



ASX Announcement: 30 January 2019

## DECEMBER 2018 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

### GIDGEE GOLD PROJECT, W.A.

#### Summary

- Outstanding results were received subsequent to the end of the quarter from in-fill and extensional Reverse Circulation drilling completed during December 2018 at the Whistler and Montague Gold Deposits, part of Gateway's 100%-owned Gidgee Gold Project in WA<sup>1</sup>.
- Drilling at Whistler will now lead to the estimation of a maiden Mineral Resource. Results include (see Appendix 2 for details):
  - **GRC0346** 21 metres @ 5.30g/t Au from 149 metres
  - **GRC0354** 15 metres @ 4.51g/t Au from 119 metres
  - **GRC0364** 8 metres @ 6.04g/t Au from 190 metres
  - **GRC0343** 6 metres @ 14.5g/t Au from 198 metres
  - **GRC0356** 26 metres @ 2.61g/t Au from 126 metres
  - **GRC0355** 18 metres @ 2.85g/t Au from 114 metres
  - **GRC0345** 32 metres @ 1.21g/t Au from 125 metres
  - **GRC0344** 8 metres @ 1.10g/t Au from 103 metres
  - **GRC0353** 11 metres @ 1.78g/t Au from 100 metres
- The results have confirmed the quality of the mineralisation immediately below the historical Whistler Open Pit and provide strong indications of high-grade extensions at depth.
- The next phase of work at Whistler will include the estimation of a Mineral Resource, with a particular focus on immediate extensions from the base of the existing open pit, continued evaluation of the deeper potential through a program of diamond drilling, and the commencement of preliminary metallurgical and geotechnical test work.
- In addition to the main mineralised zone at Whistler, a series of new targets have been identified in both the hanging wall and footwall that will require additional evaluation.
- At the Montague Gold Deposit a series of high-grade intersections from drilling completed in late 2018 has confirmed the presence of a significant high-grade gold mineralised structure immediately down-dip of the historical Montague open pit. Montague is located 1.2km south of the recently announced results from the Whistler Deposit.
- Results from this program of Reverse Circulation drilling (RC) include (see Appendix 2 for details):
  - **GRC357** 5 metres @ 11.5g/t Au from 104 metres
  - **GRC358** 2 metres @ 5.80g/t Au from 75 metres
  - **GRC342** 9 metres @ 4.24g/t Au from 89 metres
  - **GRC330\*** 7 metres @ 3.91g/t Au from 70 metres (within 15 metres @ 2.10g/t Au) and;  
4 metres @ 24.1g/t Au from 239 metres ("Gordon's Lode")
  - **GRC325\*** 5 metres @ 4.47g/t Au from 70 metres
  - **GRC360** 3 metres @ 2.16g/t Au from 64 metres
  - **GRC361** 7 metres @ 1.56g/t Au from 78 metres

(\* Previously reported results – see ASX announcement dated 10 July 2018)

<sup>1</sup> See ASX announcements dated 10<sup>th</sup> and 14<sup>th</sup> January 2019

- The mineralised shear zone extends from the immediate base of the historical Montague Open Pit and demonstrates clear potential for significant extensions as it remains open down-dip and along strike.
- All drilling intersections to date are in shallow positions, within 100m of the surface.
- The parallel, deeper “Gordon’s Lode” structure remains open in all directions and highlights the potential of the wider Montague gold system to host multiple, significant zones of very high-grade gold mineralisation.
- Significant potential also exists to expand the zones of remnant gold mineralisation in the base of the shallow historical pit. These zones have the potential to be captured in any future cut-back of the open pit.
- A program of step-out RC drilling has been planned to test the extensions of the mineralisation. Subject to permitting, this program will commence before the end of the current quarter.

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to report that outstanding new drilling results have been returned from the most recent program of in-fill and extensional drilling at the Whistler and Montague Gold Deposits, within its 100%-owned Gidgee Gold Project in Western Australia (Figure 1).

This drilling was designed to provide sufficient information beneath the historical open pits to either undertake the estimation of a maiden Mineral Resources, and/or to evaluate the potential for high-grade extensions at depth. The program has been successful in achieving both objectives.

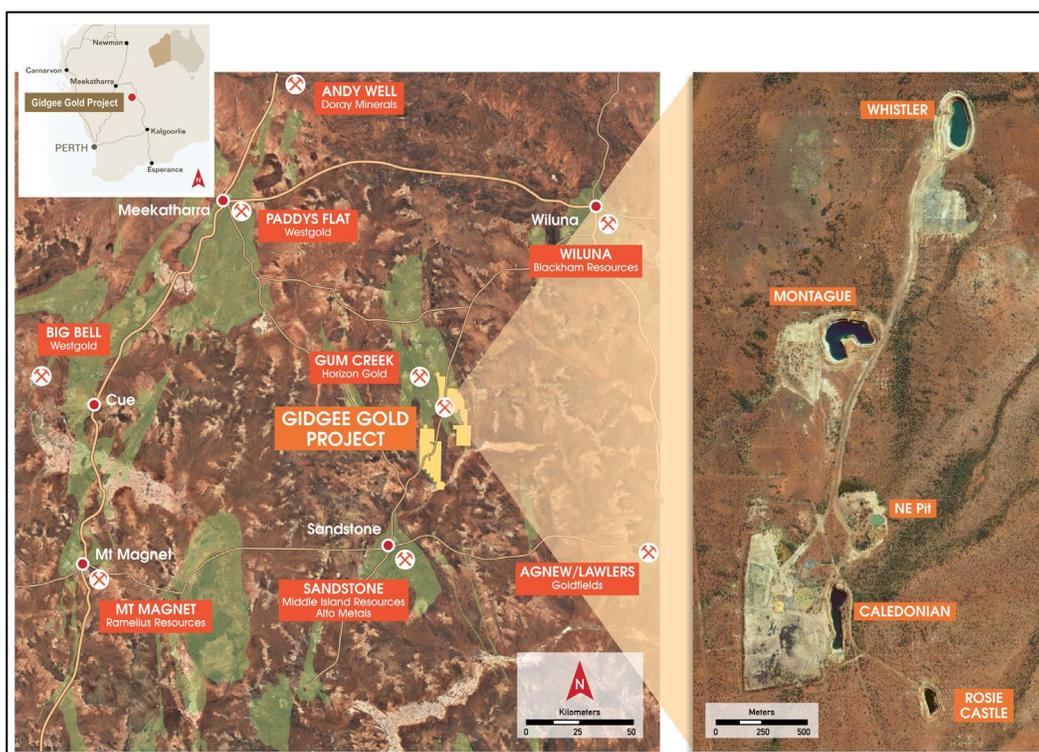


Figure (1): Gidgee Gold Project Location Plan

## WHISTLER GOLD DEPOSIT

- The drilling has confirmed the presence and distribution of significant zones of thick, high-quality, gold mineralisation that remains open both at depth and along strike. The recent results include (Figures 2 and 3):
  - **GRC0346 21 metres @ 5.30g/t Au from 149 metres**

- GRC0354 15 metres @ 4.51g/t Au from 119 metres
- GRC0364 8 metres @ 6.04g/t Au from 190 metres
- GRC0343 6 metres @ 14.5g/t Au from 198 metres
- GRC0356 26 metres @ 2.61g/t Au from 126 metres
- GRC0355 18 metres @ 2.85g/t Au from 114 metres
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- GRC0344 8 metres @ 1.10g/t Au from 103 metres
- GRC0353 11 metres @ 1.78g/t Au from 100 metres

- While the mineralisation remains open and is yet to be constrained, the Company has decided to undertake an interim maiden Mineral Resource estimation with a particular focus on understanding the potential to undertake a cut-back on the existing open pit. Additional drilling is expected to expand the resource at depth and along strike.
- In parallel with the resource estimation process, preliminary programs of metallurgy and geotechnical evaluation will be instigated. The resource is scheduled for completion by the end of the current quarter and drilling will also commence during this time.
- A program of diamond drilling is currently being designed to continue testing the down-dip extensions to the high-grade mineralisation. This will include a series of new holes and also the completion of drilling four diamond tails to pre-collars completed in the recent work (Figure 2). The diamond tails are required due to the depth limitations of RC drilling due to water inflows.
- The new information has also provided important information on the structural parameters that control the plunge of the mineralisation and the positioning of the off-setting fault through the southern end of the deposit. This understanding allows for future drill targeting to be further optimized.
- A series of parallel gold mineralised structures have been identified in the hanging wall and footwall of the main mineralised zone at Whistler. Additional work is required to establish the ultimate significance of these positions, but they demonstrate the greater endowed potential of the Whistler mineralised system.

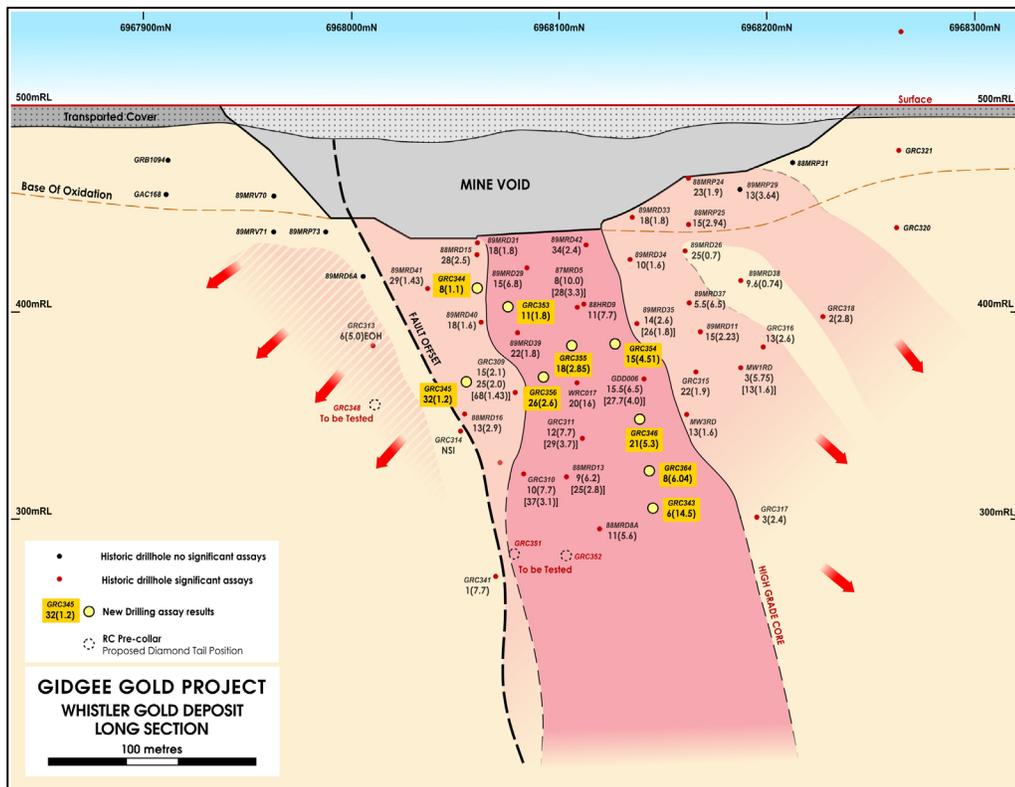


Figure (2): Whistler Gold Deposit Long Section

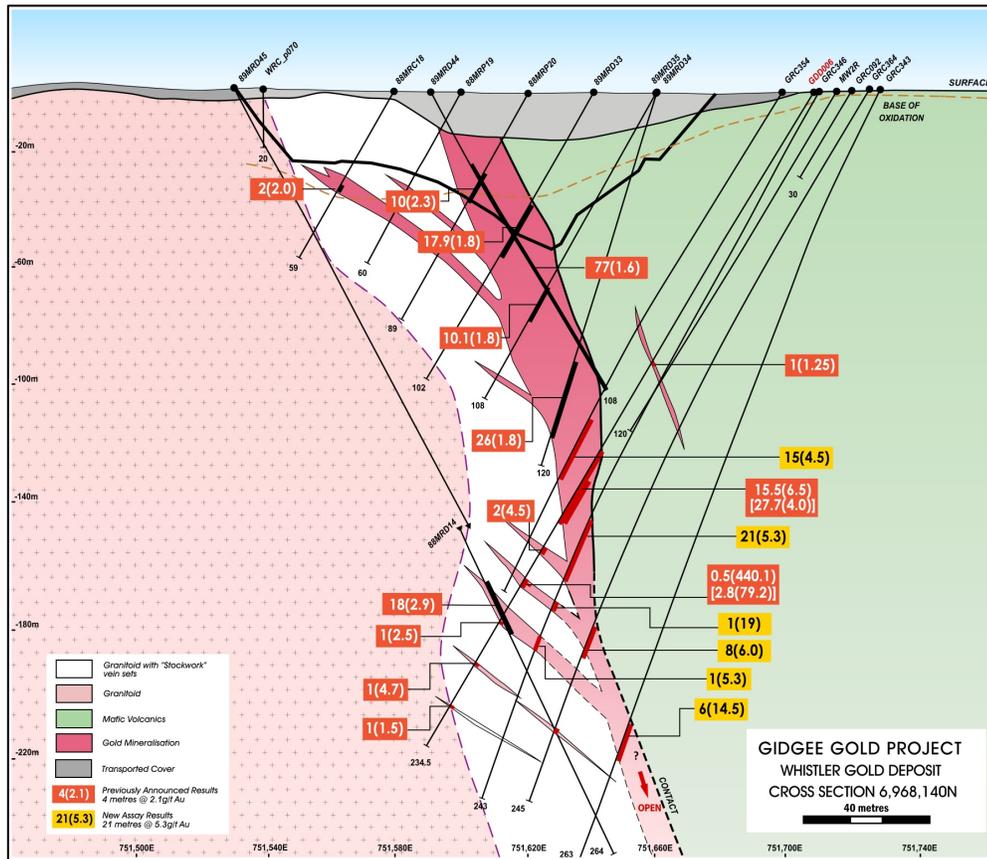


Figure (3): Whistler Gold Deposit Cross-Section

## MONTAGUE GOLD DEPOSIT

- This recently completed program of Reverse Circulation (RC) drilling continues to confirm the presence of a significant high-grade gold mineralised structure immediately down-dip of the Montague historical open pit. The recent results include (Figures 4 and 5):
    - **GRC357**            **5 metres @ 11.5g/t Au from 104 metres**
    - **GRC358**            **2 metres @ 5.80g/t Au from 75 metres**
    - **GRC342**            **9 metres @ 4.24g/t Au from 89 metres**
    - **GRC330\***            **7 metres @ 3.91g/t Au from 70 metres (within 15 metres @ 2.10g/t Au) and;**  
**4 metres @ 24.1g/t Au from 239 metres (“Gordon’s Lode”)**
    - **GRC325\***            **5 metres @ 4.47g/t Au from 70 metres**
    - **GRC360**            **3 metres @ 2.16g/t Au from 64 metres**
    - **GRC361**            **7 metres @ 1.56g/t Au from 78 metres**
- (\* Previously reported results – see ASX announcement dated 10 July 2018)
- The mineralisation remains open down-dip and is largely untested along strike. Additional drilling is considered likely to substantially expand the mineralised zone.
  - The mafic-hosted shear zone has a moderate dip (30–45°), resulting in a significant amount of the mineralisation being located in shallow positions (<100m to date). In addition, the presence of the parallel, high-grade Gordon’s Lode (**4m @ 24.1g/t Au**) at depth, indicates that the potential for multiple structures is excellent.
  - Mining of the historical Montague Open pit was limited to shallow, oxide mineralisation. Extensions of the mineralisation into primary fresh rock in the base of the pit have not been systematically tested (Figure 3). On this basis, Gateway believes that significant potential exists to expand these zones of remnant gold mineralisation with additional drilling for inclusion in any future cut-back of the open pit.

- Given that the mineralisation is totally unconstrained and appears to be strengthening at depth, a decision has been taken to complete an additional round of drilling to expand the zone prior to committing to any Mineral Resource estimation work. This will also include a diamond tail on an existing RC pre-collar to further test Gordon's Lode at depth.

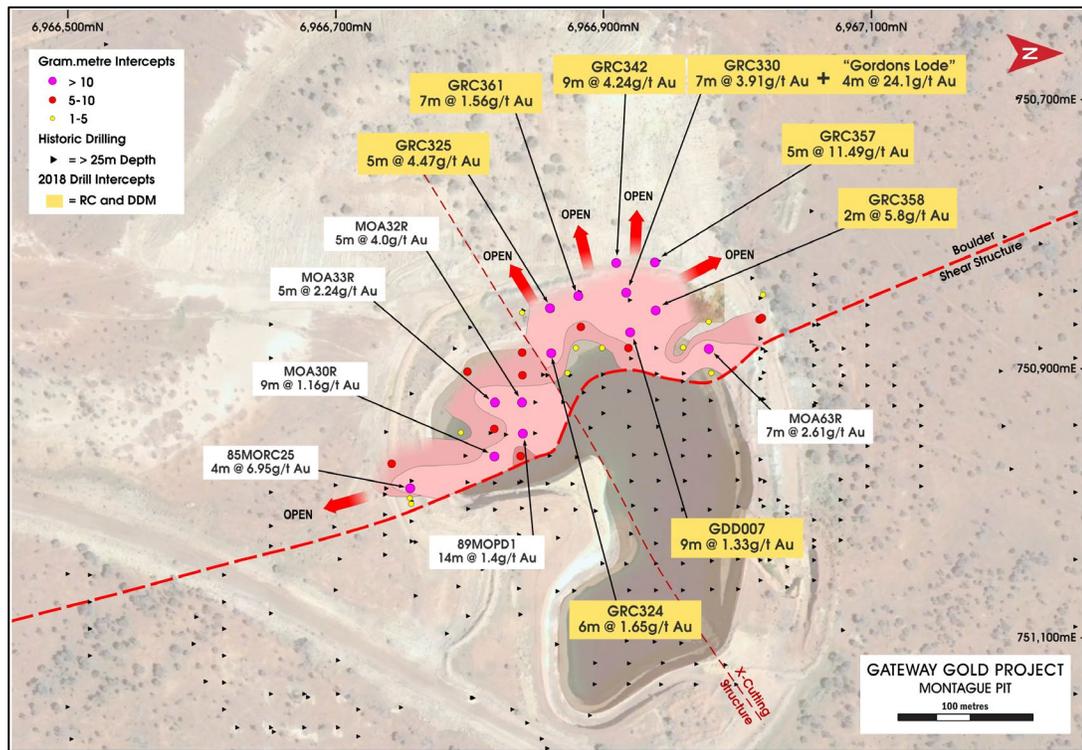


Figure (4): Montague Gold Project Gold Distribution Plan

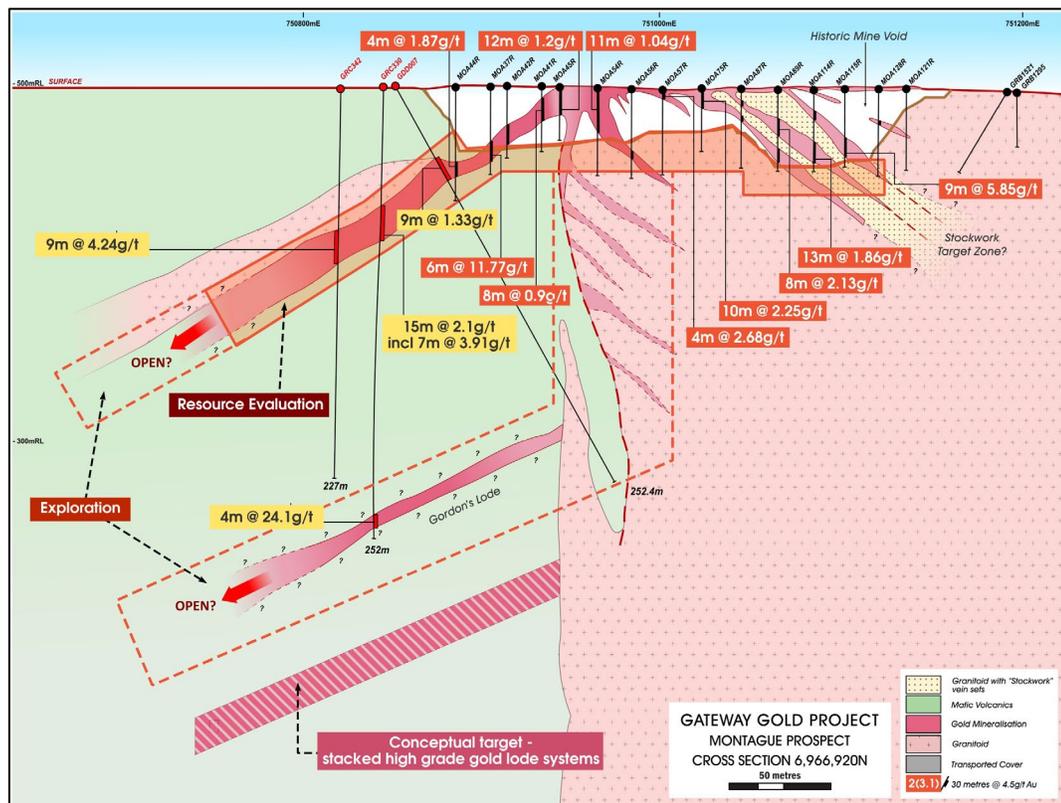


Figure (5): Montague Gold Project Gold Cross Section

- A second phase of preliminary metallurgical test work comprising accelerated cyanide partial leach assays (2kg Leachwell Assays: see Appendix 2 for details) has also now been completed for the mineralised intersections at both Whistler and Montague. The results provide clear evidence that the gold at both deposits is free milling in nature.

## **REGIONAL PROJECTS**

There has been not been any exploration activities on the Company's regional exploration projects during the reporting period.

## **TENEMENTS**

There have been no material changes to the Company's tenement holdings during the reporting period (see Appendix 1).

## **CAPITAL RAISING**

During the reporting period, on 22 October 2018 the Company announced that it had successfully completed a capital raising of A\$1.5 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the upcoming drilling program at the Gidgee Gold Project.

The Placement, which comprised the issue of 100,000,003 shares at an issue price of \$0.015 per share, was strongly supported by existing and new investors including, subject to shareholder approval, by the Company's directors.

The proceeds of the Placement underpinned recent exploration programs at the Gidgee Project as part of the Company's recently announced exploration and resource development strategy in relation to highly prospective gold prospects outlined on the margin of the Montague Granodiorite.

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.

## APPENDIX (1): GATEWAY MINING LIMITED'S CONSOLIDATED TENEMENT HOLDINGS

Project	Tenement ID	Ownership
Gidgee	E57/945	GML
Gidgee	M57/485	GML 75%, Estuary Resources NL 25%
Gidgee	E57/793	GML 75%, Estuary Resources NL 25%
Gidgee	E57/405	GML
Gidgee	E57/874	GML
Gidgee	E57/875	GML
Gidgee	E57/888	GML
Gidgee	E57/823	GML
Gidgee	E57/824	GML
Gidgee	E57/688	GML
Gidgee	E57/687	GML
Gidgee	E57/417	GML
Gidgee	M57/48	GML 85%, Goldfan Pty Ltd 15%
Gidgee	M57/98	GML 85%, Goldfan Pty Ltd 15%
Gidgee	M57/99	GML 85%, Goldfan Pty Ltd 15%
Gidgee	M57/217	GML 85%, Goldfan Pty Ltd 15%
Gidgee	E57/807	GML
Gidgee	M57/429	GML 75%, Estuary Resources NL 25%
Gidgee	E57/876	GML
Gidgee	E57/1004	GML
Gidgee	E57/1005	GML
Gidgee	E57/1057	Omni Projects
Gidgee	E57/1067	Omni Projects
Gidgee	P57/1407	Omni Projects
Gidgee	P57/1409	Omni Projects
Gidgee	P57/1410	Omni Projects
Gidgee	P57/1411	Omni Projects
Gidgee	P57/1412	Omni Projects
Gidgee	P57/1413	Omni Projects
Edjudina	E31/1134	Omni Projects
Edjudina	E31/1150	Omni Projects
Edjudina	E39/1765	Omni Projects
Edjudina	E39/1882	Omni Projects
Cunyu	E51/1762	85% Omni Projects 15% Milford Resources P/L
Bryah Basin	E51/1738	Omni Projects
Bryah Basin	E52/3248	Auris 85%, Omni Projects 15%
Bryah Basin	E52/3273	Omni Projects
Bryah Basin	E52/3291	Auris 85%, Omni Projects 15%
Bryah Basin	E52/3510	Omni Projects
Bryah Basin	E52/1842	Omni Projects
Sylvania	E52/3365	Omni Projects
Sylvania	E52/3366	Omni Projects
Southern Cross	E77/2309	Omni Projects
Edna May	E77/2290	Omni Projects

## APPENDIX (2): TABLE OF SIGNIFICANT DRILLING INTERSECTIONS

Whistler Gold Deposit Significant Drilling Results											
Prospect	HoleJD	MGA_E	MGA_N	RL	Dip	Azi	EOH (m)	From (m)	To (m)	Width (m)	Au (g/t)
Whistler	GRC0343	751728	6968140	500	-59	270	263	198	204	6	14.5
Whistler	GRC0344	751703	6968059	500	-50	270	143	103	111	8	1.1
Whistler	GRC0345	751712	6968060	500	-59	272	183	125	157	32	1.2
Whistler	GRC0346	751710	6968142	500	-60	270	243	149	170	21	5.3
								177	178	1	19.9
								186	187	1	5.3
Whistler	GRC0350	751742	6968055	500	-60	270	263	-	-	-	NSR
Whistler	GRC0353	751696	6968090	500	-50	270	111	100	111	11	1.8
Whistler	GRC0354	751698	6968123	500	-57	270	177	119	134	15	4.5
Whistler	GRC0355	751698	6968112	500	-56	270	153	114	132	18	2.9
Whistler	GRC0356	751699	6968087	500	-58	272	177	126	152	26	2.6
Whistler	GRC0364	751726	6968130	500	-58	272	245	190	198	8	6.0

*GRC0348, GRC0351 and GRC0352 were drilled as RC pre-collars in anticipation of follow-up diamond drilling.  
All holes reported as downhole widths*

Significant Drilling Results from Montague											
Prospect	HoleJD	MGA_E	MGA_N	RL	Dip	Azi	EOH (m)	From (m)	To (m)	Width (m)	Au (g/t)
Montague	GRC0342	750820	6966910	504	-90	0	227	89	98	9	4.24
Montague	GRC0357	750820	6966941	503	-90	0	130	104	109	5	11.49
Montague	GRC0358	750820	6966941	503	-60	90	111	75	77	2	5.8
Montague	GRC0359	750857	6966840	500	-90	0	124	86	88	2	1.58
Montague	GRC0360	750857	6966840	500	-60	90	105	64	67	3	2.16
Montague	GRC0361	750843	6966882	502	-90	0	124	78	85	7	1.56
Montague	GRC0362	750843	6966882	502	-60	90	99	53	58	5	0.9

## APPENDIX (3): SIGNIFICANT DRILLING INTERSECTIONS

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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>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></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling - 2kg - 3kg samples were split from dry 1m bulk samples. The sample was initially collected from the cyclone in an inline collection box with independent upper and lower shutters. Once the metre was completed, the drill bit was lifted off the bottom of the hole, to create a gap between samples, when the gap of air came into the collection box the top shutter was closed off. Once the top shutter was closed, the bottom shutter was opened, and the sample was dropped under gravity thorough a Metzke cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. A second 2kg-3kg sample was collected at the same time the original sample. This sample has been stored on site. These duplicate samples have been retained for follow up analysis and test work. The bulk sample of the main ore zone was discharged from the cyclone directly into green bags.</li> <li>• The bulk sample from the waste was collected in wheelbarrows and dumped into neat piles on the ground.</li> <li>• During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones.</li> <li>• Field duplicates were collected at a ratio of 1:20 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.</li> </ul> <p><i>Historical Drilling:</i></p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p><b>Diamond Drilling:</b> HQ3 and NQ core drilled in fresh rock. Core orientated and mineralised noted and marked for cutting. Sample lengths sampled on 0.5 to 2m intervals and cut to half-core sub-sample collected.</p> <p><i>Samples were analysed for Au by AAS technique with results greater than 0.5ppm Au re-assayed by Fire Assay. Assays &gt;3g/t Au re-assayed by Screen Fire Assay. This methodology was applied to account for a recognized coarse gold component within the</i></p>

Criteria	JORC Code explanation	Commentary
		<p><i>mineralised zones.</i></p> <p><b>RC Drilling:</b> Samples were collected on 1m intervals, riffle split and 5m composite samples prepared for assay. Re-assays were undertaken on selected 1m samples.</p> <p>Samples sent to ALS in Perth, for 3kg pulverisation for production of homogenous 50g or 30g charge for Au fire assay, multi elements also analysed</p>
<p><b>Drilling techniques</b></p>	<ul style="list-style-type: none"> <li>• 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.).</li> </ul>	<ul style="list-style-type: none"> <li>• RC – Challenge Drilling drill rig was used. The rig consisted of a Schramm truck mounted RC rig with 1150cfm x 350psi on board compressor, an Airsearch 1800cfm x 900psi on board Booster, and a truck mounted Sullair 900cfm x 350psi auxiliary compressor.</li> </ul> <p><i>Historical Drilling:</i></p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p><b>Diamond Drilling:</b> RC percussion or HQ3 pre-collars were drilled to fresh rock. NQ core drilled for remainder of holes. No details available on drilling rig specifications.</p> <p><b>RC Drilling:</b> RC percussion drilled as pre-collars to fresh rock. No details available on drilling rig specifications.</p>
<p><b>Drill sample recovery</b></p>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximize sample recovery and ensure representative nature of the samples.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• During the RC sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones. From this process showed that the majority of ore grade samples had recoveries greater than 80%</li> <li>• Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney.</li> <li>• At the end of each metre the bit was lifted off the bottom to separate each metre drilled.</li> <li>• The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery.</li> <li>• From the collection of recovery data, no identifiable bias exists. <i>Historical Drilling:</i></li> </ul> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p><b>Diamond Drilling:</b> Recoveries in fresh rock are recorded as being satisfactory and that no inherent bias has been introduced from drilling or sampling techniques.</p> <p><b>RC Drilling:</b> There are no records available that capture information on drilling recoveries. Typically a minimum 3kg sample was provided to the laboratory for assay. Samples considered fit for purpose.</p>

Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure.</li> <li>• Data on rock type, deformation, colour, structure, alteration, veining, mineralisation and oxidation state were recorded.</li> <li>• Logging is both qualitative and quantitative or semi quantitative in nature.</li> </ul> <p><i>Historical Drilling:</i></p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p><i>Reverse circulation and Aircore chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure.</i></p> <p><i>Records of samples being wet or dry were taken.</i></p> <p><i>Diamond core was presented and stored in industry standard core boxes. The core was orientated and core loss noted.</i></p> <p><i>Data on rocktype, deformation, colour, structure, alteration, veining, mineralisation and oxidation state were recorded. RQD, magnetic susceptibility and core recoveries were recorded.</i></p> <p><i>Logging is considered both qualitative and quantitative or semi-quantitative in nature.</i></p> <p><i>The logging information is considered to be fit for purpose.</i></p>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples were split from dry, 1m bulk sample via a cone splitter directly from the cyclone.</li> <li>• The QC procedure adopted through the process includes: <ul style="list-style-type: none"> <li>○ Weighing both calicos and reject sample to determine sample recovery and check for sampling bias.</li> <li>○ Field duplicates were collected at a rate of 1:25, these were collected during RC drilling at the same time as the primary sample.</li> <li>○ OREAS certified material (CRM) was inserted at a rate of 1:25, the grade ranges of the CRM's were selected based on grade populations.</li> </ul> </li> <li>• 2-3kgs of sample was submitted to the laboratory.</li> <li>• Samples oven dried at 10gdegC then pulverized in LM5 mills to 85% passing 75micron.</li> <li>• All samples were analysed for Au using the Au-AA26 technique which is a 50g lead collection fire assay.</li> <li>• Quality control for maximising representivity of samples included sample weights, insertion of field duplicates and laboratory duplicates.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p>RC samples were split using a riffle splitter. 1m samples were collected and 5m composites prepared for assay. Re-assays were undertaken on selected 1m samples.</p> <p>Typically 3kg samples were submitted to the assay laboratory.</p> <p>Only minor numbers of samples are recorded as being wet.</p> <p>QA/QC data is not currently available.</p> <p>Sampling processes are considered fit for purpose.</p> <p>Diamond core was presented and stored in industry standard core boxes. The core was orientated and core loss noted. Once logged the core was marked up for sampling ranging from 0.5m to 2.0m largely matching geological contacts. Half core samples were collected and submitted to the assay laboratory.</p> <p>Samples were analysed for Au by AAS technique with results greater than 0.5ppm Au re-assayed by Fire Assay. Assays &gt;3g/t Au re-assayed by Screen Fire Assay. This methodology was applied to account for a recognized coarse gold component within the mineralised zones.</p>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Drill samples were submitted to ALS (Perth). All samples were analysed by a 50g fire assay (AAS finish) which is a total assay.</li> <li>• Ore zones were also submitted for accelerated cyanide leachwell test work. This involves a 2000g leach with AAS finish.</li> <li>• Field duplicates were collected at a rate of 1:25 with CRM's inserted at a rate of 1:25 also. The grade ranges of the CRM's were selected based on grade populations.</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p><i>All samples were assayed at either Analabs or ALS in Perth.</i></p> <p><i>Samples were analysed for Au by AAS technique with results greater than 0.5ppm Au re-assayed by Fire Assay. Assays &gt;3g/t Au re-assayed by Screen Fire Assay. This methodology was applied to account for a recognized coarse gold component within the mineralised zones.</i></p> <p><i>QA/QC data is not currently available.</i></p>

Criteria	JORC Code explanation	Commentary
<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<p><i>Sampling processes are considered fit for purpose.</i></p> <ul style="list-style-type: none"> <li>• Drilling results are cross checked by company geologists and consulting geologists (OMNI GeoX Pty Ltd.)</li> <li>• Data is recorded digitally at the project within standard industry software, assay results received digitally also.</li> <li>• All data is stored within a suitable database.</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p>Logging and sampling were recorded directly into a Stratalog T500 digital logging unit.</p> <p>All drilling information is currently stored in a Gateway Access database.</p> <p>All information has been plotted on section and in plan to match against neighbouring holes and determine likely validity of the data</p> <p>QA/QC data is not currently available.</p> <p>Sampling and assay data are considered fit for purpose.</p>
<p><b>Location of data points</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole location is initially recorded with a handheld Garmin GPS (+/- 3m) and will eventually be recorded by Digital GPs (+/-1cm). A Reflex EZ North Seeking Gyro is used to record the deviation of the drill holes (+/- 1deg)</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p>A truncated AMG grid was established across the project area and hole collars were measure from fixed survey pegs. These collar locations have been validated using detailed aerial photography.</p> <p>Downhole surveys were undertaken with an Eastman single shot camera on intervals ranging from 30 to 50m.</p> <p>Location data is considered fit for purpose.</p>
<p><b>Data spacing and distribution</b></p>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to tables within text for data spacing.</li> <li>• Holes drilled within this program in combination with the historical holes and their related samples are deemed to be appropriate for resource estimation.</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been</b></p>

Criteria	JORC Code explanation	Commentary
		<p><b>accessed through verifying historical company reports and/or available digital databases.</b></p> <p>Please See Table 1 for Results</p> <p>Drilling at the Whistler, Montague and Caledonian targets have been drill tested in various spacings. Typically immediately below the historical open pit mines the spacing is a nominal 25 x 25m and as the drilling moves deeper and along strike expands to 25 x 50m and 50 x 50m.</p>
<p><b>Orientation of data in relation to geological structure</b></p>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Drill lines were orientated perpendicular to the perceived strike of the mineralized structure. Drilling at Whistler intercepts mineralisation at an oblique angle to the dip (~15deg off). The orientation of drilling is suitable for the mineralisation style and orientation of mineralisation.</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p>Drilling directions at Whistler, Montague and Caledonian targets have been drilled perpendicular to strike (90-270) and in the across dip direction in most cases.</p> <p>The majority of holes have been drilled at a 60 to 90 degree dip and intersected the mineralisation at an appropriate angle.</p> <p>In some cases reverse angled holes have been completed to test for short range controls on the gold mineralisation.</p> <p>The orientation of the drilling is suitable for the mineralisation style and orientation of the mineralisation at the Whistler, Montague and Caledonian Targets.</p>
<p><b>Sample security</b></p>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Calico samples are sealed into green/poly weave bags and cable tied. These are then sealed in bulka bags and transported to the laboratory in Perth by company staff or trusted contractors or established freight companies.</li> </ul> <p>Historical Drilling:</p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p> <p>No information.</p>
<p><b>Audits or reviews</b></p>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling results are cross checked by company geologists and consulting geologists (OMNI GeoX Pty Ltd.)</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p><i>Historical Drilling:</i></p> <p><b>All information referred in this report not collected in this current program has been accessed through verifying historical company reports and/or available digital databases.</b></p>

## 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"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Whistler gold deposit is situated on Mining Lease M57/217 which is held 100% by Gateway Mining Ltd.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Whistler open cut was mined from November 1990 (Polaris Pacific NL) and ore was toll treated through the Herald mill. Little attention was paid to mineralisation other than gold.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Whistler orebody is a N-S shear zone hosted at the contact between basalt (east) and granodiorite (west) that contains an array of NNE-striking quartz veins arranged <i>en echelon</i>.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration drill results are contained with Table 1</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should</li> </ul>	<ul style="list-style-type: none"> <li>The minimum grade truncation was set at 1g/t. There was no maximum grade truncation given to these set of exploration results.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill lines were orientated perpendicular to the perceived strike of the mineralized structure. Drilling at Whistler intercepts mineralisation at an oblique angle to the dip (~15deg off). The orientation of drilling is suitable for the mineralisation style and orientation of mineralisation.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections are included in the announcement</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The accompanying document is considered to be a balanced report with a suitable cautionary note.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Bulk density and leachwell analysis is ongoing and will be reported in due course</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A first pass inferred resource on the results obtained to date at Whistler</li> <li>• Deeper diamond drilling to fully assess the underground potential/extension of the known high grade mineralised core.</li> </ul>

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Gateway Mining Limited

**ABN**

31 008 402 391

**Quarter ended ("current quarter")**

31<sup>st</sup> December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	75	75
1.2 Payments for		
(a) exploration & evaluation	(407)	(1,309)
(b) development		
(c) production		
(d) staff costs	(91)	(166)
(e) administration and corporate costs	(164)	(301)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(585)</b>	<b>(1,698)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>		

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,500	1,500
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(82)	(82)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,418</b>	<b>1,418</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	499	1,612
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(585)	(1,698)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,418	1,418
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,332</b>	<b>1,332</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,332	499
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,332</b>	<b>499</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

80

Nil

Director's fees

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

282

Nil

Omni GeoX Pty Ltd for geological services; Enrizen Accounting Pty Ltd for company secretarial and accounting services; and Enrizen Lawyers Pty Ltd for legal services

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	450
9.2	Development	
9.3	Production	
9.4	Staff costs	50
9.5	Administration and corporate costs	135
9.6	Other (provide details if material)	
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>635</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....SIGNATURE ON FILE.....  
(Company secretary)

Date: 30 January 2019

Print name: .....Kar Chua.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.