

22 December 2017

ACQUISITION

- Gateway to expand its Gidgee footprint with the acquisition of adjacent tenements via the purchase of Omni Projects Pty Ltd.
 - Peter Langworthy, a well-credentialed geologist and project developer, to join the Board of Directors upon completion.
 - Additional projects across the West Australian goldfields acquired through the transaction.
 - Rights Issue to raise AUD3.5m.
 - The acquisition and capital raising consolidates Gateway's position as a well-funded and focused West Australian exploration company.
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Gateway Mining Ltd (**Gateway** or **the Company**) is pleased to advise that it has executed a binding heads of agreement (**HOA**) to acquire Omni Projects Pty Ltd (**Omni Projects**) (**Acquisition**). Omni Projects holds substantial tenement interests around the Company's Gidgee project, and the acquisition allows Gateway to pursue a regional consolidation of what is considered to be highly prospective ground. The purchase of Omni Projects also sees Gateway acquire six other gold and base metal projects in Western Australia.

KEY HIGHLIGHTS:

- The acquired projects consolidate and expand the Company's current position at the Gidgee Gold Project.
- Provides access to a portfolio of high quality gold and base metal tenement holdings across a number of highly prospective regions in Western Australia. Notably the projects provide exposure to the Bryah Basin (Cu-Au, Au), the Pilbara (conglomerate hosted-Au) and a number of Archean Greenstone sequences adjacent to major gold deposits.
- Addition of experienced, well-credentialed geologist and project developer Peter Langworthy to the Board of Directors, upon completion. Additionally, the Acquisition also facilitates access to Mr Langworthy's geological and technical team currently operating the Omni Projects.

Trent Franklin, Chairman of Gateway, said "We have always had a huge opinion of our Gidgee ground, and we are delighted that someone of the calibre of Peter Langworthy shares that view as well. This transaction allows us to consolidate tenements around our existing project and recapitalise the Company, which provides an excellent platform for future growth."

Peter Langworthy, incoming director of Gateway, said, “The transaction to merge Omni Projects with Gateway is a tremendous opportunity to begin creating a new, mid-tier West Australian gold company. The existing Gateway ground shows outstanding potential for gold mineralisation offering both scale and grade. The Omni team is looking forward to advancing the Gidgee projects, and our other projects, towards development.”

OMNI PROJECTS

Omni Projects is a West Australian, private company focused on early-stage exploration and development of gold and base metals. Omni Projects was established in 2013 and has a strong, well-credentialed management team.

Omni Projects has a number of exploration projects comprising seven areas, consisting of over twenty three granted tenements and tenement applications, all located in Western Australia. The projects comprise twelve granted exploration licences, five exploration licence applications and six prospecting licence applications that cover a total area of approximately 1,339 km², should all of the licenses be granted. The projects include the:

- **Gidgee (South) Project:** the Gidgee Project covers the southern extension of the Gum Creek Greenstone Belt which now doubles Gateways’ tenement holdings in the region and provides the platform for additional consolidation of the area.
- **Bryah Basin Project:** this project provides high-quality exposure to gold and copper-gold mineralisation (VHMS) in one of Australia’s preeminent exploration and mining districts. The area is host to a series of significant deposits including the world-class DeGrussa copper-gold deposit (Sandfire), the high-grade Monty copper-gold deposit (Sandfire and Talisman) and the Fortnum gold deposit (Westgold).
- **Sylvania Project:** located on the southern margin of the Pilbara Craton, the project has demonstrated outcrops of gold prospective conglomerate interpreted to be part of the Hardy Formation or equivalent.
- **Edjudina Project:** the Edjudina Project is located within the highly endowed Laverton Tectonic Zone and is immediately along strike of the 300koz Fortitude Gold Deposit (Matsa). The project covers 30km of a greenstone sequence associated with a major fault system. Previous exploration has defined a series of high priority targets ready for follow-up evaluation.

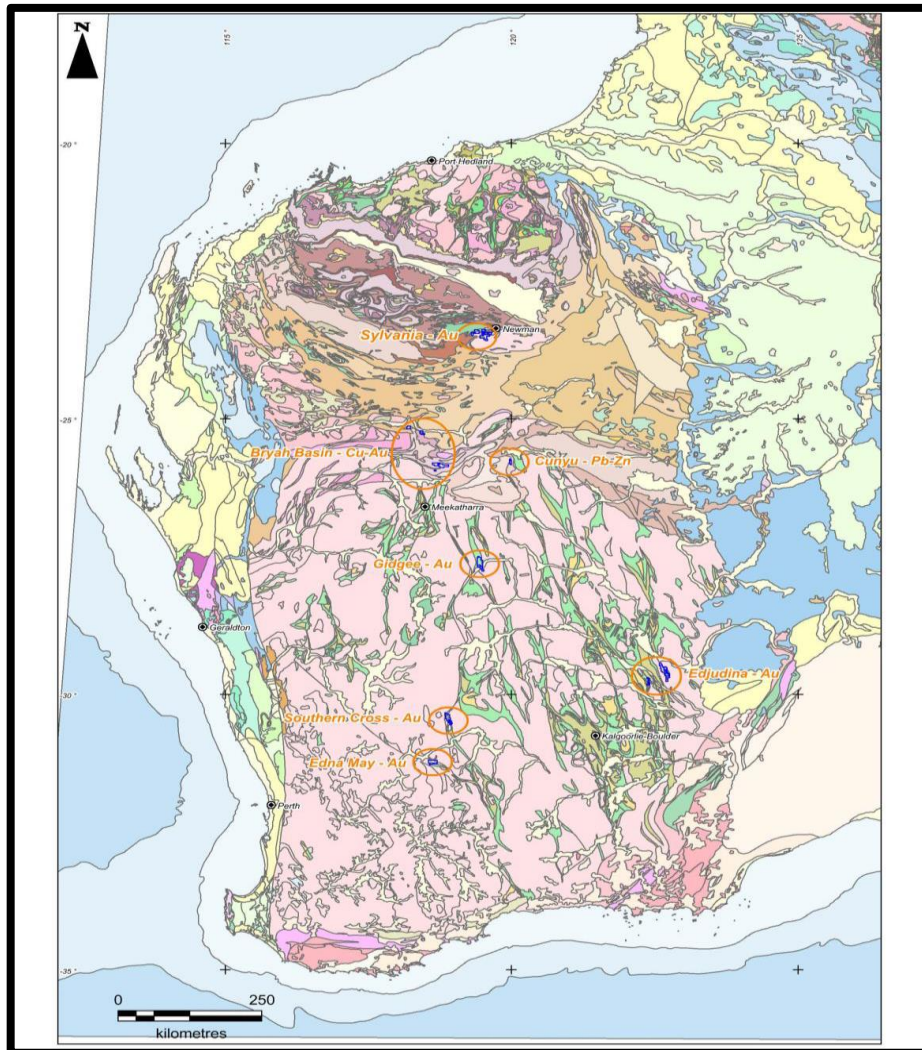


Figure 1: Omni's exploration project locations

GIDGEE GOLD PROJECT

Gateway currently holds interests in approximately 150km² of tenements in the Gidgee area, located 600km northeast of Perth. These tenements are located over the highly endowed Gum Creek Greenstone Belt and are considered prospective for both lode style gold deposits and volcanic hosted massive sulphide copper-gold deposits (VHMS) (**Gidgee Project**). The Acquisition will now expand this footprint to 300km².

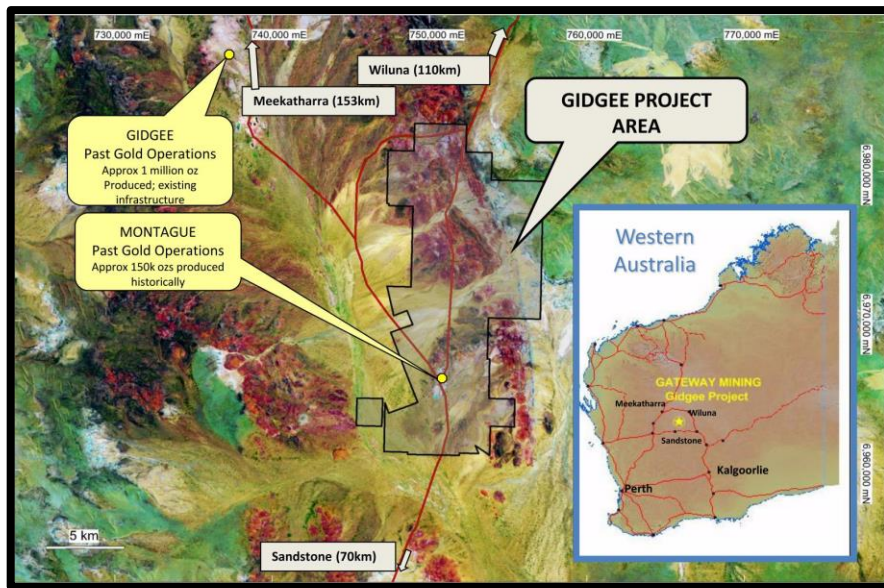


Figure 2: Gidgee Project location and tenement area

Key Points:

- Historically the Gidgee region has produced around 1.5 million ounces of gold, including production from shallow oxide open pits within the Company's Airport Central tenements (150,000oz).
- The discovery of copper mineralisation at The Cup Prospect highlights the prospectivity of the project area to host significant VHMS deposits in addition to the gold.
- Gateway has advanced the understanding of both the gold and base metal prospectivity of the Gidgee Project and has identified the major structural controls for the gold mineralisation of particular focus will be the major mineralised shear system along the contact between the granite intrusion and the mafic volcanic sequence. Previous drilling has demonstrated the potential for focused high-grade gold mineralisation along this contact zone and for large-scale sheeted vein-stockwork mineralisation within the granite.
- The focus of exploration is to define the potential of what is interpreted to be a large-scale gold system through systematic and sustained programs of exploration. Excellent potential remains to discover significant near-surface oxide gold deposits, whilst the depth extent of the mineralisation in all cases remains largely untested.



- The potential of the VHMS system will continue to be assessed and will be targeted at the appropriate time.

The Company will continue to maintain a very cost-effective approach to administration with the object to ensure that maximum funds are available for exploration and development, and looks forward to the consolidation of the Omni Projects tenements with the Company's own tenement portfolio.

TERMS OF ACQUISITION

Under the HOA, the Company has agreed to purchase all of the issued capital in Omni Projects from its sole shareholder, Omni GeoX Pty Ltd (**Omni GeoX**), on the following terms and conditions:

- (a) Gateway will issue to Omni GeoX, as consideration for the acquisition, A\$1.5 million in fully paid ordinary shares in the Company at \$0.012 per share;
- (b) Gateway may conduct all such due diligence in relation to the Projects that it requires, within 90 days of the HOA, and such due diligence must prove satisfactory to the Company; and
- (c) the acquisition will be subject to the following conditions precedent which must be satisfied prior to completion:
 - (i) the execution of a formal, binding, sale and purchase agreement for the acquisition;
 - (ii) each party must obtain all such approvals and consents as may be necessary to give effect to the acquisition, including shareholder approval; and
 - (iii) Gateway conduct a capital raising via rights issue to achieve up to A\$3,500,000,

and the parties have agreed to use their best endeavours to ensure that these conditions precedent are met by 31 March 2018 (**End Date**).

CAPITAL RAISING

As part of the Acquisition, the Company must conduct a capital raising of A\$3,500,000, based on an issue price of \$0.012 per share (**Capital Raising**). This will be done via a rights issue. The Company is currently conducting discussions with its advisors in relation to the potential underwriting and lead management of the offer. No party will acquire control of, or voting power of, 20% or more in the entity as a result of the Acquisition or the Capital Raising.

The Company intends to issue a prospectus to the market to accompany details of the Capital Raising.



PURPOSE OF FUNDS

The purpose of the funds that will be raised as a result of the Capital Raising will be used as follows:

Use of funds	AUD million
Loan Repayments	\$0.48
Capital Raising Fees	\$0.21
Legal Fees	\$0.07
Exploration Costs	\$2.60
Working Capital	\$0.14
Total	\$3.50

CAPITAL STRUCTURE

The pro-forma, post transaction capital structure of the Company:

Item	No. of shares	% of issued capital
Currently on issue	318,422,962	39.3%
Acquisition of Omni Projects ¹	125,000,000	15.4%
Capital Raising AUD3,500,000	291,666,667	36.0%
Shares issued to Directors in lieu of Loan Repayment ²	50,500,000	6.2%
Shares issued to Creditors ³	24,500,000	3.0%
Total	810,089,629	100.00%

1. Shares will be issued to the vendors of Omni Projects as consideration. The issue of these Shares will be subject to shareholder approval at the Company's Annual General Meeting.
2. Shares will be issued to the Directors of the Company in lieu of Loan Repayments. The issue of these shares will be subject to shareholder approval at the Company's Annual General Meeting.
3. Shares will be issued to creditors in lieu of outstanding fees owed by the Company. The issue of these shares will be subject to shareholder approval at the Company's Annual General Meeting.

LIKELY EFFECT OF THE ACQUISITION

Particulars	Prior to Proposed Transaction¹ – Position of Company as stated in latest audited, consolidated financial statements	Post June 2017 items	Impact of Shares Issued as part of Notice of Meeting	Impact of Right issue offer	Total Pre-Acquisition	Impact of Acquisition	Pro Forma	Percentage increase due to Proposed Acquisition
Total Consolidated Assets (\$)	2,083,986	-	-	3,218,000	5,301,986	1,500,000	6,801,986	28%
Total Equity (\$)	1,265,085	(580,000)	900,000	3,218,000	4,803,085	1,500,000	6,303,085	31%
Annual Revenue ²	-	-	-	-	-	-	-	-
Annual Profit (before tax and extraordinary items) ²	(9,247,536)	(580,000)	-	-	(9,827,536)	-	(9,827,536)	-
Total No of shares ³	318,422,962	Nil	75,000,000	291,666,667	685,089,629	125,000,000	810,089,629	18%
Total No of options	Nil	Nil	Nil	Nil	Nil	20,000,000	20,000,000	-

Notes:

1. Position of the Company as stated in its most recently published financial statements released on ASX on 2 October 2017.
2. As an exploration entity, the Company does not generate any revenue or profit.
3. Includes all shares issued since 2 October 2017.



DIRECTOR APPOINTMENT

The Company has agreed to appoint Mr Peter Langworthy to its Board as a director upon completion of the acquisition. Mr Langworthy has a Bachelor of Science (Geology) (Hons) from Macquarie University. His career spans 32 years in mineral exploration and project development in Australia and internationally. His industry experience includes senior management roles with WMC Resources Limited, PacMin Mining Limited and Jubilee Mines NL. Mr Langworthy led the management team that was responsible for the numerous discoveries which led to the success of Jubilee Mines.

Mr Langworthy is currently the Chairman of Syndicated Metals Limited, General Manager - Geology of Capricorn Metals Limited and a Non-Executive Director of Silver Mines Limited. Mr Langworthy previously held non-executive directorships with Northern Star Resources Limited, Talisman Mining Limited, Falcon Minerals Limited and Pioneer Resources Limited.

The Company looks forward to Mr Langworthy's contribution to its growth as it progresses the combined projects.

CONSOLIDATED TENEMENTS

Following Completion of the Acquisition, the Company's current tenement holdings will be expanded to include:

Project	Tenement ID	Ownership
Gidgee	E57/945	GML
Gidgee	M57/485	GML 75%, Estuary Resources NL 25%
Gidgee	E57/793	GML 75%, Estuary Resources NL 25%
Gidgee	E57/405	GML
Gidgee	E57/874	GML
Gidgee	E57/875	GML
Gidgee	E57/888	GML
Gidgee	E57/823	GML
Gidgee	E57/824	GML
Gidgee	E57/688	GML
Gidgee	E57/687	GML
Gidgee	E57/417	GML
Gidgee	M57/48	GML 85%, Goldfan Ltd 15%
Gidgee	M57/98	GML 85%, Goldfan Ltd 15%
Gidgee	M57/99	GML 85%, Goldfan Ltd 15%
Gidgee	M57/217	GML 85%, Goldfan Ltd 15%
Gidgee	E57/807	GML
Gidgee	M57/429	GML 75%, Estuary Resources NL 25%
Gidgee	E57/876	GML
Gidgee	E57/1004	GML

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Gidgee	E57/1005	GML
Gidgee	E57/1057	Omni Projects
Gidgee	E57/1067	Omni Projects
Gidgee	P57/1407	Omni Projects
Gidgee	P57/1409	Omni Projects
Gidgee	P57/1410	Omni Projects
Gidgee	P57/1411	Omni Projects
Gidgee	P57/1412	Omni Projects
Gidgee	P57/1413	Omni Projects
Edjudina	E31/1134	Omni Projects
Edjudina	E31/1150	Omni Projects
Edjudina	E39/1765	Omni Projects
Edjudina	E39/1882	Omni Projects
Cunyu	E51/1762	85% Omni Projects 15% Milford Resources P/L
Bryah Basin	E51/1738	Omni Projects
Bryah Basin	E52/3248	Auris 85%, Omni Projects 15%
Bryah Basin	E52/3273	Omni Projects
Bryah Basin	E52/3291	Auris 85%, Omni Projects 15%
Bryah Basin	E52/3510	Omni Projects
Bryah Basin	E52/1842	Omni Projects
Sylvania	E52/3365	Omni Projects
Sylvania	E52/3366	Omni Projects
Southern Cross	E77/2309	Omni Projects
Edna May	E77/2290	Omni Projects



TIMETABLE

The Proposed Acquisition is expected to progress in accordance with the following timetable:

Date	Item
21 December 2017	Execution of Heads of Agreement
22 December 2017	Announcement of transaction
19 January 2018	Dispatch of Notice of General Meeting to Shareholders
22 January 2018	Lodgment of Prospectus with ASIC and ASX
29 January 2018	Offer Opening Date
19 February 2018	Hold Annual General Meeting
20 February 2018	Offer Closing Date – 5.00pm AEST
21 February 2018	Completion of Proposed Acquisition, issue of Shares
22 February 2018	Shares reinstated to official quotation by ASX, subject to ASX approval and compliance with all relevant Listing Rules

The above timetable is subject to change and is provided as an indication of the Company's expectations as at the date of this Announcement.

The Company will provide an update to the market as the transaction progresses.

Yours faithfully,

Gary Franklin
 Company Secretary

Disclaimer:

For the purpose of Chapter 11 of the Listing Rules, the Company provides the following information:

- 1) The Company will apply to ASX for a determination as to whether the Acquisition contemplated will require shareholder approval under Listing Rule 11.1.2, or whether the entity will be required to re-comply with the requirements for admission and quotation under listing rule 11.1.3. The Company will make an announcement to the market regarding the determination following confirmation from ASX.
- 2) If ASX determines that listing rule 11.1.2 applies:
 - (a) the Acquisition will require shareholder approval under the listing rules and therefore may not proceed if that approval is not forthcoming; and



- (b) the Company will be required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed until those requirements are met; and
- (c) ASX has an absolute discretion in not deciding whether or not to re-admit the Company to the official list and to quote its securities and therefore the Acquisition may not proceed if ASX exercises that discretion.

Accordingly, shareholders should consider these uncertainties in deciding whether or not to trade in the Company's securities.

The Company also advises that ASX takes no responsibility for the contents of this announcement, and that Gateway continues to comply with its continuous disclosure obligations under Listing Rule 3.1.