



6 May 2024

**ASX ANNOUNCEMENT
(ASX:TGM)**

Theta Inks US\$10m Equity Funding Placement to Strengthen Balance Sheet and Advance Plant & TSF Construction

Highlights:

- Firm commitment received for up to US\$10.0 million (~AU\$15.2 million) via a two-tranche Placement by an existing sophisticated and professional institutional investor
- Proceeds from the Placement to support completing funding packages for gold plant construction. Detailed engineering for the TGME Gold plant, as well as for the TSF, EPC builder selection and contracts
- Placement pricing represents a 16.1% discount to the last closing share price and a 20% discount to the 15-day VWAP
- Placement will provide significant balance sheet strength and flexibility to progress activities and support Project execution

Theta Gold Mines Limited ("**Theta Gold**" or the "**Company**") (ASX: TGM) are pleased to announce the Company has received firm commitments via a Share Subscription Agreement (**Subscription Agreement**) to raise approximately US\$10.0 million, (AU\$15.2¹ million) (before costs) through a private placement (**Placement**) cornerstoned by an existing long term institutional investor of the Company.

Hong Kong Ruihua Investment Management Limited ("**Ruihua**") has committed up to US\$10.0 million, (AU\$15.2 million) in the placement and currently holds 6.49% of the issued capital in the company. Ruihua is a wholly-owned subsidiary to its Nanjing based parent company Jiangsu Ruihua Investment Holding Group Co., Ltd (since 2003), a fund manager with over US\$3 billion AUM who specialises in equity markets, including secondary market trading, private placements, venture capital and private equity activities.

Proceeds raised in the Placement will be provided in two-tranches and the Company will issue in total, approximately 116.93² million new fully paid TGM Ordinary Shares at the issue price of A\$0.13³ (13 cents) per share along with approximately 58.47 million new attaching Options to be issued on a one (1) free option for every two (2) New TGM Shares issued in the Placement.

¹ The conversion price of (USD:AUD) was 65.79 based on the closing spot price published by the RBA on 3 May 2024.

² The exact number of new TGM shares and attaching Options to be issued in the two-tranche Placement will be dependant on the conversion rate on the day the US\$ funds are received and converted to AU\$ by the Company.

³ The issue price per share of \$0.13 is a 20% discount to the 15-day VWAP.

Each Option will have an exercise price equal to an 8% discount to the 15-day VWAP to the last closing price at the time of exercise (but no less than \$0.13 cents), and an expiry date 2 years from the date of issue. Options issued under the Placement will not be quoted.

New TGM Shares in the Placement in Tranche 1 and Tranche 2 along with attaching Options in Tranche 1 will be issued using the Company's existing capacity pursuant to Listing Rules 7.1 and 7.1A. Attaching Options to be issued under Tranche 2 will be issued subject to shareholder approvals, which are to be sought at a General Meeting⁴.

Details of Tranche's 1 and 2 as follows:

- i. **Tranche 1** provides the Company with up to US\$6 million, (AU\$9.12 million) in funding and results in the issue of approximately 70.16 million new fully paid TGM Ordinary Shares and approximately 35.08 million attaching Options. Tranche 1 is expected to be completed by 31 May 2024 (subject to Ruihua's parent company in China obtaining the Overseas Direct Investment ("ODI") special purpose vehicle approval where the application is been managed by both TGM and Ruihua) with new TGM Shares and attaching Options issued on or around Wednesday, 5 June 2024. New TGM Shares and attaching Options for Tranche 1 will be issued under the Company's existing 7.1 and 7.1A capacity, **(Tranche 1)**.
- ii. **Tranche 2** provides the Company with up to a further US\$4 million, (A\$6.08 million) in funding and is expected to be completed within three (3) months after completion of Tranche 1 at the same subscription price and terms. The Company will issue approximately 46.77 million new fully paid TGM Ordinary Shares using its existing capacity under Listing Rules 7.1 and 7.1A and approximately 23.39 million new attaching Options following shareholder approvals at a General Meeting, **(Tranche 2)**.

Details of the time and venue for the General Meeting will be provided in a notice of meeting to be despatched to shareholders on or about 17 May 2024 which will seek approvals for Placement Shares and Options.

The exact number of new TGM Shares and attaching Options will be subject to the conversion rate applied (USD:AUD) at the time funds are received by the Company under Tranches 1 and 2.

New TGM Shares issued under the two-tranche Placement will rank equally with TGM's existing fully paid ordinary shares currently on issue.

⁴ Pursuant to the Share Subscription Agreement, the Company is required to hold a General Meeting of Shareholders with 7 weeks of executing the Agreement and any securities requiring approval to be passed by a majority of shareholders under an ordinary resolution.

Indicative timetable and terms of Subscription Agreement:

Event	Proposed Date / Terms ¹
Trading halt requested	Thursday, 2 May 2024
Launch of Placement and Announcement to ASX	Monday, 6 May 2024
Trading halt lifted	Monday, 6 May 2024
Settlement of New Shares and Options under Tranche 1	Friday, 31 May 2024 ⁵
Allotment of New TGM Shares and Options under Tranche 1	Within 3 Business Days of receiving funds under Tranche 1
General Meeting	Thursday, 20 June 2024
Settlement of New Shares and Options under Tranche 2	Within 3 months of completion of Tranche 1
Allotment of New TGM Shares and Options under Tranche 2	Within 3 Business Days of receiving funds under Tranche 2

1. Subject to change. The Company reserves the right to vary these dates at any time subject to ASX Listing Rules and the Corporations Act (Cth).

An Appendix 3B for the proposed issue of New TGM Shares and attaching Options will follow this announcement. Subsequent announcements for completion of Tranche 1 and Tranche 2 will be provided by the Company respectively.

This placement was arranged by Golden Asian Investment Group Limited out of Hong Kong who acted as Lead Manager.

Use of funds raised from the share placement as follows:

- Complete funding packages for TGME Gold Plant construction;
- EPC contracts including legals and compliance to CAPEX;
- Development works for plant and TSF, and water management for TGME gold project;
- Strengthen the Company's Balance Sheet and provide momentum to progress advancement of project activities;
- Bond and loan interest repayments; and
- General working capital.

Chairman Mr. Bill Guy commented: *"I'm extremely pleased to receive the continued support of our existing institutional investor, Hongkong Ruihua Investment Management Limited.*

"With MR83 receiving its final environmental approvals in March 2024, TGM is now fully permitted and able to commence mining activities. The funding package allow the Company to progress with the EPC agreement with PowerChina for pre-development and construction components of the TGME Gold plant and provide momentum to advance the project delivery and opportunities for early cashflows".

⁵ Actual date could vary based on the above mentioned ODI application which is subject to various Chinese regulatory approvals.

[ENDS]

This announcement was approved for release by Theta Gold Mines Limited's Board and ceases the trading halt in the Company's securities on the ASX.

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

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Theta Gold Mines' Interactive Investor Hub

The Company encourages shareholders to please join the Theta Investor Hub which allows you to ask questions directly to the Company, view video's and keep up to date on progress of the TGME Gold Project at <http://investors.thetagoldmines.com>.



Webpage: www.thetagoldmines.com



<https://twitter.com/ThetaGoldMines>

<https://www.linkedin.com/company/thetagoldmines/>

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 and financing of a new gold processing plant within its approved footprint at the TGME plant.

The company has completed a Feasibility Study (FS) released to ASX on 27 July 2022, for the first four mines Beta, CDM, Frankfort and Rietfontein (TGME Underground Project). The Base Case LOM plan

comprises a 12.9-year mining operation starting in 2023 and delivering production of 1.24 million ounces of contained gold.

The estimated development capital or peak funding requirement is USD77 million (AUD102 million), with the Project forecast to generate a pre-tax NPV10% of USD324 million (AUD432 million) and pre-tax Internal Rate of Return (IRR) of 65% at the forecast gold price of averaging USD1,642/oz over the LOM.

The Company aims to build a solid production platform to over next 5 years to 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. 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.

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target continue to apply and have not materially changed from those previously released to ASX in a Feasibility Study dated 27 July 2022.

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 announcement 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.