



ASX Announcement: 14 July 2020

## **GATEWAY RAISES \$7M TO ACCELERATE EXPLORATION AT GIDGEE GOLD PROJECT, WA – DRILLING UNDERWAY**

*Outstanding pipeline of existing and new targets to be systematically drill-tested together with targeted drilling to expand the current 240koz Mineral Resource*

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### **Key Points:**

- **Strongly supported \$7M share placement, underpinned by existing and new institutional, professional and sophisticated investors including major shareholder Kerry Harmanis.**
- **Drilling has re-commenced across several high-priority targets, including the follow up of high-grade drill intersections of:**
  - **13m @ 1.6g/t Au from 58m (Whistler South)**
  - **21m @ 2.1g/t Au from 32m and 13m @ 3.4g/t Au from 5m (Achilles)**
  - **2m @ 24.6g/t Au from 4m and 4m @ 11.82 g/t Au from 25m (Caledonian North)**
- **Drilling will target immediate expansions to the Company's Whistler Resource, while also focusing on the emerging potential of the Montague Granodiorite contact zone and a series of other exciting targets across the project.**
- **Share Purchase Plan to raise up to a further \$2M being considered, subject to board, shareholder and regulatory approvals.**

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has successfully completed a capital raising of A\$7 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next major phase of drilling and exploration at its flagship 100%-owned **Gidgee Gold Project** in Western Australia.

With maiden Mineral Resource estimates announced in October 2019 for its cornerstone Whistler and Montague Deposits, the new phase of drilling will focus on a range of high-priority targets ranging from resource expansion to greenfields opportunities – all aimed at establishing Gidgee as a substantial new Australian gold development project.

Gateway's Managing Director, Mr Peter Langworthy, said the strongly-supported capital raising was one of the most important in the Company's recent history, putting it in an outstanding position to fast-track exploration, and resource growth programs at Gidgee at an opportune time in the Australian gold sector.

"The placement, together with existing cash reserves and a potential share purchase plan which the Company is also currently preparing, will ensure that we can give the Gidgee Project the sort of systematic exploration focus and attention it deserves over the next two years," he said.

"The outstanding response from investors to this raising reflects the outstanding base we have already established at the Whistler and Montague deposits, the exceptional pipeline of targets we have delineated in recent months, and the opportunity to create a significant new gold asset in a Tier-1 location through successful exploration."

## Placement Details

The Placement, which comprised the issue of 437,500,000 shares at an issue price of \$0.016 per share, was overwhelmingly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

Canaccord Genuity (Australia) Limited acted as the Sole Lead Manager to the Placement (**Lead Manager**).

The Placement saw further support from the Company's largest shareholder, Mr Kerry Harmanis, who subscribed for A\$1.0 million of the Placement. The issue of shares to Mr Harmanis will be subject to shareholder approval under Tranche 2 as detailed further below.

The Placement will be issued in the following two tranches:

- 332,063,099 shares to institutional, professional and sophisticated investors using the Company's capacity under ASX Listing rule 7.1 and Listing Rule 7.1A which will not require shareholder approval (**Tranche 1 Shares**); and
- 105,436,901 shares subject to shareholder approval being obtained at a general meeting of shareholders comprising:
  - 86,374,401 shares to institutional, professional and sophisticated directors (which include shares subscribed for by Mr Kerry Harmanis); and
  - 19,062,500 shares to Directors of the Company or their nominees,

(Collectively, **Tranche 2 Shares**).

The issue of the Tranche 1 Shares is expected to occur on 21 July 2020. The Tranche 2 Shares will be issued immediately after the general meeting of shareholders (subject to shareholder approval). 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 as soon as possible.

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

As part consideration for assisting with the Placement, the Lead Manager will also receive 10,000,000 unquoted options in Gateway with an exercise price of \$0.024 per option and expiring on the third anniversary date of their issue (**Lead Manager Options**). The issue of the Lead Manager Options is subject to shareholder approval and will be issued at the same time as the Tranche 2 Shares.

## Use of Funds

The proceeds of the Placement will underpin the next phase of upcoming exploration at the Gidgee Project as part of the Company's strategy to expand on its maiden Mineral Resource estimates and accelerate exploration across the project. Key upcoming exploration activities will include:

- Systematic Reverse Circulation and diamond drill testing of the prospective north-western contact zone of the Montague Granodiorite;
- Systematic air-core drill testing of other regional targets to test the broader potential of the Montague Granodiorite contact;
- Systematic drill testing of prospective shallow gold targets identified from surface geochemical sampling; and
- Continued investment in quality datasets to allow for continued understanding and targeting of the Montague Gold System.

The proceeds will also be used for corporate and general working capital purposes.

## **Share Purchase Plan**

The Company is also pleased to announce that it intends to offer existing shareholders the opportunity to apply for new, fully paid ordinary shares in the Company under a Share Purchase Plan (**SPP**), and to potentially raise an additional amount targeting up to \$2 million.

Further details of any SPP will be announced in due course. Any SPP will be subject to any necessary board, regulatory and shareholder approvals as may be appropriate.

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

This release has been authorised by:  
Peter Langworthy  
Managing Director

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

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## **Competent Person Statement**

The information in this announcement that relates to Mineral Resources and exploration results have been extracted from various Gateway ASX announcements and are available to view on the Company's website at [www.gatewaymining.com.au](http://www.gatewaymining.com.au) or through the ASX website at [www.asx.com.au](http://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.