



ASX Announcement: 29 January 2020

DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

Gateway doubles size of Gidgee Gold Project with further strategic consolidation of greenstone-scale project and delivers strong results from new 11,000m RC drilling program

HIGHLIGHTS

- Expanded 11,000m Reverse Circulation (RC) drilling program successfully completed over several targets at the Gidgee Gold Project.
- Significant zone of shallow oxide mineralisation intersected over a +400m long corridor at the recently defined Achilles Prospect, located immediately north of the historically mined Rosie Castle open pit. Significant results include:
 - GRC446: 21 metres @ 2.1g/t Au from 32 metres (*including 7 metres @ 5.2g/t Au*)
 - GRC447: 13 metres @ 3.4g/t Au from 5 metres (*including 3 metres @ 12.5g/t Au*)
 - GRC430: 11 metres @ 3.0g/t Au from 32 metres
 - GRC435: 6 metres @ 3.8g/t Au from 17 metres
 - GRC437: 10 metres @ 3.8g/t Au from 31 metres
- Drilling substantially expands the potential of the Montague Gold Deposit, with results confirming the high-grade core and identifying potential extensions. Assays included:
 - GRC389: 10 metres @ 13.0g/t Au from 65 metres
 - GRC393: 6 metres @ 2.7g/t Au from 94 metres
 - GRC395: 5 metres @ 3.1g/t Au from 114 metres
 - GRC391: 2 metres @ 3.1g/t Au from 123 metres
- New acquisitions, a strategic joint venture and new Exploration Licence Applications completed during the Quarter expanded the Gidgee Gold Project tenure to 480km², allowing Gateway to secure highly prospective extensions to the priority target zones.

GIDGEE GOLD PROJECT

RC DRILLING – ACHILLES EXPLORATION TARGET

During the Quarter, Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) completed a major Reverse Circulation (RC) drilling program testing the Achilles prospect (see ASX Release, 12 December 2019).

The Achilles prospect incorporates the previously separate NE Caledonian, Rosie North, S-Bend, AF1 Lode and Rosie Castle Prospects. In total, the target extends for a strike length of approximately 1.5km and covers multiple mineralisation styles and host structures. Historical gold production has previously been reported from the NE Caledonian and Rosie Castle open pits during the late 1980s and early 1990s by Herald Resources Ltd.

A total of 33 RC holes for 3,039m were completed over a strike length of approximately 400m (Figure 2) at Achilles. Drilling was designed to test the granodiorite-mafic contact area over a broad strike length extending north from the historically mined open pit at Rosie Castle, which was centered on this style of mineralisation. Previous exploration targeting the continuation of this structure was relatively limited in scope. Additionally, geological interpretation by Gateway has highlighted a series of potential thrust repeats of this contact in the area, which forms the basis of the Achilles Prospect. No systematic exploration has previously been carried out at the Achilles Prospect to test this, but there are indications of other mineralised surfaces in existing historical data (e.g. at S-Bend).

With the exception of two holes, all of the holes drilled by Gateway intersected significant gold mineralised structures. The results both confirmed and extended the zones of mineralisation intersected previously in historical RC drilling. Significant new drilling results reported at Achilles during the quarter included:

- **GRC446:** 21 metres @ 2.1g/t Au from 32 metres (*includes 7 metres @ 5.2g/t Au*)
- **GRC447:** 13 metres @ 3.4g/t Au from 5 metres (*includes 3 metres @ 12.5g/t Au*)
- **GRC430:** 11 metres @ 3.0g/t Au from 32 metres
- **GRC432:** 7 metres @ 2.2g/t Au from 60 metres
- **GRC435:** 6 metres @ 3.8g/t Au from 17 metres
- **GRC437:** 10 metres @ 3.8g/t Au from 31 metres
- **GRC443:** 6 metres @ 2.1g/t Au from 22 metres
- **GRC426:** 19 metres @ 1.2g/t Au from 29 metres

Drilling to date remains relatively shallow and, as such, the majority of intersections are either oxide or transitional (partially oxidized) in nature.

The mineralisation is interpreted to be best developed where multiple sub-vertical structures within the mafic volcanic rocks intersect the flat-lying thrust contact on the margin of the granodiorite intrusion (Figure 3). Down-dip of these intersection positions, the mafic-hosted structures are typically narrower and more discrete, with a strong component of high-grade gold. In addition to these main zones of mineralisation, widespread zones of stockwork mineralisation have also been intersected wholly within the granodiorite. These observations are consistent with the geological model developed by Gateway.

This program of RC drilling has demonstrated the unreliability of historical RAB drilling in evaluating the presence and tenor of mineralisation present in the bedrock. As a result, the Company believes that wide areas of prospective host rocks have not been effectively tested by previous exploration. Ongoing assessment of the greater Achilles area confirms the emerging potential of the wider target (Figure 4). Specific areas that require ongoing assessment include:

- The corridor north of the current drilling, which remains untested for approximately 600m towards the historically mined NE Caledonian open pit. The continuation of the host structure is easily visible in geophysical data (see Figure 4).
- The sub-parallel S-Bend trend, as defined in magnetic data, is present over a strike length of at least 800m.
- An interpreted thrust repeat, that sees the same structure and stratigraphy replicated to the west. Limited shallow drilling demonstrates this to be prospective but untested over a strike length of 3.6km.
- South of the Rosie Castle open pit, where the interpreted continuation of the host structure remains only sporadically tested for approximately 4km.

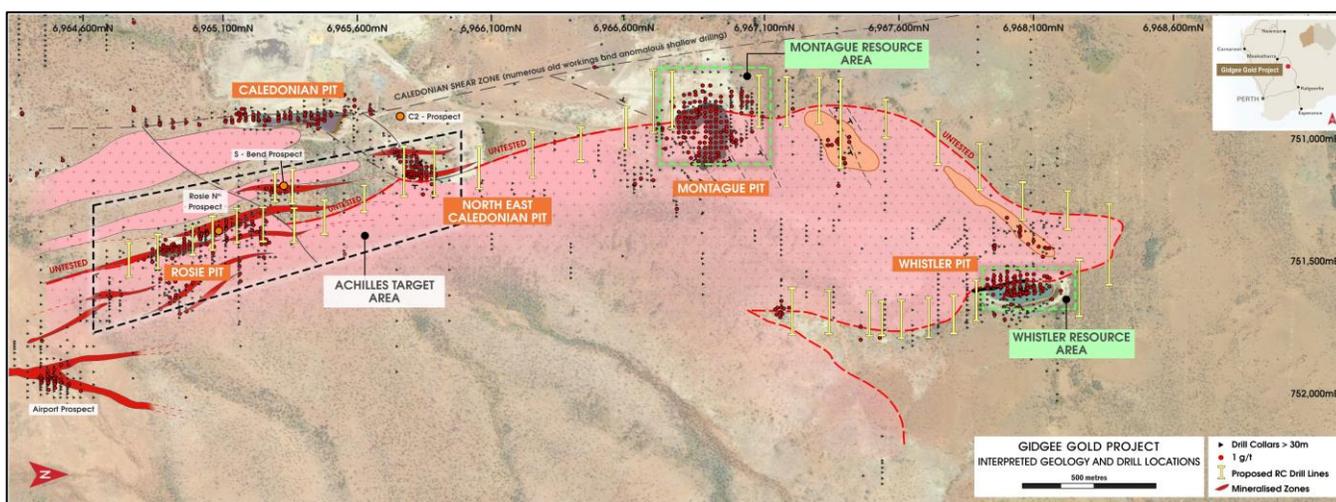


Figure (1): Gidgee Gold Project Location Plan

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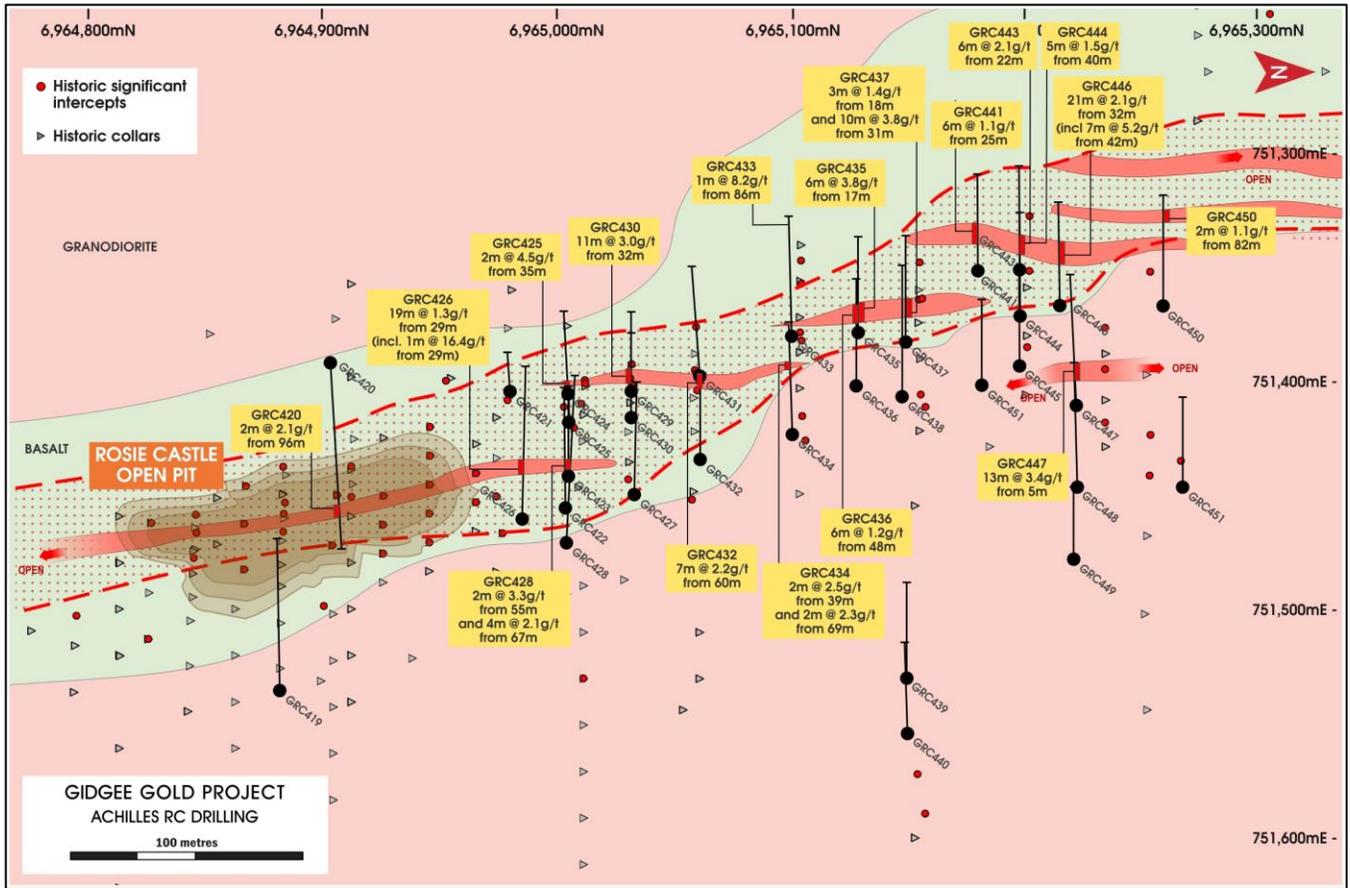


Figure (2): Achilles Prospect RC Drill Location Plan

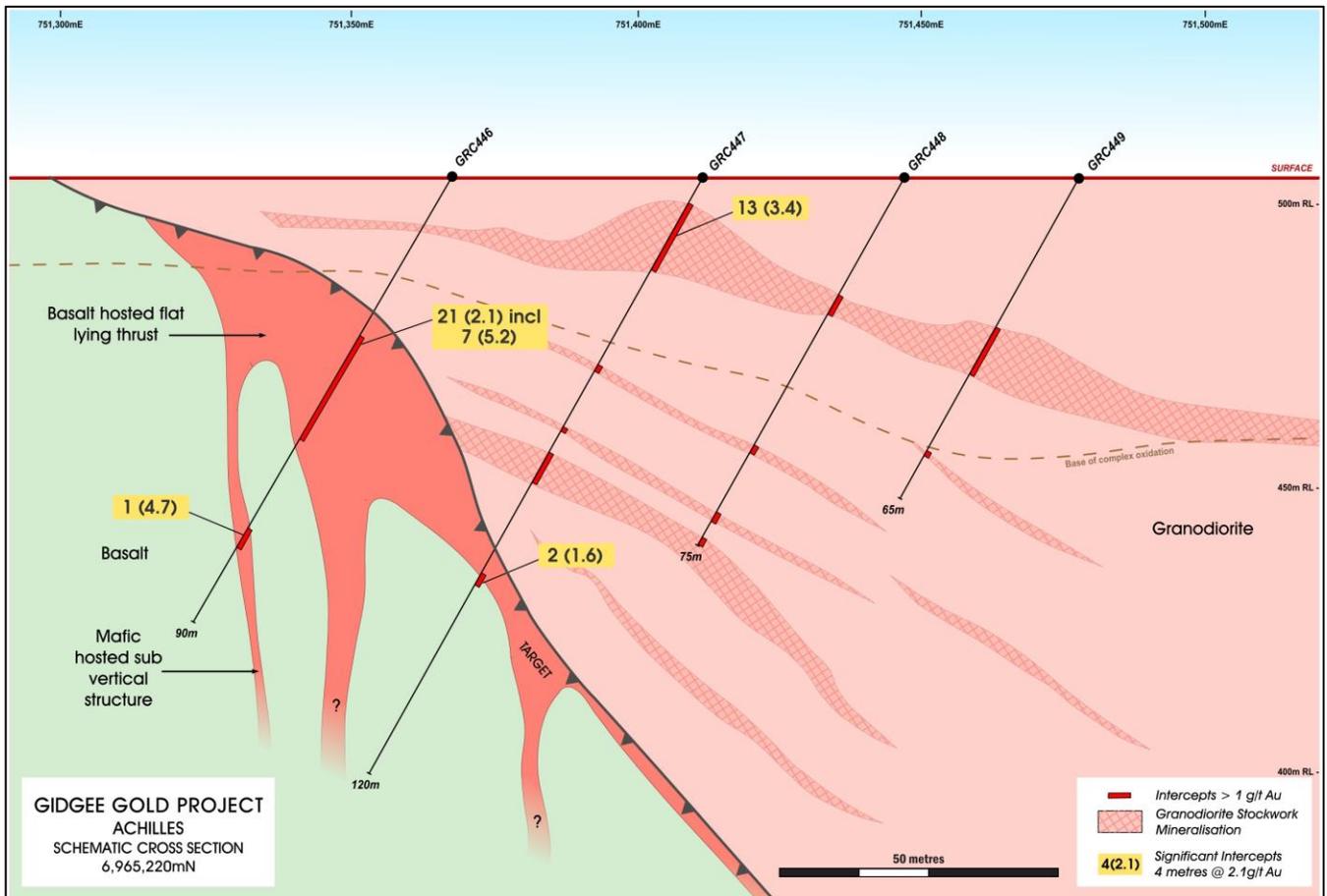


Figure (3): Achilles Prospect Schematic Cross-Section

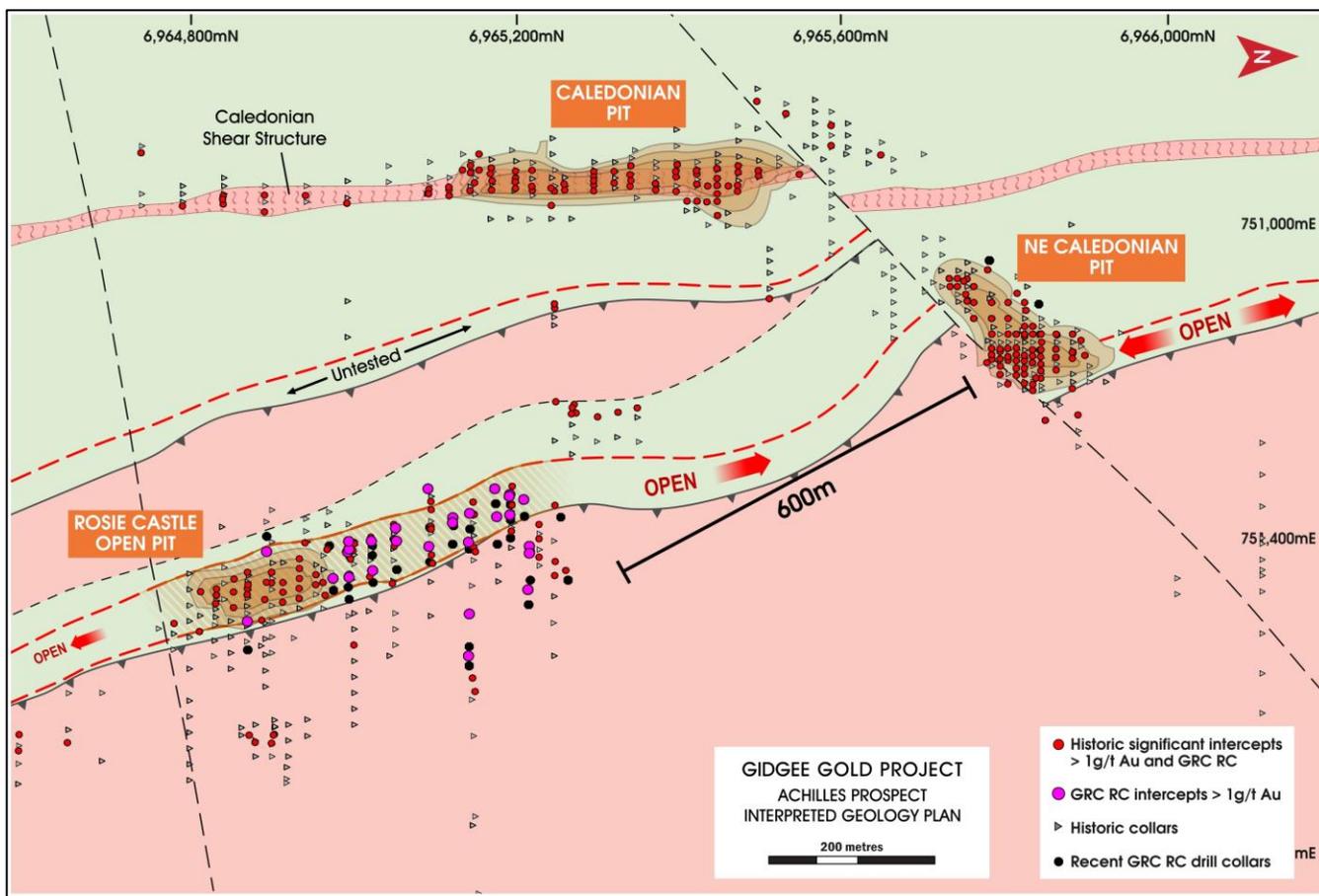


Figure (4): Achilles Prospect Interpreted Plan

RC DRILLING – MONTAGUE GOLD DEPOSIT

Following the completion of RC drilling at Achilles, Gateway completed a program of 10 RC holes for 1,642m at the Montague Gold Deposit (see ASX Release 20 December 2019). Drilling was designed both to test a number of key areas within the defined resource area (Inferred Resource of **1.725Mt at 2.18g/t Au for 120,000oz of contained gold**: see ASX release dated 3 October 2019) and to commence step-out drilling to identify the potential for extensions to the gold system and, in particular, new high-grade domains (Figure 5).

All of the holes intersected mineralisation on the target structure with significant intersections including:

- **GRC389: 10 metres @ 13.0g/t Au from 65 metres**
- **GRC393: 6 metres @ 2.7g/t Au from 94 metres**
- **GRC395: 5 metres @ 3.1g/t Au from 114 metres**
- **GRC391: 2 metres @ 3.1g/t Au from 123 metres**

This program confirmed the continuity of mineralisation on the targeted main structure and supports the presence of higher-grade mineralised domains within the broader mineralised envelope. This is clearly demonstrated by the thick, high-grade intersection returned within the central high-grade domain in hole GRC389, which returned an outstanding intercept of **10m @ 13.0g/t Au**. Drilling to the south of the fault that previously controlled the interpreted extent of the Montague Gold Deposit has intersected what is interpreted as an extension of the high-grade domain or possibly a separate new structure (**GRC395: 5m @ 3.1g/t**). The mineralisation in this position remains totally open along strike to the south and down-dip (Figure 5).

The deeper extensional holes drilled down-dip of the central high-grade domain intersected what is interpreted to be the top of a new, parallel mineralised domain. This potential repetition is consistent with observations made on the structural controls within the main part of the Montague Gold Deposit. Additional drilling is required to determine the potential of this new domain.

The Montague Gold Deposit is located on the margin of the Montague Granodiorite, and is interpreted to be part of the same gold trend that hosts the Achilles Prospect and the NE Caledonian Deposits to the south. This trend, which remains open to the north and south, has now been defined over a strike length of at least ~2.5km.

In order to test this trend, wide-spaced reconnaissance RC drilling (six holes) has been completed over the approximately 800m long undrilled position between Montague and the NE Caledonian Pit (Figure 6). The purpose of this drilling was to accurately locate the contact position prior to more detailed drilling to test for gold mineralisation both on the margin of the granodiorite (Whistler-style) and within the mafic volcanic stratigraphy (Montague-style). Assay results from these traverses are awaited.

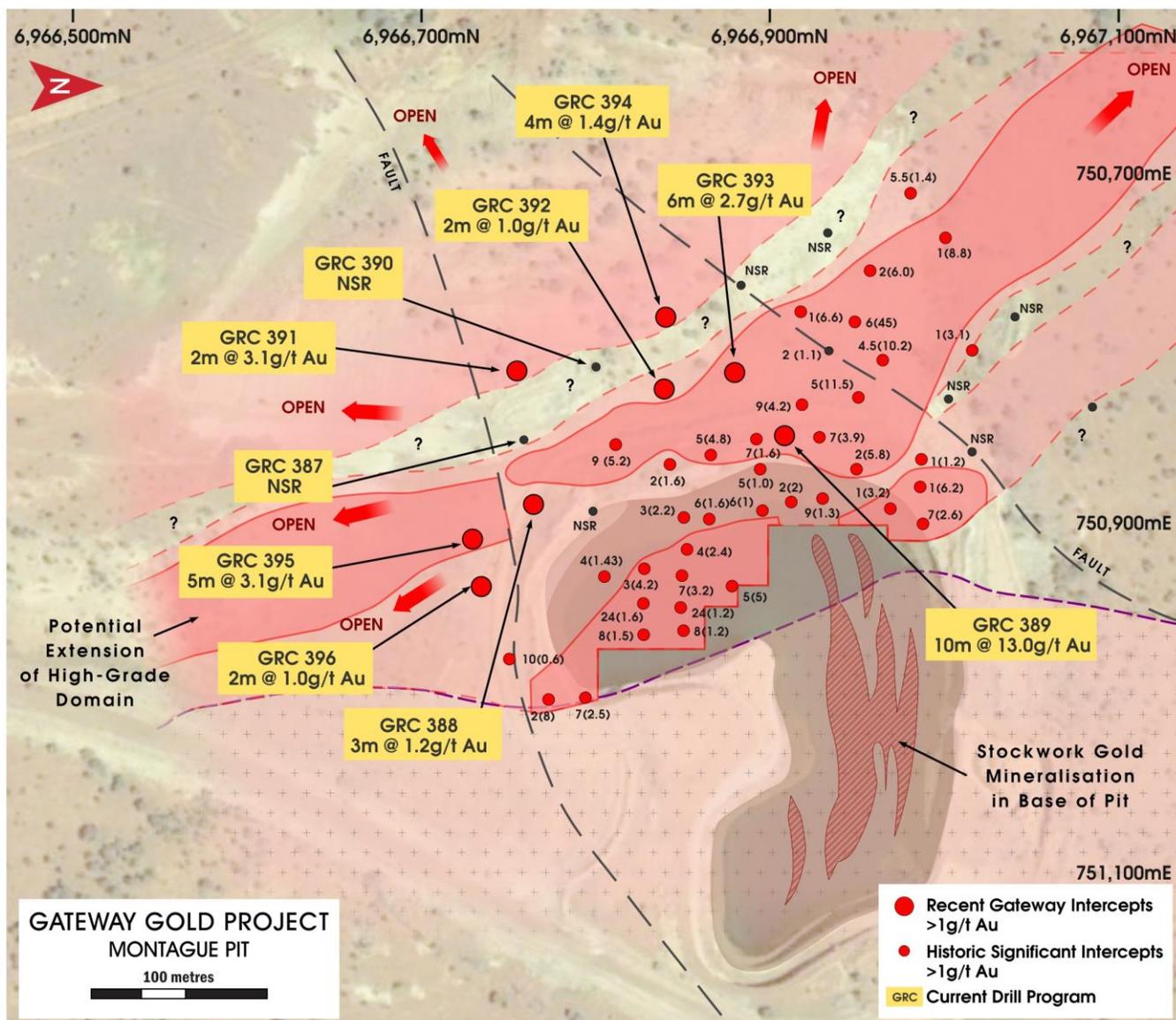


Figure (5): Montague Prospect RC Drilling Plan, showing the historical open pit and granodiorite contact zone

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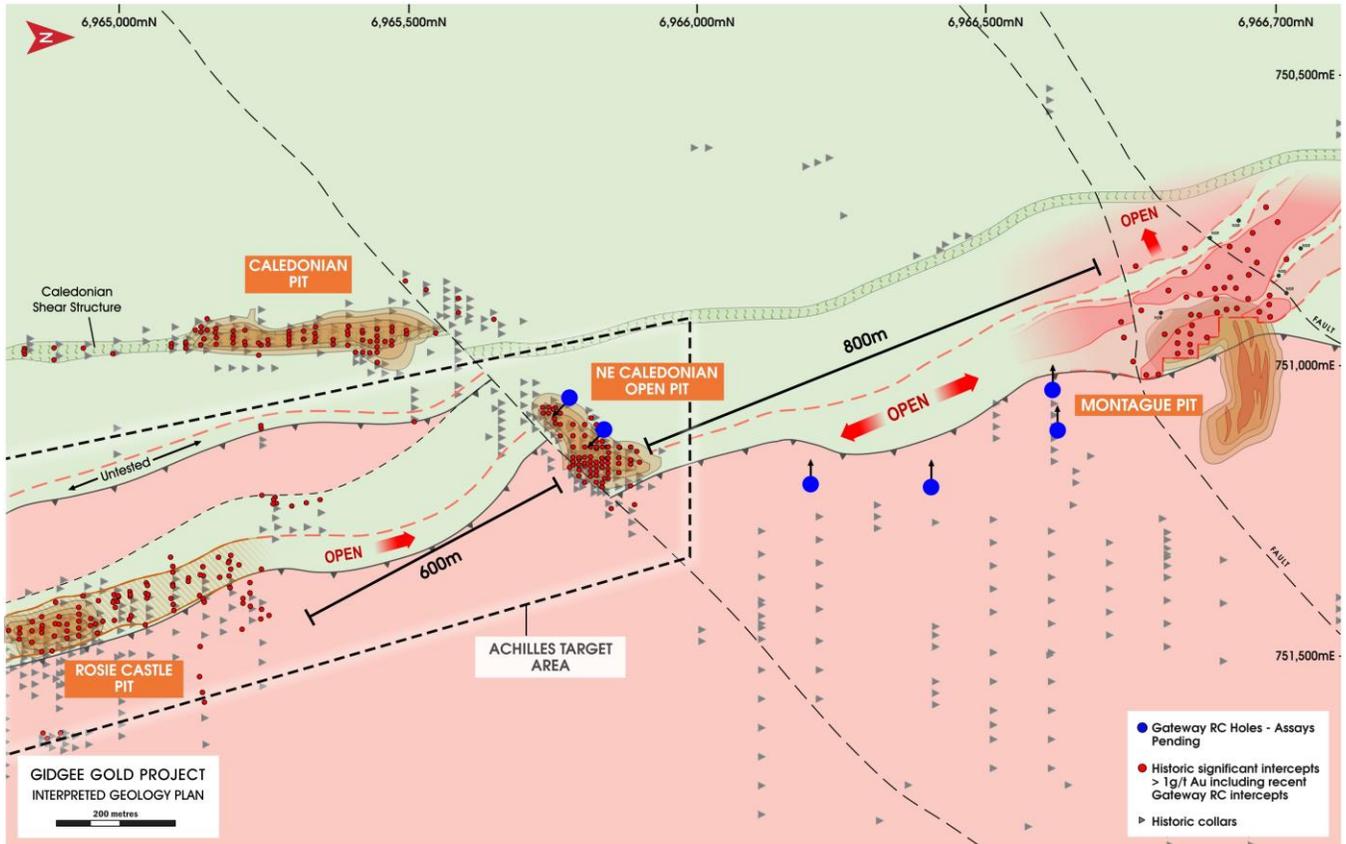


Figure (6): Montague Prospect interpreted geology plan

GIDGEE PROJECT GROUND ACQUISITION

During the Quarter, Gateway announced the acquisition of a significantly expanded tenement portfolio immediately adjacent to its Gidgee Project (Figure 7) (see ASX Release 13 December 2019).

Additional tenements covering an area of 262km² were obtained via several mechanisms, including the pegging of open ground, the acquisition via outright purchase, and the acquisition of an 80% Joint Venture interest, as outlined in more detail below:

- Granted Prospecting Licences P57/1455 and P57/1456: attained via open ground pegging – 100%
- Granted Exploration Licence E57/1113: attained via open ground pegging – 100%
- Exploration Licence Application E57/1145: 100% acquired from Mining Equities Pty Ltd for 2,272,727 Gateway shares (at a share price of \$0.022 per share, subject to 6 months voluntary escrow) and a 1% gross revenue royalty
- Exploration Licence Applications E57/1144 and E53/2108: 90% acquired from Thunder Metals Pty Ltd for \$5,000 cash and granting a 10% free carried interest to a Decision to Mine
- An 80% interest in granted Exploration Licence E57/1060: acquired from ASX-listed E25 Limited (ASX:E25) for:
 - \$50,000 payable at E25 Limited's discretion in cash or Gateway shares (based on a 5-day VWAP);
 - The grant of 0.7% Net Smelter Royalty which is capped at the production of either 100,000 ounces of gold or 25,000 tonnes of copper from E57/1060; and
 - 20% free-carried interest to a Decision to Mine.

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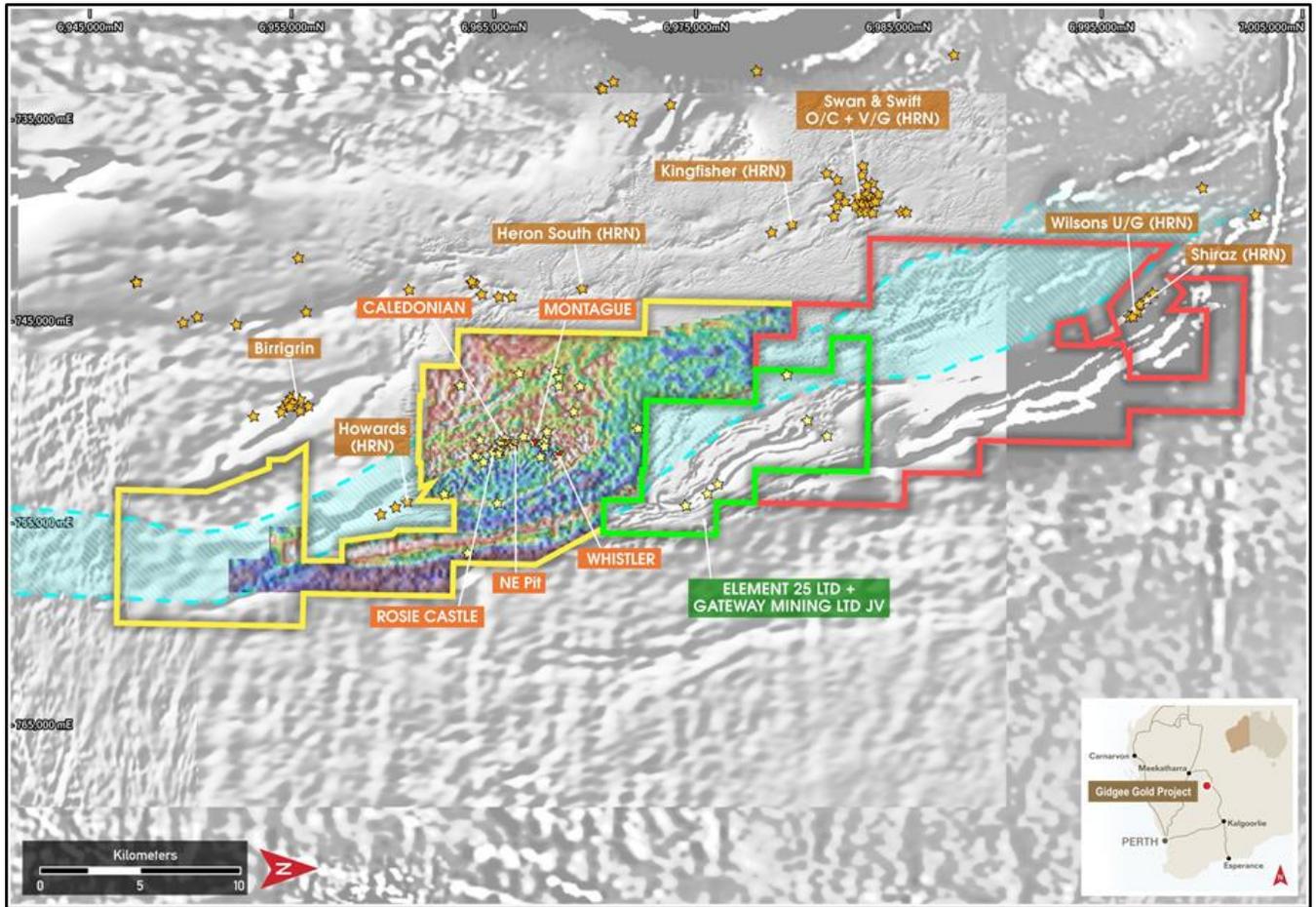


Figure (7): Gidgee Gold Project – Airborne magnetic data image overlain by gravity image showing current GML tenements (yellow) and new 100% GML tenements (red) and E25 JV tenure (green)

REGIONAL PROJECTS

No exploration activity was undertaken on the Company's regional exploration projects during the reporting period.

During the Quarter, the Company announced the successful divestment of 80% of the Edjudina Project to ASX-listed Syndicated Metals Ltd (ASX: SMD) (see ASX Release 26 November 2019). As consideration for the interest in the Project, Gateway received:

- \$50,000 cash;
- \$200,000 in SMD shares (based on the 5-day VWAP at the date of execution of the Tenement Sale Agreement); and
- The grant of a 1.5% gross revenue royalty over the Tenements (payable after the first 200,000 ounces of gold or equivalent mineral product has been recovered from the Tenements).

TENEMENTS

Only those changes to the Company's tenement holdings corresponding to the transactions detailed in the previous sections, occurred during the Quarter (see Appendix 1).

CORPORATE

During the Quarter on 30 November 2019, the Company held its Annual General Meeting. All resolutions voted on at the Annual General Meeting were unanimously passed.

Peter Langworthy
Managing Director

For and on behalf of
GATEWAY MINING LIMITED

Competent Person Statement

The information in this announcement that relates to Exploration Results and Mineral Resources has been extracted from various Gateway ASX announcements and are available to view on the Company's website at www.gatewaymining.com.au or through the ASX website at www.asx.com.au (using ticker code "GML").

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Managing Director
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or
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Company Secretary
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Read Corporate
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APPENDIX (1): GATEWAY MINING LIMITED'S CONSOLIDATED TENEMENT HOLDINGS

Project	Tenement	Owner
BRYAH BASIN	E51/1738	Gateway Projects Pty Ltd
BRYAH BASIN	E51/1842	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3273	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3510	Gateway Projects Pty Ltd
CUNYU	E51/1762	Gateway Projects Pty Ltd
EDNA MAY	E77/2290	Gateway Projects Pty Ltd
GIDGEE	E57/1057	Gateway Projects Pty Ltd
GIDGEE	E57/1060	Gateway Mining Ltd – 80% Element 25 Ltd – 20%
GIDGEE	E57/1067	Gateway Projects Pty Ltd
GIDGEE	P57/1407	Gateway Projects Pty Ltd
GIDGEE	P57/1409	Gateway Projects Pty Ltd
GIDGEE	P57/1410	Gateway Projects Pty Ltd
GIDGEE	P57/1411	Gateway Projects Pty Ltd
GIDGEE	P57/1412	Gateway Projects Pty Ltd
GIDGEE	P57/1413	Gateway Projects Pty Ltd
GIDGEE	P57/1449	Gateway Mining Ltd
GIDGEE	P57/1455	Gateway Mining Ltd
GIDGEE	P57/1456	Gateway Mining Ltd
GIDGEE	P57/1457	Gateway Mining Ltd
GIDGEE	P57/1458	Gateway Mining Ltd
GIDGEE	P57/1459	Gateway Mining Ltd
GIDGEE	P57/1460	Gateway Mining Ltd
GIDGEE	P57/1461	Gateway Mining Ltd
GIDGEE	E57/0405	Gateway Mining Ltd
GIDGEE	E57/0417	Gateway Mining Ltd
GIDGEE	E57/0687	Gateway Mining Ltd
GIDGEE	E57/0688	Gateway Mining Ltd
GIDGEE	E57/0793	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	E57/0807	Gateway Mining Ltd
GIDGEE	E57/0823	Gateway Mining Ltd
GIDGEE	E57/0824	Gateway Mining Ltd
GIDGEE	E57/0874	Gateway Mining Ltd
GIDGEE	E57/0875	Gateway Mining Ltd
GIDGEE	E57/0876	Gateway Mining Ltd
GIDGEE	E57/0888	Gateway Mining Ltd
GIDGEE	E57/0945	Gateway Mining Ltd
GIDGEE	E57/1004	Gateway Mining Ltd
GIDGEE	E57/1005	Gateway Mining Ltd
GIDGEE	M57/0048	Gateway Mining Ltd
GIDGEE	M57/0098	Gateway Mining Ltd
GIDGEE	M57/0099	Gateway Mining Ltd

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Project	Tenement	Owner
GIDGEE	M57/0217	Gateway Mining Ltd
GIDGEE	M57/0429	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	M57/0485	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	E57/1113	Gateway Mining Ltd
GIDGEE	E57/1108	Gateway Mining Ltd
SOUTH. CROSS	E77/2309	Gateway Projects Pty Ltd
SYLVANIA	E52/3365	Gateway Projects Pty Ltd
SYLVANIA	E52/3366	Gateway Projects Pty Ltd
THADOONA	E51/1863	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3248	Auris Minerals Ltd – 85% Gateway Projects Ltd - 25%
BRYAH BASIN	E52/3291	Auris Minerals Ltd – 85% Gateway Projects Ltd - 25%
EDJUDINA	E31/1134	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E31/1150	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E39/1765	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E39/1882	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Gateway Mining Limited

ABN

31 008 402 391

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(939)	(1,945)
(b) development		
(c) production		
(d) staff costs	(92)	(142)
(e) administration and corporate costs	(232)	(440)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,255)	(2,515)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(5)
(b) tenements (see item 10)	(60)	(60)
(c) investments		
(d) other non-current assets		

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	50	50
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(15)	(15)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	300	3,539
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(173)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (advance received from directors)	(100)	-
3.10	Net cash from / (used in) financing activities	194	3,366

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,757	1,845
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,255)	(2,515)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	194	3,366
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,681	2,681

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,681	3,757
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,681	3,757

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

122

Nil

Director's fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

316

Nil

Omni GeoX Pty Ltd for geological services; Enrizen Financial Group Pty Ltd for corporate services.

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	600
9.2	Development	
9.3	Production	
9.4	Staff costs	100
9.5	Administration and corporate costs	200
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	900

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E31/1134, E39/1765, E39/1882, E31/1150	80% sold to ASX-listed Syndicated Metals Ltd (ASX; SMD)	100%	20%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E57/1060, E57/1113 P57/1455, P57/1456	Acquired from ASX-listed E25 Limited (ASX: E25) Attained via Open ground pegging Attained via Open ground pegging	0% 0% 0%	80% 100% 100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:SIGNATURE ON FILE.....
(Company secretary)

Date: 29 January 2020

Print name:Kar Chua.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.