

Gateway Mining Limited and its controlled entity

**INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
31 DECEMBER 2017**

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CORPORATE DIRECTORY

Directors:

- Mr Trent Franklin (Non-Executive Chairman)
- Mr Andrew Bray (Managing Director) (resigned 15 March 2018)
- Mr Peter Langworthy (Managing Director) (appointed 15 March 2018)
- Mr. Gary Franklin (Non-executive Director)

Company Secretary:

- Mr Gary Franklin

Registered Office:

Level 11
52 Phillip Street
Sydney NSW 2000

Telephone: +61 2 8316 3998
Facsimile: +61 2 8316 3999
Email: info@gatewaymining.com.au

Share Registry:

Automic Registry Services
Level 3/50 Holt Street
Surry Hills NSW 2010

Telephone: +61 2 9698 5414

Auditors:

Crowe Horwath 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 entity (**Gateway** or the **Company**) for the half-year ended 31 December 2017.

DIRECTORS

The names of directors who held office during the year:

- Mr. Trent Franklin (Non-executive Chairman)
- Mr. Andrew Bray (Managing Director) (resigned 15 March 2018)
- Mr Peter Langworthy (Managing Director) (appointed 15 March 2018)
- Mr. Gary Franklin (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.

Operations Review

Acquisition of Omni Projects

As announced on 22 December 2017, the Company executed a binding heads of agreement to acquire Omni Projects Pty Ltd (**Omni Projects**) (**Acquisition**). Omni Projects holds substantial tenement interests around the Company's Gidgee project, and the Acquisition allows the Company to pursue a regional consolidation of what is considered to be highly prospective ground. The purchase of Omni Projects also sees the Company acquire six other gold and base metal projects in Western Australia.

Key Highlights

- The acquired projects consolidate and expand the Company's current position at the Gidgee Gold Project.
- Provides access to a portfolio of high quality gold and base metal tenement holdings across a number of highly prospective regions in Western Australia. Notably the projects provide exposure to the Bryah Basin (Cu-Au, Au), the Pilbara (conglomerate hosted-Au) and a number of Archean Greenstone sequences adjacent to major gold deposits.
- Addition of experienced, well-credentialed geologist and project developer Peter Langworthy to the Board of Directors, upon completion. Additionally, the Acquisition also facilitates access to Mr Langworthy's geological and technical team currently operating the Omni Projects.

DIRECTORS' REPORT

Omni Projects

Omni Projects is a West Australian, private company focused on early-stage exploration and development of gold and base metals. Omni Projects was established in 2013 and has a strong, well-credentialed management team.

Omni Projects has a number of exploration projects comprising seven areas, consisting of over twenty three granted tenements and tenement applications, all located in Western Australia. The projects comprise twelve granted exploration licenses, five exploration licence applications and six prospecting licence applications that cover a total area of approximately 1,339 km², should all of the licenses be granted. The projects include the:

- **Gidgee (South) Project:** the Gidgee Project covers the southern extension of the Gum Creek Greenstone Belt which now doubles Gateways' tenement holdings in the region and provides the platform for additional consolidation of the area.
- **Bryah Basin Project:** this project provides high-quality exposure to gold and copper-gold mineralisation in one of Australia's preeminent exploration and mining districts. The area is host to a series of significant deposits including the world-class DeGrussa copper-gold deposit (Sandfire), the high-grade Monty copper-gold deposit (Sandfire and Talisman) and the Fortnum gold deposit (Westgold).
- **Sylvania Project:** located on the southern margin of the Pilbara Craton, the project has demonstrated outcrops of gold prospective conglomerate interpreted to be part of the Hardy Formation or equivalent.
- **Edjudina Project:** the Edjudina Project is located within the highly endowed Laverton Tectonic Zone and is immediately along strike of the 300koz Fortitude Gold Deposit (Matsa). The project covers 30km of a greenstone sequence associated with a major fault system. Previous exploration has defined a series of high priority targets ready for follow-up evaluation.

DIRECTORS' REPORT

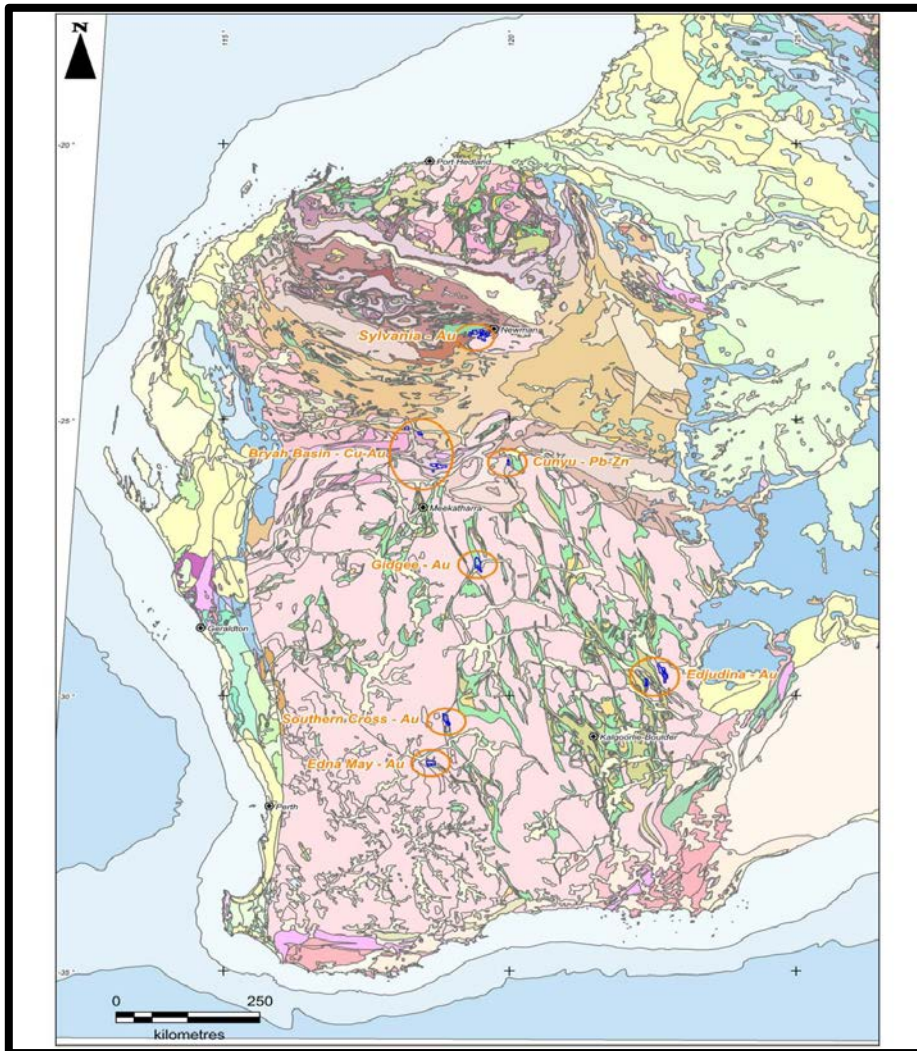


Figure 1: Omni's exploration project locations

Gateway currently holds interests in approximately 150km². of tenements in the Gidgee area, located 600km northeast of Perth. These tenements are located over the highly endowed Gum Creek Greenstone Belt and are considered prospective for both lode style gold deposits and volcanic hosted massive sulphide copper-gold deposits (VHMS) (**Gidgee Project**). The Acquisition will now expand this footprint to 300km².

DIRECTORS' REPORT

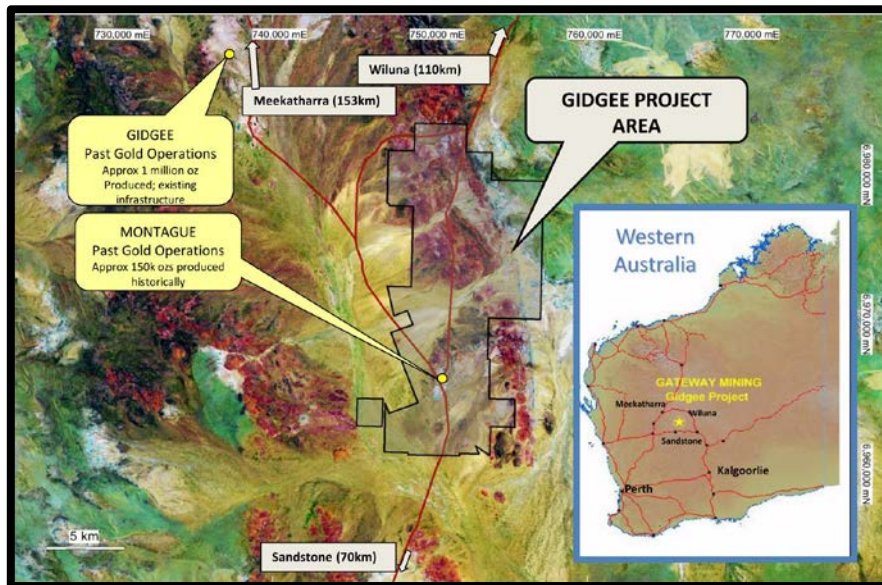


Figure 2: Gidgee Project location and tenement area

Historically the Gidgee region has produced around 1.5 million ounces of gold, including production from shallow oxide open pits within the Company's Airport Central tenements (150,000oz). The discovery of copper mineralisation at The Cup Prospect highlights the prospectivity of the project area to host significant VHMS deposits in addition to the gold.

Gateway has advanced the understanding of both the gold and base metal prospectivity of the Gidgee Project and has identified the major structural controls for the gold mineralisation of particular focus will be the major mineralised shear system along the contact between the granite intrusion and the mafic volcanic sequence. Previous drilling has demonstrated the potential for focused high-grade gold mineralisation along this contact zone and for large-scale sheeted vein-stockwork mineralisation within the granite.

The focus of exploration is to define the potential of what is interpreted to be a large-scale gold system through systematic and sustained programs of exploration. Excellent potential remains to discover significant near-surface oxide gold deposits, whilst the depth extent of the mineralisation in all cases remains largely untested. The potential of the VHMS system will continue to be assessed and will be targeted at the appropriate time.

The Company will continue to maintain a very cost-effective approach to administration with the object to ensure that maximum funds are available for exploration and development, and looks forward to the consolidation of the Omni Projects tenements with the Company's own tenement portfolio.

Terms of the Acquisition

Under the heads of agreement, the Company has agreed to purchase all of the issued capital in Omni Projects from its sole shareholder, Omni GeoX Pty Ltd (**Omni GeoX**), on the following terms and conditions:

- (a) the Company will issue to Omni GeoX, as consideration for the Acquisition, A\$1.5 million in fully paid ordinary shares in the Company at \$0.012 per share;

DIRECTORS' REPORT

- (b) the Company may conduct all such due diligence in relation to the projects that it requires, within 90 days of the heads of agreement, and such due diligence must prove satisfactory to the Company; and
- (c) the acquisition will be subject to the following conditions precedent which must be satisfied prior to completion:
 - (i) the execution of a formal, binding, sale and purchase agreement for the Acquisition;
 - (ii) each party must obtain all such approvals and consents as may be necessary to give effect to the Acquisition, including shareholder approval; and
 - (iii) the Company conducting a capital raising via rights issue to achieve up to A\$3,500,000,

and the parties have agreed to use their best endeavours to ensure that these conditions precedent are met by 31 March 2018 (**End Date**).

Gidgee Project

The Company has continued to advance the Gidgee Project, focussing on modelling the resource and planning for resource drilling on the already-identified gold mineralisation.

Following the Company's announcement on 19 December 2017 that the Transaction with QCIH would not complete, the Company was in discussions in relation to other potential mining related opportunities.

Queensland Coal Investment Holdings Limited (QCIH)

As previously announced, the Company had entered into a series of agreements whereby it would potentially acquire two coal projects in the Bowen Basin. On 19 December 2017, the Company announced the agreement had been terminated due to failure to meet certain conditions precedent required for completion.

Financial Results

The loss of the Group for the half-year to 31 December 2017 was \$284,830 compared to a loss of \$590,500 for the previous comparative half-year.

The Group incurred exploration expenditure of \$107,280 during the current half-year to 31 December 2017 compared to \$203,024 for the prior half-year to 31 December 2016.

The Group's cash and cash equivalents at 31 December 2017 was \$2,930 (June 2017: \$4,516). The total net assets of the Group at 31 December 2017 stands at \$980,255 (June 2017: \$1,265,085) of which investment in exploration expenditure accounts for \$2,107,280 (June 2017: \$2,000,000).

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

Capital Raising

On 13 February 2018, the Company announced a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by eligible shareholders at an issue price of \$0.012 per Share (**New Shares**), to raise up to \$3,821,076 before costs (together with one (1) free attaching option for every five (5) shares subscribed for and issued (**Option**)(**Offer**). The Company lodged a prospectus for the Offer with ASIC and ASX on 13 February 2018.

Each New Share will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

The funds raised from the Offer are planned to be used for the repayment of loans, capital raising fees, legal fees, exploration costs and general working capital.

On 16 March 2018, the Company announced the completion of Entitlement Issue and Shortfall Placement which was fully subscribed.

Omni Projects

On 1 March 2018, the Company announced that Omni GeoX and the Company executed the share sale agreement required to facilitate the Acquisition. Subsequently, on 16 March 2018, the Company announced that the Acquisition was completed.

Appointment of Managing Director

On 15 March 2018, Mr Peter Langworthy was appointed as Managing Director of the Company. Consequently, Mr Andrew Bray resigned as Managing Director to focus on other projects.

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2017 is enclosed and forms part of this interim financial report.

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



TRENT FRANKLIN

Non-executive Chairman

Dated this 19 day of March 2018
Sydney

19 March 2018

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 review of the half-year financial statements of Gateway Mining Limited for the half-year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



CROWE HORWATH SYDNEY



SUWARTI ASMONO

Partner

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 Dec 2017	31 Dec 2016
	\$	\$
Interest received non related	250	2,008
Employee benefits expense	(22,633)	(4,275)
Professional services rendered	(178,402)	(174,000)
Travelling and entertainment	(31,662)	(343)
Share registry fees	(36,079)	(31,895)
Share placement fees	-	(40,000)
Exploration expenditure written off	-	(336,143)
Impairment of available for sale financial assets	-	(2,100)
Office and administrative expenses	(16,305)	(3,752)
Loss before income tax	(284,830)	(590,500)
Income tax expense	-	-
Loss for the half-year	(284,830)	(590,500)
Other comprehensive income:		
Fair value loss on available for sale financial assets	-	-
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income (loss) for the half-year attributable to owners of the company	(284,830)	(590,500)
Earnings per share		
Basic earnings per share (cents)	(0.09)	(0.19)
Diluted earnings per share (cents)	(0.09)	(0.19)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	NOTE	31 Dec 2017 \$	30 June 2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,930	4,516
Trade and other receivables	5	166,629	27,463
TOTAL CURRENT ASSETS		169,558	31,979
NON-CURRENT ASSETS			
Financial assets -deposits	6	28,900	28,649
Financial Assets -available for sale	6	24,036	23,358
Exploration and evaluation expenditure	7	2,107,280	2,000,000
TOTAL NON-CURRENT ASSETS		2,160,216	2,052,007
TOTAL ASSETS		2,329,774	2,083,987
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	768,743	620,464
Loans and borrowings	9	564,449	195,000
Provisions for employee benefits		16,327	3,437
TOTAL CURRENT LIABILITIES		1,349,519	818,901
TOTAL LIABILITIES		1,349,519	818,901
NET ASSETS		980,255	1,265,085
EQUITY			
Issued capital		28,895,980	28,895,980
Reserves		233,000	233,000
Accumulated losses		(28,148,725)	(27,863,895)
TOTAL EQUITY		980,255	1,265,085

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued Capital	Accumulated losses	Available for sale financial assets reserve	Share based payments reserve	Total
	\$	\$	\$	\$	
Balance at 1 July 2016	28,435,980	(18,616,359)	-	233,000	10,052,621
Loss for the half-year	-	(590,500)	-	-	(590,500)
Other comprehensive income / (loss) for the half-year	-	-	-	-	-
Total comprehensive loss for the half-year	-	(590,500)	-	-	(590,500)
Transactions with owners in their capacity as owners					
Shares issued in the half- year	500,000	-	-	-	500,000
Balance at 31 December 2016	28,935,980	(19,206,859)	-	233,000	9,962,121
Balance at 1 July 2017	28,895,980	(27,863,895)	-	233,000	1,265,085
Loss for the half-year	-	(284,830)	-	-	(284,830)
Other comprehensive income / (loss) for the half-year	-	-	-	-	-
Total comprehensive loss for the half-year	-	(284,830)	-	-	(284,830)
Transactions with owners in their capacity as owners					
Shares issued in the half- year	-	-	-	-	-
Balance at 31 December 2017	28,895,980	(28,148,725)	-	233,000	980,255

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	NOTE	31 Dec 2017 \$	31 Dec 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(232,815)	(301,643)
Interest received		-	2,008
NET CASH USED IN OPERATING ACTIVITIES		<u>(232,815)</u>	<u>(299,635)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration and evaluation		(22,672)	(432,949)
NET CASH USED IN INVESTING ACTIVITIES		<u>(22,672)</u>	<u>(432,949)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	9	253,900	-
Proceeds from issue of shares		-	460,000
NET CASH FROM FINANCING ACTIVITIES		<u>253,900</u>	<u>460,000</u>
NET INCREASE / (DECREASE) IN CASH HELD		<u>(1,587)</u>	<u>(272,584)</u>
Cash and cash equivalents at beginning of financial year		4,516	342,849
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4	<u>2,930</u>	<u>70,265</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

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 entity. 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 2017, 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 2017 annual report.

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

The consolidated entity has adopted all of the 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, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. 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, net current liabilities, 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;
- c) by reducing the exploration program to maintain cash flow; and
- d) by deferring the payment of directors' fees.

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, reduction in interest income, 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.

f. 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 31 December 2017 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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 plant and equipment, mining infrastructure and 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

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 predominately in Australia.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and on hand

31-Dec-17	30-Jun-17
\$	\$
2,930	4,516

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT

Other receivables

Prepayments

Total trade and other receivables

31-Dec-17	30-Jun-17
\$	\$
148,995	8,609
17,634	18,854
166,629	27,463

Other Receivables as shown are within agreed terms. The Directors consider that they do not require impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 6: FINANCIAL ASSETS

NON-CURRENT

Available for sale financial assets:

Shares in listed and unlisted corporations-at fair value

Opening fair value

Disposal consideration

Amount recognised in profit and loss

Amount recognised in comprehensive income

31-Dec-17

\$

30-Jun-17

\$

23,358

24,857

-

-

678

(1,499)

-

-

Total financial assets available for sale

24,036

23,358

Term Deposit

28,900

28,649

Term Deposit are recorded using a level one hierarchy as a value can be obtained in active market.

**NOTE 7 - NON-CURRENT DEFERRED EXPLORATION
AND EVALUATION EXPENDITURE**

31-Dec-17

\$

30-Jun-17

\$

NON-CURRENT ASSET, WHOLLY OWNED

Capitalised expenditure in respect of areas of interest at the beginning of the year

Additions

Impairment of exploration assets

Written off

Capitalised exploration expenditure at the end of the year

2,000,000

10,350,872

107,280

355,387

-

(7,500,397)

-

(1,205,862)

2,107,280

2,000,000

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 8: TRADE AND OTHER PAYABLES

	31-Dec-17	30-Jun-17
	\$	\$
CURRENT		
Trade and Other Payables	768,743	620,464

NOTE 9: BORROWINGS

	31-Dec-17	30-Jun-17
	\$	\$
Current(unsecured):		
Loan by related party - amortised cost	464,449	195,000
Loan from external party	100,000	-
Total borrowings	564,449	195,000

Loans from related parties are interest free. The loans are due for repayment on demand. The carrying amounts represent the fair values of borrowings at balance date.

Loan from external party is interest free. The loan will be repayable in full upon the earlier of the completion by the Company of the Capital Raising and 31 March 2018.

**NOTE 10: CONTINGENT LIABILITIES, CAPITAL EXPENDITURE AND MINING
TENEMENT COMMITMENTS**

Commitments

As announced on 22 December 2017, the Company executed a binding heads of agreement to acquire Omni Projects Pty Ltd. The Company has agreed to purchase all of the issued capital in Omni Projects from its sole shareholder, Omni GeoX Pty Ltd for \$1.5million by way of fully paid ordinary shares in the Company at \$0.012 per share. The acquisition is conditional on further due diligence, the execution of a formal binding sale and purchase agreement, shareholder approval and the Company conducting a capital raising via rights issue to achieve up to A\$3,500,000. The parties have agreed to use their best endeavours to ensure that these conditions precedent are met by 31 March 2018.

The Board of Directors believe that there are no additional contingent liabilities or capital equipment commitments up to or subsequent to the 31st December 2017 (2017: nil) for either the parent company or its subsidiary. The mining tenement commitment as at the 31st December 2017 is \$304,137 (June 2017: \$628,800).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 13 February 2018, the Company announced a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by eligible shareholders at an issue price of \$0.012 per Share (**New Shares**), to raise up to \$3,821,076 before costs (together with one (1) free attaching option for every five (5) shares subscribed for and issued (**Option**)(**Offer**). The Company lodged a prospectus for the Offer with ASIC and ASX on 13 February 2018.

Each New Share will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

The funds raised from the Offer are planned to be used for the repayment of loans, capital raising fees, legal fees, exploration costs and general working capital.

On 16 March 2018, the Company announced the completion of Entitlement Issue and Shortfall Placement which was fully subscribed.

On 1 March 2018, the Company announced that Omni GeoX and the Company executed the share sale agreement required to facilitate the Acquisition. Subsequently, on 16 March 2018, the Company announced that the Acquisition was completed.

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.

NOTE 12: RELATED PARTY TRANSACTIONS

a. Directors and Key Management Persons

Key Management Persons	Position
Trent Franklin	Non-Executive Chairman
Andrew Bray	Managing Director (resigned on 15 March 2018)
Peter Langworthy	Managing Director (appointed on 15 March 2018)
Gary Franklin	Non-Executive Director /Company Secretary/CFO
Scott Jarvis	Head Geologist

b. Directors loans

No directors or any key personnel have received any loans from the Group. The Group has payables to directors and key personnel at the end of year for fees or salary not paid totalling \$507,000 (June 2017:\$406,150) and loan from director totalling \$464,449. Payment will be made as circumstances permit.

c. Other

A number of directors are also the directors of Enrizen Pty Ltd which provided insurance and risk consulting services for the Group during the half-year totalling \$3,439 (Dec 2017:\$6,100). The amount which was unpaid at year end has since been paid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 13: INTERESTS IN SUBSIDIARIES

During the six month period to 31st December 2017, Gateway Mining Limited continued to control its 100% owned subsidiary Boomgate Capital Pty Ltd. The subsidiary was established in the year ended 30 June 2013 and is incorporated in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the subsidiary are in accordance with the accounting policy described in Note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		31 Dec 2017	30 June 2017
		%	%
Boomgate Capital Pty Ltd	Australia	100.00%	100.00%

NOTE 14: 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

DIRECTORS DECLARATION

The directors declare that:

- 1 the financial statements and notes, as set out on pages 11 to 22 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 2017 and of the performance for the half-year ended on that date of the Company;
- 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.



Trent Franklin
Non-executive Chairman
Dated this 19 day of March 2018
Sydney

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gateway Mining Limited (the Company) and its controlled entity (the Group) which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-year 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 (including Australian Accounting Interpretations) 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2017 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*. As the auditor of Gateway Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gateway Mining Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the half-year financial report, which indicates that the Group incurred a net loss of \$284,830 during the half-year ended 31 December 2017, as of that date, the Group's current liabilities exceeded its current assets by \$1,179,961 and has limited income streams for future years. As stated in Note 1(e), 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 opinion is not modified in respect of this matter.

**CROWE HORWATH SYDNEY****SUWARTI ASMONO**

Partner

Dated this 19th day of March 2018