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ASX Announcement: 1 November 2021

\$6 MILLION CAPITAL RAISING TO ACCELERATE EXPLORATION AND RESOURCE GROWTH AT GIDGEE GOLD PROJECT, WA

Drilling to re-commence imminently to test exciting new growth targets with landmark Mineral Resource upgrade on track to be delivered before year-end

Key Points:

- **Strongly supported \$6M share placement.**
- **Underpinned by existing and new institutional, professional and sophisticated investors including major shareholder Kerry Harmanis.**
- **Drilling to resume at Gidgee in the coming weeks.**
- **Next phase of drilling will test exciting new targets such as Julias and Kashmir.**
- **Work continuing on upgrade to the existing 240koz Mineral Resource, due by the end of the year.**

Gateway Mining Limited (ASX: GML) (**Gateway** or **Company**) is pleased to advise that it has successfully completed a capital raising of A\$6 million (before costs) (**Placement**) to institutional, professional and sophisticated investors to underpin the next major phase of drilling, exploration and resource growth at its flagship 100%-owned **Gidgee Gold Project** in Western Australia.

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

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

"We are absolutely delighted with the exceptionally strong response to this important capital raising, which closed with bids well exceeding the \$6 million. We are also extremely grateful to our major shareholder Kerry Harmanis for his continued strong support of the Company."

"The proceeds will strengthen our treasury position to over \$9 million in cash and listed shares, putting us in an exceptionally strong position move through into 2022. Our aim is to build on the significant exploration success we have achieved over the past two years at Gidgee and maintain strong momentum moving forward. We expect to finalise and deliver a significant Mineral Resource upgrade in December. In parallel, we will resume drilling to test some of the exciting new targets we have announced recently, such as the Julias prospect, to build our growth pipeline for further resource growth into next year and beyond."

"With a strengthened balance sheet and clear vision for how we plan to move Gidgee to the next level as an emerging mid-tier gold asset, this is a very exciting time for Gateway."

Placement Details

The Placement, which comprises the issue of 352,941,178 shares at an issue price of \$0.017 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 two (2) basis, with each New Option being exercisable at \$0.03 and expiring on 15 December 2024. 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 176,470,589 New Options are expected to be issued (subject to rounding).

The Placement was Co-Lead Managed by Enrizen Capital and JP Equities (**Lead Manager**).

The Directors have committed their support for the Placement. Mark Cossom, Trent Franklin and Scott Brown (and or their nominees) have subject to shareholder approval agreed to invest a collective total of \$272,625 under the Placement being 16,036,784 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 5 November 2021.

The New Shares issued to Directors and related parties under the Placement and all attaching New Options under the Placement 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 as soon as possible.

The offer price of \$0.017 represents an 8% discount to the 15-day VWAP of \$0.0185 and a 6% discount to the last closing price of \$0.018.

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 drilling at the Company's 100%-owned Gidgee Gold Project which is planned to re-commence imminently. The proceeds will also be used for further technical studies, including first-pass metallurgical and geotechnical test work.

Key upcoming exploration activities will include programs to target both along strike extensions to identified shallow mineralisation as well as first-pass testing of significant new areas of the Montague granodiorite contact:

- Further in-fill drilling along strike of the Achilles North target, including initial metallurgical testwork;
- Systematic drilling prioritising the evaluation of the exciting air-core results from the Julias target. RC drilling to commence in late November and further air-core drilling early next year to continue testing along strike to the northeast;
- RC drill testing of the Kashmir target, directly along strike from the 204koz Howards deposits (ASX: HRN), with a 2.5km long soil anomaly and first-pass RC results of 2m @ 7.9g/t Au and 1m @ 8.8g/t Au, as well as extensions along the almost 8km of strike of the eastern margin of the Montague Granodiorite;
- RC drilling to test the Monarch anomaly, with extensive historic workings and rock chip samples up to 17.8g/t Au;
- Drilling along strike south of the Montague-Boulder Mineral Resource; and
- Air-core and RC drilling to test the resource potential and extensions around the historic Caledonian open pit.

The proceeds will also be used for 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**

Investors

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or

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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 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.

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 \$0.03.

(c) Expiry Date

The New Options will, except to the extent earlier exercised, expire at 5:00 pm (AEDT) on 15 December 2024 (**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) 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, or if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; 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.

If a notice delivered under (g)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued under exercise**

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

(i) **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.

(j) **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.

(k) **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.

(l) **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.

(m) **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.

(n) **Unquoted**

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

(o) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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