

Gateway Mining Limited and its controlled entities

**INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
31 DECEMBER 2019**

Contents

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR INDEPENDENCE DECLARATION	25
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	26
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	28
CONSOLIDATED STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
DIRECTORS' DECLARATION	40
INDEPENDENT AUDITOR'S REVIEW REPORT	41

CORPORATE DIRECTORY

Directors:

- Mr Peter Langworthy (Executive Managing Director)
- Mr Mark Cossom (Executive Technical Director) (appointed 21 October 2019)
- Mr Trent Franklin (Non-Executive Chairman)
- Mr Scott Brown (Non-Executive Director)
- Ms Debra Fullarton (Non-Executive Director)

Company Secretary:

- Mr Kar Chua

Registered Office:

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52 Phillip Street
Sydney NSW 2000

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Share Registry:

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Level 3/50 Holt Street
Surry Hills NSW 2010

Telephone: +61 2 9698 5414

Auditors:

Crowe Sydney
Chartered Accountants
Level 15
1 O'Connell Street
Sydney NSW 2000

Solicitors:

Enrizen Lawyers Pty Ltd
Level 11
52 Phillip Street
Sydney NSW 2000

Securities Exchange Listing:

The Group is listed on the Australian Securities Exchange under code GML

Website:

www.gatewaymining.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the Group consisting of Gateway Mining Limited and its controlled entities (**Gateway** or the **Company**) for the half-year ended 31 December 2019.

DIRECTORS

The names of directors who held office during the year:

- Mr. Peter Langworthy (Managing Director)
- Mr. Mark Cossom (Technical Director) (appointed 21 October 2019)
- Mr. Trent Franklin (Non-Executive Chairman)
- Mr. Scott Brown (Non-Executive Director)
- Ms. Debra Fullarton (Non-Executive Director)

PRINCIPAL ACTIVITIES

The activities of the Group during the financial year were in the mineral exploration industry principally exploration for gold and base metals. There were no significant changes in the nature of the activities of the Group that occurred during the period.

DIRECTORS' REPORT

OPERATIONS REVIEW

The Company has established a high-quality portfolio of gold exploration properties across a number of highly endowed gold provinces in Western Australia. Due to the high level prospectivity of the Company's flagship Gidgee Gold Project, the focus of exploration funding and activities has been concentrated in this area. The majority of the other projects are now subject to Farm-out and Option Agreements that leave Gateway exposed to discovery opportunities through leveraged third-party expenditure.

GIDGEE GOLD PROJECT - INTRODUCTION

Gateway's Gidgee Gold Project is located approximately 70km north of the township of Sandstone, Western Australia. The Gidgee Project comprises a consolidated area of ~700km² covering the southern extension of the Archaean aged Gum Creek Greenstone Belt.

The Project is easily accessible from Perth via major sealed and well-formed gravel roads, with the town of Sandstone providing limited logistics support. The Project is centrally located within a ~120km radius of six operational gold treatment facilities.



Figure (1): Gidgee Gold Project Location Plan

RESOURCE ESTIMATION – WHISTLER AND MONTAGUE GOLD DEPOSITS

During the reporting period, Gateway reported a maiden JORC 2012 Inferred Mineral Resource estimate (MRE) for the Gidgee Gold Project. This initial Mineral Resource position represents the first step in what is expected to be an ongoing process of Resource growth and upgrade over the short to medium term.

DIRECTORS' REPORT

The reported MRE comprises a total Inferred Resource of **3.425 million tonnes grading 2.2g/t Au for 240,000 ounces of contained gold¹** (see Table 1). This Resource contains the **Whistler Gold Deposit** and **Montague Gold Deposit**, which are both located on the prospective margin of the Montague Granodiorite. The two Resources are located approximately 800m apart (see Figure 2).

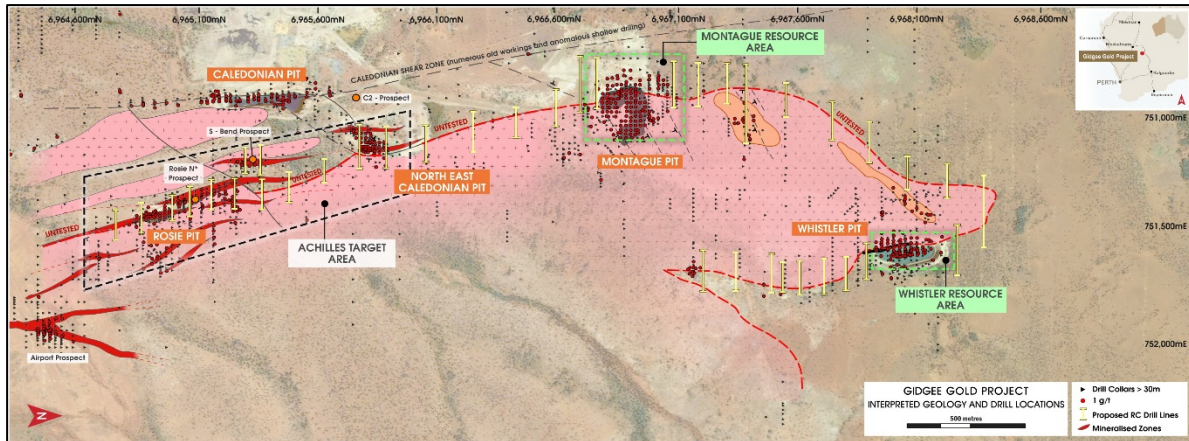


Figure (2): Gidgee Gold Project Location Plan

Full details relating to the Resource estimation method and assumptions are detailed in the ASX Release dated 3 October 2019.

TABLE (1): GIDGEE GOLD PROJECT - OCTOBER 2019 MINERAL RESOURCE ESTIMATE SUMMARY				
Resource	Cut-off grade (g/t Au)	INFERRED		
		Tonnes	Grade (g/t)	Contained Gold (oz)
Whistler Open Pit	0.5	1,600,000	2.16	109,000
Whistler Underground	2	100,000	3.32	11,000
Sub-Total Whistler		1,700,000	2.23	120,000
Montague Open Pit	0.5	1,165,000	2.13	80,000
Boulder Open Pit	0.5	500,000	1.30	20,000
Montague Underground	2	60,000	10.3	20,000
Sub-Total Montague		1,725,000	2.18	120,000
Total Gidgee Gold Project		3,425,000	2.20	240,000

Note - The MRE is constrained within a A\$2,400 per ounce gold price pit shell optimisation.

DIRECTORS' REPORT

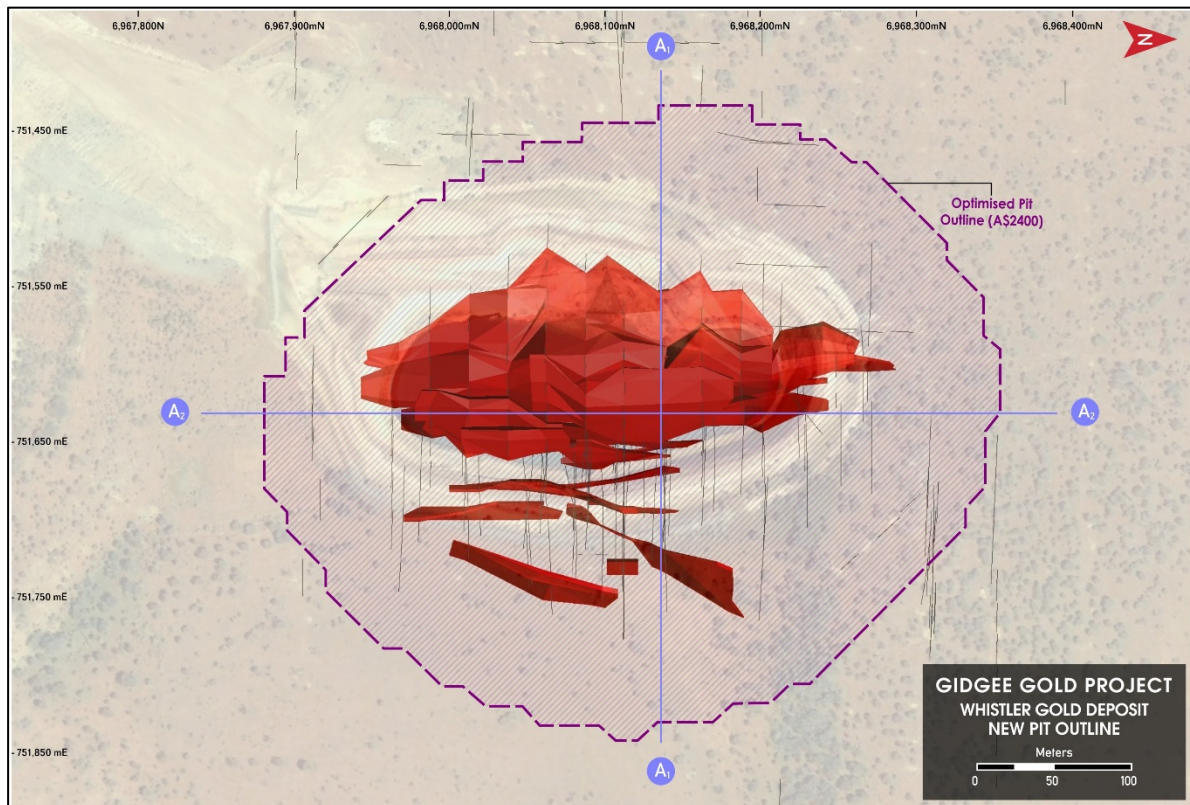


Figure (3): Whistler Plan – Optimised A\$2,400 Pit Shell

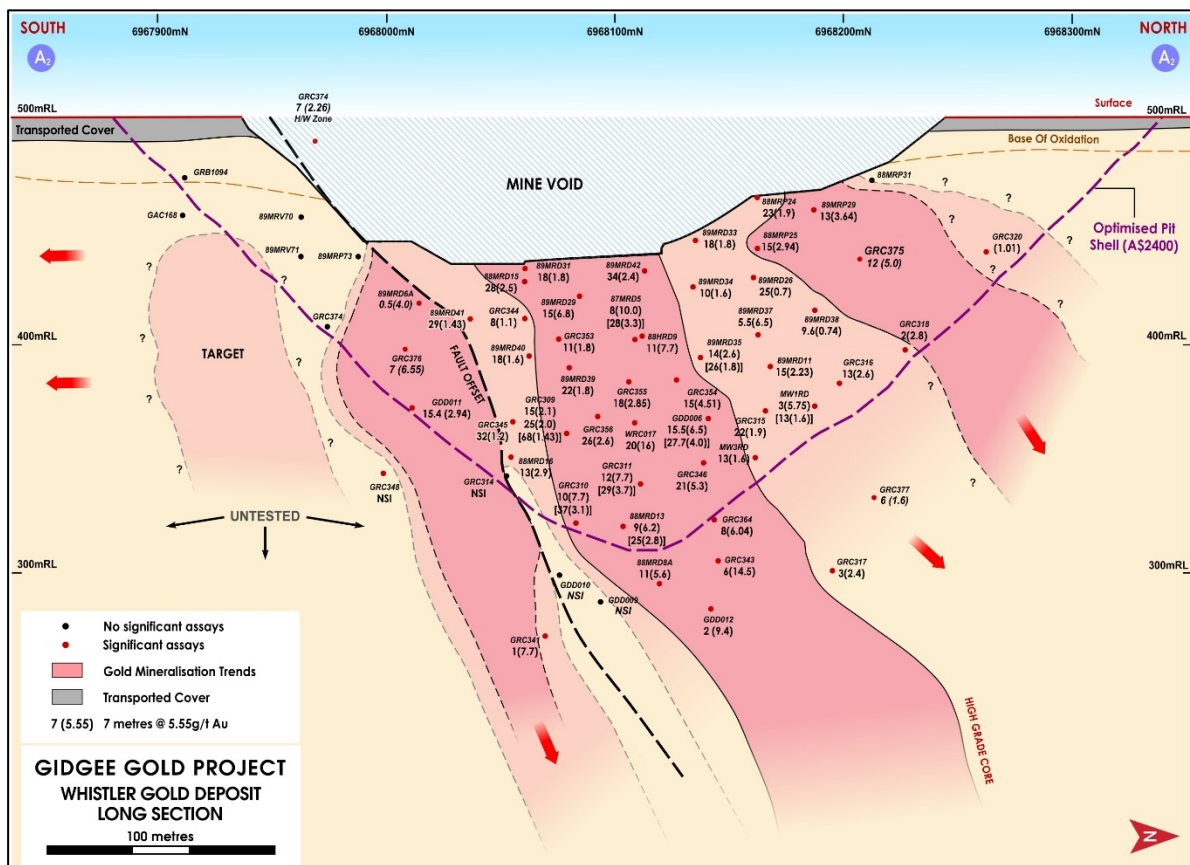


Figure (4): Whistler Long Section Resource and Exploration Summary

DIRECTORS' REPORT

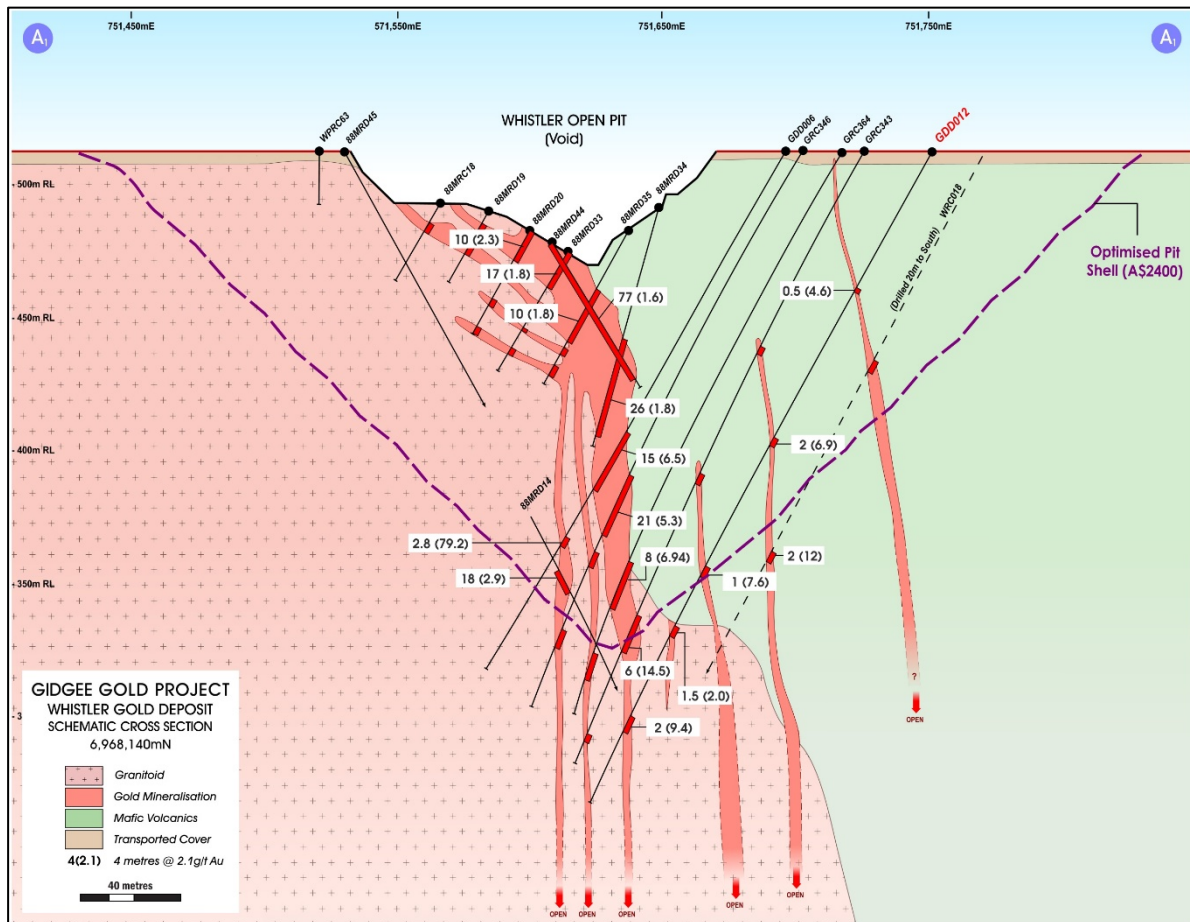


Figure (5): Whistler Cross Section

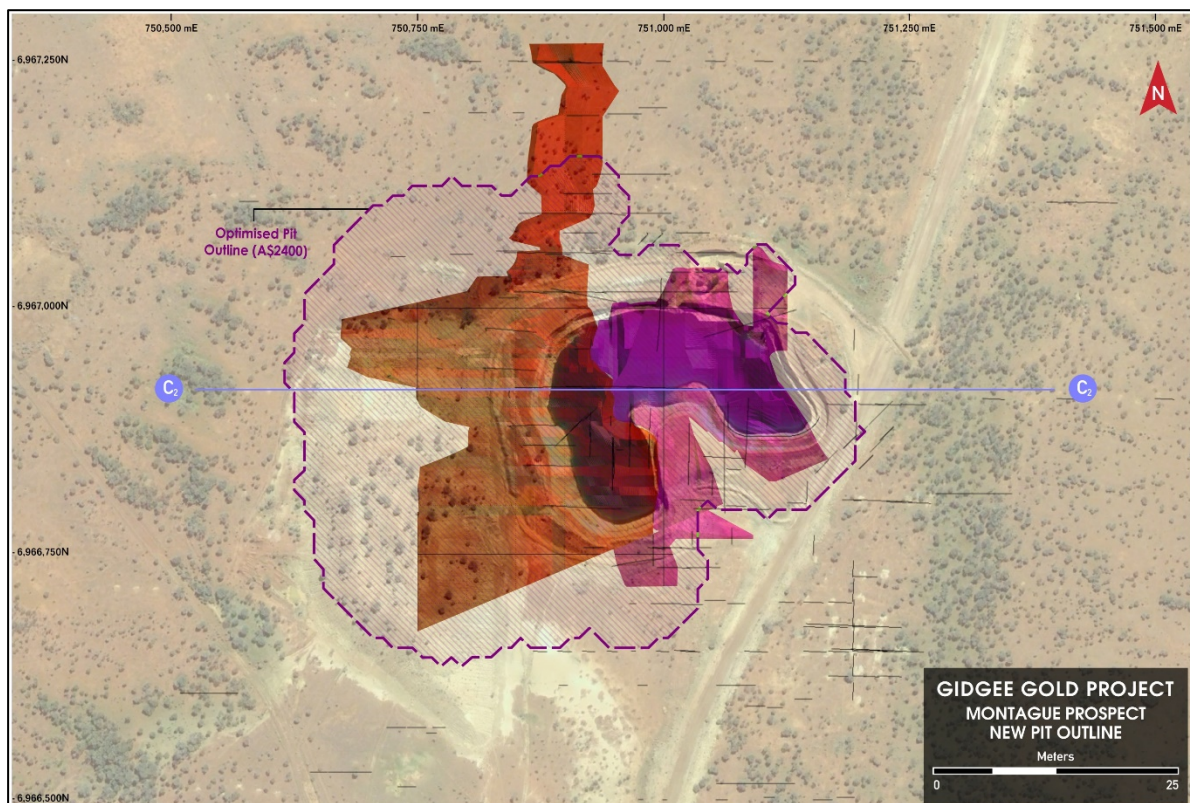


Figure (6): Montague Plan – Optimised A\$2,400 Pit Shell

DIRECTORS' REPORT

RC DRILLING – ACHILLES EXPLORATION TARGET

During the reporting period, the Company completed a major Reverse Circulation (RC) drilling program testing the Achilles prospect (see ASX Release 12 December 2019). The Achilles prospect incorporates the previously separate NE Caledonian, Rosie North, S-Bend, AF1 Lode and Rosie Castle prospects (see Figure 2). In total, the target extends for a strike length of approximately 1.5km and covers multiple mineralisation styles and host structures. Historic gold production has previously been carried out on the NE Caledonian and Rosie Castle open pits during the late 1980's and early 1990's by Herald Resources Ltd.

A total of 33 RC holes for 3,039m were completed over a strike length of approximately 400m (Figure 7) at Achilles. Drilling was designed to test the granodiorite-mafic contact area over a broad strike length extending north from the historically mined open pit at Rosie Castle, which was centered on this style of mineralisation. Previous exploration targeting the continuation of this structure was relatively limited in scope. Additionally, geological interpretation by Gateway has highlighted a series of potential thrust repeats of this contact in the area, forming the basis of the Achilles prospect. No systematic exploration has previously been carried out at Achilles to test this concept, but there are indications of other mineralised surfaces in existing historical data (e.g. at S-Bend). With the exception of two holes, all of the holes drilled by Gateway intersected significant gold mineralised structures. The results both confirmed and extended the zones of mineralisation intersected previously in historical RC drilling.

Significant new drilling results at Achilles include:

- **GRC446: 21 metres @ 2.1g/t Au from 32 metres (*includes 7 metres @ 5.2g/t Au*)**
- **GRC447: 13 metres @ 3.4g/t Au from 5 metres (*includes 3 metres @ 12.5g/t Au*)**
- **GRC430: 11 metres @ 3.0g/t Au from 32 metres**
- **GRC432: 7 metres @ 2.2g/t Au from 60 metres**
- **GRC435: 6 metres @ 3.8g/t Au from 17 metres**
- **GRC437: 10 metres @ 3.8g/t Au from 31 metres**
- **GRC443: 6 metres @ 2.1g/t Au from 22 metres**
- **GRC426: 19 metres @ 1.2g/t Au from 29 metres**

Drilling to date remains relatively shallow and, as such, the majority of intersections are either oxide or transitional (partially oxidized) in nature.

The mineralisation is interpreted to be best developed where multiple, sub-vertical structures within the mafic volcanic rocks intersect the moderately dipping thrust contact on the margin of the granodiorite intrusion (Figure 8). Down-dip of these intersection positions, the steep mafic-hosted structures are typically narrower and more discrete, with a strong component of high-grade gold. In addition to these main zones of mineralisation, widespread zones of stockwork mineralisation have also been intersected wholly within the granodiorite. These observations are consistent with the geological model developed by Gateway.

This program of RC drilling demonstrated the unreliability of historical RAB drilling in evaluating the presence and tenor of mineralisation present in the bedrock. As a result, it is considered that wide areas of prospective host rocks have not been effectively tested by previous exploration. Ongoing assessment of the greater Achilles area confirms the emerging potential of the wider target (Figure 9). Specific areas that require ongoing assessment include:

- The corridor north of the current drilling, which remains untested for approximately 600m towards the historically mined NE Caledonian open pit. The continuation of the host structure is easily visible in geophysical data

DIRECTORS' REPORT

- The sub-parallel S-Bend trend, as defined in magnetic data, is present over a strike length of at least 800m
- An interpreted thrust repeat, that sees the same structure and stratigraphy replicated to the west. Limited shallow drilling demonstrates this to be prospective but untested over a strike length of 3.6km
- South of the Rosie Castle open pit, where the interpreted continuation of the host structure remains only sporadically tested for approximately 4km.

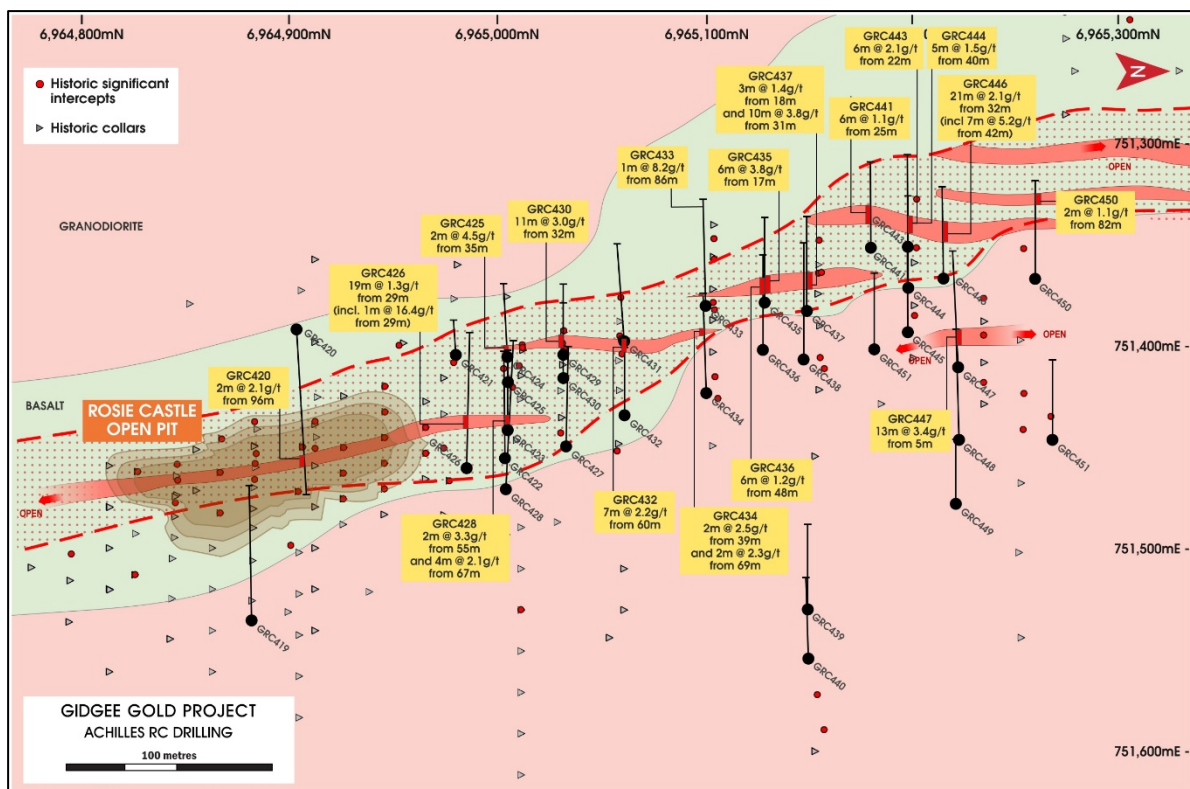


Figure (7): Achilles Prospect RC Drill Location Plan

DIRECTORS' REPORT

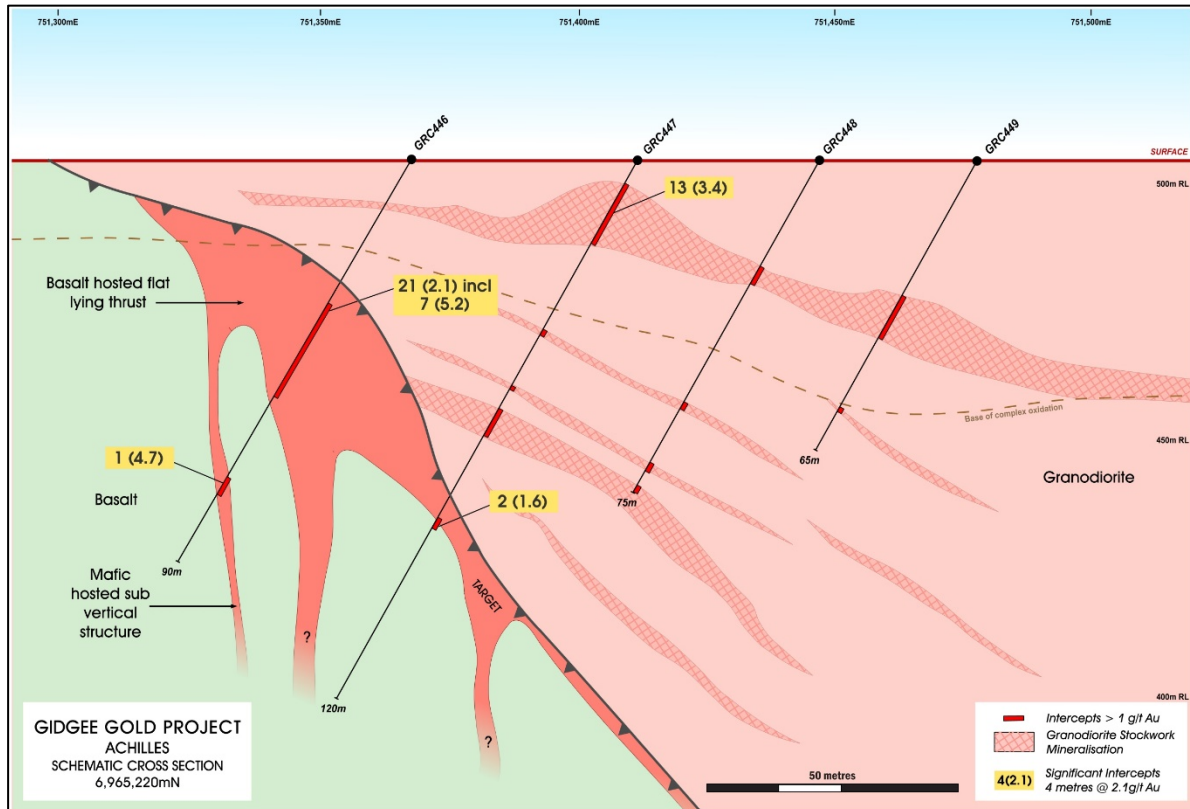


Figure (8): Achilles Prospect Schematic Cross-Section

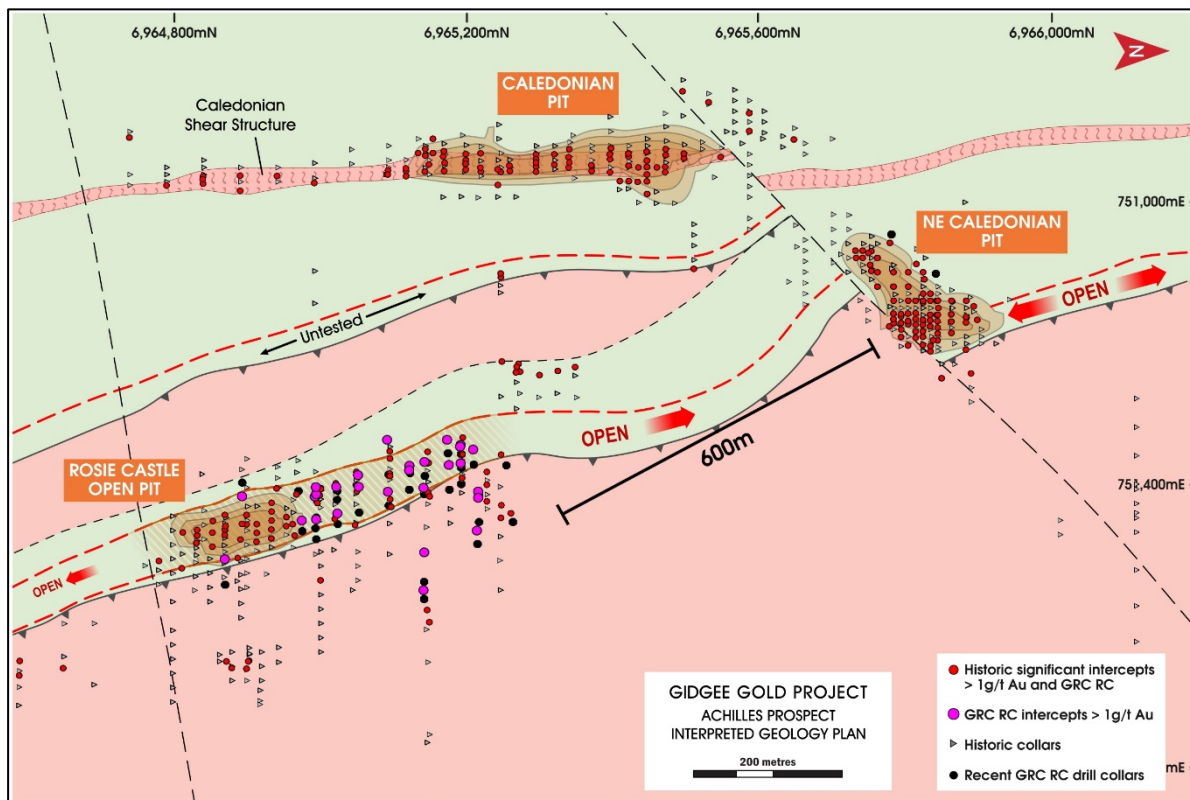


Figure (9): Achilles Prospect Interpreted Plan

DIRECTORS' REPORT

RC DRILLING – MONTAGUE GOLD DEPOSIT

Following the completion of RC drilling at Achilles, Gateway completed a program of 10 RC holes for 1,642m at the Montague Gold Deposit (see ASX Release 20 December 2019). Drilling was designed both to test a number of key areas within the defined Mineral Resource area and to commence step-out drilling to identify the potential for extensions to the gold system and, in particular, new high-grade domains (Figure 10). All of the holes intersected mineralisation on the target structure. Significant intersections include:

- **GRC389: 10 metres @ 13.0g/t Au from 65 metres**
- **GRC393: 6 metres @ 2.7g/t Au from 94 metres**
- **GRC395: 5 metres @ 3.1g/t Au from 114 metres**
- **GRC391: 2 metres @ 3.1g/t Au from 123 metres**

This program confirmed the continuity of mineralisation on the targeted main structure and supports the presence of higher-grade mineralised domains within the broader mineralised envelope. This is clearly demonstrated by the thick, high-grade intersection returned within the central high-grade domain from hole GRC389, which returned an outstanding intercept of **10m @ 13.0g/t Au**. Drilling to the south of the fault that previously was interpreted to control the extent of the Montague Gold Deposit has intersected what appears to be an extension of the high-grade domain or possibly a separate new structure (**GRC395: 5m @ 3.1g/t**). The mineralisation in this position remains totally open along strike to the south and down-dip (Figure 10).

The Montague Gold Deposit is located on the margin of the Montague Granodiorite, and is interpreted to be part of the same gold trend that hosts the Achilles Prospect and the NE Caledonian Deposits to the south. This trend, which remains open to the north and south, has now been defined over a strike length of at least ~2.5km. In order to test this trend, wide-spaced reconnaissance RC drilling (six holes) has been completed over the approximately 800m long undrilled position between Montague and the NE Caledonian Pit (Figure 11). The purpose of this drilling was to accurately locate the contact position prior to more detailed drilling to test for gold mineralisation both on the margin of the granodiorite (Whistler-style) and within the mafic volcanic stratigraphy (Montague-style). Assay results from these traverses are still outstanding as at the end of the reporting period.

DIRECTORS' REPORT

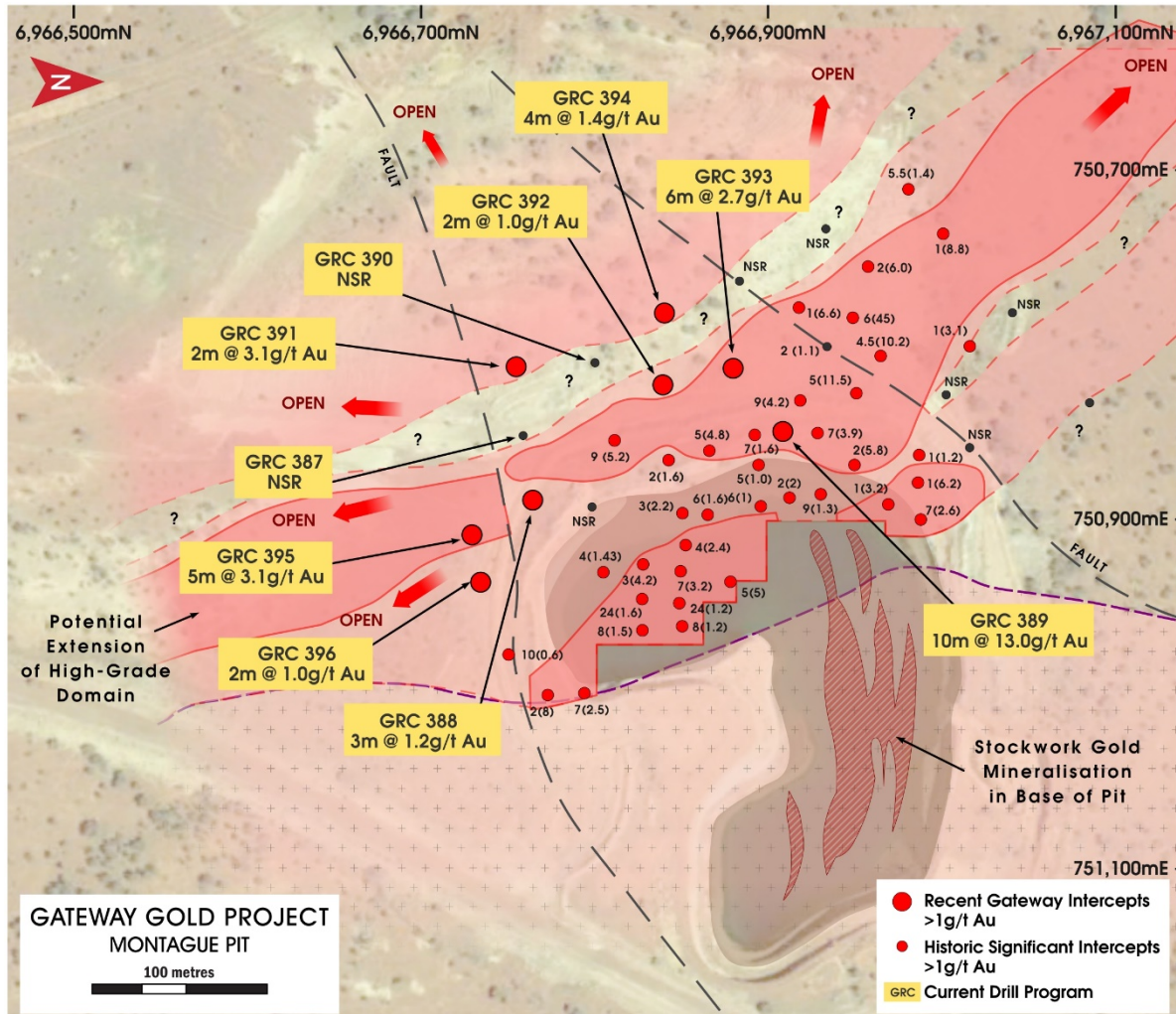


Figure (10): Montague Prospect RC Drilling Plan, showing the historical open pit and granodiorite contact zone

DIRECTORS' REPORT

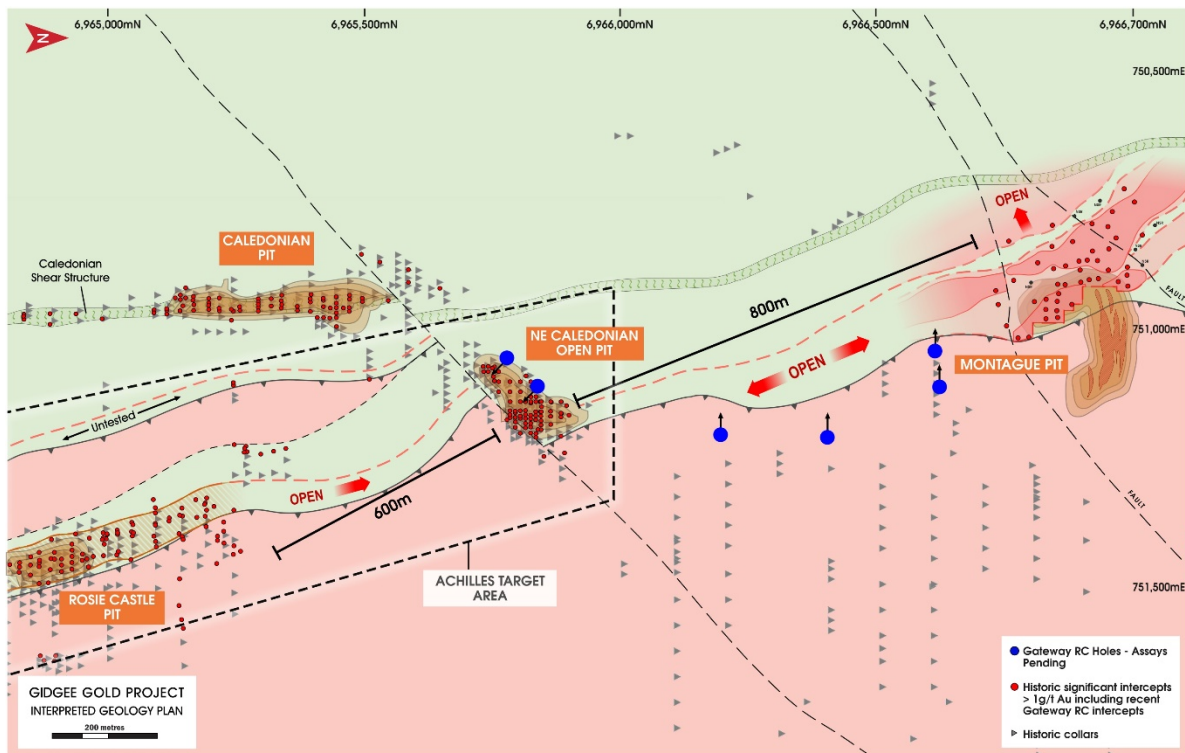


Figure (11): Montague Prospect Interpreted Geology Plan

GIDGEE GOLD PROJECT EXPANSION

During the reporting period, the Company announced that it had completed a process to significantly expand the Company's flagship Gidgee Gold Project as part of its ongoing commitment to unlocking the regions Tier -1 gold exploration and development potential.

These new acquisitions, strategic joint venture and new Exploration Licence Applications expand the core Gidgee Gold Project to 480km² and secures highly prospective extensions to this emerging gold project.

The Company has invested in the collection of high-quality regional datasets to provide a critical understanding of the major structural and stratigraphic controls that impact the Project. These datasets include the recently acquired detailed ground gravity survey data¹ and re-processed airborne magnetic data.

The collection of quality regional data within an area that has never been subjected to systematic exploration, and is largely under transported cover, provides the ability to effectively target for new exploration opportunities. The data has been used as the basis to target additional tenement areas for consolidation.

These new integrated datasets allows for the targeting of (Figures 12 and 13):

- Intrusions similar to the Montague Granodiorite that have not previously been identified in the region. These intrusions are considered as high-ranking targets for future programs of exploration.

² See ASX announcement dated 20th September 2019

DIRECTORS' REPORT

- Gold deposit styles based on other high-value analogues such as the Kanowna Belle and Wallaby gold deposits.
- Volcanic hosted massive sulphide (VHMS) copper-zinc-gold systems as identified at the Flametree Prospect VHMS Project. The new gravity dataset can be utilised to help identify sub-volcanic intrusions that would help focus any future exploration initiative targeting base metals.

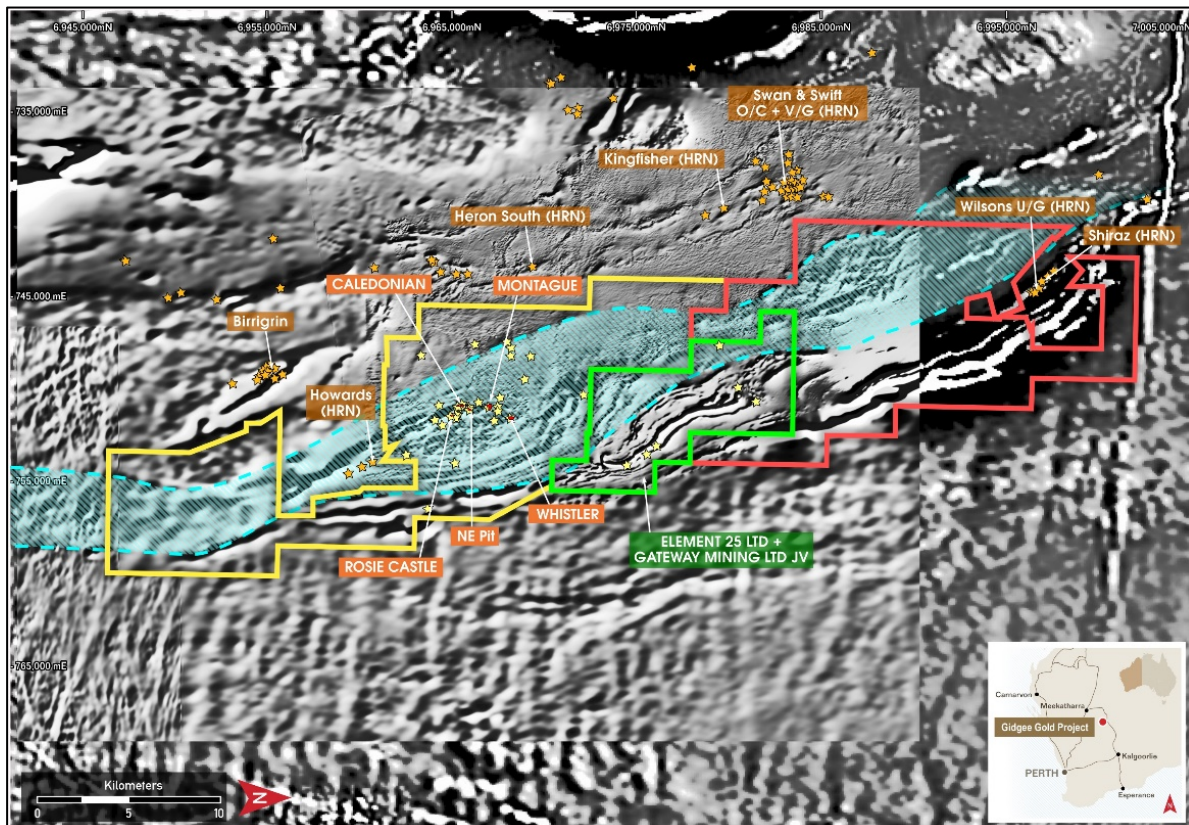


Figure (12): Gidgee Gold Project - airborne magnetic data image showing current GML tenements (yellow), new GML tenements (red) and E25 joint venture tenement (green)

DIRECTORS' REPORT

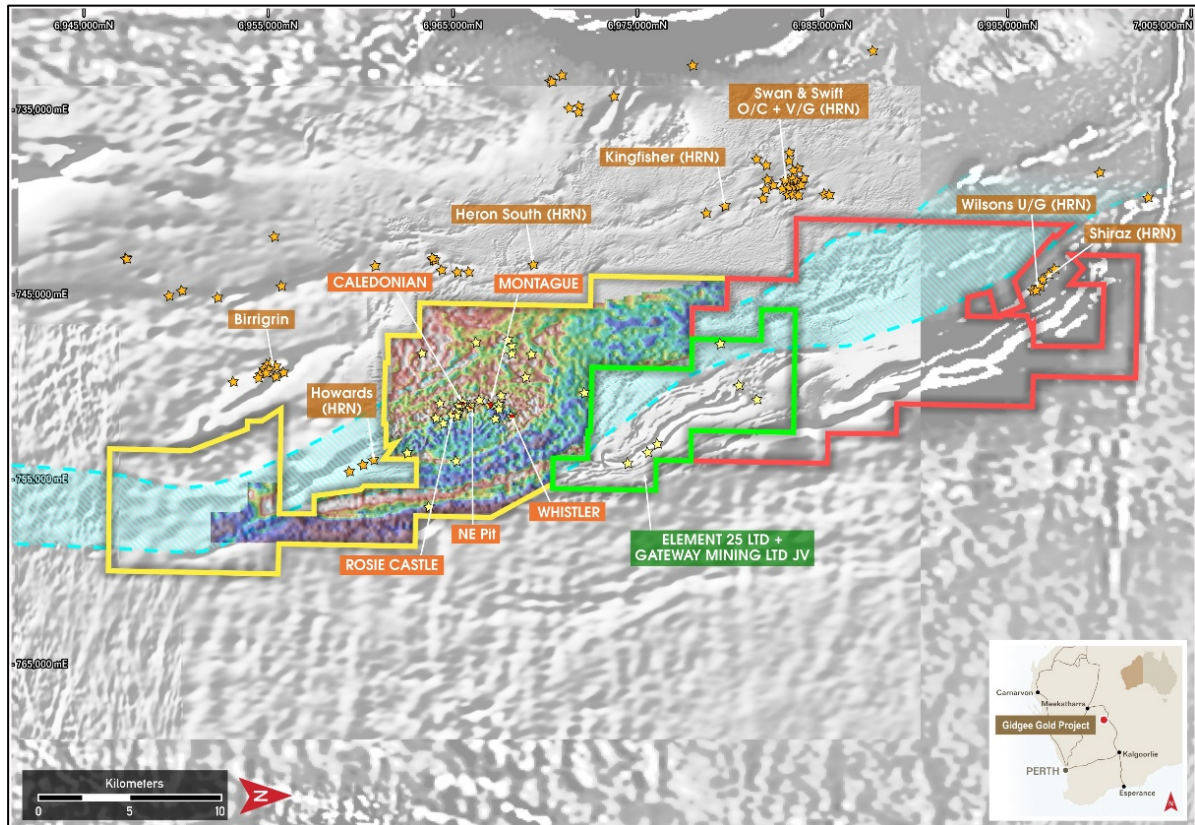


Figure (13): Gidgee Gold Project - airborne magnetic data image overlain by gravity image showing current GML tenements (yellow), new GML tenements (red) and E25 joint venture tenement (green)

Summary of Commercial Terms

- Granted Prospecting Licences P57/1455 and P57/1456: attained via open ground pegging - 100% owned by Gateway.
- Granted Exploration Licence E57/1113: attained via open ground pegging - 100% owned by Gateway.
- Exploration Licence Application E57/1145: Acquired from Mining Equities Pty Ltd for 2,272,727 Gateway shares (at a share price of \$0.022 per share, subject to 6 months voluntary escrow) and a 1% gross revenue royalty.
- Exploration Licence Applications E57/1144 and E52/2108: Acquired from Thunder Metals Pty Ltd for \$5,000 cash and a 10% free carried interest to a Decision to Mine.
- An 80% interest in granted Exploration Licence E57/1060: Acquired from ASX listed E25 Limited (ASX:E25) for:
 - \$50,000 payable at E25 Limited's discretion in cash or Gateway shares (based on a 5-day VWAP);
 - the grant of 0.7% Gross Revenue Royalty which is capped at the production of either 100,000 ounces of gold or 25,000 tonnes of copper from E57/1060; and
 - 20% free carried interest to a Decision to Mine.

DIRECTORS' REPORT

REGIONAL PROJECTS – WESTERN AUSTRALIA

In addition to the flagship Gidgee Gold Project, Gateway has excellent exposure to a quality portfolio of six exploration projects located in the Yilgarn, Bryah and Pilbara districts of Western Australia (**Regional Projects**).

The Regional Projects cover an approximate area of 1,040km² and the majority of the projects are located adjacent to major mineralised systems and cover highly prospective structural trends.

Given the focus on the Gidgee Gold Project a strategic decision was made to attract joint venture partners to a number of these regional projects. This has created a strong level of optionality via third party expenditure with reduced risk to Gateway.

The Regional Projects comprise of:

Bryah Basin Project

The Bryah Basin Project provides a large, consolidated profile in the Bryah Basin, a Proterozoic-aged volcano-sedimentary rift basin that is highly prospective for gold and copper-gold VHMS mineralisation. The Project is host to a number of important deposits including the DeGrussa and Monty copper-gold deposits (Sandfire and Talisman) and the Fortnum gold deposit (Westgold).

Currently, the Company, through its wholly-owned subsidiary Gateway Projects WA Pty Ltd (previously named Omni Projects Pty Limited) (**Gateway Projects WA**), entered into a conditional option agreement (**Transaction**) with Dingo Resources Limited (**Dingo**) under which Dingo has an exclusive option to acquire Gateway Projects WA's interests in E51/1738, E51/1842, E52/3273 and E52/3510 (**Tenements**) (**Option Agreement**).

Edjudina Project

The Edjudina Project is located in the highly mineralised Eastern Goldfield Province of the Yilgarn Craton and is considered prospective for gold and nickel-copper mineralisation. The Project covers a strike extent of approximately 29km within the Linden Terrain east of the Pinjin Fault, and covers a north-northwest trending sequence of prospective greenstone lithologies that are immediately along strike of Matsa Resources Limited's Fortitude Gold Project, where trial mining recently recommenced. The area is also subject to significant exploration interest from a number of major resource companies including St Barbara Limited, Saracen Minerals Holding Limited and AngloGold Ashanti Australia Limited.

During the reporting period, the Company announced that it had entered into a tenement sale agreement for the sale of its Edjudina Project exploration licences. This divestment is part of the Company's strategy of crystallising value from its portfolio of non-core exploration assets while maintaining a strong focus on gold exploration and development at its flagship 100%-owned Gidgee Gold Project.

The Company, through its wholly-owned subsidiary Gateway Projects WA Pty Limited (**Gateway Projects**), entered into a conditional tenement sale agreement (**Transaction**) with ASX-listed Syndicated Metals Limited (ASX: SMD) (**SMD**) under which SMD has agreed to acquire an 80% interest in E39/1765, E39/1882, E31/1150 and E31/1134 (**Tenements**)(**Tenement Sale Agreement**).

DIRECTORS' REPORT

As consideration for acquiring an 80% ownership interest in the Tenements, SMD provided to Gateway the following consideration:

- \$250,000. \$50,000 of which was paid in cash and \$200,000 which was paid in SMD shares; and
- The grant of a 1.5% gross revenue royalty over the Tenements (payable after the first 200,000 ounces of gold or equivalent mineral product has been recovered from the Tenements).

Gateway Projects' remaining 20% interest in the Tenements will be free-carried until such a time as a decision to mine is declared, and the parties have agreed to enter into a joint venture on this basis.

The Company notes that Tenements were previously subject to an option agreement between the Company and Trek Metals Limited (**Trek**) which was entered into in April 2019 (**Option**). However, as Trek no longer intended to undertake the exploration expenditure required under the Option, Trek and the Company mutually agreed to terminate the Option.

Cunyu Project

The Cunyu Project is located on the eastern margin of the Proterozoic-aged Yerrida Basin and is targeting a Proterozoic mafic-ultramafic intrusive complex of that is considered prospective for nickel-copper and PGE-type deposits. In addition to this, the Project is interpreted to lie on a similar stratigraphic horizon to the Magellan lead-zinc deposit (owned by LeadFX Inc.), located approximately 80km to the south.

Edna May Project

The Edna May Project is located on the northern end of the Archean-aged Westonia Greenstone Belt, which is part of the larger Southern Cross Greenstone Belt. The project is immediately along strike from Ramelius Resources' Edna May gold mine. The host greenstone belt and regional structure that controls the Edna May mine mineralisation is interpreted to persist through the project area, as evidenced by the presence of gold mineralisation intersected in historical drilling.

Southern Cross Project

The Southern Cross Project includes over 20km of prospective greenstone located at the northern end of the highly endowed Southern Cross Greenstone Belt. The belt is an Archean-aged package of mafic-ultramafic volcanic and sedimentary rocks, and is considered highly prospective for significant gold mineralisation as well as komatiite hosted nickel sulphide, VHMS and lithium deposits.

Currently, the Company has an option agreement for the sale of its exploration licence located at the northern end of the Southern Cross Greenstone Belt. The Company entered into a conditional option agreement (**Transaction**) with SMD under which SMD has an exclusive option to acquire Gateway Projects WA's interests in E77/2309 (**Tenement**) (**Option Agreement**).

DIRECTORS' REPORT

Under the terms of the Option Agreement, in consideration for a non-refundable option fee of AUD\$10,000, SMD has an exclusive 12-month option (**Initial Option Term**) to acquire the Tenement (**Option**). SMD may at any time prior to expiry of the Initial Option Term elect to extend the Option by a further 12 months (**Second Option Term**) by providing written notice to the Company and paying a further non-refundable option fee of AUD\$10,000. This will result in SMD having an aggregate 24-month Option to acquire the Tenement (**Term**).

Sylvania Project

The Sylvania Project covers part of the Sylvania Inlier, an Archaean-aged cratonic block on the southern margin of the Pilbara Craton. The Project is considered prospective for gold mineralisation and is relatively untested by systematic modern exploration techniques. Although at an early stage, it has been recognized that conglomerate stratigraphy, which is potentially prospective for palaeo-placer gold mineralisation, is present across the Project.

MINING TENEMENTS

The consolidated tenement holdings of the Group held during the reporting period are as follows:

Project	Tenement	Owner
BRYAH BASIN	E51/1738	Gateway Projects Pty Ltd
BRYAH BASIN	E51/1842	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3273	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3510	Gateway Projects Pty Ltd
CUNYU	E51/1762	Gateway Projects Pty Ltd
EDNA MAY	E77/2290	Gateway Projects Pty Ltd
GIDGEE	E57/1057	Gateway Projects Pty Ltd
GIDGEE	E57/1060	Gateway Mining Ltd – 80% Element 25 Ltd – 20%
GIDGEE	E57/1067	Gateway Projects Pty Ltd
GIDGEE	P57/1407	Gateway Projects Pty Ltd
GIDGEE	P57/1409	Gateway Projects Pty Ltd
GIDGEE	P57/1410	Gateway Projects Pty Ltd
GIDGEE	P57/1411	Gateway Projects Pty Ltd
GIDGEE	P57/1412	Gateway Projects Pty Ltd
GIDGEE	P57/1413	Gateway Projects Pty Ltd
GIDGEE	P57/1449	Gateway Mining Ltd
GIDGEE	P57/1455	Gateway Mining Ltd
GIDGEE	P57/1456	Gateway Mining Ltd
GIDGEE	P57/1457	Gateway Mining Ltd
GIDGEE	P57/1458	Gateway Mining Ltd
GIDGEE	P57/1459	Gateway Mining Ltd
GIDGEE	P57/1460	Gateway Mining Ltd
GIDGEE	P57/1461	Gateway Mining Ltd
GIDGEE	E57/0405	Gateway Mining Ltd
GIDGEE	E57/0417	Gateway Mining Ltd
GIDGEE	E57/0687	Gateway Mining Ltd

DIRECTORS' REPORT

GIDGEE	E57/0688	Gateway Mining Ltd
GIDGEE	E57/0793	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	E57/0807	Gateway Mining Ltd
GIDGEE	E57/0823	Gateway Mining Ltd
GIDGEE	E57/0824	Gateway Mining Ltd
GIDGEE	E57/0874	Gateway Mining Ltd
GIDGEE	E57/0875	Gateway Mining Ltd
GIDGEE	E57/0876	Gateway Mining Ltd
GIDGEE	E57/0888	Gateway Mining Ltd
GIDGEE	E57/0945	Gateway Mining Ltd
GIDGEE	E57/1004	Gateway Mining Ltd
GIDGEE	E57/1005	Gateway Mining Ltd
GIDGEE	M57/0048	Gateway Mining Ltd
GIDGEE	M57/0098	Gateway Mining Ltd
GIDGEE	M57/0099	Gateway Mining Ltd
GIDGEE	M57/0217	Gateway Mining Ltd
Project	Tenement	Owner
GIDGEE	M57/0429	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	M57/0485	Gateway Mining Ltd – 75% Estuary Resources NL – 25%
GIDGEE	E57/1113	Gateway Mining Ltd
GIDGEE	E57/1108	Gateway Mining Ltd
SOUTH. CROSS	E77/2309	Gateway Projects Pty Ltd
SYLVANIA	E52/3365	Gateway Projects Pty Ltd
SYLVANIA	E52/3366	Gateway Projects Pty Ltd
THADOONA	E51/1863	Gateway Projects Pty Ltd
BRYAH BASIN	E52/3248	Auris Minerals Ltd – 85% Gateway Projects Ltd - 15%
BRYAH BASIN	E52/3291	Auris Minerals Ltd – 85% Gateway Projects Ltd - 15%
EDJUDINA	E31/1134	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E31/1150	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E39/1765	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%
EDJUDINA	E39/1882	Syndicated Metals Ltd – 80% Gateway Projects Pty Ltd – 20%

DIRECTORS' REPORT

CORPORATE ACTIVITIES

Capital Raising

During the reporting period, the Company successfully completed a capital raising of A\$3.46 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin a major new phase of drilling and exploration at its flagship 100%-owned Gidgee Gold Project in Western Australia.

The Placement, which comprised the issue of 230,966,664 shares at an issue price of \$0.015 per share, was strongly supported by existing and new investors.

The proceeds of the Placement will underpin the next phase of exploration upcoming exploration at the Gidgee Project as part of the Company's announced strategy to finalise and expand on its maiden Mineral Resource estimates and accelerate exploration across the project.

Appointment of Technical Director

During the Reporting Period, the Company announced that it appointed highly experienced Australian mining executive Mark Cossom as Executive Technical Director. Mr Cossom commenced employment with the Company on 21 October 2019. The appointment reflects Gateway's commitment to establish a strong in-house technical team with project evaluation and development capability as it advances its flagship Gidgee Gold Project in Western Australia to the next level.

Mr Cossom is a highly regarded geologist and mining executive with a strong background in gold exploration and mining geology, coupled with strong economic evaluation and corporate experience. He played a key part of the team that helped transform Doray Minerals from a junior gold explorer to an ASX-200 gold miner, holding a range of senior positions with the company including as Geology-Development Manager from 2010-2015 and General Manager – Geology and Exploration from 2015 to 2019 (prior to its takeover by Silver Lake Resources).

Prior to his time at Doray, Mr Cossom worked as Principal Geologist (SE Asia) for Harmony Gold Ltd based in Brisbane, overseeing all exploration and mine geology activities across the region including for the major Morobe Mining Joint Venture with Newcrest Mining Ltd in PNG. He has also worked in a range of roles for Harmony Gold at their South Kal Operations and for Dioro Exploration as Technical Support Manager.

Mr Cossom holds of Master of Science (Mineral Economics) from the WA School of Mines and a Bachelor of Science (Honours) in Applied Geology from Curtin University.

Financial Results

The loss of the Group for the half-year to 31 December 2019 was \$441,129 compared to a loss of \$309,079 for the previous comparative half-year.

The Group incurred exploration expenditure of \$2,521,890 during the current half-year to 31 December 2019 compared to \$1,373,517 for the prior half-year to 31 December 2018.

The Group's cash and cash equivalents at 31 December 2019 was \$2,681,043 (June 2019: \$1,844,958). The total net assets of the Group at 31 December 2019 stands at \$12,443,262 (June 2019: \$9,080,315) of which investment in exploration expenditure accounts for \$9,581,668 (June 2019: \$7,127,192).

The Group is a mining exploration entity, and as such does not earn income from the sale of product. No dividends have been declared or paid during the year.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS DURING THE FINANCIAL YEAR AND AFTER THE END OF THE REPORTING PERIOD

Whistler Drilling Results

Subsequent to the reporting period on 29 January 2020, the Company reported significant new results from the recently completed reverse circulation (RC) drilling program around the Whistler Gold Deposit, within the Company's flagship 100%-owned Gidgee Gold Project in Western Australia.

This drilling program was designed to undertake a first-pass assessment along strike to the north and south of the Whistler Gold Deposit to understand the potential to significantly grow the current resource (Inferred Resource of 1.7Mt at 2.23g/t Au for 120,000oz of contained gold: see ASX release dated 3 October 2019). The drilling targeted both the main granodiorite-hosted gold mineralisation and the hanging wall mafic-hosted lode system.

The drilling at Whistler formed part of a large 11,000m RC drilling campaign undertaken over several targets at Gidgee, which included both the recent discovery of an extensive zone of shallow oxide gold at Achilles and the expansion of the Montague Gold Deposit, as detailed in the Company's ASX releases of 12 December 2019 and 20 December 2019.

Highlights from the result included:

- Successful reverse circulation drilling prior to Christmas demonstrates a significant opportunity to extend the Whistler Gold Deposit system over at least a 900m strike length.
- The Whistler South zone has been defined in shallow drilling over a strike length of at least 500m and remains totally untested at depth. Key results that currently define this gold mineralised trend are:
 - GRC482: 13 metres @ 1.6g/t Au from 58 metres
 - GRC480: 5 metres @ 1.0g/t Au from 23 metres
- Drilling at Whistler North has successfully intersected the mineralised structure north of the current Whistler Inferred Resource (1.7Mt at 2.23g/t for 120,000oz). The trend remains untested to the north and highlights the potential for high-grade mineralised domains down-dip.
- In addition, the drilling has confirmed a series of mafic-hosted shear zones in the hanging wall of the main Whistler trend. Significant results include:
 - GRC398: 7 metres @ 1.0g/t Au from 53 metres
 - GRC397: 2 metres @ 3.6g/t Au from 62 metres
 - GRC400: 10 metres @ 1.0g/t Au from 43 metres
 - GRC454: 5 metres @ 2.1g/t Au from 25 metres
 - GRC402: 6 metres @ 1.5g/t Au from 43 metres
- A program of first-pass RC drilling at the Armada Prospect, 500m north-west of Whistler, has confirmed the presence of primary structures beneath a zone of near-surface supergene mineralisation.

DIRECTORS' REPORT

Regional Drill Results

A regional assessment outside the key contact of the Montague Granodiorite, supported by reconnaissance aircore drilling, has identified a series of highly prospective gold corridors that present a major opportunity for new discoveries, particularly shallow oxide gold deposits.

The four gold corridors, as currently defined, cover a cumulative strike length of approximately 20km, opening up a major new exploration opportunity for Gateway within its high-quality Gidgee Gold Project outside of the currently defined resources.

The Flametree Prospect is part of an interpreted ~8km long gold-base metal corridor that has demonstrated potential for near-surface oxide gold. A recent regional aircore drilling program has intersected significant shallow oxide gold mineralisation which remains open in all directions, within this broader trend. Key results include:

- GWAC0267: 5 metres @ 10.4g/t Au from 52 metres
- GWAC0256: 4 metres @ 3.8g/t Au from 20 metres
- GWAC0257: 9 metres @ 1.1g/t Au from 17 metres
- GWAC0247: 5 metres @ 3.8g/t Au from 23 metres
- GWAC0246: 3 metres @ 3.5g/t Au from 44 metres
- GWAC0243: 17 metres @ 0.8g/t Au from 69 metres, including 11 metres @ 1.0g/t Au
- GWAC0236: 5 metres @ 1.9g/t Au from 39 metres

Aircore drilling to test a coincident gravity-magnetic target at the Ashes Prospect has intersected ferruginous quartz veining in sandstones, with anomalous results including:

- GWAC0214: 8 metres @ 0.7g/t Au from 24 metres (includes 4 metres @ 1.2g/t Au)

An additional aim of the drilling program was to confirm the free-milling nature of the oxide gold within these trends. Leachwell analysis of the mineralisation has confirmed the cyanide extractability of the oxide mineralisation.

Bryah Basin Option Update

Subsequent to the reporting period and further to its announcement of 21 February 2020, the Company provided an update in relation to the Option Agreement entered into between its wholly-owned subsidiary, Gateway Projects and Dingo over the Tenements located in the Bryah Basin.

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

DIRECTORS' REPORT

(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.

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2019 is enclosed and forms part of this interim financial report.

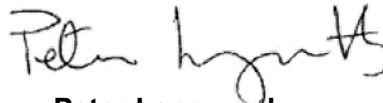
This report is signed in accordance with a resolution of the Board of Directors.



Trent Franklin

Non-executive Chairman

Dated this 9th of March 2020



Peter Langworthy
Managing Director

9 March 2020

The Board of Directors
Gateway Mining Limited
Level 11, 52 Phillips Street
SYDNEY NSW 2000

Dear Board Members

GATEWAY MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Gateway Mining Limited.

As lead audit partner for the review of the half-year financial statements of Gateway Mining Limited and its controlled entities for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

**Crowe Sydney**

Suwanti Asmono
Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	31 Dec 2019 \$	31 Dec 2018 \$
Interest received	11,439	3,596
Other income	-	75,000
Realised gains on sale of investments	73,086	-
Employee benefits expenses	(120,557)	(115,780)
Professional services expenses	(147,254)	(67,676)
Directors' remuneration	(60,000)	(60,000)
Consulting fees	(18,000)	(18,000)
Travel expenses	(3,752)	(13,956)
Depreciation expenses	(281)	(282)
Share registry fees	(35,128)	(51,182)
Office and administrative expenses	(50,014)	(60,799)
Public relations expenses	(90,667)	-
Loss before income tax	(441,129)	(309,079)
Income tax expense	-	-
Loss for the half-year	(441,129)	(309,079)
Other comprehensive income:	59,364	-
Other comprehensive income for the half-year, net of tax	59,364	-
Total comprehensive income (loss) for the half-year attributable to owners of the company	(381,765)	(309,079)
Earnings per share		
Basic earnings per share (cents)	10 (0.04)	(0.04)
Diluted earnings per share (cents)	10 (0.04)	(0.04)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	31 Dec 2019 \$	30 Jun 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,681,043	1,844,958
Trade and other receivables	5	194,341	115,052
TOTAL CURRENT ASSETS		2,875,384	1,960,010
NON-CURRENT ASSETS			
Financial assets	6	710,727	451,363
Exploration and evaluation expenditure	7	9,581,668	7,127,192
Property, plant and equipment		6,115	1,509
TOTAL NON-CURRENT ASSETS		10,248,510	7,580,064
TOTAL ASSETS		13,123,894	9,540,074
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	695,361	437,666
Provisions for employee benefits		28,989	18,156
TOTAL CURRENT LIABILITIES		724,350	455,822
NON-CURRENT LIABILITIES			
Provisions for employee benefits		6,282	3,937
TOTAL NON-CURRENT LIABILITIES		6,282	3,937
TOTAL LIABILITIES		730,632	459,759
NET ASSETS		12,443,262	9,080,315
EQUITY			
Issued capital	9	41,771,899	38,027,187
Share based payment reserve		311,952	311,952
Financial assets reserve		59,364	-
Accumulated losses		(29,699,953)	(29,258,824)
TOTAL EQUITY		12,443,262	9,080,315

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Accumulated losses	Share based payments reserve	Financial assets reserve	Total
	\$	\$	\$	\$	
Balance at 1 July 2018	34,882,059	(28,483,015)	311,952	-	6,710,996
Loss for the period	-	(309,079)	-	-	(309,079)
Other comprehensive income / Loss for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(309,079)	-	-	(309,079)
Transactions with owners in their capacity as owners					
Shares issued in period	1,500,000	-	-	-	1,500,000
Cost of share issues	(81,721)				(81,721)
Balance at 31 December 2018	36,300,338	(28,792,094)	311,952	-	7,820,196
Balance at 1 July 2019	38,027,187	(29,258,824)	311,952	-	9,080,315
Loss for the period	-	(441,129)	-	-	(441,129)
Other comprehensive income / Loss for the period	-	-	-	59,364	59,364
Total comprehensive income / (loss) for the period	-	(441,128)	-	-	(381,765)
Transactions with owners in their capacity as owners					
Shares issued in year	3,918,017	-	-	-	3,868,017
Cost of share issues	(173,305)			-	(173,305)
Balance at 31 December 2019	41,771,899	(29,699,953)	311,952	59,364	12,443,262

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	NOTE	31 Dec 2019	31 Dec 2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(522,533)	(463,433)
Receipts from customers		-	75,000
Interest received		11,439	3,295
NET CASH USED IN OPERATING ACTIVITIES		(511,094)	(385,138)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		50,000	-
Purchase of tenements		(59,500)	-
Payment for exploration and evaluation		(2,071,113)	(1,313,516)
Payment for property, plant and equipment		(5,420)	-
NET CASH USED IN INVESTING ACTIVITIES		(2,036,033)	(1,313,516)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,556,517	1,500,000
Payments for capital raising costs		(173,305)	(81,721)
NET CASH FROM FINANCING ACTIVITIES		3,383,212	1,418,279
NET INCREASE / (DECREASE) IN CASH HELD		836,085	(280,375)
Cash and cash equivalents at beginning of financial period		1,844,958	1,612,040
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4	2,681,043	1,331,665

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose interim financial statements that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the requirements of Corporations Act 2001.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Gateway Mining Limited and its controlled entities. It is therefore recommended that this financial report to be read in conjunction with annual financial statements of the group for the year ended 30 June 2019, together with any public announcements made during the following half-year.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b. Accounting Policies

The financial statements are general purpose interim financial statements that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the requirements of Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the June 2019 annual report.

d. New, revised or amending Accounting Standards and Interpretations adopted

The following new, revised or amending Accounting Standard and Interpretations issued by the Australian Accounting Standards Board ('AASB') are mandatory for the current reporting period.

- AASB 16 Leases.

The standard does not apply to the group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses, negative operating cash flows, and no ongoing revenue streams, as the Directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The cash is managed through:

- a) tight control of administrative expenses;
- b) raising additional share capital, for which the Company has a history of raising funds; and
- c) by reducing the exploration program to maintain cash flow.

The Directors have prepared a forecast for the foreseeable future reflecting the above mentioned expectations and their effect on the Group. The forecast is conservative, and reflects current market prices, and costs similar to this period for expenditure and exploration.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

f. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gateway Mining Limited ('**Company**' or '**Parent Entity**') as at 31 December 2019 and the results of its subsidiary for the period then ended. Gateway Mining Limited and its subsidiary together are referred to in these financial statements as the '**consolidated entity**' or '**the Group**'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 3: OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Directors (who are identified as the Chief Operating Decision Makers (**CODM**) in assessing performance and in determining the allocation of resources.

The CODM reviews operating expenses in relation to the exploration activities and the Group's cash position. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis. Information is presented on a consolidated cash flow basis. Cash flow funding is treated as one pool of liquid assets noting relevant terms of any maturity or exercise of any investments for the purpose of funding exploration.

Types of products and services – The principal products and services of this operating segment are in exploration operations predominately in Australia.

NOTE 4: CASH AND CASH EQUIVALENTS

	31-Dec-19	30-Jun-19
	\$	\$
Cash at bank and on hand	2,681,043	1,844,958

Interest is on a variable rate. The group is not sensitive to interest rate movement.

NOTE 5: TRADE AND OTHER RECEIVABLES

	31-Dec-19	30-Jun-19
	\$	\$
CURRENT		
GST receivables	180,120	99,611
Prepayments	12,754	13,974
Other receivables	1,467	1,467
Total trade and other receivables	194,341	115,052

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 6: FINANCIAL ASSETS

NON-CURRENT

Financial assets at fair value through other comprehensive income:

Shares in listed corporations-at fair value

	31-Dec-19 \$	30-Jun-19 \$
Opening fair value	21,910	23,357
Disposal consideration	-	(180)
Additions	200,000	-
Amount recognised in profit and loss	-	(4,570)
Amount recognised in comprehensive income	(22,565)	3,120
	199,346	21,910

Shares in unlisted corporations-at fair value

Opening fair value	400,000	400,000
Amount recognised in comprehensive income	81,928	-
	481,928	400,000

Total financial assets at fair value through other comprehensive income

681,273 **421,910**

Term deposit

29,454 **29,454**

Total financial assets

710,727 **451,364**

Fair Value

The fair values of listed investments have been valued at the fair value predominantly being the quoted market bid price at the end of the reporting period.

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability all financial assets held by the Group are assessed as Level 1 and Level 2 financial assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 6: FINANCIAL ASSETS (CONTINUED)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 December 2019				
<i>Assets</i>				
Ordinary shares	199,345	-	-	199,345
- listed investments				
Ordinary shares	-	481,928	-	481,928
- unlisted investments				
Total assets	199,345	481,928	-	681,273
Consolidated - 30 June 2019				
<i>Assets</i>				
Ordinary shares	21,910	-	-	21,910
- listed investments				
Ordinary shares	-	400,000	-	400,000
- unlisted investments				
Total assets	21,910	400,000	-	421,910

**NOTE 7 - EXPLORATION AND EVALUATION
EXPENDITURE**

NON-CURRENT ASSET

	31-Dec-19 \$	30-Jun-19 \$
Capitalised expenditure in respect of areas of interest at the beginning of the year	7,127,192	5,029,385
Expenditures during the period	2,521,890	2,097,807
Addition	109,500	-
Disposal	(176,914)	-
Capitalised exploration expenditure at the end of the year	9,581,668	7,127,192

The recoverability for the carrying amount of exploration assets is dependent upon further exploration and exploitation of commercially viable mineral deposits.

Exploration and evaluation expenditure for areas of interest for which rights of tenure are current is carried forward as an asset where it is expected that the expenditure will be recovered through the successful development of an area or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence of economically recoverable reserves. Where a project or an area has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

In order to maintain current rights of tenure to exploration tenements, the Group is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met. The future obligations which are subject to renegotiation when an application for a mining lease is made and at other times are not provided for in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade and other payables

31-Dec-19	30-Jun-19
\$	\$
695,361	437,666

NOTE 9: ISSUED CAPITAL

a. Ordinary shares fully paid

	31-Dec-19	30-Jun-19
	\$	\$
Opening balance	38,027,187	34,882,059
Shares issued in period	3,918,017	3,326,849
Capital raising costs	(173,305)	(181,721)
Closing balance	41,771,899	38,027,187

b. Movements in ordinary shares on issue

	31-Dec-19	30-Jun-19
	Number	Number
Opening balance	1,077,372,773	836,845,924
Shares issued 25 October 2018 at 1.5 cents	-	81,250,070
Shares issued 4 December 2018 at 1.5 cents	-	18,749,933
Shares issued 16 April 2019 at 1.5 cents	-	140,526,846
Shares issued 23 July 2019 at 1.5 cents	15,770,539	-
Shares issued 30 August 2019 at 1.3 cents	210,966,664	-
Shares issued 13 November 2019 at 1.5 cents	33,233,333	-
Shares issued 17 December 2019 at 2.2 cents	2,272,727	-
Closing balance	1,339,616,036	1,077,372,773

NOTE 10: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss

	31-Dec-19	31-Dec-18
	\$	\$
Loss used in the calculation of basic and dilutive earnings per share	(441,129)	(309,079)

b. Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share

	No. of shares	No. of shares
	1,242,466,348	869,726,374
Basic Earnings Per Share (cents)	(0.04)	(0.04)
Diluted Earnings Per Share (cents)	(0.04)	(0.04)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 11: CONTINGENT LIABILITIES, CAPITAL EXPENDITURE AND MINING
TENEMENT COMMITMENTS**

The Board of Directors believe that there are no contingent liabilities or capital equipment commitments up to or subsequent to the 31st December 2019 (30 June 2019: nil) for either the parent company or its subsidiaries. The mining tenement commitment as at the 31st December 2019 is \$1,409,760 (30 June 2019: \$1,252,940).

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting period and further to its announcement of 21 February 2020, the Company provided an update in relation to the Option Agreement entered into between its wholly-owned subsidiary, Gateway Projects and Dingo over the Tenements located in the Bryah Basin.

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**).

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

NOTE 13: RELATED PARTY TRANSACTIONS

a. Directors and Key Management Persons

Key Management Persons	Position
Trent Franklin	Non-Executive Chairman
Peter Langworthy	Executive Managing Director
Mark Cossom	Executive Technical Director
Scott Brown	Non-Executive Director
Debra Fullarton	Non-Executive Director

b. Directors loans

No directors or any key personnel have received any loans from the Group.

c. Other

During the year, the Group entered into the following transactions with related parties:

- (i) Omni GeoX Pty Ltd which is a related party of Peter Langworthy (Managing Director) and Scott Brown (non-executive director) was paid \$582,032 (June 2019: \$1,044,843) for Geological services.
- (ii) Related parties of Trent Franklin, a non-executive chairman of the Group including Enrizen Capital Pty Ltd received \$12,620 (Dec 2018: \$47,110) for capital raising and underwriting services; Enrizen Lawyers Pty Ltd received \$67,536 (Dec 2018: \$23,449) for legal services; Enrizen Pty Ltd received \$1,777 (Dec 2018: \$2,090) for insurance services; Enrizen Accounting Pty Ltd received \$60,000 (Dec 2018: \$30,000) for company secretarial and accounting services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 14: COMPANY DETAILS

The registered office & sole principal place of business of the Group is:

Gateway Mining Limited
Level 11, 52 Phillip Street
Sydney NSW 2000 Australia

DIRECTORS DECLARATION

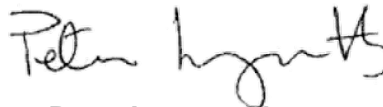
In the directors' opinion:

- 1 the financial statements and notes, as set out on pages 26 to 39 are in accordance with the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half-year ended on that date of the Group;
- 2 in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Trent Franklin
Non-executive Chairman
Dated this 9th of March 2020
Sydney



Peter Langworthy
Managing Director

Independent Auditor's Review Report to the Members of Gateway Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gateway Mining Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor Gateway Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gateway Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the half-year financial report, which indicates that the Group incurred a net loss and had operating cash outflows during the half-year ended 31 December 2019 with no current ongoing revenue streams. As disclosed in Note 11, the Group had mining tenement commitment of \$1,409,760 as at 31 December 2019.

As stated in Note 1(e), the directors have prepared the 31 December 2019 financial report on a going basis and have been taking actions to address their cash requirements. Should the events or actions set forth in Note 1(e) not eventuate, it may result in a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Crowe Sydney



Suwanti Asmono

Partner

Dated at Sydney this 9th day of March 2020