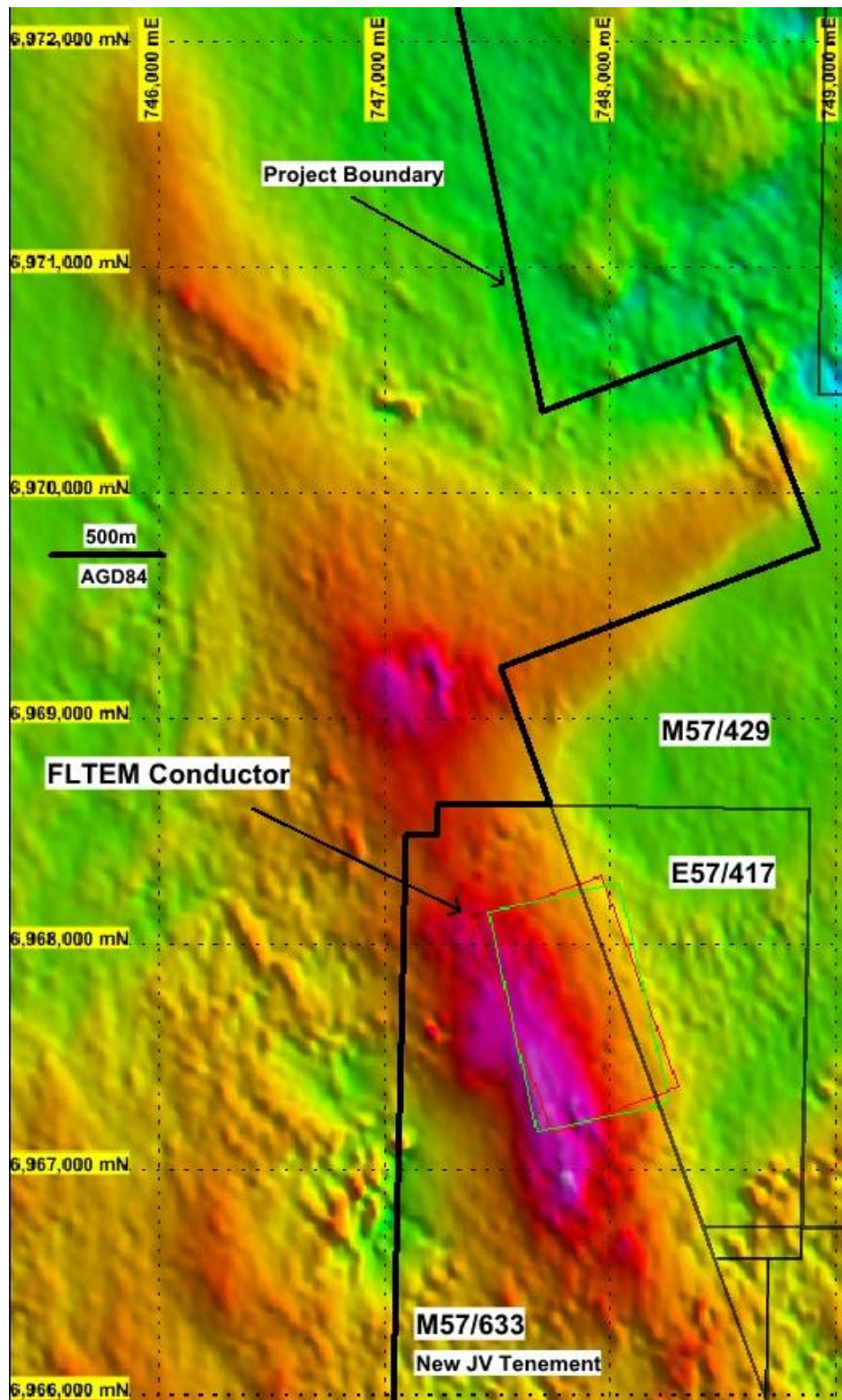


Figure 1: Cross section view of FLTEM conductor GRC283 and planned diamond drill hole

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FLTEM Conductor relative to the interpreted intrusion – diamond hole currently being drilled is on the 6,967,800mN line



Initial testing shows very high copper recovery from leaching at The Cup

Initial laboratory testing has shown very high recovery through leaching of the copper mineralisation at The Cup. During January the Company sent a selection of samples for leach testing. The results are presented in the table below, and show that approximately 97% of copper was recoverable.

Hole	Sample	From	To	Assay Head (Cu)	Leached Cu recovery
GRC209	K034	77	78	1.47%	99.0%
GRC209	K048	91	92	0.92%	98.7%
GRC239	SDJ0583	75	76	2.62%	99.4%
GRC239	SDJ0592	84	85	0.57%	97.2%
GRC277	SDJ1858	78	79	1.11%	98.8%
GRC260	SDJ1221	81	82	0.79%	96.8%
GRC260	SDJ1225	85	86	2.01%	98.8%
GRC280	SDC2665	85	90	0.59%	97.2%
GRC255	SDJ1086	95	96	1.19%	99.4%
GRC258	SDJ1164	96	97	0.88%	99.4%
GRC283	SDJ2694	137	138	2.62%	94.6%
GRC283	SDJ2697	140	141	0.55%	74.7%
GRC281	SDC2732	135	140	0.26%	93.4%
				Average	97.2%

This level of copper recovery has the potential to significantly change the economics of The Cup prospect as it opens up the possibility of a cheap, heap-leaching operation to produce near term cash flow should a resource be proven.

Presence of 'sooty' chalcocite at The Cup – potential underestimation of historic RC drill intercepts

In what is a more interesting development, the leaching results and visual degradation of the drill chips to copper sulphate pentahydrates, is highly suggestive of sooty chalcocite being the dominant mineral species that hosts most of the copper at The Cup.

The grade of sooty chalcocite can very easily be underestimated by RC drilling. This occurs because sooty chalcocite can be lost to the dust fraction during the drilling process – fine rock dust is exploded/expanded outwards through the top vent when drilling. This is lost to the atmosphere and not recovered with the sample (which is coarser) that exits into the collection bags. Further losses can occur as the sample falls through the splitter and into the collection bag. The significance of the loss is also due to the chalcocite mineral being composed of primarily copper (approximately 70% copper), meaning that loss of a small amount of material can lead to significant underreporting of the grade.



As an example of the potential significance of the underestimation caused by RC drilling, at First Quantum Minerals Ltd's (listed on the Toronto Stock Exchange) very large Haquira copper project in Peru, two reported holes¹ demonstrated the variability of copper grades caused by sooty chalcocite between the reported assays from RC drilling compared with diamond drill holes:

- AHAD-039 (twin diamond hole-new): 51.5m of 1.89% Cu total
- HAC-032 (reverse circulation hold-old): 33m of 0.51% Cu total

and

- HAD-003 (diamond hole-old): 36.15m of 0.74% Cu total
- AHAC-084 (twin reverse-circulation hole-new): 34.00m of 0.30% Cu total

The above results show that the grade was actually 3.7 times and 2.5 times higher, respectively, than reported by RC drilling of zones containing dominantly sooty chalcocite.

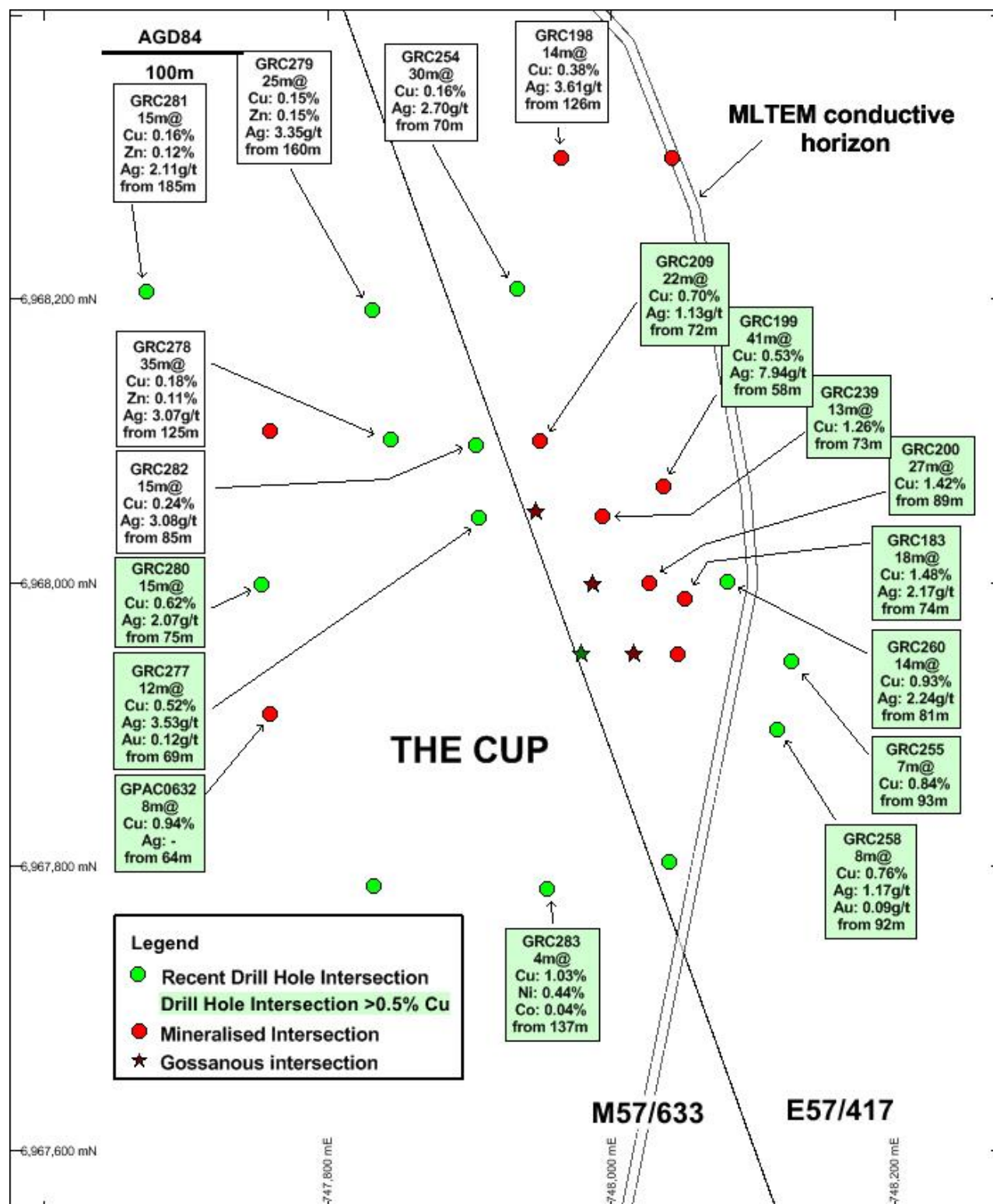
The Company has always been – and continues to be – very optimistic about The Cup prospect. The significance of sooty chalcocite would mean that historic results from drilling at The Cup (which has been all RC drilling to date) potentially underestimate the copper grades. Higher grades of copper would also be more consistent with the Company's original interpretation and model of the prospect.

The Company is planning a diamond program to selectively twin previous holes to test this interpretation of the mineralisation. Scheduling of the program will be determined over coming weeks and is dependent on results from the current drilling.

The diagram below shows a plan view of all holes drilled at The Cup – the reported grades from historic RC drilling could actually be quite impressive in light of the potential underestimation caused by the presence of sooty chalcocite.

Further details on this proposed diamond drill program to twin certain holes will be provided in the coming weeks.

¹¹ Antares Minerals Inc announcement 25 September 2006 on Toronto Stock Exchange (TSX)



Plan view of historic RC drill hole intersections at The Cup



About Gateway Mining Limited

Gateway holds approximately 150sqkm of tenements over the Gum Creek Greenstone Belt in the Yilgarn Craton, Gidgee WA (600km NE of Perth). The tenements have significant potential for Ni-Cu-PGE related mineralisation, all the hallmarks of a significant new VMS province, along with existing gold mineralisation throughout the project. The Company is well funded and plans to focus exploration efforts on The Cup area for the immediate future. Gateway also has in place an experienced management and technical team.

Table 1 – Section 1: Sampling Techniques and Data as required by the 2012 JORC Code

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Sampling was carried out utilising RC percussion drilling. The FLTEM survey was completed with two alternate coupling loops, with one loop (CUP1) having 105 stations and the other loop (CUP2) having 42 stations.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Drillhole locations are surveyed via handheld GPS. Downhole surveying was carried out using an eastman camera in stainless steel rods.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	RC samples are composited at 5m intervals to produce 3kg of sample. 1m samples are taken within zones of interest via a cone splitter generating 3kg samples, if unexpected zone of interest is drilled 3kg of sample for each 1m downhole interval is taken via scoop sample. The Cu-Ni-PGE interval discussed in the report above was not expected and was sampled via scoop sample.
Drilling Techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Gateway RC drilling and Panoramic Aircore drilling are currently being utilised for exploration evaluation of the prospect.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC recoveries are logged visually as a percentage.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Every effort was made to ensure minimal delivery of wet sample. Wet sample was delivered directly from the cyclone into plastic bags where a spear sample could be taken. The cyclone and splitter were regularly cleaned.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Recoveries have generally been very good and a relationship between recovery and grade has not been established. A considerable population of wet samples within mineralised zones would be required to establish this relationship.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and</i>	RC drilling has been logged to a level of detail to support mineral resource estimation, mining studies and metallurgical studies.

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	<i>metallurgical studies.</i>	
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging records: lithology, weathering, colour, mineralogy, structure (foliation).
	<i>The total length and percentage of the relevant intersections logged.</i>	All drillholes are fully logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	5m composite samples are scoop sampled wet or dry. 1m samples are split with a cone splitter when dry, and spear sampled when wet. Minor 1m sampling was conducted using a scoop in dry sample.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	All samples were submitted to Australian Laboratory Services in Perth. Sample preparation follows industry best practice, the whole 3kg sample is dried crushed and pulverised to 85% passing 75 micron to produce a homogeneous representative sub-sample for analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Certified reference materials and/or in house laboratory controls, blanks and replicates are analysed with each batch of samples. These quality control results are reported along with sample values. The company also sends certified reference materials sourced from Geostats Pty Ltd at a nominal 1/50 samples.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Field duplicates of 1m samples are generated from a cone splitter as nominated within mineralised zones.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate to give an accurate indication of mineralisation of this nature.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Three main analytical techniques are used. 1) For gold only 30g fire assay - total recovery and AAS analysis. 2) PGE elements 30g fire assay – total recovery and ICP analysis. 3) Other elements 0.25g four acid digestion – near full recovery and ICP-MS analysis.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc</i>	For FLTEM Survey: 800 x 300 m loop with five lines 1,500m long and station spacing of 75m totalling 105 stations (CUP1) and 800 x 300m loop with two lines 1500m long and station spacing of 75m totalling 42 stations (CUP2). Time base 1 sec (.25Hz) B-Field Landtem sensor, Smartem 24 Receiver.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Internal certified reference materials and field duplicates sent for analysis were returned within acceptable limits of accuracy.
Verification of Sampling and Assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Both the Exploration Manager and Head Geologist have verified significant intersections
	<i>The use of twinned holes.</i>	No twinned hole have been drilled to date, however in light of the potential underestimation of copper grades caused by RC drilling, the Company plans to incorporate twinned diamond holes in future programs to determine whether grades are underestimated due to the presence of sooty chalcocite
	<i>Documentation of primary data, data entry procedures, data</i>	Primary data was entered into a standard Excel template, loaded and stored in a MS Access



	<i>verification, data storage (physical and electronic) protocols.</i>	relational database, further data validation in Micromine software and visually validated using Micromine plot generations.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drillhole collars were located by handheld GPS. Expected accuracy is +/-5m for easting and northing and 10m for elevation coordinates.
	<i>Specification of the grid system used.</i>	AGD84 (AMG), zone50.
	<i>Quality and adequacy of topographic control.</i>	500mRL is applied at The Cup where there is very flat terrain and GPS accuracy is too inaccurate, +/- 10m.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	N/A as only one hole reported
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	N/A - Neither a Mineral Resource or an Ore Reserve estimation has been applied.
	<i>Whether sample compositing has been applied.</i>	No compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Current interpretation of geological structure supports orientation of drilling and sampling as highly favourable and almost oblique to geological structures.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No bias is known.
Sample security	<i>The measures taken to ensure sample security.</i>	Sample chain of custody goes from Gateway Mining to trusted subcontracting companies including JPS contracting to Nexus Sadleir Transport who deliver samples to Australian Laboratory Services.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	The Company is currently conducting a review of RC drilling data and drill chips to further develop and test a model to determine whether underestimation of copper grades has been caused by use of RC drilling only in areas where the dominant copper mineral is sooty chalcocite

Table 1 – Section 2: Reporting of Exploration Results as required by the 2012 JORC Code

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Tenement M57/633. This is subject to a Joint Venture with Panoramic Resources Ltd (refer Gateway announcement 12 August 2013 for details).
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	Tenement is in good standing

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Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Gold was first discovered in the district in 1926 and base metal exploration was first carried out in the 1970's by CRA. At The Cup prospect, gold was explored for by Arimco from 1983 and by Abelle from 1999 with little attention given to base metals. Base metal VMS mineralisation was discovered by Gateway Mining in 2006 close to the tenement boundary of E57/417. Panoramic Resources acquired a package of Gidjee tenements in 2011 when it purchased the Gidjee Gold Project. One of these tenements included the Joint Venture tenement M57/633
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Cup prospect is part of the Gidjee Project situated within the Gum Creek Greenstone Belt of the Yilgarn Craton and locally includes basalts, felsic volcanoclastics, mafic-ultramafic intrusives and the Montague Granodiorite intrusion. Known mineralisation styles within the tenement package include gold only mineralisation, VMS Cu-Zn-Ag and more recently intrusive related Cu-Ni-PGE mineralisation has been intersected. Historic mining of approximately 100,000oz gold has been mined from the Airport Trend along the western flank of the Montague Granodiorite. VMS activity is wide spread through the tenement package with up to 30km of prospective strike extent. Exploration for VMS mineralisation has been the focus of the company since 2006 with the discovery of The Cup prospect for which a recent joint venture agreement was made for an adjoining tenement with Panoramic Resources and has facilitated renewed exploration endeavour. During recent exploration at The Cup, intrusion related Cu-Ni-PGE mineralisation was intersected for which evaluation is in early stages.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>o easting and northing of the drill hole collar</i> <i>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>o dip and azimuth of the hole</i> <i>o down hole length and interception depth</i> <i>o hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	Refer to tables below. Only one hole drilled at The Cup prospect is thought to be material to the Ni-Cu-PGE style of mineralisation that this announcement refers to. It is very early in exploration and no other holes intersect the relevant host rock lithology. Initial indications from geophysical surveys carried out indicate that prospective unit is yet to be tested
Data Aggregation Methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	All reported assays have been length weighted. No top-cuts have been applied.

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	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	N/A
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	N/A, no metal equivalent is reported.

Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Down hole length, true width not known.
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Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to announcement on 29 November 2013 and 2 December 2013
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Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Only one hole has been drilled into this prospect. The prospect is in very early stage of exploration.
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Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Refer to body of announcement.
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Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to body of announcement.
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Full details of hole:

Hole	Zone	Total Depth	North	East	RL	Dip	Azim
GRC283	Cu-Ni-PGE near The Cup	223	6967797	747883	500	-60	90

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Drill Result

Hole	From (m)	To (m)	Width	Cu	Ni	Co	Ag	Au	Pt	Pd
GRC283	137	141	4m	1.03%	0.44%	0.04%	4.64g/t	0.17g/t	0.32g/t	0.55g/t

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.