



3 March 2020

ASX ANNOUNCEMENT

## THETA PROJECT DEVELOPMENT UPDATE

### Highlights

#### Mining Contract

- Draft mining contract completed with preferred mining contractor
- Draft mining costs in line with costs released on 16 May 2019 Feasibility Study
- Final contract expected H1 2020

#### Plant Construction

- Tender documents issued for plant construction on an Engineering, Procurement, Construction (EPC)/Lump Sum Turnkey (LSTK) basis
- Tender based on the Plant Optimisation Study design work with throughput increased to 600 ktpa as per ASX announcement 28 Jan 2020
- Designs for Tender have incorporated the 2.5 MW ball mill purchased in October 2019

#### Mining Right 83 (MR83)

- Environmental Impact Assessment submitted to Department of Mineral Resources and Energy (DMRE) for amendment to MR83 from underground to open pit mining
- DMRE's decision expected by mid-Q2

Theta Gold Mines Limited ("Theta Gold" or "Company") (ASX: TGM, TGMO | OTCQB: TGMGF) is pleased to announce continued strong project development progress including that the Plant Construction Tender process has commenced for the 600,000tpa process plant. All required Environmental Impact Assessment (EIA) studies and documentation have been submitted to DMRE for amendment of MR 83 for open-pit mining. A mining contract is now being finalized with the preferred mining contractor.

**Draft Mining Contract.** The Company has been working with Minxcon and a South African owned and based mining contractor group. This work has included matching and fine-tuning the mining schedule in relation to the recently announced increase in process production capacity to 600,000tpa and accordingly revising the schedule of rates. The mining costs developed for the 600,000tpa mining schedule are in line with those developed in the Feasibility Study released on 16 May 2019. The next steps will be further detailed negotiations with the selected Mining Contractor to finalise all legal, commercial and technical aspects required before final sign off.

**Plant Construction Tender.** The design work supporting the Tender has been prepared by METS Engineering SA (Part of the UMS Group) following plant design optimization work announced on 28 Jan 2020. Plant design caters for ready expansion of up to 1.2mtpa as the project grows. The design incorporates the newly purchased (October 2019) 2.5 MW ball mill. As part of this design work, METS and the Company have also delivered sufficient detail to allow for a Tender based on a Lump Sum Turnkey (LSTK) basis.

The Company expects to complete the plant build tenders by late Q2 of 2020.

**Environmental Impact Assessment (EIA)** for Mining Right 83 (The amendment for MR83 from underground to open-pit) “Starter Theta Open-pit Project” has been submitted for approval by the Department of Mineral Resources and Energy (DMRE). A decision is expected by mid-Q2 of 2020.

The permitting process is ongoing until the DMRE makes the final decision. In South Africa, active engagement is required with all stakeholders and the Company has gone above and beyond in its Public Participation Process to include as wide a stakeholder community as possible. The DMRE will make an independent assessment based on EIS content and stakeholder comments. The permitting risk of MR83 is mitigated by the Company having multiple pits.

**Chairman Mr Bill Guy stated,** “The Company has achieved some key milestones in developing the project. Starting tendering for the plant construction, submission of EIA for “Starter Theta Open-pit Project” and completion of the draft mining contract. We’re very pleased that the mining contract supports the Feasibility Study costings.

Following the previous announcements for the successful optimization plant design study and the purchase of the 2.5MW ball mill, the Theta Project continues to progress towards production.

This announcement was authorised for release by Mr Bill Guy, Chairman.

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**ABOUT THETA GOLD MINES LIMITED**

Theta Gold Mines Limited (ASX: TGM, TGMO | OTCQB: TGMGF) is a gold development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.

Theta Gold’s core project is located next to the historical gold mining town of Pilgrim’s Rest, in Mpumalanga Province, some 370km northeast of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province). Following small scale production from 2011 – 2015, the Company is currently focussing on the construction of a new gold processing plant within its approved footprint at the TGME plant, and for the processing of the Theta Open Pit oxide gold ore. Nearby surface and underground mines and prospects are expected to be further evaluated in the future.

The Company aims to build a solid production platform to over 150kozpa based primarily around shallow, open-pit or adit-entry shallow underground hard rock mining sources. Theta Gold has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

Theta Gold holds 100% issued capital of its South African subsidiary, Stonewall Mining (Pty) Ltd (“Stonewall”). Stonewall holds a 74% shareholding in both Transvaal Gold Mining Estates Limited (“TGME”) and Sabie Mines (Pty) Ltd (“Sabie Mines”). The balance of shareholding is held by Black Economic Empowerment (“BEE”) entities. The South African Mining Charter requires a minimum of 26% meaningful economic participation by the historically disadvantaged South Africans (“HDSAs”). The BEE shareholding in TGME and Sabie Mines is comprised of a combination of local community trusts, an employee trust and a strategic entrepreneurial partner.



## **DISCLAIMER**

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## **FORWARD LOOKING AND CAUTIONARY STATEMENTS**

This announcement may refer to the intention of Theta Gold regarding estimates or future events which could be considered forward looking statements. Forward looking statements are typically preceded by words such as “Forecast”, “Planned”, “Expected”, “Intends”, “Potential”, “Conceptual”, “Believes”, “Anticipates”, “Predicted”, “Estimated” or similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, and may be influenced by such factors as funding availability, market-related forces (commodity prices, exchange rates, stock market indices and the like) and political or economic events (including government or community issues, global or systemic events). Forward looking statements are provided as a general reflection of the intention of the Company as at the date of release

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The Feasibility Study referred to in this announcement is based on technical and economic assessments to support the estimation of Ore Reserves. There is no assurance that the intended development referred to will proceed as described, and will rely on access to future funding to implement. Theta Gold believes it has reasonable grounds the results of the Feasibility Study. At this stage there is no guarantee that funding will be available, and investors are to be aware of any potential dilution of existing issued capital. The production targets and forward looking statements referred to are based on information available to the Company at the time of release, and should not be solely relied upon by investors when making investment decisions. Theta Gold cautions that mining and exploration are high risk, and subject to change based on new information or interpretation, commodity prices or foreign exchange rates. Actual results may differ materially from the results or production targets contained in this release. Further evaluation is required prior to a decision to conduct mining being made. The estimated Mineral Resources quoted in this release have been prepared by Competent Persons as required under the JORC Code (2012). Material assumptions and other important information are contained in this release.