



16 September 2024

**ASX ANNOUNCEMENT
(ASX:TGM)**

US\$8 million Private Placement and Full Redemption of AU\$6 million Secured Bonds

Theta Gold Mines Limited ("**Theta Gold**" or the "**Company**") (ASX: TGM) refers to its ASX Announcements dated 6 May 2024 and 11 June 2024 with regards to a two-tranche Equity Funding Placement to Hong Kong Ruihua Investment Management Limited ("**HRIM**") to raise a total under both tranches of \$US10 million (~AU\$15.2 million) along with a new Private Placement for an additional US\$2 million (~AU\$3 million) before cost and provides the following update.

Highlights:

- **US\$6 million (Tranche 1) placement to Hong Kong Ruihua Green Development Limited completed**
- **Additional US\$2 million Private Placement from institutional investors secured**
- **US\$4 million (Tranche 2) placement to Hong Kong Ruihua Green Development Limited also received Chinese Government's Overseas Direct Investment approvals, funds subject to Theta meeting the condition precedents**
- **Full redemption of the 2Invest AG AU\$6 million secured bonds made, all project collaterals to be freed up for future project financing requirements**

Tranche 1 Placement:

The Company confirms that it has now received all proceeds under Tranche 1 Placement of US\$6 million (~AU\$8.99 million) from Hong Kong Ruihua Green Development Limited ("**HRGD**"), a sister company to HRIM created during the Overseas Direct Investment ("**ODI**") application process¹ in China, and will issue 69,137,537² new TGM Ordinary Shares (Tranche 1 Placement Shares) at the issue price of \$0.13 (13 cents) per share, along with 34,568,769 unlisted options, on a one (1) free option for every two (2) new Shares issued under Tranche 1 Placement.

Each Tranche 1 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 expiry date 2 years from the date of issue. Options issued under Tranche 1 will not be quoted.

New Tranche 1 Placement Shares and attaching options are expected to be issued on Tuesday, 17 September 2024 utilising the Company's currently available capacity to issue shares, pursuant to ASX Listing Rules (LR's). As released in an Appendix 3B on 6 May 2024, 8,153,285 Tranche 1 Placement

¹ ASX Announcements: "[Theta Gold Mines Inks US\\$10m Equity Funding Placement](#)" dated 6 May 2024 And "[Equity Funding Placement Update](#)" dated 11 June 2024

² Number of new shares is calculated after conversion of USD received to AUD at a rate of 0.6676 and applying the per share issue price of 13 cents.

Shares will be issued under LR7.1 along with 34,568,769 attaching options. The remaining 60,984,252 Tranche 1 Shares will be issued under LR7.1A.

An Appendix 2A – Application for quotation of securities will be released following the issue of Tranche 1 Shares and Options on 17 September 2024.

Tranche 2 Placement:

As previously advised by the Company³, HRIM remains committed to providing the remaining balance of US\$4 million (~AU\$6 million) to complete Tranche 2 Placement of Shares and Options, subject to receiving the necessary Shareholder approvals and related Condition Precedents⁴.

Tranche 2 Placement Options⁵ will be issued on the same terms and pricing as those under Tranche 1 Placement, on a one (1) free option for every two (2) new Shares issued under Tranche 2. Details of the time and venue for the General Meeting to consider the shareholder approvals and resolutions via a notice of meeting is expected to be advised shortly.

The exact number of new TGM shares and attaching options issued under Tranche 2 Placement will be subject to the conversion rate applied (USD:AUD) at the time funds are received by the Company.

Oversubscribed Private Placement for US\$2 million:

The Company wishes to advise that it has received a firm commitment for an additional US\$2 million (~AU\$3 million) from institutional investors on the same terms as the two-tranche Placement. The Company will issue approximately 23,048,113⁶ new TGM Shares, at the issue price of \$0.13⁷ (13 cents) per share, along with approximately 11,524,056 attaching options.

Both Shares and Options will be issued under the Company's available LR7.1 capacity and an Appendix 3B setting out the proposed allocation will follow this announcement. The new TGM Shares and attaching options are expected to be issued on or before 30 September 2024.

The exact number of new TGM shares and attaching options issued under the US\$2 million Placement will be subject to the conversion rate applied (USD:AUD) at the time funds are received by the Company.

2Invest AG Secured Bonds Redemption:

Following completion of the above placements, the Company has now fully redeemed the AU\$6million Secured Bond⁸ and all outstanding interest payments from long term investor and lender, 2Invest AG ("2Invest").

On 30 July 2021, the Company announced it had entered into a AU\$6 million Secured Bonds facility with 2Invest AG made up of fifteen (15) 'bearer partial bonds', each with a face value of AU\$400,000 and a maturity date of 31 January 2023, which was later extended by parties.

This full bond redemption frees up the project level security package, allowing it for potential future project funding requirements.

³ as per Reference 1.

⁴ ASX Announcements: "[Theta Gold Mines Inks US\\$10m Equity Funding Placement](#)" dated 6 May 2024 And "[Equity Funding Placement Update](#)" dated 11 June 2024

⁵ 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.

⁶ Number of new shares is calculated after conversion of USD to AUD at a rate of 0.6675 and applying the per share issue price of 13 cents.

⁷ Shares issued under the additional US\$2 million Placement will be issued at a 17% discount to the 15-day VWAP.

⁸ ASX Announcements: "[Funding Package to Accelerate TGME Project](#)" dated 2 August 2021.

Use of funds raised from the placements proceeds:

- Full redemption of the 2Invest AG Secured Bonds and outstanding interest payments;
- Development works for plant and TSF, and water management for TGME gold project;
- Plant equipment orders and purchase;
- EPC contracts including legals and compliance to CAPEX;
- Strengthen the Company's Balance Sheet and provide momentum to progress advancement of project activities and general working capital.

Project Funding Update:

Theta and "Sprott Streaming and Royalty Corporation" (Sprott Streaming) will not proceed with the proposed streaming transaction⁹ (initially announced on 22 October 2022).

The Company is currently progressing negotiations with Yellow River ("YR"), a wholly-owned subsidiary of Power Construction Corporation of China ("PowerChina"), in regard to the proposed Engineering Procurement and Construction¹⁰ ("EPC") agreement with 70% deferred payment terms to build Stage One of its TGME Gold Plant and TSF facilities in South Africa¹¹.

Furthermore, the Company is in advanced discussion with several other project financiers to provide the necessary additional funding capital expenditure requirements to complete the TGME gold project build.



Figure 1: Theta's Director Richie Yang (far left) and COO Jacques Du Triou (center) at a Chinese manufacturing facility.

⁹ ASX Announcements: "[Theta Gold executes A\\$110M Term Sheet with Sprott](#)" dated 19 October 2022.

¹⁰ TGME's team and consultants will lead the build process along with Power China's employees and contractors' to ensure compliance with South African regulations and compliance.

¹¹ ASX Announcements: "[Theta Gold selects PowerChina subsidiary as EPC partner](#)" dated 14 February 2024.

Chairman Bill Guy comments: “The current gold price environment has changed the Board’s strategy on the project funding structure. Our July 2022 DFS was done based on gold price assumption of US\$1642/oz and we have witnessed a significant rally in gold prices since that time.

“The full redemption of the secured bonds frees up Theta’s project interest to be available as collateral for future potential project funders.

“Our team has been busy preparing for project readiness which includes work on final construction designs and procurement requirements in preparing for the project build.”

These placements were arranged by Golden Asian Investment Group Limited out of Hong Kong who acted as Lead Manager.

[ENDS]

This announcement was approved for release by Theta Gold Mines Limited’s Board.

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.