



6 February 2023

**ASX ANNOUNCEMENT  
(ASX:TGM)**

## **THETA GOLD PRESENTS AT INDABA AND 121 MINING CONFERENCE**

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Theta Gold Mines Limited ("**Theta Gold**" or the "**Company**") (ASX: TGM| OTC: TGMGF) is pleased to advise that Bill Guy, Chairman of Theta Gold, will be attending the 2023 Mining Indaba Conference from 6-9 February 2023 in South Africa and presenting at the following two events:

1. The 121 Mining Investment Cape Town Conference; and
2. Australian Mining in Africa Program 2023.

### **The 121 Mining Investment Cape Town Conference presentation:**

Bill Guy will be presenting at the 121 Mining Investment Cape Town conference on the TGME Gold Mine Project and the results of its Feasibility Study completed in July 2022.

### **Australian Mining in Africa Program 2023 ESG presentation, "South Africa: - A Global Leader in ESG":**

Theta Golds Mines along with Messrs Webber Wentzel in alliance with Linklaters, (One of South's Largest law firms) and OMI Solutions (An environmental specialist firm) have sponsored a presentation for the 'Australian Mining in Africa Program 2023' (Hosted by Austrade at Mining Indaba 2023). The presentation will address how South Africa is meeting the challenges of ESG - By addressing all 17 of the United Nations Sustainable Development Goals (UNSDG).

A copy of both presentation's is attached to this notice for investors and shareholders which will also be made available via Theta's Interactive Investor Hub, details below.

## 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>.



[ENDS]

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

For more information, please visit [www.thetagoldmines.com](http://www.thetagoldmines.com) or contact:

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<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 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 expected to be further evaluated in the future.

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. 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.



# THETA

GOLD MINES

**Mining Indaba**

Feb 2023

FS Completed  
for the first 4 Mines

FS to recover  
1.08Moz Au over  
12.9 years LOM at  
TGME underground mine



**6.1Moz Gold Resource and Growing**







## Disclaimer

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### FORWARD LOOKING AND CAUTIONARY STATEMENTS

This presentation may refer to the intention of Theta Gold Mines 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 including but not limited to funding availability, market-related forces (commodity prices, exchange rates, stock market indices and the like) and political, environmental or economic events (including government or community issues, land owners, 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 Mines 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. 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 that released in the definitive Feasibility Study released to ASX on 27 July 2022.

#### **NOTE BUSINESS ARRANGEMENT**

Theta Gold Mines 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"). TGME holds the various exploration and mining permits. 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 AND COMPETENT PERSONS STATEMENT**

### **DISCLAIMER**

This announcement or presentation has been prepared by and issued by Theta Gold Mines Limited (ASX:TGM | OTCQB: TGMGF) 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 or presentation may contain forward looking statements. Whilst Theta Gold Mines 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 Mines 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.

### **COMPETENT PERSONS STATEMENT**

The information in this report relating to mineral resources and ore reserves 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 and Mr Daniel van Heerden (B.Eng (Mining M.Com (Business Management)), member of Engineering Council of South Africa (Pr.Eng. Reg. No. 20050318)), a director of Minxcon (Pty) Ltd and a fellow of the South African Institute of Mining and Metallurgy (FSAIMM Reg. No. 37309).

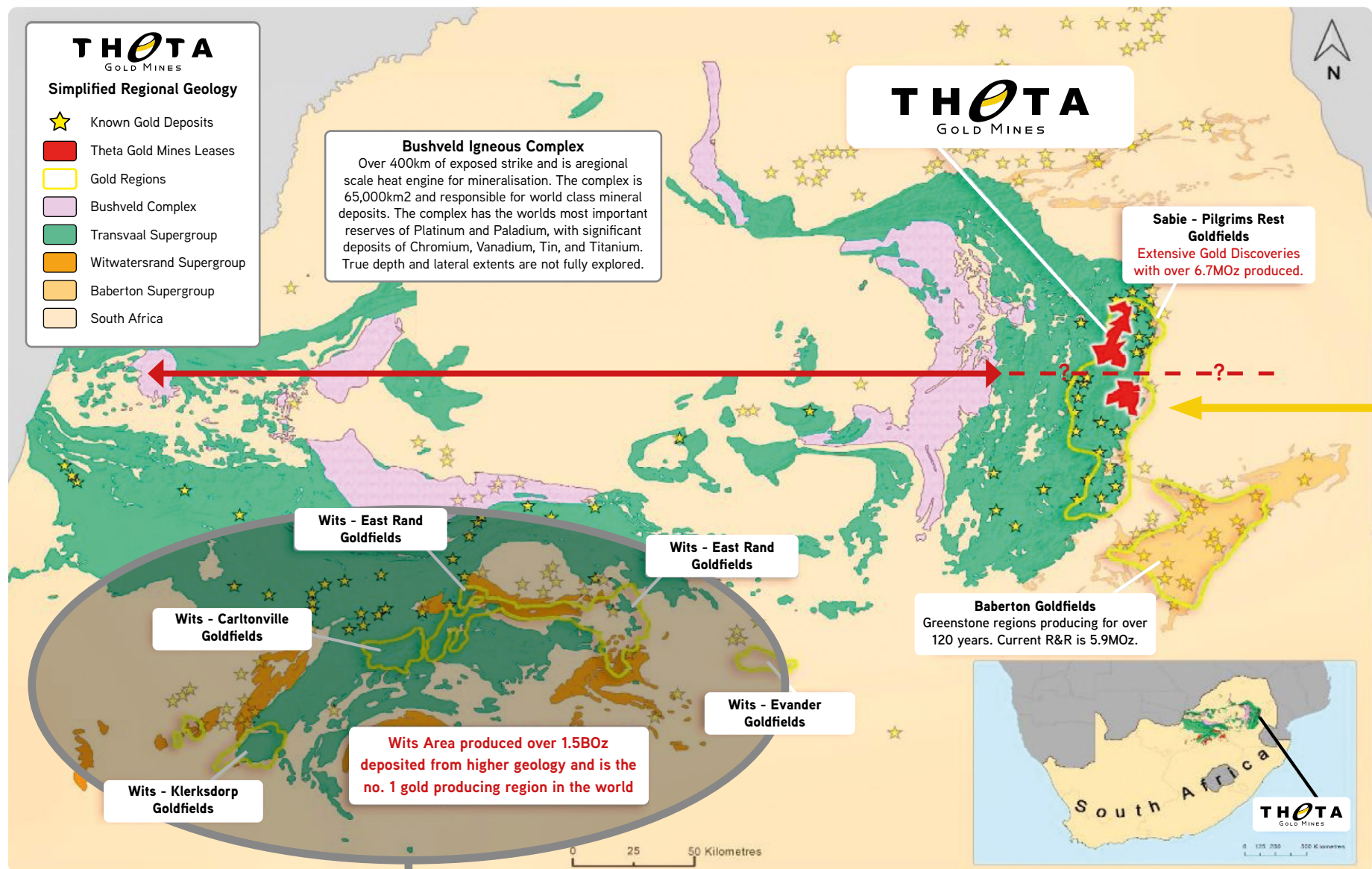
The original reports titled "Theta Gold Increases Mineral Resource to over 6Moz" dated 16 May 2019, "Optimised Mine Schedule for Theta Open Pit Starter Project Delivers Significant Improvements" dated 20 April 2020 and "Initial Maiden Underground Mining Reserve 419,000 oz Gold" dated 8 April 2021 were released to the Australian Securities Exchange (ASX) on those dates. 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.

### **AUTHORISATION**

This announcement was authorised for release by the Board of Theta Gold Mines Limited.

# South Africa's "Newest" Gold Field



SA host the 3rd largest gold reserves in the world, mostly within this Witwatersrand gold field region (~6,000T Au)

The Transvaal Gold System sits geological on the eastern side of Bushveld Complex the largest layered igneous intrusion on earth. Our goldfield already produced ~7MOz Au since 1870s. Theta have generated and delivered one of the largest undeveloped gold resources 6.1MOz on the ASX, a "NEW" kid on the block.



# Theta Gold Highlights

- **High Growth Gold Investment Opportunity**
- **Existing Historic Goldfield** - Multiple pre-developed, shallow, high grade historic gold mines – ready to be brought back into production
- **Large, Growing Resource** - 6.1Moz gold resource @ 4.17g/t and continuously growing, with more than 40 other existing pre-developed shallow underground mines not yet reflected in the stated resource
- **Low Capital Start-up** - < US\$100m capital required to reach >90koz/a within 2 years
- **Organic Growth** - Self-funded expansion to >160koz within 5 years
- **Lowest-Cost Quartile Producer** - Forecasted operating cost half the current gold price (<US\$900/oz) to become the lowest cost producer in South Africa and Australia
- **Competent Execution Team** - Executive team that have successfully developed and optimised many mines in South Africa and other developing countries
- **Execution-Ready** - FS completed with full front-end engineering designs (FEED)<sup>1</sup> – ready for execution<sup>2</sup>
- **Funding** – Non-binding funding Term Sheet executed with Sprott Streaming and Royalty Corporation for up to US\$70m stream funding arrangement to bring the TGME Gold Project into production.

<sup>1</sup> Refer to ASX Release dated 20 June 2022 "TGME Underground Gold Update"

<sup>2</sup> Refer to ASX Release dated 27 July 2022 "Theta's TGME Project Definitive FS Confirms NPV10% of A\$432 million at US\$1,642 oz Gold price"

<sup>3</sup> Refer to ASX Release dated 19 October 2022 "Theta Gold executes a A\$110m (US\$70m) non-binding funding Term Sheet with Sprott for its TGME Gold Project"





## Key FS Takeaways<sup>1</sup>

Theta Gold Mines Limited, controls the Eastern Transvaal Gold Fields, where South Africa's gold mining industry began almost 130 years ago.

Project Life of Mine schedule contained Gold 1.24Moz to recover 1.08Moz.

<sup>1</sup> Feasibility figures to refer to ASX Release dated 27 July 2022 "FS Confirms NPV10% of A\$432 million at US\$1642/oz Gold Price

<sup>2</sup> TGM is currently in discussion with debt financiers and has engaged an experienced debt advisory to assist in the negotiation of term-sheets for funding of the Project. Further equity raises are also planned to fund working capital and part of the project capital if required, which may lead to dilution to existing shareholders.

<sup>3</sup> First gold produced timing will be subject to securing funding.



**Project Life**  
12.9 years



**Underground ore mined**  
6.46Mt @  
5.95g/t Au for  
1.24Moz of contained gold



**Peak Funding Requirements**  
US\$ 77M2



**Metallurgical Recovery**  
87%



**Payback Period**  
Start of Project  
– 31 Months  
Start of Mining  
– 18 Months



**Pre-Tax NPV 10%**  
US\$324m @  
Avg USD/oz  
\$1,642  
IRR of 65%



**AISC**  
US\$788oz  
(Year 1-4)  
US\$847/oz  
(LOM)

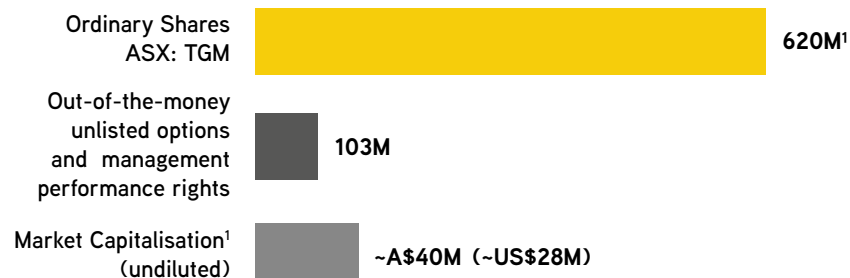


**First Gold Pour**  
2nd Quarter  
2024

**Incorporating only 4 of more than  
40 previously developed mines**



## ASX Listing



### Top Shareholders:

BNP PARIBAS NOMINEES PTY LTD	13.7%
ZENITH (HK) HOLDING LIMITED	7.5%
CITICORP NOMINEES PTY LIMITED	7.4%
2INVEST AG	5.9%
TASMAN FUNDS MANAGEMENT LTD	5.3%



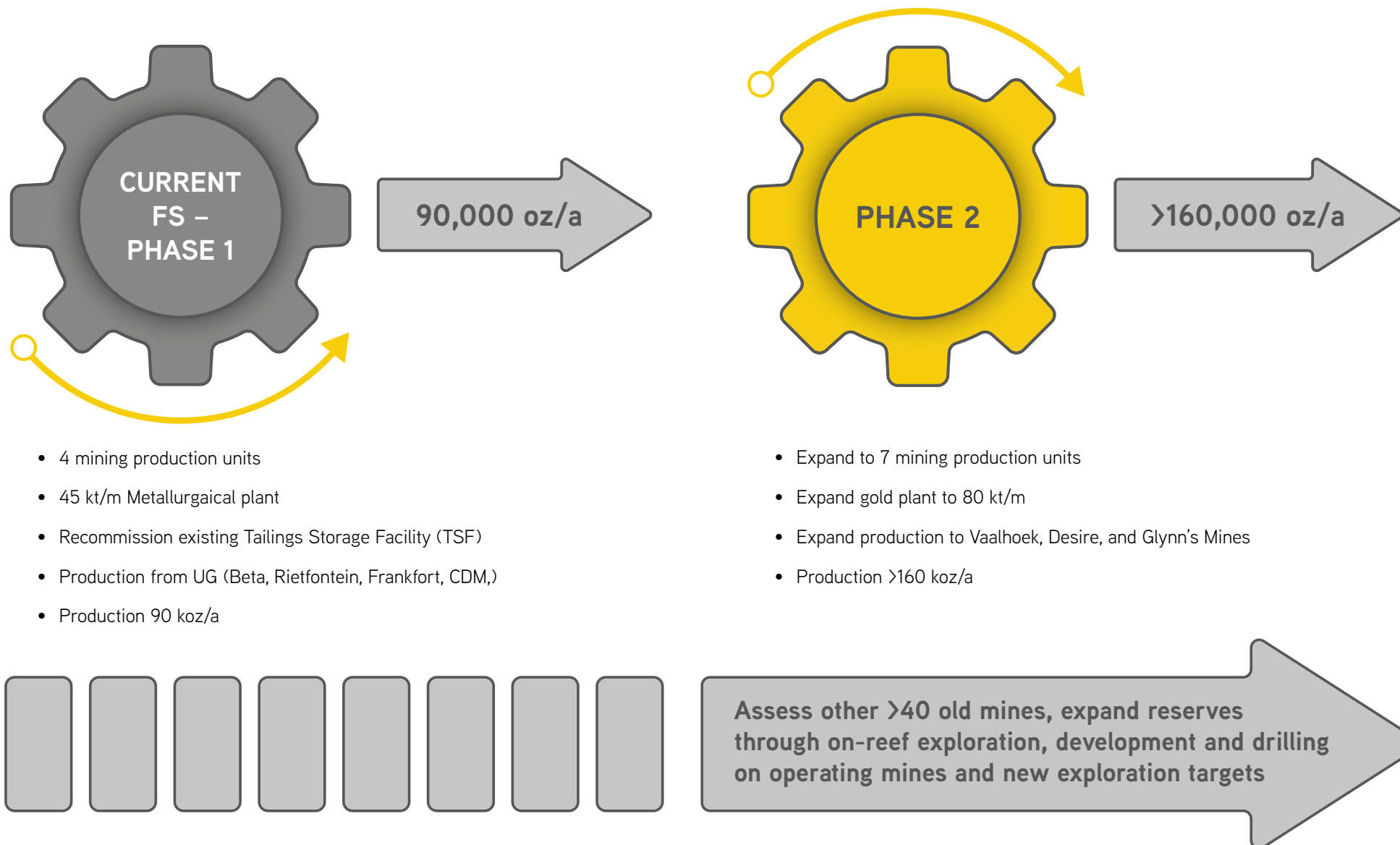
**Note:** <sup>1</sup> As of 25 January 2023, using the last closing price of \$0.065 on 24 January 2023 and RBA Exchange rate of 0.7033.

## Getting Ready for Construction/ Production - Deliverables

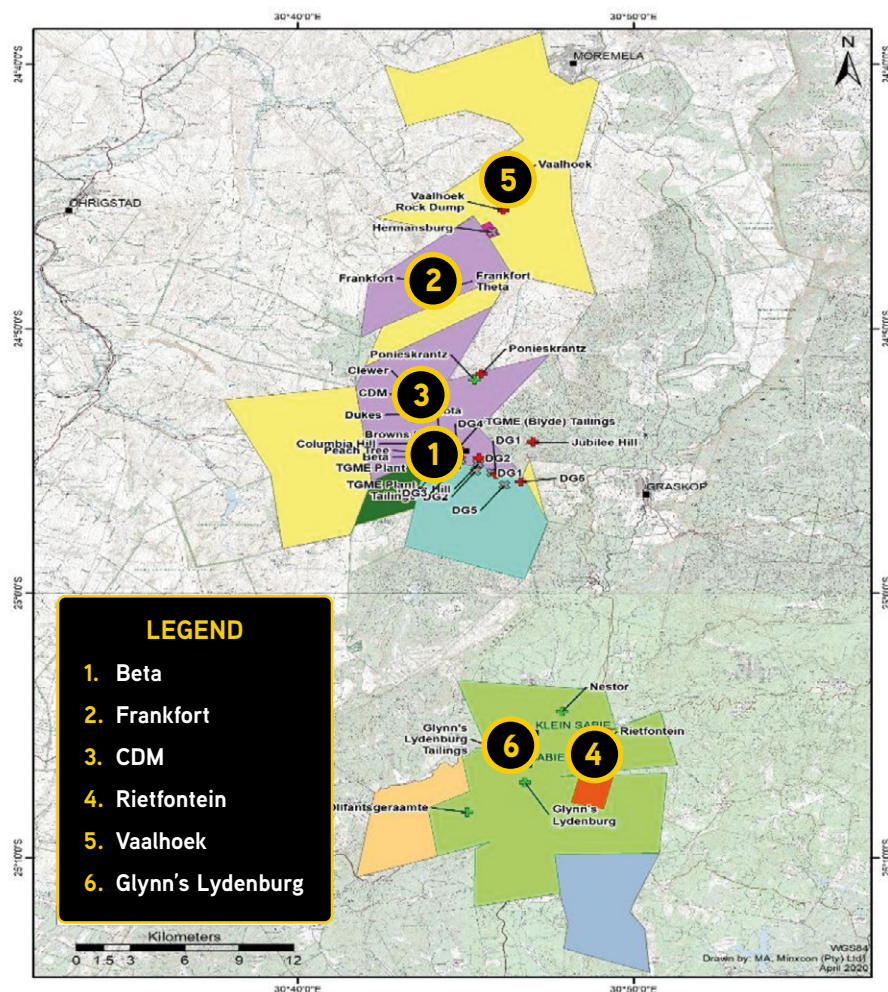
- Initial startup Feasibility Study (FS) completed in July 2022<sup>1</sup> to produce 1.24Moz Gold with a FS Life of Mine of 12.9 years.
- Streaming funding non-binding Term Sheet executed with Sprott for US\$70m (A\$110m)<sup>2</sup>, due diligence now in progress.
- Strong support from stakeholders, including local NGOs, farmers, neighboring enterprises, government departments, final Environmental Impact Assessment and Water Use License pending.
- Very significant ESG Initiatives and Coverage:
  - Environmental offsets offered with a portion of project cashflow to fund the improvement of the township, local river and general landscape, and
  - A project designed to have a very small surface footprint – already existing plant zoning, existing TSF, designed for future underground tailings deposition, and
  - Regular Community Forums and the long needed local jobs creations as we will be the only commercial mining operator within the local area.

- <sup>1</sup> Refer to ASX Release dated 27 July 2022 "Theta's TGME Project Definitive FS Confirms NPV10% of A\$432 million at US\$1,642 oz Gold price"
- <sup>2</sup> Refer to ASX Release dated 19 October 2022 "Theta Gold executes A\$110m (US\$70m) non-binding funding Term Sheet with Sprott for its TGME Gold Project"

**Strategy to build up to >160,000oz/a Au production profile within 5 years  
(only 6 of >40 pre-developed mines)**

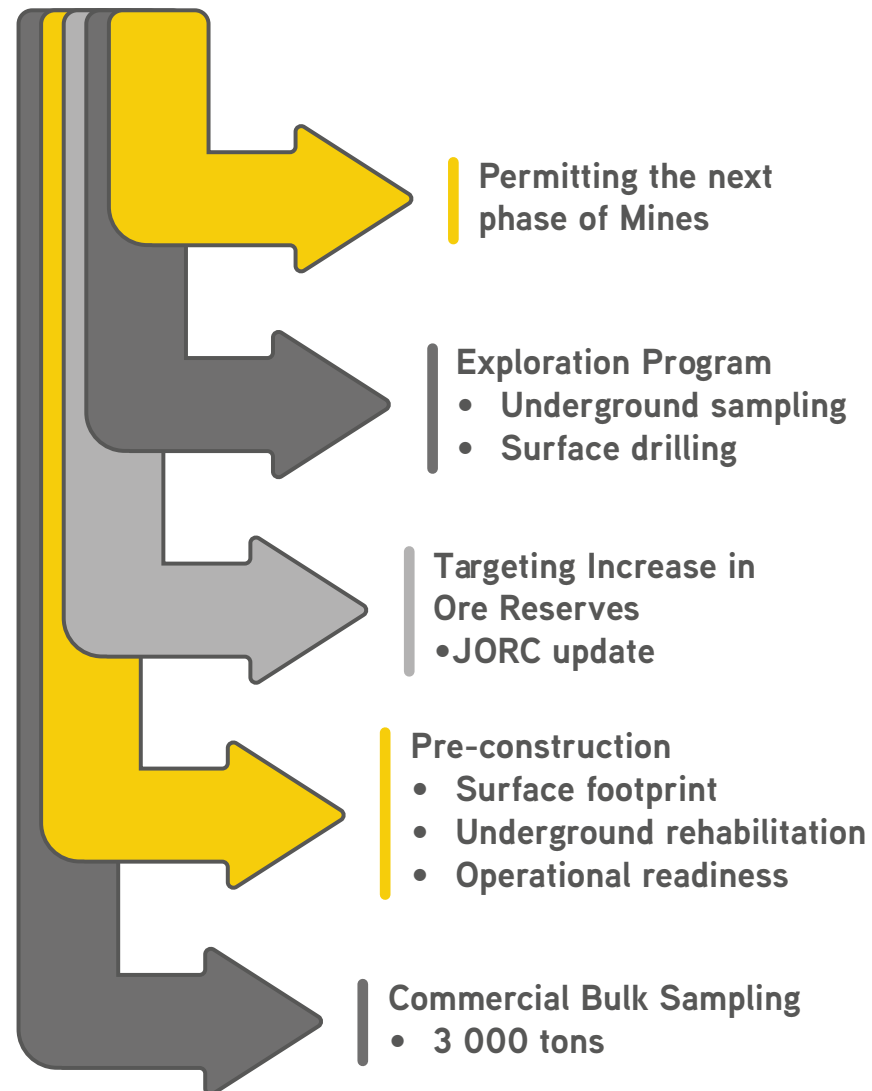


## 6 UG Mines targeted first out of potential >40



Note: Subject to exploration success

## Solid Growth Potential



## Snapshot

### Reviving South Africa's first gold rush

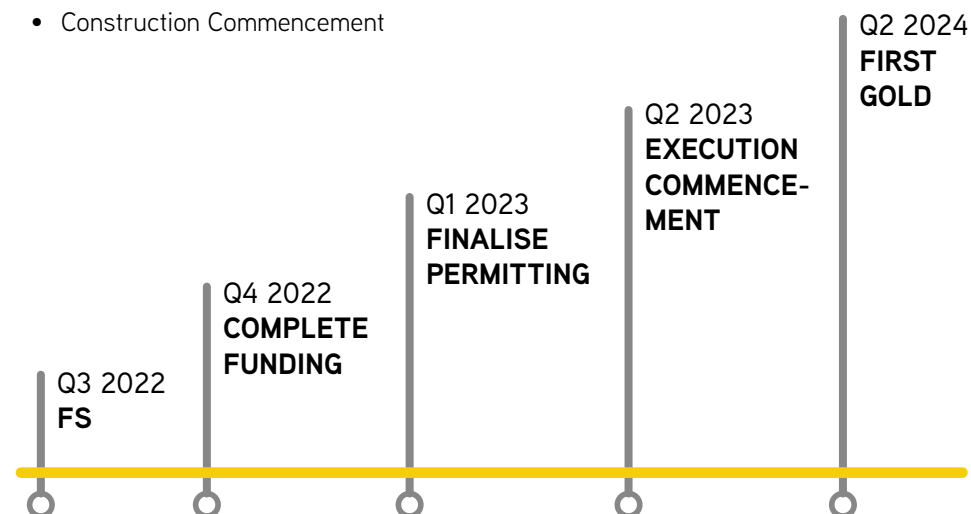
- Provincial location with a small population
- The local people, our stakeholders lobbied government for the Project
- ESG – Environmental offsets and Small Footprint, Community Forums, Local Jobs created
- First four Mines to generate over 1/2 Billion USD Free Cash post Tax
- High margin low-cost project AISC US\$834 (A\$1,112) (Bottom quartile among gold producers)
- Gold Discovery costs less than US\$12 per ounce
- 43 Historical Mines 620km<sup>2</sup> of Goldfield
- Kilometers of extended gold reefs

**This is where South Africa's gold mining industry began 130 years ago, and we're bringing this large, rich, shallow, predeveloped goldfield back to life.**

## Theta Gold expected Catalysis in the next 6 months



- Permitting completion for Mining Right 83 (EIA, WUL)
- Completion of Sprott due diligence Binding Streaming Agreement
- Commercial Bulk Sampling
- Early Cashflow Options
- Exploration to increase ore reserves
- Project fully funded
- Final Investment Decision (FID)
- Construction Commencement



**Note:**

*First gold produced timing will be subject to securing funding and obtaining all necessary regulatory permitting approvals.*

*DFFE -Forestry permits for the continuation of mining are in progress – refer to ASX Release dated 18 July 2022*



# Sprott Stream Funding Term Sheet

**THETA**  
GOLD MINES

**Sprott**

- **NON-BINDING TERM SHEET EXECUTED WITH SPROTT** – US\$70m (A\$110m)
  - Stream funding Term Sheet signed with Sprott Streaming and Royalty Corporation.
- **Use of Funds** – Stream funding is to be used for pre-development, development capital and operating expenditure to bring the initial stage TGME Gold Project into production and reach positive cash flows.
- **About Sprott** – Sprott Resource Streaming and Royalty Corporation is a Tier-1 project financing partner in the mining industry from Canada; Canada's #1 gold/silver financing brand name. It's parent company Sprott Inc. has offices in Toronto, New York and London and is dual-listed on both NYSE and TSX.
- **Key Terms** – Sprott to provide US\$70m cash in return for a gold stream on Theta's TGME Gold Project to deliver to Sprott up to 100,000 ounces of gold over its Life-of-Mine (LOM), for which Sprott will pay Theta 10% of the gold price per ounce delivered under the stream. Any funds advance prior to production will incur interest payable semi-annually at 9.5% per annum which can be repaid in either cash or script (at 10% discount to 5 day VWAP). Furthermore, Theta may buyback 50% of the Stream for a pre-agreed price, and after full delivery of the balance, the Stream will be fixed to 2% of production ongoing.
- **Condition Precedents** – Under the Term Sheet, conditions precedent to closing includes the completion of a technical, legal, environmental and social due diligence, definitive documentation and final regulatory permits and approvals.

## APPENDICES

<sup>1</sup> Refer to ASX Release dated 19 October 2022 "THETA GOLD EXECUTES A A\$110M (US\$ 70M) NON-BINDING FUNDING TERM SHEET WITH SPROTT FOR ITS TGME GOLD PROJECT"



## Theta Gold Highlights achieved last 6 months - 2022

### ASX Release date:

✓ Water Use License Granted for the Frankfort Mine (Fully Permitted)	02/11/2022
✓ Theta Gold executes A\$110M Term Sheet with Sprott	19/10/2022
✓ Atmospheric Emissions License issued for the operation of the processing plant	06/09/2022
✓ State Forest Licence issued for Frankfort Mine	06/09/2022
✓ TGME Underground Mine Feasibility Study Information Booklet	27/07/2022
✓ Theta Gold's TGME Project DFS confirms NPV of AU\$432 Million	27/07/2022
✓ Submission of the final EIA/EMPr to the Department of Mineral Resources and Energy (DMRE) (MR 83)	18/07/2022
✓ Submission of the final technical documents for the integrated water use licence application to the Department of Water and Sanitation (DWS) for final decision	18/07/2022
✓ TGME Gold Processing Plant Front-End Engineering Design (FEED) Completed	20/06/2022

<sup>1</sup> Refer to ASX Release dated 20 June 2022 "TGME Underground Gold Update"

<sup>2</sup> Refer to ASX Release dated 27 July 2022 "TGME Project DFS Confirms NPV10% of AUD 432 Million"

<sup>3</sup> Note that over 30 Environmental/Engineering Studies was completed during the year

<sup>4</sup> (See Appendix A)

## Appendix A Environmental and Feasibility Studies completed 2022

Specialist Studies	Environmental Specialists	Status
Air Quality impact assessment and Greenhouse Gas Assessment	Airshed Planning Professionals (Pty) Ltd	✓
Biodiversity impact assessment	SAS Environmental Group of Companies	✓
Blasting and Vibration study	Blast Management and Consulting	✓
Ecological Compensation Plan	Conservation Strategy, Tactics, and Insight	✓
Mine Closure and rehabilitation plan	OMI Solutions	✓
Freshwater and aquatic ecology impact assessment	SAS Environmental Group of Companies	✓
Geohydrological impact assessment	MvB Consulting	✓
Dolomite Stability assessment	Jones & Wagener	✓
Heritage and Paleontological impact assessment	Heritage Management Consulting	✓
Noise impact assessment	EnviroRoots (Pty) Ltd	✓
Radiation Study	AquiSim Consulting	✓
Socio-economic impact assessment	Kongiwe Environmental	✓
Soil and land use capability	SAS Environmental Group of Companies	✓
Stormwater management plans/ Civil engineering designs	Eco Elementum Environmental and Engineering	✓
Traffic impact assessment	Infratrans Pty (Ltd)	✓
Visual impact assessment	SAS Environmental Group of Companies	✓
Waste classification	GeoDyn Systems	✓
Tailings Storage Facility Waste Risk Assessment	HydroScience	✓

## Appendix A Environmental and Feasibility Studies completed 2022 (Continued)

Description	Beta	Rietfontein	Frankfort	CDM
Geotechnical Studies	✓	✓	✓	✓
Mine Design Criteria	✓	✓	✓	✓
Mine Design	✓	✓	✓	✓
Mine Schedule	✓	✓	✓	✓
Ventilation Studies	✓	✓	✓	✓
Underground Tailing Deposition	✓			
RFQ	✓	✓	✓	✓
Mining OPEX	✓	✓	✓	✓
Engineering Infrastructure	✓	✓	✓	✓
Electrical Design	✓	✓	✓	✓
Hydrological Test Work	✓	✓	✓	✓
Hydrological Studies	✓	✓	✓	✓
Engineering Designs	✓	✓	✓	✓
Engineering OPEX	✓	✓	✓	✓
Engineering CAPEX	✓	✓	✓	✓
Plant Design	✓	✓	✓	✓
Metallurgical Test Work	✓	✓	✓	✓
Plant OPEX	✓	✓	✓	✓
Plant CAPEX	✓	✓	✓	✓
Financial Modelling	✓	✓	✓	✓

## FS – Key Metrics Base/Ore Reserve Cases

Description	Units	Base Case	Ore Reserve Case
Project Targeted Start Date	Quarter-yyyy	Q1 2023	Q1 2023
Commercial Production Start Date	Quarter-yyyy	Q2 2024	Q2 2024
Production build up period	Months	14	14
Life of mine	years	12.9	7.3
Underground ore mined (LOM)	Mt	6.46	2.85
Mined Grade	g/t	5.95	6.09
Gold Mined (LOM)	Moz	1.24	0.56
Production Rate	Kt/a	540	540
Production Rate	Kt/m	45	45
Grind size	μ	106	106
Gold recovered (average LOM)	%	87	87
Gold recovered (LOM)	Moz	1.08	0.49

### Cautionary Statement for the LOM Base Case

The Base Case is presented as potential upside to the Project. However, the Base Case is supported by a significant portion of Inferred Mineral Resources. Inferred Mineral Resources inherently have a lower level of confidence and although it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, it should not be assumed that such upgrading will occur. The realization of the full potential of the Base Case as presented thus cannot be guaranteed.

Start date will be subject too securing necessary funding and approval of regulatory permits.

## Project Economics at Various Gold Prices – Base Case (AUD)

Project Economics at gold price	Unit	Forecast (USD1,642/oz Avg)	USD1,500/oz	USD1,600/oz	USD1,800/oz	USD2,000/oz	USD2,200/oz
NPV @ 10% (real) Pre-tax	AUDm	432	339	405	536	669	802
NPV @ 10% (real) Post-tax	AUDm	292	232	274	359	447	533
IRR (%) Pre-tax	%	65%	57%	64%	77%	90%	102%
IRR (%) Post-tax	%	57%	50%	56%	67%	78%	87%
AISC	AUD/oz	1,112	1,096	1,107	1,129	1,149	1,167
EBITDA annual average	AUDm	92	77	87	107	128	148
EBIT annual average	AUDm	80	66	76	96	116	136
Free Cash Flow (Pre-tax)	AUDm	956	768	897	1,158	1,421	1,686
Free Cash Flow (Post-tax)	AUDm	678	550	638	814	996	1,175
Development Capital – Peak Funding	AUDm	102	102	102	102	102	102
Capital Sustaining	AUDm	49	49	49	49	49	49
Payback post-tax	Months	31	33	31	28	25	24
Capital Efficiency (Pre-Tax NPV/Dev Capital)	%	422%	332%	395%	524%	653%	783%
Capital Efficiency (Post-Tax NPV/Dev Capital)	%	285%	226%	268%	351%	437%	521%

**Note:**

Converted to AUD from using AUD:USD exchange rate of 1.333

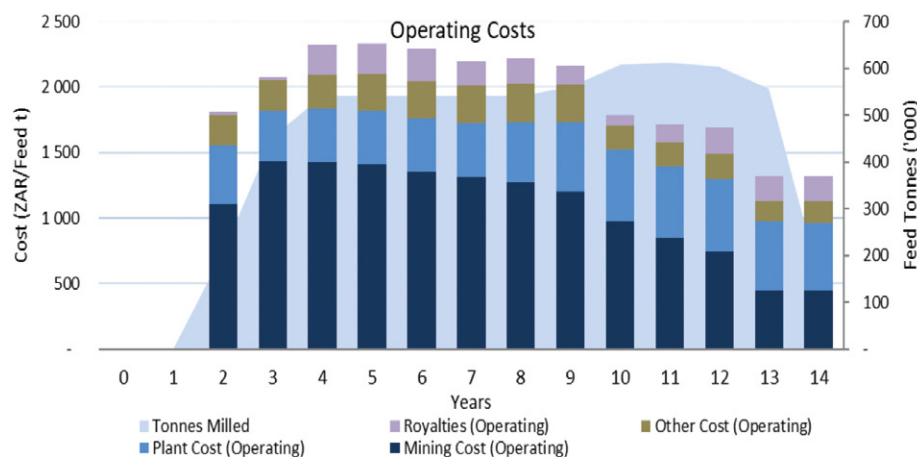
## Project Economics at Various Gold Prices – Base Case (USD)

Project Economics at gold price	Unit	Forecast (USD1,642/oz Avg)	USD1,500/oz	USD1,600/oz	USD1,800/oz	USD2,000/oz	USD2,200/oz
NPV @ 10% (Pre-tax)	USDm	324	255	304	402	501	601
NPV @ 10% (Post-tax)	USDm	219	174	206	269	335	400
IRR (Pre-tax)	%	65%	57%	64%	77%	90%	102%
IRR (Post-tax)	%	57%	50%	56%	67%	78%	87%
All-in Sustaining Costs (AISC)	USD/oz	834	822	831	847	862	876
EBITDA annual average	USDm	69	58	66	81	96	111
EBIT annual average	USDm	60	49	57	72	87	102
Free Cash Flow (Pre-tax)	USDm	717	576	673	869	1,066	1,264
Free Cash Flow (Post-tax)	USDm	508	412	478	611	747	881
Average Payback Period (from Start of Mining)	Months	31	33	31	28	25	24
Peak Funding Requirement	USDm	77	77	77	77	77	77
Sustaining Capital	USDm	37	37	37	37	37	37
Capital Efficiency (Pre-Tax NPV/Dev Capital*)	%	422%	332%	395%	524%	653%	783%
Capital Efficiency (Post-Tax NPV/Dev Capit	%	285%	226%	268%	351%	437%	521%

## FS - Operating Costs in Dollar per Ton (Project over LoM)

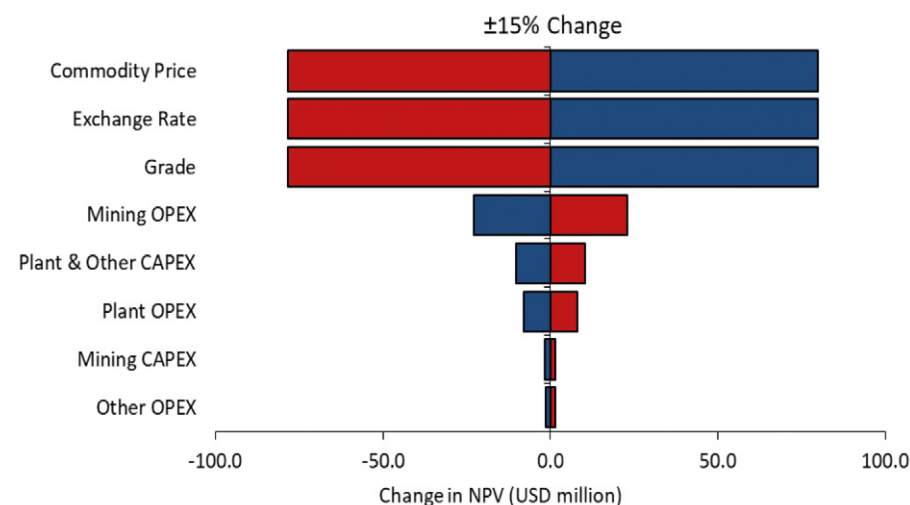
Operational Cost	AUD/Milled tonne	USD/Milled tonne
Mine Cost	96	72
Plant Costs	41	31
Other Costs	20	15
Royalties	15	11
<b>Adjusted Operating Costs</b>	<b>172</b>	<b>128</b>
Renewals and Replacements	8	6
Reclamation	3	2
Off-mine Overheads	4	3
<b>All-in Sustaining Costs (AISC)</b>	<b>187</b>	<b>139</b>

- Adjusted Operating Costs against the milled tonnes per year
- The increase in feed tonnes in years 9 to 12 is due to Frankfort mine being mined, and the tonnes reflected are prior to the Density Media Separation.



Average AUD:USD conversion rate for Adjusted Operating Costs is 1.333  
 Average AUD:USD conversion rate for All-in Sustaining Costs (AISC) is 1.333  
 Average ZAR:USD conversion rate for Adjusted Operating Costs is 15.52  
 Average ZAR:USD conversion rate for All-in Sustaining Costs (ASIC) is 15.50

## FS - Project Sensitivities (Based on real cash flow in USD)



	2022 FS Assumption Base Case	Current (Jan 2023)	% Change
Gold Price (USD)	\$1,643 / oz	\$1,927 / oz	+ 17%
USD / ZAR Exchange Rate	\$16.00	\$17.18	+ 7%

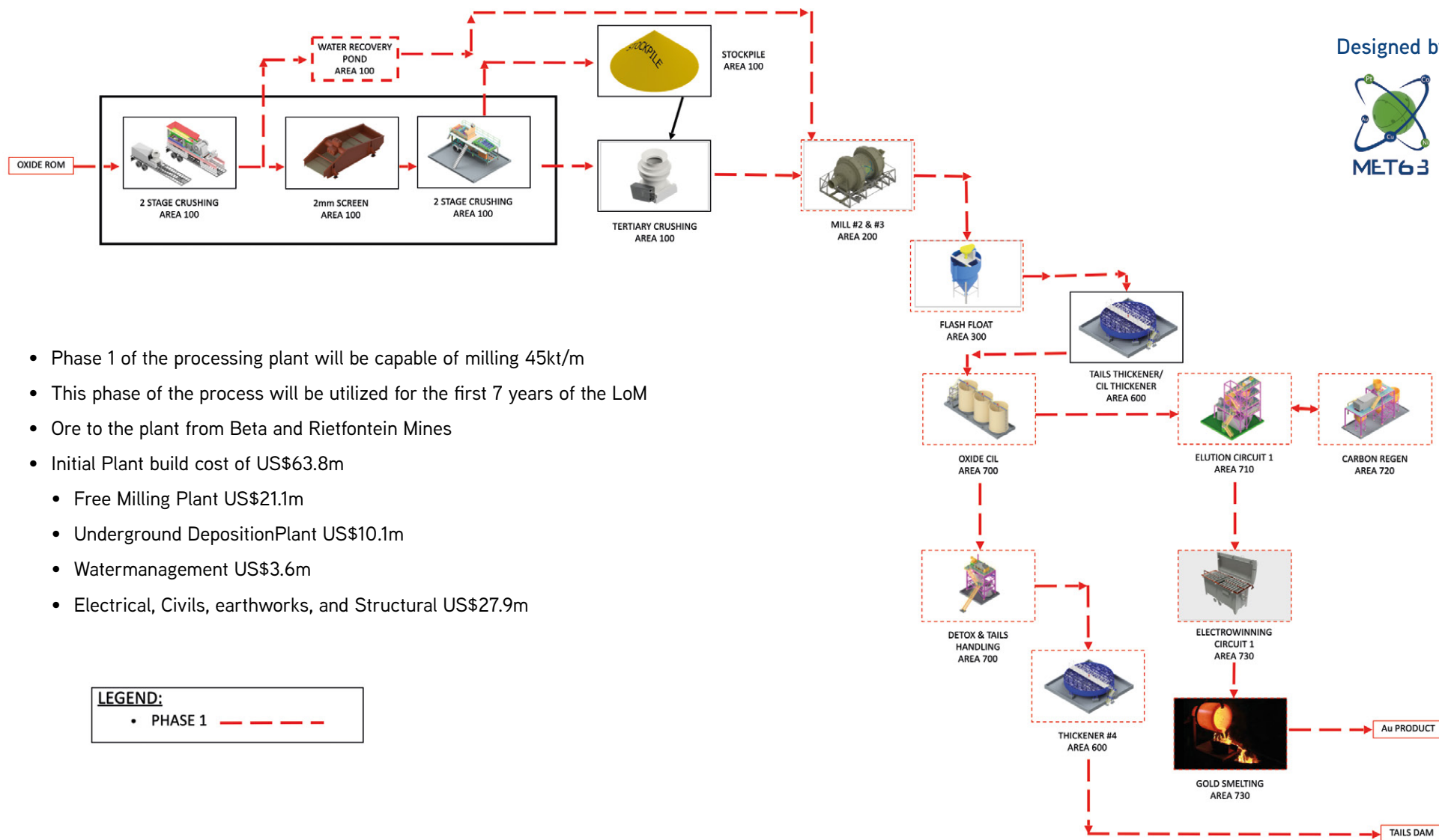
- Based on the real cash flow calculated in the financial model, a single-parameter sensitivity analyses are used to ascertain the impact on the NPV.
- The bars represent various inputs into the model, each being increased or decreased by 15%.
- The left-hand side of the graph indicates a negative 15% change in the input while the right-hand side of the graph indicating a positive 15% change in the input
- The gold price, exchange rate and grade have the biggest impact on the sensitivity of the Project followed by the mining and plant operating costs
- The Project is least sensitive to capital expenditure changes.



## FS - Phase 1 Plant Rendering



# FS - Free Milling Ore Process Plant



## FS - Process Selection and Metallurgical Test Work

Individual Mine Metallurgical Test Work	% of 1.24M Oz into Mine Schedule	Test Work Recovery	DFS Recovery Used	Comments
Beta	60.4%	87-95%	88%	Beta showed to be amenable to conventional CIL processing with 86-95% recoveries
Rietfontein	27.3%	88-93%	90%	Rietfontein showed to be amenable to conventional
Frankfort	7.4%	61-82%	69%	<ul style="list-style-type: none"> <li>82% CIL recovery of sulphide flotation</li> <li>61% CIL recovery on sulphide float tails</li> </ul>
CDM	4.9%	93-95%	88%	Dukes from CDM orebody indicated total recoveries of 93% and higher with combined flotation and CIL processing

- Additional Metallurgical test work is currently ongoing on all the Mines with the objective to improve on the current recovery grades.
- Average gold recovery rate is 87.1%.

## Environmental Approvals Progress MR83

Task	Duration	Status <sup>1</sup>
Submit application for EA	Q3 2021	✓
Submit draft scoping report	Q1 2022	✓
Specialists EIA Studies completed	Q1 2022	✓
DMRE acceptance of final Scoping report	Q2 2022	✓
Draft EIA/EMPr submitted for public review	Q2 2022	✓
Draft IWWMP submitted for public review	Q2 2022	✓
Expected EIA approvals (all studies and documentation submitted)	Q4 2022	
Expected Water use approvals (all studies and documentation submitted)	Q4 2022	
Air Quality Emissions approvals (all studies and documentation submitted)	Q4 2022	✓



- Forestry permits for the continuation of mining are in progress – refer to ASX Release dated 18 July 2022
- Refer to ASX Release dated 6 September 2022 “Two License Approvals Granted for TGME Underground Project”



# Timeline To Production

Task Description	Q2, Year 1	Q3, Year 1	Q4, Year 1	Q1, Year 2	Q2, Year 2	Q3, Year 2	Q4, Year 2	Q1, Year 3	Q2, Year 3
Definitive Feasibility Study									
Environmental and Water Approvals									
Gold Plant Construction / Commissioning									
Tailings Dam Upgrading									
Electrical Power Lines									
Surface Dam Construction									
Water Management Construction									
Backfill Plant Construction									
Surface Infrastructure Beta Mine									
Development at Beta Mine									
Rock Waste Dump Construction									
Stoping at Beta Mine									
First Gold from Beta Miney									

**Note:**

Plant construction and commissioning subject to securing funding for project and permitting approvals.

## Environmental, Social & Governance (ESG)

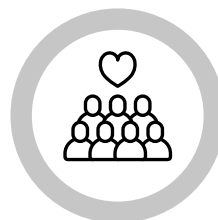
### ESG IS INTEGRAL TO THE DEVELOPMENT STRATEGY AND IS BASED ON:

- Holistic risk management
- Zero harm approach to health and safety
- Environmental stewardship
- Conservation of biodiversity
- Responsible production practices
- Positive impact on host communities
- Transparent stakeholder engagement and reporting



#### ENVIRONMENT

- Creating regional Environmental Development Trusts for alien invasive plants removals
- Establish nature reserves and targeted environmental study programs



#### SOCIAL

- 26% of project ownership held by local labour force, host communities and strategic black entrepreneur partners
- Projects structured for broad based economic participation
- Alleviation of poverty
- TGME will be the biggest employer in the area



#### GOVERNANCE

- Ethical business practices
- Culture of high ethical standards throughout the organisation



## Combined Minerals Resource Statement (~6.1Moz)



Resource Classification	Type of Operation	Combined Mineral Resource			
		Tonnage	Gold Grade	Gold Content	
		Mt	g/t	Kg	koz
Measured	Underground	0.091	5.37	489	15.7
	Open pit				
	Tailings				
<b>Total Measured</b>		<b>0.091</b>	<b>5.37</b>	<b>489</b>	<b>15.7</b>
Indicated	Underground	4.774	6.21	29,661	953.7
	Open pit	8.109	2.14	17,364	558.2
	Tailings	5.244	0.83	4,373	140.6
<b>Total Indicated</b>		<b>18.128</b>	<b>2.84</b>	<b>51,398</b>	<b>1652.5</b>
Inferred	Underground	21.452	5.22	111,880	3,597.0
	Open pit	4.907	5.11	25,057	805.6
	Tailings	0.023	0.57	13	0.4
	Rock Dump	0.885	1.20	1,059	34.0
<b>Total Inferred</b>		<b>27.267</b>	<b>5.06</b>	<b>138,009</b>	<b>4,437.0</b>
<b>Grand Total</b>		<b>45.485</b>	<b>4.17</b>	<b>189,896</b>	<b>6,105.2</b>

### Notes:

- 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.
- Gold price used for the cut-off calculations is USD1,500/oz.
- Mineral Resources are stated as inclusive of Ore Reserves.
- Mineral Resources are reported as total Mineral Resources and are not attributed.



# Total Mineral Resources of the 4 Mines included in the DFS Combined as of 1 February 2021



Mineral Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope Width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	Kg	cm	cm	cm.g/t	Mt	Mt	kg	koz
Measured	Frankfort	Bevetts	7.13	5.37	73	103	520	0.069	0.091	489	15.7
<b>Total Measured</b>			<b>7.13</b>	<b>5.37</b>	<b>73</b>	<b>103</b>	<b>520</b>	<b>0.069</b>	<b>0.091</b>	<b>489</b>	<b>15.7</b>
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
<b>Total Indicated</b>			<b>7.13</b>	<b>6.24</b>	<b>30</b>	<b>91</b>	<b>540</b>	<b>1.734</b>	<b>4.543</b>	<b>28,352</b>	<b>912</b>
<b>Total Measured &amp; Indicated</b>			<b>16.00</b>	<b>6.22</b>	<b>32</b>	<b>92</b>	<b>540</b>	<b>1.803</b>	<b>4.634</b>	<b>28,841</b>	<b>927</b>

Mineral Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope Width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	Kg	cm	cm	cm.g/t	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
<b>Total Inferred</b>			<b>13.51</b>	<b>5.56</b>	<b>39</b>	<b>92</b>	<b>524</b>	<b>3.184</b>	<b>7.736</b>	<b>43,022</b>	<b>1,383.2</b>

## Notes:

1. Mineral Resource cut-off of 160 cm.g/t applied.
2. Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
3. Gold price used for the cut-off calculations is USD1,500/oz.
4. cm.g/t and g/t figures will not back calculate due to variable densities in reef and waste rock.
5. Mineral Resources are stated as inclusive of Ore Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

# Mineral Resource Statement Underground Only (~4.5Moz)

Mineral Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope Width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	Kg	cm	cm	cm.g/t	Mt	Mt	kg	koz
Measured	Frankfort	Bevetts	7.13	5.37	73	103	520	0.069	0.091	489	15.7
<b>Total Measured</b>			<b>7.13</b>	<b>5.37</b>	<b>73</b>	<b>103</b>	<b>520</b>	<b>0.069</b>	<b>0.091</b>	<b>489</b>	<b>15.7</b>
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
<b>Total Indicated</b>			<b>16.26</b>	<b>6.21</b>	<b>36</b>	<b>91</b>	<b>591</b>	<b>1.824</b>	<b>4.774</b>	<b>29,661</b>	<b>953.7</b>
<b>Total Measured &amp; Indicated</b>			<b>15.93</b>	<b>6.20</b>	<b>38</b>	<b>91</b>	<b>600</b>	<b>1.893</b>	<b>4.865</b>	<b>30,150</b>	<b>969.4</b>

Mineral Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope Width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	Kg	cm	cm	cm.g/t	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	Rho	16.28	4.77	22	90	361	0.873	2.980	14,209	456.8
	Vaalhoek	Beta	12.18	9.47	96	123	1,166	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
<b>Total Inferred</b>			<b>14.68</b>	<b>5.22</b>	<b>31</b>	<b>91</b>	<b>458</b>	<b>7.622</b>	<b>21.452</b>	<b>111,880</b>	<b>3,597.0</b>

## Notes:

1. Mineral Resource cut-off of 160 cm.g/t applied.
2. Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
3. Gold price used for the cut-off calculations is USD1,500/oz.

4. cm.g/t and g/t figures will not back calculate due to variable densities in reef and waste rock.
5. Mineral Resources are stated as inclusive of Ore Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

# Mineral Resource Statement Open Pit Only (~1.4Moz)

Mineral Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cm.g/t	Mt	kg	koz
Indicated	Hermansburg	Eluvial	1.79	0	0	0.505	905	29.1
	DG1	Eluvial	2.24	0	0	0.640	1,432	46.0
	DG2	Eluvial	0.66	0	0	1.586	1,041	33.5
	Vaalhoek	Vaalhoek	17.25	33	574	0.111	1,920	61.7
	Theta & Browns Hill	Shale	1.02	200	204	0.397	404	13.0
	Theta & Browns Hill	Bevett's	1.08	233	241	0.856	925	29.7
	Theta & Browns Hill	Upper Theta	2.41	100	241	0.651	1,571	50.5
	Theta & Browns Hill	Lower Theta	3.79	100	379	0.839	3,178	102.2
	Theta & Browns Hill	Beta	2.51	100	251	0.373	938	30.1
	Iota	Bevett's	2.98	114	340	0.108	323	10.4
	Iota	Upper Rho	2.33	402	937	0.897	2,090	67.2
	Iota	Lower Rho	2.51	520	1,306	0.981	2,464	79.2
	Iota	Upper Theta	1.06	114	121	0.163	173	5.6
Total Indicated			2.14	168	360	8.109	17,364	558.2

Mineral Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cm.g/t	Mt	kg	koz
Inferred	Hermansburg	Eluvial	0.88	0	0	0.110	97	3.1
	DG1	Eluvial	0.00	0	0	0.000	0	0.0
	DG2	Eluvial	0.00	0	0	0.000	0	0.0
	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	1.12	215	240	0.600	668	21.5
	Theta & Browns Hill	Bevett's	1.17	217	254	0.451	528	17.0
	Theta & Browns Hill	Upper Theta	1.86	100	186	0.948	1,762	56.6
	Theta & Browns Hill	Lower Theta	8.06	100	806	1.384	11,153	358.6
	Theta & Browns Hill	Beta	2.17	100	217	0.778	1,686	54.2
	Iota	Upper Rho	5.12	134	687	0.131	673	21.6
Total Inferred			5.11	121	617	4.907	25,057	805.6

## Notes:

1. Mineral Resource cut-off of 0.5 g/t and 0.35 g/t applied.
2. Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
3. Gold price used for the cut-off calculations is USD1,500/oz.
4. Vaalhoek, Theta Hill, Browns Hill and Iota Mineral Resources stated utilising pit optimisation.
5. Mineral Resources are stated as inclusive of Ore Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

# THETA

GOLD MINES

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OTC Code: TGMGF

## Board of Directors

Bill Guy

Richie Yang

Bryon Dumbleton

Simon Liu

Brett Tang

Executive Chairman (Economic Geology)

NED (Corporate Finance)

NED (Resource Geology)

NED (Funds Mgmt)

NED (Funds Mgmt)

## Senior Management & Local Board

Jacques du Triou

Terence Mokale

Puseletso Matete

Brent Hofman

Chief Operating Officer (Mining Engineer)

SA Director (Law)

SA Director (ESG)

Company Secretary & Financial Controller (AUS)

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**WEBBER WENTZEL**  
in alliance with > **Linklaters**



# South Africa: – A global leader in ESG

South Africa's laws are considered some of the most progressive in the world, and already ensure adequate consideration of E, S and G risks, impacts and opportunities since at least the 1990s





# Overview

Various South African laws regulate **Environment “E”**, **Social “S”** and/or **Governance “G”** components, and companies must therefore understand the full scope of their obligations in these respects and how they interact in the company's risk and impact frameworks.

South Africa's laws are considered some of the most progressive in the world, and already ensure adequate consideration of E, S and G risks, impacts and opportunities since at least the 1990s.

**By operating in SA, companies already tick many ESG boxes purely by complying with the law.**

International trends are moving towards consolidated ESG regulatory frameworks, for example, in disclosure and reporting regimes. South Africa does not yet have such legislation, but voluntary guidance already exists and will set the tone for future regulatory developments.



# How is South Africa meeting the challenges of ESG?

## By addressing all 17 of the United Nations Sustainable Development Goals (UNSDG)



At the global level, the UNSDG serves as a **high-level forum for joint policy formation and decision-making.**




The Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all.

They address the global challenges we face, including those related to:

- poverty,
- inequality,
- climate,
- environmental degradation,
- prosperity,
- peace, and
- justice.



# Comparative review: Global ESG trends/metrics & United Nations Sustainability Goals (UN SDGs) vs existing SA laws

Environmental		 UN SDGs
<p><b>Sustainable development</b></p> <p><i>The principles underlying SD emerge mainly from "soft law" instruments, such as declarations and conventions, and carry only a persuasive force. There are moves to make the right to a healthy environment a constitutional right in many jurisdictions.</i></p>	<p>In South Africa, sustainable development is <b>enshrined and codified</b> in section 24 of the Constitution of the Republic of South Africa, 1996 (making SA one of the first countries to make the right to a healthy environment a constitutional right):</p> <p><i>24. Everyone has the right—</i></p> <p><i>(a) to an environment that is not harmful to their health or wellbeing; and</i></p> <p><i>(b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that—</i></p> <p><i>(i) prevent pollution and ecological degradation;</i></p> <p><i>(ii) promote conservation; and</i></p> <p><i>(iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.</i></p> <p>It is also <b>codified</b> in section 2 (<i>National environmental management principles</i>) of the National Environmental Management Act, 1998:</p> <p><i>2. Principles</i></p> <p><i>(3) Development must be socially, environmentally and economically sustainable.</i></p> <p><i>(4) (a) Sustainable development requires the consideration of all relevant factors including the following: [...]</i></p>	
<p><b>Climate change</b></p> <p><i>Disclosure guidelines* seek information on (among others) identifying, assessing, prioritising, monitoring, and managing climate-related impacts, risks and opportunities; as well as data on GHG emissions (in metric tonnes of CO2 equivalent and measured in accordance with the Greenhouse Gas Protocol).</i></p>	<p>SA laws include:</p> <ul style="list-style-type: none"> <li>• National Environmental Management: Air Quality Act, 2004</li> <li>• National Ambient Air Quality Standards, 2009</li> <li>• Regulations Regarding the Phasing-Out and Management of Ozone-Depleting Substances, 2014</li> <li>• National Atmospheric Emission Reporting Regulations, 2015</li> <li>• Declaration of Greenhouse Gases as Priority Air Pollutants, 2017</li> <li>• National Greenhouse Gas Emission Reporting Regulations, 2016 + Methodological Guidelines for Quantification of Greenhouse Gas Emissions, 2022</li> <li>• National Pollution Prevention Plan Regulations, 2017 <i>[soon to be replaced by the carbon budget system envisaged under the Climate Change Bill]</i></li> <li>• National Climate Change Adaptation Strategy, 2019</li> <li>• Climate Change Bill, 2022 <i>[soon to be promulgated into law]</i></li> <li>• Carbon Tax Act, 2019</li> <li>• Draft National Guideline for Climate Change Impact Assessments in applications for environmental consents, 2021</li> <li>• Municipal by-laws</li> </ul>	

# Comparative review: Global ESG trends/metrics vs existing SA laws

Environmental		 UN SDGs	
<b>Biodiversity loss</b>  <i>The growing international acknowledgement of biodiversity loss as a systemic and financial risk, combined with market, social and regulatory developments, provide a robust context to help understand the changing interpretation of statutory duties. Evolving disclosure recommendations for companies in relation to biodiversity indicate that directors' duties of care, loyalty and disclosure permit (and may even require) them to govern the management of biodiversity risks.*</i>	SA laws include: <ul style="list-style-type: none"> <li>• National Environmental Management: Biodiversity Act, 2004 + National Environmental Management: Protected Areas Act, 2003 + National Forests Act, 1998</li> <li>• National Biodiversity Framework (2019 to 2024)</li> <li>• National List of Ecosystems that are Threatened and in Need of Protection <i>[revised and updated in 2022]</i></li> <li>• Alien and Invasive Species Regulations and Lists <i>[revised and updated in 2020]</i></li> <li>• Bioprospecting, Access and Benefit-Sharing Amendments Regulations, 2015</li> <li>• Norms and Standards for Biodiversity Management Plans for Ecosystems, 2014 + Norms and Standards for Biodiversity Management Plans for Species, 2009</li> <li>• Mining and Biodiversity Guideline: Mainstreaming Biodiversity into the Mining Sector, 2013</li> <li>• Threatened or Protected Species Regulations and Lists, 2007</li> <li>• Provincial conservation laws</li> <li>• Draft White Paper on Conservation and Sustainable Use of South Africa's Biodiversity, 2022</li> <li>• Draft National Biodiversity Offsets Guideline, 2019</li> <li>• Draft National Guideline for Ecosystem Impact Assessments in applications for environmental consents, 2021</li> </ul>	     	
<b>Circular economy</b>  <i>A circular economy aims to transform the current linear economy into a circular model, to reduce consumption of finite material resources by recovering materials from waste streams for recycling or reuse; using products longer; and exploiting the potential of the sharing and services economy. Circular economy policies and initiatives largely take place domestically at the national or regional level.</i>	SA laws include: <ul style="list-style-type: none"> <li>• National Environmental Management: Waste Act, 2008</li> <li>• National Waste Information Regulations, 2012 + Waste Classification and Management Regulations, 2013</li> <li>• National Norms and Standards for the Assessment of Waste for Landfill Disposal + National Norms and Standards for Disposal of Waste to Landfill, 2013</li> <li>• National Standards for the Scrapping or Recovery of Motor Vehicles, 2013</li> <li>• National Norms and Standards for the Remediation of Contaminated Land and Soil Quality, 2014</li> <li>• Regulations Regarding the Planning and Management of Residue Stockpiles and Residue Deposits, 2015</li> <li>• Regulations for the Control of Import or Export of Waste, 2017</li> <li>• National Norms and Standards for the Sorting, Shredding, Grinding, Crushing, Screening or Baling of General Waste, 2017</li> <li>• Waste Tyre Regulations, 2017</li> <li>• Extended Producer Responsibility Regulations, 2020</li> <li>• National Norms and Standards for Organic Waste Composting, 2021 + National Norms and Standards for the Treatment of Organic Waste, 2022</li> <li>• Municipal waste management laws</li> </ul>	    	  


\*Commonwealth Climate and Law Initiative (CCLI), 'Biodiversity Risk: Legal Implications for Companies and their Director', published 13 December 2022.

# Comparative review: Global ESG trends/metrics vs existing SA laws

Social		 UN SDGs
<b>Indigenous Peoples</b> <p><i>Indigenous Peoples often lack formal recognition over their lands, territories and natural resources, are often last to receive public investments in basic services and infrastructure and face multiple barriers to participate fully in the formal economy, enjoy access to justice, and participate in political processes and decision making. This legacy of inequality and exclusion has made Indigenous peoples more vulnerable to the impacts of climate change and natural hazards.*</i></p>	SA laws include: <ul style="list-style-type: none"> <li>National Heritage Resources Act, 1999</li> <li>National Environmental Management: Protected Areas Act, 2003</li> <li>National Environmental Management Act, 1998 (in particular, principles around public participation, benefit sharing and empowerment) + National Public Participation Guidelines, 2017</li> <li>Mineral and Petroleum Resources Development Act, 2002 (in particular, Social and Labour Plan requirements and compensation mechanisms)</li> <li>Mine Community Resettlement Guidelines, 2022</li> <li>Artisanal and Small-Scale Mining Policy, 2022</li> <li>Draft Strategy to Address Air Pollution in Dense Low-Income Settlements, 2016</li> <li>National Policy on Food and Nutrition Security for the Republic of South Africa, 2014</li> <li>Bioprospecting, Access and Benefit-Sharing Amendments Regulations, 2015 (published under NEM: Biodiversity Act)</li> </ul>	
<b>Working conditions and fair labour practices</b> <p><i>"[When comparing different countries' labour law landscapes,] South Africa is on par, if not more developed, in its legislation around workers rights and creating a fair and equitable environment."</i>*</p>	SA laws include: <ul style="list-style-type: none"> <li>Constitution of the Republic of South Africa, 1996 [section 23 right to fair labour practices]</li> <li>Labour Relations Act, 1995 [allows workers to create unions and collectively bargain]</li> <li>Basic Conditions of Employment Act, 1996 [governs working hours, leave, termination]</li> <li>Employment Equity Act, 1998 [established to lessen discrimination in the workplace, and provides parameters for affirmative action]</li> <li>Skills Development Act, 1998 + Skills Development Levies Act, 1999 [promotes worker productivity and competitiveness in the market]</li> <li>Mine Health and Safety Act, 1996</li> <li>Occupational Health and Safety Act, 1993</li> <li>Compensation for Occupational Injuries and Diseases Act 130 of 1993</li> <li>Unemployment Insurance Act, 2001</li> <li>National Minimum Wage Act, 2018</li> </ul>	

\*Cindy Ross, 'How South African Labour Laws Compare to Other Developed Countries', published 2 May 2022.

# Comparative review: Global ESG trends/metrics vs existing SA laws

Social		 UN SDGs
<p><b>Diversity and inclusion (including of vulnerable and marginalised groups)</b></p> <p><i>“Though diversity and inclusion have become core competencies in HR, and while the importance of the D&amp;I initiative in employment has become generally accepted, the D&amp;I initiative is not rooted in the [US] law.”*</i></p>	<p>SA laws include:</p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa, 1996 <i>[the first in the world to outlaw discrimination based on sexual orientation]</i></li> <li>• Employment Equity Act, 1998</li> <li>• Skills Development Act, 1998 + Skills Development Levies Act, 1999</li> <li>• Promotion of Equality and Prevention of Unfair Discrimination Act, 2000</li> <li>• Broad-Based Black Economic Empowerment Act, 2003 <i>[26% ownership is mandatory for Black people (African, Coloured and Indian people who are South African citizens) in mining projects (30% is industry practice), and CSI spend requirements are prescribed. TGME, for example, has the broadest base BEE in SA]</i></li> <li>• Alteration of Sex Description and Sex Status Act, 2003</li> <li>• Children’s Act, 2005 + Child Justice Act 75 of 2008</li> <li>• Civil Union Act, 2006 <i>[SA was the fifth country in the world, and first in Africa, to legalise same-sex marriage]</i></li> <li>• Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007 <i>[codified the law on sex offences in gender- and orientation-neutral terms]</i></li> <li>• National Intervention Strategy for LGBTI Communities, 2014</li> <li>• Labour Laws Amendment Act, 2018 <i>[allows same-sex couples, as well as adoptive and surrogate parents, to take parental leave, and fathers to get at least 10 days paternity leave]</i></li> <li>• Prevention and Combating of Hate Crimes and Hate Speech Bill, 2018</li> <li>• National Council on Gender Based Violence and Femicide Bill <i>[soon to be promulgated]</i></li> </ul>	

\*American Management Association, ‘D&I in the Workplace: A Legal Perspective’, published 11 December 2020.



# Comparative review: Global ESG trends/metrics vs existing SA laws

Governance	UN SDGs
<p><b>Board direction, tone and oversight</b></p> <p><i>The Board should have oversight of sustainability-related impacts, risks and opportunities, and the company's process for integrating sustainability issues into the overall governance approach.</i></p> <p>SA governance laws include:</p> <ul style="list-style-type: none"> <li>• Companies Act, 2008</li> <li>• Competition Act, 1998 + International Trade Administration Act, 2002</li> <li>• Consumer Protection Act, 2008 + National Credit Act, 2005</li> <li>• Financial Markets Act, 2012</li> <li>• Income Tax Act, 1962 + Securities Transfer Tax Act, 2007 + Securities Transfer Tax Administration Act, 2007</li> <li>• Insolvency Act, 1936</li> <li>• Trust Property Control Act, 1988</li> <li>• King IV Report on Corporate Governance for South Africa 2016 <i>[now serves as an international benchmark]</i> + King IV Guidance Paper: Responsibilities of Governing Bodies in Responding to Climate Change, 2021</li> <li>• Johannesburg Stock Exchange Limited (JSE) Sustainability Disclosure Guidance and Climate Disclosure Guidance, 2022</li> </ul>	  
<p><b>Financial and business crime / ABC</b></p> <p><i>Business crime is now higher than ever on authorities' list of priorities. With authorities across the world working more closely and globalisation and technological advancements opening new frontiers for perpetrators of business crimes – the risks of corporate misconduct have never been higher.</i></p> <p>SA laws include:</p> <ul style="list-style-type: none"> <li>• Income Tax Act, 1962</li> <li>• Prevention of Organised Crime Act, 1998</li> <li>• Public Finance Management Act, 1999</li> <li>• Preferential Procurement Policy Framework Act, 2000</li> <li>• Financial Intelligence Centre Act, 2001</li> <li>• Local Government: Municipal Finance Management Act, 2003</li> <li>• Preventing and Combatting of Corrupt Activities Act, 2004</li> <li>• Protection of Constitutional Democracy against terrorist and related activities Act, 2004</li> </ul>	    
<p><b>Transparency</b></p> <p><i>"Companies that don't harness the power of ESG transparency risk losing favor with investors or ceding competitive advantage, and they may also be at a disadvantage when attracting and retaining customers and employees."</i><sup>*</sup></p> <p>SA laws include:</p> <ul style="list-style-type: none"> <li>• Promotion of Administrative Justice Act, 2000</li> <li>• Promotion of Access to Information Act, 2000</li> <li>• Promotion of Equality and Prevention of Unfair Discrimination Act, 2000</li> <li>• Protected Disclosures Act, 2000</li> <li>• Protection of Personal Information Act, 2013</li> </ul>	 

<sup>\*</sup>American Management Association, 'D&I in the Workplace: A Legal Perspective', published 11 December 2020.



# Spotlight on environmental laws and principles in SA

Constitution – s24, s32, s33, Schedules 3 & 4

National  
Environmental  
Management  
Act

Umbrella legislation

Specific Environmental Management Acts (SEMAS)

Environment  
Conservation  
Act

National  
Water Act

NEM:  
Protected  
Areas Act

NEM:  
Biodiversity  
Act

NEM: Air  
Quality  
Act

NEM: Integrated  
Coastal  
Management Act

NEM:  
Waste Act

World Heritage  
Convention Act

Other pieces of National legislation

National  
Heritage  
Resources Act

Water  
Services  
Act

Hazardous  
Substances  
Act

Conservation  
of Agricultural  
Resources Act

National Veld  
and Forest  
Fires Act

+ Regulations, Norms &  
Standards, Notices

National  
Forests Act

National  
Road Traffic  
Act

Mineral and  
Petroleum Resources  
Development Act

Promotion of  
Access to  
Information Act

Promotion of  
Administrative  
Justice Act

Provincial Acts and Ordinances

Provincial Conservation Laws

Provincial Heritage Laws

Local By-laws

Water

Industrial  
Effluent

Waste

Flammable  
Substances

Dedicated statutory  
“duties of care” are  
envisaged under  
most SEMAs, in  
addition to  
licensing and  
regulatory  
obligations

No person can be civilly or criminally liable, or dismissed, disciplined, prejudiced or harassed, for having refused to perform any work believed at the time to result in an imminent and serious threat to the environment. (section 29, NEMA)

Protection of Workers

No person can be civilly or criminally liable, or dismissed, disciplined, prejudiced or harassed, for having disclosed any information reasonably believed at the time to constitute evidence of an environmental risk. (section 31, NEMA)

Protection of Whistleblowers

Persons/groups may seek relief in respect of any (threatened) breach of environmental legislation in their own interest, in the public interest or in the interest of protecting the environment. (section 32, NEMA)

Horizontal Standing

The responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle. (section 2(4)(e), NEMA)

Cradle-to-Grave Principle

Directors of a company or members of a CC are jointly and severally liable for any negative impact on the environment (whether advertently or inadvertently caused by the company or CC which they represent). They will also be guilty of the said offence and convicted accordingly. (sections 24N(8) and 34(7), NEMA)

Director Liability

The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment. (section 2(4)(p), NEMA)

Mineral right/permit holders remain responsible for environmental liability, pollution or ecological degradation, the pumping and treatment of polluted or extraneous water, the management and sustainable closure thereof notwithstanding the issuing of a closure certificate in terms of the MPRDA. (section 24R, NEMA)

Polluter Pays Principle

Common Law

Law of  
Neighbours

Law of  
Nuisance

Alternative legal route to interdict/seek relief from infringer. Common in noise and dust pollution cases. Landowners have right to enjoy land without unreasonable interference from others.

Public

Private

# Key Governmental Policies

## Just Transition Framework

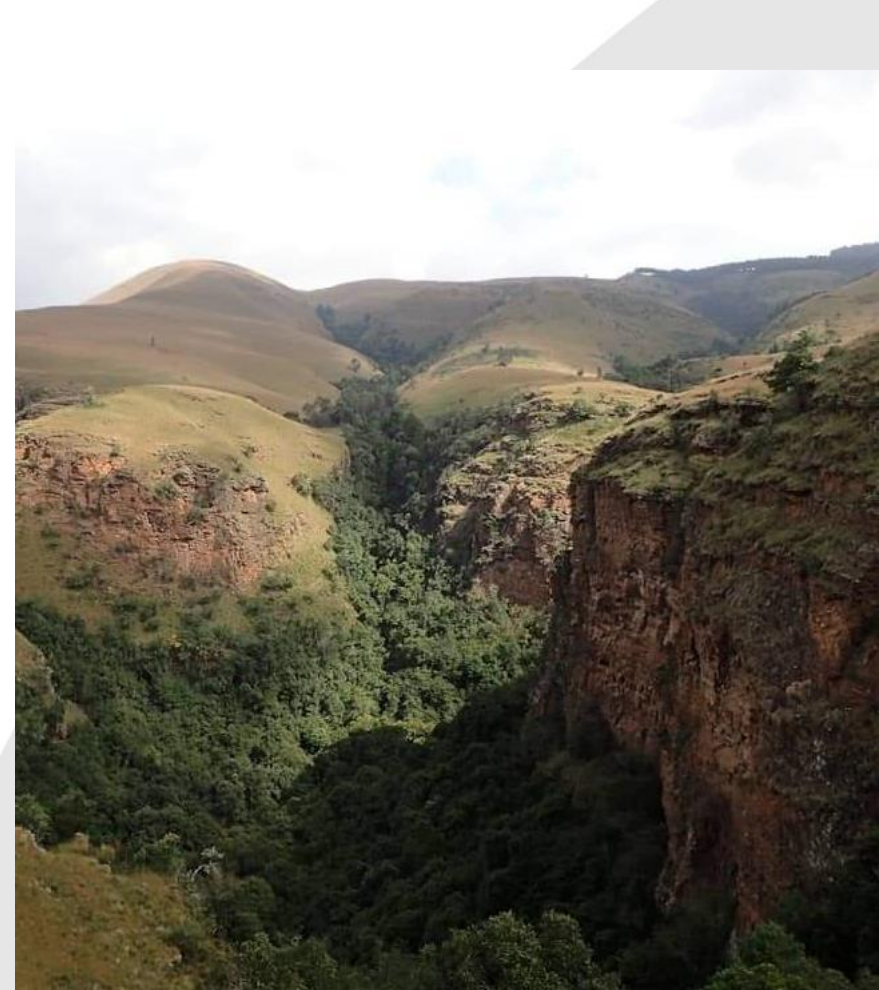
- In June 2022, the Presidential Climate Commission published the Framework for a Just Transition in SA. The just transition framework presents an opportunity to start dealing with practical issues relating to jobs, local economies, skills, social support, and governance when addressing the transition to a lower carbon economy.
- Cabinet approved and adopted the Just Transition Framework on 1 September 2022.

## Draft Green Hydrogen Commercialisation Strategy

- In September 2021, Cabinet approved a Hydrogen Society Roadmap for South Africa, developed by the Department of Science and Innovation. In seeking to position SA as a global leader in the Green Hydrogen market, the draft Green Hydrogen Commercialisation Strategy was released for public comment on 9 December 2022.
- This Strategy sets out a commercial framework, which includes (a) strategic objectives for a green hydrogen sector; (b) an assessment of demand drivers; (c) a technical value chain definition and related delivery supply chain options; (d) identification of opportunities to embed local manufacturing and local content; and (e) creating an attractive and enabling investment environment.

## Draft National Mine Closure Strategy

- This Strategy intends to support regional mine-closure scenarios and cement the mindset shift in creating a self-sustaining natural ecosystem or alternate land use post-closure.
- The objectives of the draft strategy are to, among others manage the closure of mines in a demarcated area in an integrated and sustainable manner, ensuring that these mines work together to achieve a self-sustaining ecosystem after closure; and integrate environmental management and related closure activities with socio-economic interventions and align these with development of a post-closure economy, by rationalising current wasteful spending on environmental management, social and labour plans and corporate social investment by reducing duplication of efforts and spending by aggregating available funding for coordinated regional projects.



# Key Governmental Policies



## Exploration Strategy and Exploration Implementation Plan

- SA's Exploration Strategy and Implementation Plan published in April 2022 outlines an economic recovery plan to unlock the country's full mineral potential and the DMRE's plans to increase SA's share of global investment in exploration from 1% to 5% within the next five years.
- The priorities identified in this Strategy are to improve the availability of geoscientific data, revise the licensing regime and attract exploration investment. It identifies certain barriers, which will require changes to regulation and policy.

## Artisanal and Small-Scale Mining Policy

- This policy was published and became effective on 30 March 2022.
- The policy aims to create a formalised artisanal and small-scale mining industry that can operate optimally in a sustainable manner while contributing to the economy in the form of taxes, royalties and job creation. It also proposes to eliminate illegal artisanal and small-scale mining operations.

## Mine Community Resettlement Guidelines

- These guidelines were published and became effective on 30 March 2022.
- They outline the process for applicants and holders of prospecting and mining rights or mining permits to follow when their operations require the physical resettlement of landowners, lawful occupiers, holders of informal land rights and mine and host communities. They apply to both new and existing operations that are expanding and are intended to apply throughout the lifecycle of the operation, whenever resettlement is necessary.



# Key Governmental Policies

## Renewable Energy Development (RED) Zones; Strategic Transmission Corridors and Strategic Integrated Projects

- In March 2021, the Minister of Forestry, Fisheries and the Environment introduced various draft notices to incentivise [renewable energy development in specific geographic areas known as RED Zones](#). RED Zones are areas best suited for development of renewables, based on environmental sensitivities and the potential for repurposing existing infrastructure which is reaching the end of its life (e.g., mines), and supporting job creation. The principal regulatory feature is that obtaining environmental approvals for renewable energy development in these areas can be fast-tracked, given that strategic environmental assessments in terms of NEMA have already been carried out. There are now 11 RED Zones in SA.
- In April 2021, the Minister further gazetted a notice identifying expanded geographical areas of strategic importance for the development of electricity transmission and distribution infrastructure, and of procedures to be followed when applying for, or deciding on, EAs for large-scale electricity transmission or distribution development activities. The notice amends and expands the [strategic transmission corridors related to electricity transmission and distribution](#) identified in February 2018.
- In July 2022, the Minister also published a notice in terms of NEMA: (i) adopting the [Standard for the Development and Expansion of Power Lines and Substations within Identified Geographical Areas](#) Revision 2 June 2022 (Standard); and (ii) excluding specific NEMA listed or specified activities necessary for the realisation of the development or expansion of power line and substation infrastructure from the requirement to obtain an EA (in certain prescribed circumstances).
- [Strategic infrastructure projects \(SIPs\)](#) designated under the infrastructure Development Act benefit from additional truncated licensing processes.
- Additional interventions are planned for further streamlining the EA process for solar PV and wind projects.





# Benchmarking against international frameworks

## JSE Sustainability- and Climate Disclosure Guidance

- In 2022, the Johannesburg Stock Exchange Limited (JSE) launched its Sustainability Disclosure Guidance and Climate Disclosure Guidance.
- These documents are not intended to replace any of the influential global initiatives, but rather seek to help companies navigate the landscape of reporting standards without being onerous, and to provide explicitly for the South African context.
- They consider the many ESG metrics currently available and highlight those that are generally well-established, universal, industry-agnostic and that the JSE believes to be material in the South African context.

## SA Green Finance Taxonomy (GFT)

- In 2022, National Treasury published the GFT as part of government's national policy to promote sustainable finance and encourage green private sector initiatives.
- The GFT is currently centred around six objectives: climate change mitigation, climate change adaptation, sustainable use of water and marine resources, pollution prevention, sustainable resource use and circularity, and ecosystem protection and restoration.
- As with the EU Taxonomy, the main focus is therefore on the "E" in ESG. However, the "S" in ESG is incorporated insofar as users of the GFT must comply with minimum social safeguards, by evaluating whether their projects are aligned with South African labour laws and the standards in the International Labour Organisation's core labour conventions; the OECD Guidelines on Multinational Enterprises; and the UN Guiding Principles on Business and Human Rights.
- Compliance with the GFT is still voluntary.

**ESG progress in the South African context is to truly share wealth, assisting and making a great man's dream for his people come TRUE!!!!**

*“Overcoming poverty is not a task of charity, it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.”*

*“A fundamental concern for others in our individual and community lives would go a long way in making the world the better place we so passionately dreamt of.”*

*“It is not our diversity which divides us; it is not our ethnicity, or religion or culture that divides us. Since we have achieved our freedom, there can only be one division amongst us: between those who cherish democracy and those who do not.”*

*“For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others.”*

*“There is a universal respect and even admiration for those who are humble and simple by nature, and who have absolute confidence in all human beings irrespective of their social status.”*

*“As long as many of our people still live in utter poverty, as long as children still live under plastic covers, as long as many of our people are still without jobs, no South African should rest and wallow in the joy of freedom.”*

*“A nation should not be judged by how it treats its highest citizens, but its lowest ones.”*

**- Nelson Mandela**



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