



ASX Announcement

ASX: GML

1 November 2023

\$1.55 MILLION CAPITAL RAISING TO UNDERPIN EXPLORATION AT MONTAGUE GOLD PROJECT, WA

Strongly supported equity raising to support Gateway's ongoing step-change exploration strategy

HIGHLIGHTS

- **\$1.55 million placement underpinned by existing major shareholders, including the Company's largest shareholder, Kerry Harmanis, as well as Gateway Directors.**
- **Funds to be used to progress Gateway's strategy of exploring for step-change discoveries at the 526koz Montague Gold Project in WA.**
- **Exploration to continue with ongoing soil geochemical sampling program and heritage surveys, laying the foundations for the next phase of air-core and RC drilling.**

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has received firm commitments for a capital raising of \$1.55 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next phase of exploration at its flagship 526koz Montague Gold Project in Western Australia.

The Placement was strongly supported by both existing major shareholders, including the company's largest shareholder Kerry Harmanis, and new investors.

The Placement was also supported by Gateway Directors, who have committed to a collective \$114,600, subject to shareholder approval.

Gateway's Managing Director, Mr Mark Cossom, said:

"I would like to take this opportunity to thank the investors who supported this capital raising, particularly our loyal shareholders including our major shareholder, Kerry Harmanis. Given the volatility currently being experienced in equity markets, this is a great result which puts the Company in a strong position to advance exploration at Montague while restricting dilution as far as possible.

"Our focus this year has been on targeting step-change discovery and growth opportunities and, with a deep drilling program recently completed and several new highly prospective shallow target zones identified, we believe we have made significant progress towards that objective.

"We are now eagerly awaiting assay results from the recent deep diamond drilling and we are gearing up for a new phase of RC and air-core drilling at several compelling new targets such as Plymouth North, Duplex and the new geochemical anomalies at Montague North. Against the backdrop of a buoyant gold market, the next few months should be an exciting and active period for Gateway!"

Gateway Mining Ltd

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Placement Details

The Placement, which comprises the issue of 70,358,083 shares at an issue price of \$0.022 per share (**New Shares**), was overwhelmingly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

Participants in the Placement will receive free-attaching options (**Placement Options**) on a one (1) for one (1) basis, with each Placement Option being exercisable at \$0.033 and expiring on the third anniversary of the date of their issue. The Placement Options are planned to be quoted on the ASX. The issue of the Placement Options is subject to shareholder approval, with a general meeting of the Company's shareholders to be convened as soon as practicable. A total of 70,358,083 Placement Options are expected to be issued (subject to rounding).

The Placement was lead managed JP Equity Partners (**Lead Manager**).

The Directors (and or their nominees) have committed their support for the Placement, subject to shareholder approval, having agreed to invest a collective total of \$114,600 under the Placement being 5,209,092 New Shares.

The New Shares issued under the Placement to institutional, professional and sophisticated investors who are not directors or related parties of the Company will be issued using the Company's capacity under ASX Listing Rule 7.1 and Listing Rule 7.1A and will not require shareholder approval. The issue of these New Shares is expected to occur on 8 November 2023.

The New Shares issued to Directors and related parties under the Placement and all attaching Placement Options will be issued immediately after an Extraordinary Meeting of Shareholders of the Company (subject to shareholder approval) (**Meeting**). The Company is currently in the process of preparing the relevant notice of meeting document and is undertaking all necessary steps to convene the Meeting and will provide an update to the market once it is in a position to hold the Meeting.

The offer price of \$0.022 represents an 8.33% discount to the last closing price of \$0.024 and a 9.09% discount to the 10-day VWAP of \$0.0242.

The New Shares issued under the Placement are fully paid ordinary shares and will rank equally with the shares currently on issue.

The terms of the Placement Options are included in the Annexure to this release. The Company will seek to have the Placement Options quoted subject to ASX approvals.

Use of Funds

The proceeds of the Placement will underpin the next phase of field work at the Company's 100%-owned Montague Gold Project which is already underway. In particular, the funds will be used for the following:

- Undertaking large-scale geochemical soil sampling and scout air-core drilling programs to test new targets generated at Montague North and on the Montague West tenement group;
- Continuing exploration for shallow oxide zone deposits, including RC follow-up of recent new mineralisation outlined at the Duplex prospect; and
- Further RC follow-up of encouraging granite-hosted structural zones intersected in recent deep diamond drilling.

The proceeds will also be used for costs of the Placement, corporate and general working capital purposes.

The Company requests that its securities are reinstated to official quotation with immediate effect.

This release has been authorised by:

Mark Cossom
Managing Director

***For and on behalf of
GATEWAY MINING LIMITED***

Competent Person Statement

The information in this announcement that relates to Exploration Results and Mineral Resources has been extracted from various Gateway ASX announcements and are available to view on the Company's website at www.gatewaymining.com.au or through the ASX website at www.asx.com.au (using ticker code "GML")

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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ANNEXURE 1 – PROPOSED PLACEMENT OPTION TERMS AND CONDITIONS

The Placement Options entitle the holder to subscribe for fully paid ordinary shares in the Company (**Shares**) on the following terms and conditions:

- (a) (**Entitlement**): Each Placement Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) (**Exercise Price**): The Options have an exercise price of \$0.033 per Option (**Exercise Price**).
- (c) (**Expiry Date**): The Options expire at 5.00 pm (AEDT) three years from date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) (**Quotation of the Options**): It is the Company's current intention to seek quotation of the Options. There is no certainty that quotation of the Options will be granted. The quotation of the Options will be subject to the Company offering the Options under a prospectus prepared in accordance with Chapter 6D of the Corporations Act 2001 (Cth) and lodged with ASIC and satisfying the quotation conditions set out in the Listing Rules.
- (f) (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (g) (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) (**Transferability**): The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws and paragraph (i).
- (i) (**Restrictions on transfer of Shares**): If the Company is required but unable to give ASX a notice under paragraph (g)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (j) (**Shares issued on exercise**): Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

- (k) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- (l) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.