



30 April 2020

ASX ANNOUNCEMENT

## **QUARTERLY REPORT 1 JANUARY TO 31 MARCH 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 January 2020 to 31 March 2020.

The Company has made good progress in bringing the Theta Project closer towards production as well as strengthening its social licence in the area. Various permitting activities continue to progress as the Company works towards becoming a gold producer.

### **HIGHLIGHTS**

#### **Optimised Theta Open Pit Starter Project**

- Optimised mine schedule delivers additional 40,000 oz gold with 260 Koz delivered to plant over 6.5 years Life of Mine ("LoM")
- Total Capital Cost of US\$31.4 million, with pay-back period of 8 months
- LoM All-In Sustaining Cost (AISC) of US\$855/oz at bottom quartile for South African producers
- EBITDA over LoM of US\$150 million
- NPV<sub>5</sub> of US\$85 million

#### **Plant Construction**

- Tender documents issued for plant construction on an Engineering, Procurement, Construction (EPC)/Lump Sum Turnkey (LSTK) basis
- Tender based on the Plant Optimisation Study design work with throughput increased to 600 Ktpa (ASX announcement 28 Jan 2020)
- Designs for Tender have incorporated the 2.5 MW ball mill purchased in October 2019
- Company engaging with multiple credentialed engineering and contracting groups
- Final contractor selection expected H1 2020
- Ball Mill arrived and unloaded safely at mine site

#### **Mining Contract**

- Mining contract being negotiated with preferred mining contractor
- Indicative draft mining costs remain in line with costs released in May 2019 Feasibility Study

#### **Mining Right 83 (MR83) Environmental Authorisations**

- Amendment application being updated to reflect optimised mine schedule

The Company is pleased with the continued strong project development progress including that the 2.5 MW mill purchased in October 2019 has arrived safely and been offloaded. Pre construction tender processes are underway including for the 600,000tpa process plant. The Company is updating the environmental authorisation documentation to reflect the optimised study. A mining contract is now being finalized with the preferred mining contractor.

## OPTIMISED THETA OPEN PIT STARTER PROJECT

Subsequent to the end of the quarter, the Company released the results of an optimised study for the Theta Open Pit Starter Project (ASX announcement 24 April 2020). The study incorporates a new optimised mine schedule that includes the mining of several old mine waste rock dumps and allows for an increase in the production rate from 500 ktpa to 600 ktpa. The recently acquired 2.5 MW ball mill, which has a capacity of up to 1.2Mtpa, was also incorporated into the study. This ball mill will provide the flexibility to expand as the project grows.

The result of the study is a significant improvement over the May 2019 Feasibility Study ("May '19 FS") and adds 40,000 oz of gold to the life of mine plan. The table below sets out the comparison of the May '19 FS to the Optimised Study at various gold price scenarios. Salient details between the Optimised Study run at US\$1,500/oz vs the May '19 FS base case at US\$1,257/oz include:

1. The IRR nearly doubling from 65% to 123%;
2. Mine life increases from 5 years to over 6.5 years;
3. EBITDA increases by US\$50 million over the LoM to US\$150 million; and
4. NPV<sub>5</sub> increases by US\$35 million to US\$85 million.

### *Optimised Study compared May '19 FS*

Real Discount Rate	Unit	Lower Case US\$1 369/ oz	Base Case US\$1 500/ oz	Stretch Case US\$1 600/ oz	May '19 FS US\$1 257/ oz
<b>NPV @ 5%</b>	<b>USDm</b>	<b>61</b>	<b>85</b>	<b>104</b>	<b>50</b>
Internal Rate of Return (IRR)	%	92.7%	<b>123.0%</b>	157.2%	65.1%
Total ounces in Mine plan (Annexure A)	oz	259 607	<b>259 607</b>	259 607	219 425
Total Oz Recovered	oz	234 063	<b>234 063</b>	234 063	200 905
Average Payback Period (From Start of Production)	Month	9	<b>8</b>	6	14
Total Capital Requirement	USDm	31.4	<b>31.4</b>	31.4	34.3
All In Sustaining Cost (AISC)	USD/oz	911	<b>855</b>	822	760
Return on investment	USDm	206%	<b>350%</b>	476%	182%
EBITDA over LOM	USDm	108.5	<b>150.2</b>	181.4	99.6
Gold Price	USD/oz	1 369	<b>1 500</b>	1 600	1 257
Exchange Rate	ZAR/USD	14.64	<b>16.00</b>	17.00	14.01

## PLANT CONSTRUCTION TENDER

As mentioned in the ASX announcement dated 3 March 2020, the Company has started the tender process based on a Lump Sum Turnkey (LSTK) contract for the first stage 600,000tpa gold plant construction. The Company is engaging with multiple South African based engineering and construction groups with the necessary capability to deliver on time, budget and design quality. The design work supporting the Tender has been prepared by METS Engineering SA (Part of the UMS Group) following plant design optimization work announced on 28 Jan 2020. The design incorporates the newly purchased (October 2019) 2.5 MW ball mill. The mill design and operating parameters have been incorporated into the revised and optimised plant design and offers the project flexibility to easily expand production up to 1.2Mtpa should the project grow.

As part of this design work, METS and the Company have also delivered sufficient detail to allow for a Tender based on a Lump Sum Turnkey (LSTK) basis. The Company expects to complete the plant build tenders by H1 of 2020.

The 60 tonne 2.5 MW ball mill has arrived on site and been safely off-loaded at the permitted mine site, ready for future installation.

The Pilgrim's Rest community welcomed the arrival of the mill with a parade amongst much excitement and anticipation, eager to see the progress towards an official start of construction and mining which will bring back much needed jobs and income for this historic mining town.

Click link to see video - <https://www.youtube.com/watch?v=gzOqosaDgeQ&feature=youtu.be>



Ball Mill  
landed

on site

TGME our  
130-year-old  
operating  
company  
welcomes its  
largest mill  
yet at  
Pilgrim's  
Rest.  
youtu.be



**Figure 1: 2.5MW Ball Mill drum arriving at Pilgrim's Rest**



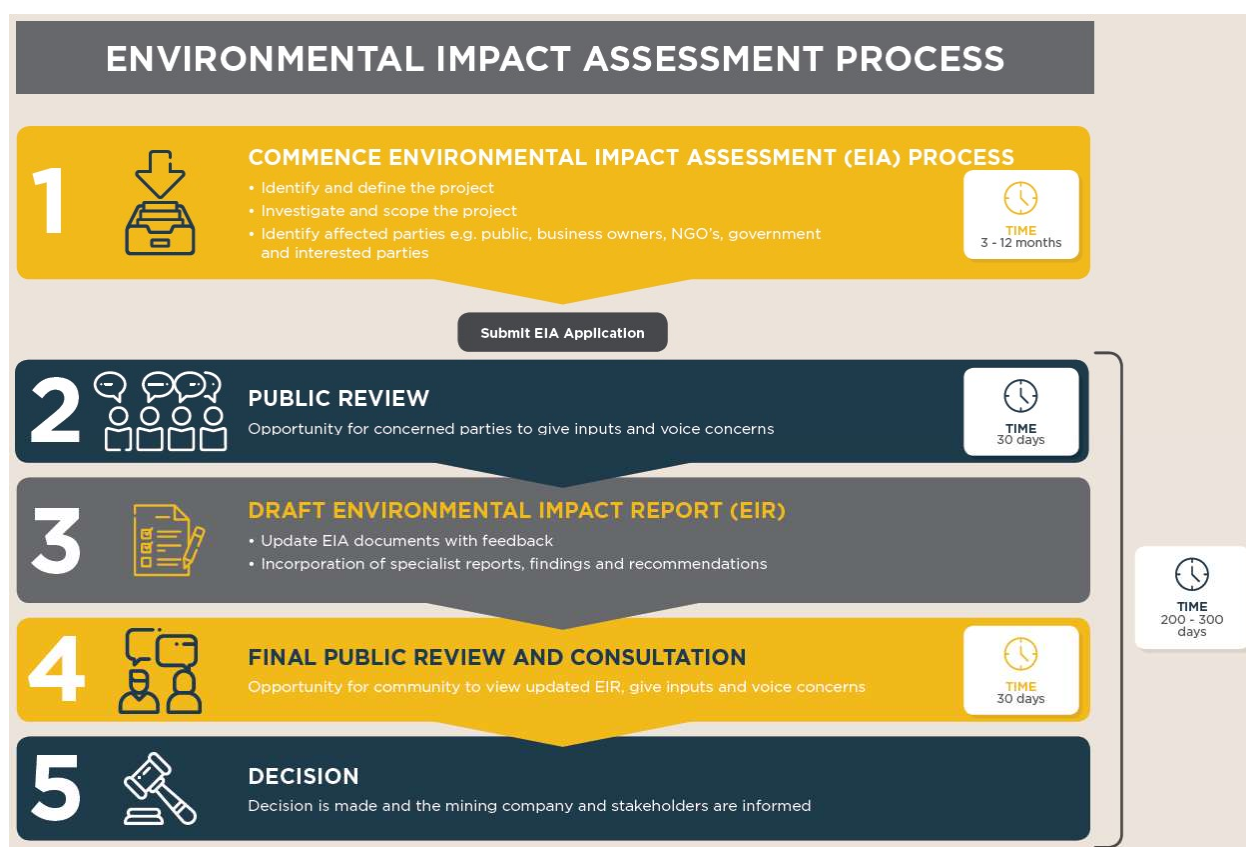
**Figure 2: Ball Mill drum being offloaded upon arrival at Theta Gold's TGME CIL Plant site**

## DRAFT MINING CONTRACT

The Company has been working with Minxcon and a South African owned and based mining contractor group. This work has included matching and fine-tuning the mining schedule in relation to the recently announced increase in process production capacity to 600,000tpa and accordingly revising the schedule of rates. The mining costs developed for the 600,000tpa mining schedule are in line with those developed in the Feasibility Study released on 16 May 2019. The next steps will be further detailed negotiations with the selected Mining Contractor to finalise all legal, commercial and technical aspects required before final sign off.

## MINING RIGHT 83 (MR83) ENVIRONMENTAL AUTHORISATIONS

As part of the approval process for a mining right, the Mineral and Petroleum Resources Development Act, No. 28 of 2002 and in terms of the One Environmental System, an application for, and approval of, Environmental Authorisation is required. This EA comprises a complete Environmental Management Programme Report (“EMPR”), incorporating an Environmental Impact Assessment (“EIA”) and Environmental Management Programme (“EMP”), which must be submitted and approved. The general process is described below.



**Figure 3 : Simplified Environmental Authorisations Process and Timeline**

The Theta Project is situated on MR83 and has some additional resources in the adjacent MR341 to the south. MR83 is 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.

In order to bring in open cut mining approvals, the Company is required to gain an approved amendment to MR83 and complete an EIA process. The Company has advanced the environmental authorisation process and is currently finalising documentation to reflect the environmental improvements, including changes to the mining areas, as identified by the specialists and as part of step 4 in the simplified schematic above.

## **LOCAL COMMUNITY SUPPORT FOR COMPANY**

TGME underground operations and gold processing only ceased in 2015. The community and local businesses have been partnering with TGME and other historical mining companies around Pilgrim's Rest for more than a century. The local township of Schoonplaas attached to Pilgrim's Rest was originally built to provide accommodation for the local mining industry as was much of Pilgrim's Rest.

The Company continues to be actively involved in various Pilgrim's Rest social projects including Local School Support, Cooking and Heating Fuel for Community, School Infrastructure Repairs and the Sabie Feeding Scheme.

TGME has been working with the local Primary School Headmaster in Pilgrim's Rest and teachers to support the school for more than 5 years. The Company has recently embarked on a new SLP (Social Labour Plan) drive to assist this school with the following:

- Payment of three teachers and an administration person at the school
- Assisting with School water issues. The Company is working with the school to ensure there is a permanent water supply
- Company engineering group is assisting with maintenance of school facilities
- Providing extra educational toys and learning equipment



**Figure 4. Company Staff (in red) and CEO George Jenkins (grey shirt) at the local school**

**Chairman Mr Bill Guy stated,** “During the quarter, the team continued to prepare for the later construction phase. The Company has issued tenders for the plant construction, completed draft mining contracts, completed all required environmental studies for submission of the Environmental Impact Assessment (EIA) for “Starter Theta Open-pit Project” (which includes the amendment of MR83 from an underground to open-pit mining method), and now has transported this 60-tonne 2.5MW ball mill to the mine site.”

“Following the quarter-end , the Company successfully completed an optimization plant design study which significantly improved an already strongly viable project development (ASX announcement 10 April 2020). The Theta Project continues to progress strongly towards production.”

## **CORPORATE**

### **Cash Position and Funding**

As at 31 March 2020, the Group had US\$295,000 in cash.

In April 2020, the Company raised \$930,000 from a share placement of 4,650,000 fully paid ordinary shares (with free attaching options ) at \$0.20 per share. For every 2 shares subscribed, the applicants were issued the following free attaching options –

- (a) 1 listed option exercisable at \$0.30 per share on or before 31 October 2020. The options are of the same class as the existing listed option (ASX: TGMO); and
- (b) 1 unlisted option exercisable at \$0.40 per share on or before 27 April 2022.

### **OTC Markets – DTC Eligibility Application**

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

The Company has now lodged an application for DTC eligibility with the Depository Trust and Clearing Corporation, part of the US Federal Reserve System<sup>1</sup> (DTC). Once approved, DTC eligibility will facilitate electronic trading of securities by individual investors that use self-managed online broking accounts (such as TD Ameritrade and E-Trade), as opposed to restricted trading through market makers.

The Company has been advised that approval for DTC eligibility is expected during the current calendar quarter.

### **Half Year Report**

The Half Year Report for the six months ended 31 December 2019 was lodged with ASX on 12 March 2020.

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<sup>1</sup> <https://www.stctransfer.com/dtc-eligibility-information/>

A copy of the report is available at -  
<https://www.asx.com.au/asxpdf/20200312/pdf/44fzvy5zwx6y2y.pdf>.

## 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) 4,650,000 fully paid ordinary shares were issued on 29 April 2020 at \$0.20 each;
- b) 2,325,000 listed options (ASX: TGMO) exercisable at \$0.30 each on or before 31 October 2020 were issued on 29 April 2020;
- c) 2,325,000 unlisted options exercisable at \$0.40 each on or before 27 April 2022 were issued on 29 April 2020;
- d) A total of 2,427,970 unlisted options have lapsed;
- e) 300,000 options were exercised on 14 January 2020 at \$0.19 per share;

The current capital structure of the Company is as follows –

	Number
Fully paid ordinary shares (ASX: TGM   OTCQB: TGMGF)	441,656,585
Listed options exercisable at \$0.30 each on or before 31 October 2020 (ASX: TGMO)	33,754,663
Unlisted options and performance rights (Refer Appendix A)	28,529,213

This announcement was authorised for release by the Board of Directors.

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

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## Competent Person Statement

The information in this report relating to Mineral Resources 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.

The original report titled "Optimised Mine Schedule for Theta Open Pit Starter Project Delivers Significant Improvements" was dated 20 April 2020 and was 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 announcement; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

## JORC Mineral Resources for the Total Theta Project (as at May 2019)

Mineral Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Theta Hill & Browns Hill	Shale	1.02	200	204	0.395	402	12.9
	Theta Hill & Browns Hill	Bevett's	1.10	221	244	0.802	886	28.5
	Theta Hill & Browns Hill	Upper Theta	2.41	100	241	0.652	1568	50.4
	Theta Hill & Browns Hill	Lower Theta	3.70	100	370	0.799	2956	95.0
	Theta Hill & Browns Hill	Beta	2.49	100	249	0.345	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
<b>Total Indicated</b>			<b>2.29</b>	<b>252</b>	<b>577</b>	<b>4.879</b>	<b>11 157</b>	<b>358.7</b>
Mineral Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Theta Hill & Browns Hill	Shale	1.11	216	240	0.598	666	21.4
	Theta Hill & Browns Hill	Bevetts	1.07	213	227	0.551	589	19.0
	Theta Hill & Browns Hill	Upper Theta	1.86	100	186	0.910	1692	54.4
	Theta Hill & Browns Hill	Lower Theta	8.11	100	811	1.397	11329	364.3
	Theta Hill & Browns Hill	Beta	2.23	100	223	0.636	1417	45.6
	Iota	Upper Rho	5.13	106	544	0.099	507	16.3
<b>Total Inferred</b>			<b>3.87</b>	<b>131</b>	<b>508</b>	<b>4.190</b>	<b>16 202</b>	<b>520.9</b>
Mineral Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Total Theta Project	All	2.29	252	577	4.879	11157	358.7
Inferred	Total Theta Project	All	3.87	131	508	4.190	16202	520.9
<b>Total Indicated and Inferred</b>			<b>3.02</b>	<b>197</b>	<b>593</b>	<b>9.069</b>	<b>27 359</b>	<b>879.6</b>

**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;
4. Theta Hill and Browns Hill - Upper Theta Reef, Lower Theta Reef and Beta Reef are diluted grades over 100 cm;
5. Historical mine voids have been depleted from the Mineral Resource;
6. 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;
7. Mineral Resource fall within the mining right 83MR and 341MR.

## JORC Mineral Resources for the Waste Rock Dumps (as at April 2020)

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
Inferred	South East (DGs)	Rock Dump	0.408	0.93	379	12.2
Inferred	Peach Tree	Rock Dump	0.092	1.23	114	3.7
Inferred	Ponieskrantz	Rock Dump	0.129	1.63	211	6.8
Inferred	Dukes Clewer	Rock Dump	0.134	1.16	156	5.0
<b>Total Inferred</b>			<b>0.885</b>	<b>1.20</b>	<b>1059</b>	<b>34.0</b>

**Notes:**

1. Waste rock dump cut-off is 0.35 g/t;
2. The gold price used for the cut-off calculations is USD 1 500/oz;
3. No Geological losses applied;

4. 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;

### Production Target - Theta Project

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

## 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 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.



## 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.

## Theta Gold Mines Limited

## Unlisted Options and Performance Rights

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
<b>OPTIONS</b>			
604,213		\$0.19	13 Aug 2020
2,325,000		\$0.40	27 Apr 2022
200,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.35	19 Jul 2022
200,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.40	19 Jul 2022
<b>3,329,213</b>	<b>TOTAL OPTIONS</b>		
<b>PERFORMANCE RIGHTS</b>			
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
4,670,000	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012 <sup>1</sup> ) 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
5,370,000	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 the date that is 18 months from the date of issue of the performance right.	Nil	27 Jun 2024
7,630,000	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 the date that is 30 months from the date of issue of the performance right.	Nil	27 Jun 2024
7,480,000	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 the date that is 48 months from the date of issue of the performance right.	Nil	27 Jun 2024
<b>25,200,000</b>	<b>TOTAL PERFORMANCE RIGHTS</b>		
<b>28,529,213</b>	<b>TOTAL OPTIONS AND PERFORMANCE RIGHTS</b>		

## Appendix 5B

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

Name of entity

THETA GOLD MINES LIMITED

ABN

30 131 758 177

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(156)	(481)
	(b) development		
	(c) production		
	(d) staff costs	(146)	(561)
	(e) administration and corporate costs	(820)	(2,107)
1.3	Dividends received (see note 3)		
1.4	Interest received	20	22
1.5	Interest and other costs of finance paid	(15)	(15)
1.6	Income taxes paid	-	(204)
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,117)</b>	<b>(3,346)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(198)	(613)
	(d) exploration & evaluation (if capitalised)	(193)	(1,345)
	(e) investments		
	(f) other non-current assets	-	(50)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	62
	(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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(391)</b>	<b>(1,946)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	39	5,506
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	(34)	(368)
3.5	Proceeds from borrowings	-	63
3.6	Repayment of borrowings	(12)	(103)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(7)</b>	<b>5,098</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,810	489
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,117)	(3,346)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(391)	(1,946)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	5,098

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>295</b>	<b>295</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	295	1,810
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>295</b>	<b>1,810</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$US'000</b>
85 <sup>(1)</sup>

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

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

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

7.	<b>Financing facilities</b> <i>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.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	2,560	2,560
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	2,560	2,560
7.5	<b>Unused financing facilities available at quarter end</b>	-	
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 2019.			

8.	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,117)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(193)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,310)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	295
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	295
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	0.2
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: The Company expects the cash outflows for the quarter ending 30 June 2020 will be at the current operating level but with the suspension of exploration activities (other than permitting activities for the Theta Project), the cash outflows for the following quarter ending 30 September 2020 is expected to be about 30% lower.		
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: On 29 April 2020, the Company completed a share placement of 4,650,000 shares and attaching options at \$0.20 per share to raise \$930,000 before costs. Discussions are continuing with the Company's advisors and potential investors to raise further funds for advancing the Theta Open Pit Starter Project and for general working capital. The Company believes that it will be successful in raising the funds required.		

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: The Company expects to be able to continue its activities. The group's large tenement holding in South Africa is potentially very prospective and remains largely unexplored using modern technology. Coupled with the results of the optimised Theta Project feasibility study (refer ASX announcement 20 April 2020), it will continue to 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 April 2020 .....

Authorised by: Board of Directors .....  
(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.