Gateway Mining Ltd

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

ABN 31 008 402 391

Contents

CORPORATE DIRECTORY

Directors:
- Mr Trent Franklin (Non-Executive Chairman)
- Mr Peter Langworthy (Managing Director)
- Mr Scott Brown (Non-executive Director)
- Ms Debra Fullarton (Non-executive Director)

Company Secretary:
- Mr Kar Chua

Registered Office:

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Sydney NSW 2000

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Surry Hills NSW 2010

Telephone: +61 2 9698 5414

Auditors:

Crowe Sydney
Chartered Accountants
Level 15
1 O'Connell Street
Sydney NSW 2000

Solicitors:

Enrizen Lawyers Pty Ltd
Level 11
52 Phillip Street
Sydney NSW 2000

Securities Exchange Listing:

The Group is listed on the Australian Securities Exchange under code GML

Website:

www.gatewaymining.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the Group consisting of Gateway Mining Limited and its controlled entities (**Gateway** or the **Company**) for the year ended 30 June 2019.

DIRECTORS

The names of directors who held office during the year:

- Mr. Trent Franklin (Non-executive Chairman)
- Mr. Peter Langworthy (Managing Director)
- Mr. Scott Brown (Non-executive Director)
- Ms. Debra Fullarton (Non-executive Director)

PRINCIPAL ACTIVITIES

The activities of the Group during the financial year were in the mineral exploration industry principally exploration for gold and base metals. There were no significant changes in the nature of the activities of the Group that occurred during the year.

EXPLORATION PROJECTS - SUMMARY

The Company has established a high-quality portfolio of predominantly gold exploration properties across a number of highly endowed gold provinces in Western Australia. Due to the high level prospectivity of the Company's flagship Gidgee Gold Project, the focus of exploration funding and activities has been concentrated in this area. The majority of the other projects are now subject to Farm-out and Option Agreements that leaves Gateway exposed to discovery opportunities through leveraged third party expenditure.

GIDGEE GOLD PROJECT - INTRODUCTION

Gateway's Gidgee Gold Project is located approximately 70km north of the township of Sandstone, Western Australia. As a result of the Acquisition, the Gidgee Project now comprises a consolidated area of ~700km^2 covering the southern extension of the Archaean aged Gum Creek Greenstone Belt.

The project is easily accessible from Perth via major sealed and well-formed gravel roads. The town of Sandstone provides limited logistics support and the project is centrally located within a ~120km radius of six operational gold treatment facilities.

DIRECTORS' REPORT (CONTINUED)

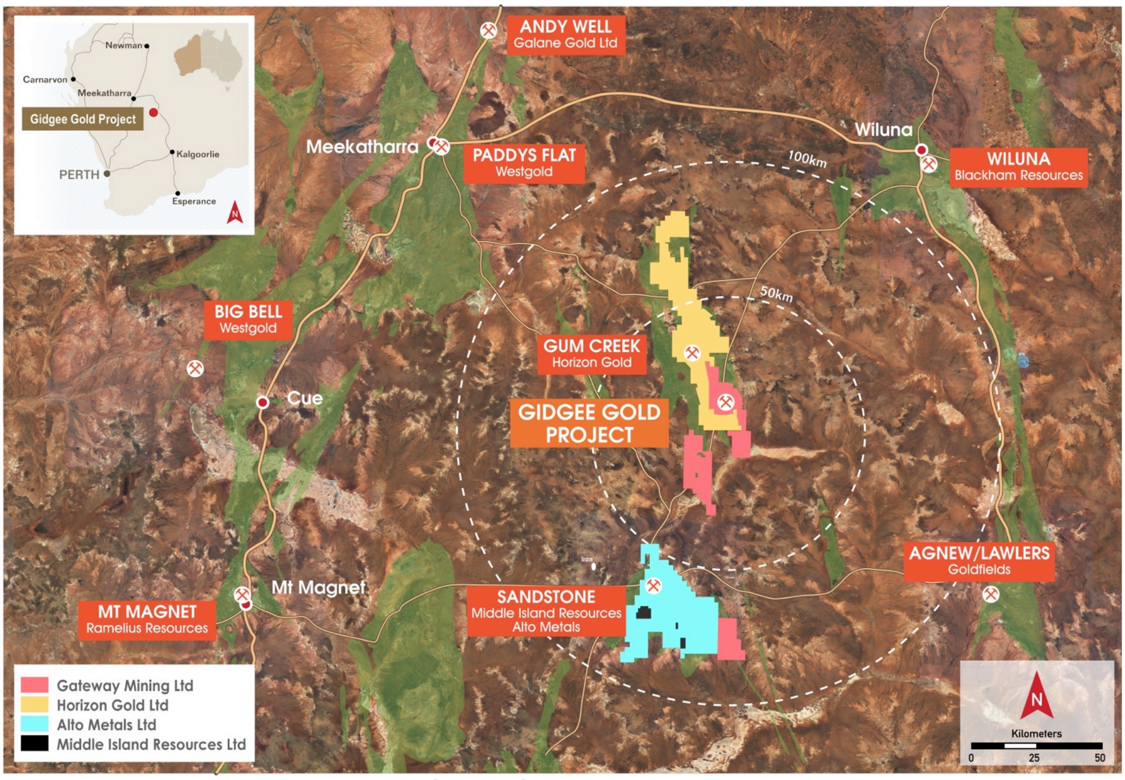

Figure (1): Gidgee Gold Project Location Plan

EXPLORATION STRATEGY

Over the past 12 months the Company has focused on consolidating and expanding the Whistler and Montague Gold Deposits through programs of diamond and reverse circulation (**RC**) drilling ahead of reporting a maiden JORC compliant mineral resource estimate. In addition, project wide geological compilations and analysis has identified an extensive portfolio of high-priority target areas that will become the focus of future programs of exploration.

Gateway's ongoing strategy is to demonstrate that the gold system associated with the Montague Granodiorite has the potential to evolve into a multi-million ounce gold system through programs of well targeted and executed exploration.

WHISTLER GOLD DEPOSIT

The Whistler Gold Deposit is hosted on the margin of the Montague Granodiorite within a well-developed shear zone. Gateways' drilling during the year has continued to expand the gold mineralisation at depth and along strike beneath the historical, shallow open pit. Key understanding of the gold deposit now include:

- Definition of strong gold mineralisation over a strike length of at least 200m and to a depth of 220m (Figure 2 and 3).
- The mineralisation remains open down plunge and along strike.
- The mineralisation consists of a series of high-grade domains within a broader mineralised envelope.
- The recent identification of high-grade gold mineralisation relatively close to surface will have a significant, positive impact on the optimisation of any future open pit development.

DIRECTORS' REPORT (CONTINUED)

- Preliminary metallurgical testwork demonstrates that the gold is free-milling.

- A Mineral Resource Estimation is being prepared and is expected to be completed in the September 2019 Quarter.

In addition to the focused resource expansion drilling at Whistler, programs of work have been undertaken to determine the potential of the wider gold mineralised system. Key outcomes from this work have been:

- Recognition of the importance of major flat-lying structures as a control on the broader mineralised system. This was recognised at Montague and now can be applied to Whistler.

- Identification of a number of prospective targets that were successfully drill tested, including the Cardinal Shear Zone.

- Recognition that Whistler could be part of up to a 1.25km long trend along the margin of the Montague Granodiorite. Shallow, historical drilling on or near the margin has consistently returned significant results. This strike extent remains to be tested.

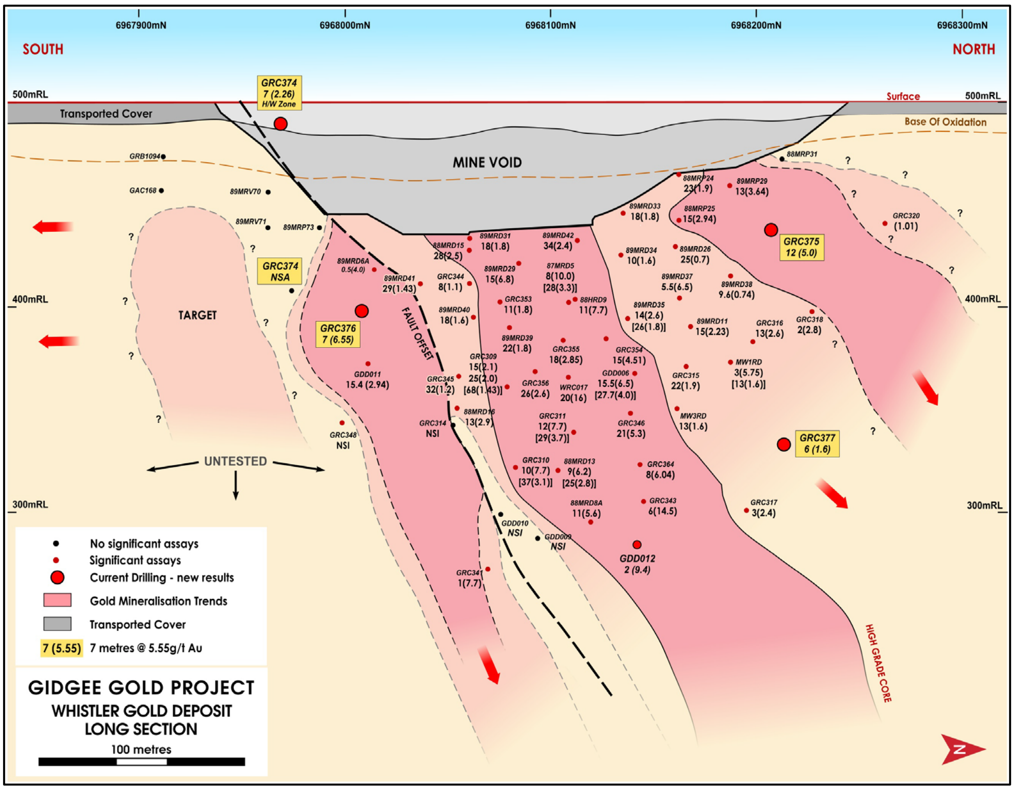

Figure (2): Whistler Gold Project – Interpreted Long Section

DIRECTORS' REPORT (CONTINUED)

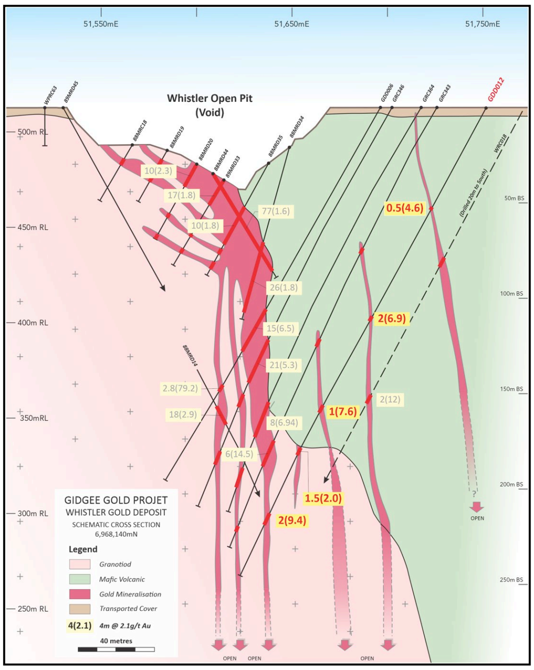

Figure (3): Whistler Gold Deposit – Interpreted Cross Section

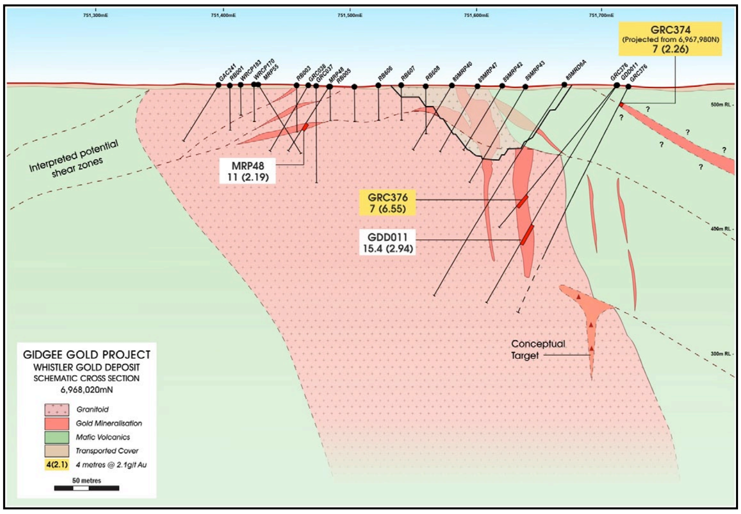

Figure (4): Whistler Gold Project – Interpreted Cross Section (Looking north)

DIRECTORS' REPORT (CONTINUED)

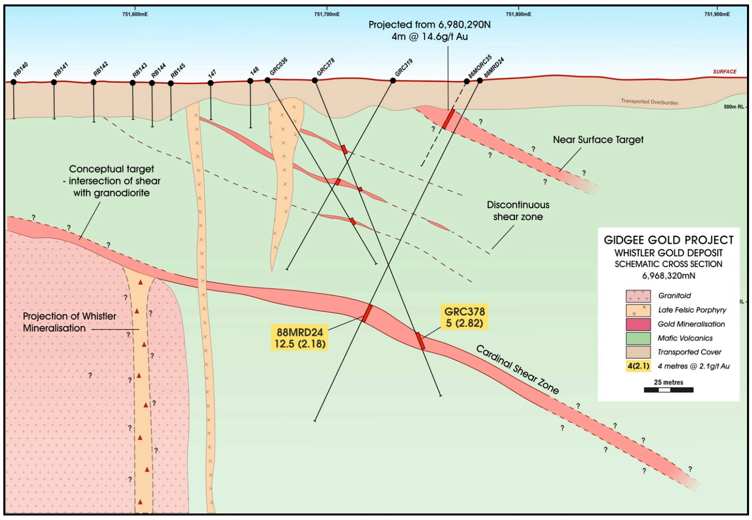

Figure (5): Cardinal Shear Zone - Interpreted Cross Section (Looking north)

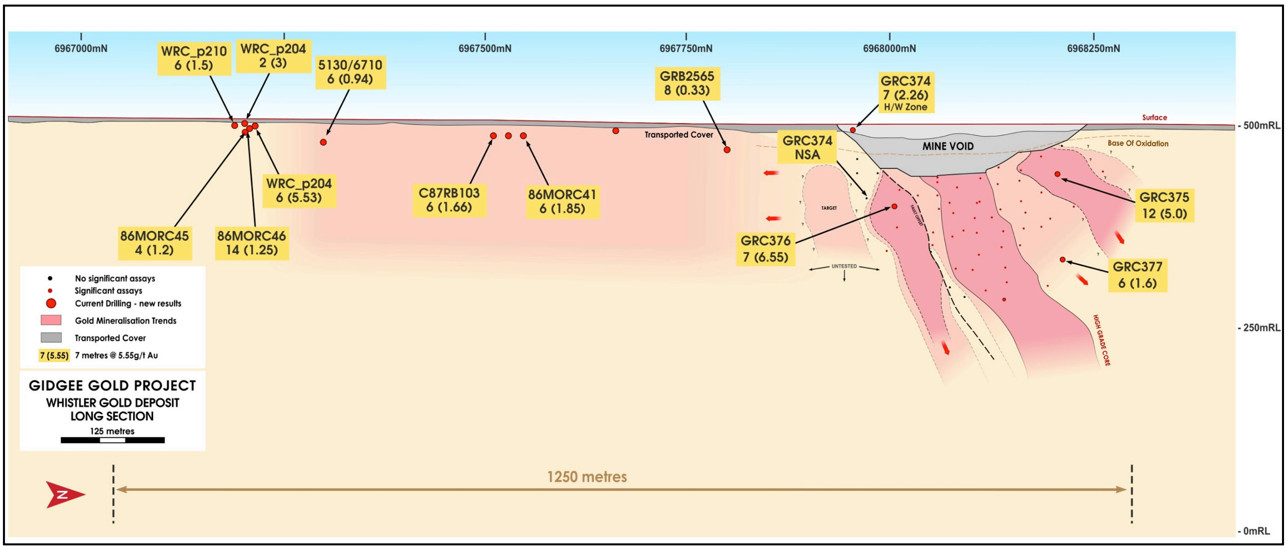

Figure (6): Whistler Gold Deposit – Regional Long Section

Ongoing programs of work at the Whistler Gold Deposit will include:

- A Mineral Resource Estimation is being prepared and is expected to be completed in the September 2019 Quarter.
- Systematic RC drilling to test for extensions along strike and down-plunge at the main Whistler Deposit.
- Follow-up drilling of the major flat-lying structures, including the Cardinal Shear Zone.
- Reconnaissance drilling (RC and aircore) along the southern contact trend.
- Additional metallurgical test work.
- Integration of data received from a planned detailed gravity survey to map the contact of the Montague Granodiorite at depth.

DIRECTORS' REPORT (CONTINUED)

MONTAGUE GOLD DEPOSIT

The Montague Gold Deposit is located approximately 1.2km south of Whistler (Figure 7), and is also located on the margin of the Montague Granodiorite. The gold deposit is made up of a stockwork zone on and within the margin of the granodiorite, and a series of flat-lying shear zones within the mafic volcanic rock package. The shear zones are the current focus of resource explansion drilling programs.

Key understanding of the gold deposit now include:

- Definition of strong gold mineralisation over ~400m down extent beneath the historical, shallow open pit. (Figure 8).
- The targeted mineralisation is hosted in a relatively flat-lying shear zone within the mafic volcanic rock package adjacent to the granodiorite.
- The defined mineralisation remains relatively close to surface.
- The mineralisation remains open down plunge and along strike.
- The mineralisation consists of a series of high-grade domains within a broader mineralised envelope.
- There is potential for sub-parallel shear zones (e.g. Gordon Shear Zone – 4m @ 24g/t Au) and for stockwork zones within the granodiorite that as yet remain untested.
- Preliminary metallurgical testwork demonstrates that the gold is free-milling.
- A Mineral Resource Estimation is being prepared and is expected to be completed in the September 2019 Quarter.

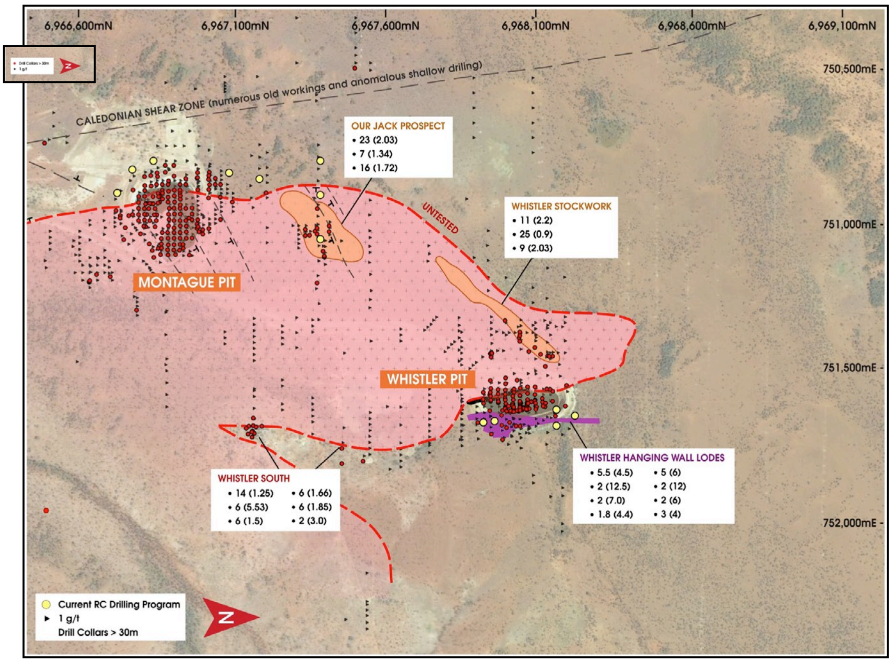

Figure (7): Whistler-Montague Gold Deposits – Project Location Plan

DIRECTORS' REPORT (CONTINUED)

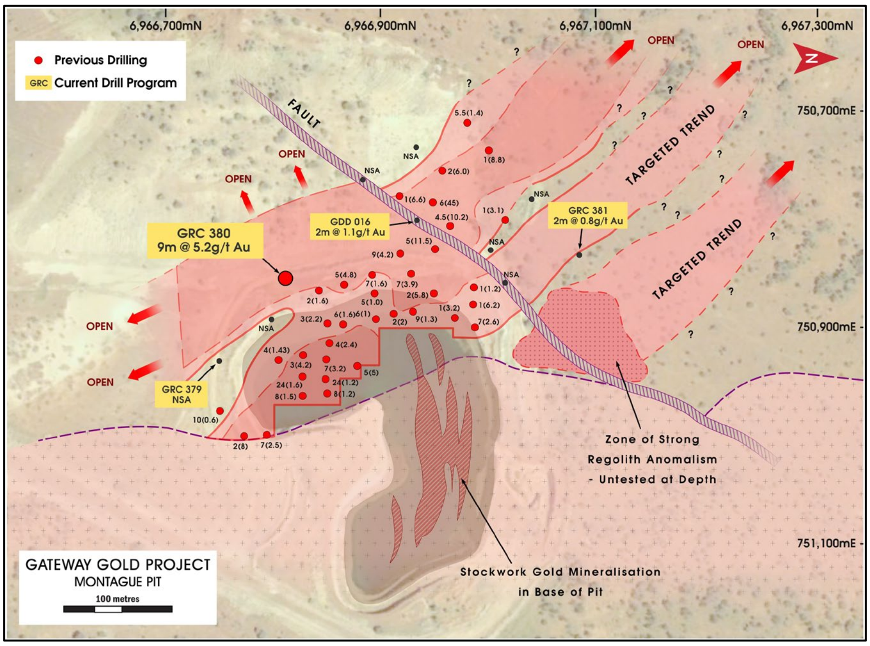

Figure (8): Montague Gold Project – Plan Projection of Gold Distribution

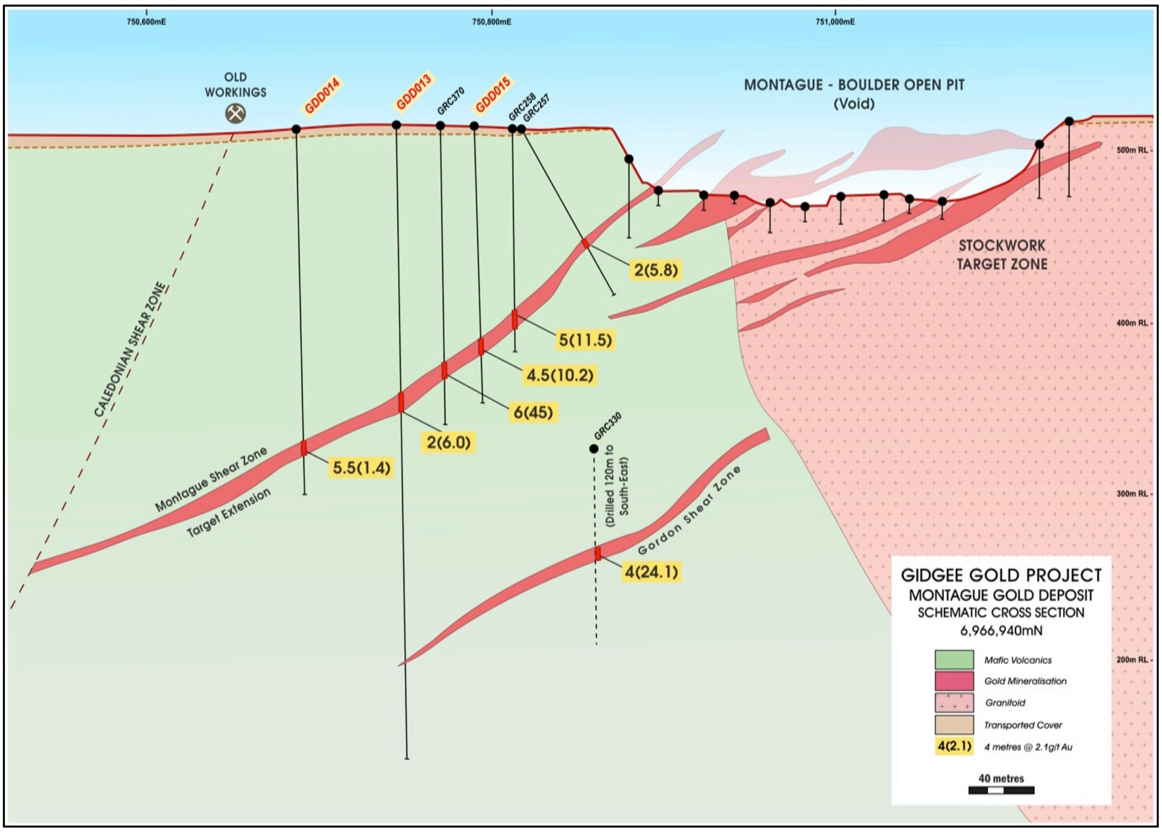

Figure (9): Montague Gold Project – Interpreted Cross Section (Looking north)

DIRECTORS' REPORT (CONTINUED)

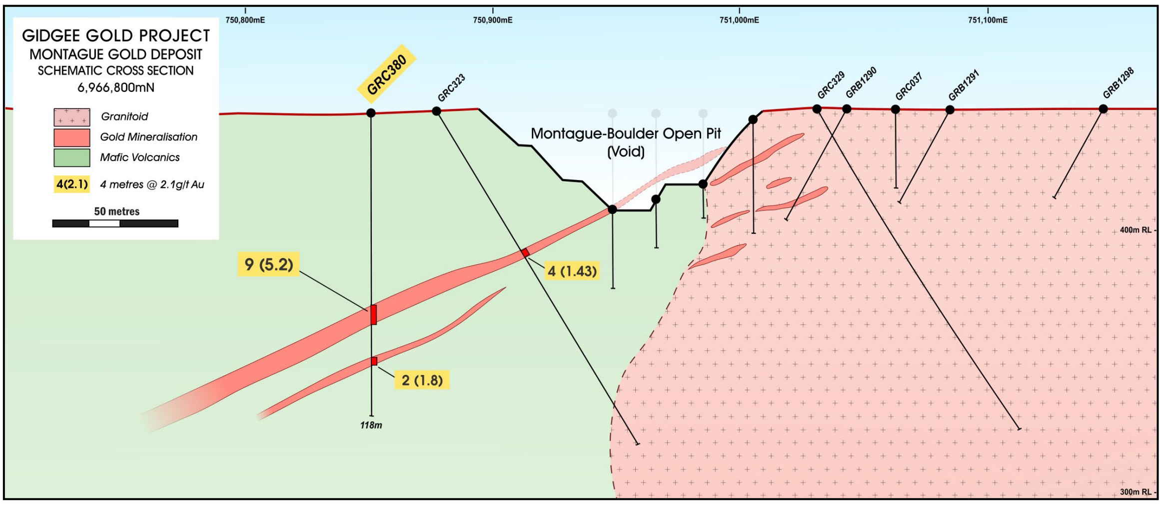

Figure (10): Montague Gold Project – Interpreted Cross Section (Looking north)

Ongoing programs of work at the Montague Gold Deposit will include:

- A Mineral Resource Estimation is being prepared and is expected to be completed in the September 2019 Quarter.
- Systematic drilling to test for extensions along strike and down-plunge at the main Montague Deposit.
- Follow-up drilling of the Gordon Shear Zone and the stockwork mineralisation.
- Reconnaissance drilling (RC and aircore) along the northern and southern contact trends (including additional work at the Our Jack Prospect).
- Additional metallurgical test work.
- Integration of data received from a planned detailed gravity survey to map the contact of the Montague Granodiorite at depth.

EXPLORATION TARGETS

Montague Granodiorite

The Whistler and Montague Gold Deposits are hosted on or adjacent to the structurally deformed margin of the Montague Granodiorite (Figure 11). They represent the most advanced targets along a ~4km strike length of the prospective mineralised corridor along the margin of the granodiorite. It is also worth noting that this area only represents approximately 25% of the overall contact extent of the Montague Granodiorite.

Key target zones that will be targeted as major growth opportunities include the Rosie-Rosie North, S-Bend, C2, NE Caledonian and Our Jack Prospects.

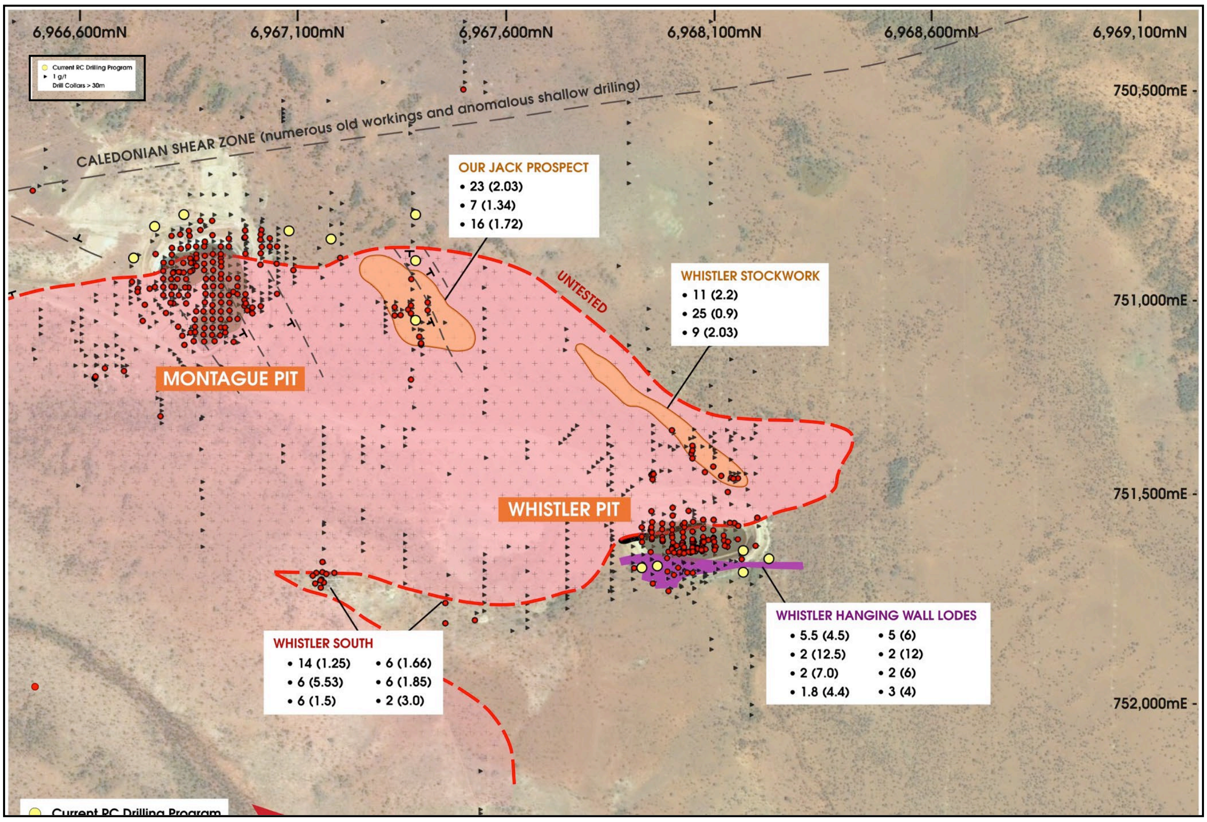

Figure (11): Gidgee Gold Project – Summary Prospect Map

Eastern Margin

The Eastern Margin of the Montague Granodiorite is considered to have very similar structural and stratigraphic settings to the highly prospective western contact that currently hosts the known gold targets. A major opportunity exists to explore approximately 10km of the contact that has only seen cursory exploration to date.

The most advanced target is the Kashmir Prospect (Figures 12, 13a and 13b) where geochemical soil sampling has highlighted a ~1.8km long coincident gold-silver anomaly immediately along strike of the 200,000oz Howards Gold Resource (Horizon Gold Limited: ASX-HRN). Aircore drilling will be undertaken as a first pass evaluation of this target.

DIRECTORS' REPORT (CONTINUED)

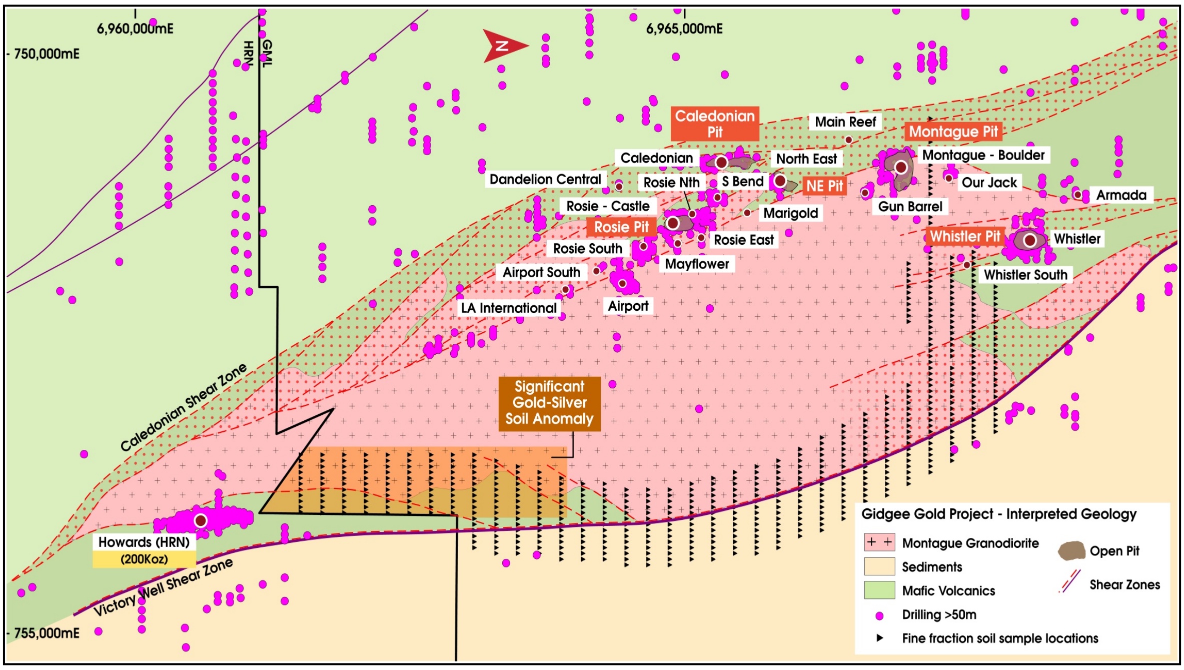

Figure (12): Gidgee Gold Project – Location of Kashmir Gold Target on Eastern Margin

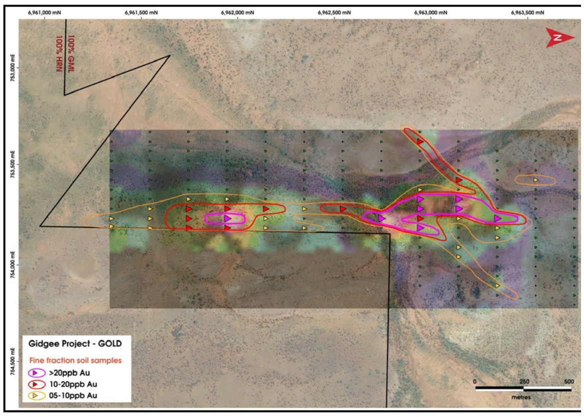

**Figure (13a): Kashmir Gold Target
Gold Geochemical Anomaly**

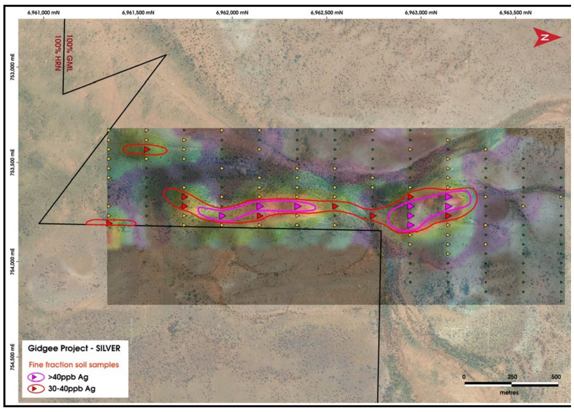

**Figure (13b): Kashmir Gold Target
Silver Geochemical Anomaly**

Victory Creek – Oxide Gold Target

The Victory Creek gold prospect is located to the immediate west of the Whistler-Montague project area. The targeted gold mineralisation is likely to be the oxide gold cap overlying a zone of VMS mineralisation.

Reconnaissance drilling undertaken to confirm and enhance historical results confirmed the presence of extensive shallow, supergene oxide gold mineralisation over a strike length of at least 1km and up to 300m wide and up to a width of 13m.

The free-milling nature of the oxide mineralisation was confirmed by preliminary metallurgical test work comprising accelerated cyanide partial leach assays (2kg Leachwell Assays).

Additional target zones of oxide gold mineralisation have been identified and require additional drilling as a first pass evaluation.

DIRECTORS' REPORT (CONTINUED)

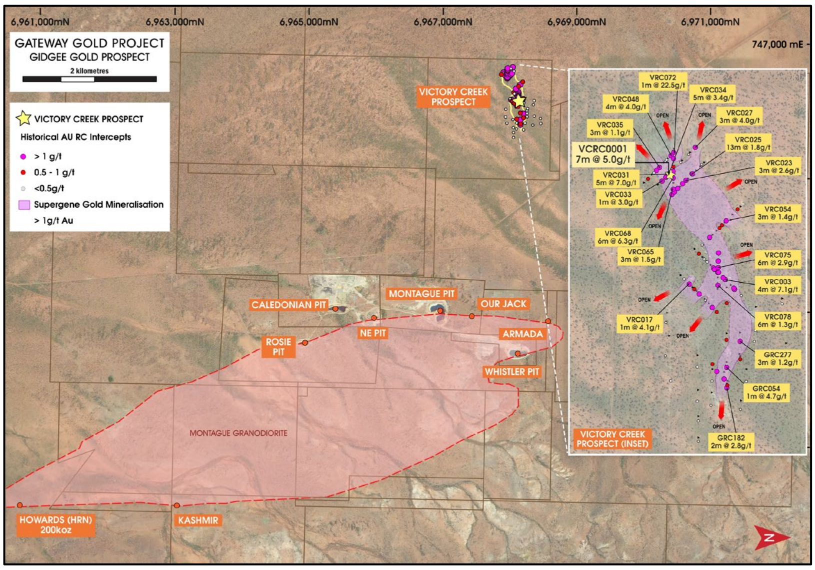

Figure (14): Gidgee Gold Project – Location and Results from the Victory Creek Oxide Gold Target

Flametree Prospect - Volcanic Hosted Massive Sulphide Copper-Gold-Zinc
The wider Gidgee Gold Project has demonstrated VMS Copper-Gold-Zinc potential that requires additional evaluation. Key understanding of the prospect include:

- Identification of a ~16km VHMS trend identified within Gateway's 100% owned Gidgee Gold Project (Figure 15) from the assessment and validation of existing historical data.

- The trend is hosted in a separate geological domain that is distinct from the major gold system that surrounds the Montague Granodiorite. The two domains are separated by the regionally significant Gidgee Shear Zone.

- The geological domain hosting the VHMS trend consists of a distinct package of ocean floor volcano-sedimentary rocks internal to mafic volcanic stratigraphy (including pillow basalts). Additionally, there is also evidence of felsic to intermediate volcanic units and black shale exhalative horizons.

DIRECTORS' REPORT (CONTINUED)

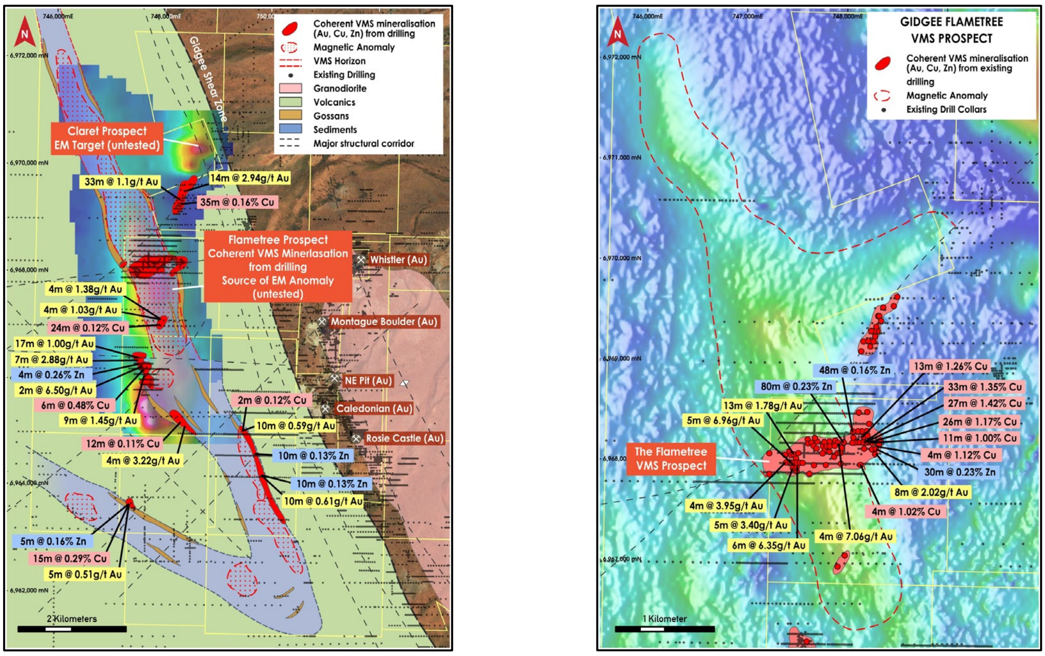

Figure (15): Flametree VHMS Prospect

REGIONAL PROJECTS – WESTERN AUSTRALIA

In addition to the flagship Gidgee Gold Project, Gateway has excellent exposure to a quality portfolio of six exploration projects located in the Yilgarn, Bryah and Pilbara districts of Western Australia (**Regional Projects**).

The Regional Projects cover an approximate area of 1,039km^2 and the majority of the projects are located adjacent to major mineralised systems and cover highly prospective structural trends.

Given the focus on the Gidgee Gold Project a strategic decision was made to attract joint venture partners to a number of these regional projects. This has created a strong level of optionality via third party expenditure with reduced risk to Gateway.

The Regional Projects comprise of:

Bryah Basin Project

The Bryah Basin Project provides a large, consolidated profile in the Bryah Basin, a Proterozoic-aged volcano-sedimentary rift basin that is highly prospective for gold and copper-gold VHMS mineralisation. The project is host to a number of important deposits including the DeGrussa and Monty copper-gold deposits (Sandfire and Talisman) and the Fortnum gold deposit (Westgold).

During the reporting period the Company announced that it had entered into an option agreement for the sale of its exploration licences in the Bryah Basin. The Company, through its wholly-owned subsidiary Gateway Projects WA Pty Ltd (previously named Omni Projects Pty Limited) (**Gateway Projects WA**), entered into a conditional option agreement (**Transaction**) with Dingo Resources Limited (**Dingo**) under which Dingo has an exclusive option to acquire Gateway Projects WA's interests in E51/1738, E51/1842, E52/3273 and E52/3510 (**Tenements**) (**Option Agreement**).

DIRECTORS' REPORT (CONTINUED)

Under the terms of the Option Agreement, in consideration for a non-refundable option fee of AUD$75,000, Dingo has an exclusive six-month option (**Initial Option Term**) to acquire the Tenements (**Option**).

Dingo may at any time prior to expiry of the Initial Option Term elect to extend the Option by a further three months (**Second Option Term**) by providing written notice to the Company. Dingo may at any time prior to expiry of the Second Option Term elect to extend the Option by a further three months by providing written notice to the Company and paying a further non-refundable option fee of AUD$25,000. This will result in Dingo having an aggregate 12-month Option to acquire the Tenements (**Term**).

The exercise of the Option by Dingo is conditional and subject to:

(a) Dingo completing a capital raising via an Initial Public Offer prospectus and raising sufficient funds in order to list on the Australian Securities Exchange (**ASX**); and

(b) the ASX confirming to Dingo in writing that it will grant Dingo conditional approval to list on ASX on terms reasonably acceptable to Dingo.

(Collectively, the **Conditions**).

Subject to the satisfaction or waiver of the Conditions, Dingo may at any time during the Term exercise the Option by providing written notice to the Company and enter into a binding tenement sale agreement (**Tenement Sale Agreement**), and pay to the Company the following consideration:

(a) (**Cash Consideration**): cash consideration of A$300,000;

(b) (**Share Consideration**): 3,000,000 fully-paid ordinary shares in the capital of Dingo at a deemed issue price of $0.20 per share, subject to a voluntary escrow period of twelve months; and

(c) (**Royalty Consideration**): the grant of a 1.5% net smelter royalty over the Tenements.

Completion will occur three business days after the execution of the Tenement Sale Agreement or such other date as agreed in writing between the parties (**Completion**).

During the Term and in the event of exercise of the Option, then until Completion, Dingo shall be solely responsible for:

(a) maintaining the Tenements in good standing in accordance with all applicable laws including minimum expenditure requirements being met and the payment of all rates and rents; and

(b) all rehabilitation of the Tenements including all costs relating to rehabilitation of the Tenements. In the event that Dingo does not exercise the Option, it will only be responsible for rehabilitation of work actually carried out by it on the Tenements during the Term.

DIRECTORS' REPORT (CONTINUED)

Edjudina Project
The Edjudina Project is located in the highly mineralised Eastern Goldfield Province of the Yilgarn Craton and is considered prospective for gold and nickel-copper mineralisation. The project covers a strike extent of approximately 29km within the Linden Terrain east of the Pinjin Fault, and covers a north-northwest trending sequence of prospective greenstone lithologies that are immediately along strike of Matsa Resources Limited's Fortitude Gold Project, where mining recently recommenced with a trial mining study. The area is also subject to significant exploration interest from a number of major resource companies including St Barbara Limited, Saracen Minerals Holding Limited and AngloGold Ashanti Australia Limited.

During the reporting period, the Company announced that it had entered into an option agreement for the sale of its Edjudina Project exploration licences. The Company, through its wholly-owned subsidiary Gateway Projects WA, entered into a conditional option agreement (**Transaction**) with ASX listed Trek Metals Limited (ASX:TKM) (**Trek**) under which Trek has an exclusive option to acquire Gateway Projects WA's interests in E39/1765, E39/1882, E31/1150 and E31/1134 (**Tenements**) (**Option Agreement**).

Under the terms of the Option Agreement, in consideration for a non-refundable option fee of A$10,000, Trek has an exclusive six-month option (**Option Term**) to acquire the Tenements (**Option**). Trek must also conduct a minimum $100,000 of expenditure on the Tenements, which includes drilling commencing within three months of signing the Option Agreement (**Minimum Expenditure**).

Completion of the Transaction is subject to a number of conditions precedent (**Conditions**).

Subject to the satisfaction or waiver of the Conditions, Trek may at any time during the Option Term exercise the Option by providing written notice to the Company, and pay to the Company the following consideration:

(a) (**Cash Consideration**): cash consideration of A$50,000;

(b) (**Share Consideration**): equivalent of A$200,000 of Trek shares calculated based on a 5-day VWAP, subject to a voluntary escrow period of six months; and

(c) (**Royalty Consideration**): the grant of a 1.5% net smelter royalty over the Tenements (payable after the first production of 200,000 ounces of Au).

Completion will occur five business days after all of the Conditions have been satisfied or waived by the parties (**Completion**).

Subject to Completion occurring and Trek making a public announcement of an indicated JORC resource of more than 400,000 ounces of gold (or an equivalent mineral product) (**Public Announcement**), The Company will receive the following deferred consideration:

(a) (**Cash Payment**): a cash payment of A$1,000,000 payable within 14 days of the Public Announcement; and

(b) (**Cash or Share Payment**): A$3,000,000 in cash or Trek shares (valued at a 5 day VWAP) at Trek's absolute discretion payable within 14 days of a public announcement of a decision to mine.

Cunyu Project

The Cunyu Project is located on the eastern margin of the Proterozoic-aged Yerrida Basin and is targeting a Proterozoic mafic-ultramafic intrusive complex of that is considered prospective for nickel-copper and PGE-type deposits. In addition to this, the project is interpreted to lie on a similar stratigraphic horizon to the Magellan lead-zinc deposit (owned by LeadFX Inc.), located approximately 80km to the south.

Edna May Project

The Edna May Project is located on the northern end of the Archean-aged Westonia Greenstone Belt, which is part of the larger Southern Cross Greenstone Belt. The project is immediately along strike from Ramelius Resources' Edna May gold mine. The host greenstone belt and regional structure that controls the Edna May mine mineralisation is interpreted to persist through the project area, as evidenced by the presence of gold mineralisation intersected in historical drilling.

Southern Cross Project

The Southern Cross Project includes over 20km of prospective greenstone located at the northern end of the highly endowed Southern Cross Greenstone Belt. The belt is an Archaean-aged package of mafic-ultramafic volcanic and sedimentary rocks, and is considered highly prospective for significant gold mineralisation as well as komatiite hosted nickel sulphide, VHMS and lithium deposits.

During the reporting period, the Company entered into an option agreement for the sale of its exploration licence located at the northern end of the Southern Cross Greenstone Belt. The Company entered into a conditional option agreement (**Transaction**) with ASX-listed Syndicated Metals Limited (ASX: SMD) (**SMD**) under which SMD has an exclusive option to acquire Gateway Projects WA's interests in E77/2309 (**Tenement**) (**Option Agreement**).
Under the terms of the Option Agreement, in consideration for a non-refundable option fee of AUD$10,000, SMD has an exclusive 12-month option (**Initial Option Term**) to acquire the Tenement (**Option**).

SMD may at any time prior to expiry of the Initial Option Term elect to extend the Option by a further 12 months (**Second Option Term**) by providing written notice to the Company and paying a further non-refundable option fee of AUD$10,000. This will result in SMD having an aggregate 24-month Option to acquire the Tenement (**Term**).

SMD may at any time during the Term exercise the Option by providing written notice to the Company and enter into a binding tenement sale agreement (**Tenement Sale Agreement**), and pay to the Company the following consideration:

(a) (**Cash or share Consideration**): A$300,000 payable in cash or SMD shares (valued at a 5-day VWAP) at Gateway's absolute discretion; and

(b) (**Royalty Consideration**): the grant of a 1.5% gross revenue royalty over the Tenement.

Completion will occur five business days after the exercise of the Option or such other date as agreed in writing between the parties (**Completion**). During the Term and in the event of exercise of the Option, then until Completion, SMD shall be solely responsible for:

(a) Maintaining the Tenement in good standing in accordance with all applicable laws including minimum expenditure requirements being met and the payment of all rates and rents; and

(b) All rehabilitation of the Tenement required as a result of its activities on the Tenement including all costs relating to such rehabilitation.

Sylvania Project

The Sylvania Project covers part of the Sylvania Inlier, an Archaean-aged cratonic block on the southern margin of the Pilbara Craton. The project is considered prospective for gold mineralisation and is relatively untested by systematic modern exploration techniques. Although at an early stage, it has been recognized that conglomerate stratigraphy, which is potentially prospective for palaeo-placer gold mineralisation, is present across the project.

Research and Development Projects

Gateway has a developed philosophy to support relevant research and development (R&D) projects to drive innovative thinking that has the potential to identify new exploration concepts across its key project areas. The result of this work is to develop sound methodologies to focus and refine future exploration targeting processes.

The Company currently has one active research and development (R&D) project, which is to develop a systematic methodology to identify and characterise Mesozonal Intrusion Hosted sub-class Reduced Intrusive-Related (RIR) gold mineralisation in Archean terranes in contrast to Orogenic gold deposits.

The R&D project involves geological studies and comprehensive data collection on Gateway's deposits and developing new innovative technology and suite of tools and processes to determine key geological, geophysical and geochemical characteristics. Furthermore, site-specific research has been conducted on Montague Project area and other area in the Company's portfolio. The development of R&D project are ongoing and the hypotheses generated are tested with drilling.

Mining Tenements

The consolidated tenement holdings of the Group held during the reporting period are as follows:

DIRECTORS' REPORT (CONTINUED)

Project	Tenement ID	Ownership	Status	Expiry
Gidgee	E57/945	GML	Live	1/1/2024
Gidgee	M57/485	GML 75%, Estuary Resources NL 25%	Live	2/2/2026
Gidgee	E57/793	GML 75%, Estuary Resources NL 25%	Live	3/2/2020
Gidgee	E57/405	GML	Live	19/2/2021
Gidgee	E57/874	GML	Live	5/3/2022
Gidgee	E57/875	GML	Live	5/3/2022
Gidgee	E57/888	GML	Live	5/3/2022
Gidgee	E57/823	GML	Live	2/3/2021
Gidgee	E57/824	GML	Live	2/3/2021
Gidgee	E57/688	GML	Live	25/3/2020
Gidgee	E57/687	GML	Live	25/3/2020
Gidgee	E57/417	GML	Live	26/4/2020
Gidgee	M57/48	GML	Live	14/5/2028
Gidgee	M57/98	GML	Live	18/05/2030
Gidgee	M57/99	GML	Live	18/05/2030
Gidgee	M57/217	GML	Live	23/09/2034
Gidgee	E57/807	GML	Live	21/6/2020
Gidgee	M57/429	GML 75%, Estuary Resources NL 25%	Live	5/7/2026
Gidgee	E57/876	GML	Live	11/10/2021
Gidgee	E57/1004	GML	Live	9/9/2020
Gidgee	E57/1005	GML	Live	3/10/2022
Gidgee	E57/1057	Gateway Projects WA (previously named Omni Projects)	Live	16/7/2022
Gidgee	E57/1067	Gateway Projects WA	Live	17/9/2022
Gidgee	P57/1407	Gateway Projects WA	Live	17/12/2021
Gidgee	P57/1409	Gateway Projects WA	Live	9/1/2022
Gidgee	P57/1410	Gateway Projects WA	Live	9/1/2022
Gidgee	P57/1411	Gateway Projects WA	Live	9/1/2022
Gidgee	P57/1412	Gateway Projects WA	Live	9/1/2022
Gidgee	P57/1413	Gateway Projects WA	Live	9/1/2022
Edjudina	E31/1134	Gateway Projects WA	Live	7/11/2022
Edjudina	E31/1150	Gateway Projects WA	Live	11/10/2022
Edjudina	E39/1765	Gateway Projects WA	Live	19/3/2019
Edjudina	E39/1882	Gateway Projects WA	Live	18/1/2021
Cunyu	E51/1762	85% Gateway Projects WA 15% Milford Resources P/L	Live	27/8/2022
Bryah Basin	E51/1738	Gateway Projects WA	Live	2/7/2022
Bryah Basin	E51/1842	Gateway Projects WA	Live	15/4/2023
Bryah Basin	E52/3248	Auris 85%, Gateway Projects WA 15%	Live	3/3/2020
Bryah Basin	E52/3273	Gateway Projects WA	Live	3/6/2021
Bryah Basin	E52/3291	Auris 85%, Gateway Projects WA 15%	Live	1/3/2021
Bryah Basin	E52/3510	Gateway Projects WA	Live	3/7/2023
Sylvania	E52/3365	Gateway Projects WA	Live	14/5/2022
Sylvania	E52/3366	Gateway Projects WA	Live	14/5/2022
Southern Cross	E77/2309	Gateway Projects WA	Live	19/1/2021
Edna May	E77/2290	Gateway Projects WA	Live	15/10/2020

DIRECTORS' REPORT (CONTINUED)

Financial Results

The loss of the Group for the financial year after providing for income tax amounted to $775,809 compared to a loss of $619,120 for the previous year.

The Group incurred exploration expenditure of $2,097,807 during the year (2018: $3,029,385). The Group's cash and cash equivalents at 30 June 2019 was $1,844,958 (2018:$1,612,040). The total net assets of the Group stands at $9,080,315 (2018: $6,710,996) of which investment in exploration expenditure accounts for $7,127,192 (2018: $5,029,385).

The Group is a mining exploration entity, and as such does not earn income from the sale of product. No dividends have been declared or paid during the year.

DIRECTORS AND COMPANY SECRETARY

The names and details of the directors and the Company Secretary of the Group in office at the date of this report are as follows:

Trent Franklin
Non-executive Chairman
BSc (Geology)

Mr Trent Franklin is a qualified geologist with a strong track record of corporate experience. He is currently the Managing Director of Enrizen Financial Group and formerly a director of the Australian Olympic Committee Inc. and Australian Water Polo Inc. He is also an Associate of the Australian Institute of Company Directors. Furthermore, Mr Franklin is currently company secretary of listed companies Silver Mines Limited and ATC Alloys Limited.

Peter Langworthy
Managing Director
BSc (Geology) (Hons)

Mr Peter Langworthy is an accomplished geologist and mining executive with a career spanning more than three decades in mineral exploration and project development in Australia and internationally. He is currently a non-executive director of emerging gold producer Capricorn Metals; non-executive Chairman of junior copper and gold company Syndicated Metals and non-executive director of Silver Mines Limited.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Scott Brown
Non-executive Director

Mr Scott Brown is a Company Director with 25 years' experience in project management, business development and logistics across resource sectors, security risk-management and commercial construction, both in Australia and internationally.

Debra Fullarton
Non-executive Director
BA (Accounting) (Hons)

Ms Debra Fullarton is an experienced Chartered Accountant with 25 years' experience in senior roles including as Executive Director, Chief Financial Officer and Financial Manager at Auris Minerals Ltd and De Beers Australia Exploration Limited. She is currently the Chief Financial Officer of Westgold Resources Limited.

Kar Chua
Company Secretary
B.Com (Accounting and Corporate Finance)

Mr Kar Chua is a member of the Institute of Chartered Accountants in Australia. He has a range of experience in assisting a number of ASX-listed companies with their reporting, company secretarial and accounting functions, in addition to having a background in financial reporting for the Australia/New Zealand operations of a substantial multi-national group.

DIRECTORS' MEETINGS

During the financial year, 5 meetings of directors (including committees) were held.

	Meetings eligible to attend	Meetings attended
T Franklin	5	5
P Langworthy	5	5
D Fullarton	5	5
S Brown	5	5

The Group does not have an Audit Committee as this function is performed by the Board.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL REGULATION

The Group's operations are subject to various environmental regulations under Western Australian State Legislation and Regulations. The directors are not aware of any material breaches during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Capital Raising

On 22 October 2018 the Company announced that it had successfully completed a capital raising of A$1.5 million (before costs) (**October Placement)** to institutional, professional and sophisticated investors to underpin the upcoming drilling program at the Gidgee Gold Project.

The October Placement, which comprised the issue of 100,000,003 shares at an issue price of $0.015 per share, was strongly supported by existing and new investors including by the Company's directors. The proceeds of the October Placement underpinned exploration programs at the Gidgee Project as part of the Company's recently exploration and resource development strategy in relation to highly prospective gold prospects outlined on the margin of the Montague Granodiorite.

On 10 April 2019 the Company announced that it had successfully completed a capital raising of A$2.0 million (before costs) (**April Placement**) to institutional, professional and sophisticated investors to underpin a major new phase of drilling and exploration at the Gidgee Gold Project.

The April Placement, which comprised the issue of 154,988,385 shares at an issue price of $0.013 per share, was strongly supported by existing and new investors including, by the Company's directors.

The April Placement had been issued in the following two tranches:

- 140,526,846 shares to institutional, professional and sophisticated investors (Tranche 1 shares) on 16 April 2019; and
- 14,461,539 shares to directors of the company or their nominees as subsequently approved at a meeting of shareholders held on 18 July 2019.

The proceeds of the April Placement underpinned a major new phase of drilling and exploration at the Gidgee Gold Project. The new exploration program will build on the Company's drilling success over the past 12 months, focusing on an impressive pipeline of targets ranging from advanced prospects such as Whistler and Montague to the emerging potential of the Montague Granodiorite contact – where Gateway is targeting large-scale gold potential – plus a suite of shallow regional targets with the potential to host a significant oxide gold component.

DIRECTORS' REPORT (CONTINUED)

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the Group if any further information on likely developments, future prospects and business strategies in the operations of the Group and the expected results of these operations, were included herein.

REMUNERATION REPORT

The remuneration report, which has been audited, outlines key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its regulations.

Directors' and Specific Executives (being key management personnel) Remuneration

The Group's policy for determining the nature and amount of emoluments of board members and executives is as follows:

Group officers and directors are remunerated to a level consistent with the size of the Group. The Group's aim is to remunerate at a level that will attract and retain suitably qualified directors and employees.

The remuneration of non-executive directors is determined by the Board. This remuneration is by way of a fixed fee and may be supplemented by the issue of incentive options as approved by shareholders in a general meeting of the Group.

The remuneration structure for executive officers is based on a number of factors including experience of the individual concerned and their overall performance. The contracts for service between the Group and executives are on a fixed basis the terms of which are not expected to change in the immediate future.

As the Group is a mining exploration entity, it does not earn any revenue from the sale of product. The Group is therefore reliant on raising capital to continue operations. Consequently, the directors are very mindful of keeping cash remuneration to minimum levels. The Board may consider other non-cash remuneration in the future should it be required to attract and maintain particular talent.

The Board is of the opinion shareholder interests have been well looked after by keeping cash remuneration levels very low relative to many industry peers.

Directors and Specified Executives (being key management personnel) Interests

As at 30 June 2019, the interests of the directors and specified executives in the shares and options of the Group were as below.

The number of shares held directly, indirectly or beneficially, by each Key Management Person, including their controlled entities, is as follows:

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

2019

Key Management Person	Balance at the start of the year	Net changes during the year	Net change due to directors' resignations	Balance at the end of the year
Peter Langworthy[1]	8,333,334	7,333,334	-	15,666,668[1]
Trent Franklin[2]	27,022,912	3,083,266	-	30,106,178[2]
Scott Brown[3]	2,500,000	-	-	2,500,000[3]
Debra Fullarton	-	1,333,333	-	1,333,333

1. Mr Langworthy also indirectly holds 135,000,001 shares in the Company through Omni GeoX Pty Ltd of which he is a director and has a 37% shareholding. Mr Langworthy also indirectly holds 38,666,667 shares in the company through Crest Investment Group Limited of which he has a 2.7% shareholding.
2. Mr Franklin's shares are indirectly held in entities Accrecap Pty Ltd and Enable Investment Manager Pty Ltd, of which Mr Franklin is a director of both companies.
3. Mr Brown's shares are indirectly held in entity Gold River Pty Ltd, of which Mr Brown is as director of the company. He also indirectly holds 135,000,001 Shares in the Company through Omni GeoX Pty Ltd of which he is a director and has a 4.5% shareholding. Mr Brown also indirectly holds 38,666,667 shares in the Company Crest Investment Group Limited of which he has a 2.7% shareholding.

2018

Key Management Person	Balance at the start of the year	Net changes during the year	Net change due to directors' resignations	Balance at the end of the year
Peter Langworthy	-	8,333,334	-	8,333,334
Trent Franklin	-	27,022,912	-	27,022,912
Scott Brown	-	2,500,000	-	2,500,000
Debra Fullarton	-	-	-	-
Gary Franklin[4]	-	-	-	-
Andrew Bray[5]	7,063,851		(7,063,851)[5]	-

4. Resigned 12 April 2018
5. Resigned 15 March 2018

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Option holdings of Key Management Personnel

2019

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Peter Langworthy[1]	21,666,667	-	21,666,667
Trent Franklin	-	-	-
Scott Brown[2]	500,000	-	500,000
Debra Fullarton	-		-

1. Mr Langworthy also indirectly holds 333,334 unlisted options in the Company through Omni GeoX Pty Ltd of which he is a director and has a 37% shareholding. Mr Langworthy also indirectly holds 6,666,667 unlisted options in the Company through Crest Investment Group Limited of which he has a 2.7% shareholding.
2. Mr Brown also indirectly holds 333,334 unlisted options in the Company through Omni GeoX Pty Ltd of which he is a director and has a 4.5% shareholding. Mr Brown also indirectly holds 6,666,667 unlisted options in the Company through Crest Investment Group Limited of which he has a 2.7% shareholding.

2018

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Peter Langworthy	-	21,666,667	21,666,667
Trent Franklin	-	-	-
Scott Brown	-	500,000	500,000
Debra Fullarton	-	-	-
Gary Franklin[3]	-	-	-
Andrew Bray[4]	-	-	-

3. Resigned 12 April 2018
4. Resigned 15 March 2018

Options
The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
16 March 2018	16 March 2018	28 February 2022	$0.017	$0.006	100%
16 March 2018	16 September 2018	28 February 2022	$0.018	$0.006	58%
16 March 2018	16 March 2019	28 February 2022	$0.020	$0.006	29%
16 March 2018	16 March 2018	16 March 2020	$0.030	$0.006	100%

The options carry no dividend or voting rights.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Details of Directors' Remuneration

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

2019

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
P Langworthy	182,648	-	-	17,352	-	200,000
T. Franklin	48,000	-	-	-	-	48,000
S Brown	36,000	-	-	-	-	36,000
D Fullarton	36,000	-	-	-	-	36,000
Total	**302,648**	**-**	**-**	**17,352**	**-**	**320,000**

2018

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
P Langworthy	53,272	-	-	5,061	78,952	137,285
T. Franklin	44,000	-	-	-	-	44,000
S Brown	7,900	-	-	-	-	7,900
D Fullarton	7,900	-	-	-	-	7,900
G Franklin[1]	9,000	-	-	-	-	9,000
A. Bray[2]	156,500	-	-	-	-	156,500
Total	**278,572**	**-**	**-**	**5,061**	**78,952**	**362,585**

1. Resigned 12 April 2018
2. Resigned 15 March 2018

All remuneration is 100% fixed remuneration, with no Post-employment benefits, Long-term benefits or Share-based payments except as noted above.

GATEWAY MINING LTD

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Details of Specified Executives Remuneration

2019

					Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Annual Leave ($)	Long Service Leave ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Scott Jarvis[1] (Head Geologist)	61,846	10,288	-	31,731	5,875	-	109,740
Total	**61,846**	**10,288**	**-**	**31,731**	**5,875**	**-**	**109,740**

1. Employment ended 4 January 2019

2018

					Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Annual Leave ($)	Long Service Leave ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Gary Franklin[2] (Company Secretary)	30,000	-	-	-	-	-	30,000
Scott Jarvis (Head Geologist)	165,000	-	-	-	15,675	-	180,675
Total	**195,000**	**-**	**-**	**-**	**15,675**	**-**	**210,675**

2. Resigned 12 April 2018

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Key Service Agreements

Mr Peter Langworthy has entered into an executive services agreement with the Group in which he receives total remuneration of $200,000 per annum (inclusive of superannuation). Mr Langworthy or the Group may terminate the agreement by providing 3 months' notice. The Group may terminate the agreement without notice for cause including if the director commits a serious or persistent breach of their obligations or engages in an act of serious misconduct. In the event of a change of control of the Company and a subsequent change of title, conditions or responsibilities occurs, the director's position will be deemed redundant and a termination payment of 6 months of the base remuneration will be paid to the director.

Mr Trent Franklin has entered into an agreement with the Group whereby he receives a director's fee of $4,000 per month. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

Mr Scott Brown. The service agreement with Omni GeoX Pty Ltd provides non-executive director services to the Group for a fee of $3,000 per month. Mr Brown provides services to the Group on behalf of Omni GeoX Pty Ltd. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

Ms Debra Fullarton. The service agreement with CA Direct Pty Ltd provides non-executive director services to the Group for a fee of $3,000 per month. Ms Fullarton provides services to the Group on behalf of CA Direct Pty Ltd. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Voting and comments made at the Group's 2018 Annual General Meeting (AGM)

At the 2018 AGM, 99.76% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Performance Indicators

The earning of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $,000	2018 $,000	2017 $,000	2016 $,000	2015 $,000
Sales Revenue	N/A	N/A	N/A	N/A	N/A
EBITDA	(784)	(624)	(9,249)	(1,346)	(462)
EBIT	(785)	(625)	(9,249)	(1,346)	(462)
Loss after Income Tax	(776)	(619)	(9,247)	(1,341)	(455)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year end ($)	0.010	0.026	0.019	0.024	0.035
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.08)	(0.13)	(3.01)	(0.46)	(0.16)

This concludes the Remuneration Report which has been audited.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Gateway Mining Limited support and adhere to the principles of corporate governance. These principles have been formalised by the Board in the corporate governance statement contained in the additional ASX information section of the annual report.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.
The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There were no non-audit services performed by the external auditor during the financial year.

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* for the year ended 30 June 2019 is enclosed and forms part of this annual report.

INDEMNIFYING OFFICERS

The Group has paid a premium to insure the directors and officers of the Group.

The insurance agreement limits disclosure of premium details.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

DIRECTORS' REPORT (CONTINUED)

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting period, on 23 July 2019 the Company issued 15,770,539 shares at an issue price of A$0.013 per share to:

- Directors and Related Parties of the Company under the placement announced on 10 April 2019 and subsequently approved at a meeting of shareholders held on 18 July 2019; and
- non-related consultants of the Company in lieu of consultancy fees.

On 26 August 2019 the Company announced that it successfully completed a capital raising of A$3.46 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin a major new phase of drilling and exploration at its flagship 100%-owned Gidgee Gold Project in Western Australia. The Placement, which comprised the issue of 230,966,664 shares at an issue price of $0.015 per share, was strongly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

The Placement was managed by JP Equity Partners.

As the participation of the Company's directors in the Placement is subject to shareholder approval, the Placement will be issued in the following two tranches:

- 210,966,664 shares to institutional, professional and sophisticated investors using the Company's capacity under ASX Listing rule 7.1 and Listing Rule 7.1A which will not require shareholder approval and was undertaken in the following portions:

  (a) Listing Rule 7.1: 162,466,146 fully paid ordinary shares; and
  (b) Listing Rule 7.1A: 48,500,518 fully paid ordinary shares,

  (Collectively, **Tranche 1 Shares**).

- 20,000,000 shares to Directors of the Company or their nominees, subject to shareholder approval being obtained at a general meeting of shareholders (**Tranche 2 Shares**).

The proceeds of the Placement will underpin the next phase of exploration upcoming exploration at the Gidgee Project as part of the Company's recently announced strategy to finalise and expand on its maiden Mineral Resource estimates and accelerate exploration across the project.

DIRECTORS' REPORT (CONTINUED)

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

The Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Trent Franklin
Non-executive Chairman

Peter Langworthy
Managing Director

Dated this 20th day of September 2019

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20 September 2019

The Board of Directors
Gateway Mining Limited
Level 11, 52 Phillip Street
Sydney NSW 2000

Dear Board Members

Gateway Mining Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Gateway Mining Limited.

As lead audit partner for the audit of the financial report of Gateway Mining Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
Interest received		8,931	5,510
Other income		95,000	363,636
Realised gains (loss) on sale of investments		(4,587)	-
Employee benefits expense		(222,818)	(178,530)
Professional services rendered		(236,802)	(409,143)
Directors remuneration		(120,000)	(170,800)
Travel expenses		(16,458)	(54,067)
Depreciation expenses		(559)	(169)
Share registry fees		(70,483)	(86,763)
Public relations		(141,729)	(49,780)
Office and administrative expenses		(69,424)	(39,212)
Profit/(Loss) before income tax		**(778,929)**	**(619,318)**
Tax expense		-	-
Profit/(Loss) for the year		**(778,929)**	**(619,318)**
Other comprehensive income:			
Fair value gain (loss) on available for sale financial assets		3,120	198
Other comprehensive income for the year, net of tax		**3,120**	**198**
Total comprehensive income (loss) for the year attributable to owners of the company		**(775,809)**	**(619,120)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,844,958	1,612,040
Trade and other receivables	5	115,052	151,405
TOTAL CURRENT ASSETS		**1,960,010**	**1,763,445**
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	6	451,363	452,710
Exploration and evaluation expenditure	7	7,127,192	5,029,385
Property, plant and equipment		1,509	2,069
TOTAL NON-CURRENT ASSETS		**7,580,064**	**5,484,164**
TOTAL ASSETS		**9,540,074**	**7,247,609**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	437,666	507,848
Provisions for employee benefits		18,156	16,568
TOTAL CURRENT LIABILITIES		**455,822**	**524,416**
NON-CURRENT LIABILITIES			
Provisions for employee benefits		3,937	12,197
TOTAL NON-CURRENT LIABILITIES		**3,937**	**12,197**
TOTAL LIABILITIES		**459,759**	**536,613**
NET ASSETS		**9,080,315**	**6,710,996**
EQUITY			
Issued capital		38,027,187	34,882,059
Share based payment reserve		311,952	311,952
Accumulated losses		(29,258,824)	(28,483,015)
TOTAL EQUITY		**9,080,315**	**6,710,996**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Accumulated losses	Share based payments reserve	Total
	$	$	$	$
Balance at 1 July 2017	**28,895,980**	**(27,863,895)**	**233,000**	**1,265,085**
Loss for the period	-	(619,318)	-	(619,318)
Other comprehensive income / (Loss) for the year	-	198	-	198
Total comprehensive income / (loss) for the period	**-**	**(619,120)**	**-**	**(619,120)**
Transactions with owners in their capacity as owners				
Shares issued in year	6,221,076	-	-	6,221,076
Options issued in year	-	-	78,952	78,952
Cost of share issues	(234,997)	-	-	(234,997)
Balance at 30 June 2018	**34,882,059**	**(28,483,015)**	**311,952**	**6,710,996**
Balance at 1 July 2018	**34,882,059**	**(28,483,015)**	**311,952**	**6,710,996**
Loss for the period	-	(778,929)	-	(778,929)
Other comprehensive income / (Loss) for the year	-	3,120	-	3,120
Total comprehensive income / (loss) for the period	**-**	**(775,809)**	**-**	**(775,809)**
Transactions with owners in their capacity as owners				
Shares issued in year	3,326,849	-	-	3,326,849
Options issued in year	-	-	-	-
Cost of share issues	(181,721)	-	-	(181,721)
Balance at 30 June 2019	**38,027,187**	**(29,258,824)**	**311,952**	**9,080,315**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(996,210)	(668,707)
Other income		95,000	-
Interest received		8,631	5,005
NET CASH USED IN OPERATING ACTIVITIES	17	(892,579)	(663,702)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		180	-
Payment for exploration and evaluation		(2,505,176)	(1,414,385)
R&D Tax Benefit		372,365	-
NET CASH USED IN INVESTING ACTIVITIES		(2,132,631)	(1,414,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		-	369,313
Repayment of borrowings		-	(269,781)
Proceeds from issue of shares		3,326,849	3,821,076
Payments for capital raising costs		(181,721)	(234,997)
Advance received for unissued shares		113,000	-
NET CASH FROM FINANCING ACTIVITIES		3,258,128	3,685,611
NET INCREASE / (DECREASE) IN CASH HELD		232,918	1,607,524
Cash and cash equivalents at beginning of financial year		1,612,040	4,516
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		1,844,958	1,612,040

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASB) and the requirements of Corporations Act 2001 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is intended to provide users with an update on the latest annual financial statements of Gateway Mining Limited and its controlled entities.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars which is the Group's functional currency.

b. Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses, negative operating cash flows, and no ongoing revenue streams, as the Directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The cash is managed through:

a) tight control of administrative expenses;
b) raising additional share capital, for which the Company has a history of raising funds; and
c) by reducing the exploration program to maintain cash flow.

The Directors have prepared a forecast for the foreseeable future reflecting the above mentioned expectations and their effect on the Group. The forecast is conservative, and reflects current market prices, costs similar to this year for expenditure and exploration.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gateway Mining Limited ('**Company**' or '**Parent Entity'**) as at 30 June 2019 and the results of its subsidiary for the period then ended. Gateway Mining Limited and its subsidiary together are referred to in these financial statements as the '**consolidated entity**' or 'the **Group**'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated.

d. New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted the following new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New or amended Accounting Standards and Interpretations adopted (continued)

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from contracts with customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 3: OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Directors (who are identified as the Chief Operating Decision Makers (**CODM**) in assessing performance and in determining the allocation of resources.

The CODM reviews operating expenses in relation to the exploration activities and the Group's cash position. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis. Information is presented on a consolidated cash flow basis. Cash flow funding is treated as one pool of liquid assets noting relevant terms of any maturity or exercise of any investments for the purpose of funding exploration.

Types of products and services – The principal products and services of this operating segment are in exploration operations in Australia.

NOTE 4: CASH AND CASH EQUIVALENTS	2019	2018
	$	$
Cash at bank and on hand	1,844,958	1,612,040

Interest is on a variable rate. The Group is not sensitive to interest rate movement.

NOTE 5: TRADE AND OTHER RECEIVABLES	2019	2018
	$	$
CURRENT		
GST receivables	99,611	134,991
Prepayments	13,974	16,414
Other receivables	1,467	-
Total trade and other receivables	**115,052**	**151,405**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2019 $	2018 $
NON-CURRENT		
Listed investments		
Opening fair value	23,556	23,358
Disposal consideration	(180)	-
Amount recognised in profit and loss	(4,587)	-
Amount recognised in comprehensive income	3,120	198
	21,909	**23,556**
Unlisted investments		
Opening fair value	400,000	-
Additions	-	400,000
	400,000	**400,000**
Total financial assets	**421,909**	**423,556**
Term Deposit	**29,454**	**29,154**

NOTE 7: NON-CURRENT DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	2019 $	2018 $
NON-CURRENT ASSET, WHOLLY OWNED		
Capitalised expenditure in respect of areas of interest at the beginning of the year	5,029,385	2,000,000
Expenditures during the period	2,097,807	3,029,385
Capitalised exploration expenditure at the end of the year	**7,127,192**	**5,029,385**

The recoverability for the carrying amount of exploration assets is dependent upon further exploration and exploitation of commercially viable mineral deposits.

Exploration and evaluation expenditure for areas of interest for which rights of tenure are current is carried forward as an asset where it is expected that the expenditure will be recovered through the successful development of an area or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence of economically recoverable reserves. Where a project or an area has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

In order to maintain current rights of tenure to exploration tenements, the Group is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met. The future obligations which are subject to renegotiation when an application for a mining lease is made and at other times are not provided for in the financial statements.

NOTE 8: TRADE AND OTHER PAYABLES	2019 $	2018 $
CURRENT		
Trade and other payables	437,666	507,848

NOTE 9: EARNINGS PER SHARE	2019 $	2018 $
a. Reconciliation of earnings to profit or loss		
(Loss) used in the calculation of basic and dilutive earnings per share	(775,809)	(619,120)
	No. of shares	No. of shares
b. Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share		
	932,270,701	470,399,008
Basic Earnings Per Share (cents)	(0.08)	(0.13)
Diluted Earnings Per Share (cents)	(0.08)	(0.13)

Diluted earnings per share is capped at basic earnings per share.

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gateway Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 10: INCOME TAX EXPENSE	2019 $	2018 $
Loss for current year from ordinary activities:	(775,809)	(619,120)
Tax at 27.5%	(213,347)	(170,258)
Unrecognised deferred tax asset	(2,570,717)	(823,012)
Taxable loss for the year, not recognised	(3,346,526)	(1,442,132)
Tax losses brought forward from earlier years	(27,853,955)	(26,411,823)
Tax losses carried forward to later years	(31,200,481)	(27,853,955)
Future income tax benefit 27.5% of tax losses, not recognised	8,580,132	7,659,838

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10: INCOME TAX EXPENSE (CONTINUED)

The tax rate used in the above table is the corporate tax rate of 27.50% payable by Australian corporate entities of this size on taxable profits under Australian Tax Law.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Thus given the Group is still in losses no deferred tax assets have been recognised.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

The potential net future tax benefits have not been brought into account within the Consolidated Statement of Profit and Loss and Other Comprehensive Income. Within the above note, the deferred tax liability $1,777,114 (2018: $1,193,625) is offset against tax losses. The balance of tax losses not recognised is $6,803,018 (2018: $6,678,690).

This potential future income tax benefit will only be obtained if:

(a) The Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the *Income Tax Assessment Act 1997*;
(b) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) No change in tax legislation adversely affects the Group in realising the benefits.

NOTE 11: AUDITORS' REMUNERATION	2019 $	2018 $
Remuneration of the auditors of the Group for:		
- Auditing or reviewing the financial report	55,164	50,888

NOTE 12: ISSUED CAPITAL

	2019 $	2018 $
a. Ordinary shares fully paid		
Balance at the beginning of the year	34,882,059	28,895,980
Shares issued in year	3,326,849	6,221,076
Capital raising costs	(181,721)	(234,997)
Balance at the end of the year	38,027,187	34,882,059

b. Movements in ordinary shares on issue	2019 Number	2018 Number
At the beginning of the financial year	836,845,924	318,422,962
Shares issued 25 October 2018 at 1.5 cents	81,250,070	-
Shares issued 4 December 2018 at 1.5 cents	18,749,933	518,422,962
Shares issued 16 April 2019 at 1.3 cents	140,526,846	-
At the end of the financial year	1,077,372,773	836,845,924

There are no current on-market share buybacks.

c. Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared and, in event of the winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares and amount paid up on the shares held. Ordinary shares entitle their holder to vote, either in person or by proxy, at a meeting of the company.

d. Share options

The below table shows the movement of options over the previous two full year periods.

	Number	Weighted Average Exercise Price $
Options outstanding as at 30 June 2017	-	-
Granted	83,684,593	0.03
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2018	83,684,593	0.03
Granted	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2019	83,684,593	0.03

NOTE 12: ISSUED CAPITAL (CONTINUED)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranches	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
1	16-Mar-2018	28-Feb-2022	$0.016	$0.017	71.84%	1.94%	$0.006
2	16-Mar-2018	28-Feb-2022	$0.016	$0.018	71.84%	1.94%	$0.006
3	16-Mar-2018	28-Feb-2022	$0.016	$0.020	71.84%	1.94%	$0.006
4	16-Mar-2018	16-Mar-2020	$0.016	$0.030	71.84%	1.94%	$0.006

e. Capital Management

The directors control the capital of the Group in order to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

The directors effectively manage the Group's capital by assessing the Group's financial risks and responding to changes in these risks. These responses include share issues.

There have been no changes in the strategy adopted by management since the prior year.

f. Share Based Payments Reserve

This reserve is used to recognise the fair value of options granted during the year.

NOTE 13: CONTINGENT LIABILITIES, CAPITAL EXPENDITURE AND MINING TENEMENT COMMITMENTS

The Board of Directors believe that there are no contingent liabilities or capital equipment commitments up to or subsequent to the 30th June 2019 (2018: nil) for either the parent company or its subsidiary. The mining tenement commitment as at the 30th June 2019 is $1,252,940 (2018: $1,225,760).

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting period, on 23 July 2019 the Company issued 15,770,539 shares at an issue price of A$0.013 per share to:

- Directors and Related Parties of the Company under the placement announced on 10 April 2019 and subsequently approved at a meeting of shareholders held on 18 July 2019; and
- non-related consultants of the Company in lieu of consultancy fees.

On 26 August 2019 the Company announced that it successfully completed a capital raising of A$3.46 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin a major new phase of drilling and exploration at its flagship 100%-owned Gidgee Gold Project in Western Australia. The Placement, which comprised the issue of 230,966,664 shares at an issue price of $0.015 per share, was strongly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

The Placement was managed by JP Equity Partners.

As the participation of the Company's directors in the Placement is subject to shareholder approval, the Placement will be issued in the following two tranches:

- 210,966,664 shares to institutional, professional and sophisticated investors using the Company's capacity under ASX Listing rule 7.1 and Listing Rule 7.1A which will not require shareholder approval and was undertaken in the following portions:

  (c) Listing Rule 7.1: 162,466,146 fully paid ordinary shares; and
  (d) Listing Rule 7.1A: 48,500,518 fully paid ordinary shares,

  (Collectively, **Tranche 1 Shares**).

- 20,000,000 shares to Directors of the Company or their nominees, subject to shareholder approval being obtained at a general meeting of shareholders (**Tranche 2 Shares**).

The proceeds of the Placement will underpin the next phase of exploration upcoming exploration at the Gidgee Project as part of the Company's recently announced strategy to finalise and expand on its maiden Mineral Resource estimates and accelerate exploration across the project.

No matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: RELATED PARTY TRANSACTIONS

a. Directors and Key Management Persons

Key Management Persons	**Position**
Trent Franklin	Non-Executive Chairman
Peter Langworthy	Managing Director
Scott Brown	Non-executive Director
Debra Fullarton	Non-executive Director

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2019 $	2018 $
Short-term employee benefits	302,648	278,572
Post-employment benefits	17,352	5,061
Share-based payments	-	78,952
	320,000	362,585

b. Directors loans

No directors or any key personnel have received any loans from the Group.

c. Other

During the year, the Group entered into the following transactions with related parties:

(i) Omni GeoX Pty Ltd which is a related party of Peter Langworthy (Managing Director) and Scott Brown (non-executive director) was paid $1,044,843 (2018: $451,694) for Geological services.

(ii) Related parties of Trent Franklin, a non-executive chairman of the Group including Enrizen Capital Pty Ltd received $47,110 (2018: was issued 10,333,333 fully paid ordinary shares in the Company at an issue price of $0.012 and received $252,591 for capital raising and underwriting services; Enrizen Pty Ltd received $3,090 (2018: $4,863) for insurance services; Enrizen Lawyers Pty Ltd received $62,666 (2018: $79,473) for legal services; Enrizen Accounting Pty Ltd received $73,000 (2018: $30,000) for company secretarial and accounting services; Enrizen Services Pty Ltd received $1,950 (2018: $1,082) for website design services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: RELATED PARTY TRANSACTIONS (CONTINUED)

d. Consolidated entities

The Group operates in the exploration industry in Australia only. The Group has the following 100% wholly owned subsidiaries whose transactions have been consolidated into the Group accounts:

Name	Principal place of business/ Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Boomgate Capital Pty Ltd	Australia	100.00%	100.00%
Gateway Projects WA Pty Ltd (previously named, Omni Projects Pty Ltd)	Australia	100.00%	100.00%

NOTE 16: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of cash at banks, and deposits with Citibank, receivables and payables, and available for sale financial assets.

The Group does not have any derivative instruments at the end of the reporting period.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

Financial assets	Note	2019 $	2018 $
Cash and cash equivalents	4	1,844,958	1,612,040
Receivables	5	101,078	134,991
Financial assets at fair value through other comprehensive income			
-at fair value:			
- Listed investments	6	21,909	23,556
- Unlisted investments	6	400,000	400,000
Term Deposits	6	29,454	29,154
Total Financial Assets		**2,397,399**	**2,199,741**
Financial liabilities			
- Trade and other payables	8	437,666	507,848
Total Financial Liabilities		**437,666**	**507,848**

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and review by the directors on a regular basis. These include credit risk policies and future cash flow requirements.

Financial Risk Exposures and Managements

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby future changes in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Cash has an interest rate of 1.98% at year end. A change in rate will not be significant to the Group.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to exploration expenditure. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained.

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial assets maturity analysis

The tables below reflect an undiscounted contractual maturity analysis for financial instruments.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Maturing within 1 Year		Maturing 1 to 5 Years		Total	
	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $
Financial assets						
Cash	1,844,958	1,612,040	-	-	1,844,958	1,612,040
Receivables & others	101,078	134,991	-	-	101,078	134,991
Term deposits	-	-	29,454	29,154	29,454	29,154
Financial assets at fair value through other comprehensive income						
- Listed investments	-	-	21,909	23,556	21,909	23,556
- Unlisted investments	-	-	400,000	400,000	400,000	400,000
Total anticipated inflows	1,946,036	1,747,031	451,363	452,710	2,397,399	2,199,741
Financial Liabilities						
Sundry payables and accruals	437,666	507,848	-	-	437,666	507,848
Total expected outflows	437,666	507,848	-	-	437,666	507,848
Net inflow on financial instruments	**1,508,370**	**1,239,183**	**451,363**	**452,710**	**1,959,733**	**1,691,893**

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as present in the statement of financial position.

Fair Value

The fair values of listed investments have been valued at the fair value predominantly being the quoted market bid price at the end of the reporting period.

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability
All financial assets held by the Group are assessed as Level 1 and Level 2 financial assets.

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares - listed investments	21,909	-	-	21,909
Ordinary shares - unlisted investments	-	400,000	-	400,000
Total assets	21,909	400,000	-	421,909

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares - listed investments	23,556	-	-	23,556
Ordinary shares - unlisted investments	-	400,000	-	400,000
Total assets	23,556	400,000	-	423,556

NOTE 17: RECONCILIATION OF LOSS TO NET CASH OUTFLOWS FROM OPERATING ACTIVITIES

	2019 $	2018 $
Loss for the year	(775,809)	(619,120)
Non-Cash flows in profit from ordinary activities		
Loss on disposal of financial assets	4,587	-
Depreciation expenses	559	169
Other income	-	(363,636)
Employee benefits expense	(72,134)	78,952
Changes in assets and liabilities:		
(Increase)/decrease in trade and other debtors	32,935	(163,246)
Increase/(decrease) in trade creditors	(76,045)	377,852
Increase/(decrease) in provision	(6,672)	25,327
Net cash flow from operating activities	(892,579)	(663,702)

Non-cash investing activities	2019 $	2018 $
Acquisition of Gateway Projects WA Pty Ltd (previously named Omni Projects Pty Ltd) by issued 125,000,000 fully paid ordinary shares in the Company at $0.012 per share	-	1,500,000

NOTE 18: PARENT ENTITY INFORMATION

Statement of profit or loss and other comprehensive income	Parent	
	2019 $	2018 $
Loss after income tax	(775,809)	(619,120)
Total comprehensive loss	(775,809)	(619,120)

Statement of financial position	Parent	
	2019 $	2018 $
Total current assets	1,965,283	1,764,850
Total assets	9,542,275	7,247,830
Total current liabilities	457,202	525,796
Total liabilities	461,138	537,993
Equity: Issued capital	38,027,187	34,882,059
Reserve	311,952	311,952
Retained profits	(29,258,002)	(28,484,174)
Total equity	9,081,137	6,709,837

NOTE 19: COMPANY DETAILS

The registered office & sole principal place of business of the Group is:

Gateway Mining Limited
Level 11, 52 Phillip Street
Sydney NSW 2000 Australia

GATEWAY MINING LTD

DIRECTORS DECLARATION

The directors declare that:

1 the financial statements and notes, as set out on pages 34 to 56 are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001;
(b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the consolidated entity; and
(c) comply with International Financial Reporting Standards as issued by the International Accounting Standard Board as described in note 1 to the financial statements;

2 the Managing Director and the Company Secretary, who perform the functions of Chief Executive Officer and Chief Financial Officer respectively, have each declared that:

(a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
(b) the financial statements and notes for the financial year comply with the Accounting Standards; and
(c) the financial statements and notes for the financial year give a true and fair view;

3 in the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Trent Franklin
Non-executive Chairman

Peter Langworthy
Managing Director

Dated this 20th day of September 2019

Crowe Sydney
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Member of Crowe Global

Audit and Assurance Services

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Independent Auditor's Report to the Members of Gateway Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gateway Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Recognition of Capitalised Exploration and Evaluation Expenditure – Note 7	
The carrying amount of deferred exploration and development expenditure was a significant component of the Group's total assets, being $7,127,192 at 30 June 2019. This area was considered a key audit matter as a significant level of judgement was required in the application of recognition criteria in AASB 6 Exploration for and Evaluation of Mineral Resources, including determining expenditures directly related to the exploration activities and allocating overheads between costs that are expensed and costs that are capitalised.	Our procedures included, amongst others: ▪ Reviewed management's accounting policy and ensuring that it was in line with AASB 6; ▪ Evaluated the directors' process regarding the capitalisation and recognition of exploration and evaluation expenditure; and ▪ Selected a sample of exploration expenditure capitalised for the year. We assessed the existence, valuation and allocation of the expenditure by agreeing the original invoice to the general ledger, agreeing the project reference and ensuring capitalisation was in line with AASB 6 and the group's accounting policy.
Consideration of Impairment for Capitalised Exploration and Evaluation Expenditure - Note 7	
Exploration assets must also be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. This required a high degree of judgement by directors as the impairment consideration was highly dependent on the following key factors: ▪ Detailed knowledge of the individual tenements held and status of operations and exploration activities in the specified area; and ▪ Viability of the tenements and how this is affected by any changes such as industry impacts, geography of project, committed expenditure and tenement expiry date. The directors performed regular (every six months) assessments of the outstanding balance of exploration cost capitalised. This assessment was based on activities that had occurred between assessment dates.	We challenged the directors' assumptions that support its position on impairment for exploration and evaluation expenditure as follows: ▪ Reviewed the provided budgets and drilling programs and assessed whether they covered the committed expenditure before the expiry date; ▪ Assessed the Group's capacity to fund future committed exploration expenditure; and ▪ Verified the Group's ownership interest for each of the tenements to which the exploration expenditure related to the Government of Western Australia's Minerals and Titles database, and to ensure appropriate disclosures were made in the notes to the financial report.

Key Audit Matter	How we addressed the Key Audit Matter
We focused on this area as a key audit matter due to the high degree of estimation and judgement required by the directors to assess whether impairment is required for the specified tenements held and the high value of the capitalised deferred exploration expenditure.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 23 to 29 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Gateway Mining Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

20 September 2019
Sydney

SHARE HOLDER INFORMATION

a. Voting Rights

The total number of shares on issue is 1,304,109,976.

The total number of shareholders was 1,664 and each share carried one vote in person, by proxy or poll

b. Distribution of Shareholders by Number

Category (size of Holding)	Ordinary
1-1,000	237
1,001-5,000	268
5,001-10,000	123
10,001-100,000	409
100,001- and over	500
Total	1,537

c. Number of shareholdings held in less than marketable parcels is 840

d. The substantial shareholders in the Company are as follows:

HOLDER NAME	NUMBER HELD	PERCENTAGE
Harmanis Holdings Pty Ltd	143,256,410	10.99%
Omni GeoX Pty Ltd	135,000,001	10.35%

SHARE HOLDER INFORMATION

e. 20 largest Shareholders as at 19th September 2019

Position	Holder Name	Holding	% IC
1	HARMANIS HOLDINGS PTY LTD	143,256,410	10.99%
2	OMNI GEOX PTY LTD	135,000,001	10.35%
3	L11 CAPITAL PTY LTD	60,850,060	4.67%
4	CREST INVESTMENT GROUP LIMITED	38,666,667	2.97%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,637,806	1.81%
6	ACN 112 940 057 PTY LTD	21,227,180	1.63%
7	ENABLE INVESTMENT MANAGER PTY LTD	17,772,845	1.36%
8	ACCRECAP PTY LTD	17,333,333	1.33%
9	MR PETER JAMES LANGWORTHY & MRS CAROLYN PAULE LANGWORTHY	15,666,668	1.20%
10	MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS	14,133,333	1.08%
11	GASCOYNE HOLDINGS PTY LTD	11,366,667	0.87%
12	MR LIM KIM QUEE	10,669,605	0.82%
13	MR LIM CHOR NAM	10,600,000	0.81%
14	MR GEORGE FREDERICK MARON & MRS ANNE MARGARET MARON	10,530,000	0.81%
15	DR DIGBY JOHN EDGAR CULLEN	10,300,000	0.79%
16	MR MARK RAYMOND CLARKE	10,062,544	0.77%
17	AVERILL HOLDINGS PTY LIMITED	10,000,000	0.77%
18	BOWMAN GATE PTY LTD	9,519,565	0.73%
19	MRS LYNETTE SMITH	8,800,000	0.67%
20	MR WONG CHI WAI	8,680,000	0.67%
	Total	**588,072,684**	**45.09%**

f. There are currently no listed options on issue.

g. The Company has the following unquoted securities on issue:

- 63,684,593 unlisted options held by 172 holders with an exercise price of $0.03 and expiring on 16 March 2020.;
- 6,666,667 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.017 and expiring on 28 February 2022;
- 6,666,667 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.018 and expiring on 28 February 2022; and
- 6,666,666 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.02 and expiring on 28 February 2022,

(Collectively, the **Options**).

The Options do not carry any voting rights.

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement of Gateway Mining Limited (**the 'Group'**) has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('**ASX**') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('**ASX Principles and Recommendations'**). The Group is required to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the Group has not followed a recommendation and any related alternative governance practice adopted.

Both this Corporate Governance Statement and the ASX Appendix 4G have been lodged with the ASX. This statement has been approved by the Group's Board of Directors ('**Board**') and is current as at **20 September 2019**.

In the 2020 financial period, the Company intends to report against the fourth edition of the Corporate Governance Principles and Recommendations, which was launched in February 2019.

The ASX Principles and Recommendations and the Group's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

The Group has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Group through its key functions of overseeing the management of the Group, providing overall corporate governance of the Group, monitoring the financial performance of the Group, engaging appropriate management commensurate with the Group's structure and objectives, involvement in the development of corporate strategy and performance objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance. Senior executives are responsible for supporting the managing director and assisting the managing director in implementing the running of the general operations and financial business of the Group in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Group's materiality thresholds at first instance to the managing director, or, if the matter concerns the managing director, directly to the chairman or the lead independent director, as appropriate.

Recommendation 1.2 - A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Before appointing a director, or putting forward to shareholders a director for appointment, the Group undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history and qualifications. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('**ASIC**').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('**AGM**'). Retiring directors are not automatically re-appointed.

The Group has provided in the Director's Report (in the Annual Report) information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which includes experience and qualifications, details of other directorships, and any material information which may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, required committee work, notice requirements and other special duties and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the circumstances in which their service may be terminated (with or without notice) and any entitlements upon termination.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all Directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

(a) advising the Board and its committees on governance matters;
(b) monitoring compliance of the Board and associated committees with policies and procedures;
(c) coordinating all Board business;
(d) retaining independent professional advisors;
(e) ensuring that the business at Board and committee meetings is accurately minuted; and
(f) assisting with the induction and development of directors.

Recommendation 1.5 - A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in

accordance with the entity's diversity policy and its progress towards achieving them, and either:

(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Group has a Diversity Policy which includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Group's progress in achieving these. The Group recognises the need to set diversity measures in each of its operating locations taking into account the differing diversity issues within each geographic location in which it operates.

The Group's Diversity Policy is available on its website. The Policy includes requirements for the Board, at the appropriate stage of its development, to establish measurable objectives for achieving gender diversity and for the Board to assess annually thereafter both the objectives and progress in achieving them. The Group intends to implement its Diversity Policy in the event that the Group's employee numbers grow to a level where implementation becomes practicable.

At present the Company, has one director who is a female, which results in females comprising 25% of the Board.

At this stage in the Group's development, the Board does not consider it practicable to set measurable gender diversity objectives.

The Group is not a "relevant employer" under the Workplace Gender Equality Act.

	Proportion of women
On the Board	1 out of 4 (25%)
In senior executive positions	0 out of 2 (0%)
Across the whole organisation	1 out of 5 (20%)

For the purposes of this table, the Board has defined "senior executive" as an employee who reports directly to the Managing Director or the Board and is in a senior role, responsible for the management of employees.

Recommendation 1.6 - A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Chairman is responsible for evaluation of the Board and individual directors. The Board has not established any independent committees.

The Chairman evaluates the performance of the Board and individual directors by way of ongoing review with reference to the compositions of the Board and its suitability to carry out the Group's objectives.

An evaluation of the performance of the Board and individual directors took place in the 2019 financial period. The evaluation determined that the Board was satisfied with the performance of each Director and itself as a whole.

The Board intends to carry out a performance evaluation during the coming period. The Group's process for performance evaluation is disclosed on the Group's website.

Recommendation 1.7 - A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Chairman in consultation with the Board reviews the performance of the senior executives. The current size and structure of the Group allows the managing director to conduct informal evaluation of the senior executives regularly. Open and regular communication with senior executives allows the Chairman to ensure that senior executives meet their responsibilities as outlined in their contracts with the Group, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review by the remuneration committee.

Senior executives will be evaluated in the coming period upon the anniversary of their engagement with the Group. The Group's Process for Performance Evaluation is disclosed on the Group's website.

Principle 2: Structure the board to add value.

Recommendation 2.1 - The board of a listed entity should:

(a) have a nomination committee which:

(i). has at least three members, a majority of whom are independent directors; and

(ii). is chaired by an independent director,

(b) and disclose:

(i). the charter of the committee;

(ii). the members of the committee; and

(iii). as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board has not established a separate nomination committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate nomination committee. Accordingly, the Board performs the role of the nomination committee.

Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the nomination committee it carries out those functions which are delegated to it by the Group's Nomination Committee Charter, which is available on the Group's website.

The Board deals with any conflicts of interest that may occur when convening as the nomination committee by ensuring that the Director with the conflicting interests is not party to the relevant discussions.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board's skills matrix which it is looking to achieve in its membership includes technical experience, public company experience and financial experience. The Board considers that this composition is appropriate for the effective execution of the Board's responsibilities and the size and operations of the Group.

Recommendation 2.3 - A listed entity should disclose:

(a) the names of the directors considered by the Board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

The Board considers that Debra Fullarton is an independent director. Debra is considered independent as she is a non-executive directors who is not a member of management and who is free of any business or other relationship that could materially interfere with or could be reasonably perceived to interfere with, the independent exercise of their judgment.

When considering the independence of a director, the Board considers whether the director:

(a) is a substantial shareholder of the Group or an officer of, or otherwise;
(b) associated directly with, a substantial shareholder of the Group;
(c) is employed, or has previously been employed in an executive capacity by the Group or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
(d) has within the last three years been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
(e) is a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
(f) has a material contractual relationship with the Group or another group member other than as a director.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence and should be disclosed to the Board.

Details of the Board of directors, their appointment dated, length of service as independence status is as follows:

Director's name	Appointment date	Length of service (approx.)	Independence status
Peter Langworthy	March 2018	1 year 6 months	Executive Managing Director
Trent Franklin	February 2013	6 years 8 months	Non-Executive Chairman
Scott Brown	April 2018	1 year 5 months	Non-Executive Director
Debra Fullarton	April 2018	1 year 5 months	Independent Non-Executive Director

Where it is determined that a non-executive director should no longer be considered independent, the Group shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Only one director on the Board is considered independent. The Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice.

Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO/ managing director of the entity.

The board considers that the Chairman Mr Trent Franklin is not an independent director. As stated above in Recommendation 2.4, the Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist the directors with independent judgement, it is the Board's policy (set out in the Group's website) that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice. The Chairman is not the CEO or managing director of the entity.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Board in its capacity as nomination committee has a responsibility to ensure all new directors are provided with an induction into the Group and that directors have access to ongoing education relevant to their position in the Group.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should:

- **(a) have a code of conduct for its directors, senior executives and employees; and**
- **(b) disclose that code or a summary of it.**

The Group has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct is available on the Group's website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should:

- **(a) have an audit committee which:**
  - **(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
  - **(ii) is chaired by an independent director, who is not the chair of the board.**
- **(b) and disclose:**
  - **(i) the charter of the committee;**
  - **(ii) the relevant qualifications and experience of the members of the committee; and**
  - **(iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- **(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

The Board has not established a separate audit committee and therefore it is not structured in compliance with recommendation 4.1. Given the current size and composition of the Board, the Board believes there would be no efficiencies gained by establishing a separate audit committee. The Board performs the role of audit committee. Items required to be discussed by an audit committee are marked as separate agenda items at Board meetings as required. When the Board convenes as the audit committee it carries out those functions which are delegated to it in the Group's Audit Committee Charter, which is available on the Group's website.

The Board deals with any conflicts of interest that may occur when convening in the capacity of the audit committee ensuring that the director with conflicting interests is not party to the relevant discussions.

The Group has adopted an Audit Committee Charter which describes the role, compositions, functions and responsibilities of the audit committee.

The qualifications of the Board and company secretary are set out on the Group's website.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO/managing director and CFO/company secretary a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ending on 30th June 2019, the Board received a statement from its Managing Director and Company Secretary, who perform the functions of CEO and CFO respectively, declaring that in their opinion, the financial records of the Group have been properly maintained and comply with the appropriate accounting standards.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor attends the Group's AGM and is available to answer questions from security holders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

The Group has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance. The Company's Directors and management have familiarised themselves with the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full ad appropriate disclosure to the market.

A summary of the Group's Policy on Continuous Disclosure and Compliance Procedure is disclosed on the Group's website.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Group maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the Group's website.

Recommendations 6.2 and 6.3 - A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

The Group has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. The policy is disclosed on the Group's website.

The Company aims to have all significant information disclosed to the ASX posted on the Company's website as soon as it is disclosed to the ASX. There is also an email address and contact number available to shareholders who have enquiries or are seeking further information. Investors and security holders may contact the Company by email at info@gatewaymining.com.au or via telephone at +61 2 8316 3998.

The Group provides security holders with the requisite notice before holding security holder meetings, and ensures that they are scheduled to be held in a central, accessible location (being the Central Business District of Sydney) to enable security holders ample opportunity to attend. The Directors and management encourage security holders to attend and participate in all meetings of security holders and invite attendees to ask questions of the Board.

Additionally, a notice of meeting and related communications are provided to the Company's auditor who, in accordance with the Corporations Act, is required to attend the Company's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Group's website allows security holders to receive communications from and send communications to the entity electronically.

Principle 7: Recognise and manage risk

Recommendations 7.1 and 7.2 - The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- **(i) has at least three members, a majority of whom are independent directors; and**
- **(ii) is chaired by an independent director,**

(b) and disclose:

- **(i) the charter of the committee;**
- **(ii) the members of the committee; and**
- **(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(c) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Board does not have a specific risk management committee. The Board's audit committee as referred to in recommendation 4 above assists with monitoring and reviewing the Group's risk management processes and systems.

The Risk Management Policy, disclosed on the Group website, demonstrates the measures taken and policies implemented to manage risks associated with the Group's business.

The Board has recently received a report from management as to the effectiveness of the management of material business risks.

Recommendation 7.3 - A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Given the size and composition of the Group, the Board has not established an internal audit function, other than the audit committee function which the Board serves as disclosed in recommendation 4 above and in the Audit Committee Charter disclosed on the website. The Board may from time to time engage an external auditor to conduct additional reviews of Group processes.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The risk profile of the Group is as follows:

- Market-related.
- Financial reporting.
- Operational.
- Environmental.
- Economic cycle/marketing.
- Legal and compliance.

These risks are managed using the Risk Management Policy disclosed on the Group's website. Under the policy, the Board is responsible for updating the Group's material business risks. In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:

(a) the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
(b) the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and

(c) the Board has adopted a corporate governance manual which contains other policies to assist the Group to establish and maintain its governance practices.

As a mining exploration entity focussed on the exploration of gold and base metals, the Group has material exposure to environmental and social risks at its site locations in Western Australia.

Environmental and social risks are managed through the engagement of environmental and community liaison officers who are responsible for managing these risks and ensuring that the Company's approach for managing such risks are considered and appropriate given the nature of each risk.

Additionally as per the Group's policy on the environment (which is disclosed on the Group's website), the Group views environmental management as essential to its own future and to the future of the mining industry in general. The Group considers that sound environmental management benefits all stakeholders, including shareholders, employees, contractors, the communities within which it works and the broader community as a whole. All employees will be active towards sound environmental management and as a minimum, ensure compliance with all statutory requirements associated with the Group's activities, from mineral exploration, mining and processing through to the sale of mineral products.

The Group has also implemented an Environmental Management System that incorporates elements to achieve and maintain high environmental standards, the Group and its employees undertake to identify, control, monitor and as appropriate rehabilitate environmental impacts from all stages of the Group's activities ultimately managing and mitigating environmental risks.

The Group also has a dedicated policy on community relations and indigenous peoples (as disclosed on the Group's website) to deal with social risks and to develop mutually beneficial relationships with the communities in which the Group works and proposes to work.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:

(a) have a remuneration committee which:

- **(i) has at least three members, a majority of whom are independent directors; and**
- **(ii) is chaired by an independent director,**

(b) and disclose:

- **(i) the charter of the committee;**
- **(ii) the members of the committee; and**
- **(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(c) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has not established a separate remuneration committee and accordingly it is not structured in accordance with recommendation 8.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate remuneration committee. Accordingly the Board performs the role of the remuneration committee.

Items usually required of a remuneration committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the remuneration committee, it carries out those functions which are delegated to it by the Remuneration Committee Charter which is disclosed on the Group's website. The Board deals with any conflicts of interest that may occur when convening in the capacity of the remuneration committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board in its capacity as remuneration committee did not meet during the 2019 financial year however, remuneration related discussions were held by the Board from time to time as required.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Details of remuneration are set out in the remuneration report which forms part of the director's report (in the Annual Report) and is set out in the Remuneration Charter on the Group's website. The policy on remuneration clearly distinguishes the structure of non-executive director's remuneration from that of executive directors. Executive directors are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

There are no termination or retirement benefits for non-executive directors.

The Group's Remuneration Committee Charter includes a statement of the Group's policy on prohibiting transactions in associated products which limits the risk of participating in unvested entitlements under any equity-based remuneration schemes.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Not applicable. The Group does not have an equity-based remuneration scheme.