

THETA

GOLD MINES

31 July 2020

ASX ANNOUNCEMENT

QUARTERLY REPORT 1 APRIL TO 30 JUNE 2020

Theta Gold Mines Limited (“Theta Gold” or “Company”) (ASX: TGM, TGMO | OTCQB: TGMGF) is pleased to report on its activities for the period from 1 April 2020 to 30 June 2020.

The Company has made good progress in bringing the Theta Project towards production. The in-country team is operational and currently busy planning geotechnical work programs, progressing the tender process for the plant build, finalizing permit documents and planning trial mining box cuts towards the end of the year. Over the next two quarters the Company expects to derisk phase 1 of the Theta Open Pit Starter Project.

HIGHLIGHTS

- Optimisation Study of Theta Open Pit Starter Project completed, showing significantly improved economics
- Digmin selected as Preferred Mining Contractor
- Oversubscribed Share Placement raised A\$4.0M
- OTC Listing – DTC Eligibility Approved - Exposure to US Market
- The Mayor and over 5,000 local residents signed a petition in support of Theta Gold’s open pit and underground gold mining operations
- Delineation the company strategy - 5 year Plan to bring 4 gold mines on stream targeting a sustainable production profile of >160,000oz per annum

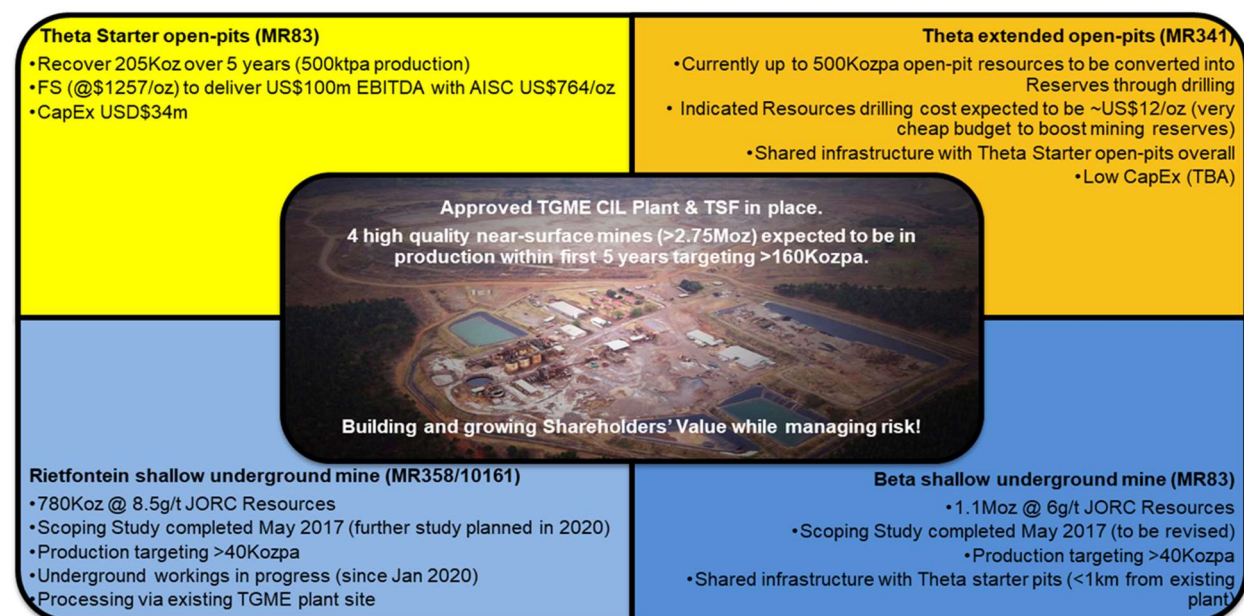


Figure 1: 5 Year Plan and target Production profile

SUMMARY OF JUNE QUARTER 2020

The Company is pleased with the continued strong project development progress including completion of an optimisation study on the Theta Open Pit Starter Project, nomination of Digmin Group (“Digmin”) as the preferred mining contractor and gaining access to US investment markets through DTC eligibility. The pre construction tender process is ongoing for the 600,000tpa process plant. The Company has updated the environmental authorisation documentation to reflect the optimized study for Department of Mineral Resources and Energy (DMRE) assessment.

Optimised Theta Open Pit Starter Project

During the quarter, the Company released the results of an optimisation study for the Theta Open Pit Starter Project (ASX announcement 24 April 2020). The study incorporates a new optimised mine schedule that includes the mining of several old mine waste rock dumps and allows for an increase in the production rate from 500ktpa to 600ktpa. The recently acquired 2.5 MW ball mill, which has a capacity of up to 1.2Mtpa, was also incorporated into the study. This ball mill will provide the flexibility to expand as the project grows.

The result of the study is a significant improvement over the May 2019 Feasibility Study (“May ’19 FS”) and adds 40,000 oz of gold to the life of mine plan. The table below sets out the comparison of the May ’19 FS to the Optimised Study at various gold price scenarios. Salient details between the Optimised Study run at US\$1,500/oz vs the May ’19 FS base case at US\$1,257/oz include:

1. The IRR nearly doubling from 65% to 123%;
2. Mine life increases from 5 years to over 6.5 years;
3. EBITDA increases by US\$50 million over the LoM to US\$150 million; and
4. NPV₅ increases by US\$35 million to US\$85 million.

Optimised Study compared May ’19 FS

Real Discount Rate	Unit	Lower Case US\$1 369/ oz	Base Case US\$1 500/ oz	Stretch Case US\$1 600/ oz	May ’19 FS US\$1 257/ oz
NPV @ 5%	USDm	61	85	104	50
Internal Rate of Return (IRR)	%	92.7%	123.0%	157.2%	65.1%
Total ounces in Mine plan (Annexure A)	oz	259 607	259 607	259 607	219 425
Total Oz Recovered	oz	234 063	234 063	234 063	200 905
Average Payback Period (From Start of Production)	Month	9	8	6	14
Total Capital Requirement	USDm	31.4	31.4	31.4	34.3
All In Sustaining Cost (AISC)	USD/oz	911	855	822	760
Return on investment	USDm	206%	350%	476%	182%
EBITDA over LOM	USDm	108.5	150.2	181.4	99.6
Gold Price	USD/oz	1 369	1 500	1 600	1 257
Exchange Rate	ZAR/USD	14.64	16.00	17.00	14.01

Preferred Mine Contractor

After a comprehensive tendering process, 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 Gold's existing underground mining right). This authorization is expected to be received in the near term in Q4 2020.

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.

Digmin have also agreed to partner with Theta Gold 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.



Figure 2: TGME and Digmin Directors at Barlows-Caterpillar Equipment Johannesburg



Figure 3: Digmin contract mining at New Luika Gold Mine, Tanzania

MINING RIGHT 83 (MR83) ENVIRONMENTAL AUTHORISATIONS

As part of the approval process for a mining right, the Mineral and Petroleum Resources Development Act, No. 28 of 2002 and in terms of the One Environmental System, an application for, and approval of, Environmental Authorisation is required. This EA comprises a complete Environmental Management Programme Report (“EMPR”), incorporating an Environmental Impact Assessment (“EIA”) and Environmental Management Programme (“EMP”), which must be submitted and approved. The general process is described below.

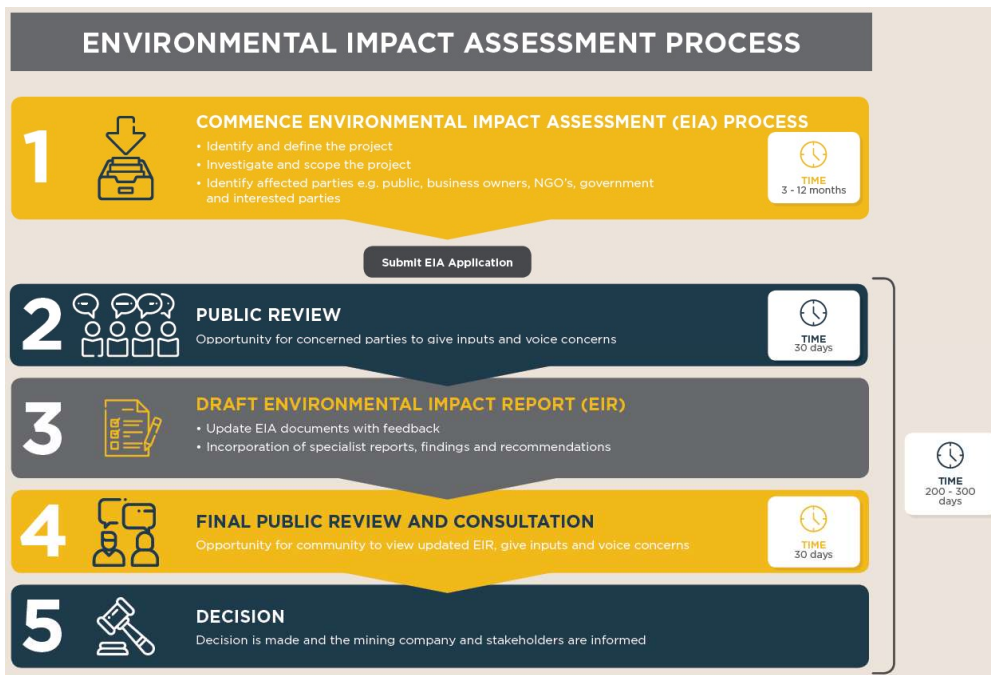


Figure 4: Simplified Environmental Authorisations Process and Timeline

The Theta Project is situated on MR83 and has some additional resources in the adjacent MR341 to the south. MR83 is an approved and executed mining right and has an approved Environmental Authorisation for underground mining activities, as well as approval for processing of ore and deposition of residues onto an existing tailings dam.

In order to bring in open cut mining approvals, the Company is required to gain an approved amendment to MR83 and complete an EIA process. The Company has updated the environmental authorisation documentation to reflect the optimized study for Department of Mineral Resources and Energy (DMRE) assessment.

LOCAL COMMUNITY SUPPORT FOR COMPANY

Five Thousand three hundred and thirty-four Local Residents signed a petition of support for Theta Gold's open pit and underground gold mining operations

Theta Gold thanks the Local Mayor and the local residents of Pilgrim's Rest for their letters of support for mining operations. The 5,334 local residents signed a petition of support, to support Theta Gold in re-establishing mining operation (Open pit & underground) in the local region. The petition was welcomed by the community as a strong voice of support in the regional effort to boost the local economy which suffers from high levels of unemployment, well above the national average.

The Mayor's Letter and the petition will be presented to member of government formally at a later date. Importantly this fulfils the "Equator Principle" requirement of full and informed consent of local people. The local population is small, being a rural community, but has been exposed to mining for 150 years as part of the local heritage.

TGME underground operations and gold processing only ceased in 2015. The community and local businesses have been partnering with TGME and other historical mining companies around Pilgrim's Rest for more than a century. The local township of Schoonplaas attached to Pilgrim's Rest was originally built to provide accommodation for the local mining industry as was much of Pilgrim's Rest.

The Company continues to be actively involved in various Pilgrim's Rest social projects including Local School Support, Cooking and Heating Fuel for Community, School Infrastructure Repairs and the Sabie Feeding Scheme.

TGME has been working with the local Primary School Headmaster in Pilgrim's Rest and teachers to support the school for more than 5 years. In addition to TGME paying for three teachers, an administration person and all printing needs, the company has also embarked on other activities to assist this school with the following:

- Assisting with school water issues. The company is working with the school to ensure there is a permanent water supply
- Company engineering group is assisting with maintenance of school facilities
- Providing extra educational toys and learning equipment



Figure 5: Company Staff (in red) and TGME CEO George Jenkins (grey shirt) at the local school

CORPORATE

Cash Position and Funding

As at 30 June 2020, the Group had US\$148,000 in cash.

Subsequent to the end of the quarter, the Company raised A\$4,000,100 (before costs) from a share placement of 16,667,084 fully paid ordinary shares at an issue price of \$0.24 per share. The share placement was partly settled on 27 July 2020 with the issue of 12,500,417 shares for total subscription money of A\$3,000,100. The balance of the placement is expected to be settled in August 2020.

OTC Markets – DTC Eligibility Application

The Company's shares are dual listed on the ASX and the OTCQB market in the United States (ASX: TGM, TGMO | OTCQB: TGMGF), with the primary listing being on the Australian Securities Exchange.

As announced on 20 July 2020, the Company has received approval for its shares listed on the OTCQB market to be eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States.

DTC is a subsidiary of The Depository Trust & Clearing Corporation, part of the US Federal Reserve System that manages the electronic clearing and settlement of publicly traded companies. DTC eligibility is expected to simplify the process of trading and enhance liquidity of the Company's shares on the OTCQB by greatly broadening the pool of brokerage firms that will allow their

clients to trade the stock. Online brokers such as Ameritrade, Fidelity Investments, Charles Schwab, Tradestation and Etrade all offer OTCQB trades.

Three advantages of trading TGMGF stock are:

1. Trades and settlements in US Dollars (USD);
2. Trading in the North American timezone; and
3. TGMGF is the same class of Ordinary Shares to ASX traded stock (ASX: TGM), not a synthetic. The shares are simply registered in two different Registries.

Relocation of Registered and Principal Offices

With effect from 1 July 2020, the Company offices are located at –

Suite 80, Level 35 (Servcorp)
International Tower One
100 Barangaroo Avenue
Sydney NSW 2000
Telephone: 61 (02) 8046 7584

Managing Director Stepping Down

As announced on 11 May 2020, the Managing Director, Mr Robert Thomson, will step down from executive duties with effect from 5 August 2020. Mr Thomson will remain on the Board as a non-executive director.

The Company's project activities in South Africa continue uninterrupted under TGME CEO, Mr George Jenkins, based at the minesite.

Capital Structure

The following are movements in the capital structure since the end of the previous quarter and up to the date of this report –

- a) 4,650,000 fully paid ordinary shares were issued on 29 April 2020 at \$0.20 each;
- b) 2,325,000 listed options (ASX: TGMO) exercisable at \$0.30 each on or before 31 October 2020 were issued on 29 April 2020;
- c) 2,325,000 unlisted options exercisable at \$0.40 each on or before 27 April 2022 were issued on 29 April 2020;
- d) 258,948 fully paid ordinary shares were issued on 10 July 2020 at \$0.19 each following the exercise of options expiring on 13 August 2020;
- e) 12,500,417 fully paid ordinary shares were issued on 27 July 2020 at \$0.24 each;
- f) 400,000 unlisted options exercisable at \$0.35 and \$0.40 each have lapsed.

The current capital structure of the Company is as follows –

	Number
Fully paid ordinary shares (ASX: TGM OTCQB: TGMGF)	454,415,950
Listed options exercisable at \$0.30 each on or before 31 October 2020 (ASX: TGMO)	33,754,663
Unlisted options and performance rights (Refer Appendix A)	27,870,265

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

For more information please visit www.thetagoldmines.com or contact:

Bill Guy, Chairman

Theta Gold Mines Limited

T: +61 2 8046 7584

billg@thetagoldmines.com

United States - Michael Porter, Porter, LeVay & Rose Inc: +1 212 564 4700,
theta@plrinvest.com

Mineral Resource - Theta Project MR 83

Mineral Resource Category in LoM Plan	Pit	Grade	Reef Tonnes	Au Content	
		g/t	kt	kg	oz
Indicated	Browns Hill	2.30	489	1 124	36 135
Inferred		2.03	181	368	11 831
Subtotal		2.23	670	1 492	47 967
Indicated	Iota section of Columbia Hill	2.38	1 696	4 033	129 673
Inferred		5.53	83	457	14 694
Subtotal		2.53	1 778	4 490	144 367
Indicated	Theta Hill	1.60	557	891	28 662
Inferred		1.32	438	579	18 604
Subtotal		1.48	995	1 470	47 266
Indicated	Dumps	-	-	-	-
Inferred		1.49	418	622	20 007
Subtotal		1.49	418	622	20 007
Total Indicated		2.21	2 741	6 049	194 470
Total Inferred		1.81	1 119	2 026	65 137
Total		2.09	3 861	8 075	259 607

Notes:

1. Theta Project (Theta Hill, Browns Hill and Iota) cut-off is 0.35 g/t;
2. The gold price used for the cut-off calculations is USD 1,500/oz;
3. Geological losses applied are 10% for inferred and 5% for Indicated and Measured;
4. Theta Hill and Browns Hill - Upper Theta Reef, Lower Theta Reef and Beta Reef are diluted grades over 100 cm;
5. Geological losses applied are, 10% for inferred and 5% for Indicated and Measured;
6. Historical mine voids have been depleted from the Mineral Resource;
7. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Ore Reserves;
8. Mineral Resource fall within the mining right 83MR and 341MR.
9. No Geological losses applied to dumps
10. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Ore Reserves;

JORC Global Mineral Resources

Mineral Resources for Underground Operations as at 1 May 2019

Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Measured	Frankfort	Bevetts	7.13	5.37	73	103	520	0.069	0.091	489	15.7
Total Measured			7.13	5.37	73	103	520	0.069	0.091	489	15.7
Indicated	Frankfort	Bevetts	7.86	5.13	58	96	452	0.243	0.373	1,912	61.5
	CDM	Rho	13.19	3.80	23	90	307	0.258	0.895	3,401	109.4
	Beta	Beta	21.66	6.58	23	90	499	0.716	2.357	15,506	498.5
	Rietfontein	Rietfontein	14.57	8.20	52	92	755	0.517	0.919	7,534	242.2
	Vaalhoek	Vaalhoek	13.90	6.34	36	90	499	0.064	0.140	887	28.5
	Olifantsgeraamte	Olifantsgeraamte	16.97	4.62	25	90	416	0.026	0.091	422	13.6
Total Indicated			16.26	6.21	36	91	591	1.824	4.774	29,661	953.7
Total Measured & Indicated			15.93	6.20	38	91	600	1.893	4.865	30,150	969.4

Resource Classification	UG Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Inferred	Frankfort	Bevetts	7.41	4.27	48	93	356	0.343	0.596	2,543	81.8
	CDM	Rho	10.06	3.02	24	90	244	0.544	1.811	5,472	175.9
	Beta	Beta	16.51	5.43	25	90	414	1.107	3.367	18,285	587.9
	Rietfontein	Rietfontein	14.06	8.52	57	94	803	1.190	1.962	16,721	537.6
	Olifantsgeraamte	Olifantsgeraamte	18.33	4.68	23	90	422	0.059	0.248	1,162	37.3
	Vaalhoek	Vaalhoek	16.28	4.77	22	90	361	0.873	2.980	14,209	456.8
	Vaalhoek	Thelma Leaders	12.18	9.47	96	123	1166	0.023	0.030	284	9.1
	Glynns Lydenburg	Glynns	15.87	5.19	25	90	397	3.218	9.833	51,078	1,642.2
	Ponieskrantz *	Portuguese	13.26	3.99	22	90	287	0.064	0.213	849	27.3
	Frankfort Theta*	Theta	7.22	3.24	34	90	244	0.099	0.220	714	23.0
	Nestor*	Sandstone	5.54	2.92	41	90	225	0.101	0.193	562	18.1
Total Inferred			14.68	5.22	31	91	458	7.622	21.452	111,880	3,597.0

Note: * Manual Mineral Resources

Mineral Resources for Open Pit Operations as at 1May 2019

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Hermansburg	Elluvial	1.79	0	0	0.505	905	29.1
	DG1	Elluvial	1.37	0	0	0.159	217	7.0
	DG2	Elluvial	0.76	0	0	1.174	892	28.7
	Vaalhoek	Vaalhoek	17.25	33	574	0.111	1920	61.7
	Theta & Browns Hill	Shale	1.02	200	204	0.439	402	12.9
	Theta & Browns Hill	Bevetts	1.10	221	244	0.891	886	28.5
	Theta & Browns Hill	Upper Theta	2.41	100	241	0.724	1568	50.4
	Theta & Browns Hill	Lower Theta	3.70	100	370	0.888	2956	95.0
	Theta & Browns Hill	Beta	2.49	100	249	0.383	859	27.6
	Iota	Bevetts	2.89	114	330	0.105	303	9.7
	Iota	Upper Rho	2.43	393	956	0.808	1965	63.2
	Iota	Lower Rho	2.51	550	1381	0.815	2047	65.8
	Iota	Upper Theta	1.08	114	123	0.158	171	5.5
Total Indicated			2.11	179	378	7.161	15,091	485.2

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Hermansburg	Elluvial	0.88	0	0	0.110	97	3.1
	DG1	Elluvial	2.95	0	0	0.293	864	27.8
	DG5	Elluvial	0.76	0	0	0.101	77	2.5
	Vaalhoek	Vaalhoek	20.32	43	880	0.213	4,319	138.9
	Vaalhoek	Thelma Leaders	14.25	97	1,388	0.293	4,172	134.1
	Theta & Browns Hill	Shale	1.11	216	240	0.703	666	21.4
	Theta & Browns Hill	Bevetts	1.07	213	227	0.648	589	19.0
	Theta & Browns Hill	Upper Theta	1.86	100	186	1.071	1692	54.4
	Theta & Browns Hill	Lower Theta	8.11	100	811	1.643	11329	364.3
	Theta & Browns Hill	Beta	2.23	100	223	0.748	1417	45.6
	Iota	Upper Rho	5.13	106	544	0.099	507	16.3
Total Inferred			4.35	115	502	5.922	25,730	827.3

Mineral Resources for Tailings Dams as at 1 May 2019

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Indicated	Glynn's Lydenburg	Tailings	1.211	0.80	972	31.3
	Blyde 1	Tailings	0.590	0.73	434	14.0
	Blyde 2	Tailings	0.280	0.83	234	7.5
	Blyde 3	Tailings	0.316	0.87	275	8.8
	Blyde 4	Tailings	0.164	0.72	119	3.8
	Blyde 5	Tailings	0.022	0.61	14	0.4
	TGME Plant	Tailings	2.661	0.87	2,325	74.8
Total Indicated			5.244	0.83	4,373	140.6

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Blyde 3a	Tailings	0.023	0.57	13	0.4
Total Inferred			0.023	0.57	13	0.4

Mineral Resources for Rock Dumps as at 1 May 2019

Mineral Resource Category	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Vaalhoek	Rock Dump	0.121	1.64	199	6.4
Total Inferred			0.121	1.64	199	6.4

Notes:

- Columns may not add up due to rounding.
- Gold price used for the cut-off calculations is USD1,500/oz.
- UG Mineral Resources are reported at a cut-off of 160 cm.g/t, open pit at 0.5 g/t and 0.35 g/t, tailings and rock dumps at 0.35 g/t.
- Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
- Mineral Resources are stated as inclusive of Ore Reserves.
- Mineral Resources are reported as total Mineral Resources and are not attributed.

Competent Persons Statement

Mineral Resources (April 2020)

The information in this report relating to Mineral Resources (April 2020) is based on, and fairly reflect, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions.

The original reports titled “Optimised Mine Schedule for Theta Open Pit Starter Project Delivers Significant Improvements” was dated 20 April 2020 and was released to the Australian Securities Exchange (ASX) on that date. The Company confirms that –

- it is not aware of any new information or data that materially affects the information included in the ASX announcement; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

Mineral Resources (May 2019) and Ore Reserves

The information in this report relating to Mineral Resources (May 2019) is based on, and fairly reflects, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions.

The information in this report relating to Ore Reserves is based on, and fairly reflects, the information and supporting documentation compiled by Mr Daniel van Heerden (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA), a director of Minxcon (Pty) Ltd and a member of the Engineering Council of South Africa.

The original reports titled “Theta Gold increases Mineral Resource to over 6Moz” and “Positive Feasibility Study for Theta Project” were dated 16 May 2019 and were released to the Australian Securities Exchange (ASX) on that date. The Company confirms that –

- it is not aware of any new information or data that materially affects the information included in the ASX announcements; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed.

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | 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 being evaluated

The Company aims to build a solid production platform to over 160 kozpa based primarily around shallow, open-cut or adit-entry 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

This announcement has been prepared by and issued by Theta Gold Mines Limited to assist in informing interested parties about the Company and should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this announcement.

This announcement may contain forward looking statements. Whilst Theta Gold has no reason to believe that any such statements and projections are either false, misleading or incorrect, it does not warrant or guarantee such statements. Nothing contained in this announcement constitutes investment, legal, tax or other advice. This overview of Theta Gold does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects. Before making an investment decision, you should consult your professional adviser, and perform your own analysis prior to making any investment decision. To the maximum extent permitted by law, the Company makes no representation and gives no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions, from any information, statement or opinion contained in this announcement. This announcement contains information, ideas and analysis which are proprietary to Theta Gold.

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 of the document, however are subject to change without notice, and at any time. Future events are subject to risks and uncertainties, and as such results, performance and achievements may in fact differ from those referred to in this announcement. Mining, by its nature, and related activities including mineral exploration, are subject to a large number of variables and risks, many of which cannot be adequately addressed, or be expected to be assessed, in this document. Work contained within or referenced in this report may contain incorrect statements, errors, miscalculations, omissions and other mistakes. For this reason, any conclusions, inferences, judgments, opinions, recommendations or other interpretations either contained in this announcement, or referencing this announcement, cannot be relied upon. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. The Company believes it has a reasonable basis for making the forward looking statements contained in this document, with respect to any production targets, resource statements or financial estimates, however further work to define Mineral Resources or Reserves, technical studies including feasibilities, and related investigations are required prior to commencement of mining. No liability is accepted for any loss, cost or damage suffered or incurred by the reliance on the sufficiency or completeness of the information, opinions or beliefs contained in this announcement.

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.

Theta Gold Mines Limited

Unlisted Options and Performance Rights

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
OPTIONS			
345,265		\$0.19	13 Aug 2020
2,325,000		\$0.40	27 Apr 2022
2,670,265	TOTAL OPTIONS		
PERFORMANCE RIGHTS			
50,000	All systems, licences, insurances, regulatory and statutory compliance in place to meet South Africa Mining regulations, laws, Mining Charter 111, commercial contacts. (Mine ready).	Nil	27 Jun 2024
4,670,000	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012 ¹) at grade of at least 2.5g/t Au, amenable to open-cut mining on Mining Right 83, Mining Right 341 and Mining Right 10167 (under application).	Nil	27 Jun 2024
5,370,000	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured. This performance hurdle must be achieved on or before 27 Dec 2020, being 18 months from the date of issue of the performance right.	Nil	27 Jun 2024
7,630,000	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before 27 Dec 2021, being 30 months from the date of issue of the performance right.	Nil	27 Jun 2024
7,480,000	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before 27 Jun 2023, being 48 months from the date of issue of the performance right.	Nil	27 Jun 2024
25,200,000	TOTAL PERFORMANCE RIGHTS		
27,870,265	TOTAL OPTIONS AND PERFORMANCE RIGHTS		

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

THETA GOLD MINES LIMITED

ABN

30 131 758 177

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(152)	(633)
(b) development		
(c) production		
(d) staff costs	(183)	(744)
(e) administration and corporate costs (includes Sydney, Johannesburg and Pilgrim's Rest minesite offices)	(310)	(2,416)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	26
1.5 Interest and other costs of finance paid	(3)	(18)
1.6 Income taxes paid	-	(204)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(644)	(3,989)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(35)	(648)
(d) exploration & evaluation (if capitalised)	(14)	(1,359)
(e) investments		
(f) other non-current assets	-	(52)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	62
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(49)	(1,997)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	608	6,115
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(11)	(379)
3.5	Proceeds from borrowings	-	63
3.6	Repayment of borrowings	(51)	(154)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	546	5,645

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	295	489
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(644)	(3,989)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(49)	(1,997)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	546	5,645

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	148	148

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	148	295
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	148	295

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$US'000
112 ⁽¹⁾

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

⁽¹⁾ Payments to related parties in item 6.1 above are for salaries, director fees and consulting fees.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1 Loan facilities	2,843	2,843
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	2,843	2,843

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Details of the loan facilities are set out in Note 14 of the Company's Financial Report for the year ended 30 June 2019.

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(644)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(49)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(693)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	148
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	148
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As announced on 17 July 2020, the Company raised A\$4,000,100 from a share placement of 16,667,084 fully paid ordinary shares at an issue price of \$0.24 per share. The share placement was partly settled on 27 July 2020 with the issue of 12,500,417 shares for total subscription money of A\$3,000,100. The balance of the placement is expected to be settled in August 2020.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to raise fund to continue its activities. The group's large tenement holding in South Africa is potentially very prospective and remains largely unexplored using modern technology. Coupled with the results of the optimised Theta Project feasibility study (ASX announcement 20 April 2020), it will continue to underpin the company's ability to raise funds for its business needs.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2020

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.