



7 July 2017

Transaction update

- Gateway has executed all necessary documents to acquire QCIH
- QCIH has continued to advance and develop the Projects while transaction documents and compliance matters are completed.
- Disclosure documents and Notice of Meeting nearing completion
- Advanced stage of negotiations with potential cornerstone investors
- Discussions continuing regarding potential divestment of Gidgee assets

Gateway Mining Ltd ("Gateway" or "the Company") is pleased to provide a transaction update in relation to its acquisition of Queensland Coal Investment Holdings Ltd ("QCIH"), as announced to the market on 1 March 2017.

Transaction Documents:

The Company has now executed all necessary documents to give effect to its purchase of QCIH ("Transaction"). The Transaction remains subject to a number of conditions precedent, including Australian Securities Exchange ("ASX") and shareholder approval, and completion of a capital raising. The terms of the Transaction are detailed in the announcement of 1 March 2017.

QCIH continues to advance projects

QCIH has continued to advance and develop its projects whilst documentation and compliance matters relevant to the Transaction are completed. Most significantly, QCIH has completed substantial mine planning and engineering work and is well advanced on the environmental programs, allowing for the expedited submission of an application for a mining lease ("ML"). In the case of the Wilton Project, the ML application is planned for submission in July. At the Fairhill Project, land access has been secured and base line surveys will commence in July. The necessary permits are also now in place for the commencement of the proposed Fairhill in-fill drilling program and define the Line of Oxidation. This is to commence in the near future.

These works have also been critical in assisting the Independent Expert to complete his reporting obligations, as required to progress the Transaction. This work has taken longer than initially anticipated (and is the prime reason for the delay from the initial proposed timetable) however, importantly, it is now nearing completion.

Pleasingly, the work to date has demonstrated an economically robust project. The Board of the Company remains very confident in the value inherent in the terms on which the Transaction is based. The Company is looking forward to detailing the projects and its development plans once the required disclosure documents are released.



Disclosure documents

The Company is nearing completion of a Prospectus and expects to lodge it with the Australian Securities and Investments Commission ("ASIC") in the coming month. The document will also be simultaneously lodged with the ASX.

Additionally, the Company is nearing completion of the Notice of Meeting for the approval of the Transaction and associated requirements, including a substantial capital raising and consolidation of capital.

It is anticipated this will be released shortly after the Prospectus is lodged with ASIC.

Discussions with cornerstone investor

The Company is at an advanced stage of negotiations with a cornerstone investor and hopes to be able to provide an update to the market regarding these discussions soon. Additionally, the Company has been approached by (and introduced to) a number of institutional and sophisticated investors who have demonstrated strong interest in participating in the Transaction.

The interest from significant investors, in the opinion of the Board, confirms the considerable value in the Transaction, and its potential to create substantial shareholder wealth in the coming periods.

Timetable

The Company presently expects the Transaction to progress as per the following revised timetable:

Date	Item
2 August 2017	Lodgment of Prospectus with ASIC and ASX
4 August 2017	Issue Notice of Extraordinary General Meeting
4 August 2017	Offer Opening Date
1 September 2017	Extraordinary General Meeting
6 September 2017	Offer Closing Date – 5.00pm AEST
8 September 2017	Completion of Transaction, issue of shares, consolidation of capital
8 September 2017	Shares reinstated to official quotation by ASX, subject to ASX approval and compliance with all relevant Listing Rules

The above timetable is subject to change and is provided as an indication of the Company's expectations as at the date of this Announcement.

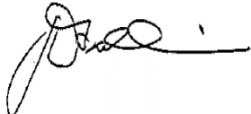


Divestment of Gidgee assets

The Company is also at an advanced stage of discussions with a group desirous of acquiring Gateway's Gidgee assets. Any transaction regarding the divestment of the Gidgee assets will be subject to completion of the acquisition of QCIH.

For full details of the Transaction, please refer to the Company's announcement of 1 March 2017.

Yours faithfully,



Gary Franklin
Company Secretary

Disclaimer:

For the purpose of Chapter 11 of the Listing Rules, the Company provides the following information:

- 1) The Transaction contemplated will require shareholder approval according to the Listing Rules. If approval is not given by members of the Company, the Transaction may not proceed.
- 2) The Company is required to re-comply with Chapters 1 and 2 of the Listing Rules (Admission & Quotation), and if these requirements are not met, the Transaction may not proceed.
- 3) ASX will have absolute discretion in deciding whether to re-admit Gateway to its official list, and if ASX exercises this discretion, the Transaction may not proceed.

Accordingly, shareholders should consider these uncertainties in deciding whether or not to trade in the Company's securities.

The Company also advises that ASX takes no responsibility for the contents of this announcement, and that Gateway continues to comply with its continuous disclosure obligations under Listing Rule 3.1.