

ABN: 31 008 402 391
Level 11, 52 Phillips Street Sydney NSW 2000
GPO Box 225 Sydney NSW 2001
Tel: 61 2 8316 3998
Fax: 61 2 8316 3999
Website: www.gatewaymining.com.au



ASX Announcement: 26 August 2019

GATEWAY RAISES \$3.46M TO EXPAND GOLD EXPLORATION CAMPAIGN AT GIDGEE GOLD PROJECT, WA

Outstanding pipeline of existing and new targets to be systematically drill-tested in parallel with delivery of maiden Mineral Resource estimates and other growth initiatives

Key Points:

- Strongly supported \$3.46M share placement, underpinned by existing and new institutional, professional and sophisticated investors.
- Drilling to re-commence immediately across several high-priority targets.
- Maiden Mineral Resource estimates underway for the Whistler and Montague deposits.
- The next phase of drilling will target immediate extensions to these Resources, while also focusing on the emerging potential of the Montague Granodiorite contact zone, oxide potential at Victory Creek and a series of other exciting targets across the project.

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has successfully completed a capital raising of A\$3.46 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin a major new phase of drilling and exploration at its flagship 100%-owned Gidgee Gold Project in Western Australia.

With maiden Mineral Resource estimates already underway for its cornerstone Whistler and Montague Deposits (targeted for completion later this quarter), the new phase of drilling will focus on a range of high-priority targets ranging from advanced, resource-level to greenfields opportunities – all aimed at establishing Gidgee as a substantial new Australian gold development project.

Placement Details

The Placement, which comprised the issue of 230,966,664 shares at an issue price of \$0.015 per share, was strongly supported by existing and new investors including, subject to shareholder approval, by the Company's Directors.

The Placement was managed by JP Equity Partners.

As the participation of the Company's directors in the Placement is subject to shareholder approval, the Placement will be issued in the following two tranches:

- 210,966,664 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 and was undertaken in the following portions:

- (a) Listing Rule 7.1: 162,466,146 fully paid ordinary shares; and
- (b) Listing Rule 7.1A: 48,500,518 fully paid ordinary shares,

(Collectively, **Tranche 1 Shares**).

For personal use only

- 20,000,000 shares to Directors of the Company or their nominees, subject to shareholder approval being obtained at a general meeting of shareholders (**Tranche 2 Shares**).

Issue of the Tranche 1 Shares is expected to occur on Friday 30 August 2019. The Tranche 2 Shares will be issued immediately after the general meeting of shareholders (if approval is obtained).

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

For the purposes of Listing Rule 3.10.5A, the Company provides the following information with respect to the issue of securities under Listing Rule 7.1A:

- (a) The portion of Shares which were issued under Listing Rule 7.1A capacity represent a 4.25% dilution to current shareholders.
- (b) The Company elected to issue these shares under Listing Rule 7.1A capacity, as it did not have sufficient remaining capacity under Listing Rule 7.1 to cover the Placement.
- (c) There were no underwriting arrangements for the Placement.
- (d) Fees and costs associated with the Placement include:
 - (i) Payment of a 2% management fee on the total quantum raised under the Placement for lead management services, and a 4% capital raising fee on funds raised by the Lead Manager JP Equities Holdings; and
 - (ii) Other nominal administrative, share registry, ASX, ASIC and legal fees.

Use of Funds

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

- Drilling to test strike and depth extensions of the Whistler and Montague gold deposits following the completion of maiden JORC Mineral Resource estimates later this quarter;
- Drilling to test the recently identified southern extensions of the Whistler deposit, including the newly identified 1.25km prospective corridor along the Montague Granodiorite contact zone;
- Drill testing of other regional targets to test the broader potential of the Montague Granodiorite contact; and
- Initial testing of emerging shallow oxide targets such as Victory Creek.

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

Management Comment

Gateway's Managing Director, Mr Peter Langworthy, said the outstanding response to the capital raising from existing and new investors reflected the significant potential of the Gidgee Gold Project at an extremely opportune time in the Australian gold sector.

"With Australian Dollar gold prices touching record highs in recent weeks, there could not be a better time to be exploring and developing an Australian gold project in a Tier-1 location," Mr Langworthy said.

"The proceeds of this capital raising will put the Company in an extremely strong position, with the balance sheet strength to undertake a sustained, multi-pronged exploration program that we expect to deliver significant news-flow over the coming weeks and months.

“Importantly, we already have resource estimates underway for our two cornerstone deposits at Whistler and Montague, which we expect to finalise later this quarter – providing a strong foundation for the continued growth of this project.

“Planned drilling programs will commence immediately and will begin testing the significant number of outstanding targets we have generated, including immediate extensions of the Whistler and Montague deposits, the broader potential of the Montague Granodiorite and a number of emerging oxide opportunities on our tenements.

“I would like to thank existing and new investors for their support and participation in this milestone capital raising, which really sets Gateway Mining up for success.”

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

Peter Langworthy
Managing Director
For and on behalf of
GATEWAY MINING LIMITED

For personal use only