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ASX ANNOUNCEMENT

THETA SELECTS DIGMIN AS PREFERRED MINING CONTRACTOR

Theta Gold Mines Limited (“Theta” or “Company”) (ASX: TGM, TGMO | OTCQB: TGMGF) is pleased to announce a key project development milestone for the Starter Theta Project has been achieved with the selection of an experienced and respected mining contractor in order that the Company is positioned to rapidly advance trial mining activities.

After a comprehensive tendering process, Digmin Group (‘Digmin’) has been selected. The Digmin Group has a solid track record providing contract mining services throughout Africa and also provides bulk earthworks, roads and civils, mine infrastructure development as well as surface and underground drilling services. Digmin is a proven contract miner currently engaged in a number of gold, copper, niobium and coal projects across the African continent. To date, the group has completed over US\$2 billion worth of civil and mining works in South Africa alone. Further information is available at www.digmingroup.com.

The selection of Digmin will allow Theta to rapidly mobilise trial mining operations. These operations are expected to commence once final permitting has been achieved (environmental authorisation for open pit mining on Theta’s existing underground mining right). This authorisation is expected to be received in the near term in Q4 2020.

A summary of the works Digmin will undertake is referenced in Appendix A.

Theta Chairman Mr Bill Guy stated, *“The Company has delivered another key milestone in the development of the Theta Project with Digmin selected as our preferred mining contractor. They have intimate knowledge of the Theta Open Pit Project having spent many months with our mining team in order to deliver a well costed schedule of works which presently remain in line with our May 2019 Feasibility Study costs.”*

“Having a reputable, experienced mining contractor on board adds significant credibility and will assist in financing the project development as it provides potential project financiers, of which there are several still under consideration, comfort in terms of execution and cost management.”

“The Digmin team will be a strong partner for us in South Africa and they have in-depth knowledge of the Pilgrim’s Rest area with their founder living only 40 km from the Theta Project. Digmin’s broad range of capabilities including mining, rehabilitation, civil and road works, and open pit and underground drilling give Theta’s project development team the flexibility to now focus on the successful build and operation of the Theta Open Pit Project.”

“We are making excellent progress in a number of critical project development initiatives. There is broad enthusiasm at a community and government level for the Theta Project and we are now

at the point where significant value will start to be realised. I look forward to keeping shareholders abreast of our developments.”



Figure 1: TGME and Digmin Directors at Barlows-Caterpillar Equipment Johannesburg

Trial Mining and Civils

Post final permitting, a trial mining phase is planned for the end of 2020 (permit dependent), where two box cuts will be mined in the future Iota and Browns Hill pits, during which final mining equipment and grade control practices will be selected. Following the trial mining phase, it is anticipated that Digmin will also do some of the bulk earthworks and civils as part of the project infrastructure establishment.

Post permitting of MR83 and trial mining, the final mining contract is expected to be negotiated with Digmin. Synergies between different EPC contractors will also be explored which potentially could reduce the overall and already low capital cost of the project.

Digmin have also agreed to partner with Theta to facilitate local employment and social upliftment programs in the small Pilgrim’s Rest community. Residents have been eagerly awaiting this progress towards an official start of construction and mining in the area.

The Company has also made good progress with the first stage 600,000tpa gold plant construction tender process, based on a Lump Sum Turnkey (LSTK) contract. An announcement is expected to be made in Q3 2020.



Figure 2: Digmin - Production Drilling at New Luika Gold Mine Tanzania for Shanta Gold

This announcement was authorised for release by the Board of Directors.

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Appendix A: Aspects of provisional mining contract review as quoted by Digmin Mining Engineers

Production Profile	The 600kt per annum scope, as per the optimised Feasibility Study, has been confirmed, and further ramp-up is fully feasible.
Digmin Qualifications	<ul style="list-style-type: none"> • Their excellent safety culture and track record, and a commitment to social upliftment programs in the areas where they operate, makes Digmin very suitable as a key Theta Gold Mines partner. • Digmin management offers collective experience of over 250 years in Africa, with excellent depth in operational personnel, who are all well trained and incentivised. • They are able to mobilize trial mining equipment from their existing fleet, while procuring long-lead machinery timeously for full scale mining. • There is good depth in their industry network, from which Theta Gold Mines can draw when required, and which provides flexibility in the mining methods and equipment that can be utilised. • Apart from mining contract services, Digmin also provides bulk earthworks, roads and civils, mine infrastructure development as well as surface and underground drilling services, which provide Theta Gold Mines with cost effective mobilisation synergies for current and future projects.
Mining Cost	<p>Digmin has concluded a highly detailed study of the scope of the project, and the rates at which they can supply all the required mining services. The rates supplied are in line with the feasibility study rates, which will be further refined during trial mining before final contracting is concluded.</p> <p>Items reviewed and costed by Digmin:</p> <ul style="list-style-type: none"> • P & G – management, operations support and camp site • Site and camp site establishment • Mobilisation • Organogram and labour cost • Grubbing and topsoil • Haul roads and terracing • Ripping rates – dozer and xcentric ripper • Loading – ore and waste • Hauling – ore and waste • Plant feed and material handling • Waste rock dump maintenance and rehabilitation • Mining equipment and day rates • Earthworks, civils and construction • Fuel usage
Mining Method	The application of the modified terrace mining method has been confirmed in terms of rippability of different rock types and mining production rates. Dozer and xcentric ripping will be utilized, with nonex blasting where required. The mining method, together with the grade control practices will also be further enhanced during trial mining.
Plant Feed and Tailings Disposal	A simplified run-of-mine plant feed arrangement is planned, and mining trucks will be optimised by hauling filtered tailings on return trips to the tailings dump.
Waste Rock Disposal	Backfilling of waste rock into mined-out voids will be optimised to minimise hauling distances, dozing and dump shaping, as well as rehabilitation requirements.

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 160kozpa 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.



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