



ASX Announcement

ASX: GML

23 January 2023

Gateway signs lithium exploration farm-in agreement for Montague Project with SensOre Ltd

SensOre to fund up to \$4.5 million in lithium-focused exploration over 4.5-years to earn 80% of the lithium rights at the Montague Gold Project

HIGHLIGHTS

- SensOre Ltd (ASX: S3N) to explore selected tenements within the Montague Gold Project for lithium (and related by-products), utilising their proprietary SensOre DPT® technology to generate targets for field activities.
- Gateway to retain all other mineral rights (including precious and base metals) within the tenements subject to the agreement.
- SensOre to spend:
 - An initial \$1.5 million (including a minimum of \$750,000 in direct drilling expenditure) to earn a 51% interest in the lithium (and related by-product) rights within the selected tenements.
 - An additional \$3.0 million (including a minimum of \$1.5 million in direct drilling costs) to earn an additional 29% interest in the lithium (and related by-product) rights within the selected tenements.
- Gateway is free-carried to delivery of a Bankable Feasibility Study, with the option to claw-back a further 10% interest in the lithium (and related by-product) rights.
- Gateway to retain complete access to the tenements to continue its core gold exploration and development activities.
- Farm-in Agreement represents a new and exciting strategic channel for Gateway, providing possible future exposure to the battery metals market.

Gateway's Managing Director, Mr Mark Cossom, said: "This is a fantastic opportunity for Gateway, allowing a specialist exploration group to bring their proprietary technology to potentially unlock the lithium potential of our tenements – without Gateway having to redirect its resources away from its core gold exploration activities.

"Gateway retains significant exposure to the upside of this exploration, and the ability to increase its ultimate stake, should any significant discovery be made.

"In the meantime, we will continue to get on with our expansive 2023 exploration campaign, as outlined recently, targeting step-change discoveries and resource growth opportunities within the 526koz Montague Gold Project at a time when Australian gold prices are trading near their all-time highs."

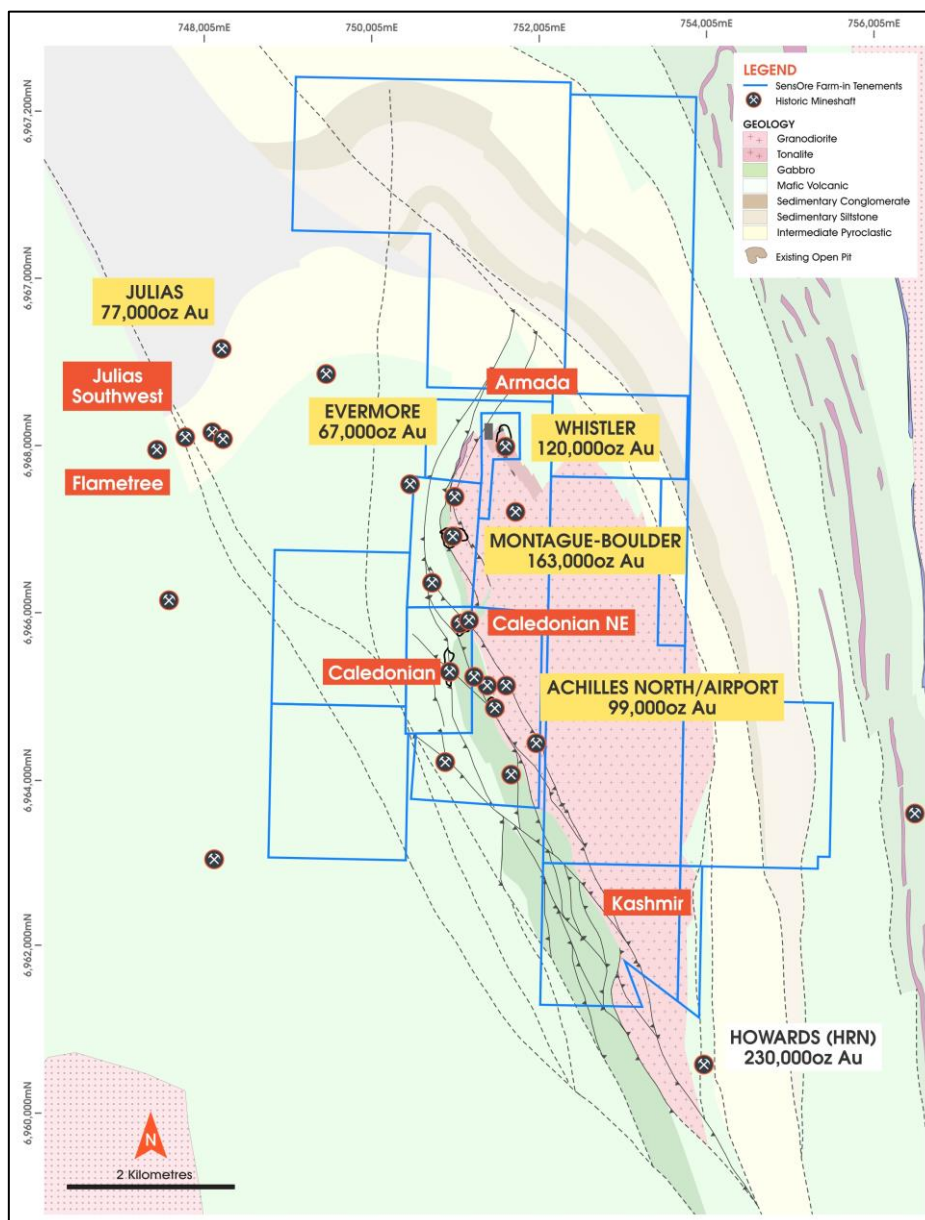


Figure (1): Montague Gold Project with tenements subject to the SensOre Lithium Exploration Agreement

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has executed a Farm-in Joint Venture agreement with ASX-listed specialist exploration group SensOre Limited (ASX: S3N) (**S3N**) to evaluate and target the lithium exploration potential at its flagship Montague Gold Project in WA's Murchison region (**Agreement**).

The Agreement has been executed between Gateway, Gateway's wholly-owned subsidiary Gateway Projects WA Pty Ltd (**Gateway Projects**) and Exploration Ventures AI Pty Ltd (ACN 662 260 148) (**EXAI**, a wholly-owned subsidiary of S3N) over selected tenements at the Montague Project. EXAI is subject to an agreement with German group Deutsche Rohstoff on lithium exploration as announced by S3N on 21 March 2022.

Under the Agreement, EXAI will have the right to acquire up to an 80% interest in the lithium rights (and related by-products) within the Montague tenements listed in Appendix 2 (**Tenements**). Gateway will retain its existing rights to all other minerals within the Tenements, including precious and base metals.

S3N is a geoscience technology disruptor which plans to utilise the proprietary SensOre DPT® artificial intelligence tool to generate targets within the Tenements to explore for lithium. This exploration will be undertaken in parallel with Gateway's ongoing gold exploration activities. To date, no lithium exploration activities have been undertaken at the Montague Gold Project.

Terms of Agreement

EXAI to acquire up to 80% of lithium rights only. Ownership of all other minerals within the Tenements to remain unaffected and will be owned by Gateway and Gateway Projects.

Where any conflicts arise as to exploration activities within the Tenements between Gateway and EXAI, the priority of exploration will be given to Gateway to conduct its exploration within the Tenements.

The Agreement consists of a three stage farm-in for EXAI to ultimately acquire 80% of the lithium rights (and related by-products) within the Tenements on the following terms:

- (a) 18 month, non-withdrawal period with a minimum of \$350,000 (excluding GST) exploration expenditure (**Minimum Expenditure Amount**).
- (b) Exploration expenditure of \$1,500,000 excluding GST (with \$750,000 of the expenditure to be direct drilling expenditure) within 2.5 years of the earn-in commencing to earn a 51% interest in the lithium rights within the Tenements (**First Earn-In**).
- (c) Exploration expenditure of a further \$3,000,000 excluding GST (with \$1,500,000 of the expenditure to be direct drilling expenditure) within 2 years of completion of the First Earn-In commencing to earn a further 29% interest in the lithium rights within Tenements (**Second Earn-In**).
- (d) The parties have agreed to negotiate in good faith and enter into a formal joint venture agreement as soon as practicable after EXAI earns the First Earn-In.
- (e) Should EXAI earn both the First Earn-In and Second Earn-In, Gateway will have the option to claw-back a further 10% interest in the lithium rights from EXAI, and Gateway will pay to EXAI cash consideration in the amount of 3 times the total expenditure paid by EXAI within the Tenements during the earn-in period pro-rata to the 10% interest Gateway is entitled to acquire (**Clawback Option**).
- (f) Provided Gateway does not exercise its Clawback Option, the remaining lithium rights held by Gateway will be free carried until a bankable feasibility study is completed in relation to lithium minerals.

EXAI will not earn or acquire any interest in the lithium rights to the extent that such rights (and all other mineral rights) are owned by Estuary Resources Pty Ltd (**Estuary**) who hold a 25% interest M57/485 and E57/793 (**Estuary JV Tenements**).

EXAI's right to farm-in and acquire an interest under the Agreement is conditional on the following:

- (a) EXAI completing satisfactory due diligence with respect to the Tenements and transactions contemplated in the Agreement; and
- (b) Gateway giving EXAI written notice confirming Estuary waiving or not exercising its pre-emption rights in relation to the Estuary JV Tenements,

(Collectively, the **Conditions**).

The Conditions must be satisfied within 90 days of execution of the Letter Agreement (**End Date**). If the Conditions are not satisfied or waived by the End Date either party may terminate the Agreement.

This released has been authorised by:

Mark Cossom
Managing Director

For and on behalf of
GATEWAY MINING LIMITED

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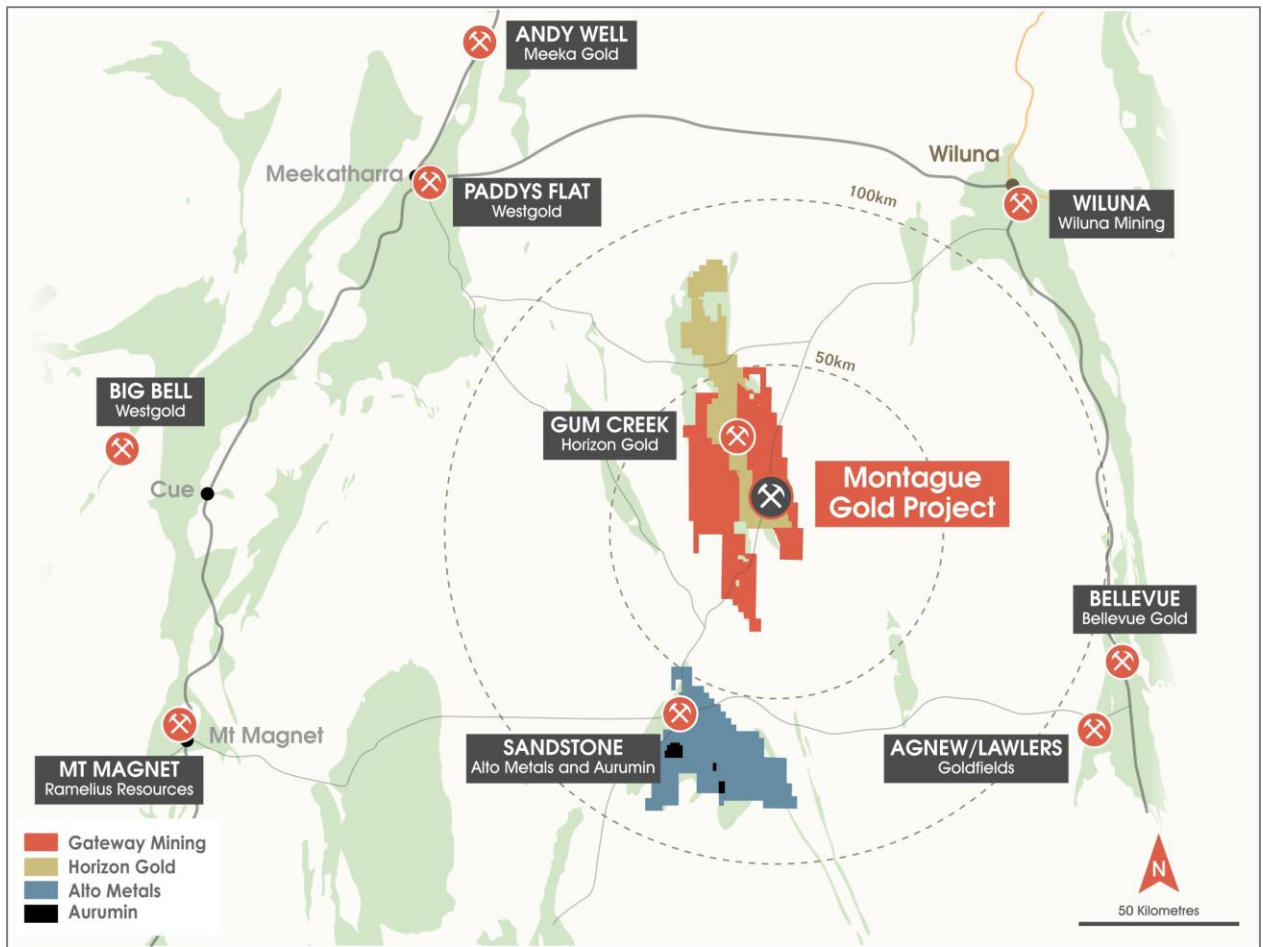
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APPENDIX (1)

About the Montague Gold Project



Montague Gold Project Tenement Location Diagram

APPENDIX (2)

Tenements subject to the SensOre Ltd Farm-in Agreement

| Tenement No. | Type | Holder Details |
|--------------|---------------------|---|
| E 57/405 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| E 57/687 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| E 57/793 | EXPLORATION LICENCE | ESTUARY RESOURCES PTY LTD 25%; GATEWAY MINING LIMITED 75% |
| E 57/823 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| E 57/824 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| E 57/875 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| E 57/888 | EXPLORATION LICENCE | GATEWAY MINING LIMITED 100% |
| M 57/217 | MINING LEASE | GATEWAY MINING LIMITED 100% |
| M 57/48 | MINING LEASE | GATEWAY MINING LIMITED 100% |
| M 57/485 | MINING LEASE | ESTUARY RESOURCES PTY LTD 25%; GATEWAY MINING LIMITED 75% |
| M 57/98 | MINING LEASE | GATEWAY MINING LIMITED 100% |
| M 57/99 | MINING LEASE | GATEWAY MINING LIMITED 100% |
| P 57/1409 | PROSPECTING LICENCE | GATEWAY PROJECTS WA PTY LTD 100% |
| P 57/1410 | PROSPECTING LICENCE | GATEWAY PROJECTS WA PTY LTD 100% |
| P 57/1411 | PROSPECTING LICENCE | GATEWAY PROJECTS WA PTY LTD 100% |
| P 57/1413 | PROSPECTING LICENCE | GATEWAY PROJECTS WA PTY LTD 100% |