



QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Highlights:

- Acquisition of Queensland Coal Investment Holdings Limited
- Transaction continuing to progress
- Discussions continuing regarding potential divestment of Gidgee assets

Gateway Mining Limited ("**Gateway**" or "**the Company**") is pleased to provide its Quarterly Activities and Cashflow Report for the quarter ended 30 June 2017.

Acquisition of Queensland Coal Investment Holdings Limited

As announced on 1 March 2017, Gateway has negotiated and agreed to acquire two large, adjacent coking coal projects in the Bowen Basin, Queensland ("**Projects**"), by purchasing the outstanding issued capital in Queensland Coal Investment Holdings Limited ("**QCIH**")

As updated to the market on 7 July 2017, the Company has now executed all necessary documents to give effect to its purchase of QCIH ("**Transaction**"). The Transaction remains subject to a number of conditions precedent, including Australian Securities Exchange ("**ASX**") and shareholder approval, and completion of a capital raising.

For full details of the Transaction, please refer to the Company's announcement of 1 March 2017.

QCIH continues to advance projects

QCIH has continued to advance both projects whilst transaction documents are completed. In the interim, QCIH has completed substantial mine planning and engineering work and is well advanced on environmental programs. It is anticipated this will allow for the expedited submission of an application for a mining lease. In the case of the Wilton Project, the application is scheduled for submission in Q3 2018. At the Fairhill Project, land access has been secured and base line surveys will commence in Q3 2018. The necessary permits are also now in place for the commencement of the proposed Fairhill in-fill drilling program and defining the Line of Oxidation.

The work to date has demonstrated an economically robust project. The Board of the Company remains very confident in the value inherent in the terms on which the Transaction is based. The Company is looking forward to detailing the projects and its development plans once the requisite disclosure documents are released.

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Disclosure documents

The Company is nearing completion of a Prospectus and expects to lodge it with the Australian Securities and Investments Commission (“ASIC”) soon. The document will also be simultaneously lodged with the ASX.

Additionally, the Company is nearing completion of the Notice of Meeting for the approval of the Transaction and associated requirements, including a substantial capital raising and consolidation of capital.

It is anticipated this will be released shortly after the Prospectus is lodged with ASIC.

Discussions with cornerstone investor

As previously announced, the Company is at an advanced stage of negotiations with a cornerstone investor and hopes to be able to provide an update to the market regarding these discussions soon. Additionally, the Company has been approached by (and introduced to) a number of institutional and sophisticated investors who have demonstrated strong interest in participating in the Transaction.

The interest from significant investors, in the opinion of the Board, confirms the considerable value in the Transaction, and its potential to create substantial shareholder wealth in the coming periods.

Divestment of Gidgee assets

As announced to the market on 1 March 2017, the Company has been approached by various interested parties concerning prospective transactions around Gateway’s Gidgee tenement holdings.

The Company is at an advanced stage of negotiations and will keep shareholders updated on any proposed transaction as required by the Listing Rules and any other regulations.

Yours faithfully

Gary Franklin
Company Secretary

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