

15 May 2023

**ASX ANNOUNCEMENT
(ASX:TGM)**

OPERATIONAL UPDATE AND BOARD CHANGE

HIGHLIGHTS:

- Frankfort Mine commercial bulk sample mining preparation is in progress, the company ordered a 25tph two-stage crushing circuit with a dense medium separation unit scheduled to arrive on-site by the end of June 2023.
- US\$70m Sprott Streaming transaction due diligence work continues, site visit with Sprott representative completed in April 2023, and both technical and legal work in the final stages.
- Mobilisation of key mining, extraction, and earthworks equipment is underway and expected to be onsite in June 2023 to support the delivery of gold ore to the Pan African Resources processing plant.
- Non-Executive Director Mr. Simon Liu to step down from Theta's Board following his 10th year anniversary with the Company.

Theta Gold Mines Limited (“**Theta Gold**” or the “**Company**”) (ASX: TGM | OTC: TGMGF) advises that over 30 new staff members are currently undergoing Mines Health and Safety training at its TGME project facility in compliance with local mining regulations, this training is expected to be complete by end of May 2023.

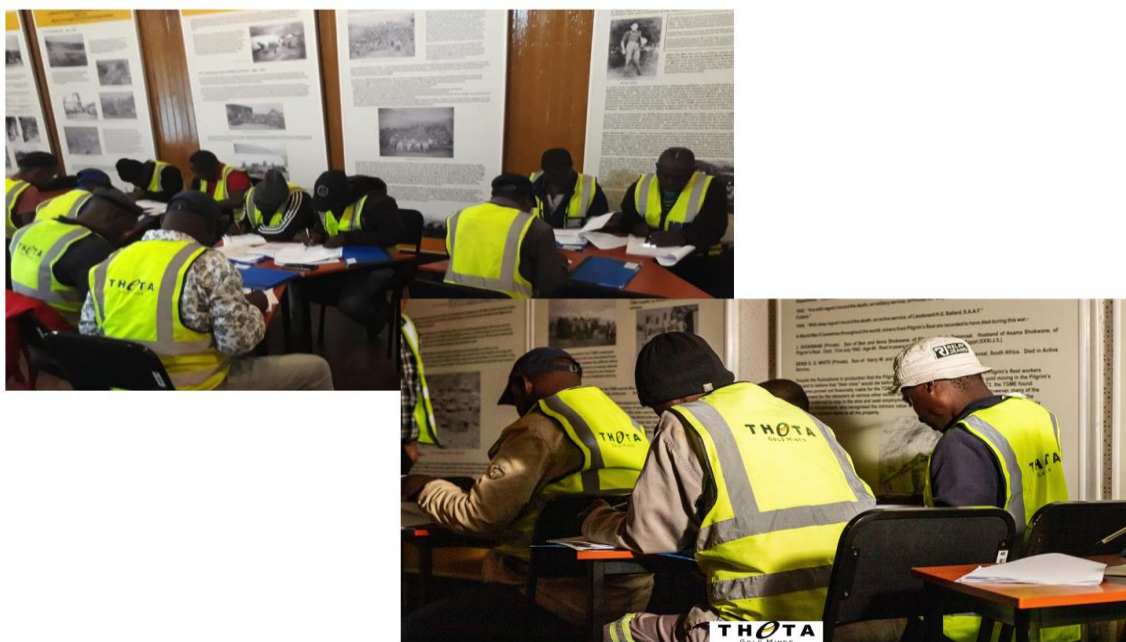


Figure 1: New qualified mine workers

A two-stage crushing circuit and a dense medium separation (“DMS”) unit (Figure 2) with the capacity of delivering 25tph will be mobilised to the site in the coming month. Site preparation at Frankfort, including earthworks for the processing circuit, ground clearance for ore stockpiling, and sealing of the underground dams are currently being completed.

Following the completion of the Mines Health and Safety training, underground safe making of the identified working panels will commence. Once all working areas have been made safe as per Mines Health and Safety standards drilling and blasting operations will commence.

All blasted ore will be stockpiled until the crushing and DMS units have been commissioned. The final crushed and screened ore will then be transported by road to Pan African Resources Ltd (“PAR”) facilities.

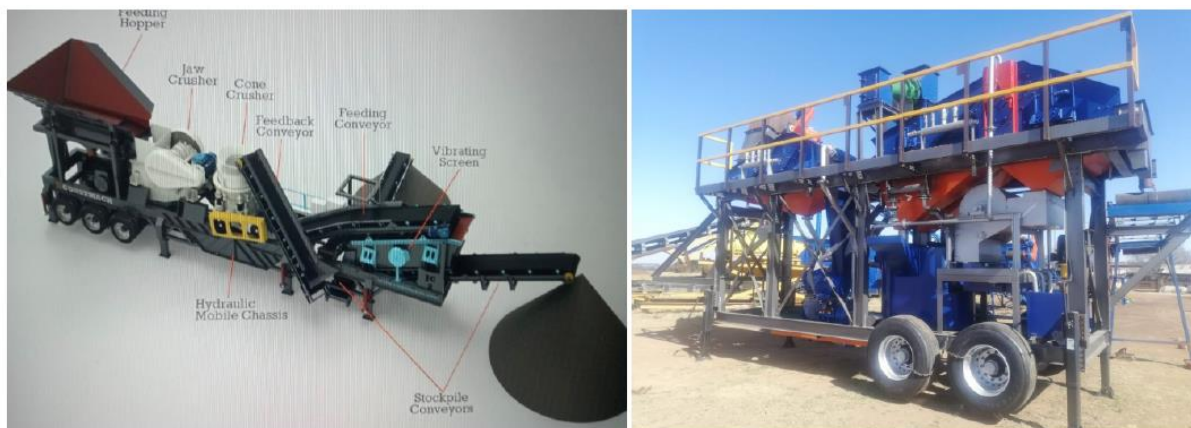


Figure 2: Crushing and DMS unit

Mine extraction equipment has been mobilised and is expected to be available on-site during June 2023, including a 10,000-litre mobile diesel supply tank, compressor, and power generators. The contract for loading and transporting the gold-bearing ore to the PAR processing plant is in the final stages of conclusion. As per the ore milling agreement, the gold-bearing ore will be delivered to PAR during Q3 as announced in April 2023¹.

Sprott US\$70m Streaming Update

In December 2022, Sprott Streaming and Royalty Corporation (“Sprott”) appointed external Mining and Geological advisors and lawyers to complete a thorough project due diligence as part of the requirement of the non-binding term sheet signed with Sprott in October 2022². During this period, two site visits from both the technical advisors and a Sprott representative were conducted.

¹ Refer to ASX Release dated, 3 April 2023 titled, “\$5 million financing and signing of commercial bulk sampling trial run with Pan African Resources’ Barberton Mines Gold Plant”.

² Refer to ASX Release dated, 19 October 2022 titled, “Theta Gold executes a A\$110m (US\$70m) non-binding funding term sheet with Sprott for it’s TGME Gold Project”.

The Company expects to complete the final technical due diligence work as well as transactional legal and tax structuring planning with Sprott and its consultants by early Q3 and shall update the market accordingly.

Director Change

Mr. Simon Liu will step down as a long-serving Non-Executive Director due to his commitments with Rose Rock Capital Ltd, a wholly-owned subsidiary of the Rockefeller investment arm in the Asia Pacific. His resignation is effective 14 May 2023.

Mr. Liu has successfully served on the Board of Theta Gold since January 2013 as a Non-Executive Director and added tremendous value to the board during his years of service. He will remain with the Company in the capacity of a consultant.

A final directors' interest notice (Appendix 3Z) is attached to this announcement.

Chairman's Comments

Theta's Chairman, Mr Bill Guy stated, "Sprott's due diligence is progressing well with site visits and different workstreams in progress. As part of this process, the company will also upgrade the 27 July 2022 Feasibility Study³ to an execution document.

"TGM has made significant progress with the initial preparation of its 3000-ton commercial bulk trial sample project under the toll treatment agreement it has with Pan African Resources and is excited to deliver this early cashflow strategy for our shareholders.

"On behalf of the Directors and the Management team, I would like to thank Simon for his significant contribution to the Company during his long tenure of over 10 years".

[ENDS]

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

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

Bill Guy, Chairman

Theta Gold Mines Limited

T: + 61 2 8046 7584 E: billg@thetagoldmines.com

³ Refer to ASX Release dated 27 July 2022 titled, "Theta Gold's TGME Project DFS confirms NPV10% of AUD432 Million".

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 videos and keep up to date on the 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 completed a Feasibility Study in July 2022 for the first four mines Beta, CDM, Frankfort and Rietfontein (TGME Underground Project). The Base Case LOM plan will comprise 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 over next 5 years to 160kozpa based around 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.

Appendix 3Z

Final Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	THETA GOLD MINES LIMITED
ABN	30 131 758 177

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of director	Yang (Simon) Liu
Date of last notice	3 November 2020
Date that director ceased to be director	14 May 2023

Part 1 – Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Simon Liu 3,444,998 fully paid ordinary shares
Hanhong New Energy Holdings Ltd 4,527,105 fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3Z

Final Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest <small>Note: Provide details of the circumstances giving rise to the relevant interest</small>	Number & class of securities
Nil	

Part 3 – Director's interests in contracts

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
No. and class of securities to which interest relates	N/A

+ See chapter 19 for defined terms.