



10 September 2021

ASX ANNOUNCEMENT

Dear Valuable Theta Gold Shareholders

On behalf of the Board of Theta Gold Mines Limited ("Theta", or the "Company"), I would like to provide an update on the recent funding transactions. Over \$10 million funding led by a reputable German investment consortium has been secured, where \$6 million funding was via the issuance of a secured bond (ie, debt) with no dilution to Theta's shareholders. This is very exciting as the Board feels the Company is currently undervalued compared to other gold peers and wishes to keep dilution to a minimum, hence preserving value for our shareholders.

During the past several weeks, the Company has released various documents to the market, including a Notice of Extraordinary General Meeting ("NOM") on 26 August and a Transaction Specific Prospectus (the "Prospectus") today. The NOM contains resolutions mostly for shareholders to ratify securities already issued during the previous twelve (12) months period. The Prospectus on the other hand is a required legal document to accompany the current Share Purchase Plan ("SPP") offered to our shareholders at same term as the recently completed placements.

Over \$10m Funding led by German investor 2Invest AG, and a Share Purchase Plan

Following the "Funding Package to Accelerate TGME Project" release made on 2 August 2021, the Company received the \$6,000,000 from 2Invest AG ("2Invest", listed on FSE: 2INV) and issued fifteen (15) 'Bearer Partial Bonds' (the "Bonds") to 2Invest AG at \$400,000 face value per bond. The Bonds has a maturity date set at 31 January 2023, with three (3) coupon payments payable to 2Invest semi-annually in arrears (by 31 January 2022, 31 July 2022 and 31 January 2023 respectively) calculated at 20% per annum. This transaction allows the Company to redeem the Bonds at any time prior to the maturity date without any early repayment penalties.

The Company has also received the first of the three tranches equity investment from 2Invest in early August 2021 of \$1,000,000; numerous other international and local professional and sophisticated investors invested an additional \$1,626,000 on same terms as this equity offer.

For the benefit of our existing long term supportive shareholders, Theta has dispatched an SPP, offering those shareholders a choice to invest up to \$30,000 per registered name on the same terms as the above offer to the professional and sophisticated investors. The SPP offer is limited to a maximum of \$1,500,000 and up to \$1,000,000 of that amount is underwritten by 2Invest, therefore no oversubscriptions will be accepted by the Company. A Transaction Specific Prospectus has been issued as per regulatory requirements to accompany the shares and the free attaching options offered under the SPP.

Furthermore, due to the Company's placement capacity constraints and subject to relevant resolutions being approved by Theta's shareholders at the Extraordinary General Meeting

("EGM") scheduled for 27 September 2021, 2Invest will invest a further \$500,000 on same terms as its initial \$1,000,000 equity investment.

The upcoming Extraordinary General Meeting

A Notice of Extraordinary General Meeting, Proxy Forms along with a Letter to Shareholders ("Cover Letter") were released on 26 August 2021, with numerous resolutions requiring shareholders' resolution on or before the EGM scheduled for Monday 27 September 2021 at 2:00pm (AEST).

Share Purchase Plan

Eligible Shareholders are encouraged to register their details using the QR code below to receive a copy of their personalized SPP documentation via e-mail.



During July/August, I spent several weeks on site at the TGME mines in South Africa with our management team, led by CEO Mr Mitford Mundell. The team is actively working on the Company's TGME Gold Project. A "TGME Project Development Update" release was made on 11 August 2021 with a summary of activities reported. Our mining team have now gained access to the Beta South, CDM and various other underground mines near the TGME Plant in preparation for potential further resource and ore reserve upgrades, as well as advancing the Definitive Feasibility Study on the current first stage TGME Gold Project. Trial mining has also begun at various underground mines. The Company will provide further operational updates in early October, post to the completion of the SPP and current equity funding which is due to be completed by month end.

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

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ABOUT 2INVEST AG

2Invest AG (FSE: 2INV) is a listed company based in Heidelberg, Germany that acquires, holds, manages and sells investments in corporations and partnerships in Germany and abroad. Deutsche Balaton AG (FSE: BBHK), Delphi Unternehmensberatung Aktiengesellschaft AG and associated entities ("The Associates") are controlling shareholders in 2Invest AG. The Associates has a multi-million dollar equity portfolio across the ASX and TSX junior mining/resources sector.

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | OTCQB: TGMGF | FSE: 3LM) 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 initial ore reserves.

The Company aims to build a solid production platform to over 160kozpa based primarily around shallow, open-pit or adit-entry shallow underground hard rock mining sources. Theta Gold has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

Theta Gold holds 100% issued capital of its South African subsidiary, Theta Gold (SA) Pty Ltd ("TGSA"). TGSA holds a 74% shareholding in both Transvaal Gold Mining Estates Limited ("TGME") and Sabie Mines (Pty) Ltd ("Sabie Mines"). The balance of shareholding is held by Black Economic Empowerment ("BEE") entities as part of the country's ESG initiatives. 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.

