



ASX Announcement: 18 July 2019

GATEWAY SECURES TAX CREDITS FROM JUNIOR MINERALS EXPLORATION INCENTIVE

Successful application for 2019/2020 financial year

HIGHLIGHTS

- Gateway Mining has been successful in its application for the Junior Minerals Exploration Incentive (JMEI) conducted by the Federal Government for the 2019/2020 tax year.
- JMEI credits may be distributed for Eligible Shareholders as a tax offset or franking credit for 2019/2020 financial year.
- To be eligible for the 2019/2020 year, shareholders must participate in any Gateway capital raisings undertaken by Gateway between 1 July 2019 and 30 June 2020.
- The JMEI credits only apply to ordinary shares issued by Gateway.
- Gateway has received an allocation of \$687,500 in JMEI credits

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has been informed by the Australian Taxation office (**ATO**) that its application to participate in the JMEI for the 2019/2020 financial year has been accepted.

Gateway has received an allocation of up to \$687,500 in JMEI tax credits which can be distributed to eligible shareholders. Eligible shareholders must be Australian residents who subscribe for and are issued ordinary shares in Gateway for capital raising activities conducted between 1 July 2019 and 30 June 2020 (**Eligible Shareholders**). In the event that Eligible Shareholders are distributed JMEI credits these will be distributed on a pro-rata basis.

The JMEI Scheme

The JMEI scheme was introduced in March 2018 following legislation passed by the Federal Government with effect from 1 July 2017. The JMEI scheme is voluntary and companies must apply each year to participate.

The JMEI scheme encourages investment in small exploration companies that carry out “Greenfields” mineral exploration in Australia, by allowing participating companies to generate tax incentives by choosing to give up a portion of their losses from “Greenfields” mineral exploration expenditure for distribution to investors.

The exploration credit that can be issued to an investor is limited to the amount paid by the investor acquire the new shares multiplied by the corporate tax rate. Eligible Shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders who are issued JMEI credits by the Company should obtain independent tax advice specific to their personal circumstances.

Gateway’s participation in the JMEI scheme

Gateway has received an allocation of up to \$687,500 in tax credits which may be distributed to Eligible Shareholders.

Gateway anticipates that it is likely to conduct capital raising activities during the 2019/2020 financial year to underpin its flagship Gidgee Gold Project in Western Australia and for other purposes.

Investors should be aware that Gateway cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available as the actual number of JMEI credits received by each Eligible Shareholder for the 2019/2020 financial year will depend on a number of factors including:

- the actual amount of allowable exploration expenditure by Gateway in the 2019/2020 financial year;
- the total number of Gateway shares issued between 1 July 2019 and 30 June 2020;
- Gateway's tax losses for the 2019/2020 financial year; and
- Each shareholder's individual financial circumstance.

The JMEI scheme was only recently introduced and therefore all Eligible Shareholders are encouraged to obtain their own independent financial and tax advice before participating in a future capital raisings.

The Company will notify Eligible Shareholders of their JMEI credit entitlement (if any) in the approved form once the Company has lodged its 2019/2020 financial year tax return. The JMEI credits will apply to the Eligible Investor's tax return for the period ended 30 June 2020.

For further information about the JMEI scheme please refer to the ATO website at:

<https://www.ato.gov.au/Business/Junior-Minerals-Exploration-Incentive/Eligible-exploration-companies/>

Peter Langworthy
Managing Director

For and on behalf of
GATEWAY MINING LIMITED