1 July 2019

ASX ANNOUNCEMENT

UNLISTED OPTIONS AND PERFORMANCE RIGHTS CANCELLED

Theta Gold Mines Limited (ASX: TGM) advises that 19,850,000 unlisted options and performance rights (Annexure A) ("**Old Performance Rights and Options**") previously issued to directors and employees on 19 October 2016 and 20 July 2017 have been cancelled following the issue of new performance rights ("**New Performance Rights**") on 28 June 2019. The Old Performance Rights and Options have been replaced by 14,700,000 New Performance Rights expiring 27 June 2024. The Company has also issued 10,000,000 New Performance Rights to directors appointed in 2018 and to employees of its South African subsidiary. The issues to directors were approved by shareholders at the general meeting on 28 June 2019. Details of the New Performance Rights are set out in Annexure B.

The New Performance Rights issued to Directors and employees have the same operational performance hurdles focussed on delivering the Theta Hill open-cut gold project into production, as follows –

	Performance Hurdles
1	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012[1]) at grade of at least 2.5g/t Au, amenable to open-cut mining on Mining Right 83, Mining Right 341 and Mining Right 10167 (under application, converting from existing Prospecting Rights).
2	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured. This performance hurdle must be achieved on or before the date that is 18 months from the date of issue of the performance right.
3	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 30 months from the date of issue of the performance right.
4	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 48 months from the date of issue of the performance right.

The Board believes that operational performance hurdles are more appropriate incentives and align the interests of the Directors and employees with those of Shareholders. These performance hurdles also reflect the company's development and exploration strategies.

Theta Gold Mines Limited ABN 30 131 758 177
Level 32, 101 Miller Street, North Sydney NSW 2060
Tel: +61 2 8912 2126 Email: info@thetagoldmines.com
www.thetagoldmines.com

Following the cancellation of the Old Performance Rights and Options and the issue of New Performance Rights, the capital structure of the Company is as follows –

	Number
Fully paid ordinary shares (ASX: TGM)	383,278,912
Listed options exercisable at $0.30 each on or before 31 October 2020 (ASX: TGMO)	31,429,663
Unlisted options and performance rights (details in Annexure C)	38,593,304

For further information please contact:

General Enquiries:
Rob Thomson, Managing Director
Theta Gold Mines Limited
M: +61 409 843 963
E: robt@thetagoldmines.com

Investor Enquiries:
Bill Guy, Chairman
Theta Gold Mines Limited
T: + 61 2 8912 2126
E: billg@thetagoldmines.com

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM, TGMO) 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 has completed a detailed feasibility study and is 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 CANCELLED

Performance Hurdle/Vesting Date (if applicable)	Number	Exercise Price	Expiry Date
Recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant	500,000	$0.20	12 Oct 2019
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	500,000	$0.40	12 Oct 2019
	3,500,000	$0.20	30 Apr 2020
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.	2,000,000	$0.30	19 Jul 2022
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.	2,000,000	$0.35	19 July 2022
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.	2,000,000	$0.40	19 July 2022
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.	200,000	$0.30	19 July 2022
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.	150,000	$0.35	19 July 2022
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.	150,000	$0.40	19 July 2022
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.	1,500,000	$0.25	19 July 2022
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.	1,000,000	$0.25	19 July 2022
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.	1,000,000	$0.30	19 July 2022
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.	1,000,000	$0.30	19 July 2022

Performance Hurdle/Vesting Date (if applicable)	Number	Exercise Price	Expiry Date
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.	2,000,000	$0.25	19 July 2022
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.	250,000	$0.30	19 July 2022
20 day VWAP above $0.025	350,000		19 July 2022
20 day VWAP above $0.030	350,000		19 July 2022
20 day VWAP above $0.035	350,000		19 July 2022
Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 40%	375,000		19 July 2022
Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 50%	175,000		19 July 2022
Market capitalisation above $125,000,000 for a consecutive 5 day period	500,000		19 July 2022
	19,850,000		

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.

Annexure B

Theta Gold Mines Limited

Performance Rights Issued 28 June 2019

Performance Hurdle/Vesting Condition	Number
Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012[1]) at grade of at least 2.5g/t Au, amenable to open-cut mining on Mining Right 83, Mining Right 341 and Mining Right 10167 (under application).	4,670,000
Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured. This performance hurdle must be achieved on or before the date that is 18 months from the date of issue of the performance right.	5,070,000
Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 30 months from the date of issue of the performance right.	7,530,000
Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 48 months from the date of issue of the performance right.	7,430,000
Total	**24,700,000**

[1] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition*

Annexure C

Theta Gold Mines Limited

Unlisted Options and Performance Rights

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
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
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
604,213		$0.19	13 Aug 2020
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
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
4,670,000	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 2012[1]) at grade of at least 2.5g/t Au, amenable to open-cut mining on Mining Right 83, Mining Right 341 and Mining Right 10167 (under application).	Nil	27 June 2024
5,070,000	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured. This performance hurdle must be achieved on or before the date that is 18 months from the date of issue of the performance right.	Nil	27 June 2024
7,530,000	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 30 months from the date of issue of the performance right.	Nil	27 June 2024
7,430,000	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months. This performance hurdle must be achieved on or before the date that is 48 months from the date of issue of the performance right.	Nil	27 June 2024
38,593,304			