



**ASX Announcement: 19 February 2020**

## **BRYAH BASIN DIVESTMENT UPDATE**

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Further to its announcement of 21 February 2019, Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to provide an update in relation to the conditional option agreement entered into between its wholly-owned subsidiary, Gateway Projects WA Pty Ltd (formerly Omni Projects Pty Ltd) (**Gateway Projects**), and Dingo Resources Limited (**Dingo**).

Under the terms of this agreement, Dingo has an exclusive option to acquire Gateway Projects' interests in tenements E51/1738, E51/1842, E52/3273 and E52/3510 located in the Bryah Basin (**Tenements**) (**Option Agreement**).

Dingo had originally planned to list on the ASX through an Initial Public Offering, however, as an alternative to listing on the ASX, Alloy Resources Limited (ASX: AYR) (**Alloy**) has entered into a binding heads of agreement to acquire Dingo (**Alloy Acquisition**). On completion of the Alloy Acquisition, Dingo will be a wholly-owned subsidiary of Alloy.

As a result of the Alloy Acquisition, Gateway Projects and Dingo have agreed to vary the Option Agreement by entering into a deed of variation.

The exercise of the Option by Dingo is now conditional and subject to Alloy completing a capital raising of a minimum \$1,000,000 (**Condition**).

Under the varied terms of the Option Agreement and subject to satisfaction or waiver of the Condition, Dingo may at any time during the term of the Option exercise the Option by providing written notice to the Company and enter into a binding tenement sale agreement (**Tenement Sale Agreement**), and pay to the Company the following consideration:

- (a) (**Cash Consideration**): cash consideration of A\$200,000 at completion and A\$175,000 within 12 months of completion;
- (b) (**Share Consideration**): 20,000,000 fully-paid ordinary shares in the capital of Alloy at a deemed issue price of \$0.02 per share (a value of \$400,000); and
- (c) (**Royalty Consideration**): the grant of a 1.5% net smelter royalty over the Tenements.

Completion will occur three business days after the execution of the Tenement Sale Agreement or such other date as agreed in writing between the parties (**Completion**).

During the Term and in the event of exercise of the Option, then until Completion, Dingo shall be solely responsible for:

- (a) Maintaining the Tenements in good standing in accordance with all applicable laws including minimum expenditure requirements being met and the payment of all rates and rents; and
- (b) All rehabilitation of the Tenements including all costs relating to rehabilitation of the Tenements. In the event that Dingo does not exercise the Option, it will only be responsible for rehabilitation of work actually carried out by it on the Tenements during the Term.

The Company will keep the market informed as the transaction progresses.

Peter Langworthy  
Managing Director

**For and on behalf of**  
**GATEWAY MINING LIMITED**

**Investors**

**Peter Langworthy  
Managing Director  
T: 02 8316 3998**

**or**

**Kar Chua  
Company Secretary  
T: 02 8316 3998**

**Media**

**Nicholas Read  
Read Corporate  
T: 08 9388 1474**