



19 December 2017

TRANSACTION UPDATE

Gateway Mining Ltd (**Gateway** or **the Company**) refers to its announcement of 1 March 2017 and subsequent announcements regarding its proposed acquisition of Queensland Coal Investment Holdings Ltd (**QCIH**) (**Transaction**).

Whilst the Company has spent significant time and energy in advancing the Transaction, the Company advises that:

- it has not been able to obtain clearance from the Australian Securities Exchange (**ASX**) for the Transaction, despite considerable effort on Gateway's part and restructuring of certain sections of the sale agreement;
- due to complications in satisfying the requirements of ASX, the Company has been unable to fulfil certain conditions in the sale agreement (**Conditions**) required for completion, including obtaining ASX and shareholder approval;
- as a result of these difficulties, QCIH and Gateway have agreed to terminate the Transaction, and the Company has subsequently received a notice of termination of the sale agreement due to non-satisfaction of the Conditions; and
- accordingly, the Transaction will not occur.

The Company is currently in discussions in relation to other potential mining related opportunities and will remain in voluntary suspension until it is able to hold its Annual General Meeting (**AGM**).

The Company is currently making arrangements for the AGM and expects to issue a Notice of Meeting within the fortnight.

Yours faithfully,

By Order of the Board
Gateway Mining Limited