



ASX Announcement: 2 November 2018

EXTENSIVE ZONE OF STRONG GOLD ANOMALISM DEFINED ON EASTERN MARGIN AT GIDGEE GOLD PROJECT

Successful geochemical sampling program identifies large-scale shallow gold target directly along strike from Horizon Gold's 200,000oz Howard's gold deposit

HIGHLIGHTS

- Large, coherent gold anomaly delineated by recent surface geochemical sampling along the extensive ~10km long gold mineralised trend on the Eastern Margin of the Montague Granodiorite at Gateway's 100%-owned Gidgee Gold Project in WA.
 - The anomaly, which has been named the **Kashmere Prospect**, is located immediately along strike from the 200,000oz Howard's Gold Deposit¹ and has emerged as an outstanding exploration target with the following key attributes:
 - A defined strike length of at least 1.8km and up to 200m wide;
 - The size of the anomaly may be restricted by transported cover associated with an active stream system;
 - A peak result of 129ppb Au achieved from the recent sampling program; and
 - The anomaly is located on or near the prospective granodiorite contact which forms the main target for gold mineralisation within the Gidgee Gold Project.
 - A number of lower order gold anomalies have been generated to the north along the Eastern Margin, however it is likely that the depth of transported cover in this area has largely made the sampling ineffective.
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Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that initial programs of exploration along the Eastern Margin of the Montague Granodiorite within its 100%-owned Gidgee Gold Project, WA (Figure 1) have defined a large, coherent geochemical gold anomaly located immediately along strike from the 200,000oz Howard's Gold Deposit, owned by its neighbour Horizon Gold (ASX: HRN).

The key features of the newly-identified **Kashmere Prospect** geochemical target include (see Figures 2 and 3 and Appendix 1):

- The target is defined by part of the regional geochemical sampling program that was completed along the Eastern Margin of the Montague Granodiorite (n=588; 200m x 50m grid).
- The anomaly has been defined over a strike length of at least 1.8km and widths of up to 200m (20ppb Au contour). The true size of the anomaly may be restricted by transported cover associated with an adjacent active stream system.
- There are samples within the broader anomaly with significant elevated gold values (129ppb Au and 123ppb Au).

¹ See HRN website for full details of Horizon Gold Limited's JORC Resource reporting.

- The gold anomaly is supported by elevated pathfinder elements including silver (Ag) and to a lesser extent copper (Cu).
- The anomaly is located on or near the prospective granodiorite contact which forms the main target for gold mineralisation within the Gidgee Gold Project.

A number of lower order gold anomalies have been generated to the north along the Eastern Margin, however it is likely that the depth of transported cover in this area has largely made the sampling ineffective.

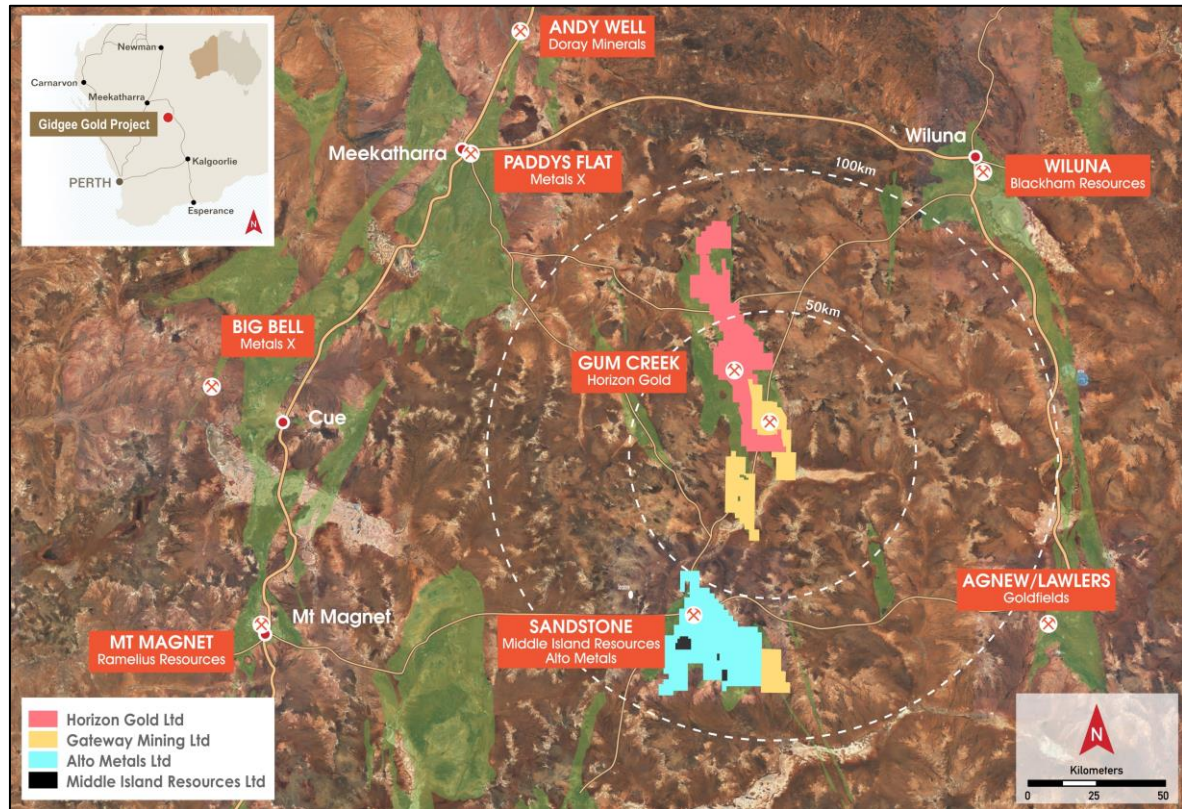


Figure (1): Gidgee Gold Project Location Plan

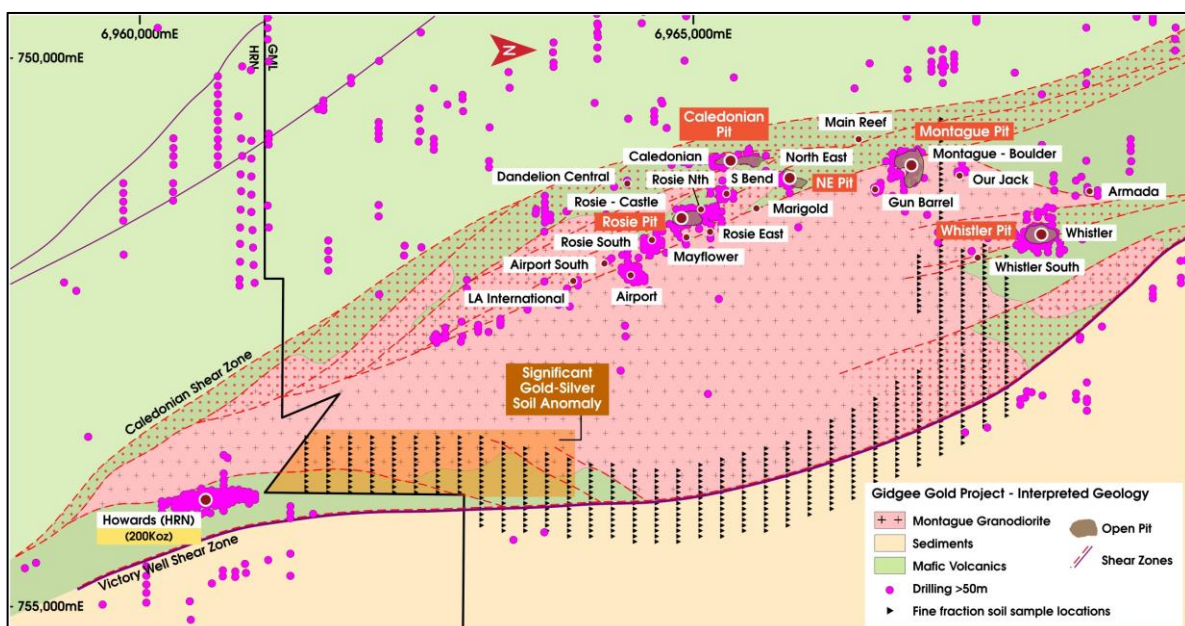


Figure (2): Plan of Geochemical Survey and Location of the Kashmere Prospect

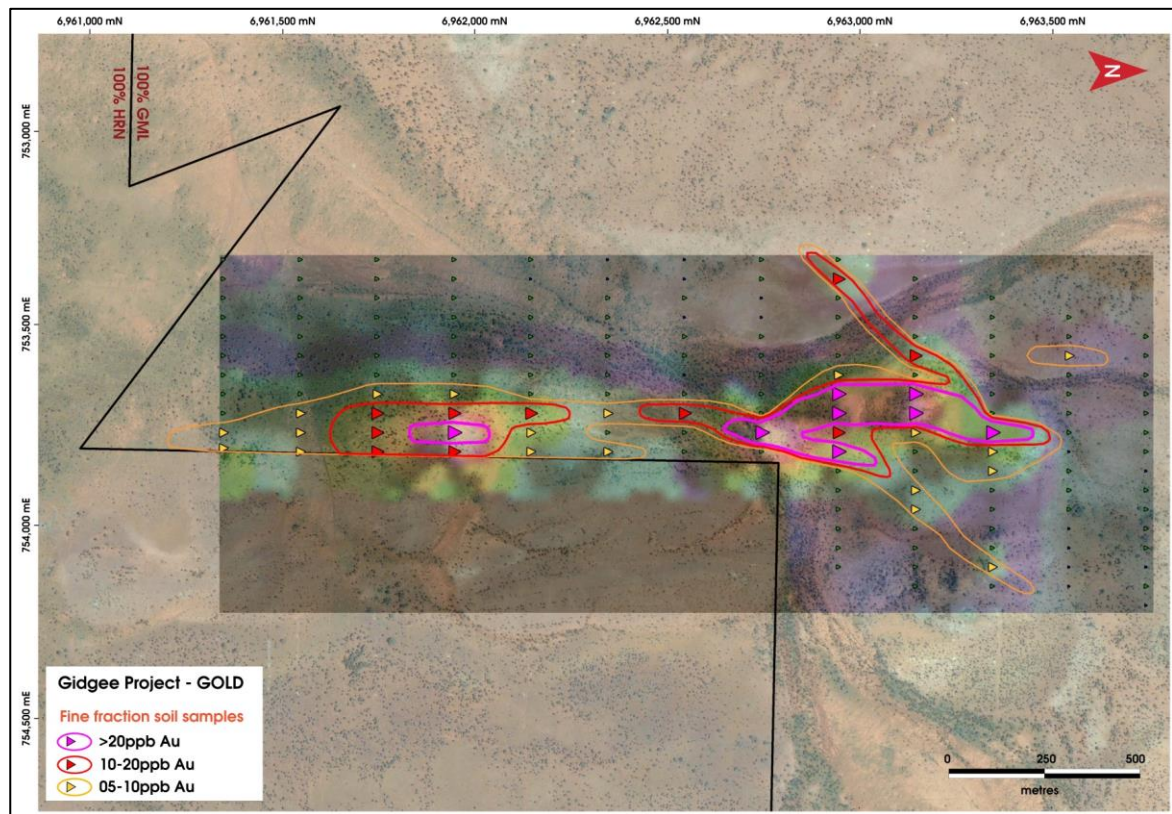


Figure (3): Kashmere Prospect Geochemical Anomaly (gold)

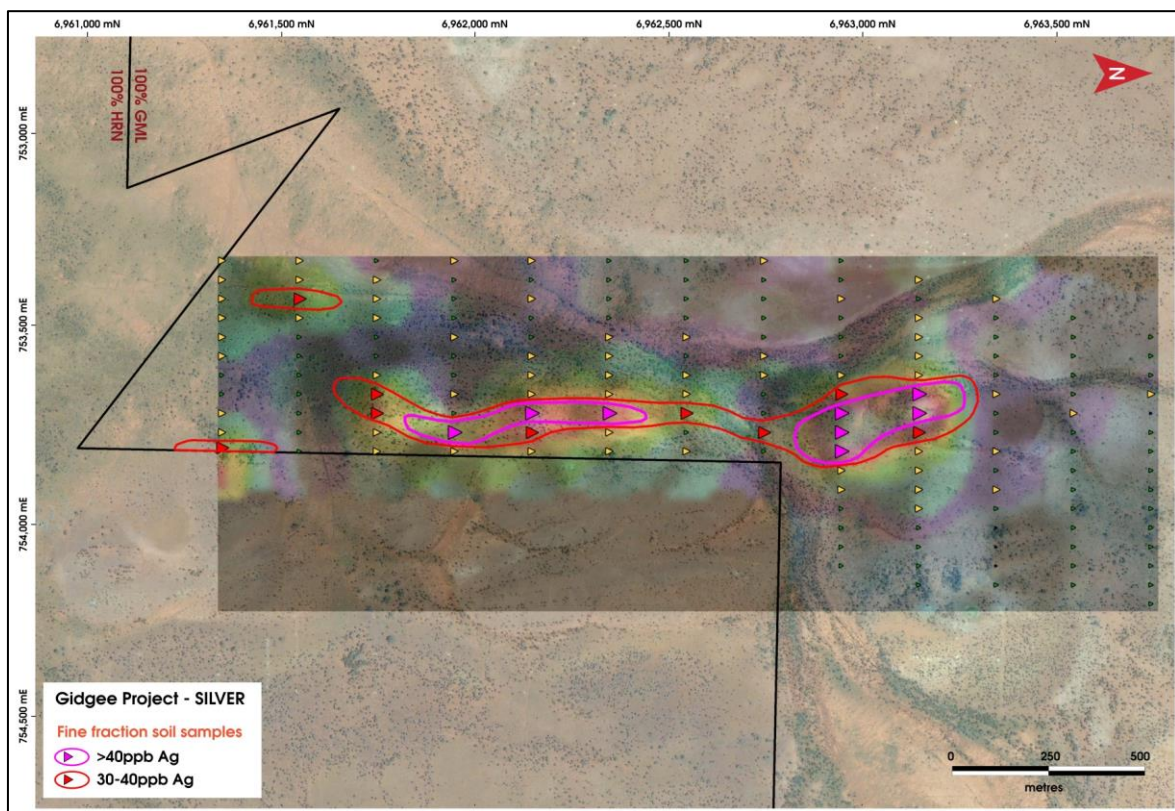


Figure (4): Kashmere Prospect Geochemical Anomaly (silver)

NEXT STEPS

The Eastern Margin of the Montague Granodiorite has recently been identified as a major new, regionally significant exploration target that has remained largely unexplored despite hosting a 200,000oz gold resource (see ASX Announcement dated 25th September 2018). This program of surface geochemical sampling represents the first part of a systematic exploration program along the ~10km strike.

Field checking of the gold anomaly, including geological mapping and characterization of the regolith (ground surface), is currently underway. It is likely that this will then lead to a program of detailed Aircore drilling at the Kashmere Prospect as well as reconnaissance Aircore drilling to test under transported cover to the north.

MANAGEMENT COMMENT

Gateway's Managing Director, Peter Langworthy, said the identification of new, high quality targets like Kashmere underlined the substantial and largely untapped exploration potential within the Company's broader ground position at Gidgee.

"We have used a simple, low cost exploration technique to generate an outstanding shallow gold target in a short period of time," he said. "We always had high hopes for this area from a conceptual targeting perspective given its location directly along strike from an existing 200,000oz gold resource, as well as its position on a structurally favoured geological horizon.

"We still have lots of work to do to really understand the controls of the gold anomalism in relation to the transported cover, however there is clearly excellent prospectivity along this contact zone. Our geologists are currently in the field to check these results and to gather additional information, particularly on the cover conditions to the north," he continued.

"The plan then is to move quickly to get all required permits in place ahead of a first-pass drilling campaign."

"The Kashmere Prospect sits within a major new 10km long gold mineralised corridor, as outlined in recent announcements, which runs parallel to the 4km long prospective gold corridor we have already outlined between the advanced Whistler-Montague-Caledonian prospects. I think on the evidence we now have there is a good probability of exploration success in this area.

"This work will be undertaken in parallel to the ongoing resource evaluation and exploration work programs at Whistler and Montague as well as upcoming exploration programs targeting a series of other high priority advanced drill targets on the Western Margin."

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 full-time employee of 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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APPENDIX (1): Eastern Margin Reconnaissance Geochemical Sampling Program (Gidgee Gold Project)

JORC Code, 2012 Edition

Table 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>A total of 588 fine fraction soil samples were collected at 50 metre (east-west) and 200 metre (north-south) spacings along the interpreted eastern granodiorite contact at Gateway Mining Ltd's Gidgee Project.</p> <p>Soil samples were sieved onsite using an 80-mesh (177um) sieve and were collected in 30g brown paper packets with a pre-numbered GMS prefix.</p> <p>Soil samples were submitted to ALS in Perth for trace detection method for Au plus a multi-element package by aqua regia digestion for acid extractable Au.</p> <p>Au (0.001) Ge (0.05) S (0.01%) Ag (0.01) Hf (0.02) Sb (0.05) Al (0.01%) Hg (0.01) Sc (0.1) As (0.1) In (0.005) Se (0.2) B (10) K (0.01%) Sn (0.2) Ba (10) La (0.2) Sr (0.2) Be (0.05) Li (0.01) Ta (0.01) Bi (0.01) Mg (0.01%) Te (0.01) Ca (0.01%) Mn (5) Th (0.2) Cd (0.01) Mo (0.05) Ti (0.005%) Ce (0.02) Na (0.01%) Tl (0.02) Co (0.1) Nb (0.05) U (0.05) Cr (1) Ni (0.2) V (1) Cs (0.05) P (10) W (0.05) Cu (0.2) Pb (0.2) Y (0.005) Fe (0.01%) Rb (0.1) Zn (2) Ga (0.05) Re (0.001) Zr (0.5)</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	No drilling reported
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	No drilling reported
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>	A basic description of the sampling location was recorded

Criteria	JORC Code explanation	Commentary
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The soil samples were taken using a pick and shovel and sieved to -177um using an 80 mesh sieve obtaining a minimum 30g sample</p> <p>Samplers were trained in best practice techniques including: avoiding contamination by cleaning sampling equipment between samples, avoid cross contamination by removing jewellery during sampling and ensuring a representative sample is taken by taking several shovel scoops from the base of the hole and sieving out large soil fragments.</p> <p>ALS adopts industry best practice to ensure that there is no contamination during the sample preparation.</p> <p>Field duplicates were collected 1 per 50 samples which consisted of taking a second sample from the same location</p> <p>Standard reference material (OREAS45d) was inserted every opposing 50th sample to monitor potential contamination from the laboratory</p> <p>Sample size was appropriate for a 25g analysis</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>Aqua regia is a partial digestion that is considered appropriate for detecting gold and other pathfinder elements loosely bound in oxide material</p> <p>QAQC procedures adopted the inclusion of QAQC samples, including 1 standard and one duplicate sample taken every 50 samples.</p> <p>The laboratory analysed a range of internal and industry standards, blanks and duplicates as part of their internal analysis</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>The program methodology and proposal were verified by Dr Nigel Brand (Geochemical Services Pty Ltd), prior to being undertaken.</p> <p>The laboratory results from this program are currently being reviewed by Dr Nigel Brand.</p> <p>Data collected on site was monitored by a senior staff member and was imported into the Gateway Mining Ltd database</p> <p>Assay data from ALs was imported into the Gateway Mining Ltd database.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Samples were located using a handheld GPS with an expected accuracy of +/-3m</p> <p>All sample locations are located in MGA94 Zone 50</p> <p>RL's are measured with the GPS during the program and considered a sufficient source of data</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>The data spacing and distribution is not sufficient enough to establish the degree of geological and grade continuity appropriate for Minerals Resource estimation purposes</p> <p>No compositing is applied</p>
Orientation of data in relation	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p>	<p>The sample lines were aimed to be approximately perpendicular to the prospective mineralised strike of the lithological contact between the mafic volcanics and the</p>

Criteria	JORC Code explanation	Commentary
to geological structure	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	granodiorite unit. This was defined by using a combination of outcropping geology, aeromagnetic data and ground gravity data.
Sample security	<i>The measures taken to ensure sample security.</i>	Soil samples were sieved onsite using an 80-mesh (177um) sieve and were collected in 30g brown paper packets with a pre-numbered GMS prefix. These paper packets were then stored in pre-numbered cardboard boxes and these were subsequently stored in green polyweave bags which were cable-tied. Upon the completion of the program, all bags were brought down to Perth and dropped off at ALS by Gateway Mining Ltd.'s field staff.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	A review of this geochemical program was conducted and approved by Dr Nigel Brand (Geochemical Services Pty Ltd) prior to the program being undertaken.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The newly defined Cashmere Au-Ag geochemical soil anomaly is located on P57/1409 and E57/405, which are 100% owned by Gateway Mining Ltd.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There has been no historic exploration completed over this portion of Gateway Mining Ltd.'s tenure.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Lode style gold deposits within the Gum Creek Greenstone Belt
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Plan of soil samples shown in ASX announcement
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No aggregation applied
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Not known at this stage
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Plan of soil samples shown in ASX announcement

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Plan of soil samples shown in ASX announcement
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No other relevant data at this stage
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Follow-up aircore and RC drilling to define bedrock mineralisation Further extensive surface geochemical programs over “untested” areas of greenstone terrain