



4 January 2019

ASX ANNOUNCEMENT

UNLISTED OPTIONS LAPSED

Theta Gold Mines Limited (ASX: TGM, TGMO) advises that 1,000,000 unlisted options exercisable at \$0.15 each lapsed on 3 January 2019.

Following the lapse of the above options, the capital structure of the Company is as follows –

	Number
Fully paid ordinary shares (ASX: TGM)	333,918,791
Listed options exercisable at \$0.30 each on or before 31 October 2020 (ASX: TGMO)	31,429,663
Unlisted options and performance rights (details in Annexure A)	35,743,304

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ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM, TGMO) 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 Mines core project is TGME, located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km east 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 planned refurbishment of the existing CIL plant and nearby mines/prospects with the intention of resuming gold production and is considering open pit mining where it has identified mineral resources amenable to open pit production. The Company is presently concluding a detailed feasibility study and is also in the process of seeking approvals for open pit mining on the existing mining licences held.

The Company aims to build a solid production platform to over 100kozpa based primarily around shallow, open-cut or adit-entry hard rock mining sources. Theta Gold Mines 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 MINES LIMITED

UNLISTED OPTIONS AND PERFORMANCE RIGHTS

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
2,000,000		\$0.15	22 Mar 2019
500,000		\$0.25	19 Jul 2019
222,223		\$0.30	15 Aug 2019
614,449		\$0.30	21 Aug 2019
1,000,000		\$0.30	22 Aug 2019
274,449		\$0.30	1 Sep 2019
1,050,000		\$0.15	12 Oct 2019
2,000,000		\$0.20	12 Oct 2019
1,000,000	Company achieving a market capitalisation of greater than \$25,000,000 for a period of 10 consecutive trading days	\$0.20	12 Oct 2019
500,000	Recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant	\$0.20	12 Oct 2019
500,000	Production from the Group's operations reaching 40,000 tonnes per month yielding 2,000 ounces of gold per month at a cost of less than USD750 per ounce for a period of 3 consecutive months	\$0.40	12 Oct 2019
3,500,000		\$0.40	12 Oct 2019
727,970		\$0.19	15 Jan 2020
1,000,000		\$0.25	18 Jan 2020
1,000,000		\$0.30	18 Jan 2020
3,500,000		\$0.20	30 Apr 2020
604,213		\$0.19	13 Aug 2020
2,000,000	20 day VWAP above \$0.025. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 Jul 2022
2,200,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.35	19 July 2022
2,200,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.40	19 July 2022
200,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
150,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.35	19 July 2022
150,000	20 day VWAP above \$0.040. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.40	19 July 2022

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
1,500,000	Achievement of Milestone 1. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
1,000,000	Achievement of Milestone 3 and Pre-Feasibility Study IRR (pre-tax) is greater than or equal to 40%. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
2,000,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.25	19 July 2022
250,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.30	19 July 2022
350,000	20 day VWAP above \$0.025		19 July 2022
350,000	20 day VWAP above \$0.030		19 July 2022
350,000	20 day VWAP above \$0.035		19 July 2022
375,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 40%		19 July 2022
175,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 50%		19 July 2022
500,000	Market capitalisation above \$125,000,000 for a consecutive 5 day period		19 July 2022
35,743,304			

20 Day VWAP means the average of the daily volume weighted average price of all sales of Shares recorded on ASX over a 20-day period, not including:

- (a) any transaction classified under the ASX's Market Rules as a "Special Crossing";
- (b) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase;
- (c) any overseas trades or trades pursuant to the exercise of options over Shares; or
- (d) any overnight crossings.

Milestone 1 means obtaining sufficient capital expenditure financing (debt and/or equity) to enable the Group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, Milestone 1 will be deemed to have been achieved upon the first, actual drawdown of the relevant loan.

Milestone 2 means the achievement of Stage 1 production on budget. Milestone 2 will be deemed to have been achieved at the end of 90 days into Stage 1 production, provided that at that point the production is on budget.

Milestone 3 means completion to pre-feasibility standards, of a second study to demonstrate profitable production of not less than 70,000 ounces of gold or gold equivalent on an annualised basis.