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GATEWAY MINING LIMITED

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 2016 Annual General Meeting ("AGM" or "the Meeting") of members of Gateway Mining Limited ("Gateway" or "the Company") will be held at Crowe Horwath, Level 15, 1 O'Connell Street, Sydney on Friday, 25 November 2016, at 12:30pm to conduct the following business.

ORDINARY BUSINESS

RECEIPT OF FINANCIAL REPORTS AND REPORTS OF DIRECTORS AND AUDITOR

To receive and consider the Financial Reports of the Company for the financial year ended 30 June 2016, together with the declaration of the Directors, the Remuneration Report and the Report of the Directors and the Auditor, which relate to the Financial Reports.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

To consider, and if thought fit, pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Company's Remuneration Report, as set out in the Directors' Report within the Annual Report for the year ended 30 June 2016 prepared in accordance with Section 300A of the Corporations Act 2001 (Cth)."

Please note that in accordance with Sec 250R(3) of the *Corporations Act 2001 (Cth)* the votes cast on this resolution are advisory only and do not bind the Company or the Directors.

RESOLUTION 2: ELECTION OF DIRECTOR

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of the Constitution of the Company, ASX Listing Rule 14.4 and Section 201H(3) of the Corporations Act 2001 and for all other purposes, Mr. Gary Franklin who was appointed to fill a casual vacancy as a director on 29 April 2016, offers himself for election, and being eligible, offers himself for election as a Director of the Company."

RESOLUTION 3: ISSUE OF ADDITIONAL 10% OF SECURITIES IN ACCORDANCE WITH LISTING RULE 7.1A

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

“That authority is hereby given to Directors pursuant to ASX Listing Rule 7.1A and for all other purposes, for the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, at any time within 12 months of the date of this meeting and at a price and on terms and conditions as detailed in the Explanatory Memorandum included in this Notice of Meeting.”

OTHER BUSINESS

To consider any other business that can lawfully be brought before the meeting.

ENTITLEMENT TO VOTE

Who may vote?

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purpose of the meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 12:30 pm (AEST) on 23 November 2016 ('**Entitlement Time**'). All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting.

Proxies

Please note that:

- a member of the Company who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the appointment may specify the proportion or number of votes that the proxy may exercise;
- a member who is entitled to cast 2 or more votes at the meeting may appoint 2 proxies and must specify the proportional number of votes each proxy is appointed to exercise;
- if the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes;
- a proxy need not be a member of the Company; and
- if you wish to appoint 2 proxies, contact the Company for another proxy form.

Unless the member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

If you wish to appoint a proxy, you should complete the attached 'Appointment of Proxy' form and comply with the details set out in that form for lodgment of the form with the Company.

The proxy form must be signed by the member or his or her attorney duly authorised in writing or, if the member is a corporation, either under the seal of the corporation (in accordance with its Constitution) or by the hand of an attorney duly authorised in writing or otherwise signed in accordance with the *Corporations Act 2001* (Cth).

Registered Office:

Level 11, 52 Phillip Street, Sydney, NSW, Australia, 2000

Mailing Address:

GPO Box 225

Sydney NSW 2001

Facsimile transmission to: +61 8316 3999

If any attorney or authorised officer signs this proxy form on behalf of a member, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the proxy form.

The proxy form must be received **not less than 48 hours** before the time for holding the General Meeting by delivering the proxy form to one of the addresses as follows:

A corporation may appoint a representative who may attend the meeting and vote on behalf of the corporation. Such a representative will have to produce a corporate representative appointment letter from the corporation signed either under the common seal of the corporation (in accordance with its Constitution), or by a duly authorised officer or otherwise signed in accordance with the *Corporations Act 2001* (Cth) before he or she will be permitted to vote.

VOTING EXCLUSIONS

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

The Company will disregard any votes cast on Resolution 1 (Adoption of the Remuneration Report):

- by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of such a member; or
- as a proxy by a member of the Key Management Personnel or a Closely Related Party of such a member

unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 1:

- in accordance with their directions of how to vote on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

RESOLUTION 2: APPOINTMENT OF DIRECTOR

The Company will disregard any votes cast on Resolution 2 by Gary Franklin, or any party closely related to him or by his proxies or nominees.

RESOLUTION 3: ISSUE OF ADDITIONAL 10% OF SECURITIES IN ACCORDANCE WITH LISTING RULE 7.1A

The Company will disregard any votes cast on Resolution 3 by any person or entity which might participate in the proposed issue, and any person or entity which might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY NOTES

1. Financial Reports:

The Annual Report of the Company and its controlled entity for the year ended 30 June, 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report, will be tabled at the meeting. There is no requirement for shareholders to approve these reports. However, shareholders will be allowed a reasonable opportunity to ask questions about, or make comments on, the Annual Report and the management of the Company.

2. RESOLUTION 1: Remuneration Report:

The Remuneration Report of the Company for the financial year ended 30 June 2016 is set out in the Directors' Report in the Company's 2016 Annual Report which is available on the Australian Securities Exchange announcements platform.

The Remuneration Report sets out the Company's remuneration arrangements for the Company's directors and Key Management Personnel. Shareholders will be provided with a reasonable opportunity to ask questions about the Remuneration Report at the meeting.

Shareholders will be asked to vote on the Remuneration Report. This resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the *Corporations Act 2001* (Cth), if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must offer themselves for re-election.

The Company encourages all shareholders to cast their votes on Resolution 1 (Adoption of the Remuneration Report). Shareholders not attending the meeting may use the enclosed Proxy Form to lodge their vote by appointing a Proxy. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1, unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a shareholder who is entitled to vote on Resolution 1.

3. RESOLUTION 2: ELECTION OF DIRECTOR

In accordance with the Constitution of the Company and ASX Listing Rule 14.4, Gary Franklin offers himself for election as a director. Gary was appointed as Company Secretary of Gateway on 12 November 2012. Gary was appointed as a director on 29 April 2016 to fill a casual vacancy upon the retirement of Mr Ian McDonald who was your director since 2012.

Gary has in excess of 30 years' experience in Company Secretarial and Chief Financial Officer Roles in industry and in mining. He has also the experience of having worked physically in various mining operations early in his life.

Ian McDonald resigned from the Board of the Company in April 2016. During his time as a Director, Ian served Gateway well and the Board sincerely thanks him for his valued support to the Company and wish him well in his retirement from the Board.

4. RESOLUTION 3: ISSUE OF ADDITIONAL 10% OF SECURITIES IN ACCORDANCE WITH LISTING RULE 7.1A

ASX Listing Rule 7.1A provides eligible mid to small cap listed entities with the ability to seek shareholder approval to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12-month period ("10% Placement Facility"). This 10% Placement Facility is in addition to the 15% placement capacity allowed under Listing Rule 7.1.

Listing Rule 7.1A

It is a condition of Listing Rule 7.1A that approval must be sought from ordinary security holders by special resolution at the AGM. The approval will be valid for a maximum of 12 months from the date of the AGM.

For the purposes of ASX Listing Rule 7.3, the following information is provided:

The maximum number of securities ("Equity Securities") to be allotted is 10% of the issued capital at the time of issue determined in accordance with the formula prescribed in Listing Rule 7.1A.2 and as detailed below.

It is noted that no ordinary shares were issued under Listing Rule 7.1A in the preceding 12 months, therefore disclosure under 7.3A.6 is not required.

Issue to be in same class as existing quoted Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as existing quoted securities of the Company.

As at the date of this Notice, the Company has on issue only one class of Equity Securities which are ordinary class fully paid shares.

Formula for calculating the 10% Placement Facility

The number of Equity Securities that may be issued under the 10% Placement Facility in accordance with Listing Rule 7.1A.2 may be calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement to issue:

- i. plus the number of fully paid shares issued in the previous 12 months under an exception in Listing Rule 7.2;

- ii. plus the number of partly paid shares that became fully paid in the previous 12 months;
- iii. plus the number of fully paid shares issued in the previous 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- iv. less the number of fully paid shares cancelled in the previous 12 months.

Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

As the date of this Notice, the Company has only 293,422,962 ordinary class of shares on issue. Therefore, the total number of Equity Securities that may be issued as at the date of this Notice is 29,342,296 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue in accordance with the formula prescribed in Listing Rule 7.1A.2 and as detailed above.

Minimum Issue Price

The issue price of the Equity Securities will be no less than 75% of the Volume Weighted Average Price ("VWAP") of the Equity Securities in the same class of securities traded on the ASX during the 15 trading days on which trades in the class were recorded immediately prior to:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

Placement Period of 10% Placement Facility

If shareholders approve the 10% Placement Facility, the right to issue the Equity Securities will be valid from the date of the AGM at which the approval is obtained and expires on the earlier occurrence of:

- i. the date that is 12 months after the date of the AGM at which the approval is obtained; or

- ii. the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period as allowed by the ASX at its discretion ("10% Placement Period").

Effect of Resolution 3

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the allowed period without using the Company's 15% placement capacity under Listing Rule 7.1

Resolution 3 is a special resolution and will therefore require the approval of 75% of the votes cast by shareholders, proxyholders, attorneys or corporate representatives, as the case may be, who are present and eligible to vote.

Use of Funds Raised

The Company will use any funds raised by the issue of the Equity Securities for any purpose determined as worthwhile by Directors, including non-cash consideration for the acquisition of a new business and/ or investments, cash considerations for investments, working capital and expansion of operations.

Where Equity Securities are issued to raise working capital, the Company will issue the securities to either sophisticated or professional investors or otherwise in accordance with section 708 of the *Corporations Act 2001* (Cth);

Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- a. The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in the class were recorded immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- b. If resolution 3 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- i. The market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- ii. The Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- i. two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- ii. two examples where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price

Variable 'A' in Listing Rule 7.1A.2		DILUTION		
		0.85 cent 50% Decrease in issue price	1.7 cent Issue Price	2.55 cent 50% Increase in issue price
Current Variable 'A' 293,422,962	10% Voting Dilution	29,342,296 shares	29,342,296 shares	29,342,296 shares
	Funds Raised	\$249,410	\$498,819	\$748,229
50% Increase in Current Variable 'A' 440 134,443	10% Voting Dilution	44,013,444 shares	44,013,444 shares	44,013,444 shares
	Funds Raised	\$374,114	\$748,229	\$1,122,343
100% Increase in Current Variable 'A' 586,845,924	10% Voting Dilution	58,684,592 shares	58,684,592 shares	58,684,592 shares
	Funds Raised	\$498,819	\$997,638	\$1,496,457

The table has been prepared on the following assumptions:

- i. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

- ii. No options (including any options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities.
 - iii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - iv. The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - v. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - vi. The issue of Equity Securities under the 10% Placement Facility consists only of shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into shares for the purpose of calculating the voting dilution effect on existing shareholders.
 - vii. The issue price is 1.7 cents being the closing price of the shares on the ASX on 11 October 2016.
- c. The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking)
- d. The Company may seek to issue the Equity Securities for the following purposes:
- i. Non-cash consideration for the acquisition of a new business and/or investments or any other purpose determined as worthwhile by the Directors. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii. Cash consideration. In such circumstances, the Company intends to allocate the funds towards additional working capital

The Company will comply with the disclosure obligations under the Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- iii. The methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

- iv. The effect of the issue of the Equity Securities on the control of the Company;
- v. The financial situation and solvency of the Company; and
- vi. Advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related parties of the Company.

Further, if the Company is successful in acquiring a new business or making any investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new business or investment.

- e. A Voting Exclusion Statement is included with this Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The terms of the Equity Securities to be issued, if ordinary shares, are as detailed above in respect to their issue price and in respect to their rights are the same as all other ordinary shares issued by the Company as specified in the constitution of the Company.

ANNUAL REPORT A copy of the 2016 Annual Report is available on the Company's website at: www.gatewaymining.com.au



Company Secretary
Gary Franklin

23 October 2016

**GATEWAY MINING LIMITED
PROXY FORM**

I/We

(NAME OF SHAREHOLDER)

of

(ADDRESS IN FULL)

being a member/members of Gateway Mining Limited hereby appoint

(NAME OF PROXY 1)

of

(ADDRESS OF PROXY IN FULL)

and/or failing him/her

(NAME OF PROXY 2)

of

(ADDRESS OF PROXY IN FULL)

or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 12.30pm, on 25 November, 2016 and at any adjournment thereof in the manner indicated or in the absence of indications, as he/she thinks fit.

Proxy 1 represents ____% and Proxy 2 represents ____% of my total voting rights.

Important:

To ensure your proxy votes count, if you do not wish to direct your proxy how to vote, you should mark this box The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution. If you direct your proxy how to vote, it is not necessary to mark this box. ☐

RESOLUTION

	For	Against	Abstain
1. Adoption of Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of director – Gary Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Additional 10% Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

***Signature of Shareholder or
Director or Sole Director**

*Delete whichever is not applicable
Please Insert: daytime telephone number:

E-mail address:

***Signature of Shareholder or
Director/Company Secretary**

NOTES

A member entitled to attend and vote is entitled to appoint not more than two proxies.

Where more than one proxy is appointed, each must be appointed to represent a specified proportion of the member's voting rights.

Appointment of a proxy by a member who is a corporation must be under hand of its attorney or the hand of a person duly authorised by the corporation.

A proxy need not be a member of the Company.

An appointment of proxy form must be lodged at the registered office of the Company not less than 48 hours before the time for holding the Annual General Meeting.

**The registered office of the
Company is at**

**Level 11, 52 Phillip Street,
Sydney NSW, 2000**

**Postal: GPO BOX 225 Sydney,
NSW 2001**

Telephone 61 2 8316 3998

Facsimile 61 2 8316 3999