



ASX Announcement

ASX: GML

25 January 2023

\$2.5 MILLION CAPITAL RAISING TO ACCELERATE EXPLORATION AT MONTAGUE GOLD PROJECT, WA

Well-supported equity raising to support Gateway's ambitious 2023 exploration strategy

HIGHLIGHTS

- **\$2.5 million placement underpinned by existing shareholders and new institutional, professional and sophisticated investors, as well as Gateway Directors.**
- **Funds to be used to underpin Gateway's 2023 exploration strategy, targeting step-change discoveries across the Montague Gold Project (see separate ASX announcement today).**
- **A major Project-wide structural and geochemical compilation and targeting study is underway utilising industry-leading consultants Model Earth Pty Ltd.**
- **Field work to resume at Montague in the coming weeks.**

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has received firm commitments for a capital raising of \$2.5 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next major phase of exploration at its flagship 500koz Montague Gold Project in Western Australia.

The Placement was strongly supported by both existing shareholders and new investors, including Gateway Directors, who have committed to a collective \$210,260, subject to shareholder approval.

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

"We are pleased with the significant report received from existing and new shareholders through this capital raising, which will allow us to push the button on an ambitious exploration strategy in 2023.

"We have been successful in growing the Mineral Resource inventory at Montague to over 500,000 ounces of gold, not only around historically mined open pits but also in several new discoveries.

"The knowledge gained through this process has given us the confidence that the gold discovered to date at Montague is part of a major gold system which remains significantly under-explored and offers significant potential for further growth. Our exploration team has been working in conjunction with industry experts Model Earth, generating a series of exciting targets for systematic exploration both as extensions to existing deposits and also in exciting new areas across the entire 1,000km² land-holding.

"We are grateful to those existing and new shareholders that have shown continued support of the Company, as we embark on our plans to unlock the true value of the Montague Project."

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Placement Details

The Placement, which comprises the issue of 40,322,582 shares at an issue price of \$0.062 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 (**New Options**) on a one (1) for three (3) basis, with each New Option being exercisable at \$0.124 and expiring on 31 March 2026. The issue of the New 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 13,440,865 New Options are expected to be issued (subject to rounding). The terms and conditions of the New Options are set out in Annexure 1 of this announcement.

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

The Directors have committed their support for the Placement. Mark Cossom, Trent Franklin, Scott Brown, Debbie Fullarton and Peter Lester (and or their nominees) have subject to shareholder approval agreed to invest a collective total of \$210,260 under the Placement being 3,391,289 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 1 February 2023.

The New Shares issued to Directors and related parties under the Placement and all attaching New 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 \$0.062 represents an 11.42% discount to the last closing price of \$0.07 and a 4.32% discount to the 15-day VWAP of \$0.0648.

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 New Options are included in the Annexure to this release.

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 planned to re-commence in February 2023. In particular, the funds will be used for the following:

- Continued exploration for shallow oxide zone deposits, including follow-up Reverse Circulation drilling at Caledonian and Achilles East;
- Commissioning a series of two-dimensional seismic survey lines over the Montague Granodiorite and main mineralised structures;
- Undertaking large-scale geochemical soil sampling and scout air-core drilling programs to test new targets generated on the broader tenement package; and
- Deep diamond drilling to test prospective positions below main existing deposits identified through the seismic survey and Model Earth structural geological study.

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

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ANNEXURE 1 – PROPOSED NEW OPTION TERMS AND CONDITIONS

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

(a) Entitlement

Each New Option gives the option holder the right to subscribe for one Share. To obtain the right given by each New Option, the option holder must exercise the New Options in accordance with the term and conditions of the New Options.

(b) Exercise Price

Subject to any variation in share capital, the amount payable upon exercise of each New Option will be \$0.124.

(c) Expiry Date

The New Options will, except to the extent earlier exercised, expire at 5:00 pm (AEDT) on 31 March 2026 (**Option Expiry Date**). Any New Option not exercised before the Option Expiry Date will automatically lapse on the Option Expiry Date.

(d) Exercise Period

The New Options are exercisable at any time on or prior to the Option Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New 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) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (ii) issue a substitute Certificate for any remaining unexercised New Options held by the holder;
- (iii) if required, and subject to clause (h), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

(h) Restriction on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, 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 the Options may not be traded 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. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

(i) Shares issued under exercise

Shares issued on exercise of the New Options rank equally with the then issued Shares of the Company.

(j) Quotations of Shares issued on exercise

If admitted to the official list of the ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(k) Variation of Share Capital

If at any time the issued capital of the Company is reconstructed, the number of New Options and the Exercise Price will be adjusted in such a manner as the auditors for the time being of the Company will in writing advise the Directors to be in their opinion fair and reasonable.

(l) 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 New Options without exercising the New Options.

(m) Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(n) Quotation of Shares issued on exercise

If the Company is admitted to the official list of ASX at the time of the exercise of the New Options, application will be made by the Company to ASX for quotation of the Shares issued upon issue of Shares as a result of that exercise occurring.

(o) Unquoted

The Company will not apply for quotation of the New Options on ASX.

(p) Transferability

The New Options are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.