



ASX Announcement: 18 September 2018

GATEWAY TO TARGET MAIDEN GOLD RESOURCES AT GIDGEE AS PART OF NEXT PIVOTAL PHASE OF DRILLING

Drilling to resume in October to build on the strong foundations laid earlier this year

HIGHLIGHTS

- **Planning for the next stage of resource evaluation and ongoing systematic evaluation of the broader gold-system at the Gidgee Gold Project now complete. Drilling to re-commence in October 2018 following finalisation of all required statutory permitting.**
 - **Upcoming programs of work will include:**
 - **Extensional and in-fill drilling at the high-grade Whistler Prospect ahead of a maiden Resource.**
 - **Resource evaluation drilling at the Montague Prospect ahead of a maiden Resource.**
 - **Follow-up drill testing of the newly-discovered Gordon Lode at the Montague prospect, where recent drilling intersected a zone of exceptionally high-grade gold mineralisation (GRC0330: 4 metres @ 24.2g/t Au).**
 - **Follow-up drill testing at two high-priority targets located along strike (C2 Prospect and Our Jack) identified in the recently completed aircore drilling program.**
 - **Ongoing systematic evaluation of the extensive extensions of the prospective margin of the Montague Granodiorite, including recently identified gold prospective corridors.**
 - **Continued validation and evaluation of the project's historical database.**
 - **The Company's strategy remains to assess the excellent potential for the Gidgee Project to host a large-scale gold system in parallel with the development of a core maiden Resource base at the more advanced prospects.**
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Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that planning for the next significant stage of resource evaluation and exploration drilling at its 100%-owned Gidgee Gold Project in WA (Figure 1) has now been completed and is scheduled to start during October 2018 pending the finalisation of all statutory permitting.

Following Gateway's successful maiden drilling programs earlier this year at the Whistler and Montague Prospects, which confirmed the presence of strong and extensive zones of gold mineralisation, the Company has decided to commence significant programs of evaluation and expansion drilling targeting the establishment of a maiden Resource base for the Gidgee Gold Project.

Key upcoming activities will include reverse circulation and diamond drilling, commencement of metallurgical test work and an initial assessment of geotechnical conditions at these advanced prospects.

In parallel with this detailed evaluation work, exploration will continue to target and test a pipeline of high-priority targets across the wider project that are being generated from the Company's recent programs of exploration and the ongoing validation and assessment of extensive historical datasets.

Gateway has a clear strategy that is aimed at establishing a maiden Resource base for the Gidgee Gold Project while maintaining a strong parallel focus on evaluating the broader scope of the project to host a large-scale gold system.



Figure (1): Gidgee Gold Project Location Plan

RESOURCE EVALUATION

Whistler Prospect

The recent reverse circulation (RC) and diamond drilling program at the Whistler Prospect confirmed the presence of a significant, broad gold mineralised domain immediately beneath the base of the historical open pit. This mineralised domain also includes a substantial high-grade core containing intersections that include **20m @ 16g/t Au, 11m @ 5.6g/t Au, 12m @ 7.7g/t Au, 2.8m @ 79.2g/t Au and 10m @ 7.7g/t Au¹**.

The mineralisation remains open in most directions, demonstrating a significant opportunity to expand the extent of the known mineralisation.

However, based on the quality and the continuity of the mineralisation defined to date, the Company has decided to commence a program of resource evaluation drilling. The aims of this program include (see Figure 2):

- Defining a maiden open pit Resource immediately beneath the existing historical open pit;
- Modelling of the high-grade domain to define an underground Resource;
- Providing key samples to commence metallurgical test work; and
- The collection of geotechnical information.

In parallel with this resource evaluation drilling, a program of resource expansion/exploration drilling will be undertaken that will be focused on defining:

- Extensions to the high-grade mineralisation down-dip and along strike; and

¹ See ASX announcement dated 10th July 2018 for details

- The controls on structures defined in the footwall of the main mineralised structure, where recent drilling returned intercepts including **2.8m @ 79.2g/t Au** and **18m @ 2.9g/t Au**.

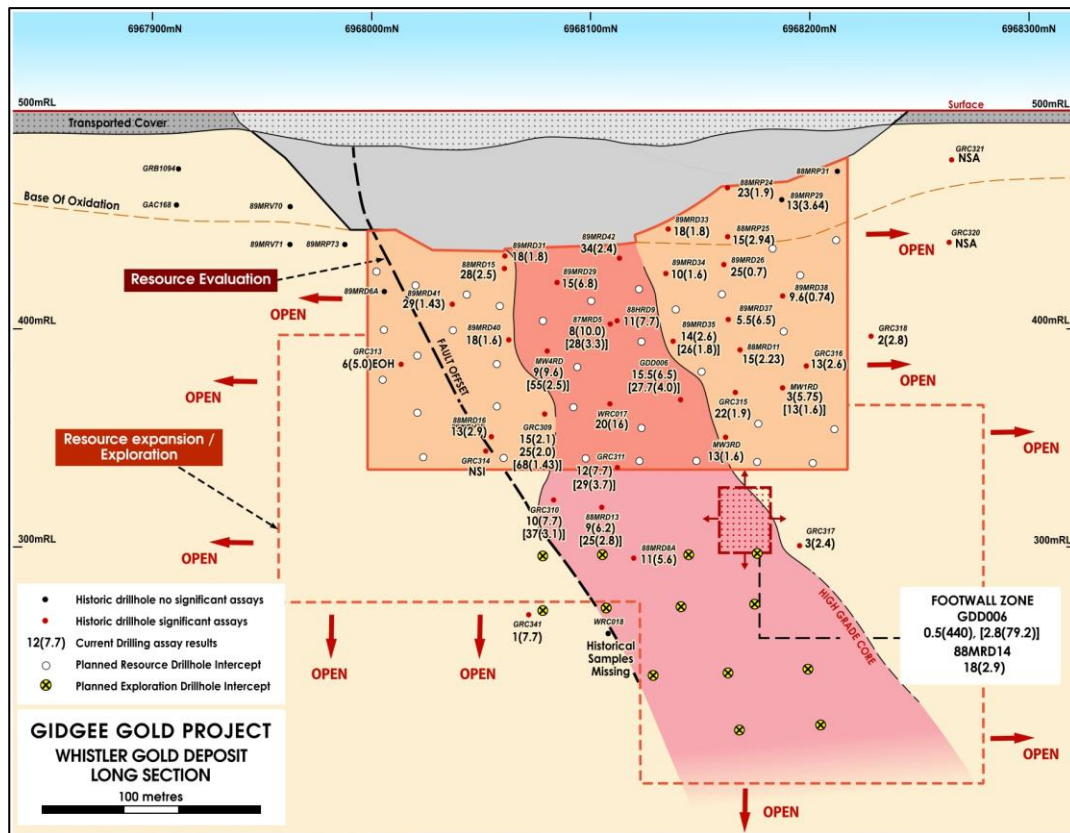


Figure (2): Whistler Prospect Resource Evaluation Long Section

Montague Prospect

The Montague Prospect, like Whistler, also represents an opportunity to define a maiden Resource beneath the shallow historical open pit while at the same time testing the potential for the presence of a much larger gold deposit. Planned resource evaluation drilling will focus on:

- The immediate extensions of the Boulder shear zone that extends out of the western base of the historical open pit over a strike length of approximately 300m and a down-dip extent of approximately 200m (Figure 3). Previous drilling results in this position include **15 metres @ 2.1g/t Au (including 7 metres @ 4.0g/t Au), 5.0 metres @ 3.5g/t Au, 8.0 metres @ 9.8g/t Au and 8.2 metres @ 1.4g/t Au²**;
- A zone of granite-hosted stockwork mineralisation in the eastern part of the open pit;
- Immediate strike extensions to the north and south of the Montague open pit where shallow drilling demonstrates that the Montague mineralisation has not been closed off; and
- Provision of samples for metallurgical testwork and collection of geotechnical data.

In addition to the focused resource evaluation work, a component of the drilling program will be allocated to:

- Following up the discovery hole on the Gordon Lode (**4m @ 24.2g/t Au**). This position remains totally unconstrained and, as such, represents a major exploration opportunity to define a high-grade mineralised structure;

² See ASX announcement dated 6th July 2018 for details

- Testing a conceptual target at depth based on a structural model that suggests the potential for stacked mineralised gold lodes with the potential to host significant high grades; and
- Testing the contact between the mafic volcanic rocks and the granodiorite. This position is analogous to the structural setting of the Whistler deposit.

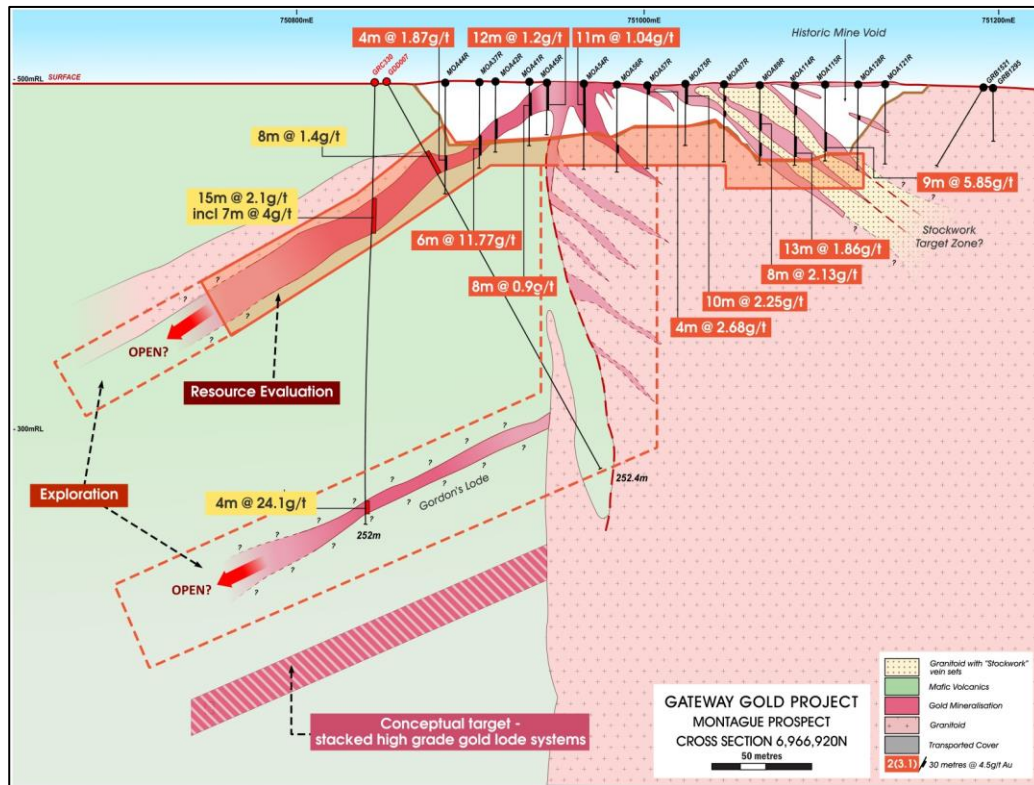


Figure (3): Montague Prospect Resource Evaluation Cross-Section

EXPLORATION

Strategy

Gateway maintains a strong belief that the mineralised gold system associated with the margins of the Montague Granodiorite has the potential to develop into a large-scale opportunity. As outlined in recent announcements and presentations, this opportunity is considered to be analogous to the King of the Hills- Tarmoola (2.3Moz) and Granny Smith (+2Moz) gold deposits located in the Eastern Goldfields of WA.

With this in mind, the Company remains committed to pursuing this opportunity at the same time as undertaking initial evaluation work programs to establish maiden Resources at both Whistler and Montague.

The following target descriptions provide an example of the high-priority quality exploration opportunities that are currently available within the Company's extensive target portfolio.

Our Jack Prospect

The Our Jack Prospect is located approximately 400m to the north of the Montague open pit. Recent drilling has returned a series of significant intersections that confirmed and enhanced the results of historical drilling. Results include shallow intercepts of **16 metres @ 1.73g/t Au**, **7 metres @ 1.34g/t Au** and **23 metres @ 2.03g/t Au³** (Figure 4).

The next phase of exploration will focus on RC drilling to test for down-dip and along-strike continuity, as the mineralisation remains open in all directions. The drilling will also provide information as to how this mineralisation may relate to the Montague deposit to the south.

³ See ASX announcement dated 22nd August 2018 for details

C2 Prospect

The C2 Prospect has been defined by programs of shallow Aircore and RAB drilling as a series of shallow-dipping, linking structures between the Caledonian and NE deposits. Significant results include **2 metres @ 5.82g/t Au, 2 metres @ 24.6/t Au, 3 metres @ 15.7g/t Au, 10m @ 1.62g/t Au and 16m @ 1.61g/t Au⁴** (Figure 5).

Planned exploration will include initial RC drilling along these structures to test for down-dip and along strike continuity.

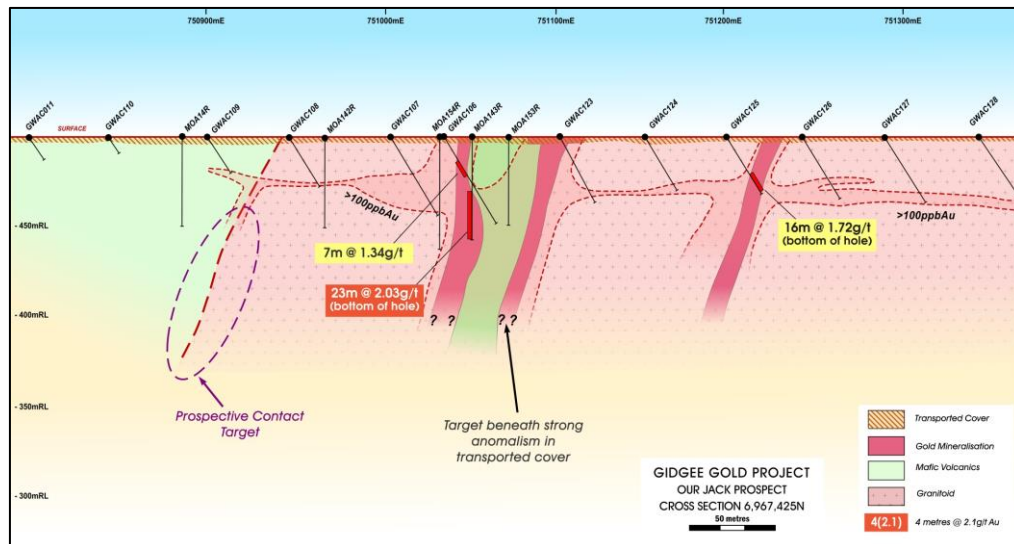


Figure (4): Our Jack Prospect – Interpreted Cross-Section 6,967,425N

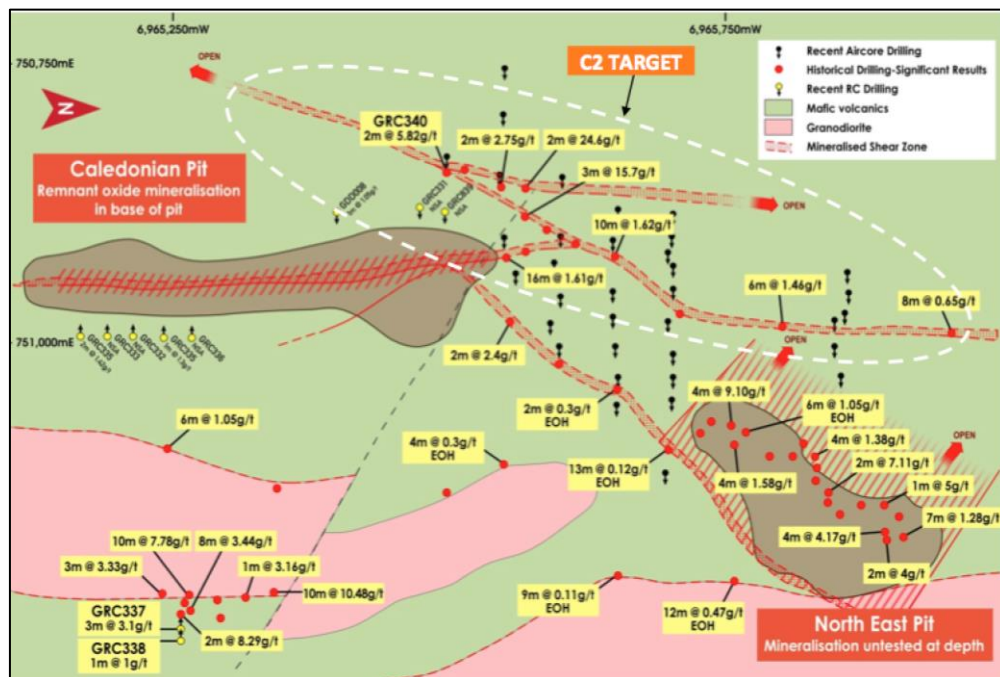


Figure (5): C2 Target - Interpreted Geology Plan and Gold Distribution

Boulder Trend

An approximate 4km strike trend on the south-west margin of the Montague Granodiorite has only been the subject of minor historical drilling and remains largely untested. The drilling along this trend is typically wide-spaced and, in

⁴ See ASX announcement dated 22nd August 2018 for details

general, is considered too shallow to have effectively tested the bedrock beneath transported cover. In fact, less than 20 drill holes have been drilled deeper than 50m.

The structural and stratigraphic components that control the mineralisation to the immediate north are evident along the Boulder Trend and, as such, the prospectivity of the target area is considered very high.

Programs of exploration to assess this 4km trend will largely involve systematic Aircore drilling to complete effective bedrock testing beneath the transported cover.

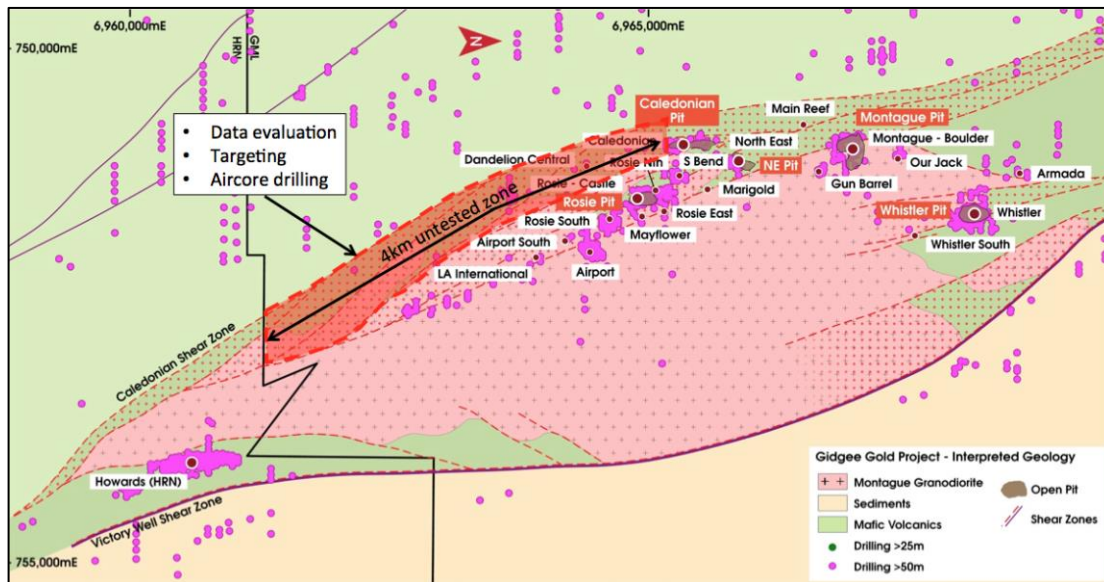


Figure (6): Boulder Trend – Interpreted Geology Plan and Gold Distribution

NEXT STEPS

The planned programs of work will initially focus on resource evaluation and resource expansion activities at the Whistler Prospect, followed by a similar evaluation and expansion program at the Montague Prospect.

Testing of the specific high-priority targets including Our Jack and the C2 Prospect will also be completed during this phase of work.

The programs of work to test the Boulder Trend will be instigated at the appropriate time around the resource evaluation work.

Peter Langworthy
Managing Director

For and on behalf of
GATEWAY MINING LIMITED

Competent Person Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr Peter Langworthy who is a consultant to Gateway Mining Ltd and is a current Member of the Australian Institute of Mining and Metallurgy. Mr Peter Langworthy 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 Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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