



ASX Announcement: 6 November 2019

GATEWAY TO DIVEST NON-CORE EDJUDINA EXPLORATION PROJECT AS IT MAINTAINS GIDGEE FOCUS

Transaction with ASX-listed Syndicated Metals consistent with Gateway's focus on rapidly advancing its flagship Gidgee Gold Project

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has entered into a tenement sale agreement for the sale of its Edjudina Project Exploration Licences in the Laverton Region of Western Australia. 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**), has 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**).

Completion of the Transaction is subject to SMD conducting due diligence enquiries in respect of the Tenements to its reasonable satisfaction (**Condition**). The Condition must be satisfied or waived by 30 November 2019.

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

- \$250,000. SMD may elect, at its sole discretion, to pay up to \$200,000 of the consideration in SMD shares (based on the 5-day VWAP at the date of execution of the Tenement Sale Agreement); 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).

Completion will occur five business days after the Condition has been satisfied or waived by the SMD.

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 the sale of the Tenements was 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.

MANAGEMENT COMMENT

Gateway's Non-Executive Chairman, Trent Franklin, said the agreement with Syndicated to divest the Edjudina Project was consistent with its continued focus on unlocking the potential of a large-scale gold system at the Gidgee Gold Project.

"Syndicated is a well-established ASX-listed explorer with an experienced corporate and technical team with whom we have an existing strong relationship," he said.

“The transaction crystallises value, including cash, from the divestment of this non-core project, while preserving exposure for our shareholders to future upside from exploration success through a future production royalty, a free-carried 20% interest and, potentially, shares in Syndicated Metals.”

Trent Franklin
Non-Executive Chairman

For and on behalf of
GATEWAY MINING LIMITED