

# GATEWAY MINING LIMITED

ABN 31 008 402 391

Interim Financial Report  
For six months ended 31 December  
2022



GATEWAY  
MINING LTD



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## **CORPORATE DIRECTORY**

### **Directors:**

- Ms Debra Fullarton (Non-Executive Chair)
- Mr Mark Cossom (Managing Director)
- Mr Trent Franklin (Non-Executive Director)
- Mr Scott Brown (Non-Executive Director)
- Mr Peter Lester (Non-Executive Director)

### **Company Secretary:**

- Mr Kar Chua

### **Registered Office:**

B1/431 Roberts Road  
Subiaco WA 6008

Telephone: +61 8 6383 9969  
Facsimile: +61 2 8316 3999  
Email: [info@gatewaymining.com.au](mailto:info@gatewaymining.com.au)

### **Share Registry:**

Automic Registry Services  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Telephone: 1300 288 664

### **Auditors:**

Crowe Sydney  
Chartered Accountants  
Level 24  
1 O'Connell Street  
Sydney NSW 2000

### **Solicitors:**

Enrizen Lawyers Pty Ltd  
Level 28  
88 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](http://www.gatewaymining.com.au)

## **DIRECTORS' REPORT**

Your directors submit the financial report of the Group consisting of Gateway Mining Limited (**Gateway** or the **Company**) and its controlled entities (Collectively, the **Group**) for the half-year ended 31 December 2022.

### **DIRECTORS**

The names of directors who held office during the reporting period:

- Ms. Debra Fullarton (Non-Executive Chair)
- Mr. Mark Cossom (Managing Director)
- Mr. Trent Franklin (Non-Executive Director)
- Mr. Scott Brown (Non-Executive Director)
- Mr. Peter Lester (Non-Executive Director) (appointed 18 July 2022)

### **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 period.

**DIRECTORS' REPORT**

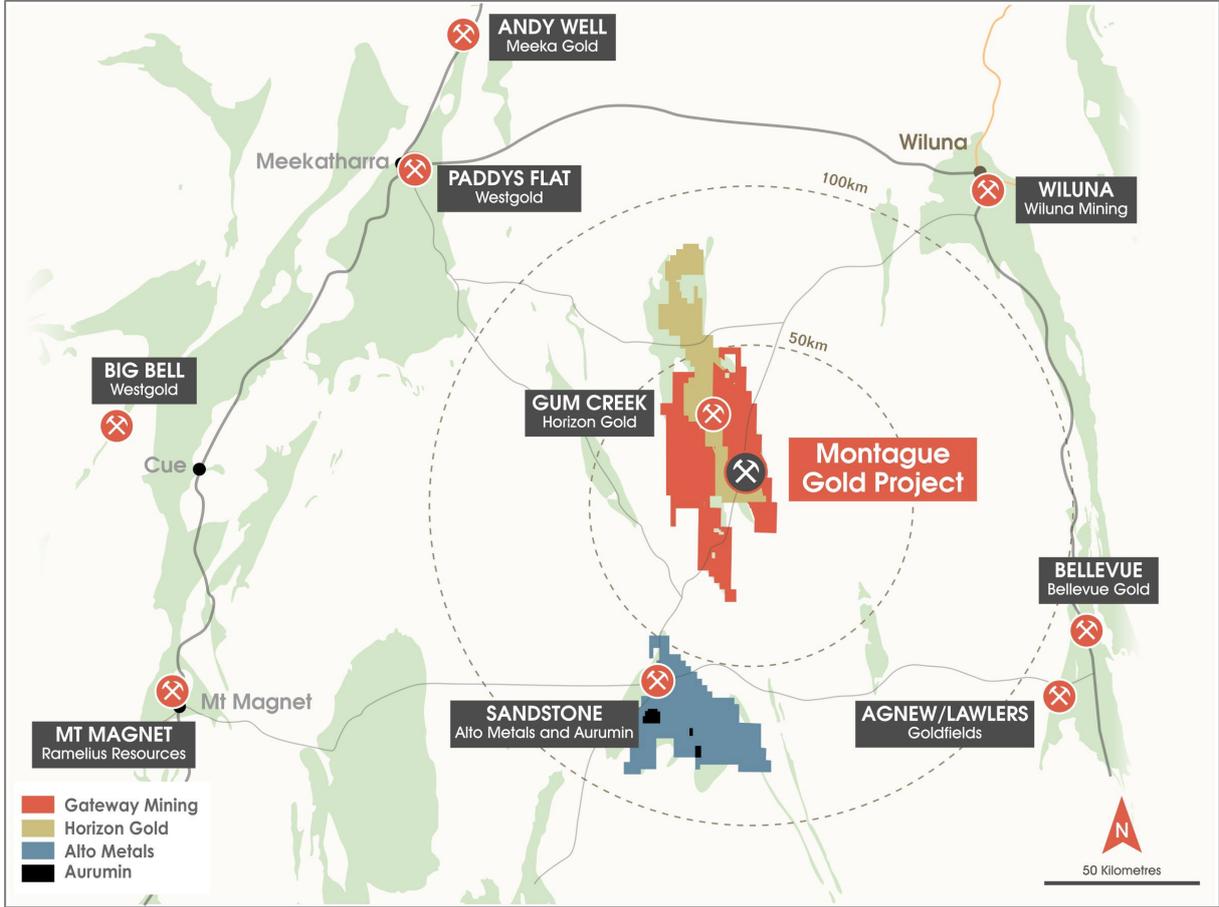
**OPERATIONS REVIEW**

The Company has established a high-quality exploration landholding at its Montague Gold Project, located in the Murchison goldfields of Western Australia. This Project is the sole focus of all of the Company's exploration funding and activities. The Company still maintains an interest in several former projects through a series of Farm-out and Joint Venture Agreements that provide Gateway with continued exposure to discovery opportunities through leveraged third-party expenditure.

**MONTAGUE GOLD PROJECT - INTRODUCTION**

Gateway's Montague Gold Project is located approximately 70km north of the township of Sandstone, Western Australia. The Montague Gold Project comprises a consolidated area of ~1,000km<sup>2</sup> 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, with the town of Sandstone providing limited logistics support. The Project is centrally located within a ~120km radius of six operational gold treatment facilities.



**Figure (1): Montague Gold Project Location Plan**

## **DIRECTORS' REPORT**

### **JULIAS IN-FILL RC DRILLING**

During the period, Gateway reported a series of outstanding high-grade assay results from in-fill Reverse Circulation (**RC**) drilling completed at its Julias oxide gold deposit. Consistent high-grade oxide mineralisation was returned from throughout the 500m of strike covered by drilling (Figure 2), largely within 70m of surface<sup>1</sup>:

- **GRC796: 11m @ 6.0g/t Au from 58m**
- **GRC781: 4m @ 6.1g/t Au from 30m**
- **GRC811: 8m @ 3.2g/t Au from 60m**
- **GRC845: 4m @ 4.0g/t Au from 57m**
- **GRC798: 4m @ 3.1g/t Au from 51m**
- **GRC797: 13m @ 2.6g/t Au from 71m**
- **GRC804: 10m @ 2.7g/t Au from 52m** (Hole abandoned in mineralisation)
- **GRC812: 11m @ 2.2g/t Au from 43m**
- **GRC789: 5m @ 2.6g/t Au from 55m**
- **GRC791: 6m @ 2.8g/t Au from 72m**
- **GRC795: 7m @ 2.8g/t Au from 36m**
- **GRC801: 7m @ 2.5g/t Au from 51m**
- **GRC794: 4m @ 2.0g/t Au from 56m**
- **GRC846: 22m @ 1.7g/t Au from 62m**
- **GRC799: 10m @ 1.8g/t Au from 72m**
- **GRC809: 4m @ 2.4g/t Au from 27m**
- **GRC872: 3m @ 4.2g/t Au from 70m, and  
9m @ 1.7g/t Au from 81m**
- **GRC802: 17m @ 1.0g/t Au from 99m**

At Julias, high-grade supergene mineralisation is contained in a heavily weathered sedimentary and felsic volcanic rock sequence, associated with a moderately west-dipping gossanous quartz-breccia fault zone. The oxide mineralisation is geometrically consistent and can be traced through the entire 500m of strike. Within the fresh rock, this fault zone presents as massive sulphide with quartz veining, however grade tenor is reduced and has not been pursued with this RC drill program. The data generated from this program were incorporated in the maiden Mineral Resource Estimate completed over the Julias deposit.

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<sup>1</sup> See ASX Release dated 18 August 2022.

**DIRECTORS' REPORT**

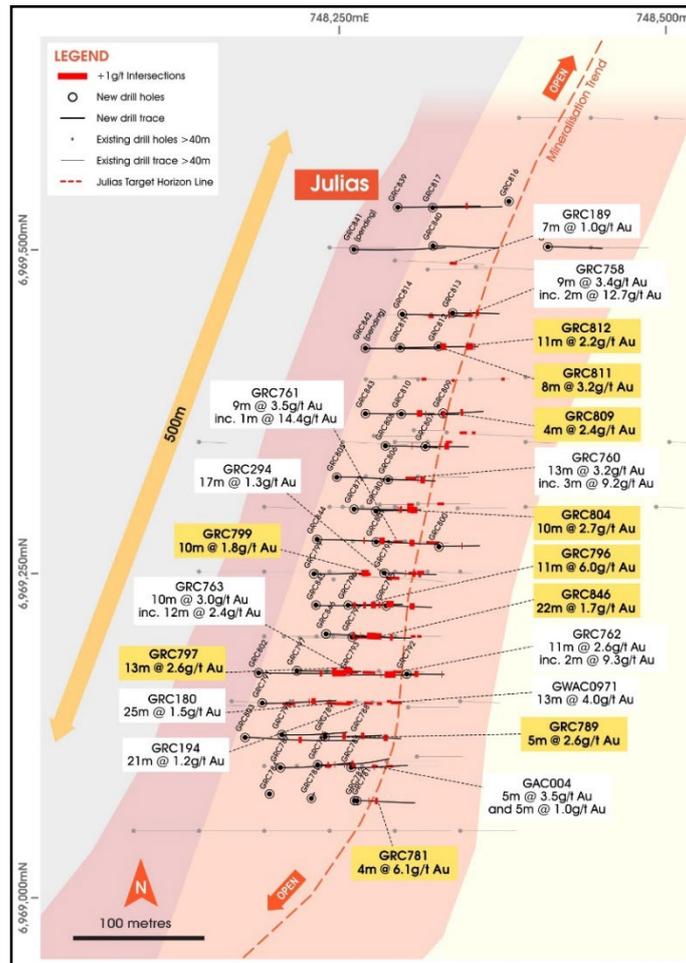


Figure (2): Julias deposit plan view, with recent significant intersections in RC drilling.

**JULIAS MINERAL RESOURCE ESTIMATE**

Following on from the completion of in-fill RC drilling (above), the Company reported an initial Mineral Resource Estimate (MRE) for the Julias deposit.<sup>2</sup>

The addition of the Julias Mineral Resource brought the Global Mineral Resources for the Montague Gold Project over the key milestone of half a million ounces to 526,000oz Au (Indicated and Inferred – see Table 1).

The Julias MRE comprises a total of 1,908,000t @ 1.3g/t Au for 77,000oz (Indicated and Inferred) (see Table 2). This MRE is the culmination of the past 12 months of drilling at Julias by Gateway, which deliberately targeted the mineralisation contained within the oxide zone.

This updated Global Mineral Resource represents an increase of 17% from the Mineral Resource announced on 14 December 2021. The updated Total Mineral Resource consists of the previously announced estimates for the Whistler, Montague-Boulder, Evermore and Achilles Nth/Airport deposits, and the addition of an initial Mineral Resource for the Julias deposit.

It should be noted that the Julias deposit is located on M57/427, which is a 75%:25% Joint Venture between Gateway and Estuary Resources Pty Ltd (a wholly owned subsidiary of Red 5 Ltd (ASX:RED)). As such, The Mineral Resource for Julias is presented below on both a deposit level, as well as a Gateway attributable level.

<sup>2</sup> See ASX Release dated 27 September 2022.

**DIRECTORS' REPORT**

**Table 1. Montague Gold Project – September 2022 Mineral Resource Estimate Summary**

Deposit	Indicated			Inferred			Montague Project Total			GML Attributable Total		
	Tonnes (t)	Au Grade (g/t)	Au Ounces (oz)	Tonnes (t)	Au Grade (g/t)	Au Ounces (oz)	Tonnes (t)	Au Grade (g/t)	Au Ounces (oz)	Tonnes (t)	Au Grade (g/t)	Au Ounces (oz)
Montague-Boulder	522,000	4.0	67,000	2,556,000	1.2	96,000	3,078,000	1.7	163,000	3,078,000	1.7	163,000
Whistler				1,700,000	2.2	120,000	1,700,000	2.2	120,000	1,700,000	2.2	120,000
Evermore				1,319,000	1.6	67,000	1,319,000	1.6	67,000	1,319,000	1.6	67,000
Achilles Nth/Airport	221,000	2.0	14,000	1,847,000	1.4	85,000	2,068,000	1.5	99,000	2,068,000	1.5	99,000
Julias **	1,405,000	1.4	61,000	503,000	1.0	16,000	1,908,000	1.3	77,000	1,431,000	1.3	58,000
<b>Total</b>	<b>2,148,000</b>	<b>2.1</b>	<b>142,000</b>	<b>7,925,000</b>	<b>1.5</b>	<b>384,000</b>	<b>10,073,000</b>	<b>1.6</b>	<b>526,000</b>	<b>9,596,000</b>	<b>1.6</b>	<b>507,000</b>

\*Notes: Montague-Boulder, Evermore, Julias Achilles Nth/Airport Mineral Resources reported above 0.6g/t Au  
 Whistler Mineral Resource reported above 0.5g/t Au for open pit and 2.0g/t Au for underground Rounding errors may occur

Julias located on M57/427, which is owned 75% GML 25% Estuary Resources Pty Ltd

**Table 2. Julias Deposit – September 2022 Mineral Resource Estimate Summary**

	Tonnes (t)	Au (g/t)	Ounces (oz)
Indicated	1,405,000	1.4	61,000
Inferred	503,000	1.0	16,000
<b>Total</b>	<b>1,908,000</b>	<b>1.3</b>	<b>77,000</b>
Total GML**	1,431,000	1.3	58,000

\*Note – Resources reported above 0.6g/t Au. Rounding errors may occur

\*\*Julias located on M57/427, which is owned 75% GML 25% Estuary Resources Pty Ltd

These additional 77,000oz at Julias have been added at a direct exploration cost of \$9/oz, highlighting the attractive return from the discovery of near-surface oxide zone mineralisation, for which the Montague Gold Project is still considered to have excellent potential.

Importantly, this initial Julias MRE extends over a strike length of 500m, as defined by recent RC drilling activity. However, air-core drilling undertaken by Gateway during 2022 identified the extension of this mineralised structure for over 700m to the south-west (Figure 3), highlighting the clear potential to delineate extensions to this initial MRE with further RC drilling.

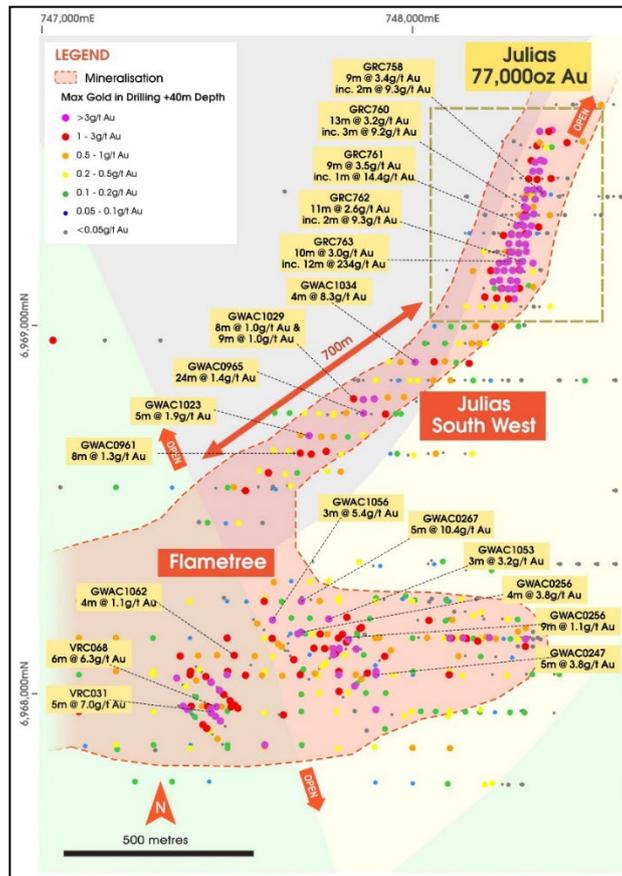
Two phases of air-core drilling have been undertaken on this trend, with the aim of extending the potential zone of mineralisation toward the nearby Flametree target area. Significant intersections over this 700m of strike include<sup>3</sup>:

- **GWAC1034:** 4m @ 8.3g/t Au from 56m
- **GWAC0965:** 24m @ 1.4g/t Au from 16m
- **GWAC1023:** 5m @ 1.9g/t Au from 36m
- **GWAC0961:** 8m @ 1.3g/t Au from 32m
- **GWAC1029:** 8m @ 1.0g/t Au from 40m, and  
9m @ 1.0g/t Au from 84m
- **GWAC1028:** 7m @ 1.0g/t Au from 48m
- **GWAC0957:** 4m @ 1.4g/t Au from 16m

With these exciting oxide zone targets located in the immediate vicinity of the new Julias MRE, this area of the Project will continue to be an important exploration focus for the delineation of additional shallow oxide zone mineralisation in the immediate future.

<sup>3</sup> See ASX Release dated 23 May 2022.

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**Figure (3): Julius South-Flametree target areas with historic drilling and new air-core results. Note the +2km corridor of shallow oxide mineralisation intersected to date.**

**MONTAGUE-BOULDER EXTENSIONAL RC DRILLING**

During the period, Gateway reported several shallow high-grade results from RC drilling conducted around the cornerstone 163,000oz Montague-Boulder deposit<sup>4</sup>. This drilling was carried out to test for extensions to the existing Mineral Resource within the granodiorite unit, to the north and east along strike as well as the continuation of mineralisation below the historical Montague-Boulder open pit.

Several near-surface intersections were recorded immediately east of the current Mineral Resource, hosted by a flat zone of mineralisation within the granodiorite unit (Figure 4). Significant intersections include:

- **GRC895: 4m @ 8.7g/t Au from 14m; and 1m @ 5.8g/t Au from 53m**
- **GRC873: 4m @ 2.3g/t Au from 5m**
- **GRC897: 1m @ 2.2g/t Au from 8m**

In addition, one hole (GRC873) was drilled immediately adjacent to the historic pit, to continue testing an unmined zone of mineralisation below the pit hosted within the granodiorite unit. This hole was successful in intersecting the interpreted structure at depth, with assays returning high-grade mineralisation:

- **GRC873: 5m @ 3.6g/t Au from 139m**

This hole was drilled 60m south of previously announced results from below the pit, including<sup>2</sup>:

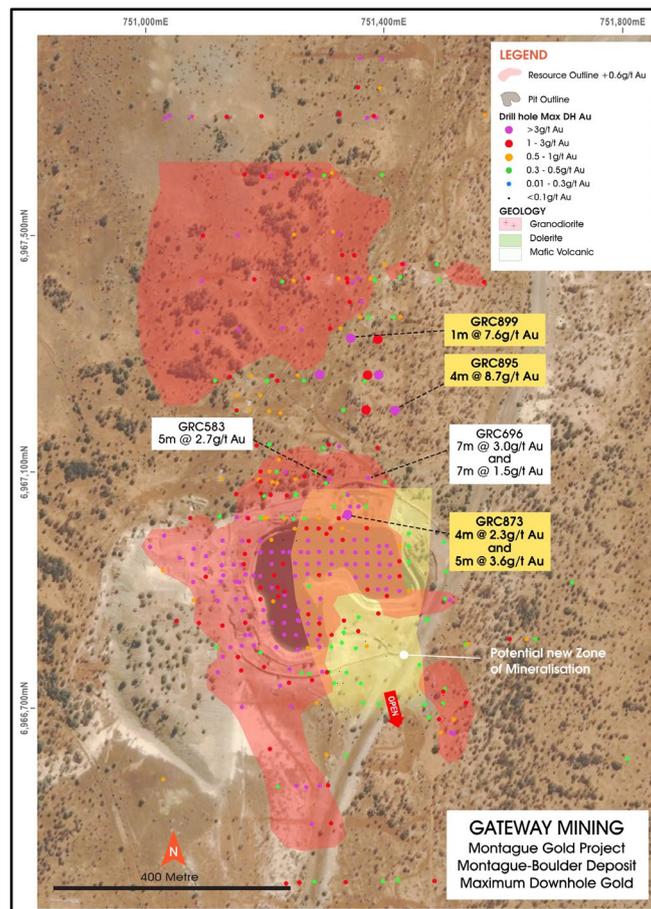
- **GRC583: 5m @ 2.7g/t Au from 115m**

<sup>4</sup> See ASX Release dated 10 October 2022.

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- **GRC696:** 7m @ 3.0g/t Au from 84m; and  
7m @ 1.5g/t Au from 113m

The previously untested nature of this zone within the granodiorite presents an exciting exploration target for the addition of significant primary mineralisation within the footprint of the current Mineral Resource. Further RC and potentially diamond drilling will be planned to continue unlocking this new zone.



**Figure (4):** Montague-Boulder historic open pit with existing Mineral Resource outline, and location of new intersections. Note the untested zone of primary mineralisation intersected in GRC873 as well as GRC583 and GRC696 within the granodiorite unit below the pit.

### ACHILLES EAST RC DRILLING

During the period, Gateway reported significant assay results from RC drilling along strike and adjacent to the 99,000oz Indicated and Inferred Achilles deposit.<sup>5</sup> The holes were designed to test the strike extensions of the current Resource to the north, as well as to test the area to the east and south-east where historical RC, Rotary Air Blast (RAB) and recent air-core drilling has indicated the presence of widespread shallow mineralisation.

Mineralisation at Achilles is controlled by an east-dipping sheared contact between a mafic dolerite and the Montague Granodiorite unit. Thick zones of gold mineralisation, thought to be hosted by swarms of thin quartz veins within the granodiorite unit immediately east of this shear zone, were intersected in historical RC drilling, with previously reported results of.<sup>6</sup>

<sup>5</sup> See ASX Release dated 24 October 2022.

<sup>6</sup> See ASX Release dated 8 October 2018.

**DIRECTORS' REPORT**

- **WRC012: 147m @ 0.4g/t Au from 21m**
- **AGRC001: 120m @ 0.4g/t Au from 80m**
- **WRC011: 47m @ 0.7g/t Au from 76m**

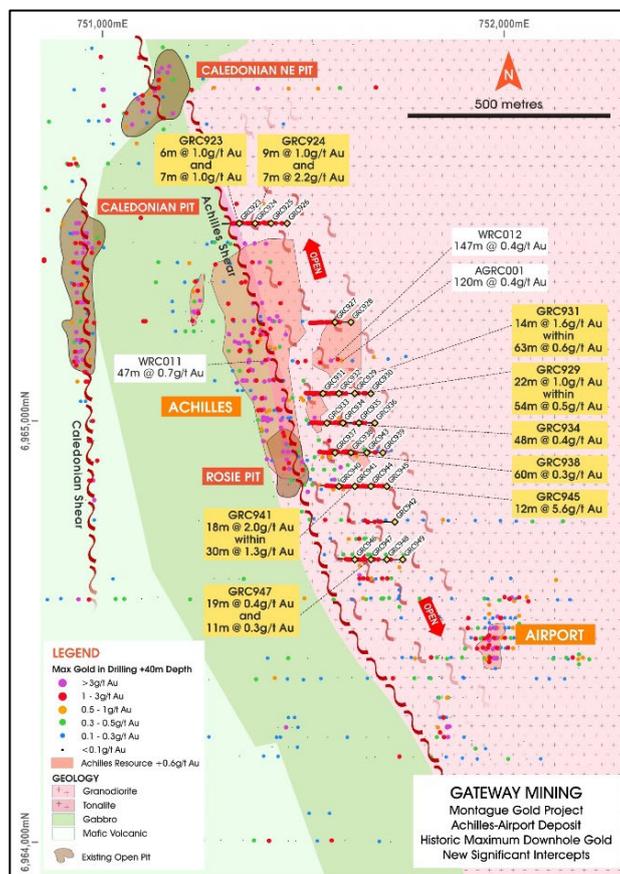
Drilling of holes to the east and south-east of the current Resource has continued to intersect this broad zone of granodiorite-hosted gold mineralisation over a strike length of 600m (Figure 5).

Significant widths of moderate-grade mineralisation were intersected, including localised high-grade zones. Significant intersections include:

- **GRC945: 12m @ 5.6g/t Au from 56m**
- **GRC941: 18m @ 2.0g/t Au from 31m within a broader 30m @ 1.3g/t Au from 31m**
- **GRC931 14m @ 1.6g/t Au from 68m within a broader 63m @ 0.6g/t Au from 21m**
- **GRC929: 22m @ 1.0g/t Au from 115m within a broader 54m @ 0.5g/t from 112m**
- **GRC933: 44m @ 0.4g/t Au from 18m**
- **GRC934: 48m @ 0.4g/t Au from 16m**
- **GRC938: 60m @ 0.3g/t Au from 18m**

These results, combined with the historically reported intersections above, highlight a significant mineralised system within the western margin of the Montague Granodiorite. This presents as a clear, high-priority exploration target, with the Company's geologists investigating suitable techniques for identifying the controls on higher-grade mineralisation within this major system.

All results from this Achilles RC program have highlighted the immense potential of this highly mineralised corridor within the Montague Project. While direct extensions to the existing 99,000oz Indicated and Inferred Resource are evident, the potential to define larger-scale mineralisation along the 4km corridor within the Montague Granodiorite presents an exciting target for future exploration.



**Figure (5): Achilles Deposit with existing Mineral Resource outline, and location of new intersections. Note the extensions of shallow mineralisation immediately along strike to the north, as well as broad scale moderate grade mineralisation hosted in granodiorite east of the main mineralised Achilles structure.**

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**CALEDONIAN RC DRILLING**

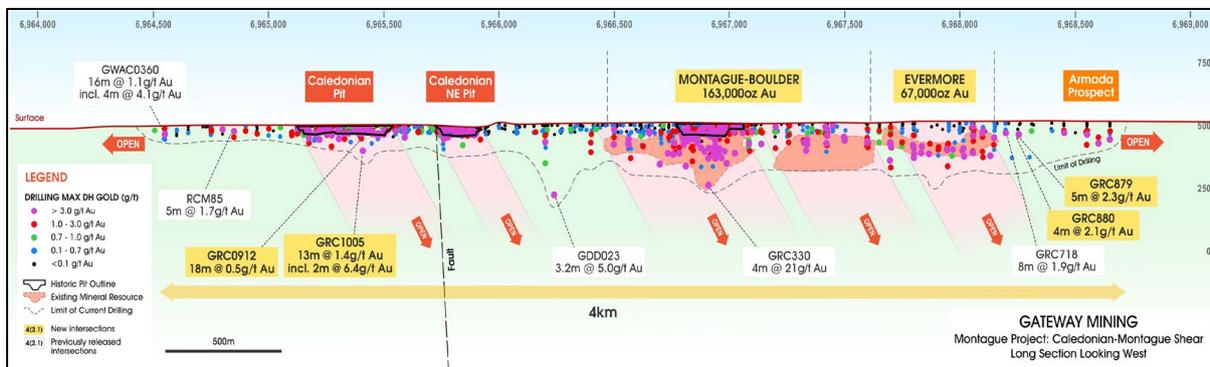
During the period, Gateway reported significant assay results from RC drilling targeting extensions to known mineralisation along the major Caledonian-Montague Shear system.<sup>7</sup> This structure represents the most extensively mineralised zone within the Project area, hosting the Montague-Boulder (163,000oz Indicated and Inferred<sup>8</sup>) and Evermore deposits (67,000oz Inferred<sup>9</sup>), as well as historical open pits mined at the Caledonian and Caledonian NE deposits (Figure 6).

The Caledonian open pit was the initial pit mined at the Project by Herald Resources between 1988-1990 and is the site of the former treatment facility. Recent reinterpretation of historical drilling highlighted the fact that this drilling only tested within the depleted transition zone below the historical open pit, and that the mineralised structure has never been effectively tested the primary zone. A similar approach at the Montague-Boulder open pit by Gateway led to the eventual delineation of the current 163,000oz Indicated and Inferred Resource.

While a systematic program of RC drilling had been designed to test this target, only two holes were able to be drilled due to access restrictions caused by historical mining waste dumps and tails storage facilities. Both holes intersected wide zones of shearing with associated quartz veining within the interpreted structure at depth, with significant assays of:

- **GRC1005: 13m @ 1.4g/t Au from 101m, including 2m @ 6.4g/t Au**
- **GRC912: 18m @ 0.5g/t Au from 106m**

The successful intersection of a thick zone of primary mineralisation has highlighted the potential for substantial gold mineralisation to be hosted at depth below the Caledonian open pit. This new target will be a high priority for further drill testing by RC and potentially diamond drilling.



**Figure (6): Caledonian – Montague Shear long section, showing current Mineral Resources, historic open pits and current drill intersections. Note the deepest intersection to date (GDD023 – 3.2m @ 5.0g/t Au from 314m), and the current intersections below the historic Caledonian open pit.**

<sup>7</sup> See ASX Release 10 November 2022.

<sup>8</sup> 3,078,000t @ 1.7g/t for 163,000oz Indicated and Inferred. See ASX Release dated 14 December 2021.

<sup>9</sup> 1,319,000t @ 1.6g/t Au for 67,000oz inferred. See ASX Release dated 14 December 2021.

## **DIRECTORS' REPORT**

### **REGIONAL PROJECTS**

#### **Edjudina Joint Venture (Gateway 20%, Discover Resources Ltd 80%)**

During the Reporting Period, Discover Resources Ltd (ASX: DCX) (**DCX**) announced details of an in-fill and extensional soil sampling program covering the highly encouraging Spartan anomaly at the 80:20 Edjudina Joint Venture, confirming the size and upgrading the tenor of the initial anomaly.

The Spartan Prospect is characterised by a 1.8km long >25ppb gold-in-soil anomaly, and now includes several +100ppb Au results, peaking at 544ppb Au (0.54g/t Au). In addition to the samples collected at Spartan, results were also received from a regional program which has highlighted an additional target area approximately 3.5km to the east, known as the Falcon Prospect. This target is characterised by a 2.6km long +15ppb Au anomaly that remains open to the north.

In addition to the soil sampling results, Discover also announced the completion of a geophysical gravity survey covering the Joint Venture ground. This survey was carried out on a 200m x 200m grid spacing and confirmed the location of several intrusive units proximal to the Spartan anomaly. The results of this survey were used to refine an air-core drilling program.

DCX also announced initial drill results intersecting bedrock and paleochannel gold intersected at the highly encouraging Spartan prospect.

Drilling was undertaken to determine the potential for gold mineralisation within insitu, weathered basement rocks and to determine the extent and distribution of gold within the overlying transported cover. Initial assays have been received from the first 37 holes of the ongoing drill program with an additional 104 holes completed thus far for which assay results are yet to be received.

The results returned to date have identified gold mineralisation across multiple horizons, the first being within carbonate rich sandy soils at surface (0-8m), repeating the original surface geochemical anomaly. Elevated gold results have also been returned from a shallow, quartz gravel (+silcrete) paleochannel at or close to the base of transported material (~32-40m) and more significantly, anomalous gold (and copper) values have also been intersected within in-situ bedrock material beneath the paleochannel gold results.

These initial positive gold (and copper) results returned from the insitu bedrock beneath and adjacent to an extensive transported gold accumulation is extremely encouraging. This large-scale greenfields target has been generated in an area of no previous exploration and the extent and tenor of gold anomalism at Spartan confirms it as a high potential target.

#### **Bryah Basin Joint Venture (Gateway 15 %, Auris Minerals Ltd 85%)**

No work on the Joint Venture tenements was reported by Auris.

### **COMPETENT PERSON STATEMENT**

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Stuart Stephens who is a full-time employee of Gateway Mining Ltd and is a current Member of the Australian Institute of Geoscientists. Mr Stephens owns options in Gateway Mining Ltd. Mr Stephens has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stephens consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## **DIRECTORS' REPORT**

The information in the report that relates to the Estimation and Reporting of the Montague-Boulder, Evermore, Achilles North/Airport and Julias Mineral Resources has been compiled and reviewed by Ms Elizabeth Haren of Haren Consulting Pty Ltd who is an independent consultant to Gateway Mining Limited and is a current Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Ms Haren has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code).

The information in this report that relates to the reporting of the Whistler Mineral Resource has been extracted from the Gateway ASX announcement dated 3 October 2019 and is available to view on the Company's website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code "GML"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### **Mining Tenements**

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

<b>Project</b>	<b>Tenement</b>	<b>Owner</b>
BRYAH BASIN	E52/3248	Auris Minerals Ltd 85% Gateway Projects Pty Ltd 15%
BRYAH BASIN	E52/3291	Auris Minerals Ltd 85% Gateway Projects Pty Ltd 15%
EDJUDINA	E39/1765	DiscovEx Resources Ltd 80% Gateway Projects Pty Ltd 20%
EDJUDINA	E39/1882	DiscovEx Resources Ltd 80% Gateway Projects Pty Ltd 20%
GIDGEE	E53/2108	Gateway Mining Ltd
GIDGEE	E57/1039	Golden Mile Resources Ltd, Gateway Mining Ltd Earning 80%
GIDGEE	E57/1040	Golden Mile Resources Ltd, Gateway Mining Ltd Earning 80%
GIDGEE	E57/1057	Gateway Projects WA Pty Ltd
GIDGEE	E57/1060	Gateway Mining Ltd 80% Element 25 Ltd 20%
GIDGEE	E57/1067	Gateway Projects WA Pty Ltd
GIDGEE	E57/1144*	Gateway Mining Ltd
GIDGEE	E57/1145	Gateway Mining Ltd
GIDGEE	E57/1147	Gateway Mining Ltd
GIDGEE	E57/1248	Gateway Mining Ltd
GIDGEE	E57/1249	Gateway Mining Ltd
GIDGEE	P57/1409	Gateway Projects WA Pty Ltd
GIDGEE	P57/1410	Gateway Projects WA Pty Ltd
GIDGEE	P57/1411	Gateway Projects WA Pty Ltd
GIDGEE	P57/1413	Gateway Projects WA Pty Ltd
GIDGEE	P57/1449	Gateway Mining Ltd
GIDGEE	P57/1455	Gateway Mining Ltd
GIDGEE	P57/1456	Gateway Mining Ltd
GIDGEE	P57/1457	Gateway Mining Ltd

**DIRECTORS' REPORT**

<b>Project</b>	<b>Tenement</b>	<b>Owner</b>
GIDGEE	P57/1458	Gateway Mining Ltd
GIDGEE	P57/1459	Gateway Mining Ltd
GIDGEE	P57/1460	Gateway Mining Ltd
GIDGEE	P57/1461	Gateway Mining Ltd
GIDGEE	P57/1494*	Gateway Mining Ltd
GIDGEE	P57/1495*	Gateway Mining Ltd
GIDGEE	P57/1496*	Gateway Mining Ltd
KALUWIRI	E57/1171	Gateway Mining Ltd
KALUWIRI	E57/1215	Gateway Mining Ltd
KALUWIRI	E57/1250*	Gateway Mining Ltd
KALUWIRI	P57/1475	Gateway Mining Ltd
KALUWIRI	P57/1476	Gateway Mining Ltd
MONTAGUE	E57/0405	Gateway Mining Ltd
MONTAGUE	E57/0417	Gateway Mining Ltd
MONTAGUE	E57/0687	Gateway Mining Ltd
MONTAGUE	E57/0688	Gateway Mining Ltd
MONTAGUE	E57/0793	Gateway Mining Ltd 75% Estuary Resources Pty Ltd 25%
MONTAGUE	E57/0807	Gateway Mining Ltd
MONTAGUE	E57/0823	Gateway Mining Ltd
MONTAGUE	E57/0824	Gateway Mining Ltd
MONTAGUE	E57/0874	Gateway Mining Ltd
MONTAGUE	E57/0875	Gateway Mining Ltd
MONTAGUE	E57/0876	Gateway Mining Ltd
MONTAGUE	E57/0888	Gateway Mining Ltd
MONTAGUE	E57/0945	Gateway Mining Ltd
MONTAGUE	E57/1004	Gateway Mining Ltd
MONTAGUE	E57/1005	Gateway Mining Ltd
MONTAGUE	M57/0048	Gateway Mining Ltd
MONTAGUE	M57/0098	Gateway Mining Ltd
MONTAGUE	M57/0099	Gateway Mining Ltd
MONTAGUE	M57/0217	Gateway Mining Ltd
MONTAGUE	M57/0429	Gateway Mining Ltd 75% Estuary Resources Pty Ltd 25%
MONTAGUE	M57/0485	Gateway Mining Ltd 75% Estuary Resources Pty Ltd 25%
MOUNT MARION	E57/1113	Gateway Mining Ltd
OLD GIDGEE	E57/1095	Gateway Mining Ltd

\*Tenement application, approval pending

## **DIRECTORS' REPORT**

### **CORPORATE ACTIVITIES**

#### **Key Board Appointments**

During the reporting period, the Company announced a number of changes to the board of the Company to guide the Company's next phase of growth.

Highly experienced mining executive Debra Fullarton was appointed as non-executive Chair of the Company, effective immediately. She will succeed Trent Franklin, who stepped up as non-executive Chair in early 2022 but will now revert back to a non-executive Director role.

Ms Fullarton has been a Director of the Company since 2018 and was most recently CEO of Westgold Resources Ltd, a leading Australian mid-tier gold miner that produces over 270,000oz from several operations in the Murchison Region of WA.

In addition, the Company announced the appointment of highly regarded mining executive Mr Peter Lester as a non-executive Director. Mr Lester is a mining engineer with over 40 years' experience, including in operational and senior corporate roles with major Australian mining companies Newcrest Mining Ltd, Oxiana/Oz Ltd and Citadel Resources Group Ltd. Mr Lester was non-executive Chairman of Doray Minerals Ltd, and is currently non-executive Chairman of Helix Resources Ltd.

These board changes will result in the introduction of additional operational, project development, corporate and M&A experience at board level, complementing existing board skill sets and enhancing the Company's senior leadership team.

The structure of the Board, its officers and executives will be as follows:

- Debra Fullarton – Non-Executive Chair
- Mark Cossom – Managing Director
- Trent Franklin – Non-Executive Director
- Scott Brown – Non-Executive Director
- Peter Lester – Non-Executive Director

#### **Share Consolidation**

During the reporting period, the Company announced a consolidation of the issued capital of the Company through the conversion of every ten (10) existing shares into one (1) Share (**Consolidation**), with a corresponding Consolidation of all other securities on issue. Fractional entitlements were rounded up to the nearest whole security. The Consolidation was subsequently approved by shareholders at an Extraordinary General Meeting (**EGM**) held on 15 August.

The Consolidation was undertaken to reduce the number of Shares on issue from 2,260,106,367 to approximately 226,010,961, and effectively increased the value of the Company's assets per Share by a factor of ten.

Similarly, in accordance with ASX Listing Rules 7.22.1, all Options on issue by the Company were consolidated in the same ratio as Shares, and the exercise price of the Options amended in inverse proportion to that ratio as directed by the ASX Listing Rules.

As the Consolidation applies equally to all security holders, it did not have any material effect on the percentage shareholding interest of each individual shareholder.

#### **Issue of Performance Rights under Company's Employee Incentive Plan**

During the reporting period on 28 November 2022, the Company issued the following unlisted performance rights under its Employee Incentive Plan (**Incentive Plan**) to the Managing Director and employees of the Company:

## **DIRECTORS' REPORT**

- 1,250,000 performance rights which vest on the Company announcing a JORC compliant resource of 1 million ounces of gold and expiring on 28 May 2024;
  - 1,250,000 performance rights which vest on the Company completing and announcing a scoping study which demonstrates positive economics and expiring on 28 November 2024;
  - 1,250,000 performance rights which vest on the Company achieving a 10 day volume weighted average price equal to or above \$0.25 and expiring on 28 November 2024; and
  - 1,250,000 performance rights which vest on the Company announcing a JORC compliant resource of 1.5 million ounces of gold and expiring on 28 November 2025.
- (Collectively, **Performance Rights**).

The Incentive Plan was approved by the Company's shareholders at the Company's Annual General Meeting held on 23 November 2022 (**AGM**).

2,800,000 of the abovementioned Performance Rights were issued to Mark Cossom the Managing Director of the Company, and the issue of these Performance Rights was approved by the Company's shareholders at the AGM.

The remaining portion of the abovementioned Performance Rights was issued to employees of the Company pursuant to Listing Rule 7.2 Exception 13.

### **Expiry of Options**

During the reporting period on 15 November 2022, the Company announced that the following unlisted options had expired:

- 400,000 unlisted options expiring on 12 November 2022 with exercise price \$0.30 per option;
- 300,000 unlisted options expiring on 12 November 2022 with exercise price \$0.35 per option; and
- 300,000 unlisted options expiring on 12 November 2022 with exercise price \$0.40 per option.

### **Financial Results**

The loss of the Group for the half-year to 31 December 2022 was \$642,684 compared to a loss of \$745,050 for the previous comparative half-year.

The Group incurred exploration expenditure of \$2,821,818 during the current half-year to 31 December 2022 compared to \$2,209,008 for the prior half-year to 31 December 2021.

The Group's cash and cash equivalents at 31 December 2022 was \$925,350 (June 2022: \$3,729,835). The total net assets of the Group at 31 December 2022 stands at \$23,366,348 (June 2022: \$24,441,269) of which investment in exploration expenditure accounts for \$21,498,659 (June 2022: \$18,676,841).

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' REPORT**

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS DURING THE FINANCIAL YEAR AND AFTER THE END OF THE REPORTING PERIOD**

#### **\$2.5 Million Capital Raising to Accelerate Exploration at Montague Gold Project**

Subsequent to the reporting period on 25 January 2023, the Company announced it had received firm commitments for a capital raising of \$2.5 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next major phase of exploration at its flagship 500koz Montague Gold Project in Western Australia.

The Placement, which comprises the issue of 40,322,582 shares at an issue price of \$0.062 per share (**New Shares**), was overwhelmingly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

Participants received free-attaching options (**New Options**) on a one (1) for three (3) basis, with each New Option being exercisable at \$0.124 and expiring on 31 March 2026. The issue of the New Options was subject to shareholder approval which was obtained on 8 March 2023. A total of 13,440,902 New Options were issued.

The Placement was lead managed by JP Equities.

The Directors have committed their support for the Placement. Mark Cossom, Trent Franklin, Scott Brown, Debra Fullarton and Peter Lester (and or their nominees) agreed to invest a collective total of \$210,260 under the Placement being 3,391,289 New Shares. Shareholder approval to issue these shares was obtained on 8 March 2023 and the Shares (and attaching options) were subsequently issued to these directors (and or their nominees).

#### **Lithium Exploration Farm-In Agreement for Montague Project With SensOre Ltd**

Subsequent to the reporting period, the Company announced it had executed a Farm-in Joint Venture agreement with ASX-listed specialist exploration group SensOre Limited (ASX: S3N) (**S3N**) to evaluate and target the lithium exploration potential at its flagship Montague Gold Project in WA's Murchison region (**Agreement**).

The Agreement has been executed between Gateway, Gateway's wholly-owned subsidiary Gateway Projects WA Pty Ltd (**Gateway Projects**) and Exploration Ventures AI Pty Ltd (ACN 662 260 148) (**EXAI**, a wholly-owned subsidiary of S3N) over selected tenements at the Montague Project. EXAI is subject to an agreement with German group Deutsche Rohstoff on lithium exploration as announced by S3N on 21 March 2022.

Under the Agreement, EXAI will have the right to acquire up to an 80% interest in the lithium rights (and related by-products) within the Montague tenements. Gateway will retain its existing rights to all other minerals within the Tenements, including precious and base metals.

S3N is a geoscience technology disruptor which plans to utilise the proprietary SensOre DPT® artificial intelligence tool to generate targets within the Tenements to explore for lithium. This exploration will be undertaken in parallel with Gateway's ongoing gold exploration activities. To date, no lithium exploration activities have been undertaken at the Montague Gold Project.

#### Terms of Agreement

EXAI to acquire up to 80% of lithium rights only. Ownership of all other minerals within the Tenements to remain unaffected and will be owned by Gateway and Gateway Projects.

Where any conflicts arise as to exploration activities within the Tenements between Gateway and EXAI, the priority of exploration will be given to Gateway to conduct its exploration within the Tenements.

The Agreement consists of a three stage farm-in for EXAI to ultimately acquire 80% of the lithium rights (and related by-products) within the Tenements on the following terms:

## **DIRECTORS' REPORT**

- (a) 18 month, non-withdrawal period with a minimum of \$350,000 (excluding GST) exploration expenditure (**Minimum Expenditure Amount**).
- (b) Exploration expenditure of \$1,500,000 excluding GST (with \$750,000 of the expenditure to be direct drilling expenditure) within 2.5 years of the earn-in commencing to earn a 51% interest in the lithium rights within the Tenements (**First Earn-In**).
- (c) Exploration expenditure of a further \$3,000,000 excluding GST (with \$1,500,000 of the expenditure to be direct drilling expenditure) within 2 years of completion of the First Earn-In commencing to earn a further 29% interest in the lithium rights within Tenements (**Second Earn-In**).
- (d) The parties have agreed to negotiate in good faith and enter into a formal joint venture agreement as soon as practicable after EXAI earns the First Earn-In.
- (e) Should EXAI earn both the First Earn-In and Second Earn-In, Gateway will have the option to claw-back a further 10% interest in the lithium rights from EXAI, and Gateway will pay to EXAI cash consideration in the amount of 3 times the total expenditure paid by EXAI within the Tenements during the earn-in period pro-rata to the 10% interest Gateway is entitled to acquire (**Clawback Option**).
- (f) Provided Gateway does not exercise its Clawback Option, the remaining lithium rights held by Gateway will be free carried until a bankable feasibility study is completed in relation to lithium minerals.

EXAI will not earn or acquire any interest in the lithium rights to the extent that such rights (and all other mineral rights) are owned by Estuary Resources Pty Ltd (**Estuary**) who hold a 25% interest M57/485 and E57/793 (**Estuary JV Tenements**).

EXAI's right to farm-in and acquire an interest under the Agreement is conditional on the following:

- (a) EXAI completing satisfactory due diligence with respect to the Tenements and transactions contemplated in the Agreement; and
- (b) Gateway giving EXAI written notice confirming Estuary waiving or not exercising its pre-emption rights in relation to the Estuary JV Tenements,

(Collectively, the **Conditions**).

The Conditions must be satisfied within 90 days of execution of the Letter Agreement (**End Date**). If the Conditions are not satisfied or waived by the End Date either party may terminate the Agreement.

### **COVID-19 Response**

The Company continued to implement several measures in response to the COVID-19 pandemic subsequent to the reporting period, including prudent cost saving measures such as reduction in administrative costs.

As intra-state travel restrictions within Western Australia have been lifted, the Company made the decision to continue drilling operations and exploration at the Montague Project as part of the Company's strategy to expand on its Mineral Resources estimates and accelerate exploration across the project.

The impact of the COVID-19 pandemic is ongoing and, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

## **DIRECTORS' REPORT**

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

## **AUDITOR INDEPENDENCE DECLARATION**

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2022 is enclosed and forms part of this interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.



**Debra Fullarton**  
**Non-Executive Chair**  
Dated this 15th of March 2023



**Mark Cossom**  
**Managing Director**

## Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of Gateway Mining Limited

As lead auditor for the review of the interim financial report of Gateway Mining Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Yours sincerely,  
**Crowe Sydney**



**Cyrus Patell**  
Partner

15 March 2023

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.*

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022	31 Dec 2021
	\$	\$
Interest received	4,478	4,038
Other income	3,927	-
Impairment of exploration assets	(83,268)	-
Employee benefits expenses	(81,084)	(131,570)
Share based payment expenses	(42,293)	(172,908)
Professional services expenses	(125,872)	(121,355)
Directors' remuneration	(70,867)	(60,000)
Consulting fees	(15,000)	(45,000)
Depreciation expenses	(35,865)	(27,604)
Share registry fees	(58,342)	(61,250)
Office and administrative expenses	(71,609)	(72,885)
Public relations expenses	(66,889)	(56,516)
<b>Loss before income tax</b>	<b>(642,684)</b>	<b>(745,050)</b>
Income tax expense	-	-
<b>Loss for the half-year</b>	<b>(642,684)</b>	<b>(745,050)</b>
<b>Other comprehensive income:</b>	<b>(245,934)</b>	<b>1,669,958</b>
<b>Other comprehensive income for the half-year, net of tax</b>	<b>(245,934)</b>	<b>1,669,958</b>
<b>Total comprehensive income/(loss) for the half-year attributable to owners of the company</b>	<b>(888,618)</b>	<b>924,908</b>
<b>Earnings per share</b>		
Basic earnings per share (cents)	10	(0.28)
Diluted earnings per share (cents)	10	(0.28)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2022**

	Note	31 Dec 2022 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	925,350	3,729,835
Trade and other receivables	5	96,591	113,614
<b>TOTAL CURRENT ASSETS</b>		<b>1,021,941</b>	<b>3,843,449</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	6	1,411,023	2,176,528
Deferred exploration and evaluation expenditure	7	21,498,659	18,676,841
Property, plant and equipment		113,937	126,551
Right of use assets		59,967	79,955
Other assets	5	14,800	14,800
<b>TOTAL NON-CURRENT ASSETS</b>		<b>23,098,386</b>	<b>21,074,675</b>
<b>TOTAL ASSETS</b>		<b>24,120,327</b>	<b>24,918,124</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	598,237	307,203
Lease liability	12	22,354	43,708
Provisions for employee benefits		76,732	70,238
<b>TOTAL CURRENT LIABILITIES</b>		<b>697,323</b>	<b>421,149</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Make Good		4,930	4,906
Lease liability	12	46,411	46,412
Provisions for employee benefits		5,315	4,388
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>56,656</b>	<b>55,706</b>
<b>TOTAL LIABILITIES</b>		<b>753,979</b>	<b>476,855</b>
<b>NET ASSETS</b>		<b>23,366,348</b>	<b>24,441,269</b>
<b>EQUITY</b>			
Issued capital	9	55,826,498	55,826,498
Share based payment reserve	9	889,058	864,224
Performance Rights	9	17,459	-
Financial assets reserve	9	377,676	623,610
Accumulated losses		(33,744,343)	(32,873,063)
<b>TOTAL EQUITY</b>		<b>23,366,348</b>	<b>24,441,269</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Accumulated losses	Performance Rights	Share based payments reserve	Financial assets reserve	Total
	\$	\$	\$	\$	\$	
<b>Balance at 1 July 2021</b>	<b>50,143,877</b>	<b>(31,515,728)</b>	<b>-</b>	<b>621,051</b>	<b>574,754</b>	<b>19,823,954</b>
Loss for the period	-	(745,050)	-	-	-	(745,050)
Other comprehensive income / Loss for the period	-	-	-	172,908	1,497,050	1,669,958
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>(745,050)</b>	<b>-</b>	<b>172,908</b>	<b>1,497,050</b>	<b>924,908</b>
<b>Transactions with owners in their capacity as owners</b>						
Shares issued in year	6,060,000	-	-	-	-	6,060,000
Cost of share issues	(377,379)	-	-	-	-	(377,379)
<b>Balance at 31 December 2021</b>	<b>55,826,498</b>	<b>(32,260,778)</b>	<b>-</b>	<b>793,959</b>	<b>2,071,804</b>	<b>26,431,483</b>
<b>Balance at 1 July 2022</b>	<b>55,826,498</b>	<b>(32,873,063)</b>	<b>-</b>	<b>864,224</b>	<b>623,610</b>	<b>24,441,269</b>
Loss for the period	-	(642,684)	-	-	-	(642,684)
Other comprehensive income / Loss for the period	-	-	-	-	(245,934)	(245,934)
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>(642,684)</b>	<b>-</b>	<b>-</b>	<b>(245,934)</b>	<b>(888,618)</b>
<b>Transactions with owners in their capacity as owners</b>						
Shares issued in year	-	-	-	24,834	-	24,834
Performance Rights	-	-	17,459	-	-	17,459
Retained Earnings adjustments	-	(228,596)	-	-	-	(228,596)
<b>Balance at 31 December 2022</b>	<b>55,826,498</b>	<b>(33,744,343)</b>	<b>17,459</b>	<b>889,058</b>	<b>377,676</b>	<b>23,366,348</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	NOTE	31 Dec 2022 \$	31 Dec 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and others		(540)	-
Payments to suppliers and employees		(503,621)	(587,083)
Interest received		4,478	4,038
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<u>(499,683)</u>	<u>(583,045)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,263)	-
Payment for exploration and evaluation		(2,592,514)	(2,443,325)
Proceeds from sale of investments		290,974	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(2,308,803)</u>	<u>(2,443,325)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	6,000,000
Payments for capital raising costs		-	(377,379)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>5,622,621</u>
<b>NET INCREASE IN CASH HELD</b>		<u>(2,804,486)</u>	<u>2,596,251</u>
Cash and cash equivalents at beginning of financial period		3,729,836	3,574,249
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	4	<u>925,350</u>	<u>6,170,500</u>

The accompanying notes form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Basis of Preparation**

The financial statements are general purpose interim financial statements that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the requirements of Corporations Act 2001.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Gateway Mining Limited and its controlled entities. It is therefore recommended that this financial report to be read in conjunction with annual financial statements of the group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

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.

#### **b. Accounting Policies**

The financial statements are general purpose interim financial statements that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the requirements of Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

#### **c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies**

The critical estimates and judgments are consistent with those applied and disclosed in the June 2022 annual report.

#### **d. New, revised or amending Accounting Standards and Interpretations adopted**

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

#### **e. Going Concern**

The 31 December 2022 half year financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

The Group recorded an operating loss for the half year ended 31 December 2022 of \$642,684. The Group's net current asset position was \$324,618 and net operating cash outflows for the 6 months ended 31 December 2022 was \$499,683. The Group has annual mining tenement exploration commitments of \$2,284,600. Subsequent to the year end, the Group have completed a successful capital raising of \$2,289,740.

The directors believe that the going concern basis is appropriate for the preparation and presentation of the interim financial statements, notwithstanding continued operating losses, negative operating cash flows, and no ongoing revenue streams, as the Directors believe that the Group will have 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Directors have prepared a forecast for the 12 months ending 31 March 2024 reflecting the above mentioned expectations and their effect on the Group. The forecast is dependent on the Group raising additional capital during the forecast period. In the event that the Group is unable to raise the necessary capital 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 for amounts different to those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.”

### **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.

#### **Exploration and evaluation costs**

Exploration and evaluation costs have been capitalised on the basis that the Group 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 Group 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 predominately in Australia.

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	\$	\$
Cash and cash equivalents	925,350	3,729,835

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

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	\$	\$
<b>CURRENT</b>		
GST receivables	89,323	105,925
Prepayments	6,728	7,689
Other receivables	540	-
<b>Total trade and other receivables</b>	<b>96,591</b>	<b>113,614</b>

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	\$	\$
<b>NON-CURRENT</b>		
Bank Guarantee	14,800	14,800
<b>Total trade and other receivables</b>	<b>14,800</b>	<b>14,800</b>

**NOTE 6: FINANCIAL ASSETS**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	\$	\$
<b>NON-CURRENT</b>		
<i>Financial assets at fair value through other comprehensive income:</i>		
Shares in listed corporations-at fair value		
Opening fair value	1,664,848	1,615,992
Disposal consideration	(290,974)	-
Revaluation increment	(474,531)	48,856
	<b>899,343</b>	<b>1,664,848</b>
Shares in unlisted corporations-at fair value		
Opening fair value	481,928	481,928
	<b>481,928</b>	<b>481,928</b>
<b>Total financial assets at fair value through other comprehensive income</b>	<b>1,381,271</b>	<b>2,146,776</b>
<b>Term deposit</b>	<b>29,752</b>	<b>29,752</b>
<b>Total financial assets</b>	<b>1,411,023</b>	<b>2,176,528</b>

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

<b>NOTE 7 – DEFERRED EXPLORATION AND EVALUATION                  EXPENDITURE</b>	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT ASSET</b>		
Capitalised expenditure in respect of areas of interest at the beginning of the period	18,676,841	14,618,298
Expenditures during the period	2,905,085	4,067,142
Written off	(83,267)	(8,599)
<b>Capitalised exploration expenditure at the end of the period</b>	<b>21,498,659</b>	<b>18,676,841</b>

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 and are disclosed at Note 11.

**NOTE 8: TRADE AND OTHER PAYABLES**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade and other payables	598,237	307,203

**NOTE 9: ISSUED CAPITAL**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	<b>\$</b>	<b>\$</b>
<b>a. Ordinary shares fully paid</b>		
Balance at the beginning of the year	55,826,498	50,143,877
Shares issued in the period	-	6,060,000
Capital raising costs	-	(377,379)
Balance at the end of the year	55,826,498	55,826,498



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 11: 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 31<sup>st</sup> December 2022 (30 June 2022: nil) for either the parent company or its subsidiaries. The mining tenement commitment as at the 31<sup>st</sup> December 2022 is \$2,284,600 (30 June 2022: \$1,577,600).

*Native Title and Aboriginal Heritage*

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not what extent the claims may significantly affect the Company or its prospects. An Agreement is being reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

**NOTE 12: LEASE LIABILITIES**

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	<b>\$</b>	<b>\$</b>
Lease Liabilities (current)	22,354	43,708
Lease Liabilities (non-current)	46,411	46,412
Total lease liabilities	<u>68,765</u>	<u>90,120</u>

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	<b>31-Dec-22</b>	<b>30-Jun-22</b>
	<b>\$</b>	<b>\$</b>
Interest expenses	1,227	3,313
Depreciation expenses	19,988	39,977
Total	<u>21,215</u>	<u>43,290</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

### NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

#### **\$2.5 Million Capital Raising to Accelerate Exploration at Montague Gold Project**

Subsequent to the reporting period on 25 January 2023, the Company announced it had received firm commitments for a capital raising of \$2.5 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next major phase of exploration at its flagship 500koz Montague Gold Project in Western Australia.

The Placement, which comprises the issue of 40,322,582 shares at an issue price of \$0.062 per share (**New Shares**), was overwhelmingly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

Participants in the Placement received free-attaching options (**New Options**) on a one (1) for three (3) basis, with each New Option being exercisable at \$0.124 and expiring on 31 March 2026. The issue of the New Options was subject to shareholder approval, which was obtained on 8 March 2023. A total of 13,440,902 New Options were issued.

The Placement was lead managed by JP Equities.

The Directors have committed their support for the Placement. Mark Cossom, Trent Franklin, Scott Brown, Debra Fullarton and Peter Lester (and or their nominees) agreed to invest a collective total of \$210,260 under the Placement being 3,391,289 New Shares. Shareholder approval to issue these shares was obtained on 8 March 2023 and the Shares (and attaching options) were subsequently issued to these directors (and or their nominees).

#### **Lithium Exploration Farm-In Agreement for Montague Project With SensOre Ltd**

Subsequent to the reporting period, the Company announced it had executed a Farm-in Joint Venture agreement with ASX-listed specialist exploration group SensOre Limited (ASX: S3N) (**S3N**) to evaluate and target the lithium exploration potential at its flagship Montague Gold Project in WA's Murchison region (**Agreement**).

The Agreement has been executed between Gateway, Gateway's wholly-owned subsidiary Gateway Projects WA Pty Ltd (**Gateway Projects**) and Exploration Ventures AI Pty Ltd (ACN 662 260 148) (**EXAI**, a wholly-owned subsidiary of S3N) over selected tenements at the Montague Project. EXAI is subject to an agreement with German group Deutsche Rohstoff on lithium exploration as announced by S3N on 21 March 2022.

Under the Agreement, EXAI will have the right to acquire up to an 80% interest in the lithium rights (and related by-products) within the Montague tenements. Gateway will retain its existing rights to all other minerals within the Tenements, including precious and base metals.

S3N is a geoscience technology disruptor which plans to utilise the proprietary SensOre DPT<sup>®</sup> artificial intelligence tool to generate targets within the Tenements to explore for lithium. This exploration will be undertaken in parallel with Gateway's ongoing gold exploration activities. To date, no lithium exploration activities have been undertaken at the Montague Gold Project.

#### Terms of Agreement

EXAI to acquire up to 80% of lithium rights only. Ownership of all other minerals within the Tenements to remain unaffected and will be owned by Gateway and Gateway Projects.

Where any conflicts arise as to exploration activities within the Tenements between Gateway and EXAI, the priority of exploration will be given to Gateway to conduct its exploration within the Tenements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)**

The Agreement consists of a three stage farm-in for EXAI to ultimately acquire 80% of the lithium rights (and related by-products) within the Tenements on the following terms:

- (g) 18 month, non-withdrawal period with a minimum of \$350,000 (excluding GST) exploration expenditure (**Minimum Expenditure Amount**).
- (h) Exploration expenditure of \$1,500,000 excluding GST (with \$750,000 of the expenditure to be direct drilling expenditure) within 2.5 years of the earn-in commencing to earn a 51% interest in the lithium rights within the Tenements (**First Earn-In**).
- (i) Exploration expenditure of a further \$3,000,000 excluding GST (with \$1,500,000 of the expenditure to be direct drilling expenditure) within 2 years of completion of the First Earn-In commencing to earn a further 29% interest in the lithium rights within Tenements (**Second Earn-In**).
- (j) The parties have agreed to negotiate in good faith and enter into a formal joint venture agreement as soon as practicable after EXAI earns the First Earn-In.
- (k) Should EXAI earn both the First Earn-In and Second Earn-In, Gateway will have the option to claw-back a further 10% interest in the lithium rights from EXAI, and Gateway will pay to EXAI cash consideration in the amount of 3 times the total expenditure paid by EXAI within the Tenements during the earn-in period pro-rata to the 10% interest Gateway is entitled to acquire (**Clawback Option**).
- (l) Provided Gateway does not exercise its Clawback Option, the remaining lithium rights held by Gateway will be free carried until a bankable feasibility study is completed in relation to lithium minerals.

EXAI will not earn or acquire any interest in the lithium rights to the extent that such rights (and all other mineral rights) are owned by Estuary Resources Pty Ltd (**Estuary**) who hold a 25% interest M57/485 and E57/793 (**Estuary JV Tenements**).

EXAI's right to farm-in and acquire an interest under the Agreement is conditional on the following:

- (c) EXAI completing satisfactory due diligence with respect to the Tenements and transactions contemplated in the Agreement; and
- (d) Gateway giving EXAI written notice confirming Estuary waiving or not exercising its pre-emption rights in relation to the Estuary JV Tenements,

(Collectively, the **Conditions**).

The Conditions must be satisfied within 90 days of execution of the Letter Agreement (**End Date**). If the Conditions are not satisfied or waived by the End Date either party may terminate the Agreement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 14: RELATED PARTY TRANSACTIONS**

**a. Directors and Key Management Persons**

<b>Key Management Persons</b>	<b>Position</b>
Debra Fullarton	Non-Executive Chair
Mark Cossom	Managing Director
Scott Brown	Non-Executive Director
Trent Franklin	Non-Executive Director
Peter Lester	Non-Executive Director

**b. Director's 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 Scott Brown (non-executive director) was paid \$167,950 (December 2021: \$370,242) for Geological services.
- (ii) Related parties of Trent Franklin, a non-executive chairman of the Group including Enrizen Capital Pty Ltd received \$nil (December 2021: \$180,000) for capital raising and underwriting services; Enrizen Lawyers Pty Ltd received \$32,629 (December 2021: \$30,720) for legal services; Enrizen Pty Ltd received \$10,799 (December 2021: \$12,460) for insurance services; Enrizen Service Pty Ltd received \$1,436 (December 2021: \$985). Enrizen Accounting Pty Ltd received \$65,052 (December 2021: \$61,995) for company secretarial and accounting services.

**NOTE 15: COMPANY DETAILS**

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

Gateway Mining Limited  
B1/431 Roberts Road  
Subiaco WA 6008 Australia

## **DIRECTORS DECLARATION**

In the directors' opinion:

- 1 the financial statements and notes, as set out on pages 22 to 34 are in accordance with the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half-year ended on that date of the Group;
  
- 2 in the directors' opinion there are reasonable grounds to believe that the Company 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.



**Debra Fullarton**  
**Non-Executive Chair**

Dated this 15th of March 2023  
Perth



**Mark Cossom**  
**Managing Director**

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

## Conclusion

We have reviewed the half-year financial report of Gateway Mining Limited (the Company) and its controlled entities (the Group), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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## Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) of the financial report, which indicates that the Group has incurred a loss of \$642,684 for the half year ended 31 December 2022, and net operating cash outflows during the same period amounted to \$499,683. These conditions, along with other matters as set forth in Note 1(e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Crowe Sydney**



**Cyrus Patell**  
Partner

Dated 15 March 2023