

## Quarterly Activities Report

For the period ended 30<sup>th</sup> June 2012

### HIGHLIGHTS

- RC drilling at Gidgee intersects 25m @ 0.63% copper at The Cup prospect
- The Cup still remains open in all directions
- Other RC holes have intersected significant sulphides with anomalous precious and base metals and pathfinder elements
- Results confirm the VMS prospectivity of the Gidgee Project, with only limited drill testing of a number of targets

### OVERVIEW OF EXPLORATION PROJECTS

#### WESTERN AUSTRALIA

#### GIDGEE PROJECT

Field activities during the quarter included a seven hole, 936m RC programme over various targets (Figure 2, Table 1)

Table 1 = Drillhole details

Hole	North AGD84	East AGD84	Depth	Dip	Azimuth True	Type	Prospect	Licence
GRC209	6968100	747950	162	-90	0	RC	The Cup	E 5700417
GRC210	6964075	751350	90	-60	270	RC	Thicket	M 5700099
GRC211	6964050	751287	90	-60	90	RC	Thicket	M 5700099
GRC212	6967100	750725	120	-60	90	RC	North Boulder	M 5700098
GRC213	6962760	750210	120	-60	90	RC	Gravel Pit	E 5700807
GRC214	6969050	748050	198	-90	0	RC	Julia's Fault	M 5700429
GRC215	6970000	748890	156	-60	90	RC	Hypotenuse	M 5700429

The most significant results were from The Cup (Figures 3 and 4), where hole GRC209 intersected 25m @ 0.63% Cu, 100m down dip from a previous intersection of 41m @ 0.53% Cu in hole GRC199. Mineralisation on this section here remains open to the east and west, although it is interpreted as extending outside Gateway's lease to the west, and the whole prospect is open in all directions.

Holes at Julia's Fault and Hypotenuse also intersected significant sulphides, with highly anomalous gold, as well as silver and base metals at Julia's Fault

The results of the EM survey completed in the last quarter were incorporated with previous data, and an interpretation of trends is included in Figure 2. Drill testing has shown that a number of these trends are associated with massive sulphides and gold/base metal mineralisation, particular at The Cup (copper) and Julia's Fault (gold + base metals).

Interpretations suggest the Julia's Fault/Cup trend continues south to the west of Gateway's lease, and continues through the Gravel Pit area, where it is one of three of four parallel trends. These are yet to be drill tested.

The work completed to date 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-explored 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.

### **The Cup E57/417**

*Gateway 100%*

GRC209, at The Cup prospect, was designed to test approximately 100m down dip from the 41m at 0.53% Cu intersected previously in hole GRC199. GRC 209 returned significant mineralisation, which included 25m at 0.63% Cu from 72-97m down hole, 17m at 10.52g/t Ag from 50-67m down hole and 30m at 0.176% Zn from 120-150m down hole.

The interpreted felsic volcano-sedimentary host sequence, alteration and apparent metal zonation is highly suggestive of typical VMS style mineralisation.

These wide down hole intersections are even more significant in that the shallow dip of the mineralisation translates into intersections that are effectively true thickness. No primary chalcopyrite is evident from logging. Limited previous micro-probe investigations have indicated that chalcocite is the main copper-bearing mineral. Chalcocite is often treatable using cheaper heap-leach processes.

The prospect still remains open in all directions with only nine RC holes being drilled into the prospect, although potential is limited to the west as it abuts the western edge of Gateway's lease. In addition, there has been no RC drilling in the 200m of strike between 6968100N and 6968300N.

Further drilling is highly recommended in order to better define the three-dimensional geometry and nature of the highly significant mineralisation intersected to date.

### **Julia's Fault and Hypotenuse M57/429**

*Gateway 75% - Red 5 25%*

GRC214 was drilled at Julia's Fault to test down dip of GRC206, which returned significant copper mineralisation of 23m at 0.21%Cu.

No significant copper was intersected, however the hole intersected 80m of massive to semi-massive sulphides. The sulphides are highly anomalous in Au, Ag, Cu and Zn.

The sulphides, alteration, felsic volcano-sedimentary stratigraphy, gold, silver and trace element geochemistry all appear indicative of a zoned VMS system.

The system appears significant enough to warrant further drill testing.

At Hypotenuse, GRC215 was designed to test a strong EM anomaly on the Hypotenuse trend. The hole intersected massive to semi-massive sulphides over the interval 105-140m explaining the conductor.

Highly anomalous gold was returned over 20m width from 40-60m down hole.

Trace element anomalism appears again to be indicative of proximity to a potentially fertile VMS system.

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

*Gateway 100%,*

GRC213 was designed to test below the Gravel Pit gossan/ironstone outcrop and ironstone intersected at the bottom of GAC073. Previous EM showed no interpreted response directly associated with the ironstone but showed high responses 300m to the east and 300m to the west of the ironstone position. The hole intersected a sequence of graphitic shales showing only rare specks of pyrite.

From 75m the shale returned elevated Cu, Zn and Mn that are perhaps indicative of distal facies sediments associated with as yet undiscovered VMS mineralisation.

The ironstone outcrop may still reflect oxidised massive/semi-massive sulphide that is effectively rootless by virtue of folding or faulting. The recent EM shows abrupt termination of multiple EM trends to the south, which may well indicate fold/fault complications.

This area and the Gossans Galore prospect to the west are virtually untested by drilling.

### **Montague Gold Project M57/98, M57/99**

*Gateway Mining 85%/Goldfan 15%*

GRC210 and 211 were designed to test a strong gold in RAB anomaly at the Thicket prospect.

The holes intersected weak quartz pyrite veining in basalt adjacent the contact with the Montague granodiorite.

No significant gold intersections were returned.

GRC212 was again designed to test strong gold in RAB anomalism at the Boulder North prospect.

Again no significant gold intersections were returned. A strongly gossanous zone 85-86m down hole hosted by relatively fresh foliated basalt returned moderately anomalous Ag, As, Cu and Mo.

## NEW SOUTH WALES

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

*Gateway Mining 100%.*

Gateway is seeking joint venture partners on its 100% held Cowra Project.

## QUEENSLAND

### **SURPRISE PROJECT: EPM 9053**

*Gateway 100%*

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

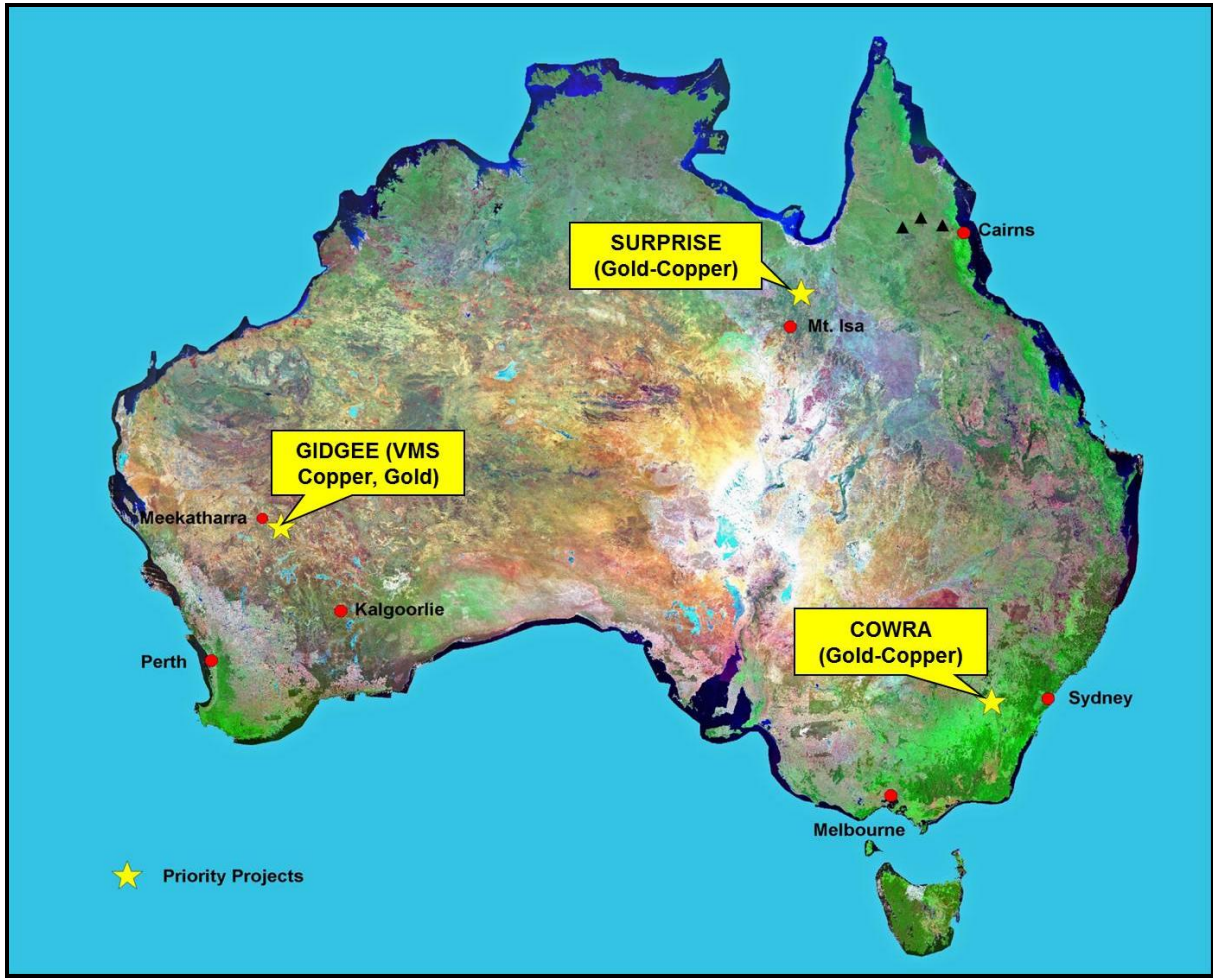
## CORPORATE

Surprise Project EPM13677 was relinquished.

Avenue Resources withdrew from the two Gidgee JV's, having earned no equity in the applicable tenements.

*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*



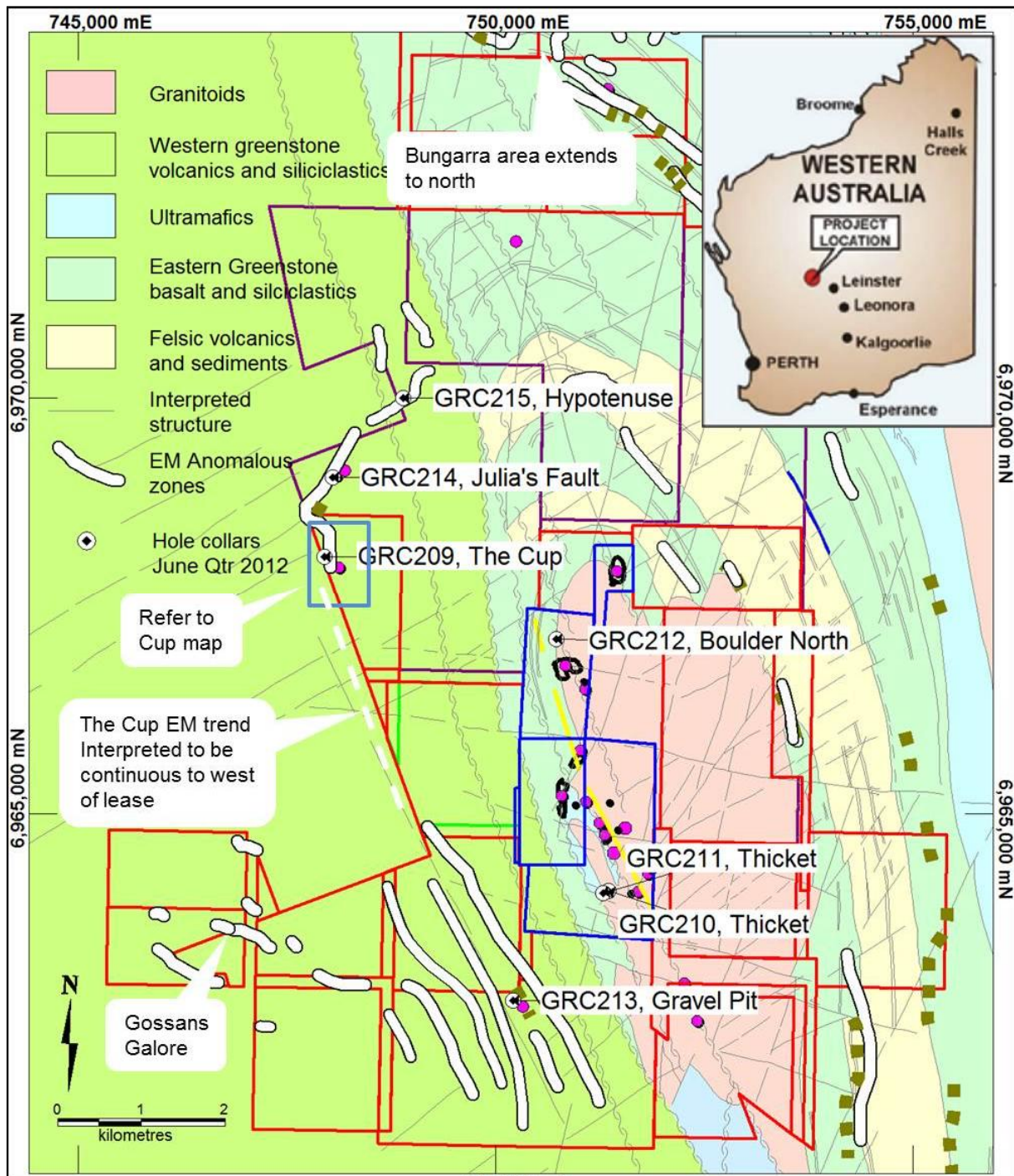


Figure 2. Gidgee Project, showing tenements, prospects (pink dots) June quarter drillholes and EM interpretation.

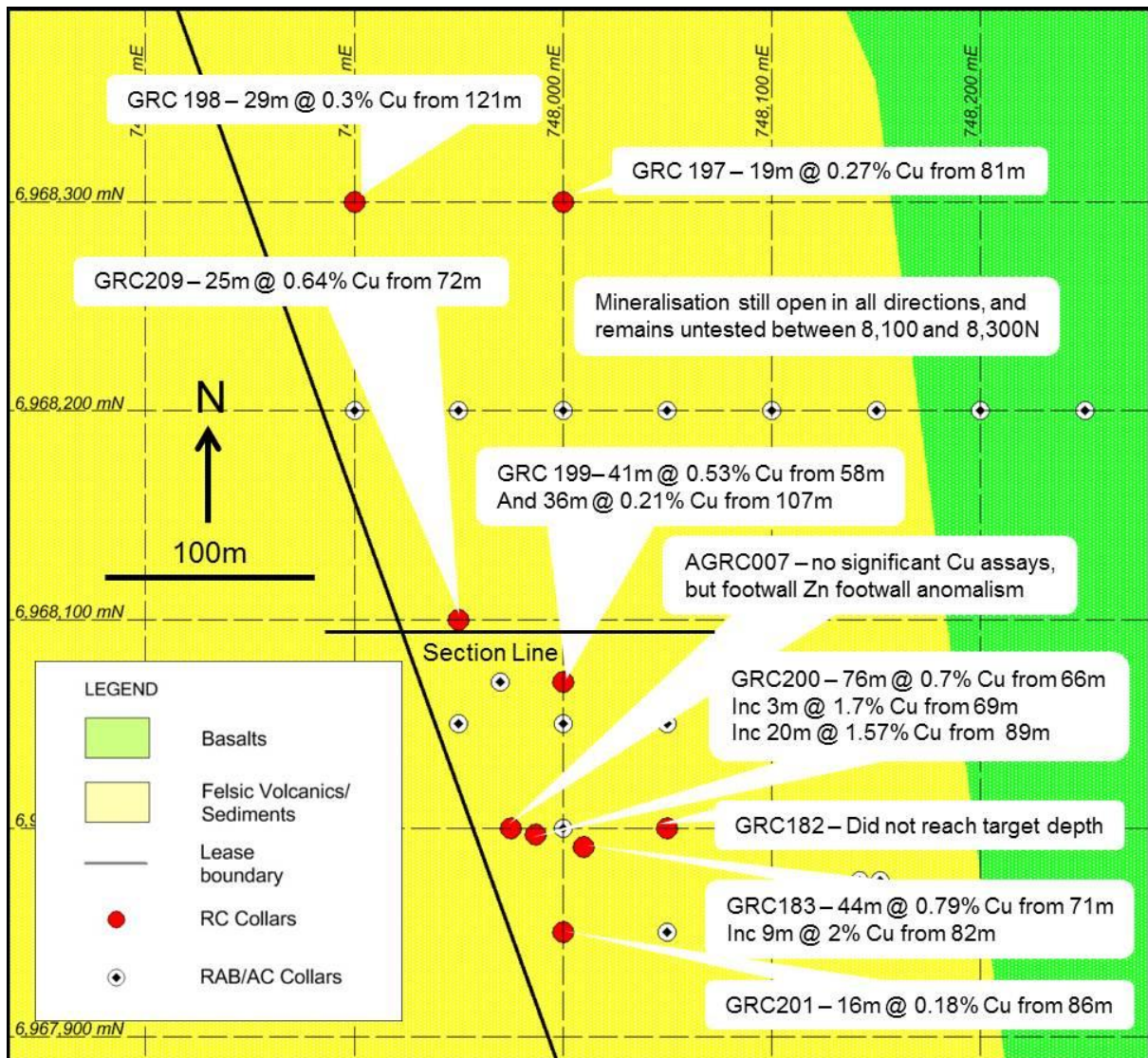


Figure 3. The Cup, showing drillhole locations and RC intersections



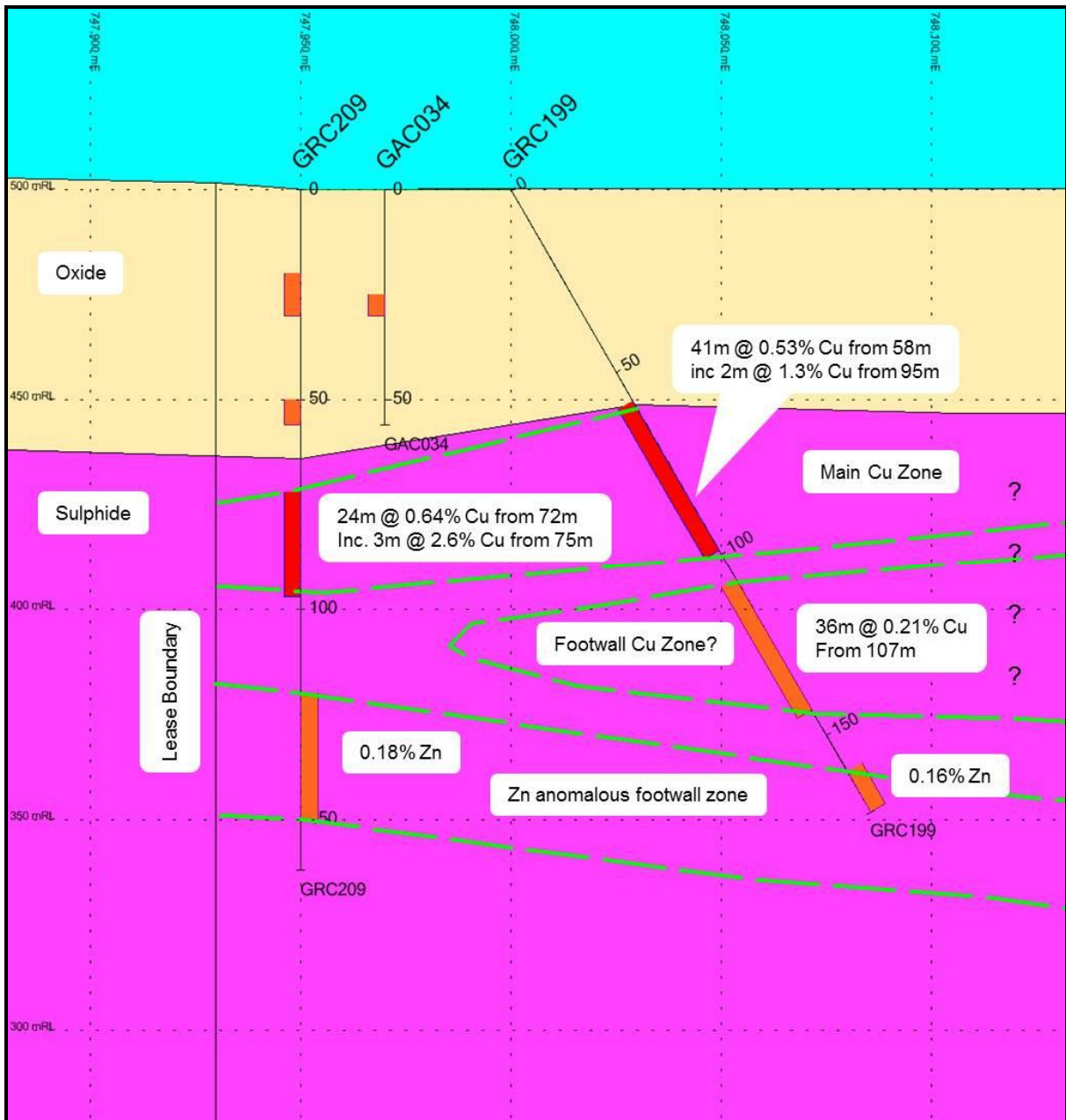


Figure 4. The Cup section 968100N, looking north