

Theta Gold Mines Limited: Selects PowerChina Subsidiary as EPC Partner

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Sydney, Australia - [Theta Gold Mines Ltd.](#) (ASX:TGM) (FRA:3LM) (OTCMKTS:TGMGF) is pleased to advise that it has executed a Memorandum of Understanding with Yellow River Co., Ltd, a subsidiary of Power Construction Corporation of China for the construction of the first phase of the Company's TGME Gold Plant, tailings storage facility and wastewater dams.

HIGHLIGHTS

- Memorandum of Understanding (MOU) executed with Yellow River Co., Ltd ("YRC"), a subsidiary of Power Construction Corporation of China ("PowerChina") to build Theta's Stage-one TGME Gold Plant (estimated at 45kt/months RoM capacity) including its tailings storage facility and wastewater dams
- Contract size (at cost-basis) estimated to be US\$30 million where majority to be paid via an agreed long-term payment schedule post construction completion & commissioning
- YRC will be paid a fixed margin on the EPC contract and be awarded a completion incentive
- Initial due diligence in-progress having covered general resources, metallurgy and legals with key subcontractors' negotiation initiated
- The parties' target to complete the formal Engineering, Procurement and Construction Contract by Q2, 2024
- Progression of the EPC Contract will be subject to Theta securing the necessary funding required to make the upfront payments to be agreed between the parties
- The estimated build period to be significantly shorter than planned in the Definitive Feasibility Study of 18 months
- Early cashflow opportunities identified from surrounding tailings and oxidized ore left from previous operations which may significantly reduce Theta's peak funding requirement before mining the underground ore

Commenting on this MOU, Theta Gold's Chairman, Bill Guy said:

"PowerChina is an engineering and construction group based out of China, ranked at #1573 in the Fortune Global 500 List in 2023 with over 130,000 employees worldwide. It's subsidiary YRC is well positioned throughout the African Continent with both power, power storage, civil construction and mining build contracts completed and on-going. YRC recently setup operations in Johannesburg to build a South African base for both power and mining projects.

Theta Gold's, Chief Operations Officer, Jacques Du Triou commented:

"Since initial engagement back in November 2023, our team already completed 4 site trips with YRC's senior management and ground staff having established a very solid working relationship.

Together we're working very quickly towards the EPC contract including for design optimizations as well as preparing for subcontractor tenders.

"We are very excited towards getting our project off the ground with YRC in the coming months."

The parties are currently working on the formal Engineering, Procurement and Construction ("EPC") Contract targeting for completion by Q2 2024 with an expected contract size of US\$30 million (on a cost-only basis), which will cover for the 45ktpm capacity gold plant, the TSF as well as the wastewater management dams as per the Company's DFS completed in July 2022.

The parties agreed for Theta Gold to pay for the EPC contract over a long-term payment schedule.

YRC will be paid a fixed margin over the EPC contract value plus a completion incentive upon satisfactory delivery of the completed project.

The parties are expected to enter certain security arrangements as part of the EPC contract including certain pledges to be made over Theta's South African assets.

Theta Gold remains in discussion with several funders with respect obtaining the funding necessary to meet the upfront payment commitments in order for TGM to advance the EPC MOU to a EPC Contract. The Company expects to be able to provide further market updates with respect to funding as these discussions advance by Q2, 2024.

Over the course of the last three months, the Company assisted YRC's team to conduct a detailed due diligence. Together, the parties also explored the economics of certain early cashflow opportunities, with extensive sampling and testing been completed for the surrounding tailings and oxidized ore. Further updates will be provided to the market in due course.

About Power Construction Corporation of China and Yellow River Co., Ltd

PowerChina is an integrated construction group that provides investment and financing, planning design, engineering construction, equipment manufacturing, and operation management for clean and low-carbon energy, water resources, environmental construction and infrastructure. It is a Fortune Global 500 company ranked #157 in 2023 with over 130,000 employees and is listed on the Chinese Shenzhen Stock Exchange ticker 601669, with a market capitalization of approximately US\$11.8 billion.

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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