



ASX Announcement: 16 April 2020

DINGO RESOURCES EXERCISES OPTION TO PURCHASE GATEWAY'S BRYAH BASIN TENEMENTS IN WA

Further to its announcement of 19 February 2020, 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**).

The Company is now pleased to announce that Dingo, which is now a wholly-owned subsidiary of Alloy Resources Limited (ASX: AYR) (**Alloy**), has exercised its option to purchase the Tenements. The exercise of the Option by Dingo was conditional and subject to Alloy completing a capital raising of a minimum \$1,000,000 (**Condition**). The Company confirms that this Condition has now been satisfied.

As consideration for selling the tenements to Dingo, the Company will receive 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 (on a post-consolidated basis), which will be subject to a 12-month voluntary escrow; and
- (c) (**Royalty Consideration**): the grant of a 1.5% net smelter royalty over the Tenements.

MANAGEMENT COMMENT

Gateway's Managing Director, Peter Langworthy, said: *"We are pleased that Dingo Resources have now exercised the option to acquire our non-core Bryah Basin exploration assets in WA after meeting all the required conditions. The divestment of these assets is consistent with our core focus on our flagship Gidgee Gold Project, with the transaction also resulting in a cash payment to Gateway together with the issue of \$400,000 worth of Alloy Resources shares plus a production royalty. This will strengthen Gateway's funding position as we continue to progress exploration activities aimed at unlocking the full potential of the Gidgee Gold Project."*

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