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Half Year Financial Report
Six Months Ended 31 December 2024

Theta Gold Mines Limited

Corporate Directory

DIRECTORS

Bill Guy	Executive Chairman
Richie Yang	Non-Executive Director
Brett Tang	Non-Executive Director
Byron Dumpleton	Non-Executive Director

COMPANY SECRETARY

Brent Hofman

AUDITOR

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40/2 Park Street
Sydney NSW 2000
Australia

STOCK EXCHANGE LISTINGS

ASX: TGM

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Theta Gold Mines Limited

Directors' Report

Your Directors present their report, together with the financial statements of Theta Gold Mines Limited and its controlled entities ("Consolidated Entity") for the half year ended 31 December 2024.

DIRECTORS

The names of the Directors of Theta Gold Mines Limited during the half year and up to the date of this report are:

Charles William (Bill) Guy	Executive Chairman
Bill Richie Yang	Non-Executive Director (Audit Committee Chair)
Guyang (Brett) Tang	Non-Executive Director
Byron Dumpleton	Non-Executive Director

Executive Management Changes

No changes to the management of Theta Gold Mines Limited occurred during the half year ended 31 December 2024.

REVIEW OF OPERATIONS

Summary

The current status is that the gold plant footprint and MR 83 are fully permitted. The final design for the gold plant is completed. MR 83 hosts the first 3 mines, Beta, CDM and Frankfort, which is more than 80% of the current mine schedule. Theta is now ready to mine post-funding.

During the last 6 months, the company has focused on funding packages, safety, operational readiness, design and planning the construction of the gold processing plant and identifying an Engineering Procurement and Construction ("EPC") Builder.

The team has completed the final design work for the gold plant and the plant footprint and updated costs. The final design for the tailing dam is in progress, and after that work, an updated Feasibility Study will be released, expected in May at \$2,180 USD Gold Price. The update feasibility study will include the surface source of gold in the mine schedule.

In total, 174,000 gold ounces sit on the surface, in tailings dams and surface rock dumps surrounding the TGME gold plant, including 140,600 ounces of Indicated Resources in various tailings dams. Theta is working on adding the surface gold resources into the mine schedule.

Operational readiness is complete with the Mine Health and Safety Act, 1996 (Act 29 of 1996) ("MHSA") and all other applicable South African legislation in place. OH&S policies and procedures are in place to run as a functioning mine site. As of 31 January 2025, TGME has achieved 1,557 Progressive Safe Return Shifts (Accident-Free Days).

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We completed the following tasks on-site as part of preparing to build the gold plant and finalising the execution documentation. (see table 1 below)

Description	Completed
Plant process design Engineers Appointed – RM Process	✓
Tailings and Environmental Engineers Appointed – Eco Elementum	✓
Additional Metallurgical Test Work	✓
Updated Process Plant Flowsheet	✓
Final Process Plant and Engineering design	✓
Process Plant footprint layouts and Civils works	✓
Draft schedules for the plant construction	✓
Draft schedule for the dewatering plant, water management and tailings deposition	✓
Tender process and Requests for Quotes (RFQ)	✓
NDA's signed with all vetted possible Original Equipment Supplies (OEM's)	✓
Long leading items identified completion	✓
Project Execution Plan completion	✓

Table 1: Provides a summary of the completed design and planning stages of the plant.

RM Processing ("RMP") was appointed to prepare a comprehensive cost estimate for completing the detailed engineering of the TGME Gold Processing Plant. This facility is designed to process "gold ore, based on recent feasibility studies by Theta Gold and Met63. The project focuses on treating TGME underground ores, tailings material and surface waste rock dumps to produce a Doré bar.

Highlights from the Metallurgical Test Work completed by MAK Analytical are as follows:

Composite samples were collected for metallurgical test work. These samples obtained from the main tailings dam were collected from drill samples and additional samples were collected from historic surface rock dumps via trenching.

Table 2: Highlights the best laboratory results for the composite samples.

Sample No.	Type	Head Grade Gold (g/t)	Gold Recovery %
TGME A	Tailings Dam Material	1.24 g/t	58.95%
Beta and Peach Tree	Surface Rock Dump	0.94 g/t	95.43%
Vaalhoek 1	Surface Rock Dump	1.19 g/t	95.46%

Refer to ASX released dated 30 July 2024 titled, "Metallurgical Test Results Confirm That Gold is Recoverable from the TGME Tailings Storage Facility and Rock Dumps (174,000 OZ AU)".

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The project also involved geotechnical assessments for plant infrastructure, focusing on dolomite stability at the TSF and Plant site. Kipaje Geotechnical Consulting led the dolomite feasibility study, combining the 2020 gravimetric survey data with infill drilling.

Exploratory drilling was conducted around the TSF and plant area to enhance studies on dolomite formations as part of the process plant and TSF designs as shown below.



Figure 1: Exploratory drilling

On finalising the geotechnical assessment, the plant's footprint was designed, enabling Bulk Earthworks and civil construction to commence once funding becomes available. The plant design incorporates a 2-meter loss allowance beneath the raft foundations.

Eco Elementum Engineering ("ECO") was appointed on 1 July 2024, as the design consultants for the remaining of the TSF and the design of a Dewatering Plant. The remaining project is structured in phases, with the initial phase covering the Concept and Pre-Feasibility Study ("PFS"), followed by Engineering/Feed, Procurement, Dewatering Detailed Design and Integration, and Construction.

The project began in July, with dolomite studies and samples from the TSF processed by MAK Analytical Services to mimic the final tails product. These samples were handed to suppliers of dry-stacking dewatering plants for testing and design purposes.

ECO was appointed to conduct a PFS on the underground deposition of tailings from the TGME process plant. The solution involves using underground voids around the Beta Mine for tailings storage, which will also allow for the permanent closure of the old mined areas, enabling uninterrupted mining operations in other areas.

The PFS aims to develop a cost-effective tailings disposal solution by utilizing these underground voids, with key objectives including:

- Providing adequate capacity for tailings storage.
- Ensuring ongoing mining operations by managing tailings effectively.

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- Facilitating the environmental rehabilitation of old mined areas.

A backfill plant will be constructed on the surface, and a conveyor or wet transfer system may be implemented for efficient material handling. A dewatering step will be necessary to ensure that tailings are prepared with the correct moisture content for backfilling. The environmental approval process for the backfill project is linked to the completion of the PFS.

Environmental, Social and Governance (“ESG”)



Figure 2: TGME Environmental Sustainability Strategy

An Ecological Compensation Programme - Implementation Agreement

Independent Environmental Scientist has been requested to provide us with a proposal to develop a guideline for the execution of the compensation programme that was developed in 2022. This plan will include recommendations on the Implementation Agreement.

Some key points to be addressed as part of the Ecological Program

- Integrated rehab plan for upper catchments and coordination capacity
- On Nature Reserves, control dense Invasive Alien Plant Species (“IAPS”) and revegetate
- Install, and maintain fire breaks
- Biocontrol development and release programs
- Erosion control measures
- Measure to improve hydrogeology of local catchment

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Social and Labour Plan

To mine in South Africa, companies must develop a Social and Labour Plan (“SLP”). This integrated process involves discussion with the community, local council, and Department of Mines and Energy.

The SLP focus on community needs and economic uplift for the host community. Table 3 below shows the work in progress.


Task		Due date
Appointment of SLP Consultant	✓	15 January – 31 January 2024
TGME provides background information	✓	29 January – 02 February 2024
Kick-Off Meeting	✓	05 February – 09 February 2024
Final Socio-Economic Study	✓	09 February 2024
Consultant Document Review	✓	07 February – 20 February 2024
Consultant submit Legal Review	✓	21 February 2024
Workshop session	✓	21 February 2024
Compilation of Draft SLP document	✓	22 February – 10 April 2024
Preparation for SLP Consultations	✓	22 February – 12 April 2024
SLP Consultations	✓	18 - 20 April 2024
Project Priority Lists from Ward Councillors	✓	06 May 2024
Compilation of Final SLP document	✓	22 April – 31 August 2024
TGME Review SLP	✓	02 September – 30 November 2024
Update of SLP based on TGME comments	✓	2 – 6 December 2024
Mine Manager review SLP	✓	09 – 20 December 2024
COO review SLP	✓	07 – 10 January 2025
Submit Final SLP to Board for approval		14 - 28 January 2025 
Final approved SLP Document		03 February 2025
Submit endorsement letters to the Municipality for signature		03 February 2025
<i>Present SLP during EIA phase if necessary</i>		<i>4 March – 8 May 2025</i>
Submission of final EIA/EMPR Report, SLP and MWP to the DMRE		19 May 2025

Table 3: Social and Labour Plan (SLP)

Permitting

Rietfontein Integrated Environmental Authorization

TGME submitted an integrated EA application to the DMRE on 10 October 2023 to authorize the NEMA and NEMWA listed activities for the proposed Rietfontein project.

The scoping report was submitted for public review to all registered I&APs on 12 October 2023. During the scoping phase public review period stakeholders were identified and scoping phase meetings were conducted to ensure that all stakeholders understood the proposed project and project related information. The scoping report was accepted by the DMRE on 4 April 2024 and TGME continued with the EIA phase of the project.

As part of the EIA phase, the following detailed specialist studies were undertaken:

TGME Underground Redevelopment Project					THETA GOLD MINES
EIA Specialist Studies					
Air Quality impact assessment and Greenhouse Gas Assessment	Climate Change Assessment	Biodiversity impact assessment	Blasting and Vibration study	Freshwater and aquatic ecology impact assessment	Geohydrological impact assessment
Phase 1 Heritage impact assessment	Desktop paleontological assessment	Noise impact assessment	Socio-economic impact assessment	Soil and land use capability	Stormwater management plans and WRD designs
Traffic impact assessment	Visual impact assessment	Waste classification	Radiological study	Health Impact assessment	Hydrological impact assessment

Figure 3: List of Rietfontein specialist studies



Figure 4: Stakeholder Engagement Meetings – Rietfontein Scoping phase

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Completion of Feasibility Study

Feasibility Study (TGME Underground Gold Mine Project)

The Company's Feasibility Study (FS)¹ for the TGME Project was delivered on 27 July 2022, confirming Theta Gold's potential to be a significant near-term, high-margin, low-cost gold producer with opportunities for future growth. Based on the FS results, the Project will provide robust financial returns from a long-life large underground mining operation for a modest capital investment given the scale of operations envisaged.

The Project Life of Mine 'LOM' will initially comprise a 12.9-year mining operation starting in Q2, 2023 and delivering LOM production of 1.24 Moz of contained gold. The estimated peak development Capital Expenditure ("Capex") is US\$77 million, (A\$103 million), with the Project forecast to generate a pre-tax NPV10% of US\$324 million, (A\$432 million) and pre-tax internal Rate of Return (IRR) of 65% at a forecast average gold price of US\$1,642, (A\$2,189) per ounce. Based on these metrics, the Project has a projected capital payback period of 31 months.

The FS paves the way for a Final Investment Decision ('FID') by the Theta Gold Board in respect to funding negotiations and on-going discussions with financiers with respect to full/partial debt and equity funding options. Theta Gold has appointed a debt funding advisor to manage this important process and will provide updates in due course.

Feasibility Highlights:

- TGME Feasibility Study² delivers 1.24Moz contained gold production, underpinning an initial 12.9-year mine life.
- Strong financial return based on LOM plan (at average gold price of US\$1,642, (A\$2,189) /oz) with first production targeted for Q2, 2024³ including:
 - Undiscounted free cash flows of US\$508m, (A\$678m), pre-tax US\$717m, (A\$956m);
 - NPV (at a 10% discount rate) of US\$219m, (A\$292m), pre-tax US\$324m, (A\$432m);
 - Capital payback period of 31 months;
 - Pre-tax IRR of 65%; and
 - Peak production over 100,000 oz Gold.
- All-in-sustaining Cost (AISC) of US\$834/oz (A\$1,112/oz) over LOM sits on the bottom quartile of South Africa and Australian gold producers;
- Peak Capital requirement is US\$77m, (A\$103m), total capital requirements US\$174m, (A\$232m);and
- Front-End Engineering Design (FEED) of the TGME gold plant completed, forming an important input towards the finalisation of the FS of the TGME underground project⁴.

¹ Refer to ASX Release dated 27 July 2022 titled "Theta's TGME Project Definitive FS Confirms NPV(10%) of A\$432 Million at US\$1,642 / Oz Gold Price"

² Ref to ASX release dated 27 July 2022 titled "Theta's TGME Project Definitive FS Confirms NPV10% of A\$432 million at US\$1,642/Oz Gold price"

³ First gold produced timing will be subject to securing funding and obtaining all necessary regulatory permitting approvals.

⁴ Refer to ASX release dated 20 June 2022 titled "TGME Gold Project Update"

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Table 4: Key Project Metrics

Description	Units	Base Case	Reserve Plan
Project Start Date ⁵	Year	2024	2024
Commercial Production Start Date	Year	2025	2025
Production build up period	Months	14	14
Life of mine	years	12.9	7.3
Underground ore mined (LOM)	Mt	6.46	2.85
Mined Grade	g/t	5.95	6.09
Gold Mined (LOM)	Moz	1.24	0.56
Production Rate	Kt/a	540	540
Production Rate	Kt/m	45	45
Grind size	μ	106	106
Gold recovered (average LOM)	%	87	87
Gold recovered (LOM)	Moz	1.08	0.49

Project economics below shows the sensitivities to the various gold price estimates and demonstrates the robust financial returns of the Project. The FS completed in July 2022 used an average gold price of US\$1,642 / Oz as a base case.

Table 5: Project Economics at Various Gold Prices – Base Case (USD)

Project Economics at gold price	Unit	Forecast (USD1,642/oz Avg)	USD1,500/oz	USD1,600/oz	USD1,800/oz	USD2,000/oz	USD2,200/oz
NPV @ 10% (real) Pre-tax	USDm	324	255	304	402	501	601
NPV @ 10% (real) Post-tax	USDm	219	174	206	269	335	400
IRR (%) Pre-tax	%	65%	57%	64%	77%	90%	102%
IRR (%) Post-tax	%	57%	50%	56%	67%	78%	87%
AISC	USD/oz	834	822	831	847	862	876
EBITDA annual average	USDm	69	58	66	81	96	111
EBIT annual average	USDm	60	49	57	72	87	102
Free Cash Flow (Pre-tax)	USDm	717	576	673	869	1066	1264
Free Cash Flow (Post-tax)	USDm	508	412	478	611	747	881
Development Capital – Peak Funding	USDm	77	77	77	77	77	77
Capital Sustaining	USDm	37	37	37	37	37	37
Payback post-tax	Months	31	33	31	28	25	24
Capital Efficiency (Pre-Tax NPV/Dev Capital)	%	422%	332%	395%	524%	653%	783%
Capital Efficiency (Post-Tax NPV/Dev Capital)	%	285%	226%	268%	351%	437%	521%

⁵ Project start date will be dependent on the Company securing the necessary funding and permitting approvals.

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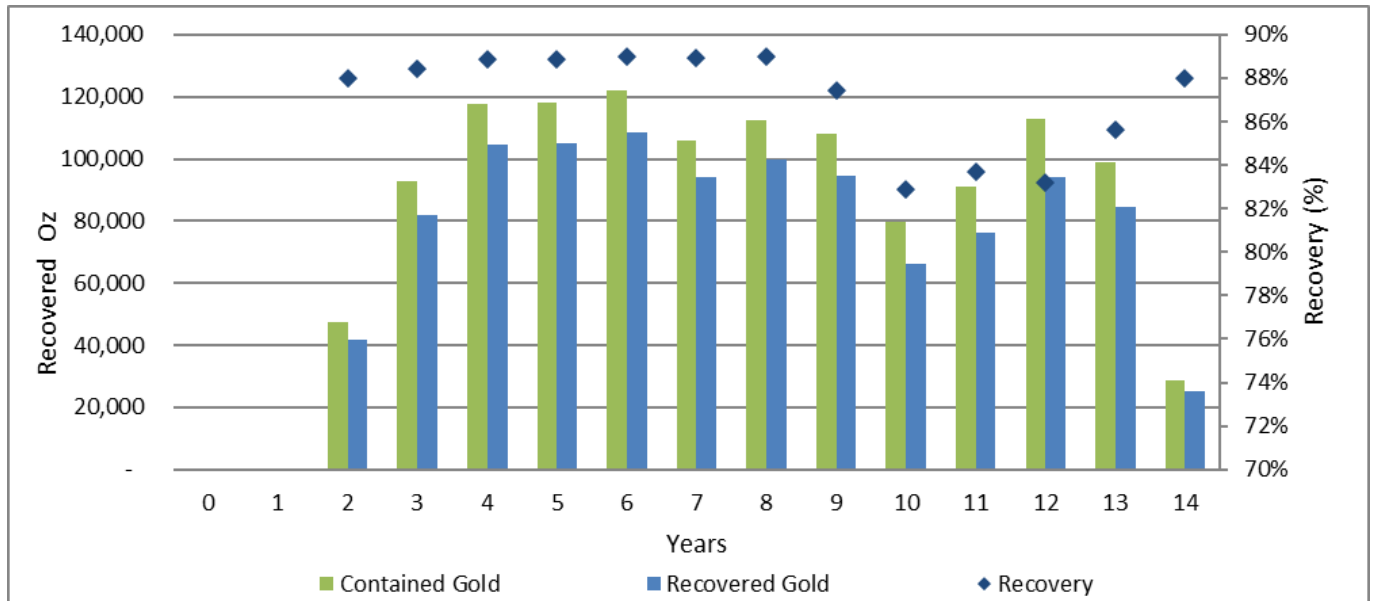
Table 6: Project Economics at Various Gold Prices – Base Case (AUD)

Project Economics at gold price	Unit	Forecast (USD1,642/oz Avg)	USD1,500/oz	USD1,600/oz	USD1,800/oz	USD2,000/oz	USD2,200/oz
NPV @ 10% (real) Pre-tax	AUDm	432	339	405	536	669	802
NPV @ 10% (real) Post-tax	AUDm	292	232	274	359	447	533
IRR (%) Pre-tax	%	65%	57%	64%	77%	90%	102%
IRR (%) Post-tax	%	57%	50%	56%	67%	78%	87%
AISC	AUD/oz	1,112	1,096	1,107	1,129	1,149	1,167
EBITDA annual average	AUDm	92	77	87	107	128	148
EBIT annual average	AUDm	80	66	76	96	116	136
Free Cash Flow (Pre-tax)	AUDm	956	768	897	1,158	1,421	1,686
Free Cash Flow (Post-tax)	AUDm	678	550	638	814	996	1,175
Development Capital – Peak Funding	AUDm	102	102	102	102	102	102
Capital Sustaining	AUDm	49	49	49	49	49	49
Payback post-tax	Months	31	33	31	28	25	24
Capital Efficiency (Pre-Tax NPV/Dev Capital)	%	422%	332%	395%	524%	653%	783%
Capital Efficiency (Post-Tax NPV/Dev Capital)	%	285%	226%	268%	351%	437%	521%

NOTES:

1. Converted to AUD from USD using AUD:USD exchange rate of 1.333 used in the FS.
2. Due to rounding, numbers presented throughout this document may not add up precisely to the totals, provided and percentages may not precisely reflect the absolute figures.

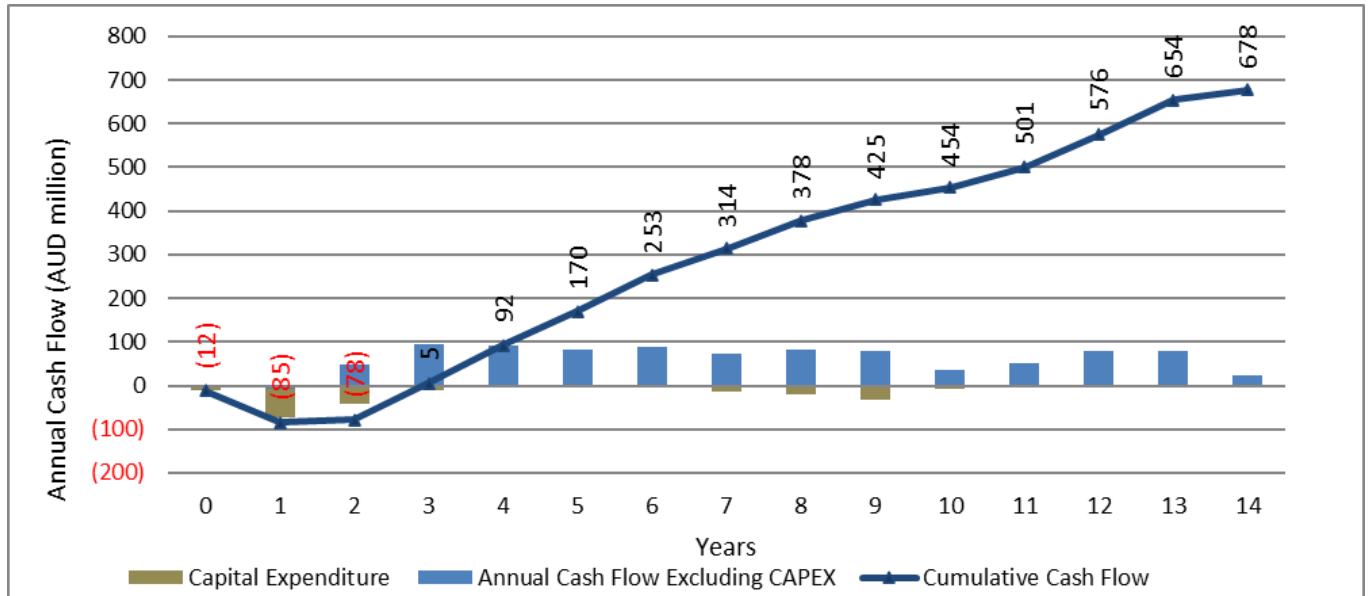
Figure 5: Annual Gold Production – Base Case



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Figure 6: Annual and Cumulative Cash Flow (Post-Tax) – Base Case (AUD)



NOTES:-

1. Forecast Prices averaging USD1,642/oz over LOM.
2. Converted to AUD from USD at exchange rate of 1.333 AUD:USD.

Historical Project Summary

The TGME Project targets to restart historical underground gold mines located in a historically prolific gold mining region in the Mpumalanga Province of South Africa. The Project Areas are centred in the town of Pilgrims Rest, some 370 km due northeast of Johannesburg, and vast majority of the tenements were under TGME’s ownership since the late 1800s.

The Project targets the Beta (including the Beta North, Beta Central and Beta South sections), Rietfontein, Frankfort and Clewer-Dukes Hill-Morgenzon (“CDM”) mines. A significant amount of gold resources remain underground which were not mined historically due to technological limitations or limiting ore characteristics.

Beta is scheduled as the first operation to commence production, followed by Rietfontein, and finally CDM and Frankfort simultaneously. In comparison to CDM and Frankfort, Beta and Rietfontein are higher-grade mines.

A gold plant, which acts as the central processing plant for all the historical operations, is situated in close proximity with a maximum distance to operations of approximately 40km. A new facility will be established on this footprint to treat all the ore from the surrounding operations.

Two scheduling strategies have been investigated in the FS. The Base Case considers a LOM plan targeting the total Mineral Resources (Measured, Indicated and Inferred). The Ore Reserve Case considers a LOM plan targeting only Measured and Indicated Mineral Resources.

This FS demonstrates the ability to achieve optimised cash flows by scheduling production from the operations. The mine designs and associated costs per operational element feed into a combined operations financial model. The Ore Reserve Case supports the declaration of compliant JORC Code 2012 Ore Reserves.

TGME Underground Gold Mine Development

As part of the preparation for the installation of the first phase new gold plant, TGME had appointed the services of Jet Demolition to remove the redundant plant equipment. The process started in the second week of January 2022. Specialised equipment was utilised for demolition, after which it was reduced in size and made ready for

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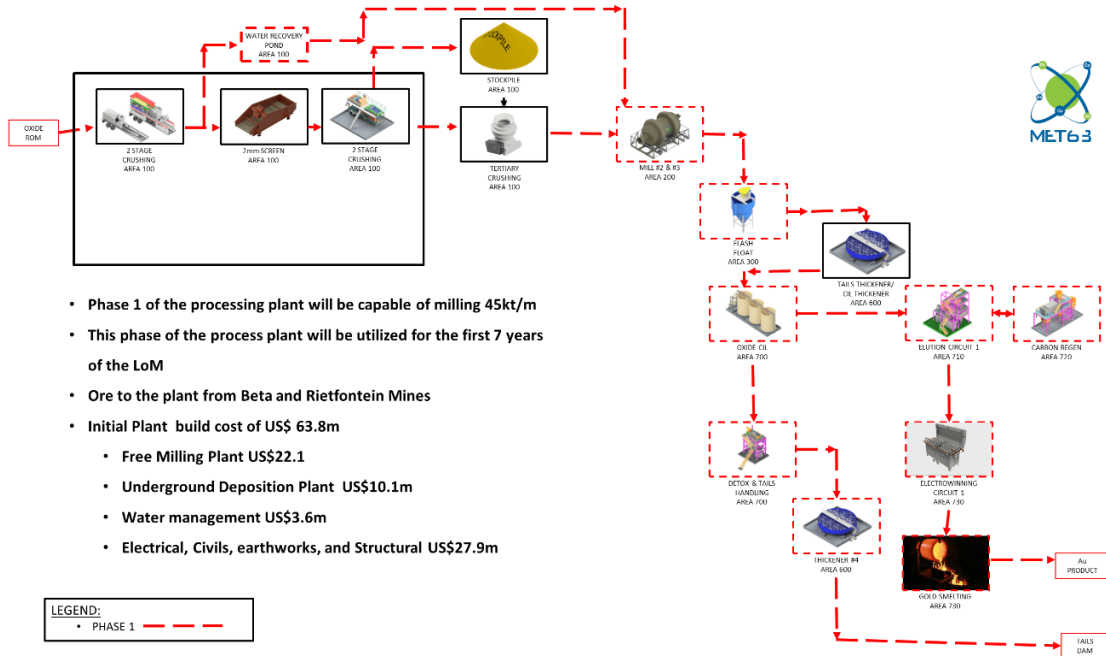
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transport to scrap merchants. The project to remove the old plant is now complete⁶.

Processing consultants Met63 was contracted to do a detailed design and costing of a processing plant designed for a feed capacity of 45,000 tons per month which is equivalent to 67 tons per hour at 92% availability. A flow schematic is shown in Figure 7.

Figure 7: Process Flow Schematic Phase 1

Free Milling Ore Process Plant



- Phase 1 of the processing plant will be capable of milling 45kt/m
- This phase of the process plant will be utilized for the first 7 years of the LoM
- Ore to the plant from Beta and Rietfontein Mines
- Initial Plant build cost of US\$ 63.8m
 - Free Milling Plant US\$22.1
 - Underground Deposition Plant US\$10.1m
 - Water management US\$3.6m
 - Electrical, Civils, earthworks, and Structural US\$27.9m

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The FS has been split into three phases, allowing for various processing scenarios aligned with the mining development program. The design of each phase is based on a stand-alone processing facility aligned with the mining plan of the ore body.

- **Phase 1 – Carbon-in-Leach (CIL) Plant** (Free-milling ore is process for the first 7 Years, see figure 7).

The design and costing of a 45,000 tons per month oxide ore processing plant including crushing, milling, CIL and elution with gold Doré produced on site. Testwork undertaken on various “free-milling” ores has indicated high undissolved gold losses, indicating the presence of small amounts of sulphidic constituents. This was particularly evident when completing standard cyanidation bottle roll trials on the CDM mine samples. Subsequent additional testwork supports this. As a result, the Phase 1 circuit will include a flash flotation stage post-milling to remove sulphide associated materials before conventional cyanidation. This flotation mass pull will join the concentrator (production scheduled in Phase 2).

- **Phase 2 – Gold Concentrator Plant**

The design and cost of a 20,000 tons per month concentrating plant including crushing, milling, Density Media separation (DMS) and flotation. The final products consist of a combined carbon and sulphide flotation concentrate. The carbon flotation concentrate being processed through the CIL plant #3 and the sulphide flotation concentrate is processed through the CIL plant #1.

⁶ Ref to ASX release dated 4 March 2022 titled “DFS Update and High-Grade Ore Swept from New Historical Mines”.

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- *Phase 3 – Oxidative Leaching of Sulphide Concentrate*

The Phase 3 plant includes a 45,000 tons per month Leach-ox processing plant that was designed and costed, including crushing, milling and carbon/sulphide flotation. The phase 3 plant consists of both the gold concentrator plant as well as the CIL plant as described in Phase 1 and Phase 2. The carbon flotation concentrate processed in a dedicated CIL circuit (CIL plant #3), sulphide flotation concentrate oxidized under atmospheric conditions with liquid oxygen injection and high shear reactors. Oxidised product to be treated in a separate batch CIL process (CIL #1) with the tails treated in a larger CIL (CIL plant #2), that also processes the flotation tails as well as “free-milling” ore feed. This option allows for all recovered gold to be produced as Doré on-site with no concentrate produced.

Although there are some shared infrastructure and processing equipment between the phases, for the purposes of this FS the phase-one plant will be constructed first to treat Beta, Rietfontein and CDM ore with phase-three being constructed at a later stage before mining of Frankfort ore commences.

The plant will be developed by an Engineering, Procurement and Construction (EPC) contractor. The Company will run a tender process to evaluate contracts for the construction and upgrade of existing infrastructure including detailed engineering for the plant, procurement, fabrication and delivery to site of plant, equipment and materials and construction of the process plant facilities.

Project Finance

EPC Contract, Equity and Debt Funding

The Company continues to advance planning and discussions with Power China towards the completing the detailed engineering for the TGME Gold Plant, construction tenders, finalising the previously announced planned EPC contract for the plant and TSF build, completing debt funding packages and completion of due diligence with institutional debt funders with the assistance of debt advisors.

In addition, the company is in discussions with existing and new institutional and professional investors to provide part or all of the equity component required for the CAPEX requirements for the plant build.

Project Permits and Approvals

Mining Right (MR) 83 is now fully permitted for mining. MR 83 includes the Beta Mine, CDM Mine, and Frankfort Mine, three of the four mines included in the mining schedule of the Feasibility Study⁷.

Theta now has all the required approvals for MR 83 to start mining:

- Explosive licence for transport and usage
- Forrest Licence (Frankfort)
- MR 83 Environmental Authorisation (EA)
- Water Use Licence (WUL) (Tailings, Plant, Mining)
- Environmental Rehabilitation guarantee for MR 83
- Updated Social and Labour Plan for MR 83
- Heritage Record of Decision.

⁷ ASX release 27 July 2022 “Theta Gold’s TGME Project DFS confirms NPV of AUD432 million”.

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Key Features of the Gold Process Plant:

- The new gold processing plant is designed to have a milling capacity of 540,000 tons per annum. The plant design consists of two individual processing streams, capable of processing free-milling and sulphide ore separately.
- The new gold processing plant is designed to fit into the current plant footprint which forms part of MR83, therefore no additional environmental permitting will be required.
- The new processing plant components include three-stage crushing, milling, reagent, flotation, CIL, elution, and gold room sections.
- The gold plant will produce dore gold bars.
- Engineering and costing have been completed to the required level of accuracy for the FS.
- The completed design includes water and power reticulation with the scope to increase the capacity with modular units for future plant expansions, consistent with the Company's strategy to reach its gold production target of 160,000 ounces per annum within five years.
- The latest proven available automation technologies were incorporated into the gold processing plant design which will reduce labour requirements and enhance productivity levels.
- The tailings disposal will be moved onto the existing tailings storage facility located some 150 metres from the plant.
- Some existing plant infrastructures were incorporated into the new gold processing plant.

Figure 8: Existing Plant Drone View (post demolition of old sections)



FINANCIAL RESULTS

The consolidated loss after income tax for the six months ended 31 December 2024 was US\$10,769,000 (31 December 2023: US\$3,201,000). The loss largely represents the consolidated entity's operating costs for the half year, including exploration expenditure, trial mining operations, design and engineering for gold processing plant and TSF, finance costs, fair value adjustment to its investments, general

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administration and corporate costs as well as non-cash share-based payment expense.

FINANCIAL POSITION, FUNDING AND CASH BALANCE

Power China Memorandum of Understanding for EPC

Theta Gold continues discussions with Power China in regard to advancing EPC contract for the construction of Stage one of TGME Gold Plant. In an MOU executed between the parties, Power China will fund up to US\$30 million in funding towards the Capex requirements of the product.

Private Placements and Funding

During the half-year ended 31 December 2024, the Company completed several Private Placements (Placements) raising a total of US\$12 million (A\$17.9 million) before costs as follows:

US\$4 million Private Placement:

Following the approval of resolutions 15 and 16 by shareholders at a General Meeting held on 28 October 2024, the Company has issued 46,276,113 new TGM fully paid Ordinary Shares at the issue price of \$0.13 (13 cents per share) and granted 23,138,057 unlisted attaching options on 31 October 2024 in relation to a US\$4 million (AU\$6.02 million) (before costs) Private Placement which was originally announced on 6 May 2024.

Each Option issued will have an exercise price equal to an 8% discount to the 15-day VWAP to the last closing price at the time of exercise (but no less than \$0.13 cents), and an expiry date 2 years from the date of issue. Options issued under the Placement will not be quoted.

US\$2 million Oversubscribed Private Placement:

On 3 October 2024 announced it had completed an oversubscribed Private Placement for an additional US\$2 million (~AU\$2.938 million) before costs and is pleased to advise that the full proceeds in the Placement had been received.

The Company has issued 22,475,136 new TGM fully paid Ordinary Shares at the issue price of \$0.13 (13 cents per share) along with 11,237,568 unlisted attaching options on 2 October 2024 to a sophisticated and professional investor on the same terms as those applied in the two-tranche Placement announced on 11 June 2024.

Each Placement Option will have an exercise price equal to an 8% discount to the 15-day VWAP to the last closing price at the time of exercise (but no less than \$0.13 cents), and expiry date 2 years from the date of issue. Options issued under the Placement will not be quoted.

⁸ The conversion price of (USD:AUD) was based on the closing spot price(s) published by the RBA on the date placement proceeds were received which was 0.68445.

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US\$10 million Two-Tranche Placement:

Tranche 1 Placement

The Company announced on 16 September 2024 that it had received all proceeds under Tranche 1 Placement of US\$6 million (~AU\$8.99 million) from Hong Kong Ruihua Green Development Limited (“HRGD”), a sister company to HRIM created during the Overseas Direct Investment (“ODI”) application process⁹ in China, and has issued 69,137,538¹⁰ new TGM Ordinary Shares (Tranche 1 Placement Shares) at the issue price of \$0.13 (13 cents) per share, along with 34,568,769 unlisted options, on a one (1) free option for every two (2) new Shares issued under Tranche 1 Placement.

Each Tranche 1 Option will have an exercise price equal to an 8% discount to the 15-day VWAP to the last closing price at the time of exercise (but no less than \$0.13 cents), and expiry date 2 years from the date of issue. Options issued under Tranche 1 are not quoted.

New Tranche 1 Placement Shares and attaching options were issued on Tuesday, 17 September 2024 utilising the Company’s currently available capacity to issue shares, pursuant to ASX Listing Rules (LR’s).

Tranche 2 Placement

As previously advised by the Company¹¹, HRIM remains committed to providing the remaining balance of US\$4 million (~AU\$6 million) to complete Tranche 2 Placement of Shares and Options, subject to receiving the necessary Shareholder approvals and related Condition Precedents. Tranche 2 Placement Options¹² will be issued on the same terms and pricing as those under Tranche 1 Placement, on a one (1) free option for every two (2) new Shares issued under Tranche 2. Tranche 2 shares and options were approved at a general meeting held on 28 October 2024.

The exact number of new TGM shares and attaching options issued under Tranche 2 Placement will be subject to the conversion rate applied (USD:AUD) at the time funds are received by the Company.

2Invest AG Secured Bonds Redemption:

Following completion of the several private placements as noted above, the Company announced on 16 September 2024¹³ it had now fully redeemed the AU\$6 million Secured Bond¹⁴ and all outstanding interest payments from long term investor and lender, 2Invest AG (“2Invest”).

Background on Bonds as follows; on 30 July 2021, the Company announced it had entered into a AU\$6 million Secured Bonds facility with 2Invest AG made up of fifteen (15) ‘bearer partial bonds’, each with a

⁹ ASX Announcements: [“Theta Gold Mines Inks US\\$10m Equity Funding Placement”](#) dated 6 May 2024 And [“Equity Funding Placement Update”](#) dated 11 June 2024

¹⁰ Number of new shares is calculated after conversion of USD received to AUD at a rate of 0.6676 and applying the per share issue price of 13 cents.

¹¹ as per Reference 1.

¹² Each Option will have an exercise price equal to an 8% discount to the 15-day VWAP to the last closing price at the time of exercise (but no less than \$0.13 cents), and an expiry date 2 years from the date of issue.

¹³ Refer ASX Announcement titled, “US\$8 million Private Placement and Full Redemption of AU\$6 million Secured Bond”.

¹⁴ ASX Announcements: [“Funding Package to Accelerate TGME Project”](#) dated 2 August 2021.

Theta Gold Mines Limited

face value of AU\$400,000 and a maturity date of 31 January 2023, which was later extended by parties. This full bond redemption frees up the project level security package, allowing it for potential future project funding requirements.

Cash Balance

As at 31 December 2024, the Consolidated Group held US\$1,427,000 in cash or cash equivalents.

OUTLOOK

The Company remains focused on pursuing the development and commencement of mining operations in the Eastern Transvaal Goldfields, (TGME Gold Project). The Company has considerable optionality across its vast asset base. It will continue to assess the potential underground development of its TGME Gold Mine Project which it plans to bring into production.

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Theta Gold Mines Limited

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 20.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

On behalf of the Board

Bill Guy

Charles William Guy

Chairman

Sydney, 14 March 2025

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**THETA GOLD MINES LIMITED
ABN 30 131 758 177
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THETA GOLD MINES LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Theta Gold Mines Limited. As the lead audit partner for the review of the financial report of Theta Gold Mines Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 14 March 2025

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Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au

Theta Gold Mines Limited

Directors' Declaration

The directors declare that:

1. the financial statements and notes, as set out on pages 22 to 35, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the financial position of the Consolidated Entity as at 31 December 2024 and of its performance for the half year ended on that date;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Charles William Guy
Chairman

Sydney, 14 March 2025

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Theta Gold Mines Limited

Condensed Consolidated Statement of Financial Performance
and Other Comprehensive Income
for the Half Year ended 31 December 2024

	Notes	Six months ended 31 December 2024 US\$'000	Six months ended 31 December 2023 US\$'000
Interest income		111	84
Other income		96	76
Finance costs		(1,444)	(1,346)
Salary expense		(181)	(318)
Share-based payments		(91)	(133)
Exploration expenses		(518)	(502)
Operating expenses		(8,742)	(973)
Fair value gain / (loss) on investment	7	-	(89)
Loss before income tax expense		(10,769)	(3,201)
Income tax expense		-	-
Loss for the period		(10,769)	(3,201)
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating foreign controlled entities		6,122	(5)
Total comprehensive loss for the period, net of income tax		(4,647)	(3,206)
Loss attributable to:			
Equity holders of the parent		(10,769)	(3,201)
		(10,769)	(3,201)
Total comprehensive loss attributable to:			
Equity holders of the parent		(4,647)	(3,206)
		(4,647)	(3,206)
Loss per share			
Basic (cents per share)		(0.6)	(0.5)
Diluted (cents per share)		(0.6)	(0.5)

The accompanying notes form part of these financial statements.

Theta Gold Mines Limited

Condensed Consolidated Statement of Financial Position
as at 31 December 2024

	Notes	31 December 2024 US\$'000	30 June 2024 US\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,427	2,590
Trade and other receivables		75	729
TOTAL CURRENT ASSETS		1,502	3,319
NON-CURRENT ASSETS			
Receivables		41	39
Other receivable		2,745	2,761
Property, plant and equipment		1,496	1,056
Exploration expenditure	3	16,793	16,628
Other financial assets	7	4	-
TOTAL NON-CURRENT ASSETS		21,079	20,484
TOTAL ASSETS		22,581	23,803
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		887	5,817
Provisions		198	231
Borrowings	4	14,587	17,737
TOTAL CURRENT LIABILITIES		15,672	23,785
NON- CURRENT LIABILITIES			
Provisions		2,083	2,138
TOTAL NON- CURRENT LIABILITIES		2,083	2,138
TOTAL LIABILITIES		17,755	25,923
NET ASSETS		4,826	(2,120)
EQUITY			
Issued capital	5	111,383	99,881
Reserves		12,250	6,037
Accumulated losses		(118,807)	(108,038)
TOTAL EQUITY		4,826	(2,120)

The accompanying notes form part of these financial statements

Theta Gold Mines Limited

Condensed Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2024

	Issued Capital US\$'000	Equity Reserve US\$'000	Asset Revaluation reserve US\$'000	Option Premium reserve US\$'000	Share- based Payment Reserve US\$'000	Foreign Currency Translation Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance 1 July 2024	99,881	7,552	(879)	1,471	4,669	(6,776)	(108,038)	(2,120)
Loss for the period	-	-	-	-	-	-	(10,769)	(10,769)
Other comprehensive income for the period, net of income tax	-	-	-	-	-	6,122	-	6,122
Total comprehensive income for the period	-	-	-	-	-	6,122	(10,769)	(4,647)
Issue of shares	12,008	-	-	-	-	-	-	12,008
Share issue expenses	(506)	-	-	-	-	-	-	(506)
Recognition of share-based payments	-	-	-	-	91	-	-	91
Balance 31 December 2024	111,383	7,552	(879)	1,471	4,760	(654)	(118,807)	4,826
Balance 1 July 2023	95,952	7,552	(879)	1,471	4,158	(7,295)	(101,647)	(688)
Loss for the period	-	-	-	-	-	-	(3,201)	(3,201)
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(5)	-	(5)
Total comprehensive income for the period	-	-	-	-	-	(5)	(3,201)	(3,206)
Issue of shares	3,607	-	-	-	-	-	-	3,607
Share issue expenses	(7)	-	-	-	-	-	-	(7)
Recognition of share-based payments	-	-	-	-	133	-	-	133
Balance 31 December 2023	99,552	7,552	(879)	1,471	4,291	(7,300)	(104,848)	(161)

The accompanying notes form part of these financial statements.

Theta Gold Mines Limited

Condensed Consolidated Statement of Cash Flows
for the Half Year ended 31 December 2024

	Six months ended 31 December 2024 US\$'000	Six months ended 31 December 2023 US\$'000
Cash flows from operating activities		
Payments to suppliers and employees	(6,881)	(2,620)
Payments for exploration expenditure	(518)	(502)
Interest received	50	29
Interest and other cost of finance received / (paid)	(1)	(391)
Net operating cash flows	<u>(7,350)</u>	<u>(3,484)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(1)	(5)
Payments for exploration expenditure	(772)	(608)
Proceeds from sale / (purchase) of investments	(4)	271
Interest on investment	-	(1,160)
Net investing cash flows	<u>(777)</u>	<u>(1,502)</u>
Cash flows from financing activities		
Proceeds from issues of shares	12,008	3,600
Payment adjustment for share issue expenses	(360)	-
Proceeds from borrowings	65	195
Repayment of borrowings	(4,749)	-
Net financing cash flows	<u>6,964</u>	<u>3,795</u>
Net decrease in cash and cash equivalents	(1,163)	(1,191)
Cash and cash equivalents at beginning of the period	<u>2,590</u>	<u>1,919</u>
Cash and cash equivalents at end of the period	<u>1,427</u>	<u>728</u>

The accompanying notes form part of these financial statements.

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Notes to and forming part of the Financial Statements for the Half Year ended 31 December 2024

Note 1: Basis of Preparation

These general-purpose financial statements for the half year reporting period ended 31 December 2024 have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2024 and any public announcements made by Theta Gold Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for new standards that became effective during the period and were adopted by the Consolidated Entity. These are discussed in more detail below.

This interim financial report presents reclassified comparative information where required for consistency with the current period's presentation.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business.

The Consolidated Entity made a loss of US\$10,769,000 for the half year, with net cash outflows from operating activities of US\$7,350,000. At 31 December 2024, the Consolidated Entity had net current liabilities of US\$14,170,000.

The Directors in the consideration of the appropriateness of the going concern basis for the preparation of the financial statements have prepared a cash flow through to June 2026 which indicates that in addition to the below matters the Consolidated Entity will have sufficient cash to continue as a going concern.

Loans

Secured Bond:

Previously secured bonds owed to 2Invest AG were fully repaid on 16 September 2024 as announced in a funding announcement by the Company to the ASX. The loan was originally provided by a Secured

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Bond facility to assist in development funding for the TGME Underground Gold Mine Project as announced in July 2021.

The Secured Bond comprised of fifteen (15) 'bearer partial bonds', each with a face value A\$400,000 with the full principal.

Unsecured Loan:

In addition, the Consolidated Entity has included as a current liability, a loan from Australian Private Capital Investment Group (International) Ltd ("APCIG"), a company associated with Mr Simon Liu, a previous Director and current shareholder of the Company. At 31 December 2024, the loan and accrued interest amounted to \$8,889,000. As explained in Note 4(a), the Company has formalised an agreement with Hanhong Private Equity Management Company Ltd ("Hanhong") and its subsidiary, Asia Field Enterprises Limited ("AFE") (companies associated with Mr Simon Liu), under which the parties agreed:

- (i) That Hanhong and AFE agree to continue to procure the novation of the APCIG loan, replacing APCIG with AFE or Hanhong's nominee as lender;
- (ii) That the amount owing under the APCIG loan is A\$4,920,000 and upon novation of the APCIG loan;
- (iii) The amount of A\$4,920,000 is to be paid in the following manner following the novation of the APCIG loan:
 - a. The sum of A\$3,280,000 by cash payments ("Cash Payments") to AFE, Hanhong or Hanhong's nominee; and
 - b. The sum of A\$1,640,000 by the issue of shares based on the share value in the capital of the Company to AFE, Hanhong or Hanhong's nominee ("Share Payment").
- (iv) If the Company repays or is ordered to repay APCIG, AFE and Hanhong shall indemnify the Company for any amount it pays to or is ordered to pay to APCIG in excess of A\$4,920,000.

At the date of the financial statements, the loan is yet to be novated to AFE or Hanhong's nominee as lender and the loan continues to be recorded at its full value and classified as a current liability.

Unsecured Convertible Loans:

At the date of this report, the Company secured \$3,271,000 (A\$4,807,000) in funding via three separate unsecured Convertible Loan Agreements ("Agreements") to fund the bulk trial sampling program at the Frankfort Mine along with working capital for the Company. The Agreements are with Deutsche Balaton AG for \$2,353,000 (A\$3,500,000), Golden Asia Investment Group Ltd ("GAIG") for \$306,000 (A\$450,000) and Aus Agriculture Pty Ltd ("AAPL") for \$612,000 (A\$900,000) respectively.

The terms for each Agreement are identical except for their respective share in aggregate of a 10% royalty, calculated as (7%, 2% and 1% respectively based on each Lenders loaned principal amount) of Gross Revenues received from the bulk sample programme. Each Lender named above will also be entitled to receive a 20% minimum annual interest rate on loaned amounts outstanding and may at their

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discretion be paid cash or convert the interest payable into ordinary shares in TGM. Each Lender may at any time convert all or part of any outstanding amount into new TGM Shares using a conversion price calculated as the weighted average price of trading in TGM Shares on ASX during a 10-day period immediately before the Lender provides a conversion notice.

Funding

The Company has historically demonstrated an ability to secure funding as and when required to meet its ongoing financial obligations. The Company has raised a further A\$17,925,000 (US\$12,008,000) before issue expenses during the half-year from share placements to institutions and sophisticated investors and continues to be able to raise new funds to support its activities.

The Consolidated Entity continues to proactively manage its cash flow requirements to ensure that funds are available, including from capital raisings, as and when required.

The ability of the Consolidated Entity to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Company continuing to be successful in raising additional funds and receiving the ongoing financial support of the related party lender. In the event the Consolidated Entity is unsuccessful in achieving the above, there is material uncertainty that may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The Directors at the date of signing this report believe that the Consolidated Entity will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2024. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

The Consolidated Entity continues to proactively manage its cash flow requirements to ensure that funds are available, including from capital raisings, as and when required to meeting its working capital requirements, and to continue receiving the ongoing financial support of both the related party and non-related party lender.

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The Directors believe that the Consolidated Entity will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realized for an amount less than the amount at which it is recorded in the financial report at 31 December 2024. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

In the event the Consolidated Entity is unsuccessful in achieving the above matters, there is material uncertainty that may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

Note 2: Operating Segments

The Consolidated Entity's operations are located in Australia where it has its corporate office but the focus of this entity is gold exploration in South Africa. The Executive Management within the Consolidated Entity is the Chief Operating Decision Maker (CODM) which monitors the operating results of its group for the purpose of making decisions and performance assessment.

The gold exploration activity is conducted through a subsidiary, Transvaal Gold Mining Estates Limited (TGME). The entire gold project is centered around the TGME processing plant and accordingly it has only one operating segment.

Note 3: Capitalised Exploration Expenditure

	31 December 2024 US\$'000	30 June 2024 US\$'000
Exploration expenditure	<u>16,793</u>	<u>16,628</u>
Movements:		
Opening net book value	16,628	14,887
Additions	772	1,179
Exchange rate effect	(607)	562
Closing net book value	<u>16,793</u>	<u>16,628</u>

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Note 4: Borrowings

	Note	31 December 2024 US\$'000	30 June 2024 US\$'000
Current			
<u>Secured</u>			
Vendor finance		10	127
Premium funding		13	-
Loan – unrelated party	(a)	-	4,484
		23	4,611
<u>Unsecured</u>			
Loan – related party	(b)	10,288	9,495
Loan – unrelated party	(c)	4,276	3,631
		14,564	13,126
Total		14,587	17,737

(a) Loans from unrelated party

Secured Bond:

The Company had previously entered into a secured Bond with Delphi AG and Deutsche Balaton backed investment company 2Invest AG in July 2021 to provide a secured bond for A\$6 million (US\$4.1 million). The secured Bond comprised of fifteen (15) 'bearer partial bonds', each of a face value of A\$400,000 with the full principal repayment due by 31 January 2023. The Secured Bond requires an annualized cash coupon rate of 20% payable half yearly in arrears.

On 16 September 2024¹⁵, the Company announced that it has fully repaid the secured bonds along with all outstanding interest to 2Invest AG.

(b) Loan from related party - US\$10,288,000 (30 June 2024: US\$9,495,000)

In 2013, the Company entered into a loan agreement with Australian Private Capital Investment Group (International) Ltd ("APCIG Loan"), a company associated with Mr. Simon Liu, a director of the Company, whereby APCIG lent the Company A\$4,000,000. The key terms of the loan are –

- (i) Interest accrues at the rate of 10% per annum and 15% per annum on overdue principal and interest;
- (ii) The loan is unsecured;

As previously announced, certain individuals purporting to represent the loan provider, APCIG, have threatened the Company with various claims, including issuing statutory demands on the Company on two occasions, the most recent in May 2017. On both occasions, the courts have

¹⁵ Refer to ASX Release dated 16 September titled, "US\$8 million private placement and full redemption of AU\$6 million Secured Bonds".

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issued orders that the statutory demands be set aside.

The Company's view was, and remains, that the claims were without foundation and were otherwise considered frivolous and vexatious. The Company's position was that the parties purporting to represent APCIG sought to establish their entitlement by commencing legal proceedings. If the confusion continues, the Company will seek direction from a court of competent jurisdiction to reach a determination as to who the Company should in fact repay and so direct the Company to do so.

The Company previously formalised an agreement with the controller of the APCIG Loan, Hanhong Private Equity Management Company Ltd ("Hanhong") and its subsidiary, Asia Field Enterprises Limited ("AFE") (companies associated with Mr Simon Liu), under which the parties agreed:

- (i) That Hanhong and AFE agree to continue to procure the novation of the APCIG Loan, replacing APCIG with AFE or Hanhong's nominee as lender;
- (ii) That the amount owing under the APCIG Loan is A\$4,920,000 and upon novation of the APCIG Loan;
- (iii) The amount of A\$4,920,000 is to be repaid in the following manner:
 - a. The sum of A\$3,280,000 by cash payments (Cash Payments) to AFE, Hanhong or Hanhong's nominee; and
 - b. The sum of A\$1,640,000 by the issue of shares in the capital of the Company to AFE, Hanhong or Hanhong's nominee (Share Payment).
- (iv) The Cash Payments will comprise four (4) equal instalments paid every six calendar months, commencing on the last day of the sixth month following confirmation that Transvaal Gold Mining Estates Limited, a subsidiary of the Company, has achieved gold production at an annualised rate of 40,000 ounces of gold over a consecutive period of three (3) months;
- (v) The Share Payment will be made one month after novation of the APCIG Loan to AFE or Hanhong's nominee;
- (vi) If the Company repays or is ordered to repay APCIG, AFE and Hanhong shall indemnify the Company for any amount it pays to or is ordered to pay to APCIG in excess of A\$4,920,000.

Until the loan is novated to AFE or Hanhong's nominee as lender, interest will continue to accrue in accordance with the loan agreement and the full amount will continue to be classified as a current liability.

(c) Unsecured Convertible Loans:

On 3 April 2023 the Company announced that it has secured US\$3.3m (A\$4.9m) in funding via three separate unsecured Convertible Loan Agreements ('Agreements') to fund the bulk trial sampling program at the Frankfort Mine along with working capital for the Company. The Agreements are with Deutsche Balaton AG for US\$2.4m (A\$3.5m), Golden Asia Investment Group Ltd ("GAIG") for \$306,000 (A\$450,000) and Aus Agriculture Pty Ltd ("AAPL") for \$612,000 (A\$900,000) respectively.

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At 31 December 2024 the Company had accrued US\$1,005,000 (A\$1,477,000) in interest payable on the Convertible Loans. The total Convertible Loans outstanding along with interest accrued at 31 December 2024 total US\$4.3m (A\$6.3m).

Note 5: Issued Capital

	31 December 2024 US\$'000		30 June 2024 US\$'000	
Issued and paid-up shares	111,383		99,881	
	31 December 2024		30 June 2024	
	No.'000	US\$'000	No.'000	US\$'000
Movement:				
Balance at beginning of period	711,540	99,881	623,152	95,952
Add: Shares issued during the period				
- Share placements	137,889	12,008	76,923	3,340
- Shares issued on exercise of Options	-	-	7,000	275
- Shares issued to Convertible Loan holders	-	-	4,465	314
Less: Share issue expenses	-	(506)	-	-
Balance at end of period	849,429	111,383	711,540	99,881

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Note 6: Options and Performance Rights

	31 December 2024 No.'000	30 June 2024 No.'000
Unlisted options	114,784	49,840
Unlisted performance rights	18,270	18,270
	133,054	68,110

Movement:

Balance at beginning of period	68,110	107,681
Add: Options and performance rights issued during the period	-	-
Less: Unlisted options exercised	-	(7,000)
Unlisted options issued	70,944	44,300
Unlisted options lapsed	(6,000)	(69,971)
Performance rights lapsed	-	(6,900)
Balance at end of period	133,054	68,110

The exercise prices and expiry dates of unlisted options and performance rights are set out in the table below.

Issue date	31 December 2024 No.'000	30 June 2024 No.'000	Expiry date	Exercise price
<u>Unlisted Options</u>				
01 Oct 2020	200	200	30 Sep 2025	A\$0.40
01 Oct 2020	240	240	30 Sep 2025	A\$0.50
29 Dec 2022	9,150	9,150	30 Sep 2025	A\$0.12
29 Dec 2022	2,650	2,650	30 Sep 2027	A\$0.17
29 Dec 2022	300	300	30 Sep 2027	A\$0.25
17 Oct 2023	20,000	20,000	31 Mar 2025	A\$0.12
17 Oct 2023	10,000	10,000	31 Mar 2025	A\$0.12
14 Dec 2023	800	800	30 Sep 2025	A\$0.12
14 Dec 2023	600	600	30 Sep 2027	A\$0.17
14 Dec 2023	900	900	30 Sep 2027	A\$0.25
01 Feb 2024	-	1,000	30 Jul 2024	A\$0.11
01 Mar 2024	-	1,000	28 Aug 2024	A\$0.12
02 Apr 2024	-	1,000	29 Sep 2024	A\$17.5
01 May 2024	-	1,000	28 Oct 2024	\$0.15
03 Jun 2024	-	1,000	30 Nov 2024	\$0.145
01 Aug 2024	1,000	-	28 Jan 2025	\$0.18
18 Sep 2024	34,569	-	17 Sep 2026	\$0.13
02 Oct 2024	11,238	-	02 Oct 2026	\$0.13
31 Oct 2024	23,137	-	31 Oct 2026	\$0.13
	114,784	49,840		

Theta Gold Mines Limited

Performance Rights

01 Oct 2020	720	720	30 Sep 2025	-
30 Nov 2022	10,400	10,400	30 Sep 2025	-
30 Nov 2022	3,350	3,350	30 Sep 2027	-
30 Nov 2022	3,800	3,800	30 Sep 2027	-
	18,270	18,270		

Fair value

The fair value of options granted during the half year were estimated based on the following assumptions:

Grant date	Option/ Rights	Number '000	Expiry date	Exercise price	Share price at grant date	Risk free rate	Volatility
03 July 2024	Options	1,000	30 Dec 2024	A\$0.15	A\$0.017	0.0437%	117%
01 Aug 2024	Options	1,000	28 Jan 25	A\$0.15	A\$0.18	0.0437%	117%

Note 7: Events After Balance Date

Equity Funding Negotiations

Theta Gold also remains in discussions with several parties in respect to both debt and equity portions of the funding required for the development and CAPEX of the TGME Gold Mine Project. These discussions have progressed during the half year ended 31 December 2024 and are also expected to be finalised during 2025.

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**THETA GOLD MINES LIMITED
ABN 30 131 758 177
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF THETA GOLD MINES LIMITED**

Conclusion

We have reviewed the half-year financial report of Theta Gold Mines Limited (the company) and its controlled entities (the group), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of financial performance and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year then ended, notes to the financial statements including material accounting policy information, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss of \$10,769,000 during the half-year ended 31 December 2024 and, as of that date, the group's current liabilities exceeded its current assets by \$14,170,000. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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THETA GOLD MINES LIMITED
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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF THETA GOLD MINES LIMITED

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 14 March 2025