

**GATEWAY MINING LIMITED**  
**ABN: 31 008 402 391**



# **Gateway Mining Limited**

**INTERIM FINANCIAL REPORT  
FOR SIX MONTHS ENDED  
31 DECEMBER 2014**

## **CONTENTS**

Directory	3.
Directors' Report	4.
Auditor's Independence Declaration	6.
Statement of Profit and Loss and Other Comprehensive Income	7.
Statement of Financial Position	8.
Statement of Changes in Equity	9.
Statement of Cash Flows	10.
Notes to the Financial Statements	11.
Directors' Declaration	17.
Independent Auditor's Review Report	18.

## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

### **DIRECTORY**

Registered Office	Level 8	Telephone:	02 9191 4543
	210 George Street	Facsimile:	02 8247 7999
	Sydney NSW 2000	Email	info@gatewaymining.com.au

Directors	Mr. Trent Franklin (Non-executive Chairman)
	Mr. Andrew Bray (Managing Director)
	Mr. Ian McDonald (Non-executive Director)

Company Secretary	Mr. Gary Franklin
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Auditors	Crowe Horwath Sydney Chartered Accountants Level 15 1 O'Connell Street Sydney NSW 2000
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Solicitors	Chris Apostolakos Solicitor Suite 2, 8E Faraday Rd Padstow, NSW 2211
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Bankers	Macquarie Bank Limited	Commonwealth Bank of Australia
	1 Shelley St	Tower 1, 201 Sussex St
	Sydney NSW 2000	Sydney NSW 2000

Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
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Securities Exchange Listing	The Group is listed on the Australian Securities Exchange under Code GML
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Website	<a href="http://www.gatewaymining.com.au">www.gatewaymining.com.au</a>
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## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

### **INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

#### **DIRECTORS' REPORT**

Your directors submit the financial report of the Group for the half-year ended 31 December 2014.

#### **DIRECTORS**

The names of directors who held office during or since the end of the half-year:

Mr. Trent Franklin (Non-Executive Chairman)

Mr. Andrew Bray (Managing Director)

Mr. Ian McDonald (Non-executive Director)

#### **OPERATIONS REVIEW**

The Group has continued to very positive in exploring and expanding its tenement package in Gidgee, WA of the previous six months.

The half contained a number of positive developments for the Group which establishes a strong foundation for explorations efforts in the remainder of the period.

One program was completed early in the half, comprising 1,400m of RC drilling and 500m of diamond drilling. Highlights from the program included 53m @ 1.01% Cu from 67m in GDD003 at The Cup, 17m @ 1.28g/t Au and 3.2g/t Ag from 54m at Julia's Fault, and intersection of the Blind Bat conductor further north of those prospects.

Drilling at Blind Bat intersected what is unquestionably a VMS related system. There was a typical Sb-Tl-Te-W-Cs-Ni-Cr-Mo-Se halo in the footwall of the massive sulphides, which is what would be expected in a VMS system. There was also good Na depletion and large mass gains in S and Fe throughout the mineralised section, as would be expected.

An aircore program of 3,754m was also completed during the half. The program had a three purpose: (1) target areas within known mineralised systems seeking anomalous geochemical responses; (2) meet minimum expenditure requirements on certain tenements; and (3) continue to progress areas of the project which contained lower order priority prospects.

Overall the program was considered a success in that it delineated a number of prospects which will be followed up in coming drill programs. Details of the results of the program can be found in the Group's announcement of 21 July 2014

Also during the half the Group began initial work in expanding significantly the footprint of the Group's tenement package in Gidgee. Two tenements were applied for, E57/1004 and E57/1005, and are expected to be granted in the first half of 2015. These tenements, upon granting, would expand the Group's holding by approximately 70%. Importantly, the ground they cover is considered both strategic and very prospective for base and precious metals. The tenements will form a major part of future exploration plans.

## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

During the half 27,800,000 options were exercised at a price of \$0.02. This raised \$556,000 in fresh funds for the Group. 1,000,000 of the options expired.

The Group is looking forward to an exciting future as we progress the exploration and development of the Gidgee project

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2014.

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

A handwritten signature in black ink, appearing to be 'Trent Franklin', with a stylized, cursive script.

**TRENT FRANKLIN**

**Non Executive Chairman**

Dated this 26th day of February 2015

The Directors  
Gateway Mining Limited  
Level 8, 210 George Street  
SYDNEY NSW 2000

26 February 2015

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 and its controlled entity.

As lead audit partner for the review of the financial report of Gateway Mining Limited and its controlled entity for the financial period ended 31 December 2014, 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 Horwath Sydney*

**CROWE HORWATH SYDNEY**

*L Russell*

**LEAH RUSSELL**  
Partner

**GATEWAY MINING LIMITED**  
**ABN: 31 008 402 391**

**STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	NOTE	31 December 2014 \$	31 December 2013 \$
Interest received	2	22,767	52,617
Profit on sale – Listed investment	2	1,415	4,446
Employee benefits expense		(10,450)	(13,150)
Professional services rendered		(192,804)	(196,502)
Office expenses		(3,434)	(5,603)
Compliance fees		-	(2,482)
Share registry fees		(40,020)	(35,084)
Travelling and entertainment		(559)	(18,430)
Impairment of available for sale financial assets		(10,780)	-
Other expenses		(13,305)	(18,143)
Loss before income tax		(247,170)	(232,331)
Income tax expense		-	-
<b>Loss for the period attributable to members</b>		(247,170)	(232,331)
<b>Other comprehensive income:</b>			
Net gain on revaluation of financial assets		0	158,624
<b>Other comprehensive income for the year, net of tax</b>		0	158,624
<b>Total comprehensive income (loss) for the period attributable to members of the company</b>	3	(247,170)	(73,707)
<b>Earnings per share</b>			
Basic earnings per share (cents)	7	(0.08)	(0.09)
Diluted earnings per share (cents)	7	(0.08)	(0.09)

The accompanying notes form part of these financial statements.

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	NOTE	31 Dec 2014 \$	30 June 2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	4	1,016,306	1,130,026
Trade and other receivables		277,271	235,107
Financial assets	5	7,938	95,723
<b>TOTAL CURRENT ASSETS</b>		<u>1,301,515</u>	<u>1,460,856</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		28,829	29,702
Financial Assets	5	57,631	218,634
Deferred exploration and evaluation expenditure	6	10,465,183	10,020,606
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,551,643</u>	<u>10,268,942</u>
<b>TOTAL ASSETS</b>		<u>11,853,158</u>	<u>11,729,798</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		150,718	336,188
Provisions		6,875	6,875
<b>TOTAL CURRENT LIABILITIES</b>		<u>157,593</u>	<u>343,063</u>
<b>TOTAL LIABILITIES</b>		<u>157,593</u>	<u>343,063</u>
<b>NET ASSETS</b>		<u>11,695,565</u>	<u>11,386,735</u>
<b>EQUITY</b>			
Issued capital	8	28,435,980	27,879,980
Reserves		266,657	326,657
Accumulated losses		(17,007,072)	(16,819,902)
<b>TOTAL EQUITY</b>		<u>11,695,565</u>	<u>11,386,735</u>

The accompanying notes form part of these financial statements.



**GATEWAY MINING LIMITED**
**ABN: 31 008 402 391**
**STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>Contributed Equity</b>	<b>Accumulated losses</b>	<b>Available for sale financial assets reserve</b>	<b>Share Based payments reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1.7.2013</b>	<b>27,803,980</b>	<b>(16,393,555)</b>	<b>71,501</b>	<b>233,000</b>	<b>11,714,926</b>
Loss for the period	-	(232,331)	-	-	(232,331)
Other comprehensive income / (loss)	-	-	158,624	-	158,624
<b>Total comprehensive income / (loss) for the period</b>	<b>27,803,980</b>	<b>(16,625,886)</b>	<b>230,125</b>	<b>233,000</b>	<b>11,641,219</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity net of transaction costs	-	-	-	-	-
Share based scheme	-	-	-	-	-
<b>Balance at 31.12.2013</b>	<b>27,803,980</b>	<b>(16,625,886)</b>	<b>230,125</b>	<b>233,000</b>	<b>11,641,219</b>
<b>Balance at 1.7.2014</b>	<b>27,879,980</b>	<b>(16,819,902)</b>	<b>93,657</b>	<b>233,000</b>	<b>11,386,735</b>
Loss for the period	-	(247,170)	-	-	(247,170)
Other comprehensive income / (loss)	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>(247,170)</b>	<b>-</b>	<b>-</b>	<b>(247,170)</b>
Transfer of previously recognised gain on Available For Sale Financial Asset	-	60,000	(60,000)	-	-
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity net of transaction costs	556,000	-	-	-	556,000
Share based scheme	-	-	-	-	-
<b>Balance at 31.12.2014</b>	<b>28,435,980</b>	<b>(17,007,072)</b>	<b>33,657</b>	<b>233,000</b>	<b>11,695,565</b>

The accompanying notes form part of these financial statements.

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**STATEMENT OF CASH FLOWS****FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	NOTE	31 December 2014 \$	31 December 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(317,734)	(438,667)
Interest and other income received		19,971	57,063
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		(297,763)	(381,604)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale/ (Payments for purchase) of Investments		151,640	705,916
Repayment of Loans		30,000	-
Purchase of financial assets		-	(324,041)
Payment for exploration and evaluation		(553,597)	(868,134)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		(371,957)	(486,259)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		556,000	-
Placement fees		-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		556,000	-
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		(113,720)	(867,863)
Cash at the beginning of the financial year		1,130,026	2,242,586
<b>CASH AT 31 DECEMBER 2014</b>	<b>4</b>	<b>1,016,306</b>	<b>1,374,723</b>

The accompanying notes form part of these financial statements

## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

#### **NOTE 1: SUMMARY OF 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 Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2014, 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 2014 annual report.

##### **d. New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the reporting period ended 31 December 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

##### **AASB 9 Financial Instruments and its consequential amendments**

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****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 on going revenue streams, as the Directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The assess to cash is through the raising of additional share capital, for which the company has a history of raising funds.

In addition the directors may reduce the exploration program to maintain cashflow.

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, reduction in interest income, costs similar to this year 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.

**NOTE 2: REVENUE AND OTHER INCOME**

	31 December 2014 \$	31 December 2013 \$
Interest – Non Related Parties	22,767	52,617
Profit on Sale – Listed Investment	1,415	4,446
	<u>24,182</u>	<u>57,063</u>

**NOTE 3: LOSS FOR THE PERIOD**

The Groups loss for the 6 months to 31<sup>st</sup> December 2014 amounting to \$247,170.

**NOTE 4: CASH AND CASH EQUIVALENTS**

	31 December 2014 \$	30 June 2014 \$
Cash at bank and on hand	86,199	168,741
Short term deposit	930,107	961,285
	<u>1,016,306</u>	<u>1,130,026</u>

A short-term deposit is held with Quikfund which is managed by Quikfund (Australia) Pty Ltd and it earns interest at commercial rates.

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)****FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 5: FINANCIAL ASSETS**

	<b>31 December 2014 \$</b>	<b>30 June 2014 \$</b>
<b>CURRENT</b>		
Financial Assets at fair value through profit and loss	7,938	95,723
	<u>7,938</u>	<u>95,723</u>
<b>NON CURRENT</b>		
Available for sale financial assets:		
Shares in listed corporations at fair value		
Opening Fair Value	218,634	299,482
Additions	-	126,000
Disposals	(150,223)	(193,603)
Amount recognised in profit and loss	(10,780)	(35,401)
Amount recognised in comprehensive income	-	22,156
Total Non-current Financial Assets	<u>57,631</u>	<u>218,634</u>

Available for sale financial assets comprise investments in the share capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>31 December 2014 \$</b>	<b>30 June 2014 \$</b>
<b>NOTE 6 - NON-CURRENT DEFERRED EXPLORATION AND EVALUATION EXPENDITURE</b>	<b>9,313,169</b>	<b>8,445,035</b>
<b>6(A): WHOLLY OWNED PROJECTS</b>		
Exploration expenditure capitalised:		
- Exploration and evaluation phases	9,918,399	9,571,543
Capitalised expenditure in respect of areas of interest at beginning of the year	9,571,543	8,445,035
Additions	346,856	1,126,508
Write off of capitalised exploration expenditure	-	-
Capitalised Exploration Expenditure at end of period	9,918,399	9,571,543

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

**Exploration expenditure commitments.** 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.

**6(B): FARM IN AGREEMENT**

On 2 August 2013, the Group signed a Farm-in and Joint Venture Agreement with Panoramic Gold Pty Ltd to explore on the adjoining tenement to the Group's Gidgee tenement. As at 31 December 2014 all the costs are to Gateway's account as the threshold of \$1,200,000 for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures was not reached.

	<b>31 December 2014 \$</b>	<b>30 June 2014 \$</b>
Gateway's Contribution – Panoramic Farm in agreement		
Capitalised Expenditure at beginning of year	449,063	-
Additions	97,721	449,063
Write off of capitalised exploration expenditure	-	-
Capitalised Exploration Expenditure at end of period	546,784	449,063

**6(C): TOTAL EXPLORATION AND EVALUATION  
EXPENDITURE AT ENDED PERIOD**

Wholly Owned Projects	9,918,399	9,571,543
Farm in Joint Venture	546,784	449,063
Total at end of Period	10,465,183	10,020,606

**GATEWAY MINING LIMITED**

ABN: 31 008 402 391

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 7: EARNINGS PER SHARE**

<b>Reconciliation of earnings to profit or loss</b>	<b>31 December 2014 \$</b>	<b>31 December 2013 \$</b>
Loss for the period attributable to members	(247,170)	(232,331)
Earnings used in the calculation of basic and diluted earnings per share	(247,170)	(232,331)
Basic Earnings Per Share (cents)	(0.0842)	(0.0881)
Diluted Earnings Per Share (cents) (i)	(0.0842)	(0.0881)

(i) Diluted Earnings Per Share is capped at Basic Earnings Per Share

**NOTE 8: ISSUED CAPITAL****a. Ordinary shares fully paid**

	<b>31 Dec 2014 \$</b>	<b>30 June 2014 \$</b>
Balance at Beginning of period	27,879,980	78,803,980
Issued shares	556,000	76,000
Balance at end of period	<u>28,435,980</u>	<u>78,879,980</u>

**b. Movements in ordinary shares on issue**

	<b>31 Dec 2014 Number</b>	<b>30 June 2014 Number</b>
At the beginning of the period	265,622,962	263,622,962
Share issued – 15 <sup>th</sup> April 2014	-	2,000,000
Share issued – 15 <sup>th</sup> November 2014	27,800,000	-
<b>At the end of the period</b>	<u>293,422,962</u>	<u>265,622,962</u>

There are no current on-market share buybacks.

**c. Terms and conditions of ordinary shares**

Ordinary shares have the right to receive dividends as declared and, in event of the winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares and amount paid up on the shares held. Ordinary shares entitle their holder to vote, either in person or by proxy, at a meeting of the company.



## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

#### **NOTE 8: ISSUED CAPITAL**

##### **d. Share options**

At 31<sup>st</sup> December 2014, the details of options issued are as follows:

<u>Date issued</u>	<u>Number of Options</u>	<u>Exercise price per option</u>	<u>Expiring on or before</u>
6 December 2012	200,000,000	8 cents	6 December 2016

#### **NOTE 9: SEGMENT INFORMATION**

The Group operates in Australia predominantly in the mineral exploration industry and mainly in gold and base metals. The Board of Directors have determined that the Group operates only in one segment.

#### **NOTE 10: CONTINGENT LIABILITIES**

The Board of Directors believe that there are no contingent liabilities up to or subsequent to the 31<sup>st</sup> December 2014.

#### **NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE**

There are no significant events subsequent to reporting date.

#### **NOTE 12: CONTROL GAINED / LOSS OVER CONTROLLED ENTITIES**

During the six month period to 31 December 2014, Gateway Mining Limited continued to control Boomgate Nominees Pty Ltd as a 100% owned subsidiary.



## **GATEWAY MINING LIMITED**

**ABN: 31 008 402 391**

### **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7-17 are in accordance with the Corporations Act 2001, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
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.

A handwritten signature in black ink, appearing to read 'T. Franklin', with a stylized flourish at the end.

**TRENT FRANKLIN**

**Non Executive Chairman**

Dated this 26th day of February 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Gateway Mining Limited and its Controlled Entity

### 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 Entity (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### *Directors' Responsibility for the Half-year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 an Interim 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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 of Gateway Mining Limited and its Controlled Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 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.

#### *Matters Relating to Electronic Publication of the Audited Financial Report*

This review report relates to the financial report of the consolidated entity. We have reviewed the accompanying half-year financial report of Gateway Mining Limited (the company) and its Controlled Entity for the half-year ended 31 December 2014 included on the website of Gateway Mining Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above.



*Matters Relating to Electronic Publication of the Audited Financial Report (continued)*

It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

*Independence*

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by 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 and its Controlled Entity is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 1 in the Half Year financial report which indicates that the entity incurred a net loss of \$247,170 during the period ended 31 December 2014 and has limited income streams for future years. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

*L Russell*

**LEAH RUSSELL**

Partner

Dated this 26<sup>th</sup> day of February 2014