



2 August 2021

ASX ANNOUNCEMENT

QUARTERLY REPORT 1 April to 30 June 2021

Theta Gold Mines Limited (“Theta Gold” or “Company”) (ASX: TGM | OTCQB: TGMGF) is pleased to report on its activities for the period from 1 April to 30 June 2021.

HIGHLIGHTS

POST QUARTER – JULY 2021

- Appointed Mr Heath Roberts as Company Secretary and Mr Phillip Rankin as Acting Chief Financial Officer with effect from 1 July 2021
- AU\$9.1 million funding secured through an AU\$6 million secured bond with German investor 2Invest AG, and a combined AU\$3.1m equity raise from 2Invest AG and various Australian and overseas institutional and professional investors
- AU\$1.5 million shareholder purchase plan announced, where up to AU\$1 million underwritten by 2Invest AG.

DURING THE QUARTER – Q4 FY 2021

- MAIDEN 419,000oz @ 5.49g/t Au Underground Mining Reserve declared
- TOTAL Global Mining Reserve (Open Pit & Underground) upgraded to 580,000oz @ 3.98g/t Au
- Pre-Feasibility Study completed for the TGME Phase 1 Underground Project with excellent economics (gold price of US\$1,570/oz at ZAR/USD 15.9 parameters used):
 - Pay-back period from first gold 13 months
 - Pay-back period from start of mining 22 months
 - 419,000 oz Au delivered to plant over initial Life of Mine (“LoM”)
 - By the third year, production over 60,000 oz Au/year (recovered)
 - LoM of 7.67 years
 - US\$241.2 million EBITDA over LoM
 - Internal Rate of Return (IRR) 82%
 - US\$91.2 million Net Present Value (NPV)
 - US\$905/oz Au all-in sustaining cost (AISC) over LoM, bottom quartile for South Africa producers
- Gravity survey completed across the existing tailings dam and planned extension area to ensure good ground conditions

- Rietfontein tailings dam sampled for potential future resource upgrade
- Mine survey completed south of Beta Mine (outside of existing JORC Resources) to assist in orientating historical mine plans
- Preparation for the demolition work of the old gold plant
- Eco Elementum / Triage has been appointed as engineers for waste management facilities and surface water management
- Ongoing optimisation of metallurgical processing community forums established.
- Safety management system upgraded for site operations
- Environmental monitoring in progress, mine-readiness

SUMMARY

OPERATIONS

The company continues with its active site program in readiness to push towards development and plant construction. The TGME Phase 1 Underground Project (Beta, CDM and Frankfort Mines) Definitive Feasibility Study will be completed by Q1 2022 as management decided to also include the Rietfontein Mine to the initial PFS scope.

The Company has progressed strongly during the early part of 2021, delivering key project milestones, funding, the first Underground Mining Reserve¹ and first Maiden Underground Prefeasibility Study² ("PFS"). The team has delivered a PFS based on only 16% of Theta Gold's 4.5m oz Au underground gold resource, and incorporates only 3 out of the recorded 43 historical mines across the project area.

The Phase 1 Underground Prefeasibility Study and Maiden Underground Mining Reserve were discussed in great details in the post quarter events section of the January to March 2021 Quarterly Report and will not be expanded further in this report. The Maiden Underground Mining Reserve is estimated at 419,000 oz gold (2,366 Kt @ 5.49 g/t). In total, the global Mining Reserve is now 580,000 oz gold (4,530 Kt @ 3.98 g/t) (See "Annexure A - Table 1"). The global Mineral Resource (JORC 2012) remains over 6.1 Moz (45.5 Mt @ 4.17 g/t Au) (See "Annexure A - Table 2").

Gravity Survey

The gravity survey is required by National Standards (SANS 1936) in South Africa and is a prerequisite before any construction work can begin. The main objective of dolomitic investigations (Gravity Survey) is to mitigate the risk of sinkhole formation and subsidence that can result in loss of life or cause severe damage to buildings and infrastructure in areas where dolomite land is developed.

During May 2021 the gravity surveys at the mine site tailings dam and proposed extension were completed (see "Figure 1") with stations spaced on a 10m by 10m equally spaced grid. The gravity survey consists of approximately 926 stations, which include 10 percent repeat stations and 3 base and subbase stations (see "Figure 2").

¹ Refer to ASX Announcement dated 8 April 2021 "Initial Maiden Underground Mining Reserve 419,000 oz Gold"

² Refer to ASX announcement dated 13 April 2021 "Pre-Feasibility Study for Initial Underground Project"



Figure 1 – Gravity Survey in progress



Figure 2 - Gravity Survey Grid Tailing Facilities and proposed extension

The Residual Gravity Map (see “Figure 3”) suggests shallowing of the bedrock along a North-South zone centre to the site (indicated by symbol “A” bedrock closer to the surface). The data further shows a North-South striking lineament along the eastern boundary of the site (indicated by symbol “B”). This feature which has a midrange amplitude terminates midway through the site (towards the North).

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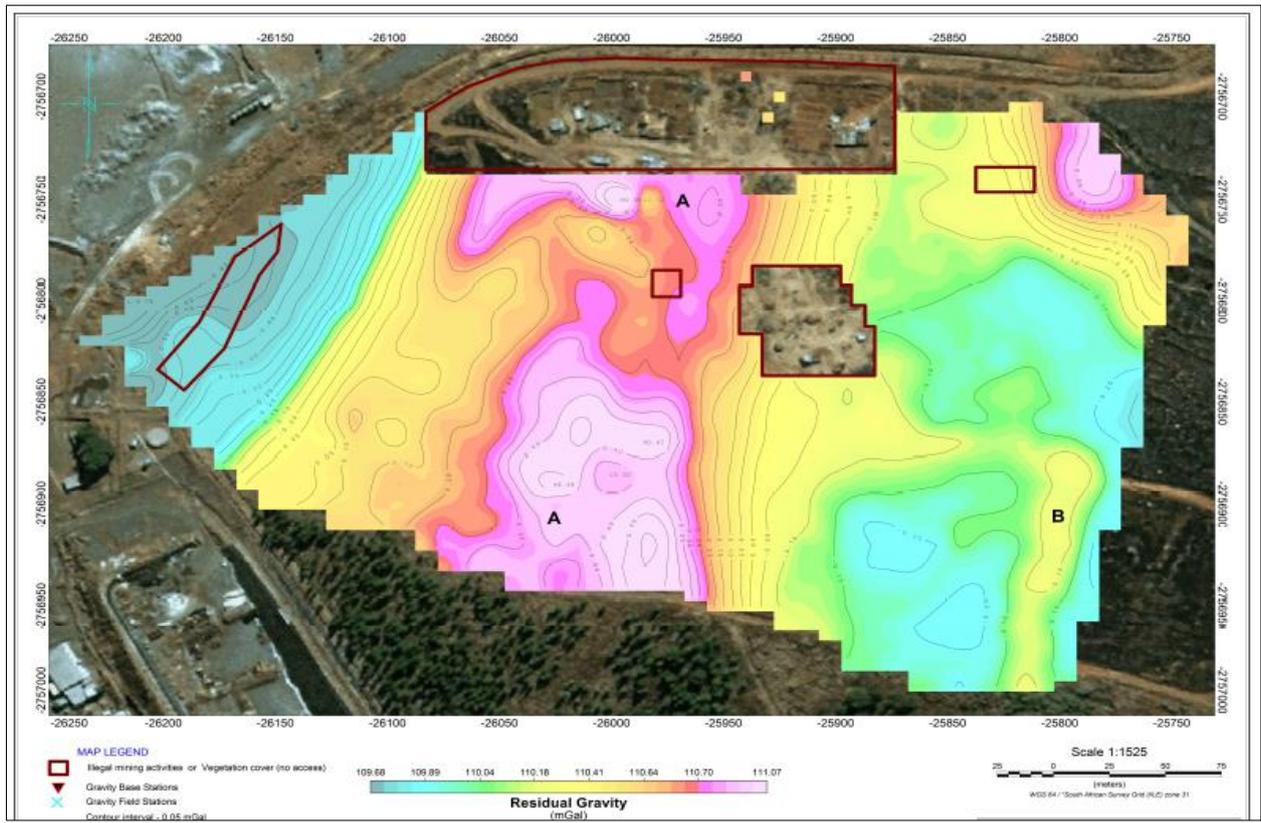


Figure 3 - Residual Gravity

The effect is emphasized by the Vertical Derivative data (see "Figure 4"). Therefore, the possibility of NW-SE faulting cannot be excluded. Three small areas denoted by symbols "C", "D", and "E" shown on the Vertical Derivative map exhibit steep gradients in the data which can be indicative of poor soil conditions in this dolomitic setting.

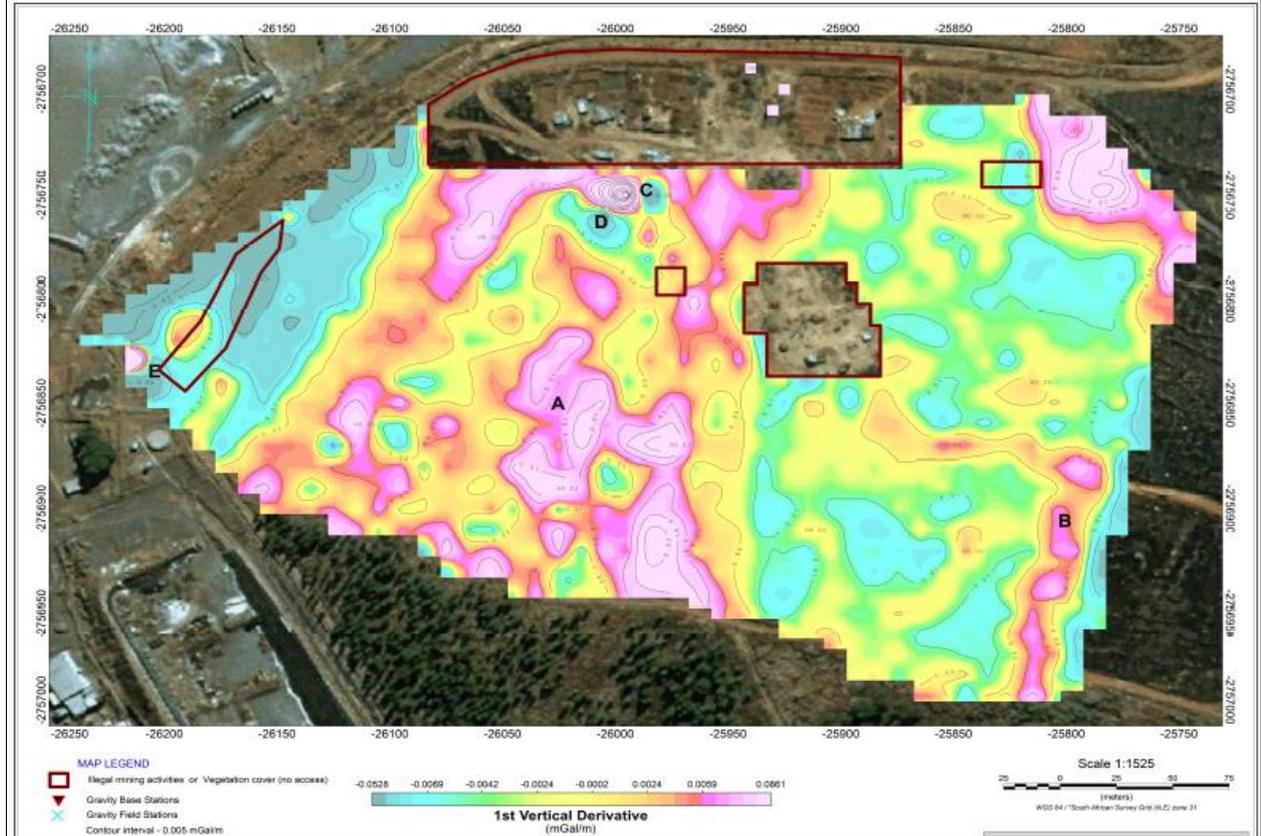


Figure 4 - 1st Vertical Derivate

Rietfontein Tailing Dam Drilling

As part of our ore reserve exploration strategy, focusing on both underground and surface sources, surface sampling was undertaken at the Rietfontein Mine's old tailings dam (see "Figures 5 & 6"). Rietfontein tailings dam is not in the current resource estimate. If the initial drilling is positive then the Rietfontein tailings dam will be added to the resource table. The dump and dune sampling methods were used in taking these samples, this sampling method consists of a high-power auger drill inside a casing pipe. The auger drill uses a counterrotation motion between the outer core barrel and inner spiral, feeding a representative sample along the inside of the pipe casing.



Figure 5 - Drill set up at Rietfontein Tailings Dam

The Rietfontein tailings dam was sampled on a 50m by 50m grid covering the footprint of the dam. The drill holes were terminated at 8m with 10 kg bulk samples collected from each hole. In total 55 samples were collected and dispatched to the Gold 1 lab, a SANNAS approved laboratory.



Figure 6 - Dune Drilling Rietfontein Tailings Dam

Mine Survey

Mine Survey involved the onsite mining team accessing the southern section of Beta Mine which is not in the resource table. The team was able to identify markers and sample locations from historical mine plans. This will allow for the plans to be scanned and digitized, so the team now has the spatial information required to orient the plans correctly. Post validation and confirmation sampling of the historical samples can be added to the geological database and form part of the next resource upgrade if validation sampling is successful.

The onsite management team continues with underground investigations into the old mines, (see “*Figures 7 to 9*”) gathering valuable information on accessibility, ground conditions, pre-development and possible sampling points. During the past months, access was gained into 3 old mines and historical data from these mines are now under review.



Figure 7 – Onsite team reviewing historical underground plans of Beta Mine

The onsite mining team accessed the southern section of the Beta mine which currently does not form part of the resource table. The team was able to identify markers and sample locations from historical mine plans.

The plans can now be correctly orientated in space which makes it possible to convert historical assay plans from a local grid co-ordinate system to a WG31 grid system. The plans will then be captured (scanned and digitized) into CAE (DataMine) Studio3™ via a digitising board.

The captured assay points can then be plotted on a plan of the underground workings to ensure that the points plot correctly. Scatter plots are then generated to examine the data set for errors introduced while capturing the data. This process will be used for all future projects which require modeling for the purpose of Mineral Resource estimation.

Later the team can come back for validation sampling once the geologists have determined the key areas.

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Figure 8 – Chief Operating Officer underground at Historical Mine south of Beta Mine



Figure 9 – CEO (left) & COO (right) underground at Historical Mine south of Beta Mine

Preparation for demolition of old gold plant

Clean-up around the mine site has begun in readiness for decommissioning the old gold plant. The old CIL tanks were pumped out and cleaned for inspection. The inspection will determine if the tanks can be salvaged (sold or reconditioned).

Preparation for the demolition work required in the plant has progressed well. Cleaning operations have been completed and decanting of tanks and bund areas will follow. The pump required to remove water from the tank areas has been installed (see "Figure 10"). A Structural Engineer will visit the site to do an assessment on the Pre-con tanks installed. The purpose is to determine if these tanks can be salvaged and re-used under the requirements for the plant PFS submitted. Stability and thickness test will be conducted, and a proposal submitted.



Figure 10 - Tanks clean and ready for engineers inspection

Other Key Working Progress

Eco Elementum / Triage has been appointed to render professional engineering services to undertake the detailed designs for the proposed waste management facilities and surface water management infrastructure associated with the re-operationalisation of the MR83 UG mines.

Further metallurgical optimization work is required before finalising the process design. The larger equipment and long lead items like DMS, crushing circuit, tankage, etc. are confirmed, but the carbon float recoveries require further optimization. Furthermore, pilot-scale oxidation and

ultra-fine grinding work must still be undertaken as simple laboratory-scale simulations need to be confirmed on a larger scale.

Community engagements to support the development strategy and BEE restructure have commenced, with excellent sessions already taking place with the Pilgrims Rest Steering Committee and Maroabjang Communal Property Association, both of whom have already appointed representative trustees. These sessions are being led by the Mine Manager with support from the Director Government and Community Relations and Legal Executive. Community and political leadership have agreed to constitute a stakeholder engagement forum with management to lobby local government on expediting licencing and balancing regional conservation objectives with economic development. A meeting has been held with the Department of Mineral Resources & Energy (“DMRE”) leadership to provide an update on the development strategy and appeal for reducing regulatory timelines.

A safety specialist has been working on-site to develop a Health, Safety and Environmental Management System for the operation. These include a baseline risk assessment that has been completed, issue-based risk assessment, critical task analysis, standards, and checklists. Standards, Managerial Instructions as well as COP’s and SOP’s will be implemented. This work is ongoing and is part of operational readiness.

Biomonitoring, surface and groundwater monitoring are conducted onsite regularly (see “Figure 11”). Surface and groundwater monitoring is taking place monthly. Water samples are taken quarterly for analyses by REGEN Laboratory which includes samples from the tailings storage facility and rock waste dumps.



Figure 11 - Biomonitoring team on site

CORPORATE

Cash Position and Funding

As at 30 June 2021, the Group had US\$200,000 in cash.

In July 2021, the Company received an AU\$400,000 unsecured, interest free short term loan from an existing investor. The loan is interest free if repaid by 7 August 2021.

The Company expects to announce today details of a funding package of up to AU\$ 10.6 million comprising:

- Frankfurt listed investment company 2Invest AG to invest AU\$6 million in a Secured Bond (18 months duration to be redeemed no later than 31 January 2023, carrying a 20% per annum coupon rate, payable in cash semi-annually in arrears) issue by Theta Gold to fund pre-development expenditures for the TGME Gold Project and general working capital, and
- 2Invest AG to cornerstone, along with various Australian and overseas high net worth investors, an AU\$4.626 million equity raise (AU\$3.126 million in direct placement and up to AU\$1.5 million in a proposed Shareholder Purchase Plan where up to AU\$1 million is underwritten by 2Invest AG).

Furthermore, as announced on 25 March 2021, the Company entered into an At-The-Market Subscription Deed (“ATM”) with Acuity Capital. The ATM provides the Company with up to AU\$15 million of standby equity capital with the expiry of the ATM being 31 July 2023. There are no requirements on the Company to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty. As security for the ATM, the Company has issued 24 million Theta Gold shares to be held by Acuity Capital. As of the date of this report, this position remains unchanged.

New Appointments

On 1 July 2021, the Company appointed Mr Heath Roberts as Company Secretary and Mr Phillip Rankin as Acting Chief Financial Officer.

Mr Roberts, a solicitor based in Sydney, Australia has acted as Company Secretary and/or Director of ASX listed entities for over 25 years.

Mr Rankin, also Sydney based, is a practising accountant with extensive experience as CFO in mining and mining-services operations. He was CFO of an ASX-listed gold miner and has held directorships in other ASX listed entities.

Investment in Bullion Asset Management

On 20 January 2021, the Company announced that it was taking an equity investment in Bullion Asset Management Services Pte Ltd (“BAM”), a Singapore-based technology company focused on financing, tokenization of physical gold bullion and precious metals trading.

Overall, the Company made a subscription for AU\$700,000 worth of BAM shares which was settled on 29 January 2021 by the issue of 2,087,682 Theta Gold shares at \$0.335 per share. As of the date of this quarterly report, Theta’s holding in BAM sits at 4.48% on a fully diluted basis.

During the quarter, the BAM issued Xbullion GOLD-token's total issuance value (or market capitalization) surpassed the Perth Mint Gold Token ("PMGT")³. The company is also structuring a bullion prepayment system to serve near term or upscaling gold miners; such product would disrupt the junior gold miner's funding environment.

Capital Structure

The current capital structure of the Company is as follows –

| | Number |
|---|---------------|
| Fully paid ordinary shares (ASX: TGM OTCQB: TGMGF) | 503,245,666 |
| Unlisted options and performance rights (<i>see "Annexure C"</i>) | 33,738,353 |

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

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

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Competent Persons Statement

Mineral Resources and Ore Reserves

The information in this report relating to mineral resources and ore reserves is based on, and fairly reflects, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions and Mr Daniel van Heerden (B.Eng (Mining M.Com (Business Management), member of Engineering Council of South Africa (Pr.Eng. Reg. No. 20050318)), a director of Minxcon (Pty) Ltd and a fellow of the South African Institute of Mining and Metallurgy (FSAIMM Reg. No. 37309).

Metallurgical results

The information in this report relating to exploration results is based on, and fairly reflects, the information and supporting documentation compiled by Mr Phil Bentley (MSc (Geol), MSc (MinEx), Pr.Sci.Nat. No. 400208/05, FGSSA), a consultant to the Company and a member of the South African Council for Natural Scientific Professions.

The original reports titled "Theta Gold Increases Mineral Resource to over 6Moz" dated 16 May 2019, "Optimised Mine Schedule for Theta Open Pit Starter Project Delivers Significant Improvements" dated

³ <https://pmgt.io/> A physical bullion-backed digital crypto-token Issued in collaboration with the Perth Mint (<https://www.perthmint.com/>).

20 April 2020, “Excellent Bulk Metallurgical Results Provides Confidence For Underground PFS” and “Initial Maiden Underground Mining Reserve 419,000 oz Gold” dated 8 April 2021 were released to the Australian Securities Exchange (ASX) on those dates. The Company confirms that:

- it is not aware of any new information or data that materially affects the information included in the ASX announcements; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed.

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | OTCQB: TGMGF) is a gold mining 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, Theta Gold SA (Pty) Ltd ("SGSA"). SGSA 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 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.

ANNEXURE A

Mineral Resource and Mining Reserves

Table 1: Combined Underground and Open Pit Ore Reserves as at 1 February 2021

| Operation | Grade | Tonnes | Au Content | |
|-----------------|-------------|--------------|---------------|---------------|
| | g/t | kt | kg | koz |
| Beta | 6.51 | 1,662 | 10,822 | 347.94 |
| Frankfort | 4.13 | 319 | 1,317 | 42.33 |
| CDM | 2.31 | 385 | 889 | 28.58 |
| Open Pit (MR83) | 2.74 | 2,164 | 4,996 | 160.61 |
| Total | 3.98 | 4,530 | 18,023 | 579.46 |

Notes:

- The information pertaining to the Ore Reserve estimation is detailed in the notes of the Ore Reserve tabulation for the individual operations.

Table 2: Combined Mineral Resource as at 1 February 2021

| Resource Classification | Type of Operation | Combined Mineral Resource | | | |
|-------------------------|-------------------|---------------------------|-------------|----------------|----------------|
| | | Tonnage | Gold Grade | Gold Content | |
| | | Mt | g/t | Kg | koz |
| Measured | Underground | 0.091 | 5.37 | 489 | 15.7 |
| | Open pit | | | | |
| | Tailings | | | | |
| Total Measured | | 0.091 | 5.37 | 489 | 15.7 |
| Indicated | Underground | 4.774 | 6.21 | 29 661 | 953.7 |
| | Open Pit | 8.109 | 2.14 | 17 364 | 558.2 |
| | Tailings | 5.244 | 0.83 | 4 373 | 140.6 |
| Total Indicated | | 18.128 | 2.84 | 51 398 | 1652.5 |
| Inferred | Underground | 21.452 | 5.22 | 111 880 | 3597.0 |
| | Open pit | 4.907 | 5.11 | 25 057 | 805.6 |
| | Tailings | 0.023 | 0.57 | 13 | 0.4 |
| | Rock Dump | 0.885 | 1.20 | 1 059 | 34.0 |
| Total Inferred | | 27.267 | 5.06 | 138 009 | 4 437.0 |
| Grand Total | | 45.485 | 4.17 | 189 896 | 6 105.2 |

Notes:

- Columns may not add up due to rounding.
- Gold price used for the cut-off calculations is USD1,500/oz.
- UG Mineral Resources are reported at a cut-off of 160 cm.g/t, open pit at 0.5 g/t and 0.35 g/t, tailings and rock dumps at 0.35 g/t.
- Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
- Mineral Resources are stated as inclusive of Ore Reserves.
- Mineral Resources are reported as total Mineral Resources and are not attributed.

Table 3: Beta Underground Ore Reserve as at 1 February 2021

| Ore Reserve Category | Grade | Tonnes | Au Content | |
|----------------------|-------------|--------------|---------------|---------------|
| | g/t | kt | kg | koz |
| Probable | 6.51 | 1,662 | 10,822 | 347.94 |
| Total | 6.51 | 1,662 | 10,822 | 347.94 |

Notes:

- An Ore Reserve cut-off of 170 cm.g/t has been applied.
- A gold price of USD 1,465 / oz and exchange rate of 16 ZAR / USD was used for the cut-off calculation.
- Ore Reserves are reported as total Mineral Reserves and are not attributed.

Table 4: Frankfort Underground Ore Reserve as at 1 February 2021

| Ore Reserve Category | Grade | Tonnes | Au Content | |
|----------------------|-------------|------------|--------------|--------------|
| | g/t | kt | kg | koz |
| Proved | 4.24 | 60 | 254 | 8.16 |
| Probable | 4.11 | 259 | 1,063 | 34.16 |
| Total | 4.13 | 319 | 1,317 | 42.33 |

Notes:

1. An Ore Reserve cut-off of 150 cm.g/t has been applied.
2. A gold price of USD 1,465 / oz and exchange rate of 16 ZAR / USD was used for the cut-off calculation.
3. Ore Reserves are reported as total Ore Reserves and are not attributed.

Table 5: CDM Underground Ore Reserve as at 1 February 2021

| Ore Reserve Category | Grade | Tonnes | Au Content | |
|----------------------|-------------|------------|------------|--------------|
| | g/t | kt | kg | koz |
| Probable | 2.31 | 385 | 889 | 28.58 |
| Total | 2.31 | 385 | 889 | 28.58 |

Notes:

1. An Ore Reserve cut-off of 121 cm.g/t has been applied.
2. A gold price of USD 1,465 / oz and exchange rate of 16 ZAR / USD was used for the cut-off calculation.
3. Ore Reserves are reported as total Ore Reserves and are not attributed.

Table 6: Ore Reserves for the Open pit Operations as at 1 February 2021

| Ore Reserve Category in LoM Plan | Pit | Grade | Reef Tonnes | Au Content | |
|----------------------------------|-------------|-------------|--------------|--------------|------------|
| | | g/t | kt | kg | koz |
| Probable | Browns Hill | 2.61 | 279 | 728 | 23 |
| Probable | Iota | 2.43 | 1,490 | 3,628 | 117 |
| Probable | Theta Hill | 1.62 | 395 | 640 | 21 |
| Total | | 2.31 | 2,164 | 4,996 | 161 |

Notes:

1. An Ore Reserve cut - off of 0.4 g/t was applied.
2. A gold price of USD 1,300 / oz was used for the cut - off calculation.
3. Ore Reserves are reported as total Ore Reserves and are not attributed.

Table 7: Total Theta Project - Mineral Resources, 1 February 2021

| Resource Classification | Open Pit Mine | Reef | Reef Grade | Reef Width | Content | Reef Tonnes | Au Content | |
|-------------------------|---------------------|-------------|-------------|------------|------------|--------------|---------------|--------------|
| | | | g/t | cm | cmgt | Mt | Kg | koz |
| Indicated | Theta & Browns Hill | Shale | 1.02 | 200 | 204 | 0.397 | 404 | 13.0 |
| | Theta & Browns Hill | Bevett's | 1.08 | 223 | 241 | 0.856 | 925 | 29.7 |
| | Theta & Browns Hill | Upper Theta | 2.41 | 100 | 241 | 0.651 | 1 571 | 50.5 |
| | Theta & Browns Hill | Lower Theta | 3.79 | 100 | 379 | 0.839 | 3 178 | 102.2 |
| | Theta & Browns Hill | Beta | 2.51 | 100 | 251 | 0.373 | 938 | 30.1 |
| | Columbia Hill | Bevett's | 2.98 | 114 | 340 | 0.108 | 323 | 10.4 |
| | Columbia Hill | Upper Rho | 2.33 | 402 | 937 | 0.897 | 2 090 | 67.2 |
| | Columbia Hill | Lower Rho | 2.51 | 520 | 1306 | 0.981 | 2 464 | 79.2 |
| | Columbia Hill | Upper Theta | 1.06 | 114 | 121 | 0.163 | 173 | 5.6 |
| Total Indicated | | | 2.29 | 258 | 591 | 5.267 | 12 066 | 387.9 |

| Resource Classification | Open Pit Mine | Reef | Reef Grade | Reef Width | Content | Reef Tonnes | Au Content | |
|-------------------------|---------------------|-------------|------------|------------|---------|-------------|------------|------|
| | | | g/t | cm | cmgt | Mt | Kg | koz |
| Inferred | Theta & Browns Hill | Shale | 1.12 | 215 | 240 | 0.600 | 668 | 21.5 |
| | Theta & Browns Hill | Bevett's | 1.17 | 217 | 254 | 0.451 | 528 | 17.0 |
| | Theta & Browns Hill | Upper Theta | 1.86 | 100 | 186 | 0.948 | 1 762 | 56.6 |

| | | | | | | | | |
|-----------------------|---------------------|-------------|-------------|------------|------------|--------------|---------------|--------------|
| | Theta & Browns Hill | Lower Theta | 8.06 | 100 | 806 | 1.384 | 11 153 | 358.6 |
| | Theta & Browns Hill | Beta | 2.17 | 100 | 217 | 0.778 | 1 686 | 54.2 |
| | Columbia Hill | Upper Rho | 5.12 | 134 | 687 | 0.131 | 673 | 21.6 |
| Total Inferred | | | 3.84 | 129 | 497 | 4.292 | 16 470 | 529.5 |

| 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 | 258 | 591 | 5.3 | 12 066 | 387.9 |
| Inferred | Total Theta Project | All | 3.84 | 129 | 497 | 4.3 | 16 470 | 529.5 |
| Total Indicated and Inferred | | | 2.99 | 200 | 598 | 9.6 | 28 535 | 917.4 |

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 100cm;
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 Resources fall within the mining right 83MR and 341MR.

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ANNEXURE B

Mining Rights and Applications for Mining Rights

| MR No | Description | Farms | Effective Date | Expiry Date | Remarks |
|--|--|--|----------------|--------------|---|
| NORTHERN TENEMENTS (MR83, MR330, MR340, MR341, MR10167) | | | | | |
| MR 83 | Greater TGME | Portions 1, 2, 3, 4, 5 and the Remaining Extent of Frankfort 509KT, Krugers Hoop 527 KT, Portions 1, 2 and the Remaining Extent of Morgenzon 525 KT, Peach Tree 544 KT, Portions 18, 42, 43, 44 and Remaining Extent of Ponieskrans 543 KT and Portion 1 and the Remaining Extent of Van der Merwes Reef 526 KT | 16-Oct-13 | 15-Oct-23 | Amendment application pending to include open cut mining |
| MR 330 | Beta Re-Development & Grootfontein Cluster | Portions 1, 2, 3 and the Remaining Extent of Grootfonteinberg 561 KT and Remaining Extent of Grootfontein 562 KT | Refer Note 1 | Refer Note 1 | Granted |
| MR 340 | Hermansburg | Portion of the Remaining Extent of Hermansburg 495 KT | 10-Jul-13 | 09-July-23 | Granted |
| MR 341 | PTD's | Portions 1 and 2 and a Portion of the Remainder Extent of Grootfontein 562KT | 25-Sep-19 | 16-Feb-22 | Granted |
| MR 10167 | TGME | Desire 563KT, RE and Ptn 1, 2, 3, 12, 14, 15, 17, 18, 19, 20, 22 and 23 of Doornhoek 545KT, RE and Ptn 1, 2 and 3 Rotunda Greek 510KT, Vaalhoek 474KT, Buffelsfontein 452KT, RE and Ptn 1 of Willemsoord 476KT, Sacramento 492KT, Granite Hill 477KT, Blackhill 528KT, Manx 475KT, Klondyke 493KT, Hermansburg 495KT | Refer Note 1 | Refer Note 1 | Consolidation of Prospecting Rights 10255PR, 10404PR, 10254PR Granted |
| SOUTHERN TENEMENTS (MR198, MR358, MR433, MR10161) | | | | | |
| MR198 | Elandsdrift Heap Leach Pad | Portions 1 and 2 of Elandsdrift 220 JT | 18-Mar-08 | 17-Mar-09 | Renewal submitted |
| MR 358 | Rietfontein | Portion of the Remaining Extent and Portion 2 and 3 of the farm Spitskop 195 JT, Portion of Portion 16 of Waterval 168 JT and Portion of the Remaining Extent of Maliveld Vallei 192 JT | 05-Jun-13 | 04-Jun-28 | Amendment application pending to incorporate portions of Portions 1, 4 and 6 of the farm Rietfontein 193 JT |
| MR 433 | Glynn's Lydenburg | Portion 5 of Grootfontein 196 JT and Remaining Extent of Olifantsgeraamte 198 JT | 12-Nov-13 | 11-Nov-23 | Granted |
| MR 10161 | Sabie | Spitzkop 195JT, Ptns of the RE and Ptn 1 of Hendriksdal 216JT, Grootfontein 196JT, Waterval 168JT, Sheba 219JT, Vertrouwing 218JT, Olifants Geraamte 198JT, Rietfontein 193JT | Refer Note 1 | Refer Note 1 | Consolidation of Prospecting Rights 10005PR, 660PR, 10252PR Granted |

Note 1:

The period of grant of the mining right will be determined upon execution thereof. In the South African context, mining rights may be granted for up to 30 years and are renewable thereafter.

ANNEXURE C

Unlisted Options and Performance Rights

| Number | Performance Hurdle/Vesting Date (if applicable) | Exercise Price | Expiry Date |
|-----------------------------------|--|----------------|-------------|
| OPTIONS | | | |
| 3,158,353 | | \$0.40 | 27 Apr 2022 |
| 5,000,000 | | \$0.50 | 30 Jun 2022 |
| 800,000 | Options will vest on 1 October 2021 | \$0.30 | 30 Sep 2022 |
| 400,000 | Options will vest on 3 and 4 January 2022 | \$0.30 | 31 Dec 2022 |
| 9,358,353 | TOTAL OPTIONS | | |
| PERFORMANCE RIGHTS/OPTIONS | | | |
| 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 |
| 920,000 | 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. | 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 Sep 2021. | 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 Sep 2022. | 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 Mar 2024. | Nil | 27 Jun 2024 |
| 1,200,000 | Decision to Mine | \$0.40 | 30 Sep 2025 |
| 800,000 | Production Commencement | \$0.40 | 30 Sep 2025 |
| 1,200,000 | 3 months production (ounces) on schedule as per Theta Project Optimised Feasibility Study or from underground mine production, or the combination thereof, at AISC of US\$855/oz (+/- 10%) | \$0.40 | 30 Sep 2025 |
| 640,000 | 12 months production (ounces) on schedule as per Theta Project Optimised Feasibility Study or from underground mine production, or the combination thereof, at AISC of US\$855/oz (+/- 10%) | Nil | 30 Sep 2025 |
| 320,000 | Production of over 25,000 ounces of gold over a consecutive period of 3 months | \$0.50 | 30 Sep 2025 |
| 640,000 | Production of over 25,000 ounces of gold over a consecutive period of 3 months | Nil | 30 Sep 2025 |
| 320,000 | Production of over 37,500 ounces of gold over a consecutive period of 3 months | \$0.50 | 30 Sep 2025 |
| 640,000 | Production of over 37,500 ounces of gold over a consecutive period of 3 months | Nil | 30 Sep 2025 |
| 500,000 | Production of over 12,500 ounces of gold over a consecutive period of 3 months | \$0.50 | 31 Dec 2025 |
| 600,000 | Production of over 25,000 ounces of gold over a consecutive period of 3 months | \$0.50 | 31 Dec 2025 |
| 800,000 | Production of over 37,500 ounces of gold over a consecutive period of 3 months | \$0.50 | 31 Dec 2025 |
| 24,380,000 | TOTAL PERFORMANCE RIGHTS/OPTIONS | | |
| 33,738,353 | TOTAL OPTIONS AND PERFORMANCE RIGHTS/OPTIONS | | |

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")

30 June 2021

| Consolidated statement of cash flows | Current quarter \$US'000 | Year to date (12 months) \$US'000 |
|---|-----------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (303) | (1,089) |
| (b) development | | |
| (c) production | | |
| (d) staff costs | (152) | (526) |
| (e) administration and corporate costs (includes Sydney, Johannesburg and Pilgrim's Rest mine site offices) | 284 | (1,369) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 4 | 6 |
| 1.5 Interest and other costs of finance paid | (3) | (14) |
| 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 | (170) | (2,993) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | | |
| (b) tenements | | |
| (c) property, plant and equipment | - | (41) |
| (d) exploration & evaluation (if capitalised) | (434) | (2,264) |
| (e) investments | | |
| (f) other non-current assets | | |

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

| Consolidated statement of cash flows | | Current quarter \$US'000 | Year to date (12 months) \$US'000 |
|--------------------------------------|---|-----------------------------|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | 1 | 40 |
| | (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 | (433) | (2,265) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 5,530 |
| 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 | (74) | (582) |
| 3.5 | Proceeds from borrowings | - | 797 |
| 3.6 | Repayment of borrowings | (332) | (434) |
| 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 | (406) | 5,310 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1209 | 147 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (170) | (2,993) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (433) | (2,265) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (406) | 5,310 |

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

| Consolidated statement of cash flows | | Current quarter \$US'000 | Year to date (12 months) \$US'000 |
|--------------------------------------|---|-----------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 200 | 200 |

| 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 | 200 | 1,209 |
| 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) | 200 | 1,209 |

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

**Current quarter
\$US'000**

76⁽¹⁾

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 director fees and consulting fees.

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

| 7. Financing facilities | Total facility amount at quarter end \$US'000 | Amount drawn at quarter end \$US'000 |
|---|--|---|
| <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> | | |
| 7.1 Loan facilities | 3,115 | 3,115 |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | 3,115 | 3,115 |

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) | (170) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (433) |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (603) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 200 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 200 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 0.33 |

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?

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Answer:

The Company has entered a financing package in excess of A\$10 million. This funding, through a secured bond and equity issue, will provide adequate working capital to advance the Company's projects and provide ample general working capital.

In addition, (as per ASX Release dated 25 March 2021), the Company has entered into an At-The-Market Subscription Deed ("ATM") with Acuity Capital. The ATM provides the Company the opportunity to draw-down up to A\$15 million of standby equity capital with the expiry of the ATM being 31 July 2023.

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 has today announced a significant capital raising programme that provides adequate working capital to advance the Company's projects and provide ample general working capital.

The Company has completed a Pre-Feasibility Study on selected underground mines which has demonstrated excellent project economics (ASX announcement 13 April 2021) at a time of historically high gold prices.

The group's large tenement holding in South Africa is potentially very prospective and remains largely unexplored using modern technology. The Theta Project, potential underground mines development 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.

2 August 2021

Date:

Board of Directors

Authorised by:
(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

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

[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.

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