

Theta Gold Mines Limited: Executes A\$110M Term Sheet with Sprott

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Sydney, Australia - [Theta Gold Mines Ltd.](#) (ASX:TGM) (FRA:3LM) (OTCMKTS:TGMGF) is pleased to announce that it has entered into a non-binding Streaming Term Sheet ("Term Sheet") with Sprott Resource Streaming and Royalty Corporation ("Sprott") under which Sprott is to advance US\$70 million (~A\$110 million) cash in return for a gold stream on Theta's TGME Gold Project (the "Project"). The Project is expected to deliver to Sprott up to 100,000 ounces of gold over its Life-of-Mine ("LOM"), for which Sprott will pay 10% of the gold price per ounce delivered under the stream. Theta has the option to buy-back 50% of the stream based on a pre-agreed price, following which Theta will deliver 2% of the ongoing gold production. Prior to initial gold delivery, Theta will pay in cash or scrip (at 10% discount to 5 days volume-weighted-average-price ("VWAP")) on a semi-annual basis, 9.5% per annum interest to Sprott for the funds advanced.

Under the Term Sheet, conditions precedent to closing include the completion of technical, legal, and environmental and social due diligence, the receipt and review of the project's final development budget and schedule, the completion of definitive documentation, and the receipt of applicable environmental permits, operating licences and regulatory approvals.

Closing is scheduled by the first quarter of 2023 and the funds will be applied towards the construction of the TGME Gold Project, located in the Eastern Transvaal Goldfields in the Mpumalanga Province, South Africa.

A due diligence team involving externally appointed consultants by Sprott shall start immediately; upon a satisfactory conclusion, a Binding Gold Stream Agreement between Sprott and Theta Gold shall be finalised, executed and announced to the market in detail.

Sydney-based debt specialist the Kamara Group is advising and representing the Company to complete this project financing process.

Mr Bill Guy, Executive Chairman of Theta commented, "We are very pleased to announce this significant milestone in our project financing efforts for the construction of the TGME Gold Project. Sprott Streaming & Royalty is an experienced and well-regarded project finance partner to the mining industry; its parent Sprott Inc. is a New York Stock Exchange (NYSE) and Toronto Stock Exchange dual-listed group, and we are excited to be working with Sprott to redevelop South Africa's very first gold field.

"The streaming deal is a much more cashflow friendly style of financing compared to a straight debt finance. It is less risky to a start-up project where the unique repayment mechanism provides the Company the flexibility to manage its cashflow as long as the minimum gold delivery requirements are met.

"Once the Sprott funding is closed, the Company may commit to further upgrading our Ore Reserve base, as well as to potentially further expand our total mineral resource in order to increase production scale and life of mine from the existing stage one definitive Feasibility Study mine schedule, hence creating ongoing significant value growth for our shareholders.

"The Company recently published a definitive Feasibility Study (FS) for the Project demonstrating robust economics for a horizontal stope underground mining and milling operation with low initial capital cost and high rate of return. An Environmental Impact Assessment (EIS) is ongoing with the local authorities and is expected to be completed later this year, along with the final approvals for two Water Use Licenses(WUL) under application".

ABOUT SPROTT INC

Sprott Inc. (TSE:SII) is a global leader in precious metal and real asset investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities, Private Strategies and Brokerage. Sprott has offices in Toronto, New York and London and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol (SII). For more information, please visit www.sprott.com. As part of Sprott Inc.'s Private Strategies, Sprott Streaming and Royalty provides flexible, bespoke funding packages to mining companies for project development, acquisition and expansion.

About Theta Gold Mines Limited:

[Theta Gold Mines Ltd.](#) (ASX:TGM) (OTCMKTS:TGMGF) 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 located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km northeast of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province). Following small scale production from 2011-2015, the Company is currently focussing on the construction of a new gold processing plant within its approved footprint at the TGME plant, and for the processing of the Theta Open Pit oxide gold ore. Nearby surface and underground mines and prospects are expected to be further evaluated in the future.

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.

Source:

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