

Theta Gold Mines Ltd

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Theta Gold Mines oversubscribed \$4 million placement endorses South African gold strategy

Theta Gold Mines Ltd (ASX:TGM) (OTCMKTS:TGMGF) has been given a strong endorsement of its South African gold strategy by an oversubscribed share placement which has raised \$4 million.

The placement was well over-subscribed from local and international family offices and institutional investors.

Funds raised will be deployed to accelerate the Theta Open Pit Starter Project in South Africa towards development, undertake general exploration and drilling for reserve conversion as well as for general working capital requirements.

"Financial flexibility"

Theta Gold Chairman Bill Guy said: "We are very pleased to welcome new investors to our register.

"The new funds provide us with the necessary financial flexibility to continue pre-development activities on the Theta Project.

"We have a very active works program underway and we will provide shareholders with a steady stream of updates as we hit key milestones on the way to construction commencing."

The company will issue 16,667,084 fully paid ordinary shares at \$0.24 per share, which is a 10.6% discount to the 20-day VWAP, to raise \$4,000,100 before costs.

The placement is expected to be settled on Thursday, July 23, 2020, with the placement shares to be issued on Monday, July 27, 2020.

The placement will be made under the company's placement capacity pursuant to Listing Rule 7.1.

Sanlam lead manager

Sanlam Private Wealth acted as placement lead manager and the company is grateful for their support with Sanlam, along with Old Mutual and Investec, being one of South Africa's largest asset managers managing in excess of US\$50 billion.

"Promising gold play"

The raising success comes as no surprise to Far East Capital Limited analyst Warwick Grigor, who recently wrote in a weekly commentary titled 'Theta Gold Mines is another promising South African gold play':

"It is an undisputed fact that investors have had an aversion to South African gold mining projects in recent years, but this is not really logical given the amount of money that companies have spent in other, higher risk African countries.

Price: 0.305

Market Cap: \$139.97 m

1 Year Share Price Graph



Share Information

Code: TGM

Listing: ASX

52 week High Low
0.32 0.15

Sector: Gold & silver

Website: www.thetagoldmines.com

Company Synopsis:

Theta Gold Mines Ltd (ASX:TGM) (OTCQB:TGMGF) is an advanced gold developer targeting high margin open-cut mining.

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"South Africa has the best infrastructure in Africa and its geological credibility is unparalleled.

"What we need to see is companies like Theta and West Wits developing their ore bodies and generating cash flow and profits that correspond with their spreadsheets.

"Success from these companies could lead to a revival of the gold sector in South Africa and a re-rating of all companies involved," Grigor stated.

"Very compelling project"

Theta Gold's core project is next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, 370 kilometres northeast of Johannesburg by road.

Following small-scale production from 2011-2015, the company is focusing on the construction of a new gold processing plant within its approved footprint at the TGME plant and for the processing of the Theta Open Pit oxide gold ore.

Nearby surface and underground mines and prospects are expected to be further evaluated in the future.

The company aims to build a solid production platform to over 160,000 ounces per annum based primarily around shallow, open pit or adit-entry shallow underground hard rock mining sources.

Theta Gold has access to more than 43 historical mines and prospect areas that can be accessed and explored, with over 6.7 million ounces of historical production recorded.

Guy said: "Considerable value is expected to be realised over the coming months. Theta is in great shape with a very compelling project."

OTCQB shares DTC-eligible

He added: "A reminder to our North American shareholders that our OTCQB shares TGMGF are now DTC-eligible and can be traded through online brokers.

"Theta's very same ordinary shares are now tradable in both AUD and USD over the two markets conveniently during both trading sessions."

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