

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

THETA GOLD MINES LIMITED

ABN

30 131 758 177

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (ASX: TGM) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 22,777,777 Fully paid ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Pari passu with existing fully paid ordinary shares, except 555,555 shares are escrowed to 23 November 2019 and 22,222,222 shares are escrowed to 31 December 2019 pursuant to the terms of the Subscription Agreements announced on 4 May 2018 and 12 November 2018 respectively |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, except 555,555 shares are escrowed to 23 November 2019 and 22,222,222 shares are escrowed to 31 December 2019 pursuant to the terms of the Subscription Agreements announced on 4 May 2018 and 12 November 2018 respectively
5	Issue price or consideration	\$0.09 per share (total \$2,050,000)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Share placements pursuant to Subscription Agreements announced on 4 May 2018 and 12 November 2018. Funds raised for exploration expenditure and general working capital.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	22,777,777 Fully paid ordinary shares

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	Nil
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1 – 6,377,530 shares Listing Rule 7.1A – 31,624,191 shares (See attached Annexure 1 for further details)
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	31 January 2019

8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		356,696,568	Fully paid ordinary shares
		31,429,663	Options exercisable at \$0.30 each, on or before 31 Oct 2020

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Refer Annexure 2
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by	N/A

+ See chapter 19 for defined terms.

sale through a broker)?

33 +Despatch date

N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 31 January 2019
Company Secretary

Print name: Chin Haw Lim

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	225,071,025
Add the following: - Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	11,159,526 Shares on 01/02/2018 1,742,872 Shares on 20/04/2018 9,090,909 Shares on 10/05/2018 9,090,909 Shares on 05/06/2018 3,542,969 Shares on 14/08/2018 10,289,121 Shares on 23/08/2018 25,143,471 Shares on 23/08/2018 5,555,556 Shares on 19/09/2018 15,555,556 Shares on 19/09/2018 Total: 91,170,889
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	316,241,914

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	47,436,287
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 Note: <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	454,546 Shares on 14/08/2018 604,211 Options on 14/08/2018 17,222,223 Shares on 23/11/2018 22,777,777 Shares on 30/01/2019
“C”	41,058,757
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	47,436,287
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	41,058,757
Total [“A” x 0.15] – “C”	6,377,530 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	316,241,914
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	31,624,191
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	31,624,191
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	31,624,191 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Appendix 3B - Annexure 2

THETA GOLD MINES LIMITED

UNLISTED OPTIONS AND PERFORMANCE RIGHTS

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
2,000,000		\$0.15	22 Mar 2019
500,000		\$0.25	19 Jul 2019
222,223		\$0.30	15 Aug 2019
614,449		\$0.30	21 Aug 2019
1,000,000		\$0.30	22 Aug 2019
274,449		\$0.30	1 Sep 2019
1,050,000		\$0.15	12 Oct 2019
2,000,000		\$0.20	12 Oct 2019
1,000,000	Company achieving a market capitalisation of greater than \$25,000,000 for a period of 10 consecutive trading days	\$0.20	12 Oct 2019
500,000	Recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant	\$0.20	12 Oct 2019
500,000	Production from the Group's operations reaching 40,000 tonnes per month yielding 2,000 ounces of gold per month at a cost of less than USD750 per ounce for a period of 3 consecutive months	\$0.40	12 Oct 2019
3,500,000		\$0.40	12 Oct 2019
727,970		\$0.19	15 Jan 2020
1,000,000		\$0.25	18 Jan 2020
1,000,000		\$0.30	18 Jan 2020
3,500,000		\$0.20	30 Apr 2020
604,213		\$0.19	13 Aug 2020
2,000,000	20 day VWAP above \$0.025. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 Jul 2022
2,200,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.35	19 July 2022
2,200,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.40	19 July 2022
200,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
150,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.35	19 July 2022
150,000	20 day VWAP above \$0.040. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.40	19 July 2022

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
1,500,000	Achievement of Milestone 1. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
1,000,000	Achievement of Milestone 3 and Pre-Feasibility Study IRR (pre-tax) is greater than or equal to 40%. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
2,000,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
250,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
350,000	20 day VWAP above \$0.025		19 July 2022
350,000	20 day VWAP above \$0.030		19 July 2022
350,000	20 day VWAP above \$0.035		19 July 2022
375,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 40%		19 July 2022
175,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 50%		19 July 2022
500,000	Market capitalisation above \$125,000,000 for a consecutive 5 day period		19 July 2022
35,743,304			

20 Day VWAP means the average of the daily volume weighted average price of all sales of Shares recorded on ASX over a 20-day period, not including:

- (a) any transaction classified under the ASX's Market Rules as a "Special Crossing";
- (b) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase;
- (c) any overseas trades or trades pursuant to the exercise of options over Shares; or
- (d) any overnight crossings.

Milestone 1 means obtaining sufficient capital expenditure financing (debt and/or equity) to enable the Group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, Milestone 1 will be deemed to have been achieved upon the first, actual drawdown of the relevant loan.

Milestone 2 means the achievement of Stage 1 production on budget. Milestone 2 will be deemed to have been achieved at the end of 90 days into Stage 1 production, provided that at that point the production is on budget.

Milestone 3 means completion to pre-feasibility standards, of a second study to demonstrate profitable production of not less than 70,000 ounces of gold or gold equivalent on an annualised basis.