Gateway Mining Limited

and its controlled entity

ANNUAL REPORT 2016

CONTENTS

DIRECTORY

Registered Office	Level 11, 52 Phillip Street Sydney NSW 2000	Telephone: Facsimile: Email	02 8316 3998 02 8316 3999 info@gatewaymining.com.au
Principle Place of Business	Level 11, 52 Phillip Street Sydney NSW 2000		
Directors	Mr. Trent Franklin (Non-executive Chairman) Mr. Andrew Bray (Managing Director) Mr. Ian McDonald (Non-executive Director) resigned 29 April 2016 Mr. Gary Franklin (Non-executive Director) appointed 29 April 2016		
Company Secretary	Mr. Gary Franklin		
Auditors	Crowe Horwath Sydney Chartered Accountants Level 15 1 O'Connell Street Sydney NSW 2000		
Solicitors	Chris Apostolakos Solicitor Suite 2, 8E Faraday Rd Padstow, NSW 2211		
Bankers	Macquarie Bank Limited 1 Shelley St Sydney NSW 2000	Commonwealth Bank of Australia Tower 1, 201 Sussex St Sydney NSW 2000	
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233		
Securities Exchange Listing	The Group is listed on the Australian Securities Exchange under Code GML		
Website	www.gatewaymining.com.au		

OPERATIONS REVIEW

The Group is pleased with headway made during the year at the Gidgee Project located 70km north of the township of Sandstone, in central Western Australia. Confidence continues to firm with growing understanding of major mineralising systems contained.

In May of 2015, the Group intersected a major gold target during a program of Reverse Circulation (RC) drilling. A Reduced Intrusive Related (RIR) gold system (Robert, F., et al. 2007) was identified occurring along the margin of the Montague Intrusion and is called the **'Montague System'** (for more detail refer to the Group's announcement 9/7/2015 'Results from Recent RC Drilling').

This system has exciting potential for expansive strike and capacity for large tonnage. Significantly, a favourable geological setting for high grade gold is identified, the **'Contact Zone'** setting occurs internal of the Montague Granodiorite and along the outer intrusion margin, and adjacent to the contact with intrusion wall rocks. The vast majority of Contact Zone has not been tested, despite historic gold mining going on in the region.

Activities conducted during the past year focussed on **'Mineralisation Assessment'** of the Montague System, and included:

- **Upgrading of drill hole assay and geological data records** continuing, and involving on-line searching and reviewing of historic annual reports. Significant additions to, and corrective refinements have been made to substantial historical drilling that has occurred. Gateway is now equipped with an upgraded drill hole information set suitable for resource estimation studies to be conducted.

- **In-situ mineralisation assessment** involved the modelling of mineralised zones based on drill hole gold intercepts, alongside geological observations made from open cut mine walls, as well as information sourced from historic mine reports. Significant zones of high grade gold are assessed remaining in-situ after historic mining ended in 1993 and these are represented in the below figure occurring at the Whistler, Boulder and Montague historic open cut mines.

  Additional gold zones are identified at Rosie North, S Bend and Airport prospects that are assessed from past Gateway drill hole test work.

- **Geological setting and mineralisation style assessments**, Contact Zone occurrences are identified with differing overall dip orientations, but which conform with the underside of the Montague Granodiorite. Extensive exploration target areas are interpreted trending between, and extending away from these Contact Zone occurrences across several kilometres of strike. Major trends identified include:

  1) Whistler (steep east dip) to Montague (moderate SSE dip) trend.
  2) Boulder (shallow/moderate WSW dip) to Rosie North (moderate west dip) to Dandelion (west dip) trend.
  3) Rosie North prospect is interpreted formed at an RIR, Intrusion Hosted Roof Zone setting, where the Contact Zone dips to the west and also to the ENE, sheeted vein gold is formed extensively in-between and significant molybdenum also encountered. The Airport prospect (shallow north dip) is located along the overall ENE dipping Contact Zone trend that extends south from Rosie North.

  Geophysical attributes of the Contact Zone setting which assist exploration targeting include:

Gravity- a contrasted gravity signal occurs at the Contact Zone setting caused by the difference in density that occurs between basalt wall rocks and the Montague Intrusion.

Magnetics- the margin of the Montague Intrusion has a strong magnetic signature.

Conductivity- elevated conductance response generally occurs in the company SAM survey at interpreted Contact Zone settings.

Advances have been made during the past year in the understanding of a second style of mineralisation comprising the Montague System. The **'Orogenic Gold'** style includes steeply dipping quartz shearing mineralisation and is interpreted extensively distributed.

Shear structures formed during Orogenic compression located in and around the Montague System appear to locally re-mobilise gold, trace metals & sulphides, into shear hosted 'trap sites'. The most advanced targets include a series of steep dipping N-S splay shears that form trap sites approaching intersection with the NNW striking Caledonian Shear. These trap sites comprise an additional setting for high grade gold, and include the steep dipping high grade gold zone of the S Bend deposit.

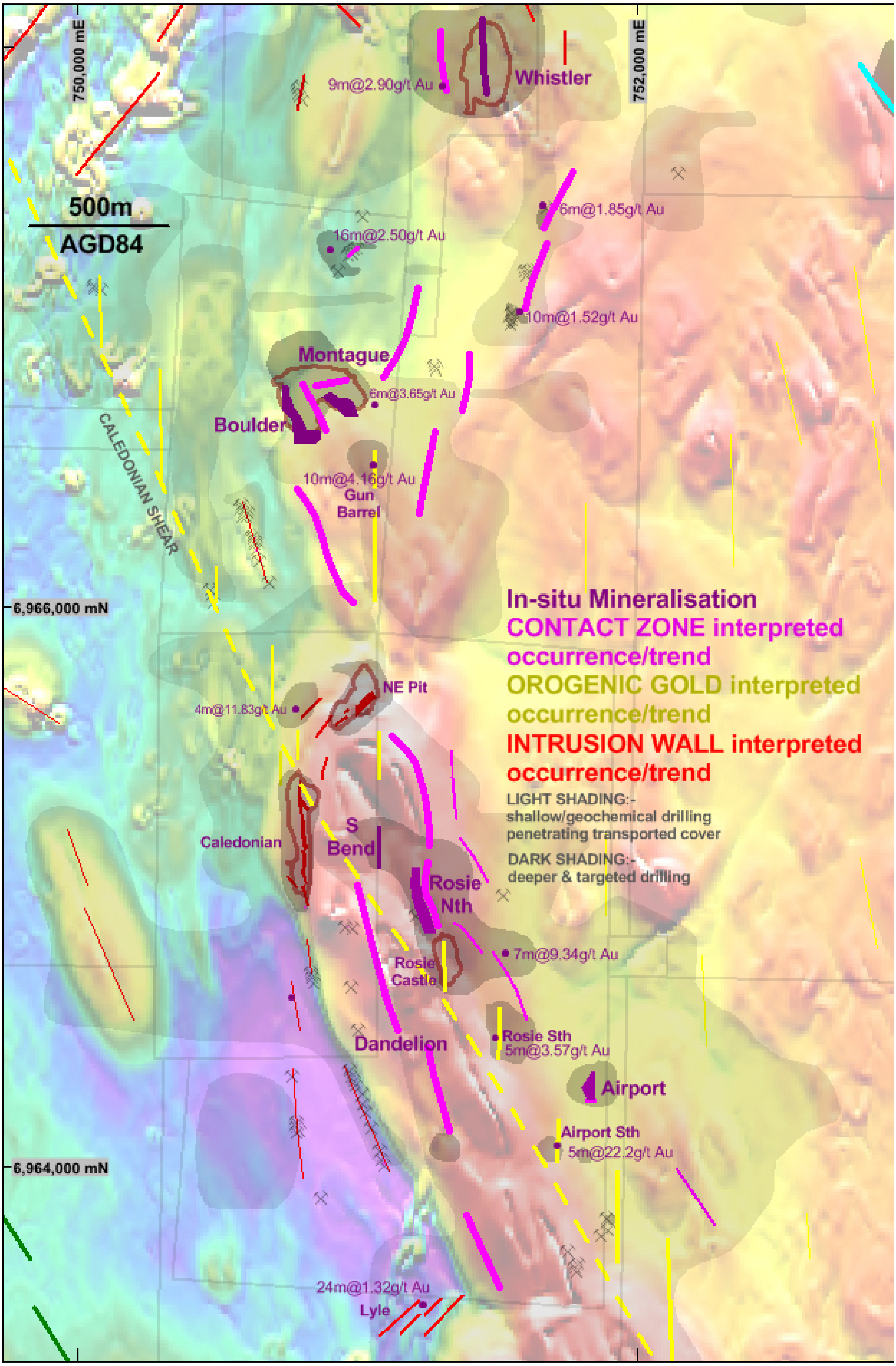
New orogenic gold targets include numerous drill hole intercepts which are not yet tested for steep dipping potentials, prospects featured in the figure below include Rosie South, Airport South and Gun Barrel.

The Montague System provides excellent opportunity to develop / discover a multi-million ounce gold deposit. In-situ mineralisation identified to date generally remains open for extension, and Gateway can expect to make significant new discoveries and efficiently increase mineralised inventories. It is expected that perusing this strategy will provide a substantial base for the company which it can use for future shareholder value creation.

The task of upgrading of historic data records for the Montague System has also had a positive effect on neighbouring areas. Data upgrades at Lyle and other prospects located to the north of the Whistler historic open cut have helped to better outline an additional gold and copper rich mineralising system in the wall of the Montague Intrusion.

A further development that occurred during the year was the grant of new tenement E57/1004. This tenement has expanded the project to the west, for an approximate 30% increase of the overall project footprint. Data acquisition and early interpretive work conducted on E57/1004 has identified extensions to The Cup (Cu-Ag) VMS mineralised system. Joint venture partner Panoramic did not agree to terms for the neighbouring M57/633 JV tenement, however, this has more than been offset by the progression of E57/1004.

For the year going forward, Gateway will apply its resources to continue proving-up the Gidgee Project to JORC standards.



Magnetic Survey and mineralising zones of the Montague System and proximal Intrusion Wall

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Scott Jarvis, a full time employee & Head Geologist at Gateway Mining, a member of the Australian Institute of Geoscientists. Mr Scott Jarvis has a minimum of 5 years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Scott Jarvis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report of the Group consisting of Gateway Mining Limited and its controlled entity for the year ended 30 June 2016.

DIRECTORS

The names of directors who held office during the year:

Mr. Trent Franklin (Non-Executive Chairman)

Mr. Andrew Bray (Managing Director)

Mr. Ian McDonald (Non-Executive Director) resigned 29 April 2016

Mr. Gary Franklin (Non-Executive Director) appointed 29 April 2016

REVIEW OF OPERATIONS

The Group continued to focus on its flagship project at Gidgee in Western Australia throughout the year. The Group remains of the opinion that these tenements hold tremendous potential for significant mineral discoveries, principally intrusion related polymetallic systems such as the VMS style identified throughout the project, and underpinned by the 'Montague System' Reduced Intrusion Related (RIR) gold system.

The Group continues to maintain a very cost-effective approach to administration with the object to ensure that maximum funds are available for exploration and development.

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.

RESULTS AND DIVIDENDS

The loss of the Group for the financial year after providing for income tax amounted to $1,341,276 compared to a loss of $455,181 for the previous year. No agreement could be reached with Panoramic Resources Ltd to extend the Panoramic Joint venture Agreement and expenditure to date of $893,079 was written off during the year (2015:nil).

The Group incurred exploration expenditure of $345,441 during the year (2015:$877,904). The total net assets of the Group stands at $10,052,621 (2015:$11,393,897) of which investment in exploration expenditure accounts for $10,350,872 (2015:$10,898,510).

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

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

Trent Franklin
Non-Executive Chairman
BSc (Geology)

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 holds a directorship in listed entity Mandalong Resources Limited.

Andrew Bray
Managing Director
BEc LLB (Hons)

Andrew Bray was appointed Managing Director in October 2012. He has a background in investment banking, corporate advisory and consulting. He was instrumental in recapitalising Gateway during 2012. He holds a Bachelor of Economics and Bachelor of Laws (Hons I) from the University of Sydney. Mr Bray holds directorships in listed entities Mandalong Resources Limited and Ochre Group Holdings Limited.

Gary Franklin
Non-Executive Director and Company Secretary
BEc CPA (Fellow)

Gary Franklin has in excess of 30 years' experience in Company Secretarial and Chief Financial Officer roles. He has previously worked with Wambo Coal, Hartogen Energy Group, United Collieries and Mount Isa Mines Limited. He holds a Bachelor of Economics and is a Fellow of the Society of Certified Practicing Accountants. Furthermore, Mr Franklin holds directorship in listed entity Broad Investments Limited.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the financial year, 5 meetings of directors (including committees) were held.

	Meetings eligible to attend	Meetings attended
T. Franklin	5	5
A. Bray	5	5
I. McDonald	2	2
G Franklin	2	2

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

ENVIRONMENTAL REGULATION

The Group's operations are subject to various environmental regulations under State 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

The Group has not had any significant changes in the state of the affairs of the Group during the year. Since year end the Group has not had any significant events that have affected, or may significantly affect the Group operations, the results of the Group or the Groups state of affairs in future financial years.

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.

SHARE OPTIONS

At the date of this report, there were 200,000,000 options as per the table below:

Number of Options	Ex price per option	Grant Date	Expiring on or before
200,000,000	8 cents	6 December 2012	6 December 2016

DIRECTORS' REPORT

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. No external consultants have been used.

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 2016, 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:

2016

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Trent Franklin	-	-	-
Andrew Bray	7,063,851	-	7,063,851
Ian McDonald	-	-	-
Gary Franklin	-	-	-
Scott Jarvis	-	-	-

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

2015

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Trent Franklin	-	-	-
Andrew Bray	3,700,000	3,363,851	7,063,851
Ian McDonald	-	-	-
Gary Franklin	-	-	-
Scott Jarvis	-	-	-

Option holdings of Key Management Personnel

2016

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

2015

Key Management Person	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Trent Franklin	-	-	-
Andrew Bray	-	-	-
Ian McDonald	-	-	-
Gary Franklin	500,000	(500,000)	-
Scott Jarvis	1,000,000	-	1,000,000

During the year the Group has not issued any shares or options as part of compensation.

DIRECTORS' REPORT

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:

2016

	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
A. Bray	204,000	-	-	5,700	-	209,700
G Franklin	3,000	-	-	-	-	3,000
I. McDonald	6,000	-	-	-	-	6,000
Total	**255,000**	**-**	**-**	**5,700**	**-**	**260,700**

2015

	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
A. Bray	204,000	-	-	5,700	-	209,700
I. McDonald	12,000	-	-	-	-	12,000
Total	**258,000**	**-**	**-**	**5,700**	**-**	**263,700**

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

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Details of Specified Executives Remuneration

2016

					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**

2015

					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

REMUNERATION REPORT (continued)

Key Service Agreements

Mr Trent Franklin has entered into an agreement with the Group whereby he receives a consulting fee of $3,500 per month. The agreement between the Group and Mr Franklin is for a period of two years. The agreement can be terminated by the Group by providing ninety days' written notice. In the event of termination by Gateway, Mr Franklin is to receive the fees that would have been payable for the remainder of the agreement had it remained in place.

Mr Andrew Bray. A related party of Mr Andrew Bray, Andrew Bray Holdings Pty Ltd ('ABH'), has entered into a service agreement with the Group. Under the agreement, ABH receives a monthly fee of $12,000. The agreement between the Group and ABH is for a period of two years. The agreement can be terminated by the Group by providing ninety days' written notice. In the event of termination by Gateway, ABH is to receive the fees that would have been payable to ABH for the remainder of the agreement had it remained in place. Furthermore Mr Bray receives a salary of $60,000 per year.

Mr Ian MacDonald entered into a service agreement with the Group. Under the agreement, Mr McDonald received a monthly fee of $1,000. Mr McDonald resigned on 29 April 2016

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. The agreement between the Group and Enilsson Asia Pacific Pty Ltd is for a period of two years. The agreement can be terminated by the Group by providing ninety days' written notice. In the event of termination by Gateway, Enilsson Asia Pacific Pty Ltd is to receive the fees that would have been payable for the remainder of the agreement had it remained in place. Mr Franklin provides services to the Group on behalf of Enilsson Asia Pacific Pty Ltd. The Agreement has been subsequently amended to include Mr Franklin's director fee of $1,000 per month.

Mr Scott Jarvis is employed by the Group on a permanent full time basis. Under the terms of the employment agreement he is paid a salary at the rate of $12,500 per month plus superannuation. Mr Jarvis can be terminated by the Group by providing 6 weeks' notice.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Voting and comments made at the Group's 2015 Annual General Meeting (AGM).

At the 2015 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. 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 2016 are summarised below:

	2016 $,000	2015 $,000	2014 $,000	2013 $,000	2012 $,000
Sales Revenue	N/A	N/A	N/A	N/A	N/A
EBITDA	(1,346)	(462)	(516)	(854)	(556)
EBIT	(1,359)	(462)	(516)	(1,650)	(1,694)
Profit / (Loss)after Income Tax	(1,341)	(455)	(426)	(1,573)	(1,693)

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

	2016	2015	2014	2013	2012
Share price at financial year end ($)	0.024	0.035	0.040	0.035	0.035
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.46)	(0.16)	(0.19)	(0.66)	(0.01)

This concludes the Remuneration Report which has been audited

DIRECTORS' REPORT

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 2016 is enclosed and forms part of this annual report.

INDEMNIFYING OFFICERS

The Group has paid a premium of $12,646 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.

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.

DIRECTORS' REPORT

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

TRENT FRANKLIN
Non-executive Chairman
Dated this 30th day of September 2016
Sydney

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Member Crowe Horwath International

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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 2016, 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

L Russell

LEAH RUSSELL
Partner

Date this 30th day of September 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
Interest received non related		17,974	6,555
Employee benefits expense		(19,950)	(19,950)
Professional services rendered		(360,507)	(374,361)
Office expenses		(5,427)	(5,427)
Share registry fees		(35,176)	(42,918)
Travelling expenses		(24,232)	(17,301)
(Loss) on sale of financial assets		-	(27,773)
Reversal of previously recognised gain on available for sale assets		-	60,000
Impairment of available for sale financial assets		(5,144)	-
Exploration expenditure written off		(893,079)	-
Investments written off		-	(3,978)
Other expenses		(15,735)	(30,028)
Loss before income tax		(1,341,276)	(455,181)
Income tax expense	**10**	-	-
Loss for the year		(1,341,276)	(455,181)
Other comprehensive income:			
Fair value loss on available for sale financial assets		-	(33,657)
Reclassification adjustment for gains included in loss for the year		-	(60,000)
Other comprehensive income for the year, net of tax		-	(93,657)
Total comprehensive income (loss) for the year attributable to owners of the company		(1,341,276)	(548,838)
Earnings per share			
Basic earnings per share (cents)	**9**	(0.46)	(0.16)
Diluted earnings per share (cents)	**9**	(0.46)	(0.16)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	NOTE	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**4**	342,849	716,959
Trade and other receivables	**5**	2,931	28,703
Exploration and evaluation expenditure-Panoramic	**7**	-	723,072
TOTAL CURRENT ASSETS		345,780	1,468,734
NON-CURRENT ASSETS			
Trade and other receivables	**5**	28,378	28,138
Financial assets	**6**	24,857	30,001
Deferred exploration and evaluation expenditure	**7**	10,350,872	10,175,438
TOTAL NON-CURRENT ASSETS		10,404,107	10,233,577
TOTAL ASSETS		10,749,887	11,702,311
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**8**	690,391	301,539
Provisions		6,875	6,875
TOTAL CURRENT LIABILITIES		697,266	308,414
TOTAL LIABILITIES		697,266	308,414
NET ASSETS		10,052,621	11,393,897
EQUITY			
Issued capital	**12**	28,435,980	28,435,980
Reserves		233,000	233,000
Accumulated losses		(18,616,359)	(17,275,083)
TOTAL EQUITY		10,052,621	11,393,897

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Issued Capital	Accumulated losses	Available for sale financial assets reserve	Share based payments reserve	Total
	$	$	$	$	$
Balance at 1 July 2014	**27,879,980**	**(16,819,902)**	**93,657**	**233,000**	**11,386,735**
Loss for the year	-	(455,181)	-	-	(455,181)
Reclassification adjustment for gains included in loss for year	-	-	(60,000)	-	(60,000)
Transfer to recognise decline in value of financial assets	-	-	(33,657)	-	(33,657)
Total comprehensive income / (loss) for the year	**-**	**(455,181)**	**(93,657)**	**-**	**(548,838)**
Transactions with owners in their capacity as owners					
Shares issued in the year	556,000	**-**	**-**	**-**	556,000
Balance at 30 June 2015	**28,435,980**	**(17,275,083)**	**-**	**233,000**	**11,393,897**
Balance at 1 July 2015	**28,435,980**	**(17,275,083)**	**-**	**233,000**	**11,393,897**
Loss for the year	-	(1,341,276)	-	-	(1,341,276)
Other comprehensive income / Loss for the year	-	-	-	-	-
Total comprehensive income / (loss) for the year	**-**	**(1,341,276)**	**-**	**-**	**(1,341,276)**
Balance at 30 June 2016	**28,435,980**	**(18,616,359)**	**-**	**233,000**	**10,052,621**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(46,643)	(535,305)
Interest received		17,974	4,565
NET CASH USED IN OPERATING ACTIVITIES	**17**	(28,669)	(530,740)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	219,577
Loans proceeds received		-	220,000
Payment for exploration and evaluation		(345,441)	(877,904)
NET CASH USED IN INVESTING ACTIVITIES		(345,441)	(438,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options		-	556,000
NET CASH FROM FINANCING ACTIVITIES		-	556,000
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(374,110)	(413,067)
Cash and cash equivalents at the beginning of the financial year		716,959	1,130,026
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**4**	342,849	716,959

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 entity.

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, net current liabilities, 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.

c) By reducing the exploration program to maintain cash flow.

d) By deferring the payment of directors fees.

The Directors have prepared a forecast for the foreseeable future reflecting the above mentioned expectations and their effect on the Group. The forecast is conservative, and reflects current market prices, reduction in interest income, costs similar to this year for expenditure and exploration.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

NOTE 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 2016 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 2016. 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.

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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 from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 but the impact of its adoption is yet to be assessed by the consolidated entity.

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). 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 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) 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 but the impact of its adoption is yet to be assessed by the consolidated entity.

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 plant and equipment, mining infrastructure and 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 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 predominately in Australia.

NOTE 4: CASH AND CASH EQUIVALENTS	2016 $	2015 $
Cash at bank and on hand	232	7,209
Short term deposit-less than 6 months	342,617	709,750
	342,849	716,959

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

NOTE 5: TRADE AND OTHER RECEIVABLES	2016 $	2015 $
CURRENT		
Other receivables	1,112	8,213
Prepayments	1,819	20,490
Total trade and other receivables	2,931	28,703
NON-CURRENT		
Security deposits	28,378	28,138

Other Receivables as shown are within agreed terms. The Directors consider that they do not require impairment.

NOTE 6: FINANCIAL ASSETS	**2016** **$**	**2015** **$**
NON-CURRENT		
Available for sale financial assets: Shares in listed and unlisted corporations-at fair value		
Opening fair value	30,001	218,634
Disposal consideration	-	(172,747)
Amount recognised in profit and loss	(5,144)	21,748
Amount recognised in comprehensive income	-	(37,634)
Total financial assets	24,857	30,001

NOTE 7 - NON-CURRENT DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

7(A):NON-CURRENT ASSET, WHOLLY OWNED

	2016 $	2015 $
Capitalised expenditure in respect of areas of interest at the beginning of the year	10,175,438	9,571,543
Additions	175,434	603,895
Written off	-	-
Capitalised exploration expenditure at the end of the year	**10,350,872**	**10,175,438**

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.

7(B): CURRENT ASSET, FARM IN AGREEMENT

On 2 August 2013, the Group signed a Farm-in and Joint Venture Agreement with Panoramic Gold Pty Ltd to explore on the adjoining tenement to the Group's Gidgee tenement. As at 30 June 2016 all the costs are to Gateway's account as the threshold of $1,200,000 has not been reached. Following review, the Board of Gateway have decided not to renew the joint venture agreement.

	2016 $	2015 $
Gateway's Contribution – Panoramic Farm in agreement		
Capitalised expenditure in respect of areas of interest at the beginning of the year	723,072	449,063
Additions	170,007	274,009
Written off	(893,079)	-
Capitalised exploration expenditure at the end of the year	**-**	**723,072**

NOTE 8: TRADE AND OTHER PAYABLES	**2016**	**2015**
	$	**$**
CURRENT		
Financial Liabilities-Trade and Other Payables	690,391	301,539

NOTE 9: EARNINGS PER SHARE

Reconciliation of earnings to profit or loss	**2016 $**	**2015 $**
(Loss) used in the calculation of basic and dilutive earnings per share	(1,341,276)	(455,181)
	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	293,983,441	282,988,441
Basic Earnings Per Share (cents)	(0.46)	(0.16)
Diluted Earnings Per Share (cents) (i)	(0.46)	(0.16)

Diluted earnings per share is capped at basic earnings per share. Weighted average number of shares Adjusted Options used is 493,422,962 for the 2016 year (2015:482,997,962).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: INCOME TAX EXPENSE

	2016 $	2015 $
Loss for current year from ordinary activities	(1,341,276)	(455,181)
Unrecognised deferred tax asset	(567,783)	(876,904)
Taxable loss for the year, not recognised	(1,909,059)	(1,332,085)
Tax losses brought forward from earlier years	(23,885,752)	(22,553,667)
Tax losses carried forward to later years	25,794,811	(23,885,752)
Future income tax benefit 30% of tax losses, not recognised	7,738,443	7,165,726

The tax rate used in the above table is the corporate tax rate of 30% payable by Australian corporate entities of this size on taxable profits under Australian Tax Law. There has been no change in the corporate tax rate used for the Group when compared to the previous reporting period.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: INCOME TAX EXPENSE (CONTINUED)

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 ($2,905,539) (2015:($3,075,874) is offset against tax losses with the additional tax losses not recognised of $4,832,904 (2015:$4,089,852).

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 and
(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 11: AUDITORS' REMUNERATION	2016 $	2015 $
Remuneration of the auditors of the Group for:		
- Auditing or reviewing the financial report	50,000	55,111

NOTE 12: ISSUED CAPITAL	2016 $	2015 $
a. Ordinary shares fully paid		
Balance at the beginning of the year	28,435,980	27,879,980
Issued shares	-	556,000
Balance at the end of the year	28,435,980	28,435,980

b. Movements in ordinary shares on issue	**2016 Number**	**2015 Number**
At the beginning of the financial year	293,422,962	265,622,962
Shares issued 15 Nov 2014 (exercise of options at $0.02)	-	27,800,000
At the end of the financial year	293,422,962	293,422,962

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

At 30 June 2016, the details of options issued are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 2014	228,800,000	0.0723
Granted	-	-
Exercised	(27,800,000)	0.0200
Expired	(1,000,000)	0.0200
Options outstanding as at 30 June 2015	200,000,000	0.0800

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2016	200,000,000	0.0800

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. Available For Sale Financial Assets Reserve
This reserve is used to recognise the increments and decrements on the fair value of available for sale of financial assets.

g. Share Based Payments Reserve
This reserve is used to recognise the fair value of options granted during the year.

NOTE 13: 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 30^{th} June 2016 (2015: nil) for either the parent company or its subsidiary. The mining tenement commitment as at the 30^{th} June 2016 is $606,080 (2015:$755,700).

NOTE 14: 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 15: RELATED PARTY TRANSACTIONS

a. Directors and Key Management Persons

Key Management Persons	Position
Trent Franklin	Non-Executive Chairman
Andrew Bray	Managing Director
Ian McDonald	Non-Executive Director (resigned 29 April 2016)
Gary Franklin	Non-Executive Director /Company Secretary/CFO
Scott Jarvis	Head Geologist

b. Directors loans

No directors or any key personnel have received any loans from the Group. The Group has payables to directors and key personnel at the end of year for fees not paid totalling $297,500 (2015: nil). Payment will be made as circumstances permit.

c. Other

The Gateway directors are also some of the directors of Enrizen Pty Ltd which provided insurance and risk consulting services for the Group during the year totalling $6,099 (2015:$6,400). The amount which was unpaid at year end has since been paid.

NOTE 16: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of cash at banks, with Quikfund (Australia) Pty Ltd, 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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Financial assets	**Note**	**2016 $**	**2015 $**
Cash and cash equivalents	**4**	342,849	716,959
Security deposits	**4**	28,378	28,138
Available-for-sale financial assets -at fair value:			
- Listed investments	**6**	24,857	30,001
Receivables	**5**	1,112	8,213
Total Financial Assets		**397,196**	**783,311**
Financial liabilities			
- Trade and other payables	**8**	690,391	301,539
Total Financial Liabilities		**690,391**	**301,539**

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 2.75% 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 2016

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**	
	2016 $	**2015 $**	**2016 $**	**2015 $**	**2016 $**	**2015 $**
Financial *assets*						
Cash	342,849	716,959	-	-	342,849	716,959
Receivables & others	1,112	8,213	-	-	1,112	8,213
Security deposits	-	-	28,378	28,138	28,378	28,138
Available for sale financial assets	24,857	30,001	-	-	24,857	30,001
Total anticipated inflows	368,818	755,173	28,378	28,138	397,196	783,311
Financial Liabilities						
Sundry payables and accruals	690,391	301,539	-	-	690,391	301,539
Total expected outflows	690,391	301,539	-	-	690,391	301,539
Net inflow on financial instruments	**(321,573)**	**453,634**	**28,378**	**28,138**	**(293,195)**	**481,772**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 financial assets.

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares available-for-sale	24,857	-	-	24,857
Total assets	24,857	-	-	24,857

Consolidated - 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares available-for-sale	30,001	-	-	30,001
Total assets	30,001	-	-	30,001

NOTE 17: RECONCILIATION OF LOSS TO NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	**2016 $**	**2015 $**
Loss for the year	(1,341,276)	(455,181)
Non-Cash flows in profit from ordinary a		
Loss on disposal of financial assets	-	27,773
Exploration Expenditure and financial investments written off	898,223	(56,022)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other debtors	25,532	(12,662)
Increase/(decrease) in trade creditors	388,852	(34,648)
Increase/(decrease) in provision	-	-
Net cash flow from operating activities	(28,669)	(530,740)

NOTE 18: PARENT ENTITY INFORMATION

Statement of profit or loss and other comprehensive income	**Parent**	
	2016 $	**2015 $**
Profit (loss) after income tax	(1,341,276)	(455,181)
Total comprehensive income/(loss)	(1,341,276)	(455,181)

Statement of financial position	**Parent**	
	2016 $	**2015 $**
Total current assets	382,876	1,468,755
Total assets	10,739,605	11,702,311
Total current liabilities	686,984	308,414
Total liabilities	686,984	308,414
Equity: Issued capital	28,435,880	28,435,880
Reserve	233,000	233,000
Retained profits	(18,616,359)	(17,275,083)
Total equity	10,052,621	11,393,897

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19: INTERESTS IN SUBSIDIARIES

During the twelve month period to 30th June 2016, Gateway Mining Limited continued to control its 100% owned subsidiary Boomgate Nominees Pty Ltd. Boomgate Nominees Pty Ltd changed its name to Boomgate Capital Pty Ltd on 17 April 2016. The subsidiary was established in the year ended 30 June 2013 and is incorporated in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the subsidiary are in accordance with the accounting policy described in Note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2016 %	2015 %
Boomgate Capital Pty Ltd	Australia	100.00%	100.00%

NOTE 20: 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 of the Group declare that:

1. The financial statements and notes of the Group as set out on pages 18-40 are in accordance with the *Corporations Act 2001* and:
    a. Comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b. Give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Group;
2. The directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Financial Officer for the financial year ended 30 June 2016, and
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
Dated this 30th day of September 2016
Sydney

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Gateway Mining Limited and Controlled Entities

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

Report on the Financial Report

We have audited the accompanying financial report of Gateway Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statement*, that the financial statement comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Crowe Horwath™

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gateway Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

a. the financial report of Gateway Mining Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the entity incurred a net loss of $1,341,276 during the year ended 30 June 2016 and has limited income streams for future years. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the directors' report for the year ended 30 June 2016. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Gateway Mining Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Partner

Date this 30th day of September 2016

SHARE HOLDER INFORMATION

a. Voting Rights

The total number of shareholders was 1,171 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	233
1,001-5,000	277
5,001-10,000	130
10,001-100,000	330
100,001- and over	211
Total	1,171

c. Number of shareholdings held in less than marketable parcels is 510

d. There are no substantial shareholders

e. 20 largest Shareholders as at 29th September 2016

	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	HSBC CUSTODY NOMINEES	23,295,047	8.19%
2	BBY NOMINEES LIMITED	12,302,730	4.33%
3	MR LIM KIM QUEE	10,669,605	3.75%
4	MR LIM CHOR NAM	10,600,000	3.73%
5	GASCOYNE HOLDINGS PTY LTD	9,000,000	3.16%
6	MR WONG CHI WAI	8,680,000	3.05%
7	SACHA INVESTMENTS PTY LTD	8,450,000	2.97%
8	MR KOK LEONG TAN	8,309,716	2.92%
9	MS PATRICIA EDITH WONG	8,300,000	2.92%
10	CITICORP NOMINEES PTY LIMITED	7,443,631	2.62%
11	MR IVAN CHI HUNG WONG	6,400,000	2.25%
12	MR EDWIN ZIHONG CHEN	6,000,000	2.11%
13	MR GEORGE FREDERICK MARON &	5,265,000	1.85%
14	S M S (COMMON FUND) PTY LTD	4,500,000	1.58%
15	STRATEGIC WEALTH JOURNIES	4,148,285	1.46%
16	BNP PARIBAS NOMS PTY LTD	4,072,487	1.43%
17	BOND STREET CUSTODIANS LIMITED	3,969,988	1.40%
18	DRS DIWAN PTY LTD	3,625,000	1.27%
19	RAXIGI PTY LIMITED	3,518,262	1.24%
20	GREAT PACIFIC INVESTMENT PTY	3,500,000	1.23%
	TOTAL	152,049,724	53.46%

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Gateway Mining Limited is responsible for the corporate governance of the Group.

In accordance with the Australian Stock Exchange (ASX) Corporate Governance and Best Practice Recommendations, the following statement outlines the principal corporate governance practices that apply to the Group.

Board and Management Functions

Generally, the Board is responsible for establishing the policies of the Group, overseeing its financial position, approving major capital expenditures, exploration programs and expenditures. The small management team is responsible for the Group’s day to day operations including exploration activities, budgets, reporting activities and general administration. Due to the relatively small size of the Board and management team and the need for roles and functions to be flexible to meet specific requirements the Group does not have a formal Board character.

Board Structure

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board should comprise at least three directors and should maintain a majority of independent non-executive directors
- The chairperson must be a non-executive director
- The Board should comprise Directors with an appropriate range of qualifications and expertise
- The Board shall meet at least quarterly and follow meeting guidelines set down to ensure all Directors are made aware of, and have available, all necessary information to participate in an informed discussion of all agenda items.

The Directors in office at the date of this statement are: Trent Franklin (Non-Executive Chairman), Ian McDonald (Non-executive Director), and Andrew Bray (Executive & Managing Director)

Under current ASX guidelines, two of the current Board (Trent Franklin and Ian McDonald) are considered to be independent directors. Each Director of the Group has the right to seek independent professional advice at the expense of the Group. Prior approval of the Chairman is required but this will not be unreasonably withheld.

Due to the small size of the Board, the Group does not have a board nomination committee. Such decisions are presently the responsibility of the Board as a whole. When appropriate, and at least annually, the Board meets to consider certain aspects of its operations. This includes ensuring that the Board continues to operate within the established guidelines including, when necessary, selecting candidates for the position of Director.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Group holds its people in the highest esteem and considers them to be its greatest asset. The Group is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. In decisions on engaging future talent in the Group, diversity, skill and aptitude for the role are the key considerations in our engagements.

The respective proportions of women in the organisation are set out in the following table:

	Portion of Women
On the board	0 out of 3
Employees	0 out of 1

Codes of Conduct

The Group does not at present have a formal code of conduct for the guidance of Directors and senior executives. However, the Board's stated policy is for Directors and management to conduct themselves with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

Similarly, the Group does not have a code of conduct to guide compliance with legal and other obligations. This reflects the Group's size and the close international of the small number of individuals employed by the organisation. However, the Board continues to review the risk and compliance situation to determine the most appropriate and effective operational procedures.

In relation to share trading, Directors, employees and key consultants are not permitted at any time whilst in the possession of price sensitive information not already available to the market to deal in any of the company's securities. In addition, the law prohibits insider trading, and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Group's securities.

Audit Committee

The Group does not have a formally constituted audit committee of the Board of Directors. The Board presently fulfils the functions of an audit committee. The Board is of the view that to date such a committee has not been necessary given the size and nature of its operations. This situation is subject to ongoing review.

Disclosure Requirements

The Group's Directors and management are aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. While the Group does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Communications Strategy

While the Group does not have a formal communications strategy to promote effective communication with its shareholders, as it believes this is excessive and too costly for small companies, the Group does communicate regularly with its shareholders.

Besides the Annual Report which is sent to all shareholders, all significant information disclosed to the ASX is posted on the Group's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Group's website. There is also an email address available to shareholders who have enquiries or are seeking further information. In addition, a notice of meeting and related communications are provided to the Group's auditor who, in accordance with the Corporations Act, is required to attend the Group's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative.

Risk Management

The Group is a small exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the board of Directors and senior management collectively. The situation may need to be reviewed should the Group move to mining production.

Board Performance

There has been no formal performance evaluation of the Board during the past financial year although its composition is reviewed at a Board meeting at least annually. However, the Remuneration Committee, which meets as and when required, reviews matters relating to board performance and remuneration as part of its deliberations.

Remuneration Committee

The Group has established a Remuneration Committee comprising the Chairman and Company Secretary.

Written Agreement with each director and each executive.

The terms of the appointment of each director and each executive are set out in writing and cover matters such as term, remuneration, reporting, service requirements, and termination of the Agreement.