2018 ANNUAL REPORT

GATEWAY MINING LTD

ABN: 31 008 402 391

Contents

CORPORATE DIRECTORY

Directors:

- Mr Trent Franklin (Non-Executive Chairman)
- Mr Andrew Bray (Managing Director) (resigned 15 March 2018)
- Mr Peter Langworthy (Managing Director) (appointed 15 March 2018)
- Mr Gary Franklin (Non-executive Director) (resigned 12 April 2018)
- Mr Scott Brown (Non-executive Director) (appointed 12 April 2018)
- Ms Debra Fullarton (Non-executive Director) (appointed 12 April 2018)

Company Secretary:

- Mr Gary Franklin (resigned 12 April 2018)
- Mr Kar Chua (appointed 12 April 2018)

Registered Office:

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Sydney NSW 2000

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Facsimile: +61 2 8316 3999
Email: info@gatewaymining.com.au

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Surry Hills NSW 2010

Telephone: +61 2 9698 5414

Auditors:

Crowe Horwath Sydney
Chartered Accountants
Level 15
1 O'Connell Street
Sydney NSW 2000

Solicitors:

Enrizen Lawyers Pty Ltd
Level 11
52 Phillip Street
Sydney NSW 2000

Securities Exchange Listing:

The Group is listed on the Australian Securities Exchange under code GML

Website:

www.gatewaymining.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the Group consisting of Gateway Mining Limited and its controlled entities (**Gateway** or the **Company**) for the year ended 30 June 2018.

DIRECTORS

The names of directors who held office during the year:

- Mr. Trent Franklin (Non-executive Chairman)
- Mr. Andrew Bray (Managing Director) (resigned 15 March 2018)
- Mr. Gary Franklin (Non-executive Director) (resigned 12 April 2018)
- Mr. Peter Langworthy (Managing Director) (appointed 15 March 2018)
- Mr. Scott Brown (Non-executive Director) (appointed 12 April 2018)
- Ms. Debra Fullarton (Non-executive Director) (appointed 12 April 2018)

PRINCIPAL ACTIVITIES

The activities of the Group during the financial year were in the mineral exploration industry principally exploration for gold and base metals. There were no significant changes in the nature of the activities of the Group that occurred during the year.

Acquisition of Omni Projects

On 16 March 2018, the Company announced that the purchase of Omni Projects had been completed following the satisfaction of all conditions precedent under the Agreement.

Terms of the Acquisition

The Company 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:

- the Company issued 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;

- the Acquisition was subject to a number of conditions precedent which were satisfied prior to completion and comprised:

  (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) the Company conducting a capital raising via rights issue to achieve up to A$3,500,000.

As a result of the successful completion of the acquisition, the Gidgee Project now comprises of a consolidated area of 700km^2 covering the southern extension of the Archaean aged Gum Creek Greenstone Belt.

DIRECTORS' REPORT (CONTINUED)

Omni Projects holds substantial tenement interests around the Company's Gidgee project, and the Acquisition allowed the Company to pursue a regional consolidation of what is considered to be highly prospective ground. The purchase of Omni Projects also saw the Company acquire six other gold and base metal projects in Western Australia.

The Acquisition also saw the appointment of Managing Director, Mr Peter Langworthy, a well-credentialed and highly experienced geologist and mining executive with a strong track record of value-creation in the Australian mining and exploration industry.

<u>Omni Projects</u>

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 licenses, five exploration licence applications and six prospecting licence applications that cover a total area of approximately 1,339 km^2, should all of the licenses be granted.

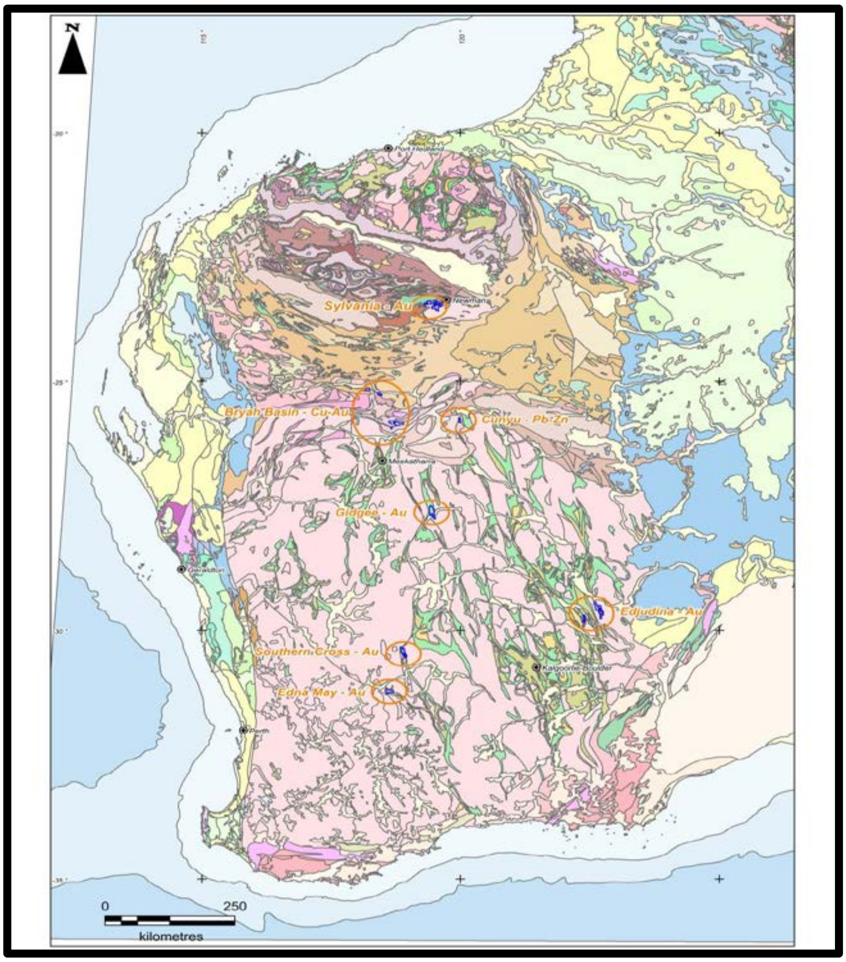

Figure (1): Omni's exploration project locations

DIRECTORS' REPORT (CONTINUED)

GIDGEE PROJECT - INTRODUCTION

Gateway's Gidgee Gold Project is located approximately 70km north of the township of Sandstone, Western Australia. As a result of the Acquisition, the Gidgee Project now comprises a consolidated area of ~700km^2 covering the southern extension of the Archaean aged Gum Creek Greenstone Belt.

The project is easily accessible from Perth via major sealed and well-formed gravel roads. The town of Sandstone provides limited logistics support and the project is centrally located within a ~120km radius of six operational gold treatment facilities.

Figure (2): Gidgee Gold Project Location Plan

The Company announced that its primary exploration strategy at the Gidgee Gold Project will be to rapidly delineate the size and quality of the gold mineralised system that has been identified along the western margin of the Montague Granodiorite (MGD). This high-priority target extends for a strike length of at least 8km within the Company's project tenements.

DIRECTORS' REPORT (CONTINUED)

This objective will be achieved by executing focused programs of RC and diamond drilling on the identified high-priority targets, accompanied by systematic aircore drilling to test the true potential of the contact of the MGD.

Resource evaluation programs will be instigated at the appropriate time, when the resource size potential is considered large enough. Other key upcoming activities will include:

- Detailed evaluation and targeting of the stockwork mineralised targets;
- Evaluation and initial testing of the eastern margin of the MGD; and
- Developing an understanding of the VHMS-system that has been identified in the stratigraphic succession surrounding the MGD.

The key targets that will be the initial focus of the Company's planned programs of exploration comprise:

- **Whistler Target:** Located on the northern margin of the MGD, where the contact between the MGD and the enveloping mafic volcanic rocks is interpreted to be plunging to the north. There is a priority high-grade target beneath the shallow, historical oxide open pit mine. Drilling to date has identified a strong high-grade domain and demonstrates that the mineralisation remains open in all directions. Excellent potential remains for significant near-surface oxide mineralisation. The target has potential for parallel shears zones both within the MGD and the surrounding mafic volcanic rocks.

- **Montague Target:** Located on the western margin of the MGD, where a series of shear zones and associated stockwork zones control the gold mineralisation. There is a priority high-grade target beneath the shallow (oxide), historical Montague-Boulder open pit mine. The target has excellent potential for expansion of near-surface oxide mineralisation along strike and for high-grade primary mineralisation at depth and along strike.

- **Caledonian Target:** The target represents a different style of gold deposit when compared to Whistler and Montague. The mineralisation has developed within a distinct, regionally extensive shear zone and is hosted by mafic volcanic rocks. Old prospecting shafts and pits extend for at least 3km along the Caledonian Trend. There is a priority high-grade target beneath the shallow (oxide) historical Caledonian open pit mine. High-grade shoots can be defined within a broad mineralisation zone over at least 1km. The shear zone along the strike of the historical pit presents numerous opportunities to delineate significant gold mineralisation.

DIRECTORS' REPORT (CONTINUED)

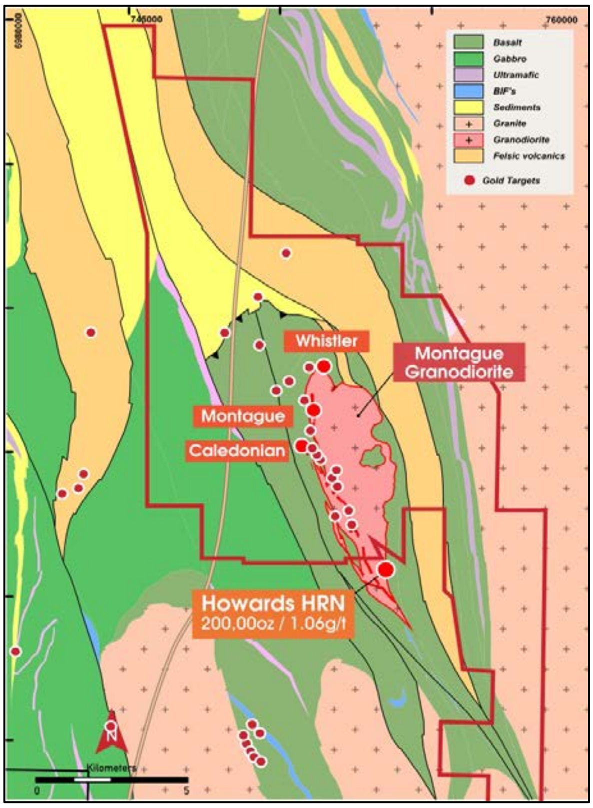

Figure (3): Gidgee Gold Project Interpreted Geology

GIDGEE PROJECT - RECENT EXPLORATION ACTIVITIES

Gateway Mining formally embarked on its renewed WA gold exploration strategy in April 2018, completing a highly successful maiden Reverse Circulation (RC) and diamond drilling program at the Gidgee Gold Project, located 70km north of Sandstone in Western Australia (Figure 2). The initial program was designed to undertake a first-pass assessment of three highly prospective targets at the Gidgee Gold Project, with initial assay results confirming the discovery of significant primary high-grade gold mineralization at both the Whistler and Montague Prospects. The next phase of drilling is already being planned for follow-up drilling at these exciting emerging discoveries.

A major program of systematic regional aircore drilling was also undertaken to build a pipeline of exploration opportunities that will form an ongoing part of the systematic evaluation of the potential for the Gidgee Gold Project to host a large-scale gold system.

DIRECTORS' REPORT (CONTINUED)

WHISTLER PROSPECT

A 16-hole drilling program (15 RC holes for 2,861m and one diamond hole for 235m) was completed to confirm the grade and continuity of the mineralisation at the Whistler Prospect beneath the historical open pit. Key results are summarised below:

- The drilling program confirmed the presence of a substantial high-grade mineralised domain within a broader zone of gold mineralisation that remains open in all directions (Figures 4 and 5).

- Diamond hole GDD006 intersected the main high-grade zone of mineralisation, confirming that the mineralisation is hosted by spaced quartz-carbonate veins and with lesser zones of breccia. Visual free gold was noted in a number of individual veins.

- A footwall zone of mineralisation was intersected lower in GDD006 that returned a bonanza intercept of **2.8 metres @ 79.2g/t Au including 0.5 metres @ 440.1g/t Au.** This intersection is in close proximity to a historical drill hole that returned **18m @ 2.9g/t Au** (88MRD14). The detailed controls and orientation of this footwall zone are yet to be fully understood, however it clearly demonstrates excellent potential for zones of "Bonanza Gold" to be developed through the Whistler Prospect.

- Hole GRC313 was drilled to test for extensions of the high-grade mineralisation to the south and intersected strong mineralisation in the bottom of the hole **(6m @ 5.0g/t Au – hole stopped due to water inflow).** This hole will now need to be extended to determine the final grade and thickness of the mineralisation in this position. Importantly, this result demonstrates that the mineralisation remains totally open to the south on the other side of the fault, and may in fact indicate the presence of a parallel high-grade zone.

- Summary of significant results from the full program[1]:

  - **GDD006** — **27.7 metres @ 4.0g/t Au from 128.3m *(incl. 15.5m @ 6.5g/t Au)***
    2.8 metres @ 79.2g/t Au from 171 metres (*Incl. 0.5m @ 440.1g/t Au)*
  - **GRC0313** — **6 metres @ 5.0g/t Au from 128 metres *(bottom of hole)***
  - **GRC0315** — **22 metres @ 1.90g/t Au from 131 metres**
  - **GRC0316** — **13 metres @ 2.60/t Au from 111 metres**
  - **GRC0311** — **29 metres @ 3.7g/t Au from 171m *(incl. 12m @ 7.7g/t Au*)**
  - **GRC0310** — **37 metres @ 3.1g/t Au from 167 metres, *(incl. 10m @ 7.7g/t Au)***
  - **GRC0309** — **69 metres @ 1.43g/t Au from 99 metres**
    (incl. 15m @ 2.1g/t Au & 25m @ 2.0g/t Au)

[1] See ASX Announcement: June 2018 Quarterly Activities and Cash Flow Report

DIRECTORS' REPORT (CONTINUED)

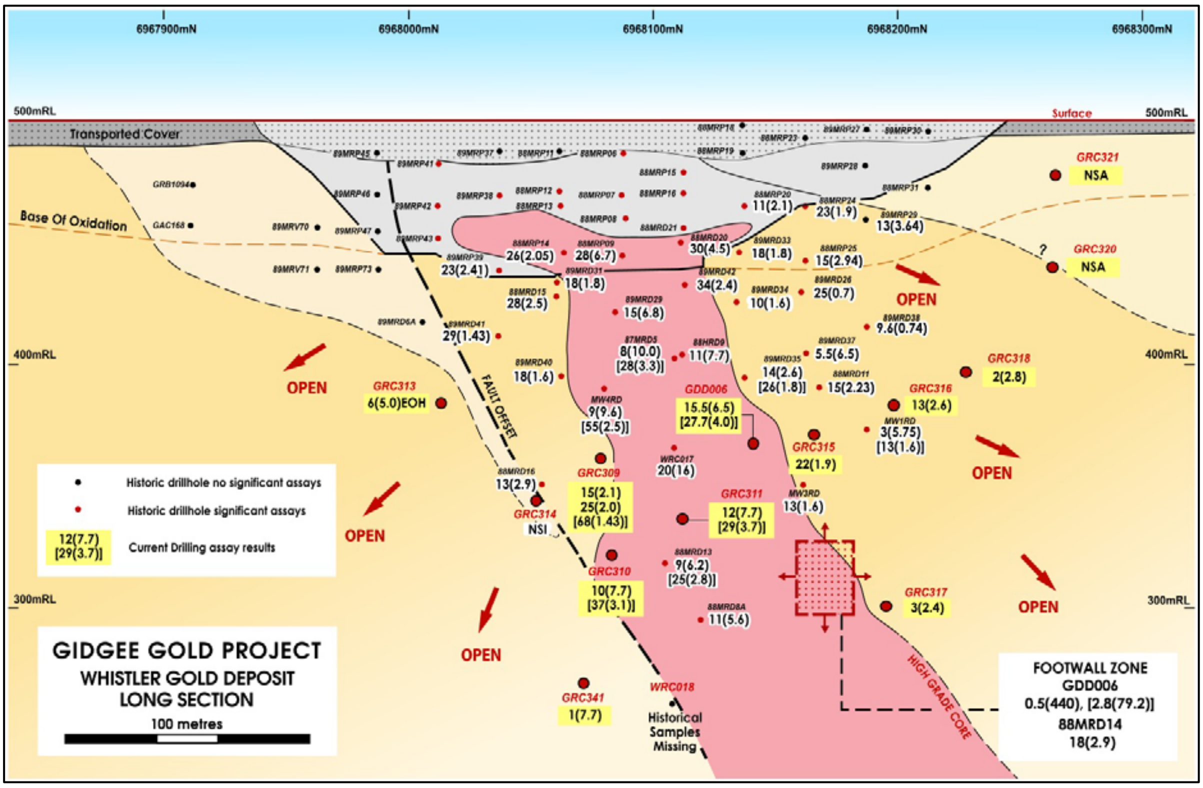

Figure (4): Whistler Prospect, Interpreted Long-Section

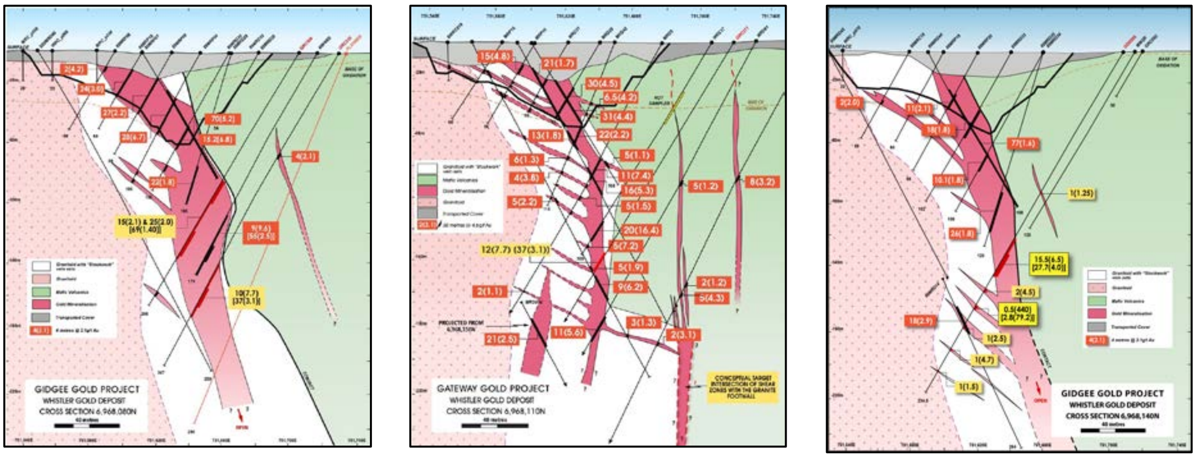

Figure (5): Whistler Prospect, Interpreted Cross-Sections

DIRECTORS' REPORT (CONTINUED)

MONTAGUE PROSPECT

A drilling program comprising nine holes (including one diamond hole for 252.4m and eight RC holes for 1,146m) was completed to test for both the extension of the main mineralised zone in the base of the historical Montague open pit, and to provide key geological (stratigraphic and structural data) on the stockwork zones on the margin of the Montague Granodiorite (Figure 6). Key results are summarized below:

- The results demonstrate that the mineralised Boulder Shear shows strong continuity where targeted immediately beneath the Montague Open Pit (Figure 5 and 6) and remains open down-dip and along strike. Key results include[2]:
    - **GRC0330** **15 metres @ 2.1g/t Au (including 7m @ 4.0g/t Au) from 70m**
    - **GRC0324** **5.0 metres @ 3.1g/t Au from 47 metres**
    - **GRC0325** **5.0 metres @ 3.5g/t Au from 70 metres**
    - **GRC0323** **2.0 metres @ 2.4g/t Au from 66 metres**
    - **GDD007** **8.2 metres @ 1.4g/t Au from 47 metres**
- The discovery of the Gordon Lode (**GRC0330: 4 metres @ 24.2g/t Au)** at depth highlights the potential of the wider Montague gold system and, in fact, the entire Gidgee Project, due to the overall lack of deeper drilling. It is clear that there are multiple mineralised structures with the potential to host high-grade gold mineralisation.
- The controls on the Gordon Lode are not yet understood, with additional follow-up drilling being planned. Currently it is unconstrained and open in all directions.
- This drilling program and the ongoing compilation and interpretation of the available historical datasets now provide a detailed understanding on the controls of the gold mineralisation. The Boulder Shear is an extensive mineralised structure that is controlled by the margin of the Montague Granodiorite and a series of cross-cutting fault zones.
- Strong mineralisation is controlled by dilational positions within the broader shear structure and are interpreted to have a plunge to the south in this location. These zones now provide a viable, shallow target for the next phase of drilling.
- It should be noted that there is a significant zone of mineralisation in the immediate base of the historical open pit.
- The Boulder Shear remains open along strike and is largely untested for over 1.5km to the north and 1km to the south, where the historical NE Pit is located (see next steps below).
- Recent drilling (GRC327-329) has shown that the stockwork breccia mineralised zones developed within the granodiorite are discontinuous. However, previous mining demonstrates the potential for significant supergene gold mineralisation to develop over these zones.
- Preliminary metallurgical test work is currently being undertaken on selected mineralised zones.

[2] See ASX Announcement: June 2018 Quarterly Activities and Cash Flow Report

DIRECTORS' REPORT (CONTINUED)

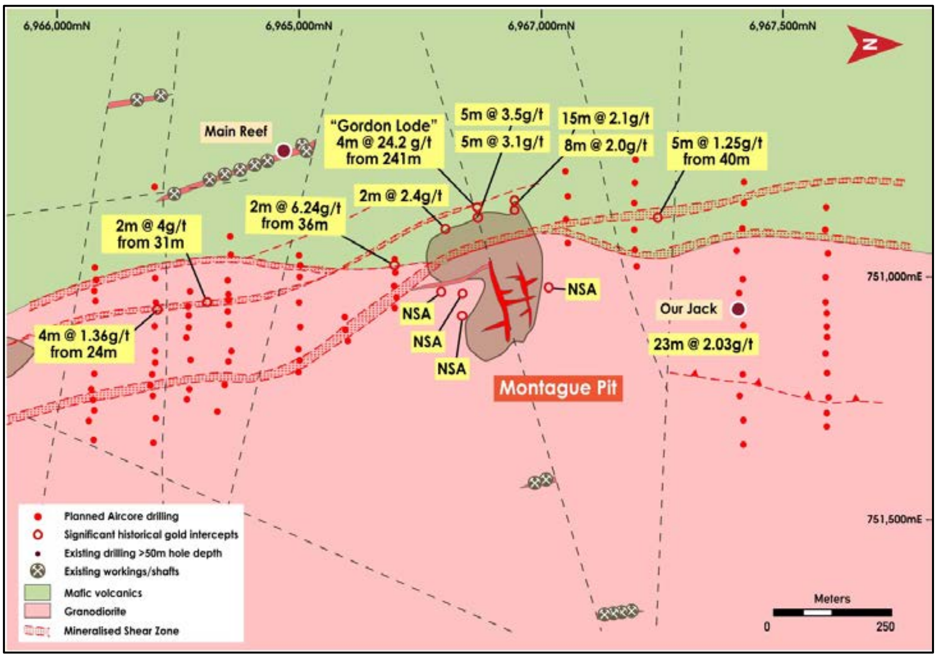

Figure (6): Montague Prospect. Interpreted Geology Plan and Gold Distribution

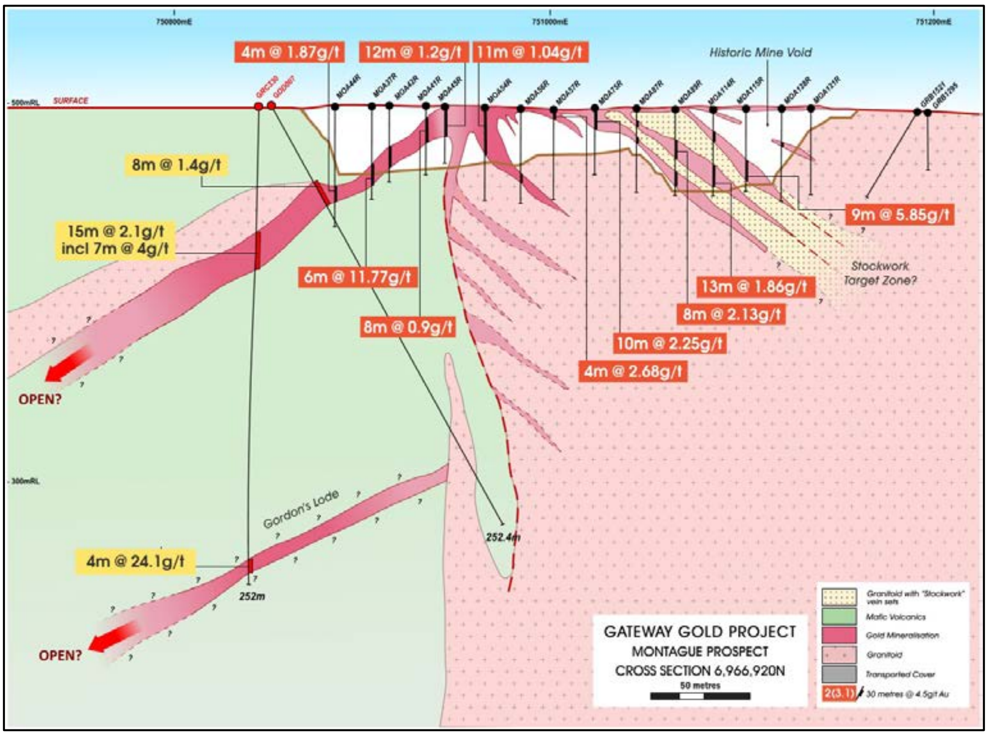

Figure (7): Montague Prospect. Interpreted Cross Section

DIRECTORS' REPORT (CONTINUED)

CALEDONIAN PROSPECT

The drilling program at the Caledonian Prospect (10 RC holes for 1,117m and one diamond hole for 174m) was completed during June 2018. Subsequent to the end of year, results of the drilling program were provided by the assay laboratory and were reported[3].

Gateway advised that the reverse circulation and aircore drilling surrounding the historical Caledonian and North East open pits had defined several extensive and highly prospective new target areas (Figure 8).

- Key results reported from this target area are:
  - **GRC0340 2 metres @ 5.82g/t Au from 31 metres**
  - **GRC0337 3 metres @ 3.10g/t Au from 43 metres**
  - **GWAC0001 14 metres @ 1.61g/t Au from 20 metres**
  - **GWAC0015 26 metres @ 0.56g/t Au from 10 metres**
  - **GRB112 2 metres @ 24.6g/t Au from 2 metres***
  - **GRB113 3 metres @ 15.7g/t Au from 25 metres***
  - **GRB2421 10 metres @ 1.62g/t Au from 20 metres***

  (* Historical intercepts)

- The **"C2 Target"** (Figure 8) has been identified over a strike length of approximately 500m and remains open to the north and south. Drill testing is currently shallow, and follow-up drilling is now required to test for mineralisation at depth. As has been seen elsewhere across the Gidgee Project in recent drilling (Whistler and Montague), there is a considerable high-grade gold component to the mineralisation in this area.

- The structure that links the Caledonian and North East pits has been consistently intersected in the recent aircore drilling over a strike length of approximately 400m. It is worth noting that most of the aircore drilling finished in highly anomalous mineralisation in the bottom of the holes. In addition, the down-dip extension of the mineralisation projecting out of the base of the North East Pit remains untested at depth.

- The highly prospective contact between the Montague Granodiorite and the mafic volcanic rocks remains to be systematically tested in this area.

- The drilling that targeted the immediate extensions beneath the historical Caledonian open pit intersected a strong, well-developed shear zone that remains open down-dip. However, the gold mineralisation appears to be depleted in this position and additional drilling at depth will be required to provide a more comprehensive test as to the potential of this structure.

- There is significant (but undefined) oxide mineralisation in the base of both the Caledonian and North East Pits.

[3] See ASX Announcement: 6 August 2018

DIRECTORS' REPORT (CONTINUED)

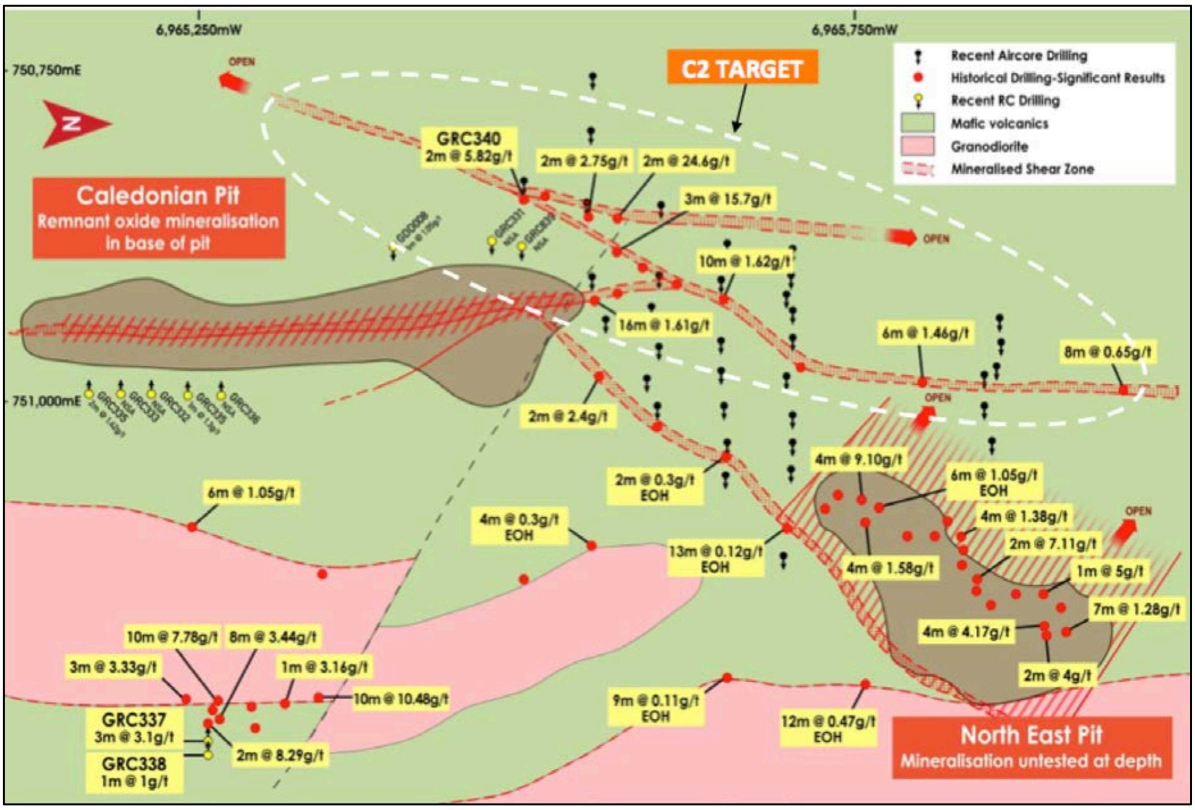

Figure (8): Caledonian – North East Prospect Interpreted Geology Plan and Gold Distribution

REGIONAL DRILLING ASSESSMENT

A maiden aircore (AC) drilling program that commenced and was reported subsequent to the end of reporting period[4] was aimed at systematically testing the highly prospective mineralised margin of the Montague Granodiorite, the main host structure to gold mineralisation in the district (Figure 9). Details of the program include:

- This drilling continues to confirm the potential for this major structural corridor on the margin of the Montague Granodiorite to host multiple, significant zones of mineralisation. These zones now present as high-priority targets for the next phase of drilling.
- The new targets lie directly along strike from and between the three advanced prospects drilled to date (Whistler, Montague and Caledonian) and define a 4km long prospective corridor along the margin of the Montague Granodiorite, the major structure controlling gold mineralisation in the area (Figure 9).

- Key results reported from this regional, systematic program of Aircore drilling include:
  - **GWAC0125 16 metres @ 1.73g/t Au from 20 metres**
  - **GWAC0106 7 metres @ 1.34g/t Au from 13 metres**
  - **GWAC0001 14 metres @ 1.61g/t Au from 20 metres**
  - **MOA143R* 23 metres @ 2.03g/t Au from 33 metres**
  - **GWAC0093 4 metres @ 1.08g/t Au from 10 metres**

[4] See ASX Announcement: 23 August 2018

DIRECTORS' REPORT (CONTINUED)

- **GWAC0151 4 metres @ 1.01g/t Au from 40 metres**
- **89MRP48* 7 metres @ 3.10g/t Au from 34 metres**
- **GWAC0015 26 metres @ 0.56g/t Au from 10 metres**

- These reported significant intersections lie within extensive zones of gold anomalism defined by a >0.1g/t Au (100ppb) contour (Figure 9).

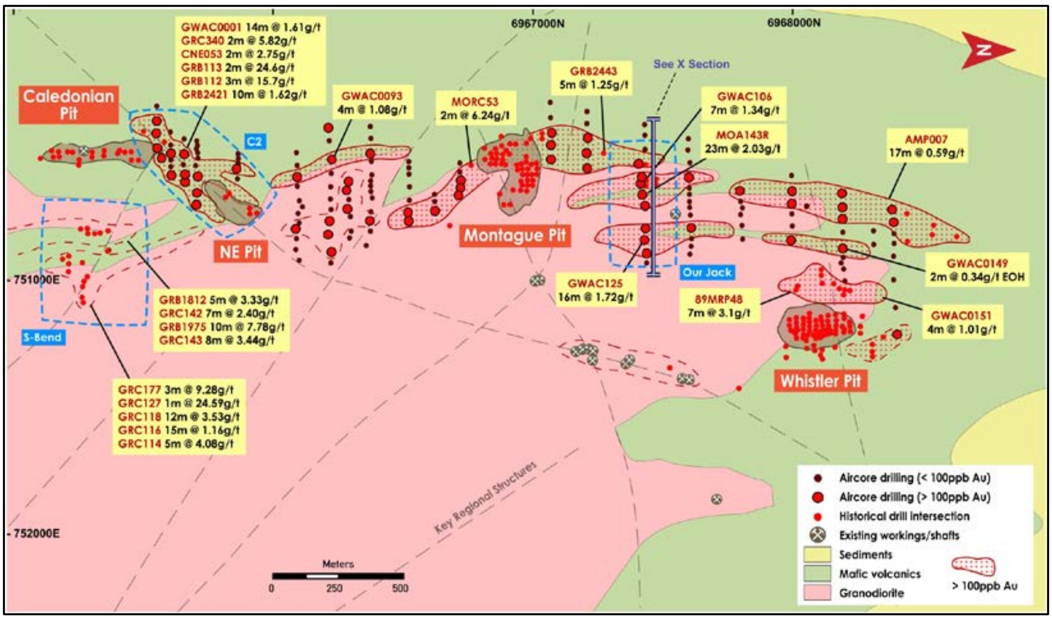

Figure (9): Gidgee Gold Project showing Aircore drilling anomalies

- Eight major target zones that individually extend over a strike length of up to 1km have been identified as priority targets and a number of other areas require additional assessment. Areas of particular interest include:

  - The **"Our Jack Prospect"**, located ~400m north of the historical Montague Pit, where two major shear zones hosting significant gold mineralisation have been intersected by drilling within a broader, gold anomalous zone (Figures 9 and 10). The mineralisation remains open along strike and down-dip. Key results include:

    - **GWAC0125 16 metres @ 1.73g/t Au from 20 metres**
    - **GWAC0106 7 metres @ 1.34g/t Au from 13 metres**
    - **MOA143R* 23 metres @ 2.03g/t Au from 34 metres**
    - **GWAC0107 20 metres @ 0.13g/t Au from 28 metres**

    Additional targets at this prospect include the granodiorite-mafic contact and an interpreted position beneath significant gold anomalism reported in the transported cover (**GWAC0123: 12m @ 0.23g/t Au from surface).**

DIRECTORS' REPORT (CONTINUED)

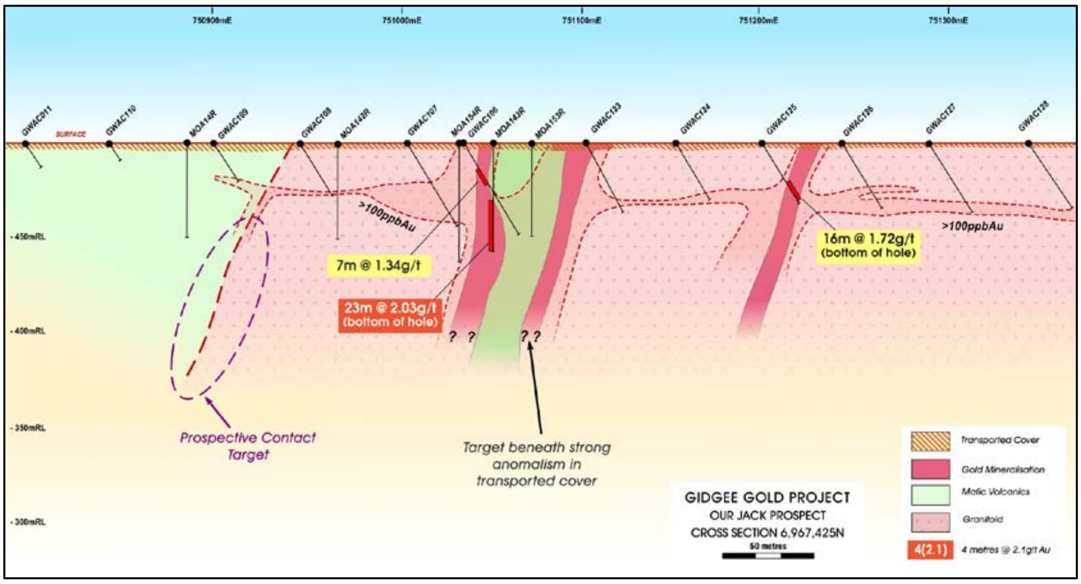

Figure (10): Our Jack Prospect – Interpreted Cross-Section 6,967,425N

- The drilling to the north and south of the **Montague Pit** indicates strong anomalism along the targeted trend for up to 1km. There is a strong possibility that this trend links up with the Our Jack Prospect.

- In addition to the targets generated by this recent program of Aircore drilling, ongoing assessment and validation of the historical drilling datasets has identified a strong zone of mineralisation at the **"S-Bend Prospect"** (Figure 9). While the controls on the mineralisation are still to be established, and additional drilling will be required, it is clear that a potential zone of predominantly high-grade oxide gold mineralisation is present. Historical drilling results from S-Bend include:

  - **GRB1812** **5 metres @ 3.33g/t Au from 35 metres**
  - **GRC0142** **7 metres @ 2.40g/t Au from 17 metres**
  - **GRB1975** **10 metres @ 7.78g/t Au from 30 metres**
  - **GRC0143** **8 metres @ 3.44g/t Au from 59 metres**
  - **GRC0177** **3 metres @ 9.28g/t Au from 87 metres**
  - **GRC0127** **1 metres @ 24.6g/t Au from 119 metres**
  - **GRC0118** **12 metres @ 3.53g/t Au from 45 metres**
  - **GRC0116** **15 metres @ 1.16g/t Au from 20 metres**
  - **GRC0114** **5 metres @ 4.08g/t Au from 17 metre**

<u>Regional WA Projects</u>

Successful completion of the Acquisition has provided exposure to a portfolio of six exploration projects located in the Yilgarn, Bryah and Pilbara districts of Western Australia (**Regional Projects**).

The Regional Projects cover an approximate area of 1,039km^2 and comprises 15 Exploration Licenses and applications. The majority of the projects are located adjacent to major mineralised systems and cover highly prospective structural trends.

DIRECTORS' REPORT (CONTINUED)

The Regional Projects comprise of:

- **Bryah Basin Project:** The Bryah Basin Project provides a large, consolidated profile in the Bryah Basin, a Proterozoic-aged volcano-sedimentary rift basin that is highly prospective for gold and copper-gold VHMS mineralisation. The project is host to a number of important deposits including the DeGrussa and Monty copper-gold deposits (Sandfire and Talisman) and the Fortnum gold deposit (Westgold).

- **Edjudina Project:** The Edjudina Project is located in the highly mineralised Eastern Goldfield Province of the Yilgarn Craton and is considered prospective for gold and nickel-copper mineralisation. The project covers a strike extent of approximately 29km within the Linden Terrain east of the Pinjin Fault, and covers a north-northwest trending sequence of prospective greenstone lithologies that are immediately along strike of Matsa Resources Limited's Fortitude Gold Project, where mining recently recommenced with a trial mining study. The area is also subject to significant exploration interest from a number of major resource companies including St Barbara Limited, Saracen Minerals Holding Limited and AngloGold Ashanti Australia Limited.

- **Cunyu Project:** The Cunyu Project is located on the eastern margin of the Proterozoic-aged Yerrida Basin and is targeting a Proterozoic mafic-ultramafic intrusive complex of that is considered prospective for nickel-copper and PGE-type deposits. In addition to this, the project is interpreted to lie on a similar stratigraphic horizon to the Magellan lead-zinc deposit (owned by LeadFX Inc.), located approximately 80km to the south.

- **Edna May Project:** The Edna May Project is located on the northern end of the Archean-aged Westonia Greenstone Belt, which is part of the larger Southern Cross Greenstone Belt. The project is immediately along strike from Ramelius Resources' Edna May gold mine. The host greenstone belt and regional structure that controls the Edna May mine mineralisation is interpreted to persist through the project area, as evidenced by the presence of gold mineralisation intersected in historical drilling.

  Southern Cross Project: The Southern Cross Project includes over 20km of prospective greenstone located at the northern end of the highly endowed Southern Cross Greenstone Belt. The belt is an Archaean-aged package of mafic-ultramafic volcanic and sedimentary rocks, and is considered highly prospective for significant gold mineralisation as well as komatiite hosted nickel sulphide, VHMS and lithium deposits.

- **Sylvania Project:** The Sylvania Project covers part of the Sylvania Inlier, an Archaean-aged cratonic block on the southern margin of the Pilbara Craton. The project is considered prospective for gold mineralisation and is relatively untested by systematic modern exploration techniques. Although at an early stage, it has been recognized that conglomerate stratigraphy, which is potentially prospective for palaeo-placer gold mineralisation, is present across the project.

<u>Mining Tenements</u>

The consolidated tenement holdings of the Group held during the reporting period are as follows:

DIRECTORS' REPORT (CONTINUED)

Project	Tenement ID	Ownership	Status	Expiry
Gidgee	E57/945	GML	Live	1/1/2019
Gidgee	M57/485	GML 75%, Estuary Resources NL 25%	Live	2/2/2026
Gidgee	E57/793	GML 75%, Estuary Resources NL 25%	Live	3/2/2020
Gidgee	E57/405	GML	Live	19/2/2019
Gidgee	E57/874	GML	Live	5/3/2022
Gidgee	E57/875	GML	Live	5/3/2022
Gidgee	E57/888	GML	Live	5/3/2022
Gidgee	E57/823	GML	Live	2/3/2021
Gidgee	E57/824	GML	Live	2/3/2021
Gidgee	E57/688	GML	Live	25/3/2020
Gidgee	E57/687	GML	Live	25/3/2020
Gidgee	E57/417	GML	Live	26/4/2019
Gidgee	M57/48	GML 85%, Goldfan Pty Ltd 15%*	Live	14/5/2028
Gidgee	M57/98	GML 85%, Goldfan Pty Ltd 15%*	Live	18/05/2030
Gidgee	M57/99	GML 85%, Goldfan Pty Ltd 15%*	Live	18/05/2030
Gidgee	M57/217	GML 85%, Goldfan Pty Ltd 15%*	Live	23/09/2034
Gidgee	E57/807	GML	Live	21/6/2020
Gidgee	M57/429	GML 75%, Estuary Resources NL 25%	Live	5/7/2026
Gidgee	E57/876	GML	Live	11/10/2021
Gidgee	E57/1004	GML	Live	9/9/2020
Gidgee	E57/1005	GML	Live	3/10/2022
Gidgee	E57/1057	Omni Projects	Live	16/7/2022
Gidgee	E57/1067	Omni Projects	Live	17/9/2022
Gidgee	P57/1407	Omni Projects	Live	17/12/2021
Gidgee	P57/1409	Omni Projects	Live	9/1/2022
Gidgee	P57/1410	Omni Projects	Live	9/1/2022
Gidgee	P57/1411	Omni Projects	Live	9/1/2022
Gidgee	P57/1412	Omni Projects	Live	9/1/2022
Gidgee	P57/1413	Omni Projects	Live	9/1/2022
Edjudina	E31/1134	Omni Projects	Live	7/11/2022
Edjudina	E31/1150	Omni Projects	Live	11/10/2022
Edjudina	E39/1765	Omni Projects	Live	19/3/2019
Edjudina	E39/1882	Omni Projects	Live	18/1/2021
Cunyu	E51/1762	85% Omni Projects 15% Milford Resources P/L	Live	27/8/2022
Bryah Basin	E51/1738	Omni Projects	Live	2/7/2022
Bryah Basin	E51/1842	Omni Projects	Live	15/4/2023
Bryah Basin	E52/3248	Auris 85%, Omni Projects 15%	Live	3/3/2020
Bryah Basin	E52/3273	Omni Projects	Live	3/6/2021
Bryah Basin	E52/3291	Auris 85%, Omni Projects 15%	Live	1/3/2021
Bryah Basin	E52/3510	Omni Projects	Live	3/7/2023
Sylvania	E52/3365	Omni Projects	Live	14/5/2022
Sylvania	E52/3366	Omni Projects	Live	14/5/2022
Southern Cross	E77/2309	Omni Projects	Live	19/1/2021
Edna May	E77/2290	Omni Projects	Live	15/10/2020

DIRECTORS' REPORT (CONTINUED)

*The Company is in the process of transferring Goldfan's 15% interest to Gateway as a result of Goldfan's deregistration. Godfan's 15% interest vested with ASIC on its deregistration and ASIC has provided its approval for the transfer of the 15% interest. Following completion of this process Gateway will be the 100% owner of M57/48, M57/98, M57/99 and M57/217.

Queensland Coal Investment Holdings Limited (QCIH)

As previously announced, the Company had entered into a series of agreements whereby it would potentially acquire two coal projects in the Bowen Basin. On 19 December 2017, the Company announced the agreement had been terminated due to failure to meet certain conditions precedent required for completion.

Financial Results

The loss of the Group for the financial year after providing for income tax amounted to $619,120 compared to a loss of $9,247,536 for the previous year.

The Group incurred exploration expenditure of $3,029,385 during the year (2017: $355,387). The Group's cash and cash equivalents at 30 June 2018 was $1,612,040 (2017: $4,516). The total net assets of the Group stands at $6,710,996 (2017: $1,265,085) of which investment in exploration expenditure accounts for $5,029,385 (2017: $2,000,000).

The Group is a mining exploration entity, and as such does not earn income from the sale of product. No dividends have been declared or paid during the year.

DIRECTORS AND COMPANY SECRETARY

The names and details of the directors and the Company Secretary of the Group in office at the date of this report are as follows:

Trent Franklin
Non-executive Chairman
BSc (Geology)

Mr Trent Franklin is a qualified geologist with a strong track record of corporate experience. He is currently the Managing Director of Enrizen Financial Group and formerly a director of the Australian Olympic Committee Inc. and Australian Water Polo Inc. He is also an Associate of the Australian Institute of Company Directors. Furthermore, Mr Franklin is currently company secretary of listed companies Silver Mines Limited and ATC Alloys Limited.

Peter Langworthy
Managing Director
BSc (Geology) (Hons)

Mr Peter Langworthy is an accomplished geologist and mining executive with a career spanning more than three decades in mineral exploration and project development in Australia and internationally. He is currently a non-executive director of emerging gold producer Capricorn Metals; non-executive Chairman of junior copper and gold company Syndicated Metals and non-executive director of Silver Mines Limited.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Scott Brown
Non-executive Director

Mr Scott Brown is a Company Director with 25 years' experience in project management, business development and logistics across resource sectors, security risk-management and commercial construction, both in Australia and internationally.

Debra Fullarton
Non-executive Director
BA (Accounting) (Hons)

Ms Debra Fullarton is an experienced Chartered Accountant with 25 years' experience in senior roles including as Executive Director, Chief Financial Officer and Financial Manager at Auris Minerals Ltd and De Beers Australia Exploration Limited. She is currently the Chief Financial Officer of Westgold Resources Limited.

Kar Chua
Company Secretary
B.Com (Accounting and Corporate Finance)

Mr Kar Chua is a member of the Institute of Chartered Accountants in Australia. He has a range of experience in assisting a number of ASX-listed companies with their reporting, company secretarial and accounting functions, in addition to having a background in financial reporting for the Australia/New Zealand operations of a substantial multi-national group.

DIRECTORS' MEETINGS

During the financial year, 8 meetings of directors (including committees) were held.

	Meetings eligible to attend	Meetings attended
T Franklin	8	8
P Langworthy	2	2
D Fullarton	2	2
S Brown	2	2
A Bray	6	6
G Franklin	6	6

The Group does not have an Audit Committee as this function is performed by the Board.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL REGULATION

The Group's operations are subject to various environmental regulations under Western Australian State Legislation and Regulations. The directors are not aware of any material breaches during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS DURING THE FINANCIAL YEAR AND AFTER THE END OF THE REPORTING PERIOD

Capital Raising

On 13 February 2018, the Company announced a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by eligible shareholders at an issue price of $0.012 per Share (**New Shares**), to raise up to $3,821,076 before costs (together with one (1) free attaching option for every five (5) shares subscribed for and issued (**Option**)(**Offer**). The Company lodged a prospectus for the Offer with ASIC and ASX on 13 February 2018.

Each New Share ranks equally with all fully paid ordinary shares in the capital of the Company already on issue.

The funds raised from the Offer are planned to be used for exploration costs, repayment of loans, corporate fees and general working capital.

On 16 March 2018, the Company announced the completion of Entitlement Issue and Shortfall Placement which was fully subscribed.

Omni Projects

On 1 March 2018, the Company announced that Omni GeoX and the Company executed the share sale agreement required to facilitate the Acquisition. Subsequently, on 16 March 2018, the Company announced that the Acquisition was completed.

Board Changes

On 15 March 2018, the Company announced the appointment of highly experienced Australian mining executive Mr Peter Langworthy as Managing Director to drive the Company's new gold strategy.

The appointment followed the Company's recently announced strategic refocus on the expanded and consolidated ground position at its flagship Gidgee Project.

The Company also announced on 12 April 2018 that it further strengthened its board with the appointment of Ms Debra Fullarton and Mr Scott Brown as non-executive Directors and the appointment of Mr Kar Chua as Company Secretary.

The appointments bring additional corporate and strategic expertise to the board which will be invaluable as the Company progresses its previously announced WA gold strategy.

DIRECTORS' REPORT (CONTINUED)

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the Group if any further information on likely developments, future prospects and business strategies in the operations of the Group and the expected results of these operations, were included herein.

REMUNERATION REPORT

The remuneration report, which has been audited, outlines key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its regulations.

Directors' and Specific Executives (being key management personnel) Remuneration

The Group's policy for determining the nature and amount of emoluments of board members and executives is as follows:

Group officers and directors are remunerated to a level consistent with the size of the Group. The Group's aim is to remunerate at a level that will attract and retain suitably qualified directors and employees.

The remuneration of non-executive directors is determined by the Board. This remuneration is by way of a fixed fee and may be supplemented by the issue of incentive options as approved by shareholders in a general meeting of the Group.

The remuneration structure for executive officers is based on a number of factors including experience of the individual concerned and their overall performance. The contracts for service between the Group and executives are on a fixed basis the terms of which are not expected to change in the immediate future.

As the Group is a mining exploration entity, it does not earn any revenue from the sale of product. The Group is therefore reliant on raising capital to continue operations. Consequently, the directors are very mindful of keeping cash remuneration to minimum levels. The Board may consider other non-cash remuneration in the future should it be required to attract and maintain particular talent.

The Board is of the opinion shareholder interests have been well looked after by keeping cash remuneration levels very low relative to many industry peers.

Directors and Specified Executives (being key management personnel) Interests

As at 30 June 2018, the interests of the directors and specified executives in the shares and options of the Group were as below.

The number of shares held directly, indirectly or beneficially, by each Key Management Person, including their controlled entities, is as follows:

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

2018

Key Management Person	Balance at the start of the year	Net changes during the year	Net change due to directors' resignations	Balance at the end of the year
Peter Langworthy[1,2]	-	8,333,334[2]	-	8,333,334[2]
Trent Franklin[3]	-	27,022,912[3]	-	27,022,912[3]
Scott Brown[4,5]	-	2,500,000[5]	-	2,500,000[5]
Debra Fullarton[6]	-	-	-	-
Gary Franklin[7]	-	-	-	-
Andrew Bray[8]	7,063,851		(7,063,851)[8]	-

1. Appointed 15 March 2018
2. Mr Langworthy also indirectly holds 133,333,334 shares in the Company through Omni GeoX Pty Ltd of which he is a director and has a 37% shareholding. Mr Langworthy also indirectly holds 33,333,334 shares in the company through Crest Investment Group Limited of which he has a 2.7% shareholding.
3. Mr Franklin's shares are indirectly held in entities Accrecap Pty Ltd and Enable Investment Manager Pty Ltd, of which Mr Franklin is a director of both companies.
4. Appointed 12 April 2018.
5. Mr Brown's shares are indirectly held in entity Gold River Pty Ltd, of which Mr Brown is as director of the company. He also indirectly holds 133,333,334 Shares in the Company through Omni GeoX Pty Ltd of which he is a director and has a 4.5% shareholding. Mr Brown also indirectly holds 33,333,334 shares in the Company Crest Investment Group Limited of which he has a 2.7% shareholding.
6. Appointed 12 April 2018
7. Resigned 12 April 2018
8. Resigned 15 March 2018

2017

Key Management Person	Balance at the start of the year	Net changes during the year	Net change due to directors' resignations	Balance at the end of the year
Trent Franklin	-	-	-	-
Gary Franklin	-	-	-	-
Andrew Bray	7,063,851	-	-	7,063,851

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Option holdings of Key Management Personnel

2018

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Peter Langworthy[1,2]	-	21,666,667	21,666,667
Trent Franklin	-	-	-
Scott Brown[3,4]	-	500,000	500,000
Debra Fullarton[5]	-	-	-
Gary Franklin[6]	-	-	-
Andrew Bray[7]	-	-	-

1. Appointed 15 March 2018, received 20,000,000 options as part of employment.
2. Mr Langworthy also indirectly holds 333,334 unlisted options in the Company through Omni GeoX Pty Ltd of which he is a director and has a 37% shareholding. Mr Langworthy also indirectly holds 6,666,667 unlisted options in the Company through Crest Investment Group Limited of which he has a 2.7% shareholding.
3. Appointed 12 April 2018.
4. Mr Brown also indirectly holds 333,334 unlisted options in the Company through Omni GeoX Pty Ltd of which he is a director and has a 4.5% shareholding. Mr Brown also indirectly holds 6,666,667 unlisted options in the Company through Crest Investment Group Limited of which he has a 2.7% shareholding.
5. Appointed 12 April 2018
6. Resigned 12 April 2018
7. Resigned 15 March 2018

2017

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Trent Franklin	-	-	-
Gary Franklin	-	-	-
Andrew Bray	-	-	-
Scott Jarvis	1,000,000	(1,000,000) [1]	-

1. Options expired on 6 December 2016.

Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
16 March 2018	16 March 2018	28 February 2022	$0.017	$0.006	100%
16 March 2018	16 September 2018	28 February 2022	$0.018	$0.006	58%
16 March 2018	16 March 2019	28 February 2022	$0.020	$0.006	29%

The options carry no dividend or voting rights.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Details of Directors' Remuneration

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

2018

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
P Langworthy	53,272	-	-	5,061	78,952	137,285
T. Franklin	44,000	-	-	-	-	44,000
S Brown	7,900	-	-	-	-	7,900
D Fullarton	7,900	-	-	-	-	7,900
G Franklin[1]	9,000	-	-	-	-	9,000
A. Bray[2]	156,500	-	-	-	-	156,500
Total	**278,572**	**-**	**-**	**5,061**	**78,952**	**362,585**

1. Resigned 12 April 2018
2. Resigned 15 March 2018

2017

	Short-term benefits			Post-employment benefits	Share-based payments	Total
Directors:	Fees	Non-monetary benefits	Other short-term benefits	Super-contribution	Options	
	$	$	$	$	$	$
T. Franklin	42,000	-	-	-	-	42,000
G Franklin	13,000	-	-	-	-	13,000
A. Bray	204,000	-	-	-	-	204,000
Total	**259,000**	**-**	**-**	**-**	**-**	**259,000**

All remuneration is 100% fixed remuneration, with no Post-employment benefits, Long-term benefits or Share-based payments except as noted above.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Details of Specified Executives Remuneration

2018

					Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Annual Leave ($)	Long Service Leave ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Gary Franklin[1] (Company Secretary)	30,000	-	-	-	-	-	30,000
Scott Jarvis (Head Geologist)	165,000	-	-	-	15,675	-	180,675
Total	**195,000**	**-**	**-**	**-**	**15,675**	**-**	**210,675**

1. Resigned 12 April 2018

2017

					Post-employment benefits	Share-based payments	Total
	Cash Salary ($)	Annual Leave ($)	Long Service Leave ($)	Other short-term benefits ($)	Super-contribution ($)	Options ($)	($)
Gary Franklin (Company Secretary)	60,000	-	-	-	-	-	60,000
Scott Jarvis (Head Geologist)	150,000	-	-	-	14,250	-	164,250
Total	**210,000**	**-**	**-**	**-**	**14,250**	**-**	**224,250**

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Key Service Agreements

Mr Peter Langworthy has entered into an executive services agreement with the Group in which he receives total remuneration of $200,000 per annum (inclusive of superannuation). Mr Langworthy or the Group may terminate the agreement by providing 3 months' notice. The Group may terminate the agreement without notice for cause including if the director commits a serious or persistent breach of their obligations or engages in an act of serious misconduct. In the event of a change of control of the Company and a subsequent change of title, conditions or responsibilities occurs, the director's position will be deemed redundant and a termination payment of 6 months of the base remuneration will be paid to the director.

Mr Trent Franklin has entered into an agreement with the Group whereby he receives a director's fee of $4,000 per month. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

Mr Scott Brown. The service agreement with Omni GeoX Pty Ltd provides non-executive director services to the Group for a fee of $3,000 per month. Mr Brown provides services to the Group on behalf of Omni GeoX Pty Ltd. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

Ms Debra Fullarton. The service agreement with CA Direct Pty Ltd provides non-executive director services to the Group for a fee of $3,000 per month. Ms Fullarton provides services to the Group on behalf of CA Direct Pty Ltd. The agreement can be terminated by the director by providing ninety days' written notice or by shareholders following a resolution of a general meeting; or by operation of law including if the director becomes disqualified from acting as a director of a public company pursuant to the Corporations Act or Bankruptcy Act.

Mr Gary Franklin. The Service Agreement with Enilsson Asia Pacific Pty Ltd provides secretarial services to the Group, whereby it receives a secretarial fee of $5,000 per month. In addition to this Mr Franklin was receiving a director's fee of $1,000 per month. Mr Franklin provided secretarial services to the Group on behalf of Enilsson Asia Pacific Pty Ltd. The agreement between Mr Gary Franklin and the Group was terminated upon Mr Gary Franklin's resignation on 12 April 2018.

Mr Andrew Bray has entered into a service agreement with the Group whereby he receives a director's fee of $12,000 per month. The agreement between Mr Andrew Bray and the Group was terminated upon Mr Andrew Bray's resignation on 15 March 2018. Mr Bray will remain with the Company in a consultancy capacity, assisting with capital markets, M&A and strategy work.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Voting and comments made at the Group's 2017 Annual General Meeting (AGM)

At the 2017 AGM, 99.569% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Performance Indicators

The earning of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 $,000	2017 $,000	2016 $,000	2015 $,000	2014 $,000
Sales Revenue	N/A	N/A	N/A	N/A	N/A
EBITDA	(625)	(9,249)	(1,346)	(462)	(516)
EBIT	(625)	(9,249)	(1,346)	(462)	(516)
Loss after Income Tax	(619)	(9,247)	(1,341)	(455)	(426)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016	2015	2014
Share price at financial year end ($)	0.026	0.019	0.024	0.035	0.040
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.13)	(3.01)	(0.46)	(0.16)	(0.19)

This concludes the Remuneration Report which has been audited.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Gateway Mining Limited support and adhere to the principles of corporate governance. These principles have been formalised by the Board in the corporate governance statement contained in the additional ASX information section of the annual report.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.
The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There were no non-audit services performed by the external auditor during the financial year.

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* for the year ended 30 June 2018 is enclosed and forms part of this annual report.

INDEMNIFYING OFFICERS

The Group has paid a premium to insure the directors and officers of the Group.

The insurance agreement limits disclosure of premium details.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

DIRECTORS' REPORT (CONTINUED)

EVENTS SUBSEQUENT TO REPORTING DATE

A maiden aircore (AC) drilling program that commenced and was reported subsequent to the end of reporting period[5] was aimed at systematically testing the highly prospective mineralised margin of the Montague Granodiorite, the main host structure to gold mineralisation in the district (Figure 9). Details of the program include:

- This drilling continues to confirm the potential for this major structural corridor on the margin of the Montague Granodiorite to host multiple, significant zones of mineralisation. These zones now present as high-priority targets for the next phase of drilling.
- The new targets lie directly along strike from and between the three advanced prospects drilled to date (Whistler, Montague and Caledonian) and define a 4km long prospective corridor along the margin of the Montague Granodiorite, the major structure controlling gold mineralisation in the area (Figure 9).

- Key results reported from this regional, systematic program of Aircore drilling include (see Tables 1 and Appendix 1 for more detail):

  - **GWAC0125 16 metres @ 1.73g/t Au from 20 metres**
  - **GWAC0106 7 metres @ 1.34g/t Au from 13 metres**
  - **GWAC0001 14 metres @ 1.61g/t Au from 20 metres**
  - **MOA143R* 23 metres @ 2.03g/t Au from 33 metres**
  - **GWAC0093 4 metres @ 1.08g/t Au from 10 metres**
  - **GWAC0151 4 metres @ 1.01g/t Au from 40 metres**
  - **89MRP48* 7 metres @ 3.10g/t Au from 34 metres**
  - **GWAC0015 26 metres @ 0.56g/t Au from 10 metres**

- These reported significant intersections lie within extensive zones of gold anomalism defined by a >0.1g/t Au (100ppb) contour (Figure 9).

[5] See ASX Announcement: 23 August 2018

DIRECTORS' REPORT (CONTINUED)

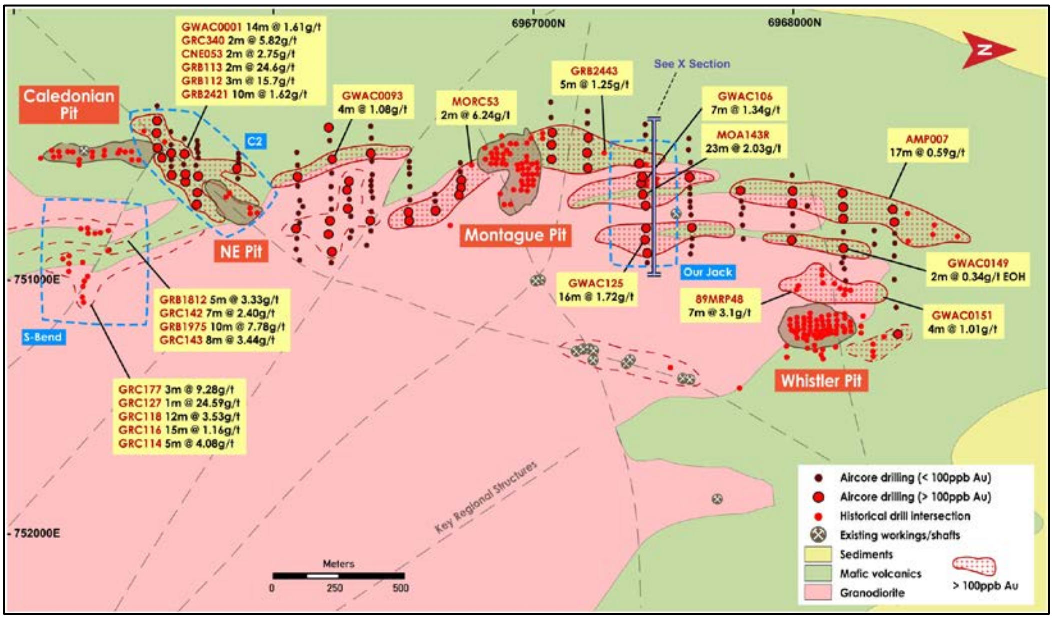

Figure (9): Gidgee Gold Project showing Aircore drilling anomalies

- Eight major target zones that individually extend over a strike length of up to 1km have been identified as priority targets and a number of other areas require additional assessment. Areas of particular interest include:

  - The **"Our Jack Prospect"**, located ~400m north of the historical Montague Pit, where two major shear zones hosting significant gold mineralisation have been intersected by drilling within a broader, gold anomalous zone (Figures 9 and 10). The mineralisation remains open along strike and down-dip. Key results include:

    - **GWAC0125** **16 metres @ 1.73g/t Au from 20 metres**
    - **GWAC0106** **7 metres @ 1.34g/t Au from 13 metres**
    - **MOA143R*** **23 metres @ 2.03g/t Au from 34 metres**
    - **GWAC0107** **20 metres @ 0.13g/t Au from 28 metres**

    Additional targets at this prospect include the granodiorite-mafic contact and an interpreted position beneath significant gold anomalism reported in the transported cover (**GWAC0123: 12m @ 0.23g/t Au from surface).**

DIRECTORS' REPORT (CONTINUED)

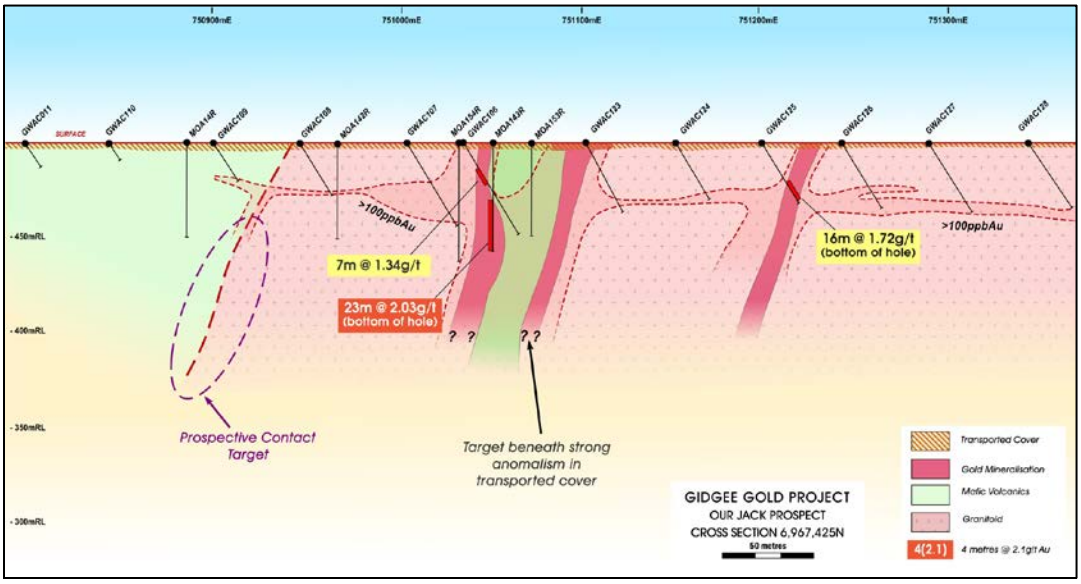

Figure (10): Our Jack Prospect – Interpreted Cross-Section 6,967,425N

- The drilling to the north and south of the **Montague Pit** indicates strong anomalism along the targeted trend for up to 1km. There is a strong possibility that this trend links up with the Our Jack Prospect.

- In addition to the targets generated by this recent program of Aircore drilling, ongoing assessment and validation of the historical drilling datasets has identified a strong zone of mineralisation at the **"S-Bend Prospect"** (Figure 9). While the controls on the mineralisation are still to be established, and additional drilling will be required, it is clear that a potential zone of predominantly high-grade oxide gold mineralisation is present. Historical drilling results from S-Bend include:

  - **GRB1812** **5 metres @ 3.33g/t Au from 35 metres**
  - **GRC0142** **7 metres @ 2.40g/t Au from 17 metres**
  - **GRB1975** **10 metres @ 7.78g/t Au from 30 metres**
  - **GRC0143** **8 metres @ 3.44g/t Au from 59 metres**
  - **GRC0177** **3 metres @ 9.28g/t Au from 87 metres**
  - **GRC0127** **1 metres @ 24.6g/t Au from 119 metres**
  - **GRC0118** **12 metres @ 3.53g/t Au from 45 metres**
  - **GRC0116** **15 metres @ 1.16g/t Au from 20 metres**
  - **GRC0114** **5 metres @ 4.08g/t Au from 17 metre**

Gateway to Target Maiden Gold Resource at Gidgee

On 17 September 2018, the Company announced that planning for the next significant stage of resource evaluation and exploration drilling at its 100%-owned Gidgee Gold Project in Western Australia has now been completed and is scheduled to start during October 2018 pending the finalisation of all statutory permitting.

Following Gateway's successful maiden drilling programs earlier this year at the Whistler and Montague Prospects, which confirmed the presence of strong and extensive zones of gold mineralisation, the Company has decided to commence significant programs of evaluation and expansion drilling targeting the establishment of a maiden Resource base for the Gidgee Gold Project.

DIRECTORS' REPORT (CONTINUED)

Key upcoming activities will include reverse circulation and diamond drilling, commencement of metallurgical test work and an initial assessment of geotechnical conditions at these advanced prospects.

In parallel with this detailed evaluation work, exploration will continue to target and test a pipeline of high-priority targets across the wider project that are being generated from the Company's recent programs of exploration and the ongoing validation and assessment of extensive historical datasets.

Whistler Prospect

The recent reverse circulation (**RC**) and diamond drilling program at the Whistler Prospect confirmed the presence of a significant, broad gold mineralised domain immediately beneath the base of the historical open pit. This mineralised domain also includes a substantial high-grade core containing intersections that include **20m @ 16g/t Au, 11m @ 5.6g/t Au, 12m @ 7.7g/t Au, 2.8m @ 79.2g/t Au and 10m @ 7.7g/t Au**[6].

The mineralisation remains open in most directions, demonstrating a significant opportunity to expand the extent of the known mineralisation.

However, based on the quality and the continuity of the mineralisation defined to date, the Company has decided to commence a program of resource evaluation drilling. The aims of this program include (see Figure 11):

- Defining a maiden open pit Resource immediately beneath the existing historical open pit;
- Modelling of the high-grade domain to define an underground Resource;
- Providing key samples to commence metallurgical test work; and
- The collection of geotechnical information.

In parallel with this resource evaluation drilling, a program of resource expansion/exploration drilling will be undertaken that will be focused on defining:

- Extensions to the high-grade mineralisation down-dip and along strike; and
- The controls on structures defined in the footwall of the main mineralised structure, where recent drilling returned intercepts including **2.8m @ 79.2g/t Au and 18m @ 2.9g/t Au.**

[6] *See ASX announcement dated 10th July 2018 for details*

DIRECTORS' REPORT (CONTINUED)

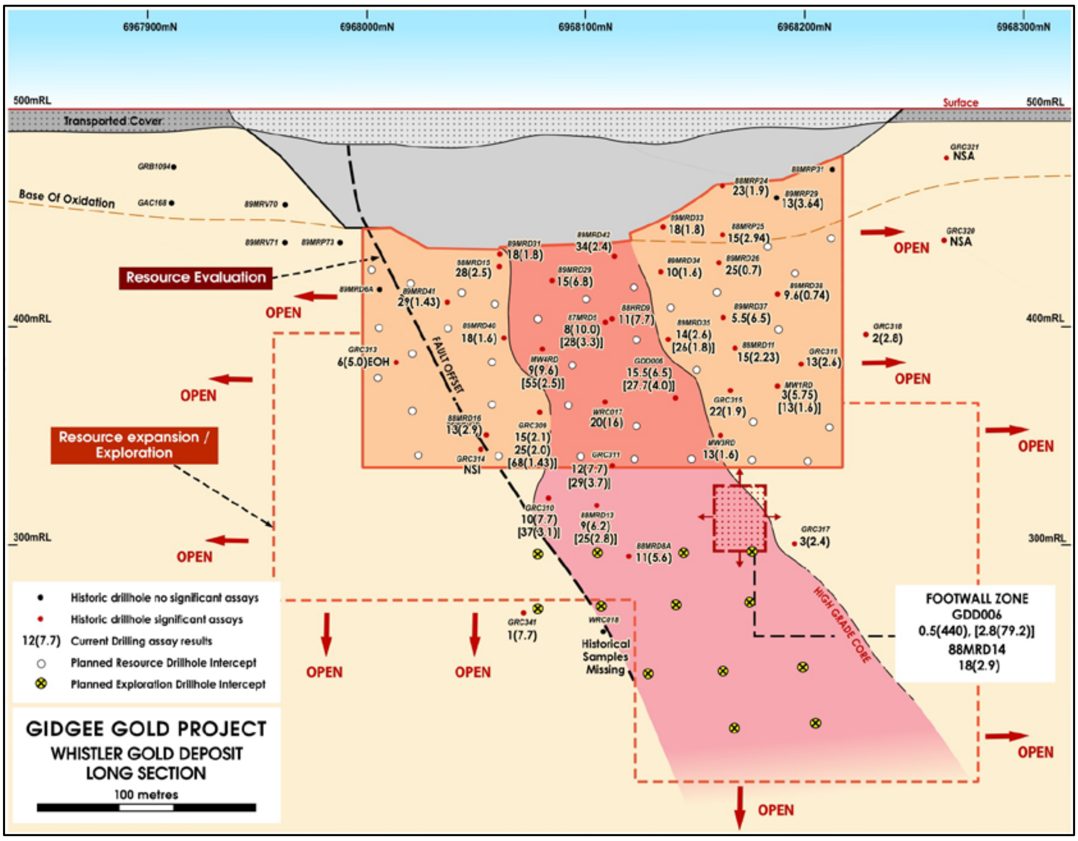

Figure (11): Whistler Prospect Resource Evaluation Long Section

Montague Prospect

The Montague Prospect, like Whistler, also represents an opportunity to define a maiden Resource beneath the shallow historical open pit while at the same time testing the potential for the presence of a much larger gold deposit. Planned resource evaluation drilling will focus on:

- The immediate extensions of the Boulder shear zone that extends out of the western base of the historical open pit over a strike length of approximately 300m and a down-dip extent of approximately 200m (Figure 12). Previous drilling results in this position include **15 metres @ 2.1g/t Au (including 7 metres @ 4.0g/t Au), 5.0 metres @ 3.5g/t Au, 8.0 metres @ 9.8g/t Au and 8.2 metres @ 1.4g/t Au**[7];

- A zone of granite-hosted stockwork mineralisation in the eastern part of the open pit;

- Immediate strike extensions to the north and south of the Montague open pit where shallow drilling demonstrates that the Montague mineralisation has not been closed off; and

- Provision of samples for metallurgical testwork and collection of geotechnical data.

In addition to the focused resource evaluation work, a component of the drilling program will be allocated to:

[7] *See ASX announcement dated 6th July 2018 for details*

DIRECTORS' REPORT (CONTINUED)

- Following up the discovery hole on the Gordon Lode **(4m @ 24.2g/t Au).** This position remains totally unconstrained and, as such, represents a major exploration opportunity to define a high-grade mineralised structure;

- Testing a conceptual target at depth based on a structural model that suggests the potential for stacked mineralised gold lodes with the potential to host significant high grades; and

- Testing the contact between the mafic volcanic rocks and the granodiorite. This position is analogous to the structural setting of the Whistler deposit.

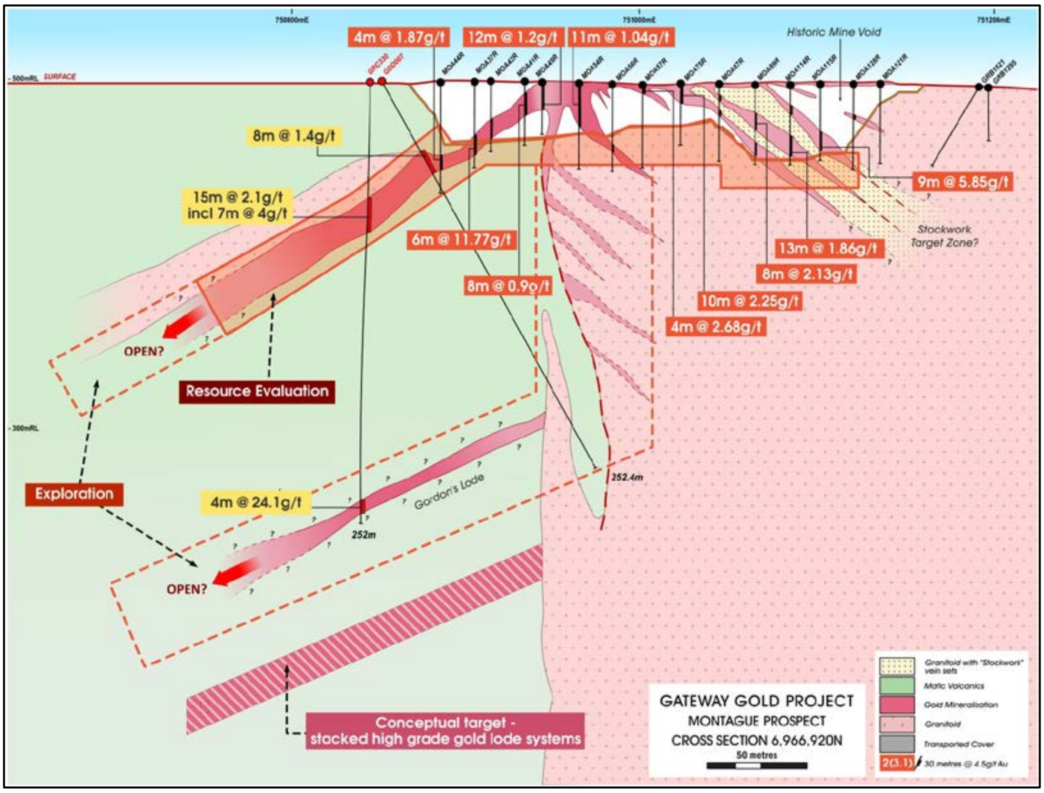

Figure (12): Montague Prospect Resource Evaluation Cross-Section

<u>Major New Exploration Target</u>

On 25 September 2018, the Company announced that the Eastern Margin of the Montague Granodiorite has been recognised as a new major exploration target within its 100% owned Gidgee Gold Project.

This newly identified gold trend extends for approximately 10km and remains largely untested by previous exploration activities. Key features of this significant gold trend include (Figure 13):

- It has been identified as a major structural corridor with strong similarities to the highly mineralised Western Margin of the Montague Granodiorite that hosts the advanced high-grade Whistler and Montague prospects, as well as a portfolio of advanced high-grade exploration targets.

DIRECTORS' REPORT (CONTINUED)

- The gold trend hosts the 200,000oz Howard's Gold Deposit, located on the immediate southern margin of Gateway's tenements. This mineralisation has strong potential to extend immediately along strike into Gateway's Gidgee Project.

- Previous exploration has been limited to erratic, shallow rotary air blast drilling that consistently has not penetrated the shallow transported cover.

- The presence of a number of historic prospector shafts and pits demonstrates the likely presence of high-grade gold mineralisation within this extensive new prospective gold corridor.

Planned exploration activities along this ~10km gold trend include immediate programs of surface geochemical sampling and associated geological mapping, followed by programs of reconnaissance aircore drilling.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

The Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Trent Franklin	**Peter Langworthy**
Non-executive Chairman	**Managing Director**

Dated this 27th day of September 2018

Crowe Horwath Sydney
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Member Crowe Horwath International

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27 September 2018

The Board of Directors
Gateway Mining Limited
Level 11, 52 Phillip Street
Sydney NSW 2000

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.

As lead audit partner for the audit of the financial report of Gateway Mining Limited for the financial year ended 30 June 2018, 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 audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

SUWARTI ASMONO
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
Interest received		5,510	2,195
Other income		363,636	-
Employee benefits expense		(178,530)	(10,213)
Professional services rendered		(121,496)	(124,512)
Directors Remuneration		(170,800)	(199,000)
Consulting Fees		(287,647)	(111,234)
Travelling and entertainment		(54,067)	(45,977)
Depreciation expenses		(169)	-
Share registry Fees		(86,763)	(34,259)
Exploration expenditure written off		-	(1,205,862)
Impairment of exploration assets		-	(7,500,396)
Impairment of available for sale financial assets		-	(1,499)
Office and administrative expenses		(88,794)	(1,790)
Other expenses		-	(14,987)
Loss before income tax		**(619,120)**	**(9,247,536)**
Tax expense		-	-
Loss for the year		**(619,120)**	**(9,247,536)**
Other comprehensive income:			
Fair value loss on available for sale financial assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to owners of the company		**(619,120)**	**(9,247,536)**
Earnings per share			
Basic earnings per share (cents)	10	(0.13)	(3.01)
Diluted earnings per share (cents)	10	(0.13)	(3.01)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,612,040	4,516
Trade and other receivables	5	151,405	27,463
TOTAL CURRENT ASSETS		**1,763,445**	**31,979**
NON-CURRENT ASSETS			
Financial assets - deposits	6	29,154	28,649
Financial assets - available for sale	6	423,556	23,358
Exploration and evaluation expenditure	7	5,029,385	2,000,000
Property, plant and equipment		2,069	-
TOTAL NON-CURRENT ASSETS		**5,484,164**	**2,052,007**
TOTAL ASSETS		**7,247,609**	**2,083,987**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	507,847	620,464
Loans and borrowings	9	-	195,000
Provisions for employee benefits		16,568	3,437
TOTAL CURRENT LIABILITIES		**524,415**	**818,901**
NON-CURRENT LIABILITIES			
Provisions for employee benefits		12,197	-
TOTAL NON-CURRENT LIABILITIES		12,197	-
TOTAL LIABILITIES		**536,612**	**818,901**
NET ASSETS		**6,710,996**	**1,265,085**
EQUITY			
Issued capital	13	34,882,059	28,895,980
Share based payment reserve		311,952	233,000
Accumulated losses		(28,483,015)	(27,863,895)
TOTAL EQUITY		**6,710,996**	**1,265,085**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital	Accumulated losses	Available for sale financial assets reserve	Share based payments reserve	Total
	$	$	$	$	
Balance at 1 July 2016	**28,435,980**	**(18,616,359)**	**-**	**233,000**	**10,052,621**
Loss for the period	-	(9,247,536)	-	-	(9,247,536)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the period	**-**	**(9,247,536)**	**-**	**-**	**(9,247,536)**
Transactions with owners in their capacity as owners					
Shares issued in year	500,000	-	-	-	500,000
Cost of share issues	(40,000)	-	-	-	(40,000)
Balance at 30 June 2017	**28,895,980**	**(27,863,895)**	**-**	**233,000**	**1,265,085**
Loss for the period	-	(619,120)	-	-	(619,120)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the period	**-**	**(619,120)**	**-**	**-**	**(619,120)**
Transactions with owners in their capacity as owners					
Shares issued in year	6,221,076	-	-	-	6,221,076
Options issued in year	-	-	-	78,952	78,952
Cost of share issues	(234,997)	-	-	-	(234,997)
Balance at 30 June 2018	**34,882,059**	**(28,483,015)**	**-**	**311,952**	**6,710,996**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(668,707)	(445,732)
Interest received		5,005	2,195
NET CASH USED IN OPERATING ACTIVITIES	18	(663,702)	(443,537)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration and evaluation		(1,414,385)	(549,796)
NET CASH USED IN INVESTING ACTIVITIES		(1,414,385)	(549,796)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		369,313	300,000
Repayment of borrowings		(269,781)	(105,000)
Proceeds from issue of shares		3,821,076	500,000
Payments for capital raising costs		(234,997)	(40,000)
NET CASH FROM FINANCING ACTIVITIES		3,685,611	655,000
NET INCREASE / (DECREASE) IN CASH HELD		1,607,524	(338,333)
Cash and cash equivalents at beginning of financial year		4,516	342,849
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		1,612,040	4,516

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (**AASB**) and the requirements of *Corporations Act 2001.* The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is intended to provide users with an update on the latest annual financial statements of Gateway Mining Limited and its controlled entities.

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. The financial statements are presented in Australian dollars which is the Group's functional currency.

b. 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 ongoing revenue streams, as the Directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The cash is managed through:

a) tight control of administrative expenses;
b) raising additional share capital, for which the Company has a history of raising funds; and
c) by reducing the exploration program to maintain cash flow;

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, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gateway Mining Limited ('**Company**' or '**Parent Entity'**) as at 30 June 2018 and the results of its subsidiary for the period then ended. Gateway Mining Limited and its subsidiary together are referred to in these financial statements as the '**consolidated entity**' or 'the **Group**'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated.

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 annual reporting period ended 30 June 2018. 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

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (**OCI**). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (**ECL**) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard and the amendments from 1 July 2018. It is not expected for the application of the new standard to have a significant impact on the Group's financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard will require:

- contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract;
- determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and
- recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 and as the entity is not generating revenue at present it is not expected to impact on the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 3: OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Directors (who are identified as the Chief Operating Decision Makers (**CODM**) in assessing performance and in determining the allocation of resources.

The CODM reviews operating expenses in relation to the exploration activities and the Group's cash position. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis. Information is presented on a consolidated cash flow basis. Cash flow funding is treated as one pool of liquid assets noting relevant terms of any maturity or exercise of any investments for the purpose of funding exploration.

Types of products and services – The principal products and services of this operating segment are in exploration operations in Australia.

NOTE 4: CASH AND CASH EQUIVALENTS	**2018 $**	**2017 $**
Cash at bank and on hand	1,612,040	4,516

Interest is on a variable rate. The group is not sensitive to interest rate movement.

NOTE 5: TRADE AND OTHER RECEIVABLES	**2018 $**	**2017 $**
CURRENT		
GST receivables	134,992	8,609
Prepayments	16,414	18,854
Total trade and other receivables	151,406	27,463

NOTE 6: FINANCIAL ASSETS	**2018 $**	**2017 $**
NON-CURRENT		
Available for sale financial assets:		
Shares in listed corporations-at fair value		
Opening fair value	23,358	24,857
Amount recognised in profit and loss	198	(1,499)
	23,556	**23,358**
Shares in unlisted corporations-at fair value		
Opening fair value	-	-
Additions	400,000	-
	400,000	**-**
Total financial assets available for sale	**423,556**	**23,358**
Term Deposit	**29,154**	**28,649**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: NON-CURRENT DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	2018 $	2017 $
NON-CURRENT ASSET, WHOLLY OWNED		
Capitalised expenditure in respect of areas of interest at the beginning of the year	2,000,000	10,350,872
Expenditures during the period	3,029,385	355,387
Impairment of exploration assets	-	(7,500,397)
Written off	-	(1,205,862)
Capitalised exploration expenditure at the end of the year	**5,029,385**	**2,000,000**

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

Exploration and evaluation expenditure for areas of interest for which rights of tenure are current is carried forward as an asset where it is expected that the expenditure will be recovered through the successful development of an area or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence of economically recoverable reserves. Where a project or an area has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

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.

In previous year, management has conducted a valuation of it's Gidgee Project and decided to recognise an impairment to the asset.

NOTE 8: TRADE AND OTHER PAYABLES	2018 $	2017 $
CURRENT		
Trade and Other Payables	507,847	620,464

NOTE 9: BORROWINGS	2018 $	2017 $
Current (unsecured):		
Loan by related party - amortised cost	-	195,000
	-	**195,000**

NOTE 10: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss	**2018 $**	**2017 $**
Loss used in the calculation of basic and dilutive earnings per share	(619,120)	(9,247,536)
	No. of shares	No. of shares
b. Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share		
	470,399,008	306,916,112
Basic Earnings Per Share (cents)	(0.13)	(3.01)
Diluted Earnings Per Share (cents)	(0.13)	(3.01)

Diluted earnings per share is capped at basic earnings per share. Weighted average number of shares Adjusted for Options used is 494,931,204 for the 2018 year (2017: 393,491,455).

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gateway Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 11: INCOME TAX EXPENSE

	2018 $	**2017 $**
Loss for current year from ordinary activities:	(619,120)	(9,247,536)
Tax at 27.5%	(170,258)	(2,543,072)
Unrecognised deferred tax asset	(1,595,657)	8,410,182
Taxable loss for the year, not recognised	(2,214,777)	(837,354)
Tax losses brought forward from earlier years	(26,411,823)	(25,574,469)
Tax losses carried forward to later years	(28,626,600)	(26,411,823)
Future income tax benefit 27.5% of tax losses, not recognised	7,872,315	7,263,251

NOTE 11: INCOME TAX EXPENSE (CONTINUED)

The tax rate used in the above table is the corporate tax rate of 27.50% payable by Australian corporate entities of this size on taxable profits under Australian Tax Law.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Thus given the Group is still in losses no deferred tax assets have been recognised.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

The potential net future tax benefits have not been brought into account within the Consolidated Statement of Profit and Loss and Other Comprehensive Income. Within the above note, the deferred tax liability ($1,193,625) (2017: $381,205) is offset against tax losses with the additional tax losses not recognised of $6,678,690 (2017: $7,195,565).

This potential future income tax benefit will only be obtained if:

(a) The Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the *Income Tax Assessment Act 1997*;
(b) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) No change in tax legislation adversely affects the Group in realising the benefits.

NOTE 12: AUDITORS' REMUNERATION

	2018 $	2017 $
Remuneration of the auditors of the Group for:		
Auditing or reviewing the financial report	50,888	50,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 13: ISSUED CAPITAL	2018 $	2017 $
a. Ordinary shares fully paid		
Balance at the beginning of the year	28,895,980	28,435,980
Shares issued in year	6,221,076	500,000
Capital raising costs	(234,997)	(40,000)
Balance at the end of the year	34,882,059	28,895,980

b. Movements in ordinary shares on issue	**2018 Number**	**2017 Number**
At the beginning of the financial year	318,422,962	293,422,962
Shares issued 16 Nov 2016 at 2 cents	-	25,000,000
Shares issued 16 Mar 2018 at 1.2 cents	518,422,962	-
At the end of the financial year	836,845,924	318,422,962

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.

d. Share options

The below table shows the movement of options over the previous two full year periods.

	Number	**Weighted Average Exercise Price $**
Options outstanding as at 30 June 2016	200,000,000	0.080
Granted	-	-
Exercised	-	-
Expired	(200,000,000)	0.080
Options outstanding as at 30 June 2017	-	-
Granted	83,684,593	0.085
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2018	83,684,593	0.085

NOTE 13: ISSUED CAPITAL (CONTINUED)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranches	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
1	16-Mar-2018	28-Feb-2022	$0.016	$0.017	71.84%	1.94%	$0.006
2	16-Mar-2018	28-Feb-2022	$0.016	$0.018	71.84%	1.94%	$0.006
3	16-Mar-2018	28-Feb-2022	$0.016	$0.020	71.84%	1.94%	$0.006
4	16-Mar-2018	16-Mar-2020	$0.016	$0.030	71.84%	1.94%	$0.006

e. Capital Management

The directors control the capital of the Group in order to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

The directors effectively manage the Group's capital by assessing the Group's financial risks and responding to changes in these risks. These responses include share issues.

There have been no changes in the strategy adopted by management since the prior year.

f. Share Based Payments Reserve

This reserve is used to recognise the fair value of options granted during the year.

NOTE 14: CONTINGENT LIABILITIES, CAPITAL EXPENDITURE AND MINING TENEMENT COMMITMENTS

The Board of Directors believe that there are no contingent liabilities or capital equipment commitments up to or subsequent to the 30th June 2018 (2017: nil) for either the parent company or its subsidiary. The mining tenement commitment as at the 30th June 2018 is $1,225,760 (2017: $628,800).

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

NOTE 16: RELATED PARTY TRANSACTIONS

a. Directors and Key Management Persons

Key Management Persons	Position
Peter Langworthy	Managing Director (appointed 15 March 2018)
Trent Franklin	Non-Executive Chairman
Scott Brown	Non-executive Director (appointed 12 April 2018)
Debra Fullarton	Non-executive Director (appointed 12 April 2018)
Gary Franklin	Non-Executive Director /Company Secretary/CFO (resigned 12 April 2018)
Andrew Bray	Managing Director (resigned 15 March 2018)
Kar Chua	Company Secretary (appointed 12 April 2018)
Scott Jarvis	Head Geologist

Compensation
The aggregate compensation made to directors and members of key management personnel of the consolidated entity is set out below:

	2018 $	2017 $
Short-term employee benefits	473,572	469,000
Post-employment benefits	20,736	14,250
Share-based payments	78,952	-
	573,260	483,250

b. Directors loans

No directors or any key personnel have received any loans from the Group. The Group has no payables to directors and key personnel at the end of year for fees or salary not paid (2017:$406,150) and no outstanding loan from director (2017:$195,000).

c. Other

During the year, the Group entered into the following transactions with related parties:

(i) Omni GeoX Pty Ltd which is a related party of Peter Langworthy (Managing Director) and Scott Brown (non-executive director) was paid $451,694 (2017: $Nil) for Geological services.

(ii) Related parties of Trent Franklin, a non-executive chairman of the Group including Enrizen Capital Pty Ltd was issued 10,333,333 fully paid ordinary shares in the Company at an issue price of $0.012 and received $252,591 (2017: $Nil) for capital raising and underwriting services; Enrizen Pty Ltd received $4,863 (2017: $6,100) for insurance services; Enrizen Lawyers Pty Ltd received $79,473 (2017: $Nil) for legal services; Enrizen Accounting Pty Ltd received $30,000 (2017: $Nil) for company secretarial and accounting services; Enrizen Services Pty Ltd received $1,082 (2017: $Nil) for website design services.

NOTE 16: RELATED PARTY TRANSACTIONS (CONTINUED)

d. Consolidated entities

The Group operates in the exploration industry in Australia only. The Group has the following 100% wholly owned subsidiaries whose transactions have been consolidated into the Group accounts:

Name	Principal place of business/ Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
Boomgate Capital Pty Ltd	Australia	100.00%	100.00%
Omni Projects Pty Ltd (acquired 16 March 2018)	Australia	100.00%	-

NOTE 17: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of cash at banks, and deposits with Citibank, receivables and payables, and available for sale financial assets.

The Group does not have any derivative instruments at the end of the reporting period.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

Financial assets	**Note**	**2018 $**	**2017 $**
Cash and cash equivalents	4	1,612,040	4,516
Receivables	5	134,992	8,609
Available-for-sale financial assets			
-at fair value:			
- Listed investments	6	23,556	23,358
- Unlisted investments	6	400,000	-
Term Deposits	6	29,154	28,649
Total Financial Assets		**2,199,742**	**65,132**
Financial liabilities			
- Trade and other payables	8	507,847	620,464
Total Financial Liabilities		**507,847**	**690,391**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and review by the directors on a regular basis. These include credit risk policies and future cash flow requirements.

Financial Risk Exposures and Managements

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby future changes in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Cash has an interest rate of 1.98% at year end. A change in rate will not be significant to the Group.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to exploration expenditure. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial assets maturity analysis

The tables below reflect an undiscounted contractual maturity analysis for financial instruments.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Maturing with 1 Year		Maturing 1 to 5 Years		Total	
	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $
Financial *assets*						
Cash	1,612,040	4,516	-	-	1,612,040	4,516
Receivables & others	134,992	8,609	-	-	134,992	8,609
Term deposits	-	-	29,154	28,649	29,154	28,649
Available for sale financial assets						
- Listed investments	-	-	23,556	23,358	23,556	23,358
- Unlisted investments	-	-	400,000	-	400,000	-
Total anticipated inflows	1,747,032	13,125	452,710	52,007	2,199,742	65,133
Financial Liabilities						
Sundry payables and accruals	507,847	620,464	-	-	507,847	620,464
Total expected outflows	507,847	620,464	-	-	507,847	620,464
Net inflow on financial instruments	**1,239,185**	**(607,339)**	**452,710**	**52,007**	**1,691,895**	**(555,331)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as present in the statement of financial position.

Fair Value

The fair values of listed investments have been valued at the fair value predominantly being the quoted market bid price at the end of the reporting period.

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability
All financial assets held by the Group are assessed as Level 1 and Level 2 financial assets.

Consolidated - 2018	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Ordinary shares available-for-sale - listed investments	23,556	-	-	23,556
Ordinary shares available-for-sale - unlisted investments	-	400,000	-	400,000
Total assets	23,556	400,000	-	423,556

Consolidated - 2017	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Ordinary shares available-for-sale - listed investments	23,358	-	-	23,358
Ordinary shares available-for-sale - unlisted investments	-	-	-	-
Total assets	23,358	-	-	23,358

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18: RECONCILIATION OF LOSS TO NET CASH OUTFLOWS FROM OPERATING ACTIVITIES

	2018 $	2017 $
Loss for the year	(619,120)	(9,247,536)
Non-Cash flows in profit from ordinary activities		
Exploration Expenditure and financial investments written off	-	8,706,259
Depreciation expenses	169	-
Other income	(363,636)	-
Employee benefits expense	78,952	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other debtors	(163,246)	(25,123)
Increase/(decrease) in trade creditors	377,852	126,300
Increase/(decrease) in provision	25,327	(3,438)
Net cash flow from operating activities	(663,702)	(443,538)

Non-cash investing activities	2018 $	2017 $
Acquisition of Omni Projects Pty Ltd by issued 125,000,000 fully paid ordinary shares in the Company at $0.012 per share	1,500,000	-

NOTE 19: PARENT ENTITY INFORMATION

Statement of profit or loss and other comprehensive income

	Parent 2018 $	2017 $
Loss after income tax	(619,120)	(9,247,536)
Total comprehensive loss	(619,120)	(9,247,536)

Statement of financial position

	Parent 2018 $	2017 $
Total current assets	1,764,850	31,979
Total assets	7,247,830	2,083,987
Total current liabilities	525,796	818,901
Total liabilities	537,993	818,901
Equity: Issued capital	34,882,059	28,895,980
Reserve	311,952	233,000
Accumulated losses	(28,484,174)	(18,616,359)
Total equity	6,709,837	10,512,621

NOTE 20: ACQUISITION OF OMNI PROJECTS PTY LTD

Terms of the Acquisition

The Company 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:

- the Company issued 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;

- the Acquisition was sub subject to a number of conditions precedent which were satisfied prior to completion and comprised:

  (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) the Company conducting a capital raising via rights issue to achieve up to A$3,500,000.

On 1 March 2018, the Company announced that Omni GeoX and the Company executed the share sale agreement required to facilitate the Acquisition. Subsequently, on 16 March 2018, the Company announced that the Acquisition was completed.

Name of acquiree:	Acquisition date	% of voting equity interest acquired
Omni Projects Pty Ltd	16/03/2018	100%

The assessment of whether an acquisition meets the definition of a business or whether assets are acquired is an area of management judgement. It requires judgements by management to determine whether the acquired property is substantially undeveloped or developed with significant production; associated processes are included in the acquired operation; exploration and evaluation costs have to be incurred after the acquisition to establish economic viability of the acquired property; development costs have to be incurred to bring the property into a producing status; and whether staff and equipment have been acquired.

On acquisition of Omni Projects Pty Ltd, management determined the transaction to be an asset acquisition based on a detailed assessment, and an allocation of its fair value is attributed to the exploration potential of the interest and is recorded as an asset on the acquisition date.

NOTE 21: COMPANY DETAILS

The registered office & sole principal place of business of the Group is:

Gateway Mining Limited
Level 11, 52 Phillip Street
Sydney NSW 2000 Australia

DIRECTORS DECLARATION

The directors declare that:

1 the financial statements and notes, as set out on pages 37 to 59 are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001;
(b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the consolidated entity; and
(c) comply with International Financial Reporting Standards as issued by the International Accounting Standard Board as described in note 1 to the financial statements;

2 the Managing Director and the Company Secretary, who perform the functions of Chief Executive Officer and Chief Financial Officer respectively, have each declared that:

(a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
(b) the financial statements and notes for the financial year comply with the Accounting Standards; and
(c) the financial statements and notes for the financial year give a true and fair view;

3 in the directors' opinion there are reasonable grounds to believe that the Group 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.

Trent Franklin
Non-executive Chairman

Peter Langworthy
Managing Director

Dated this 27th day of September 2018

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Independent Auditor's Report to the Members of Gateway Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gateway Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group continued to incur operating losses and negative operating cash flows, and had no ongoing revenue streams. As stated in Note 1(b), these events or conditions, along with other matters as set forth in the Note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Acquisition of Omni Projects Pty Ltd – Note 20	
During the year, the Group acquired the issued shares in Omni Projects Pty Ltd. The directors determined that the assets purchased did not constitute a business and consequently the acquisition was accounted for as a purchase of assets. We focused on this area as a key audit matter due to judgement required by the directors to determine whether the transaction was a business combination or an asset acquisition.	We assessed the reasonableness of the judgement made by the directors as follows: ▪ Reviewed sale and purchase agreement to gain an understanding of the transaction; ▪ Evaluated the directors' judgment on the elements of the acquisition, being input, process and output and assessed if the assets purchased met the definition of a business in AASB 3 *Business Combinations;* and ▪ Ensured the acquisition was accounted for appropriately.
Recognition of Capitalised Exploration and Evaluation Expenditure – Note 7	
The carrying amount of deferred exploration and development expenditure was a significant component of the Group's total assets at $5,029,385 at 30 June 2018. A significant level of judgement was required in the application of recognition criteria in AASB 6 *Exploration for and Evaluation of Mineral Resources*, including determining expenditures directly related to the exploration activities and allocating overheads between costs that are expensed and costs that are capitalised.	Our procedures included, amongst others: ▪ Reviewing management's accounting policy and ensuring that it was in line with AASB 6; ▪ Evaluating the directors' process regarding the capitalisation and recognition of exploration and evaluation expenditure; and ▪ Selecting a sample of exploration expenditure capitalised for the year. We assessed the existence, valuation and allocation of the expenditure by agreeing the original invoice to the general ledger, agreeing the project reference and ensuring capitalisation was in line with AASB 6 and the group's accounting policy.
Consideration of Impairment for Capitalised Exploration and Evaluation Expenditure - Note 7	
Exploration assets must also be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. This required a high degree of judgement by directors as the impairment consideration was highly dependent on the following key factors:	We challenged the directors' assumptions that support its position on impairment for exploration and evaluation expenditure as follows: ▪ Reviewed the provided budgets and drilling programs and assessed whether they covered the committed expenditure before the expiry date;

Key Audit Matter	How we addressed the Key Audit Matter
Detailed knowledge of the individual tenements held and status of operations and exploration activities in the specified area; and Viability of the tenements and how this is affected by any changes such as industry impacts, geography of project, committed expenditure and tenement expiry date. The directors performed regular (every six months) assessments of the outstanding balance of exploration cost capitalised. This assessment was based on activities that had occurred between assessment dates. We focused on this area as a key audit matter due to the high degree of estimation and judgement required by the directors to assess whether impairment is required for the specified tenements held and the high value of the capitalised deferred exploration expenditure.	▪ Assessed the Group's capacity to fund future committed exploration expenditure; and ▪ Verified the Group's ownership interest for each of the tenements to which the exploration expenditure related to the Government of Western Australia's Minerals and Titles database, and to ensure appropriate disclosures were made in the notes to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 21 to 27 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Gateway Mining Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

SUWARTI ASMONO
Partner

27 September 2018
Sydney

SHARE HOLDER INFORMATION

a. Voting Rights

The total number of shares on issue is 836,845,924.

The total number of shareholders was 1,346 and each share carried one vote in person, by proxy or poll

b. Distribution of Shareholders by Number

Category (size of Holding)	Ordinary
1-1,000	235
1,001-5,000	266
5,001-10,000	122
10,001-100,000	392
100,001- and over	331
Total	1,346

c. Number of shareholdings held in less than marketable parcels is 822

d. The substantial shareholders in the Company are as follows:

HOLDER NAME	NUMBER HELD	PERCENTAGE
Omni GeoX Pty Ltd	133,333,334	15.93%
Harmanis Holdings Pty Ltd <Harman Family A/C>	83,000,000	9.92%
L11 Capital Pty Ltd <Gascoyne Family A/C>	59,166,667	7.07%

SHARE HOLDER INFORMATION

e. 20 largest Shareholders as at 27th September 2018

Position	Holder Name	Holding	% IC
1	OMNI GEOX PTY LTD	133,333,334	15.93%
2	HARMANIS HOLDINGS PTY LTD	83,000,000	9.92%
3	L11 CAPITAL PTY LTD	59,166,667	7.07%
4	CREST INVESTMENT GROUP LIMITED	33,333,334	3.98%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,637,806	2.82%
6	PRECISION OPPORTUNITIES FUND LTD	20,000,000	2.39%
7	ACCRECAP PTY LTD	17,333,333	2.07%
8	A C N 112 940 057 PTY LTD	16,666,667	1.99%
9	FEM STREET PARTNERS PTY LTD	12,302,730	1.47%
10	GASCOYNE HOLDINGS PTY LTD	11,366,667	1.36%
11	MR LIM KIM QUEE	10,669,605	1.28%
12	MR LIM CHOR NAM	10,600,000	1.27%
13	MR GEORGE FREDERICK MARON & MRS ANNE MARGARET MARON	10,530,000	1.26%
14	ENABLE INVESTMENT MANAGER PTY LTD	9,689,579	1.16%
15	MR WONG CHI WAI	8,680,000	1.04%
16	SACHA INVESTMENTS PTY LTD	8,450,000	1.01%
17	MR PETER JAMES LANGWORTHY & MRS CAROLYN PAULE LANGWORTHY	8,333,334	1.00%
18	MR KOK LEONG TAN	8,309,716	0.99%
19	MS PATRICIA EDITH WONG	8,300,000	0.99%
20	RAXIGI PTY LTD	8,000,000	0.96%
	Total	**501,702,772**	**59.95%**

f. There are currently no listed options on issue.

g. The Company has the following unquoted securities on issue:

- 63,684,593 unlisted options held by 172 holders with an exercise price of $0.03 and expiring on 16 March 2020.;
- 6,666,667 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.017 and expiring on 28 February 2022;
- 6,666,667 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.018 and expiring on 28 February 2022; and
- 6,666,666 unlisted options held by Peter Langworthy (Managing Director of the Company) with an exercise price of $0.02 and expiring on 28 February 2022,

(Collectively, the **Options**).

The Options do not carry any voting rights.

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement of Gateway Mining Limited (**the 'Group'**) has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('**ASX**') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('**ASX Principles and Recommendations'**). The Group is required to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the Group has not followed a recommendation and any related alternative governance practice adopted.

Both this Corporate Governance Statement and the ASX Appendix 4G have been lodged with the ASX. This statement has been approved by the Group's Board of Directors ('**Board**') and is current as at **27 September 2018**.

The ASX Principles and Recommendations and the Group's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:

(a) **the respective roles and responsibilities of its board and management; and**

(b) **those matters expressly reserved to the board and those delegated to management.**

The Group has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Group through its key functions of overseeing the management of the Group, providing overall corporate governance of the Group, monitoring the financial performance of the Group, engaging appropriate management commensurate with the Group's structure and objectives, involvement in the development of corporate strategy and performance objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance. Senior executives are responsible for supporting the managing director and assisting the managing director in implementing the running of the general operations and financial business of the Group in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Group's materiality thresholds at first instance to the managing director, or, if the matter concerns the managing director, directly to the chairman or the lead independent director, as appropriate.

Recommendation 1.2 - A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Before appointing a director, or putting forward to shareholders a director for appointment, the Group undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history and qualifications. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('**ASIC**').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('**AGM**'). Retiring directors are not automatically re-appointed.

The Group has provided in the Director's Report (in the Annual Report) information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which includes experience and qualifications, details of other directorships, and any material information which may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, required committee work, notice requirements and other special duties and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the circumstances in which their service may be terminated (with or without notice) and any entitlements upon termination.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all Directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

(a) advising the Board and its committees on governance matters;
(b) monitoring compliance of the Board and associated committees with policies and procedures;
(c) coordinating all Board business;
(d) retaining independent professional advisors;
(e) ensuring that the business at Board and committee meetings is accurately minuted; and
(f) assisting with the induction and development of directors.

Recommendation 1.5 - A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Board does not intend to set measurable objectives for achieving gender diversity. It is the Board's policy that gender discrimination has no position in the workplace and that men and women must be treated equally and without any discrimination. It is the Board's belief that employment should be on a merit-based system and that a diversity policy may hinder this system due to the size of the organisation.

The respective proportion of women employees in the whole organisation, women in senior executive positions and women on the Board as at the date of this statement are set out in the following table:

	Proportion of women
On the Board	1 out of 4 (25%)
In senior executive positions	0 out of 2 (0%)
Across the whole organisation	1 out of 6 (17%)

Recommendation 1.6 - A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Chairman is responsible for evaluation of the Board and individual directors. The Board has not established any independent committees.

The Chairman evaluates the performance of the Board and individual directors by way of ongoing review with reference to the compositions of the Board and its suitability to carry out the Group's objectives.

During the 2017/2018 financial year an evaluation of the Board and the individual directors did not take place as the Company conducted an in-depth evaluation of the current Board, prior to their appointment following the Company's acquisition of Omni Projects and the Company's strategy reset in March 2018/

The Board intends to carry out a performance evaluation during the coming period. The Group's process for performance evaluation is disclosed on the Group's website.

Recommendation 1.7 - A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Chairman in consultation with the Board reviews the performance of the senior executives. The current size and structure of the Group allows the managing director to conduct informal evaluation of the senior executives regularly. Open and regular communication with senior executives allows the Chairman to ensure that senior executives meet their responsibilities as outlined in their contracts with the Group, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review by the remuneration committee.

Senior executives will be evaluated in the coming period upon the anniversary of their engagement with the Group. The Group's Process for Performance Evaluation is disclosed on the Group's website.

Principle 2: Structure the board to add value.

Recommendation 2.1 - The board of a listed entity should:

(a) have a nomination committee which:

(i). has at least three members, a majority of whom are independent directors; and

(ii). is chaired by an independent director,

(b) and disclose:

(i). the charter of the committee;

(ii). the members of the committee; and

(iii). as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board has not established a separate nomination committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate nomination committee. Accordingly, the Board performs the role of the nomination committee.

Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the nomination committee it carries out those functions which are delegated to it by the Group's Nomination Committee Charter, which is available on the Group's website.

The Board deals with any conflicts of interest that may occur when convening as the nomination committee by ensuring that the Director with the conflicting interests is not party to the relevant discussions.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board's skills matrix which it is looking to achieve in its membership includes technical experience, public company experience and financial experience. The Board considers that this composition is appropriate for the effective execution of the Board's responsibilities and the size and operations of the Group.

Recommendation 2.3 - A listed entity should disclose:

(a) the names of the directors considered by the Board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

The Board considers that Debra Fullarton is an independent director. Debra is considered independent as she is a non-executive directors who is not a member of management and who is free of any business or other relationship that could materially interfere with or could be reasonably perceived to interfere with, the independent exercise of their judgment.

When considering the independence of a director, the Board considers whether the director:

(a) is a substantial shareholder of the Group or an officer of, or otherwise;
(b) associated directly with, a substantial shareholder of the Group;
(c) is employed, or has previously been employed in an executive capacity by the Group or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
(d) has within the last three years been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
(e) is a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
(f) has a material contractual relationship with the Group or another group member other than as a director.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed to the Board.

Details of the Board of directors, their appointment dated, length of service as independence status is as follows:

Director's name	Appointment date	Length of service (approx.)	Independence status
Peter Langworthy	March 2018	7 months	Executive Managing Director
Trent Franklin	February 2013	5 years 8 months	Non-Executive Chairman
Scott Brown	April 2018	6 months	Non-Executive Director
Debra Fullarton	April 2018	6 months	Independent Non-Executive Director

Where it is determined that a non-executive director should no longer be considered independent, the Group shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Only one director on the Board is considered independent. The Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice.

Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO/ managing director of the entity.

As stated above in Recommendation 2.4, the Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist the directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Board in its capacity as nomination committee has a responsibility to ensure all new directors are provided with an induction into the Group and that directors have access to ongoing education relevant to their position in the Group.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

The Group has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct is available on the Group's website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should:

(a) have an audit committee which:

(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(ii) is chaired by an independent director, who is not the chair of the board.

(b) and disclose:

(i) the charter of the committee;

(ii) the relevant qualifications and experience of the members of the committee; and

(iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has not established a separate audit committee and therefore it is not structured in compliance with recommendation 4.1. Given the current size and composition of the Board, the Board believes there would be no efficiencies gained by establishing a separate audit committee. The Board performs the role of audit committee. Items required to be discussed by an audit committee are marked as separate agenda items at Board meetings as required. When the Board convenes as the audit committee it carries out those functions which are delegated to it in the Group's Audit Committee Charter, which is available on the Group's website.

The Board deals with any conflicts of interest that may occur when convening in the capacity of the audit committee ensuring that the director with conflicting interests is not party to the relevant discussions.

The Group has adopted an Audit Committee Charter which describes the role, compositions, functions and responsibilities of the audit committee.

The qualifications of the Board and company secretary are set out on the Group's website.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO/managing director and CFO/company secretary a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ending on 30th June 2018, the Board received a statement from its Managing Director and Company Secretary, who perform the functions of CEO and CFO respectively, declaring that in their opinion, the financial records of the Group have been properly maintained and comply with the appropriate accounting standards.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor attends the Group's AGM and is available to answer questions from security holders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

The Group has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance. The Company's Directors and management have familiarised themselves with the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full ad appropriate disclosure to the market.

A summary of the Group's Policy on Continuous Disclosure and Compliance Procedure is disclosed on the Group's website.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Group maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the Group's website.

Recommendations 6.2 and 6.3 - A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

The Group has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. The policy is disclosed on the Group's website.

The Company aims to have all significant information disclosed to the ASX posted on the Company's website as soon as it is disclosed to the ASX. There is also an email address and contact number available to shareholders who have enquiries or are seeking further information. Investors may contact the Company by email at info@gatewaymining.com.au or via telephone at +61 2 8316 3998.

Additionally, a notice of meeting and related communications are provided to the Company's auditor who, in accordance with the Corporations Act, is required to attend the Company's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative. The Directors and management encourage security holders to attend and participate in all meetings of security holders.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Group's website allows security holders to receive communications from and send communications to the entity electronically.

Principle 7: Recognise and manage risk

Recommendations 7.1 and 7.2 - The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- **(i) has at least three members, a majority of whom are independent directors; and**
- **(ii) is chaired by an independent director,**

(b) and disclose:

- **(i) the charter of the committee;**
- **(ii) the members of the committee; and**
- **(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(c) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Board does not have a specific risk management committee. The Board's audit committee as referred to in recommendation 4 above assists with monitoring and reviewing the Group's risk management processes and systems.

The Risk Management Policy, disclosed on the Group website, demonstrates the measures taken and policies implemented to manage risks associated with the Group's business.

The Board has recently received a report from management as to the effectiveness of the management of material business risks.

Recommendation 7.3 - A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Given the size and composition of the Group, the Board has not established an internal audit function, other than the audit committee function which the Board serves as disclosed in recommendation 4 above and in the Audit Committee Charter disclosed on the website. The Board may from time to time engage an external auditor to conduct additional reviews of Group processes.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The risk profile of the Group is as follows:

- Market-related.
- Financial reporting.
- Operational.
- Environmental.
- Economic cycle/marketing.
- Legal and compliance.

These risks are managed using the Risk Management Policy disclosed on the Group's website. Under the policy, the Board is responsible for updating the Group's material business risks. In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:

(a) the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
(b) the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
(c) the Board has adopted a corporate governance manual which contains other policies to assist the Group to establish and maintain its governance practices.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:

(a) have a remuneration committee which:

(i) has at least three members, a majority of whom are independent directors; and

(ii) is chaired by an independent director,

(b) and disclose:

(i) the charter of the committee;

(ii) the members of the committee; and

(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(c) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has not established a separate remuneration committee and accordingly it is not structured in accordance with recommendation 8.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate remuneration committee. Accordingly the Board performs the role of the remuneration committee.

Items usually required of a remuneration committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the remuneration committee, it carries out those functions which are delegated to it by the Remuneration Committee Charter which is disclosed on the Group's website. The Board deals with any conflicts of interest that may occur when convening in the capacity of the remuneration committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board in its capacity as remuneration committee did not meet during the 2018 financial year however, remuneration related discussions were held by the Board from time to time as required.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Details of remuneration are set out in the remuneration report which forms part of the director's report (in the Annual Report) and is set out in the Remuneration Charter on the Group's website. The policy on remuneration clearly distinguishes the structure of non-executive director's remuneration from that of executive directors. Executive directors are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

There are no termination or retirement benefits for non-executive directors.

The Group's Remuneration Committee Charter includes a statement of the Group's policy on prohibiting transactions in associated products which limits the risk of participating in unvested entitlements under any equity-based remuneration schemes.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Not applicable. The Group does not have an equity-based remuneration scheme.