31 January 2019

ASX ANNOUNCEMENT

Quarterly Report – 1 October to 31 December 2018

Theta Gold Mines Limited ("Theta Gold" or "Company") (ASX: TGM) is pleased to report on its activities for the three months ended 31 December 2018.

The company remains focused on progressing the Theta Project open pit Feasibility Study towards conclusion as well as undertaking resource definition and additional exploration drilling.

Significant progress was made on the feasibility study, which is now fully funded via recent share placements, and the drilling work resulted in continued high grade gold intercepts. These drill results, were encountered at both of the company's open pit prospects, Theta Hill and the nearby Columbia Hill. Work continues to incorporate these drill results into a reserve statement as part of the planned feasibility study. The feasibility study should be concluded in early second quarter of 2019.

2018 QUARTER 4 HIGHLIGHTS

- **The open pit Theta Project Scoping Study shows potential gold production of approximately 67kozpa for 7.6yrs (509koz recovered) with LOM All-In Sustaining Costs (AISC) of approximately US$569/oz and peak capital requirement of approximately US$16m**
- **A$6m placement to fund the Theta Project Feasibility Study announced in November 2018 (of which A$3.5m has been received to date)**
- **Name changed to Theta Gold Mines Limited (ASX: TGM), and a 10 for 1 share consolidation concluded**
- **New South Africa-based director, Mr Finn Behnken, appointed**
- Notable intersections at **Theta Hill and Columbia Hill** during the December quarter included:
  - **3m @ 19.4g/t Au from 2m in DG4LT26 (Theta Hill)**
  - **2m @ 12.42g/t Au from 3m in RCBH102 (Theta Hill)**
  - **16m @ 3.27g/t Au from 43m in RCBHI12B (Columbia Hill)**
  - **4m @ 12.53g/t Au from 35m in RCBHI15 (Columbia Hill)**
- **A Reverse Circulation (RC) drilling** program continued during the quarter, completing over 7,400m across Theta Hill, Columbia Hill and some satellite targets. Results from this program included:
  - **11m @ 2.1g/t Au from 8m in DG4RCWAD16 (including 1m @ 9.5g/t Au, Theta Hill)**
  - **1m @ 27.5g/t Au from 8m in DG4RCWAD20 (Theta Hill)**
  - **10m @ 1.9g/t Au from 18m in RCBH46 (Columbia Hill)**
  - **1m @ 10g/t Au from 18m in RCBHI41 (Columbia Hill)**

Chairman, Bill Guy commented: "*The last quarter of 2018 continued the positive momentum from the start of the year, with the release of the Theta Project Scoping Study and ongoing drilling across MR83 with the focus on identification of shallow, high grade ounces which can be added into the mine plan".*

"We look forward to delivering the Feasibility Study in coming months, with declaration of maiden open-cut reserves. The Feasibility Study will also include a development schedule to refurbish and upgrade the CIL Plant. The TGM Board is confident 2019 will be a transformational year for the Company."

THETA PROJECT SCOPING STUDY SUMMARY

The Scoping Study was delivered by South African consultants Minxcon, conducted in accordance with the JORC (2012) Reporting Code, as reported to the ASX on 15 October, 2018. The Scoping Study mine plan involves in-pit waste emplacement (contour roll-back mining) and strip-style mining of 3 gold-bearing seams (Figure 1) using surface miners and standard mining equipment, including dozers and rock-breakers with minimal or potentially no drill and blast. The site is situated within 2km by road of the existing, fully permitted CIL plant, with a US$11.1m capital upgrade planned (Scoping level estimates, ±25- 30%).

The Scoping Study envisages mining 58% of the ounces from the Indicated Mineral Resources (37% of tonnes) during the first 9 months of production (for a 9 month gold production of 35,000 ounces of gold) with a total mine life of 7.6 years.

Detailed monthly scheduling was run for the life of mine. Overall, a ratio of 83% Inferred and 17% Indicated resources is adopted in the Scoping Study model.

Table 1: Key aspects of Scoping Study (100% Project)

Parameter	Detail
Mineral Resources in Production Target	Indicated: 0.77Mt @ 3.51 g/t Au for 87koz Inferred: 3.71Mt @ 4.27 g/t Au for 513koz
Production Target	3.6Mt @ 4.77g/t Au for 553koz contained
Mine Life	7.6 years
Payback period	7.4 months
Construction/Refurbishment Period	10 months (first ore <12 months)
Processing Rate (design rate)	480ktpa for 67kozpa –average (peak 86koz)
Recovery (Life of Mine)	92.0% overall recovery (509koz LOM recovered)
Capital Cost (peak drawdown)	US$16M
Operating Costs	US$70/t operating cost excluding royalties (US$493/oz C1 recovered)
Project NPV (Real 7.5% to 10% DCF), post tax	US$152M to US$135M*
Project Undiscounted Real Net Cashflow (Life of Mine, 7.6 years)	US$218.6M
Internal Rate of Return	132%
All-in Sustaining Costs (AISC)- Av. Life of Mine	US$569/oz including royalties, excluding initial capital

**Assumptions include exchange rate ZAR 14.66 Spot 20 Sep, gold price of USD1,205/oz Spot on 20 Sep.*

Cautionary Note: *The Scoping Study results, Production Targets and Forecast Financial Information are preliminary in nature as the conclusions are based on low-level technical and economic assessments, insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage. There is a low level of geological confidence associated with Inferred Mineral Resources used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resource. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Investors should note that there is no certainty of funding for this project, and that any future funding obtained may be dilutive to the value of shares in TGM, and funding is one of the key risks to project timing.*

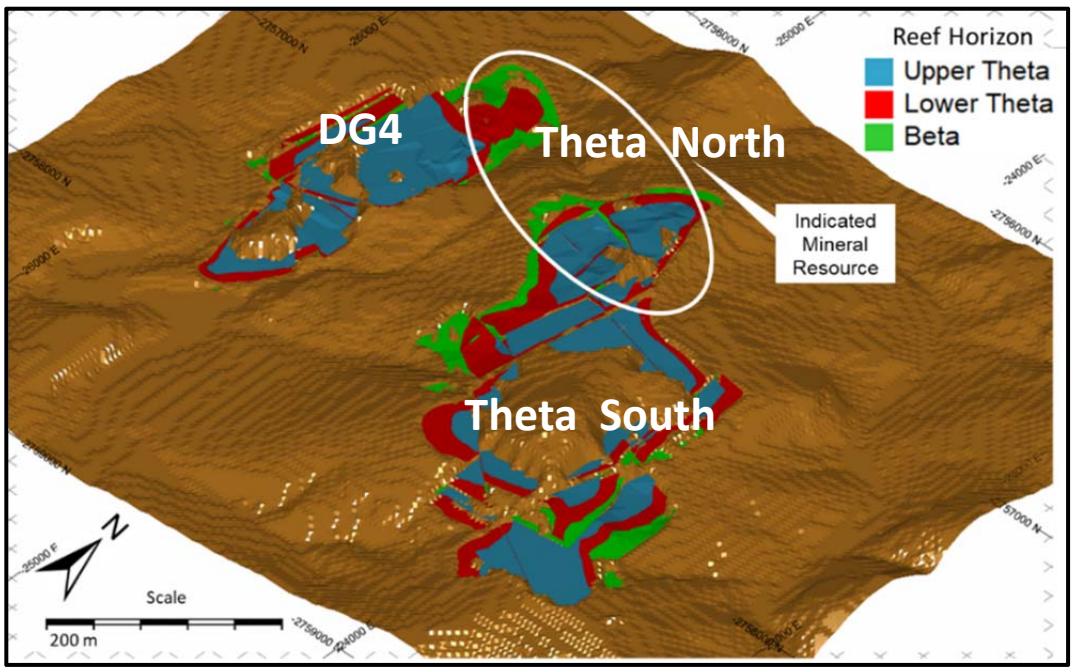

Figure 1: Resource pit at Theta Hill showing the three reefs

CORPORATE

Appointment of new director

Mr Finn Behnken was appointed as a director of the Company on 19 December 2018.

Finn, a resident of South Africa, is a mining engineer and has South African mining operational experience as the CEO of Tshipi é Ntle Manganese Mining (Pty) Limited (during the construction and initial production phase of the major Tshipi Borwa Manganese Mine). Prior to this Finn was an investment banker with South African based Nedbank and has served as non-executive director of various mining companies including, most recently, as a director of the then AIM listed Gemfields plc. Currently Finn is the South African representative of Auramet International, a US based precious metals merchant and mine financier. Finn possesses a unique set of skills to work with the TGM Board to help finance and develop our South African operations.

The Board now comprises –

Mr Bill Guy	Chairman
Mr Robert Thomson	Managing Director
Mr Finn Behnken	Non-Executive Director
Mr Richie Yang	Non-Executive Director
Mr Brett Tang	Non-Executive Director
Mr Simon Liu	Non-Executive Director

Cash Position and Funding

As at 31 December 2018, the Group had US$262,000 in cash.

In November 2018, the Company entered into two subscription agreements to raise a total of A$6.0m.

- The first subscription agreement, for A$1.5m, was completed on 23 November 2018.
- **The second subscription agreement is for A$4.5m, of which A$2.0 million was received on 30 January 2019. The balance of A$2.5 million under the second subscription agreement is expected in February 2019.** Pursuant to the subscription agreement, A$0.5 million will be subscribed at an

issue price of A$0.09 per share and the balance (A$2.0 million) at a price equal to the 20 days VWAP (Volume Weighted Average Price) immediately before the allotment of the shares.

Change of name and constitution

At the 2018 Annual General Meeting ("AGM") on 30 November 2018, shareholders approved the change of name to Theta Gold Mines Limited and a new constitution.

Consolidation of share capital

At the 2018 AGM, shareholders also approved a 10:1 consolidation of share capital. The capital structure of the Company at 31 January 2019 is as follows –

	Number
Fully paid ordinary shares (ASX: TGM)	356,696,568
Listed options exercisable at $0.30 each on or before 31 October 2020 (ASX: TGMO)	31,429,663
Unlisted options and performance rights (refer Annexure A)	35,743,304

THETA PROJECT (TGM - 74%)

Theta Hill Indicated Resource Drilling

Since the Theta Hill drill program began, over 13,000m of drilling has been completed using 297 vertical boreholes (Diamond/RC). During Q4 2018, a further infill program was completed at Theta North to bring the Lower Theta (Block 7) and the Beta Reef (Blocks 6 & 10) into an Indicated resource category.

All assays have been returned for December 2018 drilling (Table 1), and a further phase of shallow drilling was completed to test for continuity of stratigraphically higher level Bevetts and U Theta mineralisation previously delineated by Lower Theta drilling and Bevetts trenching and RC drilling. The distribution of drilling is shown in Figure 2. Currently the geological model is being updated and incremental resources are being added to the inventory.

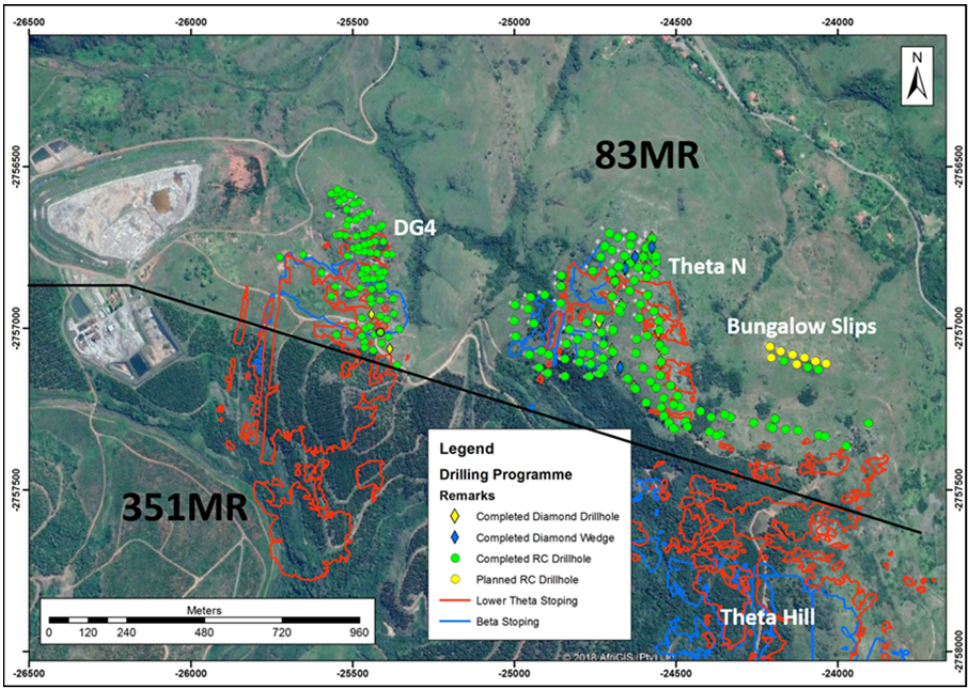

Figure 2: 31st December 2018 Distribution of Boreholes at Theta Hill North and surrounds

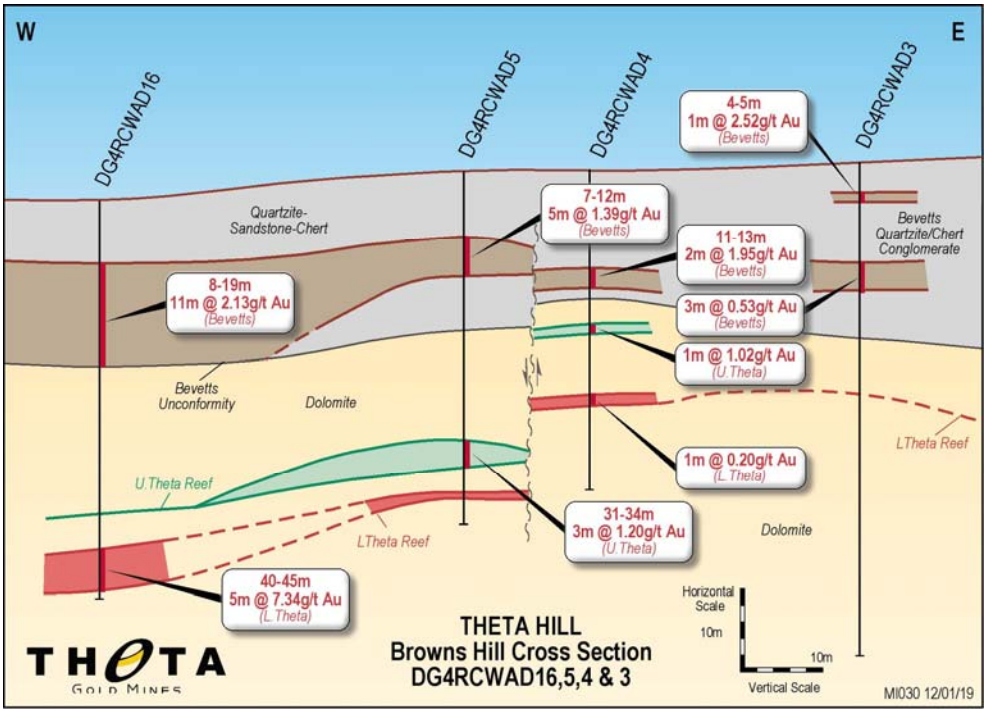

Figure 3: Theta Hill cross section looking north showing thick Bevetts / lense development and Upper and Lower Theta mineralised zones.

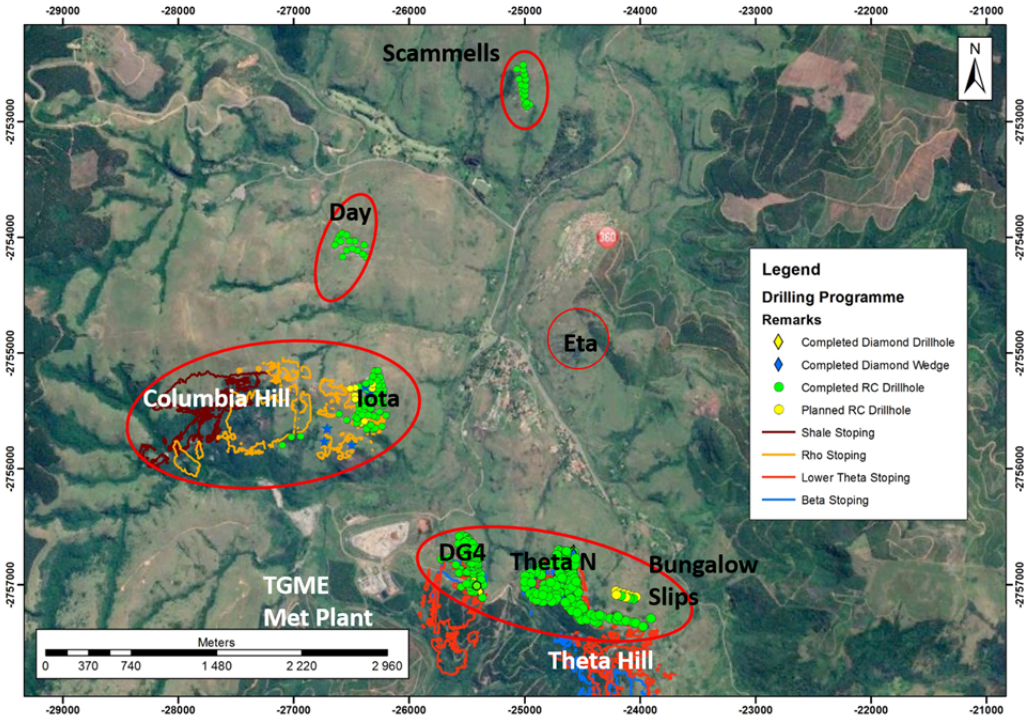

Figure 4: Theta Hill in context of other nearby open-cut targets

Table 2: Highlight Q4 Drill Intersections > 1 g/t Au Theta North

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Theta N Bv UT	m	m	m			Cm.g/t	g/t over 25cm	
RCBH73	29.00	30.00	1.00	1.02	Quartz in Shale	102	4.08	Theta N Bevetts & U Theta
RCBH73	57.00	58.00	1.00	**5.25**	Bevetts	525	21.00	Theta N Bevetts & U Theta
RCBH73	60.00	61.00	1.00	1.50	Bevetts	150	6.00	Theta N Bevetts & U Theta
RCBH92	50.00	51.00	1.00	1.22	Bevetts	122	4.88	Theta N Bevetts & U Theta
RCBH13	26.00	28.00	2.00	1.07	L Theta	213	4.26	Theta N Bevetts & U Theta
RCBH24	22.00	30.00	**8.00**	1.77	Bevetts/U Theta	1,415	7.08	Theta N Bevetts & U Theta
RCBH24	34.00	38.00	**4.00**	1.51	L Theta	605	6.05	Theta N Bevetts & U Theta
RCBHTN122	10.00	16.00	6.00	1.05	Quartz in shale	630	4.20	Theta N Bevetts & U Theta
RCBHTN122	39.00	40.00	1.00	3.35	U Theta	335	13.40	Theta N Bevetts & U Theta
RCBHTN123	18.00	19.00	1.00	4.74	Quartz in shale	474	18.96	Theta N Bevetts & U Theta
RCBHTN124	84.00	87.00	3.00	**3.40**	Bevett's / U Theta	1,019	13.59	Theta N Bevetts & U Theta
RCBHTN124 incl	*84.00*	*85.00*	*1.00*	***8.27***	*Bevett's / U Theta*	*827*	*33.08*	*Theta N Bevetts & U Theta*
RCBHTN125	66.00	67.00	1.00	2.63	Bevett's / U Theta	263	10.52	Theta N Bevetts & U Theta
RCBHTN126	-	5.00	5.00	1.78	Quartz in shale	891	7.13	Theta N Bevetts & U Theta
RCBHTN127	37.00	38.00	1.00	1.19	Bevetts	119	4.76	Theta N Bevetts & U Theta

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Theta N Beta 10	m	m	m			Cm.g/t	g/t over 25cm	
RCBHTNBB10	8.00	9.00	1.00	2.88	Beta?	288	11.52	Theta N Beta Block 10
RCBHTNBB14	21.00	23.00	2.00	2.88	L Theta	576	11.52	Theta N Beta Block 10
RCBHTNBB16	31.00	34.00	3.00	1.03	Bevetts	310	4.13	Theta N Beta Block 10
RCBHTNBB16	50.00	52.00	2.00	1.58	L Theta?	316	6.32	Theta N Beta Block 10
RCBHTNBB17	12.00	13.00	1.00	1.35	Bevetts	135	5.40	Theta N Beta Block 10
RCBHTNBB17	35.00	36.00	1.00	**2.95**	L Theta?	295	11.80	Theta N Beta Block 10
RCBHTNBB2	2.00	4.00	2.00	1.42	Bevetts/U Theta	283	5.66	Theta N Beta Block 10

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Theta B Slips	m	m	m			Cm.g/t	g/t over 25cm	
RCBHBS16	44.00	47.00	3.00	0.81		243	3.24	Bungalow Slips
RCBHBS16 incl	44.00	45.00	1.00	1.39		139	5.56	Bungalow Slips
RCBHBS17	43.00	44.00	1.00	2.15		215	8.60	Bungalow Slips

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Theta DG4 Bv UT	m	m	m			Cm.g/t	g/t over 25cm	
DG4RCWAD3	4.00	5.00	1.00	2.52	Bevetts	252	10.08	DG4 Bevetts & U Theta
DG4RCWAD4	11.00	13.00	2.00	1.95	Bevetts	389	7.78	DG4 Bevetts & U Theta
DG4RCWAD5	7.00	12.00	**5.00**	1.39	Bevetts	697	5.58	DG4 Bevetts & U Theta
DG4RCWAD5 incl	*7.00*	*8.00*	*1.00*	***4.45***	*Bevetts*	*445*	*17.80*	*DG4 Bevetts & U Theta*
DG4RCWAD5	31.00	34.00	**3.00**	1.20	U Theta	359	4.79	DG4 Bevetts & U Theta
DG4RCWAD5	36.00	37.00	1.00	1.23	L Theta	123	4.92	DG4 Bevetts & U Theta
DG4RCWAD7	35.00	37.00	2.00	1.87	L Theta	373	7.46	DG4 Bevetts & U Theta
DG4RCWAD15	14.00	16.00	2.00	1.55	Bevetts	309	6.18	DG4 Bevetts & U Theta
DG4RCWAD16	8.00	19.00	**11.00**	2.13	Bevetts	2,343	8.52	DG4 Bevetts & U Theta
DG4RCWAD16 Incl	*8.00*	*9.00*	*1.00*	***9.52***	*Bevetts*	*952*	*38.08*	*DG4 Bevetts & U Theta*
DG4RCWAD16	40.00	45.90	**5.90**	**7.34**	L Theta	4,331	29.36	DG4 Bevetts & U Theta
DG4RCWAD17	7.00	8.00	1.00	2.10	Bevetts	210	8.40	DG4 Bevetts & U Theta
DG4RCWAD17	17.00	18.00	1.00	1.19	U Theta?	119	4.76	DG4 Bevetts & U Theta
DG4RCWAD18	9.00	10.00	1.00	0.61	U Theta?	61	2.44	DG4 Bevetts & U Theta
DG4RCWAD20	8.00	9.00	1.00	**27.50**	Bevetts	2,750	110.00	DG4 Bevetts & U Theta
DG4RCWAD21	16.00	17.00	1.00	2.27	U Theta	227	9.08	DG4 Bevetts & U Theta
DG4RCWAD21	24.00	26.00	2.00	**5.92**	L Theta	1,184	23.68	DG4 Bevetts & U Theta

Columbia Hill and Scammells Reverse Circulation Drilling

The second rig has been progressing investigations on satellite opencast targets on 83MR. Phase 1 drilling at the Scammells workings was completed and the rig is currently in progress on Phase 2 at Columbia Hill Mine (see Figure 1). In total a further 1,216m RC drilling was completed at Columbia Hill over 17 holes during December 2018. This follows on from previous drilling during Q4 2018 that had encouraging Rho Reef intersections.

At Columbia Hill (Figure 4), the Iota (Rho Reef) underground workings are located on the eastern extension and the current RC drilling is targeting ground peripheral to these zones. In total 18 RC boreholes have been completed for 890m (2017-2018). The target mineralisation zones embrace the Bevetts thrust and Lense style reefs plus the underlying Rho Reef (Figures 5 Columbia Hill cross-section).

Columbia Hill continues to demonstrate good potential as a satellite resource. Columbia Hill is similar to Theta Hill in mineralization and geometry, with a thrusted “lense” package located around the Bevetts unconformity, and a flat to shallowly dipping Rho reef system in the Malmani dolomite footwall.

At Columbia Hill, the Rho Reef mineralisation is hosted in bedding plane shears with the gold associated with quartz and oxidized sulphides. Columbia Hill (Iota Mine) results > 1 g/t Au from assays received to date for Phase 1 are encouraging, and are shown below in Table 3.

Table 3: Columbia Hill (Iota) Q4 2018 Phase 1 RC drilling results > 1 g/t Au

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
	m	m	m			Cm.g/t	g/t over 25cm	
RCBHI12B	43.00	61.00	**18.00**	**2.81**	Bevetts / Lense	5,057	11.24	Iota Mine P1
RCBHI12B incl	*47.00*	*59.00*	***12.00***	***3.65***	*Bevetts / Lense*	*4,384*	*14.61*	*Iota Mine P1*
RCBHI12B	76.00	77.00	1.00	**8.76**	Rho	876	35.04	Iota Mine P1
RCBHI14	-	1.00	1.00	1.09	Quartz in shale	109	4.36	Iota Mine P1
RCBHI14	16.00	17.00	1.00	2.20	Bevetts	220	8.80	Iota Mine P1
RCBHI14	28.00	33.00	**5.00**	**3.69**	Rho	1,843	14.74	Iota Mine P1
RCBHI14 incl	*28.00*	*31.00*	***3.00***	***5.93***	*Rho*	*1,778*	*23.71*	*Iota Mine P1*
RCBHI15	29.00	30.00	1.00	1.23	Bevetts	123	4.92	Iota Mine P1
RCBHI15	35.00	39.00	4.00	**10.31**	Rho	4,126	41.26	Iota Mine P1
RCBHI15 incl	*37.00*	*39.00*	***2.00***	***19.76***	*Rho*	*3,953*	*79.05*	*Iota Mine P1*
RCBHI16	-	6.00	6.00	2.32	Bevetts	1,393	9.29	Iota Mine P1
RCBHI16 incl	*-*	*4.00*	***4.00***	***3.19***	*Bevetts*	*1,274*	*12.74*	*Iota Mine P1*
RCBHI17	9.00	10.00	1.00	1.45	Quartz in shale	145	5.79	Iota Mine P1
RCBHI17	53.00	54.00	1.00	4.08	Bevetts?	408	16.32	Iota Mine P1
RCBHI17B	58.00	69.00	**11.00**	0.91	Rho	999	3.63	Iota Mine P1
RCBHI17B incl	*58.00*	*63.00*	***5.00***	***1.29***	*Rho*	*647*	*5.18*	*Iota Mine P1*
RCBHI18	16.00	17.00	1.00	1.07	Bevetts	107	4.28	Iota Mine P1
RCBHI19	1.00	13.00	**12.00**	2.53	Bevetts / Lense	3,036	10.12	Iota Mine P1
RCBHI19 incl	*1.00*	*8.00*	***7.00***	***3.50***	*Bevetts / Lense*	*2,448*	*13.99*	*Iota Mine P1*
RCBHI19B	21.00	22.00	1.00	**19.40**	Bevetts	1,940	77.60	Iota Mine P1
RCBHI19B	38.00	39.00	1.00	4.79	Rho	479	19.16	Iota Mine P1
RCBHI20	41.00	62.00	**21.00**	**3.61**	Bevetts Lense	7,581	14.44	Iota Mine P1
RCBHI20 incl	*46.00*	*57.00*	***11.00***	***5.95***	*Bevetts Lense*	*6,545*	*23.80*	*Iota Mine P1*
RCBHI20	67.00	68.00	1.00	5.12	Rho	512	20.48	Iota Mine P1
RCBHI21	19.00	25.00	**6.00**	**5.17**	Rho	3,102	20.68	Iota Mine P1
RCBHI22	-	1.00	1.00	1.57	Quartz in shale	157	6.28	Iota Mine P1
RCBHI22B	7.00	8.00	1.00	1.42	Bevetts	142	5.68	Iota Mine P1
RCBHI24	-	4.00	4.00	1.25	Bevetts Lense	500	5.00	Iota Mine P1
RCBHI24	19.00	24.00	5.00	1.99	Rho	995	7.96	Iota Mine P1
RCBHI26	46.00	48.00	2.00	**4.89**	Bevetts	978	19.56	Iota Mine P1
RCBHI26	62.00	68.00	6.00	1.79	Rho	1,073	7.15	Iota Mine P1
RCBHI26 incl	*63.00*	*65.00*	***2.00***	***3.89***	*Rho*	*777*	*15.54*	*Iota Mine P1*
RCBHI9C_1	-	1.00	1.00	1.17	Quartz in shale	117	4.68	Iota Mine P1

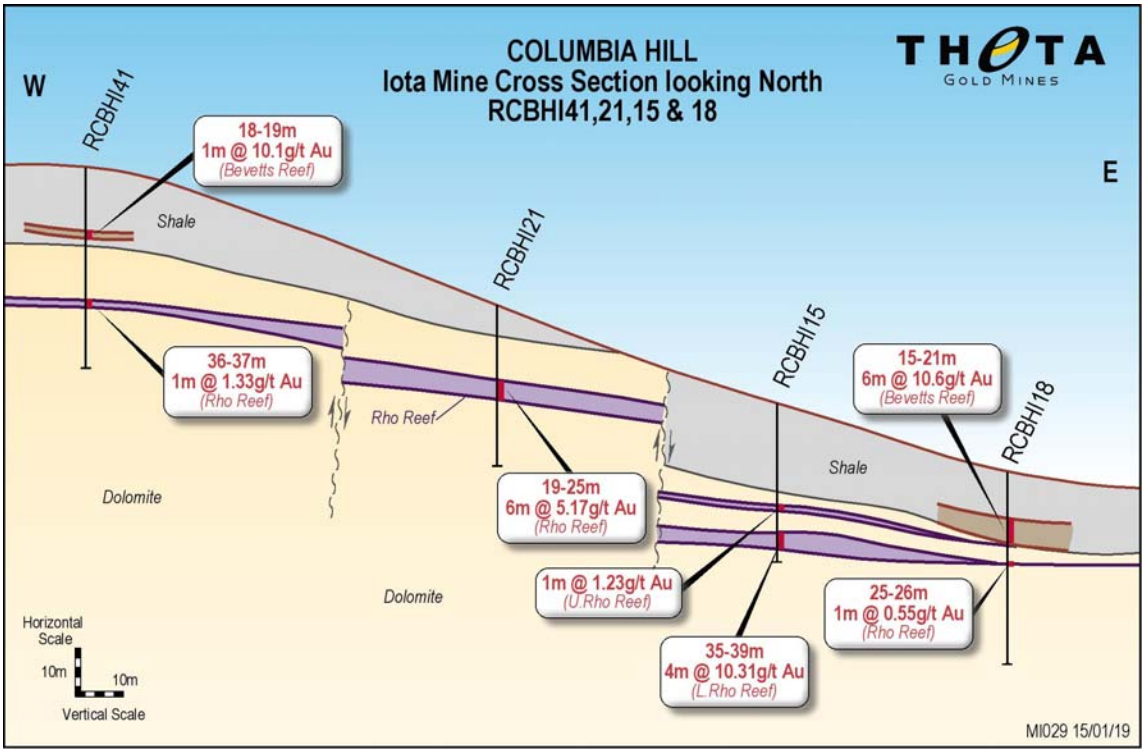

Figure 5: Columbia Hill (Iota Mine) Cross Section RCBHI41-I18 looking north

Combined with the Lense style and Rho Reef intersections all above 80m below surface the opencast target is taking shape. As a consequence, a follow up Phase 2 program is underway and is increasing the footprint of open-castable mineralisation. Table 4 shows the Phase 2 intersections > 1g/t Au to 31st December 2018.

Day Mine

The Day Mine target area also straddles a structurally complex area with the eastern interface between the Bevetts thrust mineralization in close proximity to the Rho Reef horizon. The area has been poorly prospected, with limited stoping in the early 1900's. The opencast target area is complicated structurally by N-S faulting, localized slumping plus the actual Bevetts Thrust interface with the Rho reef horizon. Positive indications of surface mineralisation were achieved by Rand Mines trenching in the late 1980's which ensued 3 bulk samples realizing positive results (5.6t @ 5.68 g/t; 17.4t @ 8.37g/t Au; 9.45t @ 8.71 g/t Au).

Table 4: Day Mine RC Drilling assay results received > 1 g/t Au

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Day Mine	m	m	m			Cm.g/t	g/t over 25cm	
RCBHDM02	-	5.00	5.00	0.81	Quartz in Shale	406	3.25	Day Mine
RCBHDM02 incl	-	1.00	1.00	2.34	Quartz in Shale	234	9.36	Day Mine
RCBHDM05	10.00	13.00	3.00	0.87	Rho	260	3.47	Day Mine
RCBHDM05 incl	10.00	11.00	1.00	1.60	Rho	160	6.40	Day Mine
RCBHDM15	18.00	20.00	2.00	3.18	Bevetts	636	12.72	Day Mine
RCBHDM07	51.00	55.00	4.00	2.28	Rho	911	9.11	Day Mine
RCBHDM10	18.00	19.00	1.00	1.32	Quartz in Shale	132	5.28	Day Mine
RCBHDM11	55.00	56.00	1.00	1.85	Bevetts	185	7.40	Day Mine
RCBHDM12	-	2.00	2.00	2.24	Quartz in Shale	448	8.96	Day Mine

Scammells Reef

The Scammells Reef is a very thin (~ 15-25cm) high grade (20-30 g/t) zone of mineralisation. Prospectivity as an opencast target is driven by limited stoping and a favourable waste to ore strip ratio.

Assays received for the Scammells Reef RC drilling during Q4 2018 (> 1 g/t Au) are shown in Table 5. It is noted that 8 boreholes had downhole complications with cavities and collapsing ground, which ultimately need to be reamed and drilled to target depth.

Table 5: Scammells Reef Q4 RC drilling assays > 1 g/t Au

BHID	From	To	Width	Au g/t	Au Comments	Au Content	Back calc in situ Reef	EOH Comments
Scammells	m	m	m			Cm.g/t	g/t over 25cm	
RCBHSC18	39.00	40.00	1.00	1.31	Scammells	131	5.24	Scammells
RCBHSC3	18.00	19.00	1.00	**5.58**	Scammells	558	22.32	Scammells
RCBHSC3A	19.00	20.00	1.00	1.57	Scammells	157	6.28	Scammells
RCBHSC9	20.00	21.00	1.00	**13.80**	Scammels	1,380	55.20	Scammells

Updates since Quarter end

Drilling results from the last quarter were released to the ASX on 19 January, 2019. These results have been incorporated in this release in Tables 2 to 5.

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

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or

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Competent Person Statement
Theta Hill, Columbia Hill (Iota Mine) and Scammells Drilling Results The information in this report relating to the Theta Hill and 83MR drilling 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 "High Grade Shallow Gold at Theta Hill and Satellite Target Columbia Hill" and "High Grade Gold Assays at Theta Hill" were dated 29 November 2018 and 21 January 2019 respectively and 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) 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 Mines core project is TGME, located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km east 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 planned refurbishment of the existing CIL plant and nearby mines/prospects with the intention of resuming gold production and is considering open pit mining where it has identified mineral resources amenable to open pit production. The Company is presently concluding a detailed feasibility study and is also in the process of seeking approvals for open pit mining on the existing mining licences held.

The Company aims to build a solid production platform to over 100kozpa based primarily around shallow, open-cut or adit-entry hard rock mining sources. Theta Gold Mines has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

ANNEXURE A

THETA GOLD MINES LIMITED

UNLISTED OPTIONS AND PERFORMANCE RIGHTS

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
2,000,000		$0.15	22 Mar 2019
500,000		$0.25	19 Jul 2019
222,223		$0.30	15 Aug 2019
614,449		$0.30	21 Aug 2019
1,000,000		$0.30	22 Aug 2019
274,449		$0.30	1 Sep 2019
1,050,000		$0.15	12 Oct 2019
2,000,000		$0.20	12 Oct 2019
1,000,000	Company achieving a market capitalisation of greater than $25,000,000 for a period of 10 consecutive trading days	$0.20	12 Oct 2019
500,000	Recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant	$0.20	12 Oct 2019
500,000	Production from the Group's operations reaching 40,000 tonnes per month yielding 2,000 ounces of gold per month at a cost of less than USD750 per ounce for a period of 3 consecutive months	$0.40	12 Oct 2019
3,500,000		$0.40	12 Oct 2019
727,970		$0.19	15 Jan 2020
1,000,000		$0.25	18 Jan 2020
1,000,000		$0.30	18 Jan 2020
3,500,000		$0.20	30 Apr 2020
604,213		$0.19	13 Aug 2020
2,000,000	20 day VWAP above $0.025. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.30	19 Jul 2022
2,200,000	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 July 2022
2,200,000	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 July 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.	$0.30	19 July 2022
150,000	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.	$0.35	19 July 2022
150,000	20 day VWAP above $0.040. 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 July 2022

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
1,500,000	Achievement of Milestone 1. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.25	19 July 2022
1,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.30	19 July 2022
1,000,000	Achievement of Milestone 3 and Pre-Feasibility Study IRR (pre-tax) is greater than or equal to 40%. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.30	19 July 2022
2,000,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.25	19 July 2022
250,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	$0.30	19 July 2022
350,000	20 day VWAP above $0.025		19 July 2022
350,000	20 day VWAP above $0.030		19 July 2022
350,000	20 day VWAP above $0.035		19 July 2022
375,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 40%		19 July 2022
175,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 50%		19 July 2022
500,000	Market capitalisation above $125,000,000 for a consecutive 5 day period		19 July 2022
35,743,304			

20 Day VWAP means the average of the daily volume weighted average price of all sales of Shares recorded on ASX over a 20-day period, not including:

(a) any transaction classified under the ASX's Market Rules as a "Special Crossing";
(b) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase;
(c) any overseas trades or trades pursuant to the exercise of options over Shares; or
(d) any overnight crossings.

Milestone 1 means obtaining sufficient capital expenditure financing (debt and/or equity) to enable the Group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, Milestone 1 will be deemed to have been achieved upon the first, actual drawdown of the relevant loan.

Milestone 2 means the achievement of Stage 1 production on budget. Milestone 2 will be deemed to have been achieved at the end of 90 days into Stage 1 production, provided that at that point the production is on budget.

Milestone 3 means completion to pre-feasibility standards, of a second study to demonstrate profitable production of not less than 70,000 ounces of gold or gold equivalent on an annualised basis.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

THETA GOLD MINES LIMITED

ABN	**Quarter ended ("current quarter")**
30 131 758 177	31 December 2018

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (6 months) US$'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(794)	(1,367)
	(b) development		
	(c) production		
	(d) staff costs	(210)	(255)
	(e) administration and corporate costs	(764)	(1,164)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(20)	(37)
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other	(5)	(11)
1.9	**Net cash from / (used in) operating activities**	**(1,793)**	**(2,834)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(7)
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (6 months) US$'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	33	77
	(b) tenements (see item 10)		
	(c) investments		
	(d) 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**	**33**	**70**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	2,145	3,273
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(68)	(68)
3.5	Proceeds from borrowings	-	180
3.6	Repayment of borrowings	(136)	(555)
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**	**1,941**	**2,830**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	81	196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,793)	(2,834)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	33	70
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,941	2,830
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**262**	**262**

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	262	81
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)**	**262**	**81**

6.	**Payments to directors of the entity and their associates**	**Current quarter US$'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	145
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payments for consulting fees, salaries and office rent at commercial rate.

7.	**Payments to related entities of the entity and their associates**	**Current quarter US$'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end US$'000**	**Amount drawn at quarter end US$'000**
8.1	Loan facilities	2,932	2,932
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Details of the loan facilities are set out in Note 16 of the Company's Financial Report for the year ended 30 June 2018.

9.	**Estimated cash outflows for next quarter**	**US$'000**
9.1	Exploration and evaluation	1,000
9.2	Development	-
9.3	Production	-
9.4	Staff costs	200
9.5	Administration and corporate costs	600
9.6	Other (loan repayment and legacy creditors)	300
9.7	**Total estimated cash outflows**	**2,100**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here: ..... Date: 31/01/2019
(~~Director/~~Company secretary)

Print name: Chin Haw Lim

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly 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 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.