



30 July 2021

ASX ANNOUNCEMENT

Over \$10M NEW FUNDING PACKAGE SECURED, LED BY A GERMAN INVESTOR TO ACCELERATE THE TGME GOLD PROJECT DEVELOPMENT

HIGHLIGHTS

- Delphi AG¹ and Deutsche Balaton² (FSE: BBHK) backed investment company 2Invest AG (FSE: 2INV) to invest A\$6 million in a secured bond to fund Theta's TGME Gold Project
- 2Invest AG has agreed to cornerstone, along with various Australian and overseas sophisticated and professional investors, an A\$4.626 million equity raise (A\$3.126 million in direct placement and up to A\$1.5 million in a proposed Shareholder Purchase Plan)
- The capital raise will provide sufficient funding to advance the TGME gold project's environmental and water studies/approvals, early trial mining & bulk sampling programs, progress the Beta/Frankfurt/CDM mines' DFS and potentially deliver mineral reserve upgrades

Commenting on the funding package, Theta Chairman Mr Bill Guy said:

"Backed by Delphi AG, 2Invest AG is the first large European fund to make a significant investment in Theta. We thank 2Invest AG for its support, confirming Theta meets its investment thesis. I am currently in South Africa onsite with our management team to review next phase of mine development in order to put the capital to good use for all shareholders."

"We welcome 2Invest AG as a new strategic financier and also thank all other new and existing domestic and international investors for their support as we advance into a very exciting growth phase for the Company in a significant gold field."

Overview

Theta Gold Mines Limited ("Theta Gold" or "Company") (ASX: TGM | OTCQB: TGMGF | FSE: 3LM) is pleased to advise that it has successfully secured a secured bond and equity funding for a total of A\$10.6 million. The funds will be applied towards advancing the TGME gold project's environmental and water studies/approvals, early trial mining & bulk sampling programs, and to progress the Beta/Frankfurt/CDM mines' DFS and potentially deliver mineral reserve upgrades. The funding comprises:

- (a) An A\$6 million secured bond from 2Invest AG;
- (b) A two-tranche, A\$3.126 million equity placement to 2Invest AG and various Australian and overseas sophisticated and professional investors; and

¹ Delphi Unternehmensberatung Aktiengesellschaft AG based in Heidelberg, Germany.

² Deutsche Balaton AG based in Heidelberg, Germany.

- (c) A shareholder purchase plan of up to A\$1.5 million, with up to A\$1 million to be underwritten by 2Invest AG.

The Secured Bond

The secured bond comprises of fifteen (15) 'bearer partial bonds', each of face value \$400,000 with the full principal repayment of the due by 31 January 2023, which is secured:

- (a) over all present and future dividends, distributions, sale proceeds, liquidation proceeds and other payments received by the Company's South African subsidiary, Transvaal Gold Mining Estates Limited (South Africa) (**Transvaal**); and
- (b) by way of a grant of an option right to 2Invest AG to acquire all present and future shares in Transvaal

(the **Secured Bond**).

The Secured Bond requires an annualised cash coupon rate of 20% payable half yearly in arrears.

A condition for the grant of the Secured Bond is the Company issuing 7,500,000 options (exercisable at \$0.275 on or before 31 July 2023) and 8,200,000 options (exercisable at \$0.40 on or before 30 September 2023) to 2Invest AG (together, the **Bond Options**). The Bond Options will not be quoted on ASX and will be issued utilising a portion of the Company's existing 7.1 placement capacity.

Gilbert + Tobin acted as Legal Advisor to the Company for the Secured Bond.

Placement - 2Invest AG

The Company has entered into a subscription agreement with 2Invest AG to raise up to \$2,500,000 (**Subscription Agreement**). Subject to the terms of the Subscription Agreement, the Company will issue up to 11,904,763 shares at a price of \$0.21 per share with 5,952,382 options (exercisable at \$0.40 on or before 30 September 2023) and 5,952,382 options (exercisable at \$0.26 on or before 17 December 2021) free attaching to 2Invest AG (**Placement**). The Placement comprises three (3) tranches.

The first tranche of the Placement will comprise of 4,761,906 shares with 2,380,953 options (exercisable at \$0.26 on or before 17 December 2021) and 2,380,953 options (exercisable at \$0.40 on or before 30 September 2023) (**Tranche 1 Placement**). The 4,761,906 shares will be issued pursuant to the Company's 7.1A placement capacity and 2,380,953 options (exercisable at \$0.26 on or before 17 December 2021) will be issued pursuant to the Company's 7.1 placement capacity. The 2,380,953 options (exercisable at \$0.40 on or before 30 September 2023) is conditional upon shareholder approval at the extraordinary general meeting.

The second tranche of the Placement will comprise of 2,380,952 shares with 1,190,476 options (exercisable at \$0.26 on or before 17 December 2021) and 1,190,476 options (exercisable at \$0.40 on or before 30 September 2023) (**Tranche 2 Placement**). The Tranche 2 Placement is conditional upon shareholder approval at the extraordinary general meeting.

The third tranche of the Placement will comprise of up to 4,761,906 shares with 2,380,953 options (exercisable at \$0.26 on or before 17 December 2021) and 2,380,953 options (exercisable at \$0.40 on or before 30 September 2023) (**SPP Underwriting**). The SPP Underwriting is

conditional on the Company completing an SPP (defined below) and upon shareholder approval at the extraordinary general meeting.

2Invest AG will receive the following fees for each tranche under the Placement:

- (a) Tranche 1 Placement: 190,476 Shares upon placement of Tranche 1;
- (b) Tranche 2 Placement: 95,238 Shares upon placement of Tranche 2. This fee is conditional upon shareholder approval at the extraordinary general meeting; and
- (c) SPP Underwriting: 238,095 Shares upon the completion of the SPP (defined below). This fee is conditional upon shareholder approval at the extraordinary general meeting.

The options issued under the Placement will not be quoted on the ASX.

The Placement was conditional upon the Company and 2Invest AG entering the Secured Bond.

Placement – Equity Raise

In addition to the First Tranche Placement to 2Invest AG, the Company secured an additional \$1,626,000 equity raising (before cost) via issuing of 7,671,430 shares along with 3,835,715 options (exercisable at \$0.26 on or before 17 December 2021) and 3,835,715 options (exercisable at \$0.40 on or before 30 September 2023) to various Australian and overseas sophisticated and professional investors.

The 7,671,430 shares and 3,835,715 options (exercisable at \$0.26 on or before 17 December 2021) will be issued pursuant to the Company's placement capacity. The 3,835,715 options (exercisable at \$0.40 on or before 30 September 2023) is conditional upon shareholder approval at the extraordinary general meeting.

Sydney based Viriathus Capital Pty Ltd (ASFL: 297950) acted as Financial Advisor to the Company. Up to 4% cash commission to be paid for the Equity Raise completed.

Share Purchase Plan

The Company wishes to reward loyal Shareholders by conducting a Share Purchase Plan (**SPP**) to raise up to \$1,500,000 (before costs) on the same terms as the Placement. The SPP is available for all existing shareholders with the registered address in Australia or New Zealand to apply for shares by participating in a SPP. Participation in the SPP is optional.

The SPP will provide each eligible shareholder with the opportunity to apply for up to \$30,000 worth of shares at the same issue price as under the Placement, being \$0.21 per share. Subject to Shareholder approval, eligible shareholders will also receive one (1) option (exercisable at \$0.26 on or before 17 December 2021) and one (1) option (exercisable at \$0.40 on or before 30 September 2023) for every two (2) shares subscribed for and issued under the SPP (**SPP Options**). The SPP Options will be issued on the same terms as the options issued under the Placement and is conditional upon shareholder approval at the extraordinary general meeting.

In the event that less than \$1,500,000 is subscribed for under the SPP, 2Invest AG will subscribe for up to \$1,000,000, being the SPP Underwriting (defined above).

The funds raised under the SPP will be used for the same purposes as under the Placement. The shares issued under the SPP will rank equally with the existing shares on issue.

Oversubscriptions for the SPP will not be accepted. Eligible Shareholders are encouraged to register their details using the QR code below to receive a copy of their personalised SPP documentation via e-mail when available.



Indicative Timetable

An indicative timetable for the Bond Options, Placement and SPP is set out below.

Event	Date
Record Date of SPP	29 July 2021
Announcement of SPP Offer and Placement	30 July 2021
Issue of Bond Options	2 August 2021
Issue of Shares under Tranche 1 Placement Lodgement of Appendix 2A with ASX	4 August 2021
Dispatch of Notice of Extraordinary General Meeting	13 August 2021
Proposed lodgement date of Prospectus with ASIC and ASX	20 August 2021
Proposed opening date of SPP	20 August 2021
Proposed closing date for SPP	15 September 2021
Proposed announcement date of SPP results	22 September 2021
Proposed issue date of Shares pursuant to the SPP	22 September 2021
Proposed date of Extraordinary General Meeting for shareholder approval	22 September 2021
Proposed issue date of SPP Options, Tranche 2 and SPP Underwriting**	22 September 2021

**The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the SPP early without notice.*

***Assuming Shareholder approval is obtained for the issue of the SPP Options, Tranche 2, SPP Underwriting, Tranche 2 Placement fee, SPP Underwriting fee at the Extraordinary General Meeting proposed to be held in or around 22 September 2021.*

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

For more information:

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ABOUT 2INVEST AG

2Invest AG (FSE: 2INV) is a listed company based in Heidelberg, Germany that acquires, holds, manages and sells investments in corporations and partnerships in Germany and abroad. Deutsche Balaton AG (FSE: BBHK), Delphi Unternehmensberatung Aktiengesellschaft AG and associated entities ("The Associates") are controlling shareholders in 2Invest AG. The Associates has a multi-million dollar equity portfolio across the ASX and TSX junior mining/resources sector.

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | OTCQB: TGMGF | FSE: 3LM) 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 initial ore reserves.

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, Theta Gold (SA) Pty Ltd ("TGSA"). TGSA 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 as part of the country's ESG initiatives. 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.

