For personal use only

30 September 2020

ASX ANNOUNCEMENT

QUARTERLY REPORT
1 JULY TO 30 SEPTEMBER 2020

Theta Gold Mines Limited ("Theta Gold" or "Company") (ASX: TGM, TGMO | OTCQB: TGMGF) is pleased to report on its activities for the period from 1 July 2020 to 30 September 2020.

The Company is pleased with the progress for the development of the Theta Open Pit Starter Project, including completion of geotechnical work programs, strengthening the development team and the amendment application for Mining Right 83 to enable open pit mining.

Post the quarter-end, the South African Department of Mineral Resources and Energy (DMRE) informed the Company that it supports the amendment application for MR83 and aim to finalise its review and formalise its decision by the end of November 2020.

HIGHLIGHTS

- **Preferred mining contractor selected**
- **Geotechnical assessment and geophysical survey completed in preparation for development**
- **Development team strengthened with appointment of two ex-Harmony Gold Specialists to Leadership Team**
- **DTC-Eligibility granted for the OTC ticker "TGMGF"**
- **DMRE decision on amendment to Environmental Authorisation for MR83 to permit open pit mining expected by end November 2020**

NEXT QUARTER WORK PROGRAM

- **Expecting CIL plant funding & construction solution by November**
  - **Detailed Engineering Design for the CIL plant**
  - **Ball Mill refurbishment work to commence**
- **Pre-Feasibility Study on numerous underground mines including Rietfontein and Beta Mines**
- **Initial underground sampling work**
- **metallurgical test work**
  - **Advanced underground mining methods analysed and considered for underground mines, across the goldfield**
  - **Engineering drilling for underground mines**

Theta Gold Mines Limited ABN 30 131 758 177
Suite 80, Level 35 (Servcorp), International Tower One, 100 Barangaroo Avenue, Sydney NSW 2000
Tel: +61 2 8046 7584 Email: info@thetagoldmines.com
www.thetagoldmines.com

For personal use only

THETA OPEN PIT DEVELOPMENT GEOTECHNICAL PROGRAM

Geotechnical Assessment

As part of the detailed engineering design for the mining structures, a geotechnical assessment was carried out at the footprints for the waste rock dumps and pollution control dams for the project. The geotechnical assessment included a 35-hole RC and diamond drill program for geotechnical studies.

The main areas assessed were the Iota Waste Rock Dump North, Iota Pollution Control Dam, Wishbone Waste Rock, the dump which will accommodate the Browns and Theta Pits initial waste, and Wishbone Pollution Control Dam.



Figure 1: Triple core diamond drill rig collecting orientated core for engineering studies



Figure 2: Test pits for ground stability

Geophysical Survey

To accurately locate the boreholes required for the geotechnical work, a geophysical assessment was done over the footprints of the various structures proposed. The work was done using a Scintrex CG5 gravimeter whilst a Differential GPS (DGPS) recorded station locations for a total of 94.8 ha assessed.

The program included the following geophysical survey work to inform waste rock dumps and pollution control dams –

- Completion of 11 geotechnical test pits;
- Completion of a 5 km^2 gravity survey.

The geotechnical drilling and geophysical program assessment was positive, with no issues identified on the mine site, plant build area, pollution control dams or waste rock dump.

For personal use only

For personal use only



Figure 3: Location map of TGME gravity surveys. Plant (red), Balancing PCD (blue), Wishbone SW Dam & FSL (yellow), IOTA PCD (green), Wasterock N (purple), Wasterock S (cyan) & fault lines (white)

The following images show the interpreted results from the geophysical assessment of the various areas proposed for further assessment.

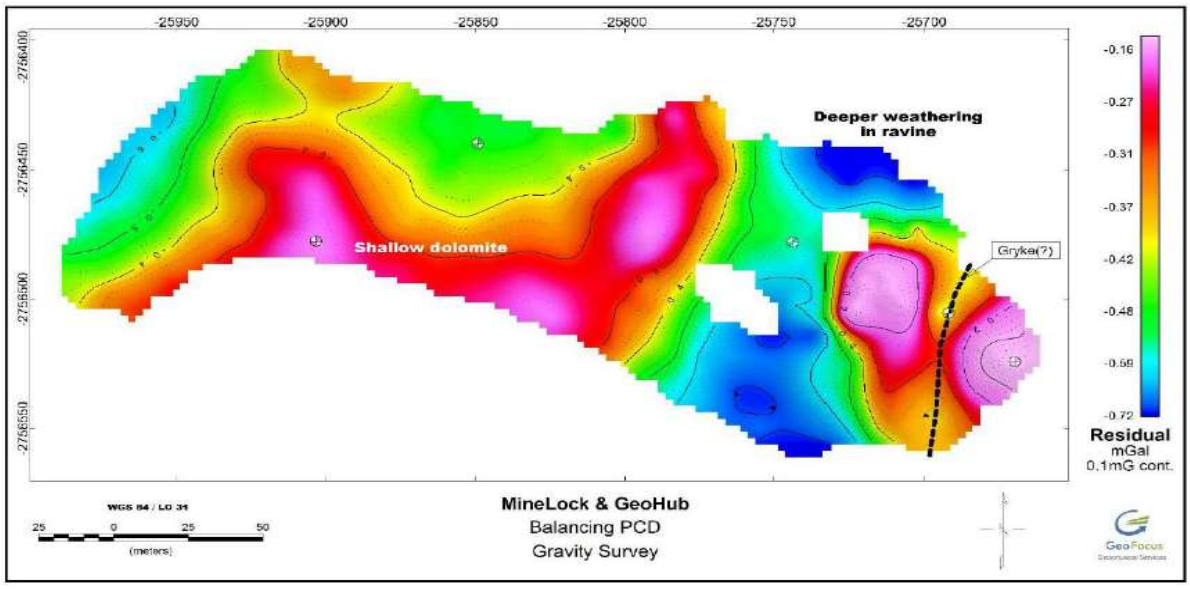


Figure 4: Mine site Gravity Map

Geophysical Processing

(Standard processing procedures were applied, firstly reducing the data to relative Bouguer values by applying Earth Tide (ET), elevation and Bouguer corrections. Geosoft's proprietary terrain corrections software was used to apply terrain corrections to the data using a high resolution DTM (digital terrain model) made available by the client. The regional gravity field, calculated by fitting a 1st order plane to the data, was removed from the Bouguer gravity to produce a residual gravity map. In some cases a vertical

derivative was applied to the residual gravity which has the effect of enhancing subtle changes while further removing a trend, this was done to facilitate a general interpretation.)

DEVELOPMENT TEAM STRENGTHENED

The project development team has been strengthened with the appointment of two ex-Harmony Gold specialists to the South African leadership team. From 1 October 2020, Mr Mitford Mundell has assumed the role of Chief Executive Officer - Africa and Mr Jacques Du Triou as Chief Operating Officer.

Mr Mundell has extensive experience in the mining sector and specialises in asset optimisation, strategic planning, stakeholder management, project building, and change management in open pit and underground mining contexts. He has worked and consulted to some of Africa's largest mining companies including Harmony Gold, De Beers Mining Corporation, Namakwa Diamonds and Anglo American.

At Harmony, South Africa's largest gold company, Mr Mundell gained extensive hands-on experience beginning as a miner and rising through to Shift Boss, Mine Captain, Mine Manager, General Manager and Business Coach. Amongst others, Mr Mundell was Mine Manager at the Kalgold Project, Harmony's open-pit gold operation in South Africa. He was responsible for commissioning multiple mines and establishing one of Harmony's mines as the lowest cost producer in the group.

Most recently as CEO of Namakwa Diamonds, Mr Mundell led the commissioning and expansion of its Kao Diamond Mine. He delivered a new plant and took Namakwa to profitability, increased plant throughput and extended the initial three-year mine life to +20 years, tripling the company's valuation.

Mr Du Triou has over 28 years experience in the South African mining industry across all stages of a mine's lifecycle. He specialises in project and financial evaluations, construction, mine expansion, risk assessments, due diligence, execution and commissioning to full nameplate capacity.

He began his career with Harmony and progressed to General Manager (2009-2015). During this time, he led the Doornkop South Reed deepening project which had an estimated capital cost of R1.2Bn (~A$990m) from feasibility to peak production. He also worked extensively on Harmony's Kalgold project.

Both executives have extensive proven track records in project development and project delivery. Mr Mundell and Mr Du Triou's appointments strengthen the Company's in country operations team and their skill sets align to the Company's near term development and pending production activities.

MINING RIGHT 83 (MR83) ENVIRONMENTAL AUTHORISATION APPROVAL

The Theta Open Pit Starter Project is situated on MR83, an approved and executed mining right and has an approved Environmental Authorisation for underground mining activities, as well as approval for processing of ore and deposition of residues onto an existing tailings dam.

For personal use only

To conduct open pit mining, the Company had applied to the DMRE for an amendment to the Environmental Authorisation for MR83. Subsequent to the end of the quarter and as announced on 27 October 2020, the DMRE has advised the Company that –

- The application for Environmental Authorisation to permit open-pit mining on MR83 is being reviewed and the record of decision should be finalized on or before the end of November 2020.
- The DMRE supports Theta Gold's investment and would do the necessary to ensure appropriate permits are processed and granted expeditiously.
- The DMRE acknowledged and appreciate the progress Theta Gold has made in relation to its mining investment which has potential benefits to the South African economy and the local municipal area in particular.
- The mining sector has been identified as one of the most important catalyst to stimulate economic growth in South Africa post Covid-19.

PROPOSED UNDERGROUND DEVELOPMENT

Theta Gold has considerable optionality across its vast asset base and the upside value is significant.

In Q4 2020, the Company will be looking at ways to accelerate its 5 Year strategy (Figure 5) beyond the Theta Open Pit Starter Project (Stage 1) and in particular, at ways of bringing forward Stages 3 and 4 into production sooner to take advantage of the strong gold price. In this connection, the Company has commenced a Pre-Feasibility Study on the Rietfontein and Beta Mines. This study will build on the Scoping Study that was completed on those mines in May 2017 (refer ASX announcement 16 May 2017).



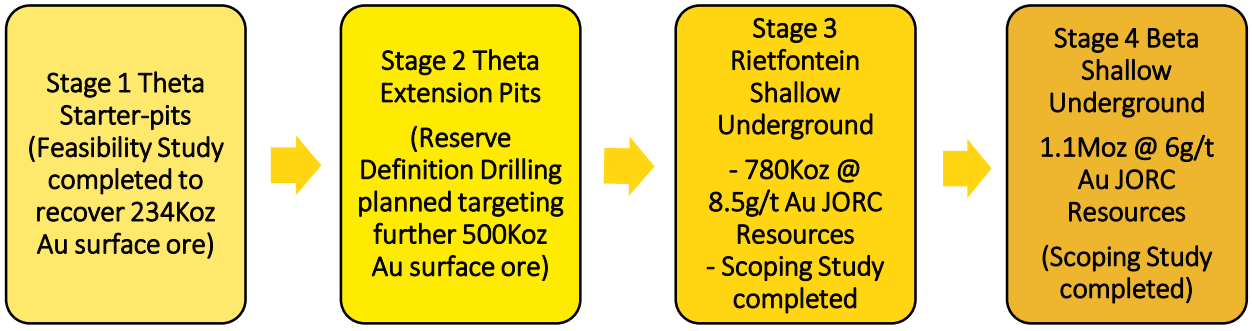


Figure 5: Five Year Plan and target production profile

For personal use only

For personal use only

Underground investigations of multiple mines

Many mines owned by the Company present opportunities to restart close to surface, predeveloped mining faces, and due to the generally good ground conditions many of the old workings are still in good accessible condition, in spite of standing for so long. This has been confirmed by management, consultants and equipment suppliers, as they conducted practical underground investigations. The pictures below were taken on some of these investigations.



Figure 6: Outcrop mined out at one of the Frankfort Bevett's North Adits



Figure 7: Main Adit Frankfort

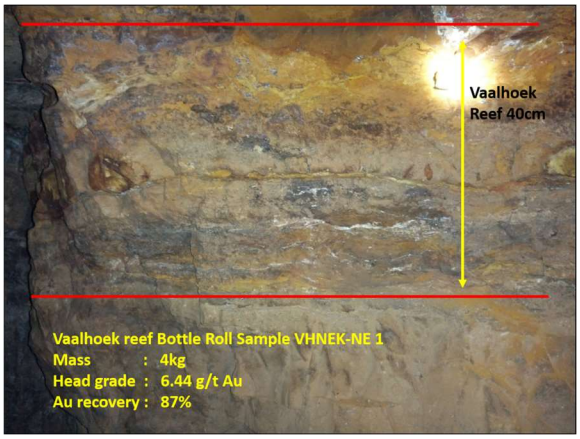


Figure 8: Vaalhoek Reef Nek Section underground exposure



Figure 9: Pictures below indicating the good ground conditions and access at Beta Mine



Figure 10: Main Access Beta Mine

For personal use only



Figure 11: Clewer Dukes Morgons Mine Access Portal

CORPORATE

Cash Position and Funding

As at 30 September 2020, the Group had US$973,000 in cash.

During the quarter, the Company raised US$2,872,000 (A$4,000,100) from a share placement of 16,667,084 fully paid ordinary shares at an issue price of A$0.24 per share. The Company also received a further US$80,000 (A$113,200) from the exercise of 595,788 options at A$0.19 per share.

Project Finance

The Company continues to pursue funding for the project development with potential financiers. In this connection it is expecting to finalise the CIL plant funding and construction solution by November 2020. The Company has also received an indicative term sheet from a local Sovereign Fund for additional debt finance."

Annual Report 2020

The 2020 Annual Report was released on 1 October 2020 and is available for download from the Company's website (www.thetagoldmines.com).

For personal use only

For personal use only

Annual General Meeting

The 2020 Annual General Meeting will be held on Tuesday 17 November 2020 at 2.00pm (AEDT) at –

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

OTC Markets – DTC Eligibility

The Company's shares are dual listed on the ASX and the OTCQB market in the United States (ASX: TGM, TGMO | OTCQB: TGMGF), with the primary listing being on the Australian Securities Exchange.

As announced on 20 July 2020, the Company has received approval for its shares listed on the OTCQB market to be eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States.

DTC eligibility is expected to simplify the process of trading and enhance liquidity of the Company's shares on the OTCQB by greatly broadening the pool of brokerage firms that will allow their clients to trade the stock. Online brokers such as Ameritrade, Fidelity Investments, Charles Schwab, Tradestation and Etrade all offer OTCQB trades.

Capital Structure

The following are movements in the capital structure since the end of the previous quarter and up to the date of this report –

a) 16,667,084 fully paid ordinary shares were issued at A$0.24 each pursuant to a share placement
b) 595,788 fully paid ordinary shares were issued at A$0.19 each following the exercise of options;
c) 400,000 unlisted options exercisable at $0.35 and $0.40 each lapsed on 19 July 2022;
d) 8,425 unlisted options exercisable at $0.19 each lapsed on 13 August 2020;
e) 4,000,000 unlisted performance rights expiring 27 June 2024 lapsed on 5 August 2020.

The current capital structure of the Company is as follows –

	Number
Fully paid ordinary shares (ASX: TGM | OTCQB: TGMGF)	458,919,457
Listed options exercisable at $0.30 each on or before 31 October 2020 (ASX: TGMO)	33,754,663
Unlisted options and performance rights (Refer Annexure B)	22,525,000

This announcement was authorised for release by Mr Bill Guy, Chairman.

For personal use only

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

Bill Guy, Chairman
Theta Gold Mines Limited
T: +61 2 8046 7584
billg@thetagoldmines.com

Investor Relations:
Australia – Ben Jarvis, Six Degrees Investor Relations: +61 (0) 431 271 538
United States - Michael Porter, Porter, LeVay & Rose Inc: +1 212 564 4700,
theta@plrinvest.com

https://twitter.com/ThetaGoldMines

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

Competent Persons Statement

Mineral Resources

The information in this report relating to Mineral Resources is based on, and fairly reflect, 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.

Mr Engelmann has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Engelmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ore Reserves

The information in this report relating to Ore Reserves is based on, and fairly reflects, the information and supporting documentation compiled by Mr Daniel van Heerden (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA), a director of Minxcon (Pty) Ltd and a member of the Engineering Council of South Africa.

The original reports titled "Theta Gold increases Mineral Resource to over 6Moz" and "Positive Feasibility Study for Theta Project" were dated 16 May 2019 and were released to the Australian Securities Exchange (ASX) on that date. 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.

For personal use only

Annexure A

Mineral Resource - Theta Project MR 83

Mineral Resource Category in LoM Plan	Pit	Grade	Reef Tonnes	Au Content	
		g/t	kt	kg	oz
Indicated	Browns Hill	2.30	489	1 124	36 135
Inferred		2.03	181	368	11 831
Subtotal		**2.23**	**670**	**1 492**	**47 967**
Indicated	Iota section of Columbia Hill	2.38	1 696	4 033	129 673
Inferred		5.53	83	457	14 694
Subtotal		**2.53**	**1 778**	**4 490**	**144 367**
Indicated	Theta Hill	1.60	557	891	28 662
Inferred		1.32	438	579	18 604
Subtotal		**1.48**	**995**	**1 470**	**47 266**
Indicated	Dumps	-	-	-	-
Inferred		1.49	418	622	20 007
Subtotal		**1.49**	**418**	**622**	**20 007**
Total Indicated		**2.21**	**2 741**	**6 049**	**194 470**
Total Inferred		**1.81**	**1 119**	**2 026**	**65 137**
Total		**2.09**	**3 861**	**8 075**	**259 607**

Notes:

1. Theta Project (Theta Hill, Browns Hill and Iota) cut-off is 0.35 g/t;
2. The gold price used for the cut-off calculations is USD 1,500/oz;
3. Geological losses applied are 10% for inferred and 5% for Indicated and Measured;
4. Theta Hill and Browns Hill - Upper Theta Reef, Lower Theta Reef and Beta Reef are diluted grades over 100 cm;
5. Geological losses applied are, 10% for inferred and 5% for Indicated and Measured;
6. Historical mine voids have been depleted from the Mineral Resource;
7. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Ore Reserves;
8. Mineral Resource fall within the mining right 83MR and 341MR.
9. No Geological losses applied to dumps
10. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Ore Reserves;

JORC Global Mineral Resources

Mineral Resources for Underground Operations as at 1 May 2019

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

Resource Classification	UG Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	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	Vaalhoek	16.28	4.77	22	90	361	0.873	2.980	14,209	456.8
	Vaalhoek	Thelma Leaders	12.18	9.47	96	123	1166	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
Total Inferred			**14.68**	**5.22**	**31**	**91**	**458**	**7.622**	**21.452**	**111,880**	**3,597.0**

Note: * Manual Mineral Resources

For personal use only

For personal use only

Mineral Resources for Open Pit Operations as at 1May 2019

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Hermansburg	Elluvial	1.79	0	0	0.505	905	29.1
	DG1	Elluvial	1.37	0	0	0.159	217	7.0
	DG2	Elluvial	0.76	0	0	1.174	892	28.7
	Vaalhoek	Vaalhoek	17.25	33	574	0.111	1920	61.7
	Theta & Browns Hill	Shale	1.02	200	204	0.439	402	12.9
	Theta & Browns Hill	Bevetts	1.10	221	244	0.891	886	28.5
	Theta & Browns Hill	Upper Theta	2.41	100	241	0.724	1568	50.4
	Theta & Browns Hill	Lower Theta	3.70	100	370	0.888	2956	95.0
	Theta & Browns Hill	Beta	2.49	100	249	0.383	859	27.6
	Iota	Bevetts	2.89	114	330	0.105	303	9.7
	Iota	Upper Rho	2.43	393	956	0.808	1965	63.2
	Iota	Lower Rho	2.51	550	1381	0.815	2047	65.8
	Iota	Upper Theta	1.08	114	123	0.158	171	5.5
Total Indicated			**2.11**	**179**	**378**	**7.161**	**15,091**	**485.2**

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Hermansburg	Elluvial	0.88	0	0	0.110	97	3.1
	DG1	Elluvial	2.95	0	0	0.293	864	27.8
	DG5	Elluvial	0.76	0	0	0.101	77	2.5
	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	1.11	216	240	0.703	666	21.4
	Theta & Browns Hill	Bevetts	1.07	213	227	0.648	589	19.0
	Theta & Browns Hill	Upper Theta	1.86	100	186	1.071	1692	54.4
	Theta & Browns Hill	Lower Theta	8.11	100	811	1.643	11329	364.3
	Theta & Browns Hill	Beta	2.23	100	223	0.748	1417	45.6
	Iota	Upper Rho	5.13	106	544	0.099	507	16.3
Total Inferred			**4.35**	**115**	**502**	**5.922**	**25,730**	**827.3**

For personal use only

Mineral Resources for Tailings Dams as at 1 May 2019

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Indicated	Glynn's Lydenburg	Tailings	1.211	0.80	972	31.3
	Blyde 1	Tailings	0.590	0.73	434	14.0
	Blyde 2	Tailings	0.280	0.83	234	7.5
	Blyde 3	Tailings	0.316	0.87	275	8.8
	Blyde 4	Tailings	0.164	0.72	119	3.8
	Blyde 5	Tailings	0.022	0.61	14	0.4
	TGME Plant	Tailings	2.661	0.87	2,325	74.8
Total Indicated			**5.244**	**0.83**	**4,373**	**140.6**

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Blyde 3a	Tailings	0.023	0.57	13	0.4
Total Inferred			**0.023**	**0.57**	**13**	**0.4**

Mineral Resources for Rock Dumps as at 1 May 2019

Mineral Resource Category	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Vaalhoek	Rock Dump	0.121	1.64	199	6.4
Total Inferred			**0.121**	**1.64**	**199**	**6.4**

Notes:

1. Columns may not add up due to rounding.
2. Gold price used for the cut-off calculations is USD1,500/oz.
3. 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.
4. Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
5. Mineral Resources are stated as inclusive of Ore Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

Ore Reserve - Theta Project (MR83 only) 1 May 2019

Mineral Resource Category in LoM Plan	Pit	Grade	Reef Tonnes	Au Content	
		g/t	kt	kg	oz
Probable	Browns Hill	3.24	564	1,826	58,699
Probable	Iota	2.54	1,253	3,189	102,513
Probable	Theta Hill	2.76	493	1,362	43,798
Total		**2.76**	**2,310**	**6,377**	**205,010**

The Ore Reserves exclude Inferred Mineral Resources.

Notes:

1. Totals in the Ore Reserve may not add-up due to rounding.
2. Mineral Resources are for MR83 only and excludes MR341.
3. No Inferred Mineral Resources are included in the Ore Reserve.

Annexure B

Theta Gold Mines Limited

Unlisted Options and Performance Rights

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
OPTIONS			
2,325,000		$0.40	27 Apr 2022
800,000	Options will vest on 1 October 2021	$0.30	30 Sep 2022
3,125,000	**TOTAL OPTIONS**		
PERFORMANCE RIGHTS			
50,000	All systems, licences, insurances, regulatory and statutory compliance in place to meet South Africa Mining regulations, laws, Mining Charter 111, commercial contacts. (Mine ready).	Nil	27 Jun 2024
3,220,000	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012[1]) at grade of at least 2.5g/t Au, amenable to open-cut mining on Mining Right 83, Mining Right 341 and Mining Right 10167 (under application).	Nil	27 Jun 2024
4,420,000	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured. This performance hurdle must be achieved on or before 27 Dec 2020, being 18 months from the date of issue of the performance right.	Nil	27 Jun 2024
5,730,000	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before 27 Dec 2021, being 30 months from the date of issue of the performance right.	Nil	27 Jun 2024
5,980,000	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before 27 Jun 2023, being 48 months from the date of issue of the performance right.	Nil	27 Jun 2024
19, 400,000	**TOTAL PERFORMANCE RIGHTS**		
22,525,000	**TOTAL OPTIONS AND PERFORMANCE RIGHTS**		

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

THETA GOLD MINES LIMITED

ABN	Quarter ended ("current quarter")
30 131 758 177	30 September 2020

Consolidated statement of cash flows		Current quarter $US'000	Year to date (3 months) $US'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(219)	(219)
	(b) development		
	(c) production		
	(d) staff costs	(111)	(111)
	(e) administration and corporate costs (includes Sydney, Johannesburg and Pilgrim's Rest minesite offices)	(813)	(813)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,143)**	**(1,143)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(26)	(26)
	(d) exploration & evaluation (if capitalised)	(642)	(642)
	(e) investments		
	(f) other non-current assets		

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $US'000	Year to date (3 months) $US'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	35	35
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(633)**	**(633)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,952	2,952
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(312)	(312)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(38)	(38)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**2,602**	**2,602**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	147	147
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,143)	(1,143)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(633)	(633)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,602	2,602

Consolidated statement of cash flows		Current quarter $US'000	Year to date (3 months) $US'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**973**	**973**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $US'000	Previous quarter $US'000
5.1	Bank balances	973	147
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**973**	**147**

6.	Payments to related parties of the entity and their associates	Current quarter $US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	230(1)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

(1) Payments to related parties in item 6.1 above are for salaries, director fees and consulting fees.

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
7.1	Loan facilities	2,957	2,957
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	2,957	2,957

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Details of the loan facilities are set out in Note 14 of the Company's Financial Report for the year ended 30 June 2020.

8.	**Estimated cash available for future operating activities**	**$US'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,143)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(642)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,785)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	973
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	973
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	0.5

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company expects to raise a small amount from the exercise of options expiring 31 October 2020. The Company will also be commencing discussions with potential investors for additional funding for its business needs. The Company believes that it will be successful in obtaining additional funding.

For personal use only

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to raise fund to continue its activities. The Company owns the Theta Project (ASX announcement 20 April 2020) which is ready for development, subject to permitting approval and finance. The group's large tenement holding in South Africa is potentially very prospective and remains largely unexplored using modern technology. The Theta Project and the prospective tenement holding should underpin the company's ability to raise funds for its business needs.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: Mr Bill Guy, Chairman
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only

For personal use only

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 being evaluated

The Company aims to build a solid production platform to over 160 Kozpa based primarily around shallow, open-cut or adit-entry 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, Stonewall Mining (Pty) Ltd ("Stonewall"). Stonewall 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.



For personal use only

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.

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 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 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.

For personal use only