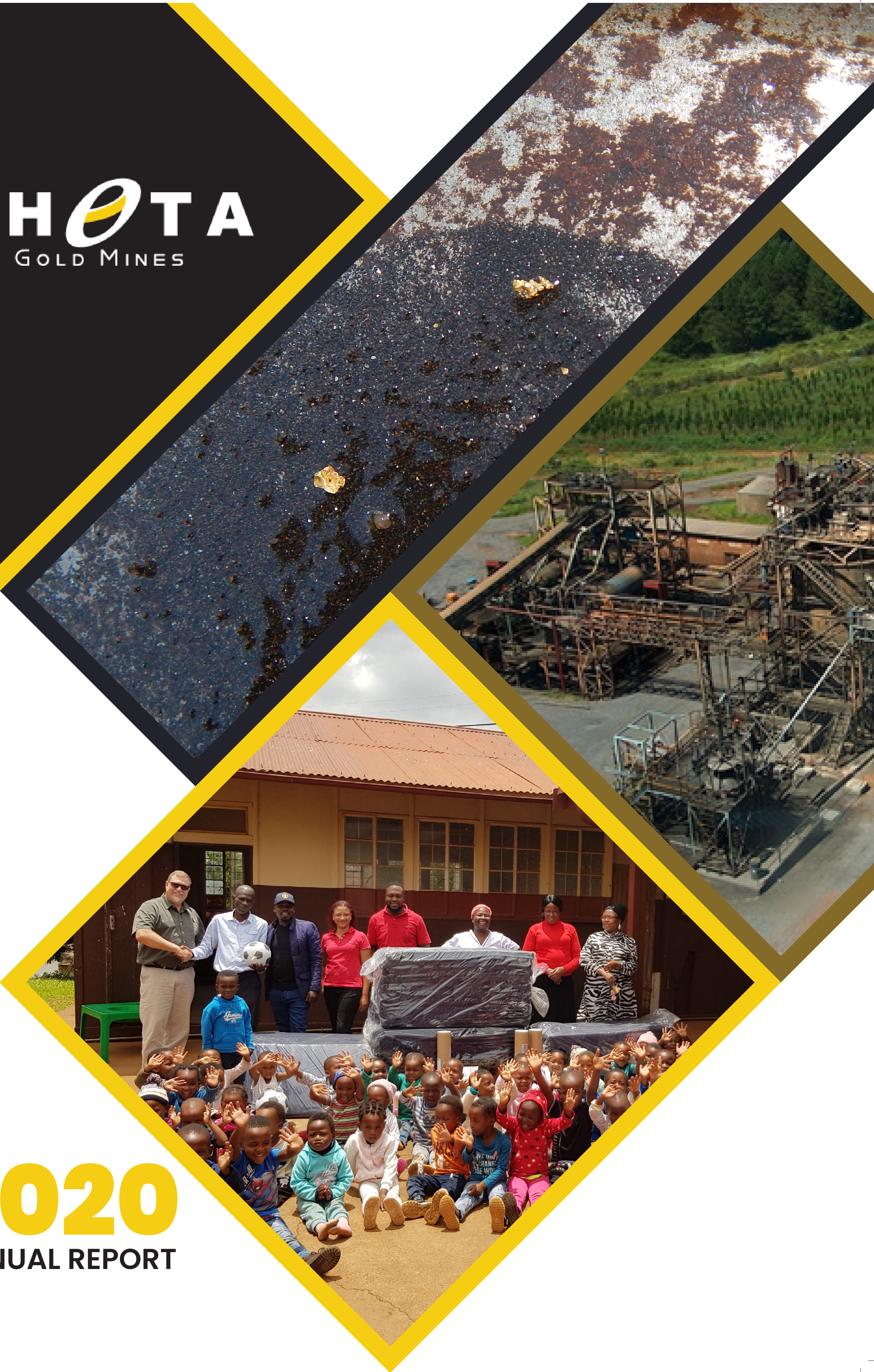
THETA GOLD MINES



2020 ANNUAL REPORT

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Chairman's Letter

Dear Fellow Shareholders

On behalf of the Board of Directors, I am pleased to present the 2020 Annual Report for Theta Gold Mines Limited (ASX: TGM, TGMO / OTCQB: TGMGF). In the last twelve months the company has delivered a path to gold production, a new optimised mine schedule for the Theta Starter Open Pit Project, listing on OTC Markets in the United States and increases in share value and market capitalisation.

The company has 6Moz of gold under management and a near term production asset being the Theta Open Pit Project. The new multiple-mines strategy delineated by the board set a production goal of 160 kozpa within a five year period, offering a clear growth profile in production and share value.

On the ground, the operation team has delivered:-

- A 2.4MW ball mill delivered to site;
- Environmental studies have been completed for the stage 1 Theta Starter Open Pit Project;
- Preferred Mining contractor appointed and draft mining contract completed;
- New optimised mine schedule completed to take advantage of a strong gold price;
- Engineering and metallurgical studies completed.
- Gold plant construction tender and construction financing in progress.

The market capitalisation of the company exceeded A$100 million during the year, reflecting the strong project economics of the starter Theta Project Feasibility Study. There was a steady re-positioning of the company from exploration to development as the company looks towards the next major transition to gold producer.

The company has a five-year plan which targets four mine developments, Theta Starter Open Pit Project (MR83), Theta Open-pit Extension (MR341) and the Rietfontein and Beta underground mines. This four-mine plan provides the company with a clear growth strategy of a combined open pits and underground resource of over 2.75Moz with only the Theta starter-pit portion of this resource included in the Optimised Study. All ore is planned to be processed within the permitted TGME plant footprint area with the new 600,000tpa CIL plant designed to be readily expandable to cater for 1.2Mtpa of oxide ore with modest capital expenditure.

The new Optimised Mine Schedule enhanced the project metrics on the May 2019 Feasibility Study and added further value to shareholders. The key projects metrics at US$1,600/oz gold price shows an increase in production to 234,000 ounces of gold, extends the mine life to 6.5 years for stage 1, low cost with AISC US$822 per ounce, Internal Rate of Return (IRR) of over 157%, and the life of mine EBITDA increased to over US$181 million. These numbers demonstrate profitable mining is likely to be achievable on other project areas across the whole 620km2 goldfield currently under management.

Theta has significant advantages over its junior peers with an ability to discover in-situ low-cost gold ounces (at less than US$12 per Indicated Resource ounce discovery cost), control of its own goldfield and a pipeline of projects which can take Theta to a sustainable mid-tier producer. We expect an exciting 2021 as we work towards bringing the stage 1 Theta Starter Open Pit Project online. In parallel, the company has begun preliminary work on the underground mines as it looks at all opportunities to add value for the shareholders.

We appreciate the continued support from our shareholders over the last twelve months, and we welcome new shareholders to the share register. The company looks forward to continuing to deliver good news and positive updates for shareholders in the new year.

Charles (Bill) Guy
Chairman

1

ENVIRONMENT, SOCIAL & GOVERNANCE

A sustainable gold miner in the making

ENVIRONMENT

Theta Gold is fully committed to creating a sustainable mining business underpinned by a green mining strategy.

Theta Gold through its controlled operating entities are creating regional Environmental Development Trusts within the group's existing local company equity structure. Funds are to be budgeted towards certain environmental offsets, alien invasive plants removals, establishment of nature reserves and targeted environmental study programs.

The Company continues to conduct environmental monitoring and reporting as well as external audits required by its mining right conditions and environmental authorisations. The Company has built functional working relationships in an effort to support its environmental licencing strategy as the Company grows its proposed mining footprint.

Environmental Team Water Sampling

In light of the prevalence of alien invasive plants, fire is a key hazard and is well managed by Theta Gold in collaboration with neighbouring forestry stakeholders and the local fire protection agency.

Invasive Alien Plants

Fire Protection

HEALTH AND SAFETY

A sustainable value-based health and safety culture is core to Theta Gold. We recognise the importance of maintaining both a strategic operational and tactical focus on health and safety to ensure that we do not harm our people and the community in which we work. Operational health and safety leadership is recognised as an integral component to embedding our desired culture. We are committed to continual improvement in relation to the management of our health and safety and its performance. Theta Gold has developed and implemented a mandatory code of practice for the prevention, mitigation and management of COVID-19 outbreak in accordance with regulatory guidelines and had zero positive cases on the minesite.

COVID-19

The Company's onsite team in South Africa continued to operate notwithstanding lockdown measures due to COVID-19. Under section 213 of the Labour Relations Act. 1995, mining operations in South Africa are deemed an essential service. However, the Company has encountered delays in its dealings with government departments, in particular in connection with the permitting amendment to MR83.

COVID-19 staff training

TRANSFORMATION

Theta Gold is committed to transformation in the South African mining industry and achieving the targets contemplated in the Mining Charter 2018, with regards to historically disadvantaged ownership participation, employment equity, preferential procurement, skills development, and local economic development.

Theta Gold has ensured that 26% of project ownership is held by its local labour force, host communities and strategic black entrepreneur partners, and its structure has been designed for broad based economic participation, with benefits intended to flow to poverty alleviation, small local businesses and environmental enhancement projects. Theta Gold further believes that this structure achieves the regional impact contemplated in the spirit of the regulation in terms of local development projects, employment, mining participation and shareholder participation.

The management organisational design is currently under review to ensure that we have the appropriate structure to deliver on the Company' strategic objectives. The objectives of the optimised structure will be to align roles with levels of work and ensure that we have the right people, in the right roles, doing the right work, at the right time.

The Company seeks to maintain and improve its senior management female and historically disadvantaged participation in line with Mining Charter 2018 requirements.

GOVERNANCE

Conducting ethical business is core to the Theta Gold culture. Beginning with the Board, significant effort is invested into instilling a culture of high ethical standards throughout the organisation. The Board adopted an updated Corporate Governance Charter on 23 September 2020, including its Ethics Policy, Diversity Policy, Continuous Disclosure Policy, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy. The Board has established processes to review all corporate board charter documents annually.

Managing Risk

The Company, through its normal business management and the development of its strategy, is exposed to different types of risks that could adversely affect the Company's financial position, prospects or reputation.

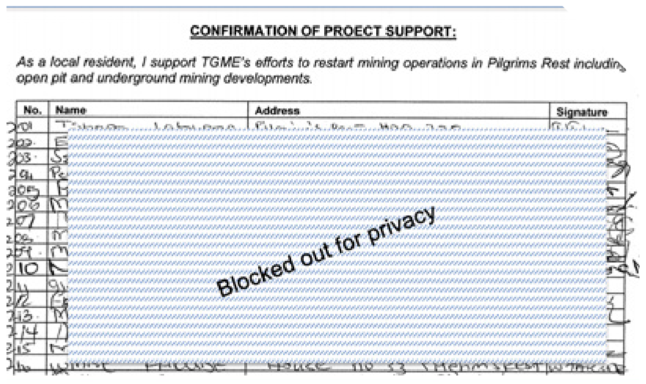
Theta Gold is setting up a risk register which ranks all risks across the business on likelihood and severity of consequences across several categories including Financial, People, Sustainability, Compliance and Reputation. For each risk the relevant controls are documented and an assessment of the controls to mitigate the risk is undertaken. As part of the risk management system, the risk register, controls, and effectiveness of the controls will be evaluated annually.

The highest ranked residual business risks are continually monitored by the Audit and Risk Committee. The Board is also kept up-to-date on emerging risks and common risks impacting the resources industry, such as the recently declared COVID-19 pandemic.

2 COMMUNITY

The communities in which the Company operates are supportive of mining in general; the associated employment and flow-on economic benefits that are likely to flow to local and regional businesses and the general uplifting of the area. Similarly, the Company is committed to community upliftment and regional growth through effective partnerships with all local stakeholders in the regions where it operates.

In connection with the Company's recent stakeholders engagement in the environmental authorisation amendment process for Mining Right 83 ("MR83"), over 5,000 local residents signed a petition in support of Theta Gold re-establishing mining operation (open pit and underground).



CONFIRMATION OF PROECT SUPPORT:

As a local resident, I support TGME's efforts to restart mining operations in Pilgrims Rest including open pit and underground mining developments.

No.	Name	Address	Signature

Blocked out for privacy

Snapshot of section of a >5000 signature local petition letter in support of Theta Gold's mining right amendment application.

As part of the Company's commitment to its Corporate Social Responsibility, the Company currently runs the following projects for the benefit of the local community:

1. Employment of teachers at the primary and high schools in Pilgrim's Rest
2. Provision of water to the local community
3. Heating and cooking fuel provision to the local community
4. School Feeding Scheme
5. Small, Medium and Micro-sized Enterprises (SMMEs) development

It is a priority of the Company to effectively engage with the community and manage expectations and relations with respect to all activities the Company is, or will be, engaged including construction, development, transport, potential environmental impacts (noise, dust etc) and other factors associated with mining operations.

Company Staff at the local school

Theta greatly values the youth of South Africa and supports two local schools sponsoring three teachers, feeding programs, photo copiers, school supplies and building maintenance. The staff interacts with the schools and support the local education.

24 GPS News

TGME contributes to Pilgrim's and its community for the festive season

Frieda Paton

In the spirit of Christmas, Transvaal Gold Mining Estates (TGME) embarked on a drive this past month to support Pilgrim's Rest and its community through various sponsorships and gifts.

For its Christmas charity drive, TGME gave gifts of a bag of maize meal and tins of baked beans to 100 of the poorest and elderly in the community on November 29.

To help keep the children off the streets during the holidays, 10 soccer balls, 10 netball balls, and six tennis racquets and tennis balls were handed over on December 6.

This sports equipment will be in charge of a community member so that the children can fetch a ball when they want to play and return it once they're done.

TGME is also backing the drive to revive Pilgrim's Rest as a tourist destination.

They supported the Mpumalanga Tourism and Parks Agency's launch of the Pilgrim's Rest revitalisation campaign as one of the sponsors of the golf day.

They provided T-shirts for the caddies and sponsored all the prizes.

On December 11 the mine organised a clean-up by TGME staff together with 17 members of the local community employed for the day.

The clean-up covered parts of the town and about 800m of the entrance road to Schoonplaas and included collecting litter, brush cutting and removal of foreign invader plants.

They also donated 20 litter drums of which half were placed in Main Street and the other half on the road to Schoonplaas.

"This will help to ensure that the town is in tip-top condition for the coming December holiday rush.

TGME is committed to supporting the local community," Hanlie Grobler, CFO of the company explained.

"We wish Pilgrim's Rest and its community a great festive season and are looking forward to providing additional support where we can in 2020."

At the prize-giving for the MTPA golf day (from left to right) George Jenkins, CEO of TGME; Fridah Nkadimeng, Executive Mayor

Local Newspaper covering Theta's community involvements before Christmas 2019

The Company has recognised that given the high unemployment rate in the area that there were members of the community that were finding it particularly difficult to make ends meet. Through its community liaison officer and the local councillor, the Company identified numerous members of the community that were particularly in need and provided them with food packs for the Christmas 2019 season.

During the year, Theta Gold also assisted the Mpumalanga Department of Public Works, Road and Transport by donating various gardening tools used to prepare the local townships for the busy Christmas tourist season.

During COVID-19 the company flew 10,000 medical grade masks to site for distribution to staff and local residents. Masks also donated to local hospital and medical centres.

Mpumalanga Department of Public Works, Roads and Transport's post

Mpumalanga Department of Public Works, Roads and Transport

01-Nov-2019 at 21:42

THE GOOD SAMARITAN: The Transvaal Gold Mining Estates (TGME) in Pilgrims Rest saw it fit to lend a hand in keeping the historic monumental town in its shinning glory by donating gardening tools to the Department. The implements have come just at the right time ushering in the festive season as the town will be buzzing with tourists.

3
REVIEW OF OPERATIONS

OVERVIEW

Theta Gold Mines Limited ("Company" or "Theta Gold") is a gold exploration and development company, that holds a range of prospective gold assets in a world-renowned South African gold mining region. The Company's shares are dual-listed on the Australian Securities Exchange (ASX: TGM, TGMO) and the OTC Markets in the United States (OTCQB: TGMGF) with DTC Eligibility.

The Company's initial open-pit project, the Theta Starter Open Pit Project ("Stage One Theta 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 (Provincial capital city). The Company is currently focussing on the construction of a new gold processing plant within its approved footprint at the TGME plant (Figure 1), for processing of the open-pit oxide gold ore, initially from the Theta Starter Open Pit Project. Nearby surface and underground mines and prospects are expected to be evaluated with a view to building a solid production platform to over 160,000oz per annum primarily from open-pits or shallow adit-entry underground resources.

South Africa is the home of gold having produce more than 40+% of worlds gold. The company believes that our tenement pack, has one the best regional geological settings for gold mineralisation given that the prospects are located on the eastern side of Bushveld complex, one of the world's largest and metal rich complexes on earth (Figure 2). While the prospects are not located in the geology of the Bushveld Complex it is strongly believed that the igneous nature of this complex is the direct source of the Company's mineralised assets.

Figure 1: Existing TGME Permitted Gold Plant Footprint

HIGHLIGHTS

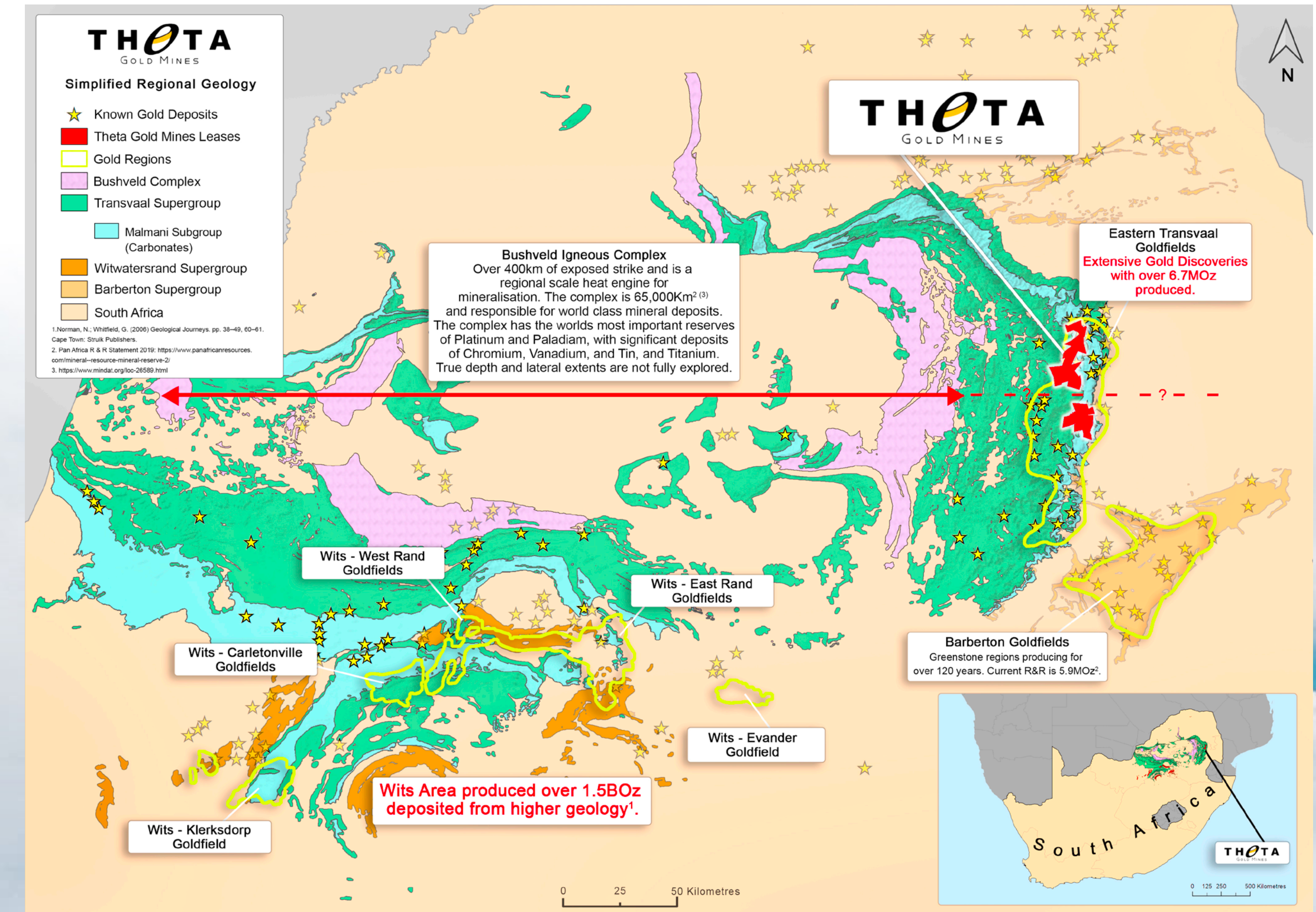


Figure 2: Location of Theta Project

Project

- Stage One Theta Project feasibility study optimised, with significantly improved economics of 234,063oz gold production over 6.5 years mine life
- 2.5MW used ball mill acquired in preparation for Theta Project development, capable of processing up to 1.2Mtpa and caters for future expansion
- Amended Permitting for open-pit mining pending approval
- Preferred mining contractor selected
- Strong community support of Theta Gold's mining operations

Exploration

- Regional geological study completed with CSA Global, define a new Mineral Systems Model.
- The Mineral Systems Model will be used to define future drilling targets, potentially adding more ounces to the existing JORC Resource of over 6.0Moz Au (44.8Mt @ 4.18g/t Au) including open-pit resources of 1.3Moz (13.08Mt @ 3.12g/t Au)

Corporate

- Theta Gold dual listed on Unites States OTC Markets (OTCQB: TGMGF), with eligibility for electronic trading (DTC Eligible)
- US$6.1 million capital raised

THETA STARTER OPEN PIT PROJECT

Optimised Study

The Company completed an optimised study for the Stage One Theta Project during the year. The study incorporates a new optimised mine schedule that include the mining of several old mine waste rock dumps and allows for an increase in the production rate from 500ktpa to 600ktpa. The 2.5MW ball mill acquired in October 2019, which has a capacity of up to 1.2Mtpa, was also incorporated into the study. This ball mill will provide the flexibility for future project expansion.

The result of the study indicates the potential to improve the May 2019 Feasibility Study, by potentially adding 40,000oz of gold to the life of mine plan and extending the mine life to 6.5 years. The table below sets out the results of the Optimised Study at various gold price scenarios. This life of mine plan includes 65 000oz contained within Inferred resources.

Real Discount Rate	Unit	US$1369/oz Case	US$1500/oz Case	US$1600/oz Case
NPV @ 5%	**USDm**	**61**	**85**	**104**
Internal Rate of Return (IRR)	%	92.7%	123.0%	157.2%
Total ounces in Mine plan	oz	259 607	259 607	259 607
Total Oz Recovered	oz	234 063	234 063	234 063
Average Payback Period (From Start of Production)	Month	9	8	6
Total Capital Requirement	USDm	31.4	31.4	31.4
All In Sustaining Cost (AISC)	USD/oz	911	855	822
Return on investment	USDm	206%	350%	476%
EBITDA over LOM	USDm	108.5	150.2	181.4
Gold Price	USD/oz	1 369	1 500	1 600
Exchange Rate	ZAR/USD	14.64	16.00	17.00

Table 1: Optimised Feasibility Study April 2020

The economics for the Theta Starter Open Pit Project benefits from the open-pit mining potential of the geology, near surface shallow flat laying horizontal reef systems, high grade oxide ore, host rock sediments and close proximity of the operations to the existing approved metallurgical process plant. The reef systems, which consists of up to 4 opencut mineable reefs, are flat dipping between 2-7 degrees horizontal and the high grade gold reefs are oxidised which leads to high recoveries. In addition, the host sediments are generally extremely fractured leading to reduced rock strength and reduced mining costs.

Ball Mill

Shortly after the completion of the May 2019 Feasibility Study on the Stage One Theta Project, the ball mill was identified as a long lead item that could potentially delay the project delivery. The Company has managed to secure a secondhand mill in excellent condition, and with an inventory of vital spare parts. The purchase also provides certainty of grinding capability for the mine and, being larger than initially planned for in the feasibility study, allows for future throughput increases.

Figure 3: 2.5MW Ball Mill

The ball mill was last operated by Glencore at its Rustenburg ferrochrome operation. The Original Equipment Manufacturer (OEM) Thyssen Krupps was engaged to complete the removal of the mill and associated equipment and to transport it to the TGME site together with the associated spares.

Thyssen Krupps also completed a thorough inspection of the mill, associated equipment and spares and confirmed that everything was in excellent condition and any minor refurbishment or repairs could be carried out on site. Some workshop repairs are required to the gearboxes and motors before installation with a total of three motors and two gearboxes available for use. The girth gear and pinion for the mill is still in good condition with minimal wear.

Upside Potential

The Stage One Theta Project open-pits resource included in the feasibility mine plan to date represents only 57% of the current Theta Open-pits Indicated Resources of 880Koz (10.1Mt @ 2.7g/t Au). Considerable potential exists to extend the project life.

The Ore Reserve estimated for the Stage One Theta Project occur in the Iota section of Columbia Hill and an estimated 35% portion of the Theta Hill and Browns Hill deposits within an area bounded by Mining Right 83 ("MR83"). The remainder of the Theta Hill and Browns Hill deposits extend to the south and into Mining Right 341 ("MR341").

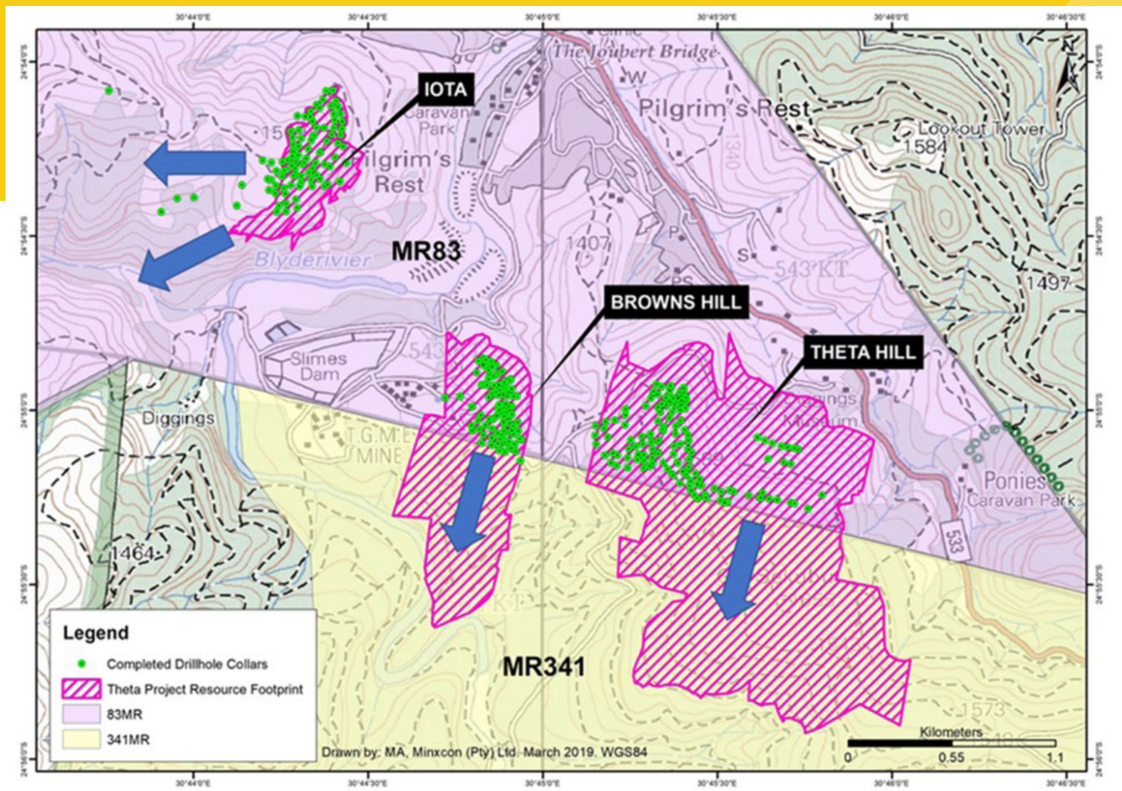


Figure 4: Theta Open-pits Resource Footprint

Amended Permitting for Open-pit Mining Pending

The Stage One Theta Project is situated on MR83, additional resources are in the adjacent MR341 to the south. MR83 is an approved and executed mining right and has an approved Environmental Authorisation for underground mining activities, as well as approval for processing of ore and deposition of residues onto an existing tailings dam.

To conduct open pit mining, the Company has applied for an amendment to MR83 ("Amended Permitting"). The application, which includes completing an environmental authorisation amendment process, has now been submitted to the Department of Mineral Resources and Energy ("DMRE"). A decision by DMRE is pending.

Preferred Mining Contractor

A key project development milestone for the Stage One Theta Project has been achieved with the selection of an experienced and respected mining contractor.

After a comprehensive tendering process, Digmin Group ('Digmin') has been selected. The Digmin Group has a solid track record providing contract mining services throughout Africa and also provides bulk earthworks, roads and civils, mine infrastructure development as well as surface and underground drilling services. Digmin is a proven contract miner currently engaged in a number of gold, copper, niobium and coal projects across the African continent. The group has completed over US$2 billion worth of civil and mining works to-date in South Africa alone.

The selection of Digmin will allow the Company to rapidly mobilise trial mining operations. These operations are expected to commence once final permitting has been achieved (environmental authorisation for open pit mining on MR83).

Digmin have also agreed to partner with Theta Gold to facilitate local employment and social upliftment programs in the small Pilgrim's Rest community

Figure 5: TGME and Digmin Directors at Barlows-Caterpillar Equipment Johannesburg

RIETFONTEIN AND BETA MINES

The Rietfontein and Beta mines forms part of the Company's five year strategy and remain a primary focus for the Company. Scoping studies were conducted in 2017 on the Rietfontein mine (standalone) and on the combined Rietfontein/Beta mines, both confirming the potential viability of development.

During the financial year, the Company began to evaluate the potential development of these shallow high grade old underground mines.

FIVE YEAR PLAN

Over the next five years, the Company aims to build a solid production platform to over 160,000ozpa based primarily around shallow, open-pits or adit-entry hard rock mining sources.

The Company has completed engineering studies to maximise use of the existing permitted plant footprint. The new metallurgical plant layout position will create the flexibility to materially increase the Company's gold production profile above. In addition to the Theta Open-pits, ore from the Rietfontein and Beta underground mines is planned to be trucked to the processing plant.

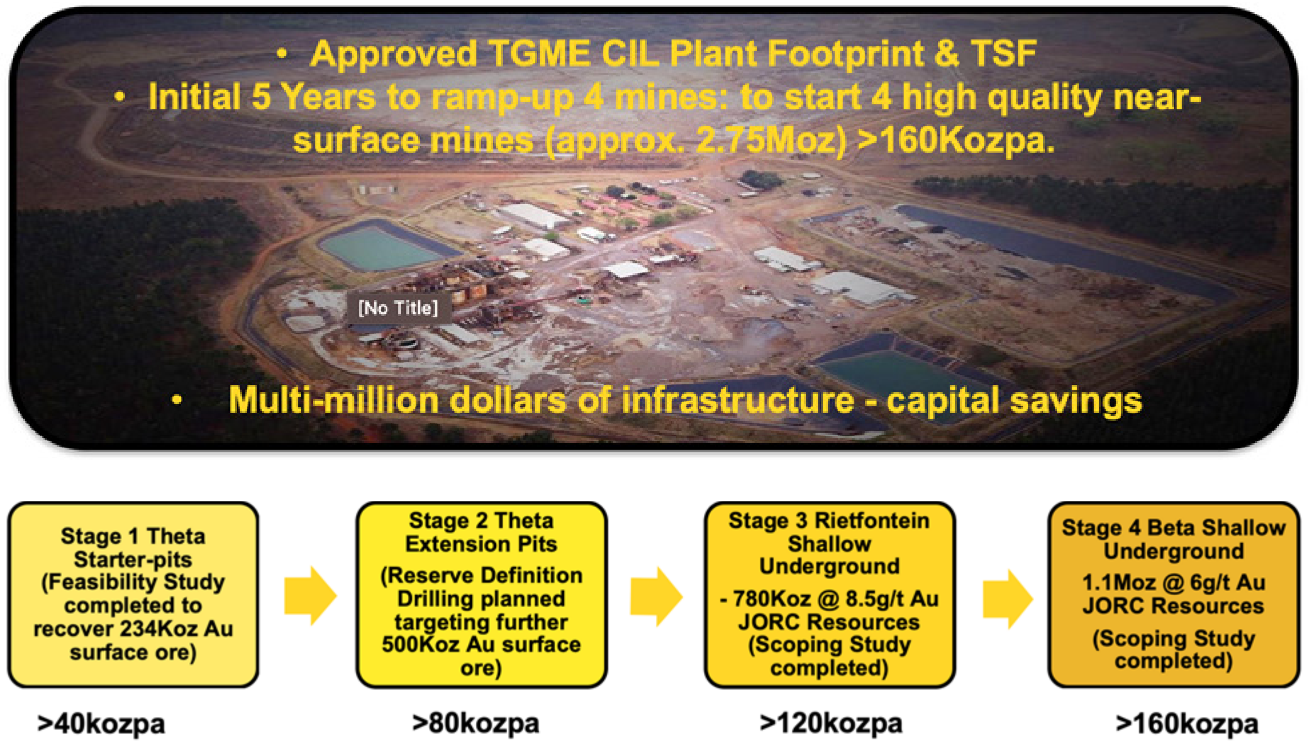


Figure 6: Five Year Plan and Target Production profile

EXPLORATION

The Company has a significant tenement holding of 62,000 hectares (620km2) covered by mining rights and applications for mining rights at various stages of being granted, with access to over 43 historical mines and prospect areas that can be accessed and explored.

During the year, the Company commissioned CSA Global (an ERM group company) (released to ASX on 03/02/2020) to develop a Mineral Systems Model (ore genesis and structural geology model) (Figure 6) to support the Company's exploration efforts. The CSA Global Mineral Systems Model interpreted that east-west structures (faults and joints) provided fluid pathways for mineralising fluids from the Bushveld Complex to the Eastern Transvaal Gold Fields. Based on these new interpretations, the Company is assessing the regional exploration potential of the wider Eastern Transvaal Basin.
The tenements are situated approximately 40km from the Bushveld Complex (largest layered mafic igneous intrusive complex on Earth) is interpreted as the key driver and source of the gold mineralisation at the East Transvaal Goldfield. This is reflected in the size of the East Transvaal Goldfield, the extensive nature of the reefs system and the distribution of gold deposits. Examples such as Vaalhoek (3.5 KM strike) and Rietfontein (over 3km of known mineralization) reflect the nature of the goldfield as indicated by elements of the Mineral Systems Model.

During the year post the CSA work on Mineral Systems Model and Regional structural Interpretation the Company initiated a regional reconnaissance fieldwork in January and February 2020, (released to ASX on 16/03/2020) this led to encouraging results from a number of prospects. The company also completed ASTER interpretation using different band ratios to highlight zone mineral alteration assembles that have gold mineralisation potential. The ASTER highlighted 4 zones of mineral alteration that require further field work (See Figures 9 & 10).

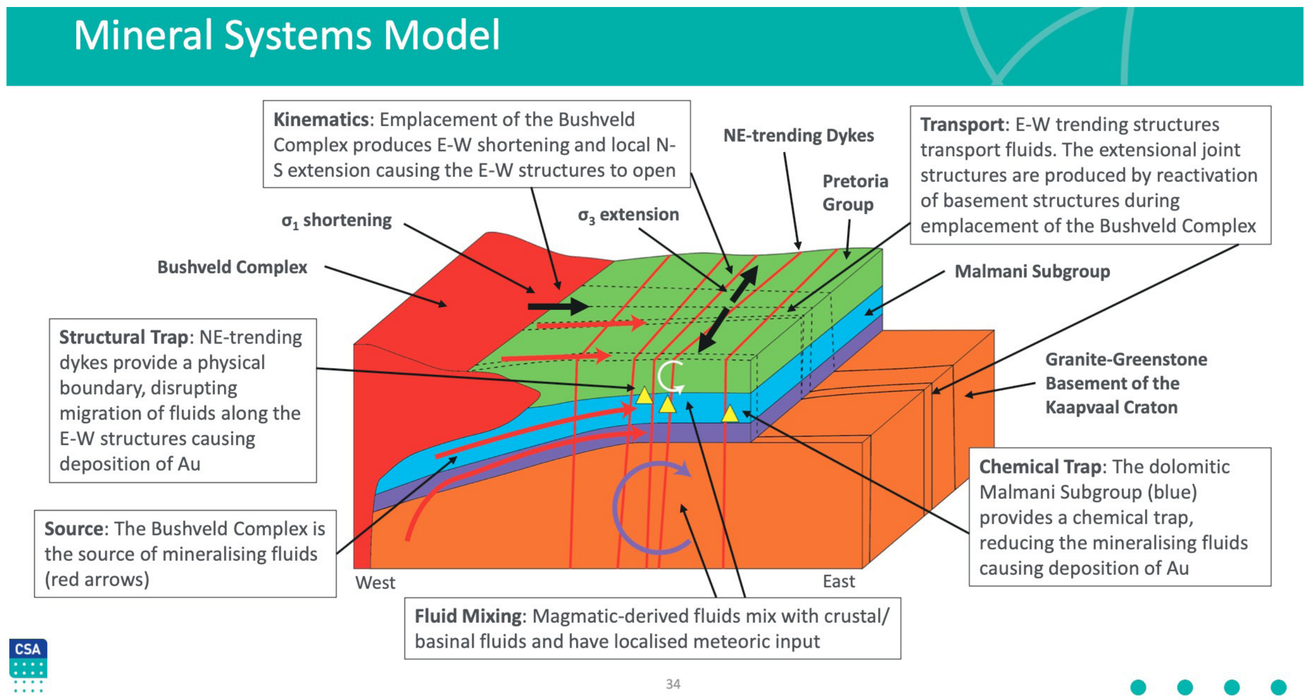


Figure 7: Mineral Systems Model

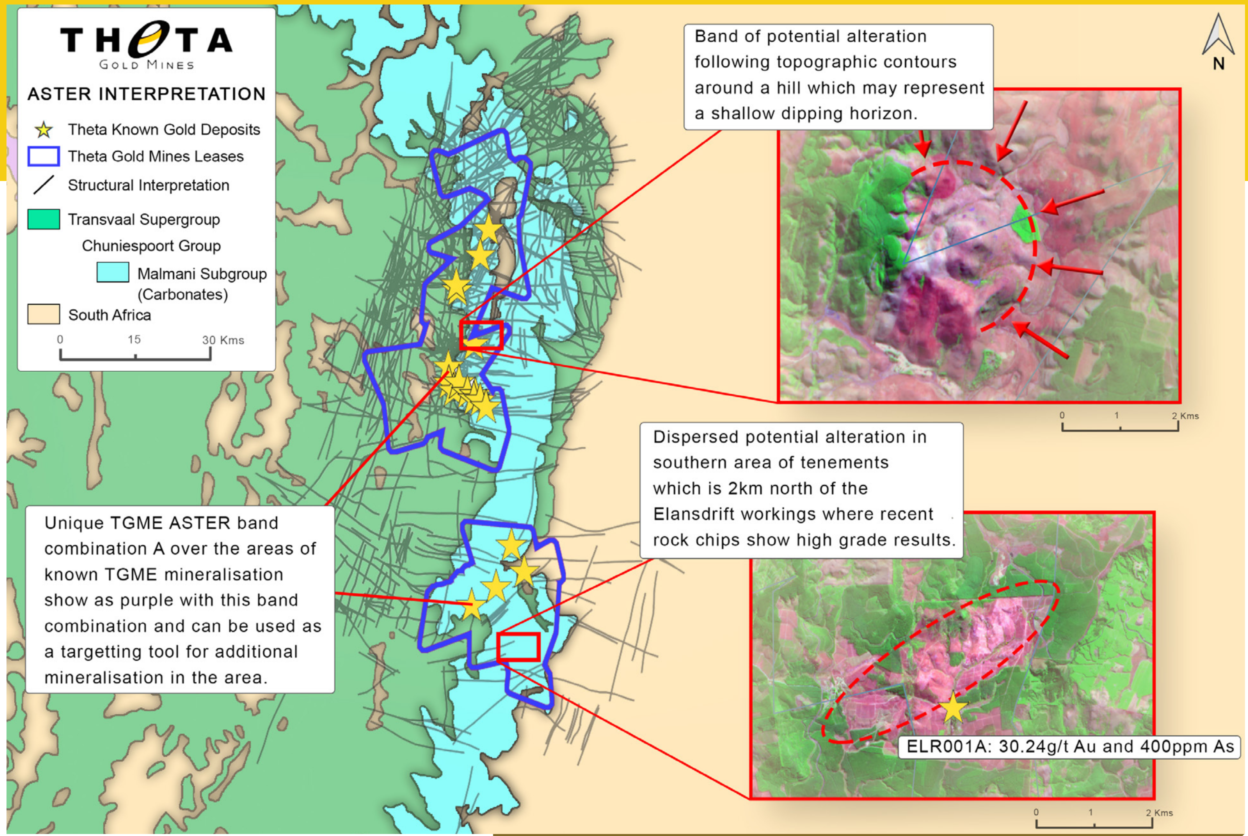


Figure 8: Aster Satellite - Image Band Combination A (Priority)

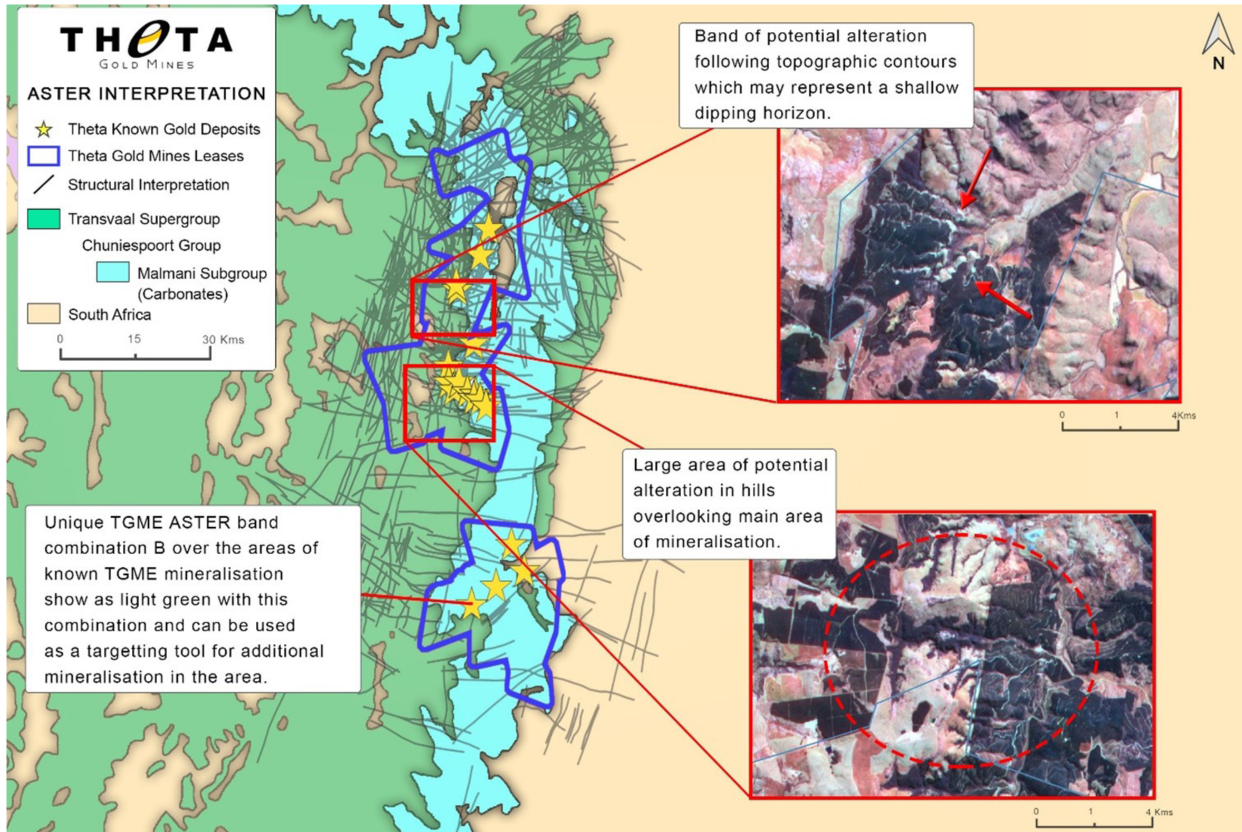


Figure 9: Aster Satellite -Image Band Combination B (Priority)

An initial fieldwork included rock chip sampling highlights in Table 2 with assay result of 83.97 g/t Au collected at Vaalhoek is over 60 km from Rietfontein samples (41.87 g/t Au, 22.85 g/t Au) (Table 2). Both Vaalhoek and Rietfontein have over 3 km of underground workings; both have a vertical component to the gold mineralization, which has been interpreted as a result of the NNE trending dykes forming structural traps and causing gold deposition via the disruption of migrating mineralizing fluids. The setting for mineralization in both mines conform with the Mineral Systems Model announced as part of an ASX release dated 3 February 2020 (Structural Traps). The 43 historical mines under management can now be compared to the Mineral Systems Model to assist with evaluation, classification and exploration

Location	Sample No.	Au g/t	Comments
Vaalhoek reef Neck Section	**VN002B**	**16.73**	**Flat reef Chysocolla**
Vaalhoek reef Met Plant	VN002C	22.83	Met Plant Rock dump
Vaalhoek reef Neck Section	VN003A	11.1	Nothern rock dump
Vaalhoek Shaft Dump	VN004A	83.97	2 Shaft Rock Dump
Rietfontein Adit 3 rocks	R3D005	22.85	Vein material #3 Adit
Rietfontein Adit 3 rocks	R3D006	41.87	Vein material #3 Adit
Rietfontein Adit 13 Outcrop	R13002B	15.28	Oxidised outcrop vein
Elansdrift Workings	ELR001A	30.24	Reef material at surface
Elansdrift Workings	ELR001B	34.92	Reef material at surface

Table 2: Rock chip Assay Highlights- (Two kilogram samples were dispatched to SGS Laboratories in Barberton SA. Analysis by standard 50 g aliquot mixed acid dissolution Fire assay with AAS finish. Samples located using sub 5 m hand-held GPS unit)

Figure 10: Sampling at the old Frankfort Mine, Bevetts Reef, Beverly Hills area. Grades up to 3.2 g/t Au recorded.

FINANCIAL

The Company has a large mineral resource base and aims to be able to convert it to mining reserves through further exploration over time. Total mineral resources is estimated at over 6.0Moz gold (43.74Mt @ 4.29g/t Au) across several locations and projects, including open-pit resources of 1.3Moz (13.08Mt @ 3.12g/t Au).

An Ore Reserve and Mineral Resource Statement is set out on pages 25 and 26.

Results
The Consolidated Entity made a loss after tax of US$5,490,000 (2019: US$5,172,000). Contributing to the loss was indirect exploration costs written-off of US$841,000, finance costs of US$710,000 and corporate and administration costs carried by the Consolidated Entity in support of its exploration and pre-development activities. The corporate costs include a provision of US$621,000 for a tax penalty assessed by the South African Revenue Service in connection with a subsidiary's income tax return for 2016 to 2018 (refer Note 13 of the financial statements). Based on professional advice from its tax adviser, the Company is strongly objecting to the tax penalty.

Further exploration expenditure was incurred on permitting and pre-development activities associated with the Theta Project. This further exploration expenditure, totaling US$1,426,000, has been capitalized and disclosed in the balance sheet.

Cashflow
Funding for the Company's business activities is sourced largely from equity markets. During the year, the company raised a total of US$6,115,000 from share placements to sophisticated investors. The funds were applied towards pre-development and permitting activities for the Theta Project and general exploration, acquisition of the used ball mill, debt repayment and general administration and corporate costs.

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 meet its debts and commitments as they fall due.

Subsequent to balance date, the Company raised A$4,000,100 from a share placement of 16,667,084 fully paid ordinary shares at an issue price of A$0.24 per share.

CORPORATE

Dual Listing on OTC Markets
In November 2019, shares in the Company were admitted for trading on the OTCQB market in the United States under the code **TGMGF.** The Company's primary listing remains on the Australian Securities Exchange under the code **TGM**.

The Company's application for DTC eligibility with the Depository Trust and Clearing Corporation (DTC), part of the US Federal Reserve System, has also been approved. DTC eligibility facilitates electronic trading of securities by individual investors that use self-managed online broking accounts (such as TD Ameritrade and E-Trade), as opposed to restricted trading through market makers.

OUTLOOK

The Company is focussed on developing the stage one Theta Starter-pit Project as the group's starter mining operation, subject to the MR83 amendment for open pit mining being granted and funding being available.

The Company is gearing up for the stage one Theta Project development with the appointment of Mitford Mundell as Chief Executive Officer for Africa and Jacques Du Triou as Chief Operating Officer subsequent to the financial year-end. The new appointees have extensive mining management and operational experience and proven track record of project execution, successful delivery and operational optimisation in open pit as well as underground mining. Combined, they have spent close to 30 years working for South Africa's largest gold producer Harmony Gold Mining Company Limited (NYSE: HMY, JSE: HAR). The Company has a large underground mineral resource and it is the intention to exploit the underground potential in parallel with the Theta Project development.

Figure 11: CEO George Jenkins presenting at 121 Mining Cape Town 2020

Figure 12: Chairman Bill Guy presenting at Denver Gold Forum 2019

4

ORE RESERVE AND MINERAL RESOURCE STATEMENT

Table 3: Combined Mineral Resources as at 1 May 2019

Resource Classification	Type of Operation	Tonnage	Gold Grade	Gold Content	
		Mt	g/t	Kg	koz
Measured	Underground	0.091	5.37	489	15.7
Total Measured		**0.091**	**5.37**	**489**	**15.7**
Indicated	Underground	4.774	6.21	29 661	953.7
	Open Pit	6.828	2.21	15 091	485.2
	Tailings	5.244	0.83	4 373	140.6
Total Indicated		**16.847**	**2.92**	**49 126**	**1 579.4**
Inferred	Underground	21.452	5.22	111 880	3 597.0
	Open pit	5.200	4.95	25 730	827.3
	Tailings	0.023	0.57	13	0.40
	Rock Dump	0.121	1.64	199	6.40
Total Inferred		**26.796**	**5.14**	**137 823**	**4 431.0**
Grand Total		**43.734**	**4.29**	**187 438**	**6 026.2**

Notes:

1. Columns may not add up due to rounding.
2. Gold price used for the cut-off calculations is USD1,500/oz.
3. UG Mineral Resources are reported at a cut-off of 160 cm.g/t, open pit at 0.5 g/t and 0.35 g/t, tailings and rock dumps at 0.35 g/t.
4. Fault losses of 5% for Measured and Indicated, 10% for Inferred Mineral Resources.
5. Mineral Resources are stated as inclusive of Ore Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

Table 4: Theta Project Ore Reserves for MR83 Only, 1 May 2019

Mineral Resource Category in LoM Plan	Pit	Grade	Reef Tonnes	Au Content	
			kt	kg	oz
Probable	Browns Hill	3.24	564	1,826	58,699
Probable	Iota (Columbia Hill)	2.54	1,253	3,189	102,513
Probable	Theta Hill	2.76	493	1,362	43,798
Total		**2.76**	**2,310**	**6,377**	**205,010**

Notes:

1. Totals in the Ore Reserve may not add-up due to rounding.
2. Mineral Resources are for MR83 only and excludes MR341.
3. No Inferred Mineral Resources are included in the Ore Reserve.

Table 5: Total Theta Project - Mineral Resources, 1 May 2019

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Theta & Browns Hill	Shale	1.02	200	204	0.395	402	12.9
	Theta & Browns Hill	Bevett's	1.10	221	244	0.802	886	28.5
	Theta & Browns Hill	Upper Theta	2.41	100	241	0.652	1568	50.4
	Theta & Browns Hill	Lower Theta	3.70	100	370	0.799	2956	95.0
	Theta & Browns Hill	Beta	2.49	100	249	0.345	859	27.6
	Iota	Bevett's	2.89	114	330	0.105	303	9.7
	Iota	Upper Rho	2.43	393	956	0.808	1965	63.2
	Iota	Lower Rho	2.51	550	1381	0.815	2047	65.8
	Iota	Upper Theta	1.08	114	123	0.158	171	5.5
Total Indicated			**2.29**	**252**	**577**	**4.879**	**11 157**	**358.7**

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Theta & Browns Hill	Shale	1.11	216	240	0.598	666	21.4
	Theta & Browns Hill	Bevett's	1.07	213	227	0.551	589	19.0
	Theta & Browns Hill	Upper Theta	1.86	100	186	0.910	1692	54.4
	Theta & Browns Hill	Lower Theta	8.11	100	811	1.397	11329	364.3
	Theta & Browns Hill	Beta	2.23	100	223	0.636	1417	45.6
	Iota	Upper Rho	5.13	106	544	0.099	507	16.3
Total Inferred			**3.87**	**131**	**508**	**4.190**	**16 202**	**520.9**

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Total Theta Project	All	2.29	252	577	4.879	11157	358.7
Inferred	Total Theta Project	All	3.87	131	508	4.190	16202	520.9
Total Inferred			**3.87**	**131**	**508**	**4.190**	**16 202**	**520.9**

Notes:

1. Theta Project (Theta Hill, Browns Hill and Iota) cut-off is 0.35 g/t;
2. The gold price used for the cut-off calculations is USD 1,500/oz;
3. Geological losses applied are 10% for inferred and 5% for Indicated and Measured;
4. Theta Hill and Browns Hill - Upper Theta Reef, Lower Theta Reef and Beta Reef are diluted grades over 100cm;
5. Historical mine voids have been depleted from the Mineral Resource;
6. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Ore Reserves;
7. Mineral Resources fall within the mining rights MR83 and MR341.
8. Totals may not add-up due to rounding.

Competent Persons Statement

Ore Reserve and Mineral Resource

The information in this report relating to Ore Reserves is based on, and fairly reflects, the information and supporting documentation compiled by Mr Daniel van Heerden (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA), a director of Minxcon (Pty) Ltd and a member of the Engineering Council of South Africa.

The information in this report relating to Mineral Resources is based on, and fairly reflects, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci. Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions.

Mr Van Heerden and Mr Engelmann have sufficient experience that is relevant to the style of mineralisation under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Van Heerden and Mr Engelmann consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Exploration Results

The information in this report relating to exploration results is based on, and fairly reflects, the information and supporting documentation compiled by Mr Phil Bentley (MSc (Geol), MSc (MinEx), Pr.Sci.Nat. No. 400208/05, FGSSA), a consultant to the Company and a member of the South African Council for Natural Scientific Professions.

The original report titled “Regional Exploration Strategy Highlights Potential Within Theta Gold Tenements” was dated 16 March 2020 and was released to the Australian Securities Exchange (ASX) on that date.

5

MINING RIGHTS AND APPLICATIONS FOR MINING RIGHTS

MR No	Description	Farms	Effective Date	Expiry Date	Remarks
NORTHERN TENEMENTS (MR83, MR330, MR340, MR341, MR10167)					
MR 83	Greater TGME	Portions 1, 2, 3, 4, 5 and the Remaining Extent of Frankfort 509KT, Krugers Hoop 527 KT, Portions 1, 2 and the Remaining Extent of Morgenzon 525 KT, Peach Tree 544 KT, 18, 42, 43, 44 and Remaining Extent of Ponieskrans 543 KT and Portion 1 and the Remaining Extent of Van der Merwes Reef 526 KT	16-Oct-13	15-Oct-23	Amendment application to include open cut mining in process
MR 330	Beta Re-Development & Grootfontein Cluster	Portions 1, 2, 3 and the Remaining Extent of Grootfonteinberg 561 KT and Remaining Extent of Grootfontein 562 KT	Refer Note 1	Refer Note 1	Granted
MR 340	Hermansburg	Portion of the Remaining Extent of Hermansburg 495 KT	10-Jul-13	09-Jun-23	Granted
MR 341	PTD's	Portions 1 and 2 and a Portion of the Remainder Extent of Grootfontein 562KT	25-Sep-19	16-Feb-22	Granted
MR 10167	TGME	Desire 563KT, RE and Ptn 1, 2, 3, 12, 14, 15, 17, 18, 19, 20, 22 and 23 of Doornhoek 545KT, RE and Ptn 1, 2 and 3 Rotunda Greek 510KT, Vaalhoek 474KT, Buffelsfontein 452KT, RE and Ptn 1 of Willemsoord 476KT, Sacramento 492KT, Granite Hill 477KT, Blackhill 528KT, Manx 475KT, Klondyke 493KT, Hermansburg 495KT	Refer Note 1	Refer Note 1	Consolidation of Prospecting Rights 10255PR, 10404PR, 10254PR Granted
SOUTHERN TENEMENTS (MR198, MR358, MR433, MR10161))					
MR198	Elandsdrift Heap Leach	Portions 1 and 2 of Elandsdrift 220 JT	18-Mar-08	17-Mar-09	Renewal submitted
MR 358	Rietfontein	Portion of the Remaining Extent and Portion 2 and 3 of the farm Spitskop 195 JT, Portion of Portion 16 of Waterval 168 JT and Portion of the Remaining Extent of Maliveld Vallei 192 JT	05-Jun-13	04-Jun-28	Amendment application pending to incorporate portions of Portions 1, 4 and 6 of the farm Rietfontein 193 JT
MR 433	Glynn's Lydenburg	Portion 5 of Grootfontein 196 JT and Remaining Extent of Olifantsgeraamte 198 JT	12-Nov-13	11-Nov-23	Granted
MR 10161	Sabie	Spitzkop 195JT, Ptns of the RE and Ptn 1 of Hendriksdal 216JT, Grootfontein 196JT, Waterval 168JT, Sheba 219JT, Vertroosting 218JT, Olifants Geraamte 198JT, Rietfontein 193JT	Refer Note 1	Refer Note 1	Consolidation of Prospecting Rights 10005PR, 660PR, 10252PR Granted

Note 1:
The period of grant of the mining right will be determined upon execution thereof. In the South African context, mining rights may be granted for up to 30 years and are renewable thereafter.

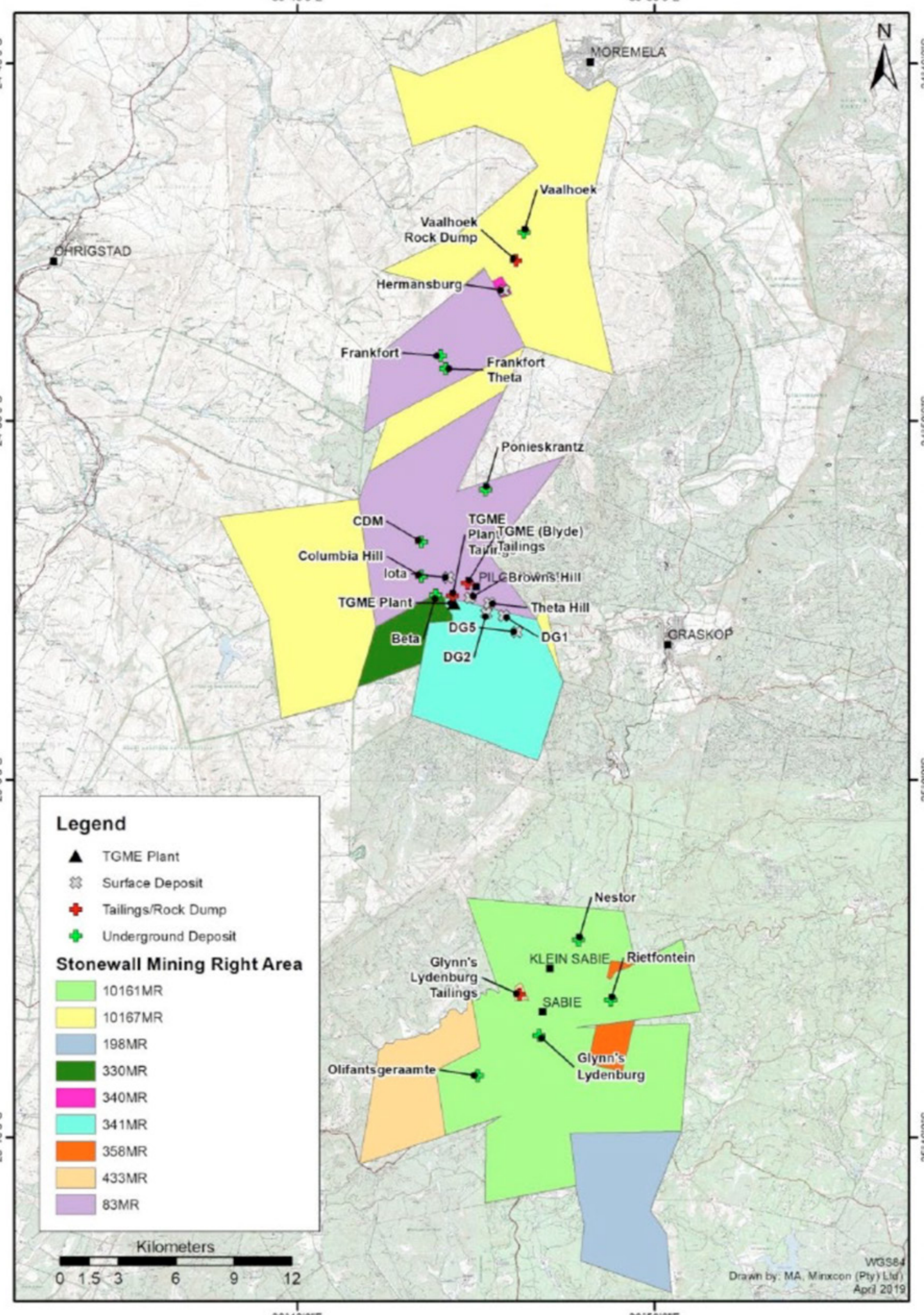


Figure 13: Tenement map

6
CORPORATE GOVERNANCE STATEMENT

The Board of Directors support good corporate governance practices. Unless disclosed otherwise, the best practice recommendations of the ASX Corporate Governance Council have been applied for the financial year ended 30 June 2020.

This Corporate Governance Statement was approved by the Board on 23 September 2020.

The Board has adopted a Corporate Governance Charter which encompasses a Board Charter, Code of Conduct, Continuous Disclosure Policy and Diversity Policy. Separately, the Board has also adopted a Securities Trading Policy, Audit and Risk Management Committee Charter and a Nomination and Remuneration Committee Charter. The Company's constitution, the Charters and the Securities Trading Policy are available on the Company's website (www.thetagoldmines.com).

References to Company in this statement shall, where applicable, include the Consolidated Entity.

Principle 1: Lay solid foundations for management and oversight

The roles of the Board and the Managing Director are separate.

The Board is responsible for the following:

(i) ensuring compliance with the Corporations Act, ASX Listing Rules and all other relevant laws;

(ii) appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the selection and monitoring of a chief executive officer;

(iii) approving annual budgets and monitoring financial and other reporting;

(iv) monitoring and ensuring appropriate accountability for directors' and senior managers' remuneration;

(v) oversight of the Company including its framework of control and accountability systems to enable risk to be assessed and managed;

(vi) input into and final approval of management's development of corporate strategy and performance objectives;

(vii) monitoring management's performance and implementation of strategy and ensuring appropriate resources are available;

(viii) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures.

The Managing Director is responsible for conducting the affairs of the Company under delegated authority from the Board and implementing the policies and strategies set by the Board. In carrying out his responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operating results.

There has been Board renewal in the last two financial years, with one director retiring and two new directors appointed to the Board. Further, subsequent to balance date, the Managing Director stepped down from executive duties. Whilst no formal performance review was undertaken on senior executives, the executives receive informal feedbacks on their performance from time to time. No performance evaluations have been conducted on, or by, the directors during the reporting period.

The Company Secretary is directly accountable to the Board on all Board matters. He also acts as secretary of all Board committees.

All directors and senior executive appointments are made in writing.

Diversity policy

Diversity is about the commitment to equality and treating all individuals with respect irrespective of religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference.

The Board recognizes that a diverse and inclusive workforce is not only good for our employees but also good for our business. It helps the Company attract and retain talented people, create more innovative solutions, and be more flexible and responsive. Across the Company, there is increasing momentum on diversity with a particular focus on gender and age, as well as greater work and career flexibility.

As the Company grows, the Directors are also committed to increasing the representation of females at all levels of the organisation including senior management and at Board level. However, measurable objectives for achieving gender diversity have not been set given the stage of the Company's development.

Principle 2: Structure the board to add value

The Board is comprised of the following directors, all of whom are Non-Executive Directors, save for Mr Robert Thomson who was the Managing Director until 5 August 2020. The skills, experience and expertise of each director in office at the date of this report, their attendances at meetings and their term of office are detailed in the Directors' Report.

Charles William Guy	Non Executive Chairman	Not Independent
Bill Richie Yang	Non Executive Director	Independent
Yang (Simon) Liu	Non Executive Director	Independent
Finn Stuart Behnken	Non Executive Director	Independent
Robert Peter Thomson	Non Executive Director	Not independent
Guyang (Brett) Tang	Non Executive Director	Not Independent

The Board is made up of three independent and three non-independent directors, being –

(a) Mr Guy, Chairman of the Board, in view of his material consulting arrangement with the Company;

(b) Mr Thomson who was the Managing Director of the Company until 5 August 2020; and

(c) Mr Tang who is associated with a substantial shareholder of the Company.

In assessing the independence of directors, the Company will generally regard an Independent Director as a non-executive director (that is, not a member of management) who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provider;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and

- has no material contractual relationship with the Company or another group member other than as a director of the Company.

The Board acknowledges that the Company is not in full compliance of the ASX Corporate Governance Principles and Recommendations which requires the composition of the Board to be made up of a majority of independent directors and the Chairman of the Board to be an independent director. Notwithstanding, the Directors believes that the present composition of the Board is appropriate for the following reasons –

(a) it provides a balance of skills and expertise that are required and appropriate at this stage of the Company's development;
(b) each of the non-independent directors has a significant personal stake in the Company through shares and performance rights and the Board believes that, on balance, this serves to align their interests with those of shareholders and other stakeholders;

and having regard to the composition of the Board, the directors are of the view that it is in the best interest of the Company that Mr Guy serve as chairman of the Board.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Company.

The Company does not conduct induction or professional development programs, however directors are encouraged to attend external programs and courses.

Board meetings are conducted in English. Mr Yang, a fluent Mandarin speaker, translates the proceedings of the meetings when required and all resolutions made by the Board, for the benefit of Mandarin speaking directors.

Nomination and Remuneration Committee
The members of the committee are –
- Bill Richie Yang (Chairman)
- Charles William Guy
- Simon Liu
- Brett Tang

The Nomination and Remuneration Committee Charter sets out the process for nomination and election of directors.

The attendance of each committee member at committee meetings is set out in the Directors' Report.

The Chairman of the Committee up to 23 September 2020 was Mr Guy who is not an independent director. Mr Guy has been replaced as chairman by Mr Yang who is an independent director.

Principle 3: Act ethically and responsibly
The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:
- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigation of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

An Anti-Bribery and Anti-Corruption Policy and a Whistleblower Policy were adopted on 23 September 2020.

The Anti-Bribery and Anti-Corruption Policy prohibits the accepting or giving of bribes.

The Whistleblower Policy encourages the reporting of suspected or actual wrongdoings or any breach of the Code of Conduct and provides protection for anyone reporting any wrongdoings that they can do so without fear of retaliation.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Principle 4: Safeguard integrity in corporate reporting
Audit Committee
The Company has an Audit and Risk Management Committee which operates under a charter that sets out its role. The Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company, including appointment of external auditors, business risk management, internal control systems, business policies and practices and monitoring corporate conduct and business ethics.

Members of the Audit and Risk Management Committee are non-executive directors and a majority are independent directors. The members are –

Finn Stuart Behnken (Chairman)
Bill Richie Yang
Charles William Guy

The skills, experience and expertise of each committee member and their attendances at committee meetings are set out in the Directors' Report.

Financial Reporting
The Managing Director, together with the Chief Financial Officer, are required to declare in writing to the Board each financial period that the financial records have been properly maintained and that the financial statements and notes for the

financial period give a true and fair view of the financial position and performance of the Consolidated Entity and comply with relevant accounting standards and that the declaration, provided in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company's external auditor attends each annual general meeting and is available to answer questions pertaining to the audit of the Company's financial statements.

Principle 5: Make timely and balanced disclosures
The Company's Corporate Governance Charter incorporates the Company's continuous disclosure policy which sets out the Company's processes in dealing with price-sensitive information to ensure that it complies with its continuous disclosure obligations, the market is kept fully informed and no director, employee or third party deals in the Company's securities while in possession of inside information.

The system for releasing information to the ASX is as follows:

(a) When any member of the Reporting Group (being the Chairman, Managing Director or Company Secretary) becomes aware of information which he or she believes may need to be disclosed, he or she immediately contacts and gives full details to each of the other members of the Reporting Group.

(b) The Reporting Group will take the following steps in relation to information received by them:

- assess whether disclosure is required;
- consult legal and other advisers (including the ASX) as necessary;
- prepare an announcement for release to the ASX;
- obtain Board approval; and
- lodge the announcement with ASX.

In order to maintain control over disclosures, the following persons only will be authorised to speak on the Company's behalf to analysts, brokers and institutional investors, and to respond generally to shareholder queries:

(a) the Chairperson;
(b) the Managing Director;
(c) the Company Secretary; and
(d) any other person who has been given express prior authority by the Chairperson.

All announcements lodged with ASX are posted on the Company's website after they have been released by ASX.

Principle 6: Respect the rights of security holders
The Company has a facility on its website for shareholders and interested parties to register for email alerts of announcements posted on the website. Shareholders may also elect to receive notices of meetings by email.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of the Company and other shareholder meetings, to lodge questions to be responded by the Board, and if not able to attend the meetings, are encouraged to appoint proxies.

Principle 7: Recognise and manage risks
The Board considers identification and management of key risks associated with the business as vital to maximising shareholder wealth. As a gold exploration/development company operating in South Africa, the Company faces material business risks (operational, financial, environmental and social sustainability), as well as regulatory, political and reputational risks.

The Audit and Risk Management Committee reviews and oversees the management of the risks. Details of the Audit and Risk Committee are set out above.

The Company does not have an internal audit function.

Risk review is an ongoing function. Risks are generally managed by strategies adopted such as –
i) annual budgets
ii) monthly reports against budgets
iii) financial authority limits
iv) insurance programme
v) regular monitoring.

The Board monitors risks through –
a) monthly operations reports
b) monthly financial reports against budgets
c) briefings by senior executives
d) tour of operations.

Principle 8: Remunerate fairly and responsibly
The Board has a Nomination and Remuneration Committee. Details of the Nomination and Remuneration Committee are set out above.

The Company's remuneration policy is set out in the Remuneration Report. The remuneration policy is designed to ensure that it is appropriate and effective in attracting and retaining the best key management personnel ("KMP"), as well as create goal congruence between KMPs and shareholders. To that end, remuneration is structured to comprise a fixed cash salary component and superannuation, supplemented by incentive securities (performance rights and/or options) linked to share price performance or operational performance hurdles.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors, currently A$75,000 per annum for the Chairman and A$50,000 per annum for each non-executive director. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in general meeting. Fees for non-executive directors are not linked to the performance of the Consolidated Entity. However, to align directors' interests with those of shareholders, all directors are encouraged to hold shares in the Company and directors may be granted performance rights.

The Company has adopted an Employee Performance Rights and Option Plan ("Plan"). Grant of performance rights and options under the Plan is at the discretion of the Board and is available to directors and employees of the Company as well as those of its subsidiaries in South Africa.

The Company does not permit the hedging of incentive options and performance rights by directors and employees.

7 DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of Theta Gold Mines Limited ("Company") and its controlled entities ("Consolidated Entity" or "Group") for the financial year ended 30 June 2020.

Directors

The Directors of the Company during or since the end of the financial year are:

Charles William Guy	Non-Executive Chairman
Robert Peter Thomson	Non-Executive Director (Managing Director to 5 Aug 2020)
Bill Richie Yang	Non-Executive Director
Yang (Simon) Liu	Non-Executive Director
Guyang (Brett) Tang	Non-Executive Director
Finn Stuart Behnken	Non-Executive Director

Information on Directors

Charles William Guy	**Non-Executive Chairman**
Period of Directorship:	Appointed 7 March 2018
Qualifications:	B. App. Sc. Member, Australian Institute of Geoscientists
Experience:	Bill Guy was appointed as a director of the company in March 2018 and is a professional mining executive and geologist with over 30 years' experience in exploration and resource development in Asia, Australia and Europe. In previous executive and geology roles he was involved in all aspects of the mining industry inclusive of capital raisings, project acquisitions, project development (Cockatoo Island Fe), project discovery (Mt Ida Fe), and large scale JV (Newcrest JV Au), in both the corporate and technical roles. Prior to joining Theta and as MD of Longford Resources, he progressed the Keel zinc project in Ireland to its first JORC Resource within just a few months. He previously served as Exploration Manager of Jupiter Mines Limited (controlled by Posco/Pallinghurst Group) reporting to Chairman Brian Gilbertson, the very first Chairman of BHP Billiton. At Jupiter Mines, he developed exploration protocols and a team that grew resource inventories to significant levels being the Central Yilgarn Iron Project (including Mt Ida Fe). Mt Ida was progressed from zero to an Inferred Resource of 530 million tonnes at 31.94% Fe with a conceptual target of 1.85 billion tons. At its peak, Jupiter had a market capitalization of over A$1 billion.
Interest in Shares and Options:	Held directly 4,000,000 performance rights expiring 27 June 2024 Held by Mineral Rock Pty Ltd <SEBC Family A/C> - 1,043,923 fully paid ordinary shares - 418,232 listed options exercisable at $0.30 per share on or before 31 October 2020
Special Responsibilities:	Member of Nomination and Remuneration Committee Member of Audit and Risk Management Committee

Other Listed Company Directorships in Last 3 Years:	Longford Resources Limited (resigned 8 December 2017)

Robert Peter Thomson	**Non-Executive Director**
Period of Directorship:	Appointed 25 November 2016
Qualifications:	BE (Mining) (University of Queensland) MBA (University of Wollongong, NSW) Fellow, Australasian Institute of Mining and Metallurgy
Experience:	Mr. Thomson commenced his career in underground gold operations in southern Africa and has since been involved in numerous successful gold and base metal ventures which included transitioning companies from exploration to production, and the establishment of sustainable operations. He was directly involved as GM/Project Director in delivering and leading in-country the large and successful 100,000+ ozpa Chatree (Thailand) and Sepon Stage 1 (Laos) gold mines and as the former-CEO of Climax Mining, he was instrumental in the development of the Didipio gold/copper mining operation in the Philippines, which merged into and cornerstoned Oceana Gold Corporation (ASX: OGC). Mr Thomson was Managing Director of the Company from 25 November 2016 to 5 August 2020.
Interest in Shares and Options:	Held directly 1,500,000 performance rights expiring 27 June 2024 Held by Monterey Consolidated Services Pty Limited <Lorodaca Super Fund A/C> -1,367,342 fully paid ordinary shares -263,159 listed options exercisable at $0.30 each, on or before 31 October 2020
Special Responsibilities:	Nil
Other Listed Company Directorships in Last 3 Years:	Malachite Resources Limited (appointed 3 September 2020) Golden Cross Resources Limited (resigned 28 November 2017)

Bill Richie Yang	**Non-Executive Director**
Period of Directorship:	Appointed 16 June 2015
Qualifications:	BCom (Business Economics and Finance), University of New South Wales
Experience:	Mr Yang is a corporate financier and business executive, with more than 16 years in the mining resources sector focused on business development, corporate strategies, M&A and financing. Mr Yang has held numerous executive directorships and management roles in junior min-ing development companies, including Executive Director of ASX-listed Bligh Resources Limited between 2015 and 2017. He is also Managing Director of Sydney/Hong Kong based Vs Capital Group, a corporate finance advisory firm and Family Office investor.

Interest in Shares and Options:	Held directly 5,000,000 performance rights expiring 27 June 2024 Held by Bill Richie Yang <Yana Family Super Fund A/C> -472,692 fully paid ordinary shares Held by Vs Capital Investments Pty Ltd <The Exponential Family A/C> -1,138,476 fully paid ordinary shares -528,948 listed options exercisable at $0.30 per share on or before 31 October 2020
Special Responsibilities:	Member of Audit and Risk Management Committee Chairman of Nomination and Remuneration Committee
Other Listed Company Directorships in Last 3 Years:	Nil

Finn Stuart Behnken	**Non-Executive Director**
Period of Directorship:	Appointed 19 December 2018
Qualifications:	B.Sc Eng (Mining)
Experience:	Mr Behnken is a mining engineer and has South African mining operational experience as the CEO of Tshipi é Ntle Manganese Mining (Pty) Limited (during the construction and initial production phase of the major Tshipi Borwa Manganese Mine). Prior to this, he was an investment banker with South African based Nedbank and has served as non-executive director of various mining companies including, most recently, as a director of the then AIM listed Gemfields plc. Mr Behnken is currently the South African representative of Auramet International, a United States based precious metals merchant and mine financier.
Interest in Shares and Options:	Held directly -1,200,000 performance rights expiring 27 June 2024
Special Responsibilities:	Chairman of Audit and Risk Management Committee
Other Listed Company Directorships in Last 3 Years:	Gemfields Plc (resigned 28 July 2017)

Yang (Simon) Liu	**Non-Executive Director**
Period of Directorship:	Appointed 29 January 2013
Qualifications:	Graduate, School of Journalism and Communication, Renmin University, China
Experience:	Mr Liu has over 20 years experience in marketing and corporate consulting. In 2010 he co-founded Beijing-based Hanhong Private Equity Fund which managed over USD1.5 billion. The fund's investments covered entertainment, property development, oil/gas and gold mining projects.

Interest in Shares and Options:	Held directly -3,444,998 fully paid ordinary shares -979,474 listed options exercisable at $0.30 per share on or before 31 October 2020 Held by Hanhong New Energy Holdings Ltd - 4,527,105 fully paid ordinary shares
Special Responsibilities:	Member of Nomination and Remuneration Committee
Other Listed Company Directorships in Last 3 Years:	Nil

Brett Tang	**Non-Executive Director**
Period of Directorship:	Appointed 3 July 2018
Qualifications:	Bachelor of Law (University of Soochow) MBA (University of Nanjing)
Experience:	Mr Tang is a qualified lawyer in China and is also registered as a Fund Manager with the Asset Management Association of China (AMAC). He is a professional investor and fund manager, experienced in and been successful in mining and mining investments. From 2007-2013, he was Executive Director at Yunnan Gold Mountain Ltd, a joint venture gold/copper mining company with a Chinese state-owned mining enterprise. The company grew to a 20,000oz per annum gold producer from horizontal adit-entry type mines. Between 2013 and 2015 he was a Director of Ao-zhong Mining Pty Ltd, a Chinese specialised mining and exploration corporation with a history of mining investments in Australian listed resource companies. Mr Tang is a director at Tasman Funds Management Ltd and a director and founding partner of China Nanjing Venture Capital Ltd, a China-based VC Fund.
Interest in Shares and Options:	Held directly - 94,339 fully paid ordinary shares - 2,500,000 performance rights expiring 27 June 2024 Held by Tasman Funds Management Ltd - 32,730,995 fully paid ordinary shares
Special Responsibilities:	Member of Nomination and Remuneration Committee
Other Listed Company Directorships in Last 3 Years:	Nil

Company Secretary

Chin Haw Lim B.Com	Mr Lim is a Chartered Accountant, having worked with various ASX-listed companies as CFO/Financial Controller and Company Secretary. He has been involved in the resources industry for many years, including Finders Resources Limited (Wetar Copper Project, Indonesia), Straits Resources Limited (Girilambone Copper Mine, NSW, Nifty Copper Mine, WA and Sebuku Coal Mine, Indonesia) and Triako Resources Limited (Mineral Hill gold/copper mining operation, NSW).

Principal Activities

The Consolidated Entity holds prospective gold assets in the Pilgrim's Rest – Sabie goldfield, a historic South African gold mining region. These assets include several surface and near-surface high-grade gold projects. The principal activities during the year consisted of continuing exploration with particular focus on optimising the feasibility study on the Theta Open-Cut Project completed in the previous year, in parallel with securing permitting approval for open-cut mining.

Operating and Financial Review

The review of operations during the year is set out on pages 13 to 23.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year:

(a) Issued capital increased by US$5,720,000, arising from the issue of shares to raise funds for the group's activities.

Dividends

No dividend was paid, recommended or declared but not paid since the start of the financial year.

Likely Developments and Expected Results

Subject to receipt of permitting approval for open-cut mining and securing project finance, it is the Company's intention to develop the Theta Open-Cut Project as the group's starter mining project. The group will also be aiming to actively explore the surrounding Theta Project area to increase the project mine life. Subject to funding, it would be the group's plan to convert the large mineral resource into ore reserves through further drilling and exploration.

Environmental Regulations

The Consolidated Entity's operations are subject to environmental regulation under both South African and Australian legislation. There have been no known breaches of these regulations by the Consolidated Entity.

Significant Events after Balance Date

Share Placement

Subsequent to balance date, the Company raised A$4,000,100 from a share placement of 16,667,084 fully paid ordinary shares at an issue price of A$0.24 per share.

Loan – Related Party

Note 14 refers to a loan from Australian Private Capital Investment Group (International) Ltd ("APCIG"), a company associated with Mr Simon Liu, a director of the Company.

Subsequent to year end, on 23 September 2020 the Company has 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 $4,920,000 is to be paid in the following manner:
  a. The sum of $3,280,000 by cash payments (Cash Payments) to AFE, Hanhong or Hanhong's nominee; and
  b. The sum of $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;
(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 $4,920,000.

Meetings of Directors

Attendances at Board and Committee meetings by directors during the year were as follows:

Board meetings

	Eligible to attend	Attended
Charles William Guy	6	6
Robert Peter Thomson	6	6
Bill Richie Yang	6	6
Simon Liu	6	2
Brett Tang	6	6
Finn Stuart Behnken	6	6

Audit and Risk Committee meetings

	Eligible to attend	Attended
Finn Stuart Behnken	2	2
Charles William Guy	2	2
Bill Richie Yang	2	2

Nomination and Remuneration Committee meeting

The Nomination and Remuneration Committee did not meet during the year. All nomination and remuneration matters were dealt with at Board meetings.

Options

Performance rights and Options issued during the year

During the year, 500,000 performance rights expiring on 27 June 2024 were issued to Natasha Thomas-Kasangana, an employee of the group. The performance rights are subject to the performance hurdles described below (Hurdles 1, 3, 4 and 5).

The Company also issued 2,325,000 listed options (exercisable at $0.30 each on or before 31 October 2020 (ASX: TGMO) and 2,325,000 unlisted options (exercisable at $0.40 each on or before 27 April 2022) as free attaching options to subscribers under a share placement on the basis of 1 listed and 1 unlisted option for every 2 shares issued under the placement.

Other than the above, no options over unissued ordinary shares were granted during or since the end of the financial year.

Total unissued shares under option

The unissued ordinary shares under options and performance rights at the date of this report are –

	Number
Listed options exercisable at $0.30 each on or before 31 October 2020 (ASX: TGMO)	33,754,663
Unlisted options (details below)	2,325,000
Unlisted performance rights (details below)	21,200,000
	57,279,663

Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
Unlisted Options			
2,325,000		$0.40	27 Apr 2022
2,325,000	**Total Options**		
Unlisted Performance Rights			
50,000	Hurdle 1. All systems, licences, insurances, regulatory and statutory compliance in place to meet South Africa Mining regulations, laws, Mining Charter 111, commercial contacts. (Mine ready).	Nil	27 Jun 2024
3,570,000	Hurdle 2. Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 20121) 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 Jun 2024
4,770,000	Hurdle 3. 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 27 Dec 2020, being 18 months from the date of issue of the performance right.	Nil	27 Jun 2024
6,780,000	Hurdle 4. 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 27 Dec 2021, being 30 months from the date of issue of the performance right.	Nil	27 Jun 2024
6,030,000	Hurdle 5. 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 27 Jun 2023, being 48 months from the date of issue of the performance right.	Nil	27 Jun 2024
21,200,000	**Total Performance Rights**		

The performance rights and option holders do not have any right to participate in any share issue of the Company or any other body corporate.

Shares issued as a result of exercise of options

Since the end of the previous financial year, 895,788 shares were issued as a result of the exercise of options.

Indemnity and Insurance of Officers

The Company's constitution states that "to the extent permitted by law, the Company may –

a) indemnify each relevant officer against a liability of that person and the legal costs of that person;
b) make a payment (whether by way of advance, loan or otherwise) to a relevant officer in respect of legal costs of that person;
c) enter into, or agree to enter into, or pay, or agree to pay a premium for a contract insuring a relevant officer against a liability of that person and the legal costs of that person."

During the financial year, the Consolidated Entity paid a premium for a Directors and Officers Liability Insurance Policy for the benefit of the directors, secretaries, other officers and employees of the Company. The contract of insurance prohibits disclosure of the terms of the policy and the amount of premium paid.

Indemnity and Insurance of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Non-Audit Services

During the financial year, the auditor, Ernst & Young, South Africa, provided taxation services to a controlled entity, for which it was paid US$17,087. The Directors have considered the level and nature of the non-audit services provided by the auditor and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the nature of the non-audit services provided by the auditor and the quantum of fees they were paid did not compromise the auditor independence requirements of the Corporations Act 2001.
Full details of the auditor's remuneration are set out in Note 5 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 is set out on page 59.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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.

8
REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration paid/payable to key management personnel of the Consolidated Entity.

The key management personnel during the year were -

Directors

Charles William Guy, Non-Executive Chairman
Robert Peter Thomson, Managing Director (Non-Executive Director from 6 August 2020)
Bill Richie Yang, Non-Executive Director
Finn Stuart Behnken, Non-Executive Director
Guyang (Brett) Tang, Non-Executive Director
Yang (Simon) Liu, Non-Executive Director

Other Key Management Personnel

Chin Haw Lim, Chief Financial Officer / Company Secretary
George Tiernan Jenkins, Chief Executive Officer (South Africa)

Remuneration policy

The Board of Directors sets the remuneration policy to ensure that it is appropriate and effective in attracting and retaining the best key management personnel ("KMP") to manage the Consolidated Entity, as well as create goal congruence between KMPs and shareholders. To that end, remuneration is structured to comprise a fixed cash salary component and superannuation, supplemented by incentive securities (performance rights and/or options) linked to share price performance or operational performance hurdles.

The Company has adopted an Employee Performance Rights and Option Plan ("Plan"). Grant of performance rights and options under the Plan is at the discretion of the Board and is available to employees of the Company as well as those of its subsidiaries in South Africa.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board sets the director fees payable to non-executive directors, currently A$75,000 per annum for the Chairman and A$50,000 per annum for each non-executive director. The maximum aggregate amount of fees that can be paid to non-executive directors shall be an amount not exceeding in aggregate a maximum sum that is from time to time approved by shareholders in general meeting. The current amount is A$600,000 per annum. In addition, non-executive directors receive extra remuneration as determined by the Board where they perform services at the request of the Board which, in the opinion of the Board are outside the scope of the ordinary duties of a Director.

Fees for non-executive directors are not linked to the performance of the Consolidated Entity. However, to align directors' interests with those of shareholders, all directors are encouraged to hold shares in the Company.

Relationship between Remuneration Policy and Consolidated Entity Performance

Long-term incentives
The Consolidated Entity's remuneration policy in granting incentive securities to KMPs is targeted at transforming the entity from a gold explorer to a gold producer.

To ensure that the whole team is focussed on the same objective of delivering the Theta Project (open-cut gold project) into production, the Board has determined that incentive securities issued to Directors and employees should have the same operational performance hurdles instead of the varied share price and performance hurdles in previous Options and Performance Rights. The Board believes that operational performance hurdles are more appropriate incentives and align the interests of the Directors and employees with those of shareholders. To that end, the performance rights currently on issue contain operational performance hurdles focussed on the development and operation of the Theta Project.

Grant Date	Number	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Value at Grant	Vest-ing Date	Expiry Date
28 June 2019	4,200,000	Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 20121) 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	A$0.16	On or before 27 Jun 2024	27 Jun 2024
28 June 2019	4,600,000	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured.	Nil	A$0.16	On or before 27 Dec 2020	27 Jun 2024
28 June 2019	6,850,000	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months.	Nil	A$0.16	On or before 27 Dec 2021	27 Jun 2024
28 June 2019	6,750,000	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months.	Nil	A$0.16	On or before 27 Jun 2023	27 Jun 2024
	22,400,000					

On 5 August 2020, 4,000,000 performance rights held by Mr Robert Thomson lapsed following his resignation as Managing Director.

Short-term incentives
No key management personnel received performance-based bonuses during the financial year.

The table below sets out summary information about the Consolidated Entity's performance for the last five financial years.

		2020	2019	2018	2017	2016
Revenue	USD'000	-	-	-	-	-
Net Loss Before Tax	USD'000	5,490	5,172	4,129	7,346	4,991
Net Loss After Tax	USD'000	5,490	5,172	4,129	7,346	5,250
Basic earnings per share	US cents	(1.3)	(1.6)	(1.8)	(3.9)	(4.0)
Diluted earnings per share	US cents	(1.3)	(1.6)	(1.8)	(3.9)	(4.0)
Share price at start of year[1]	AU cents	16	11	26	10	10
Share price at end of year[1]	AU cents	29	16	11	26	10
Market capitalisation	AUD million	128.1	61.3	28.2	54.5	17.4

[1] On 30 November 2018, shareholders in general meeting approved a 10:1 consolidation of shares and options on issue at that date. For comparative purposes, the basic and diluted earnings per share for the financial years ended 30 June 2016 - 2018 have been presented on a post consolidation basis as if the share consolidation had occurred in the prior financial years.

Details of Remuneration

The following tables detail the components of remuneration for each key management personnel of the Consolidated Entity.

Table of Benefits and Payments

2020	SHORT-TERM BENEFITS		POST-EMPLOYMENT	SHARE-BASED	TOTAL
	Salary/ Director Fees	Consulting fees	Superannuation	Options / Rights	
	USD	USD	USD	USD	USD
Directors					
Charles William Guy	50,369	100,738	-	78,434	229,541
Robert Peter Thomson	175,421	-	14,105	18,142	207,668
Bill Richie Yang	33,580	107,451	-	97,736	238,767
Simon Liu	33,579	-	-	-	33,579
Brett Tang	30,909	-	2,671	48,868	82,448
Finn Stuart Behnken	33,580	-	-	23,176	56,756
Other Key Management Personnel					
Chin Haw Lim	104,634	-	9,570	14,513	128,717
George Tiernan Jenkins	148,180	-	-	58,642	206,822
Total Key Management Personnel	610,252	208,189	26,346	339,511	1,184,298

2019	SHORT-TERM BENEFITS	POST-EMPLOYMENT	SHARE-BASED	TOTAL
	Salary and Fees	Superannuation	Options / Rights	
	USD	USD	USD	USD
Directors				
Charles William Guy	128,807	-	-	128,807
Robert Peter Thomson	178,867	14,690	298,713	492,270
Bill Richie Yang	126,696	-	184,115	310,811
Simon Liu	35,776	-	21,857	57,633
Brett Tang (appointed 3 Jul 2018)	32,497	3,087	-	35,584
Finn Stuart Behnken (appointed 19 Dec 2018)	19,137	-	-	19,137
Trevor Alan Fourie (resigned 30 Aug 2018)	8,943	-	(20,070)	(11,127)
Other Key Management Personnel				
Chin Haw Lim	91,222	8,666	29,718	129,606
George Tiernan Jenkins	143,094	-	66,242	209,336
Total Key Management Personnel	765,039	26,443	580,575	1,372,057

Key management personnel equity holdings

The following tables set out the equity holdings in the Company of key management personnel of the Consolidated Entity. On 30 November 2018, shareholders in general meeting approved a 10:1 consolidation of shares and options on issue at that date. The figures below have been presented on a post consolidation basis.

Fully Paid Ordinary Shares

2020	Balance 1 July 2019	Acquisitions	Disposals	Net other change	Balance 30 June 2020	Balance nominally held
	No.	No.	No.	No.	No.	No.
Directors						
Charles William Guy	795,590	248,333	-	-	1,043,923	1,043,923
Robert Peter Thomson	1,267,875	99,467	-	-	1,367,342	1,367,342
Bill Richie Yang	1,516,168	95,000	-	-	1,611,168	1,611,168
Simon Liu	9,998,948	94,339	-	(2,121,184)	7,972,103	7,972,103
Brett Tang (appointed 3 Jul 2018)	32,825,334	-	-	-	32,825,334	32,825,334
Other Key Management Personnel						
Chin Haw Lim	302,075	-	-	-	302,075	302,075
George Tiernan Jenkins	100,000	-	-	-	100,000	100,000
Total Key Management Personnel	**46,805,990**	**537,139**	-	**(2,121,184)**	**45,221,945**	**45,221,945**

Options and Performance Rights [1]

2020	Balance 1 July 2019	Granted	Lapsed	Net other change	Balance 30 June 2020	Vested and exercisable
	No.	No.	No.	No.	No.	
Directors						
Charles William Guy	4,418,232	-	-	-	4,418,232	418,232
Robert Peter Thomson[2]	5,763,159	-	-	-	5,763,159	263,159
Bill Richie Yang	8,028,947	-	(2,500,000)	-	5,528,947	528,948
Simon Liu	2,879,474	-	(1,500,000)	-	1,379,474	979,474
Brett Tang (appointed 3 Jul 2018)	3,300,000	-	(800,000)	-	2,500,000	-
Finn Stuart Behnken (appointed 19 Dec 2018)	1,200,000	-	-	-	1,200,000	-
Other Key Management Personnel						
Chin Haw Lim	1,200,000	-	-	-	1,200,000	-
George Tiernan Jenkins	3,250,000	-	(250,000)	-	3,000,000	-
Total Key Management Personnel	**30,039,812**	**-**	**(5,050,000)**	**-**	**24,989,812**	**2,189,813**

[1] Performance rights are subject to the performance hurdles set out in the table above under Long-term Incentives
[2] Mr Thomson ceased to be Managing Director of the Company on 5 August 2020 and 4,000,000 performance rights held by him lapsed on that date.

Details of performance rights held by directors and other key management personnel are set out in the table below. The performance rights were granted on 28 June 2019 with a fair value of $0.16 each.

Performance Hurdle/Vesting Condition	Vesting Date	Charles Guy	Robert Thomson	Bill Richie Yang	Brett Tang	Finn Behnken	Chin Haw Lim	George Jenkins	Total
Delineating a total of 300,000 ounces of gold ore reserves (in accordance with the JORC Code 20121) 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).	On or before 27 Jun 2024	800,000	1,100,000	1,000,000	500,000	200,000	-	600,000	4,200,000
Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured.	On or before 27 Dec 2020	800,000	1,100,000	1,000,000	500,000	200,000	400,000	600,000	4,600,000
Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months.	On or before 27 Dec 2021	1,050,000	1,850,000	1,500,000	750,000	400,000	400,000	900,000	6,850,000
Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months.	On or before 27 Jun 2023	1,350,000	1,450,000	1,500,000	750,000	400,000	400,000	900,000	6,750,000
Total		4,000,000	5,500,000	5,000,000	2,500,000	1,200,000	1,200,000	3,000,000	22,400,000

Service contracts

Name	Term	Base salary	Termination payment
Chin Haw Lim, Chief Financial Officer and Company Secretary	From 1 Mar 2017 until terminated	A$150,000 per annum plus statutory superannuation	1 month notice of termination or pay in lieu
George Tiernan Jenkins, Chief Executive Officer (South Africa)	From 1 Mar 2017 until terminated	A$210,000 per annum plus housing and motor vehicle benefits	3 months' notice of termination or pay in lieu plus 3 months' salary in the event of a termination on the grounds of redundancy

Service contracts

Name	Term	Base fee	Consulting fees paid for the year ended 30 June 2020
Charles William Guy, Chairman	Month to month	A$1,200 per day	US$100,738
Bill Richie Yang, Non-Executive Director	Month to month	A$10,000 per month	US$107,451

Other transactions with KMPs

The Company rented office space from an entity owned by Mr Richie Yang, for which the Company paid US$Nil (2019: US$12,978) during the year.

This directors' report, incorporating the remuneration report, has been signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.

For and on behalf of the Board

Charles William Guy
Chairman

Sydney
30 September 2020

9 DIRECTORS' DECLARATION

The directors of Theta Gold Mines Limited declare that:

1. The financial statements and notes, as set out on page 60 to 99, are in accordance with the Corporations Act 2001 and:

   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the 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 as set out in Note 1(iii); and

3. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

   Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Board

Charles William Guy
Chairman

Sydney
30 September 2020

10 AUDITOR INDEPENDENCE DECLARATION

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Theta Gold Mines Limited

As lead auditor for the audit of the financial report of Theta Gold Mines Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

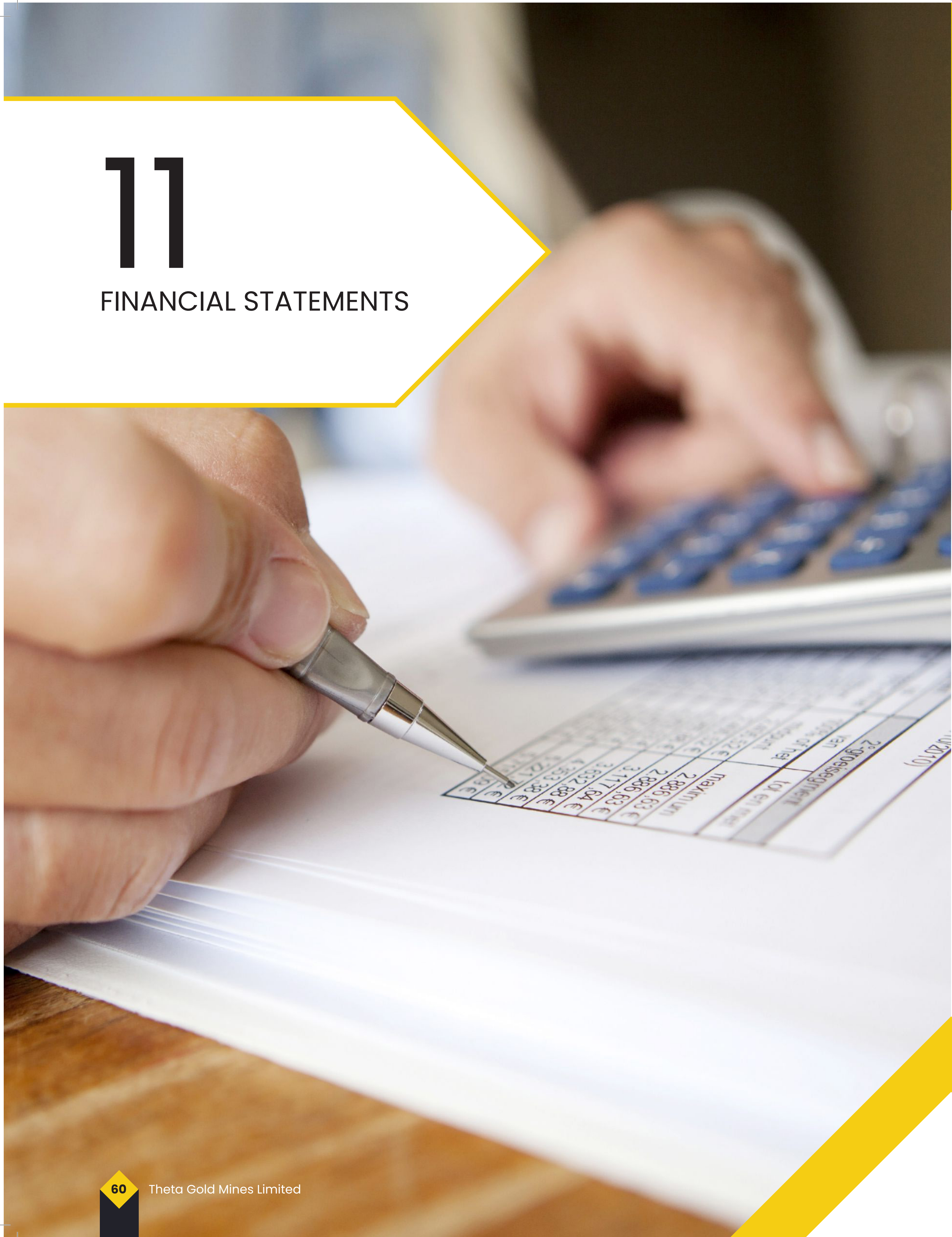
a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Theta Gold Mines Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2020

11
FINANCIAL STATEMENTS



Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2020

	Notes	2020 USD'000	2019 USD'000
Continuing Operations			
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Other income	3a	**231**	314
Finance costs	3b	**(710)**	(646)
Exploration expenses	3c	**(841)**	(1,070)
Operating expenses	3c	**(4,170)**	(3,770)
Loss before tax		**(5,490)**	(5,172)
Income tax expense	25	-	-
Loss for the year		**(5,490)**	(5,172)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**(2,287)**	7
Other comprehensive (loss) / income for the year, net of income tax		**(2,287)**	7
Total comprehensive loss for the year		**(7,777)**	(5,165)
Loss attributable to:			
Equity holders of the parent		**(5,490)**	(5,172)
		(5,490)	(5,172)
Total comprehensive income attributable to:			
Equity holders of the parent		**(7,777)**	(5,165)
		(7,777)	(5,165)
Loss per share			
Basic (cents per share)	6	**(1.3)**	(1.6)
Diluted (cents per share)	6	**(1.3)**	(1.6)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2020

	Notes	2020 USD'000	2019 USD'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**147**	489
Receivables	7	**172**	111
		319	600
Non-current assets held for sale	8	-	64
TOTAL CURRENT ASSETS		**319**	664
NON-CURRENT ASSETS			
Receivables	7	**34**	44
Other receivable	9	**1,235**	1,408
Property, plant and equipment	10	**916**	534
Exploration expenditure	11	**11,379**	12,375
TOTAL NON-CURRENT ASSETS		**13,564**	14,361
TOTAL ASSETS		**13,883**	15,025
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**1,498**	1,757
Provisions	13	**828**	411
Borrowings	14	**5,775**	5,195
TOTAL CURRENT LIABILITIES		**8,101**	7,363
NON-CURRENT LIABILITIES			
Provisions	13	**1,578**	1,688
Borrowings	14	**106**	178
TOTAL NON-CURRENT LIABILITIES		**1,684**	1,866
TOTAL LIABILITIES		**9,785**	9,229
NET ASSETS		**4,098**	5,796
EQUITY			
Issued capital	15	**81,349**	75,629
Reserves	17	**5,373**	7,301
Accumulated losses		**(82,624)**	(77,134)
TOTAL EQUITY		**4,098**	5,796

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2020

2020	Issued Capital USD'000	Equity Reserve USD'000	Asset Revaluation Reserve USD'000	Option Premium on Convertible Notes USD'000	Share based payment reserve USD'000	Foreign Exchange Reserve USD'000	Accumulated Losses USD'000	Total USD'000
Balance 1 July 2019	75,629	7,552	30	198	3,214	(3,693)	(77,134)	5,796
Loss for the period	-	-	-	-	-	-	(5,490)	(5,490)
Other comprehensive income net of income tax	-	-	-	-	-	(2,287)	-	(2,287)
Total comprehensive income	-	-	-	-	-	(2,287)	(5,490)	(7,777)
Reversal of reserve			(30)					(30)
Recognition of share based payments	-	-	-	-	389	-	-	389
Issue of shares	6,115	-	-	-	-	-	-	6,115
Cost of shares issued	(395)	-	-	-	-	-	-	(395)
Balance 30 June 2020	81,349	7,552	-	198	3,603	(5,980)	(82,624)	4,098

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2020

2019	Issue Capital	Equity Reserve	Asset Revaluation Reserve	Option Premium on Convertible Notes	Share based payment reserve	Foreign Exchange Reserve	Accumulated Losses	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance 1 July 2018	67,316	7,552	30	198	2,576	(3,700)	(71,962)	2,010
Loss for the period	-	-	-	-	-	-	(5,172)	(5,172)
Other comprehensive income net of income tax	-	-	-	-	-	7	-	7
Total comprehensive income	-	-	-	-	-	7	(5,172)	(5,165)
Recognition of share based payments	-	-	-	-	584	-	-	584
Issue of options	-	-	-	-	54	-	-	54
Issue of shares	8,714	-	-	-	-	-	-	8,714
Cost of shares issued	(401)	-	-	-	-	-	-	(401)
Balance 30 June 2019	75,629	7,552	30	198	3,214	(3,693)	(77,134)	5,796

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
for the Year Ended 30 June 2020

	Notes	2020 USD'000	2019 USD'000
Cash flows from operating activities			
Payments to suppliers and employees		**(3,014)**	(2,896)
Payments for exploration expenditure		**(618)**	(705)
Interest received		**27**	44
Interest paid		**(18)**	(68)
Income tax paid		**(204)**	-
Net cash flow used in operating activities	21	**(3,826)**	(3,625)
Cash flows from investing activities			
Payments for property, plant and equipment		**(715)**	(4)
Payments for exploration expenditure		**(1,493)**	(2,649)
Payments for loan		**(40)**	-
Proceeds from disposal of property, plant and equipment		**59**	208
Net cash flow used in investing activities		**(2,189)**	(2,445)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**6,115**	6,795
Payments for share issue costs		**(384)**	(194)
Proceeds from borrowings		**62**	324
Repayment of borrowings		**(120)**	(562)
Net cash flow from financing activities		**5,673**	6,363
Net increase / (decrease) in cash and cash equivalents		**(342)**	293
Cash and cash equivalents at beginning of the year		**489**	196
Exchange rate adjustments		**-**	-
Cash and cash equivalents at end of the year		**147**	489

The accompanying notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2020

Note 1: Basis of Preparation of Financial Report

i. Compliance Statement

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of Theta Gold Mines Limited and its controlled entities ("Consolidated Entity"). Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorized for issue in accordance with a resolution of the directors on 23 September 2020.

ii. Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in thousands of USD, unless otherwise noted.

iii. 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$5,490,000 for the year (2019: US$5,172,000), with net cash outflows from operating activities of US$3,826,000 (2019: US$3,625,000). At 30 June 2020, the Consolidated Entity had net current liabilities of US$7,782,000 (2019: US$6,699,000).

Net current liabilities include a loan from Australian Private Capital Investment Group (International) Ltd ("APCIG"), a company associated with Mr Simon Liu, a director of the Company. At 30 June 2020, the loan and accrued interest amounted to US$5,609,000 (2019: US$5,040,000). Note 14(b) outlines the reasons why the loan has been classified as a current liability. As explained in Notes 14(b) and 26(b), the Company has, subsequent to balance date on 23 September 2020, formalised an agreement with the controller of the 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 $4,920,000 is to be paid in the following manner following the novation of the APCIG loan (also refer Note 26(b) for further details):

a. The sum of $3,280,000 by cash payments (Cash Payments) to AFE, Hanhong or Hanhong's nominee; and
b. The sum of $1,640,000 by the issue of shares 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 $4,920,000.

The Company raised US$6,115,000 before issue expenses during the year from share placements to sophisticated investors and continues to be able to raise new funds to support its activities. As disclosed in Note 26, subsequent to balance date, the Company issued 16,667,084 fully paid ordinary shares at A$0.24 per share to raise a further A$4,000,100.

The Company 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 being 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 believe that the Company 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 30 June 2020. 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 Company not continue as a going concern.

i. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Key Judgments and Estimates

Impairment
The carrying amounts of the Consolidated Entity's assets, including capitalized exploration costs (refer Note 11) are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

Following a review during the year and in consultation with an independent property appraiser, the carrying value of land and buildings owned by a controlled entity was written down to its realizable value.

Rehabilitation provision
The provision for rehabilitation and restoration costs is based on significant estimates and assumptions as there are many factors that will affect the ultimate cost payable to rehabilitate the project sites. The provision is based on current costs, current legal requirements and current technology, all of which could change over time. Changes in life of mine plans is another significant factor. The provision is adjusted for inflation each reporting period, however the actual rehabilitation costs can only be determined with certainty when all such factors are known at the appropriate time.

Share based payment
The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date when they are granted. The fair value is determined by an external valuer.

The Company recognises a share-based payment expense based on the fair value of the equity instruments. In determining the expense, significant assumptions and estimates are made including the vesting period and probability of vesting.

Note 2: Summary of Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Theta Gold Mines Limited as at 30 June 2020 and the results of all subsidiaries for the year then ended. Theta Gold Mines Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Control is achieved when the Consolidated Entity:
a) has power over the investee;
b) is exposed, or has rights, to variable returns from its involvement with the investee; and
c) has the ability to use its power to affect its returns.

The Consolidated Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it de-recognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b. Black Economic Empowerment (BEE) Transactions

Where equity instruments are issued to a BEE partner at less than fair value, these are accounted for as share-based payments. The difference between the fair value of the equity instruments issued and the consideration received is accounted for as an expense in profit or loss on the transaction date, with a corresponding increase in equity. No service or other conditions exist for BEE partners. A restriction on the BEE partner to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination of the instrument.

c. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

e. Earnings Per Share

Basic Earnings Per Share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted Earnings Per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

f. Employee Benefit Liabilities

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

g. Exploration and evaluation expenditure

Exploration and evaluation expenditure is capitalised in the accounts in respect to areas of interest for which the rights of tenure are current and where –
(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
(ii) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area are continuing.
Where the expenditure is expected to be recouped through development and economic exploitation of the area of interest, the accumulated costs are transferred to mine properties and amortised over the life of the mine in proportion to the depletion of the economically recoverable mineral reserves.

Costs carried forward in respect of an area of interest which no longer satisfy the above policy are written off in the period in which that decision is made.

Indirect exploration expenditure is expensed in the period it is incurred.

h. Financial Instruments

Classification and measurement

i. Financial Assets

The Consolidated Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.
Debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Consolidated Entity's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').
The classification and measurement of the Consolidated Entity's financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Consolidated Entity's Trade and other receivables,

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Consolidated Entity intends to hold for the foreseeable future and which the Consolidated Entity has irrevocably elected to so classify upon initial recognition or transition.
- Financial assets at FVPL comprise derivative instruments, environmental investment fund and quoted equity instruments which the Consolidated Entity had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Impairment

The Consolidated Entity is required to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated Entity expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Contract assets and Trade and other receivables, the Consolidated Entity applies the standard's simplified approach and calculates ECLs based on lifetime expected credit losses.

For other debt financial assets (i.e., loans and debt securities at FVOCI), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Consolidated Entity considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Consolidated Entity may also consider a financial asset to be in default when internal or external information indicates that the Consolidated Entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Consolidated Entity.

ii. Financial Liabilities

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 23.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

iii. Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Consolidated Entity are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Consolidated Entity's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits/ accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Embedded derivatives are not separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Consolidated Entity's business model.

iv. De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

i. Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates. The consolidated financial statements are presented in United States Dollars (USD); on the basis that the US dollar is the most appropriate base given the Consolidated Entity operates in more than one currency and has a large investor base which operates in a different functional currency to all companies in the Consolidated Entity.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are attributable to part of the net investment in a foreign operation.

ii. Net investments in foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
b) Income and expenses are translated at average exchange rates for the period, and
c) All resulting exchange differences are recognised in other comprehensive income.

j. Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) and South African Revenue Service (SARS).

Receivables and payables are stated inclusive of the amount of GST and VAT receivables or payable. The net amount of GST and VAT recoverable from, or payable to, the ATO and SARS is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO and SARS are presented as operating cash flows and included in receipts from customers or payments to suppliers.

k. Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rate that are expected to apply to the period when the assets is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where (a) a legally enforceable right of set off exists, (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

l. Impairment of Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

m. Leases

The Consolidated Entity assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets
The Consolidated Entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities
A lease liability is recognised at the commencement of the lease. The Consolidated Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Consolidated Entity and payments of penalties for terminating the lease, if the lease term reflects the Consolidated Entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets
The Consolidated Entity applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

n. Non-current assets held for sale

Non-currents assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying value amount and fair value less costs to sell. For non- current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognized for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

o. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Depreciation
The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	16.66%
Plant and machinery	20%
Computer equipment	33.33%
Motor vehicles	20%
Buildings	5%

The assets' carrying amounts and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

p. Provisions

Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

q. Rehabilitation Provision

Estimated long-term environmental provisions, comprising pollution control, rehabilitation, decommissioning and mine closure, are independently calculated by third parties based on current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises.
The provision is based on the estimated cost before salvages, for the Consolidated Entity to rehabilitate the mine sites. The present value of the provision for rehabilitation costs is updated using an average inflation rate during periods when limited environment disturbance is caused.

r. Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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.

s. New or Amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity, the most relevant being AASB 16 Leases.

The Consolidated Entity adopted AASB 16 Leases from 1 July 2019, however there is no financial impact as leases held by the Consolidated Entity are short-term and low value asset leases and the group applied the practical expedients under the standard.

t. Accounting Standards and Interpretations issued but not yet effective

The Consolidated Entity has considered the new Australian Accounting Standards and Interpretations that have been issued (and considered applicable to the Company) but are not yet mandatory and which have not been early adopted by the Company for the reporting period ended 30 June 2020. The new standards that are not yet effective are not expected to have any material impact on the Consolidated Entity in the current or future reporting periods.

u. Comparative figures

Certain comparative figures for the previous financial year, where applicable, have been amended to conform with the current year presentation.

Note 3: Profit /Loss from Operations

	2020 USD'000	2019 USD'000
(a) Other income		
Interest income	**122**	94
Fair value adjustment on convertible note	-	174
Other income	**109**	46
	231	314
(b) Finance Costs		
Loans	**710**	625
Convertible notes	-	21
	710	646
(c) Operating expenses		
Administration expenses	**455**	462
Consultants expenses and professional costs	**694**	310
Employee and contractor expenses	**1,726**	1,452
Depreciation	**31**	54
Share-based payment	**389**	585
Impairment of assets(1)	**204**	996
Other operating expenses	**1,512**	981
	5,011	4,840
Reclassified as Exploration expenses	**(841)**	(1,070)
	4,170	3,770

(1) During the year, an impairment charge was recognised on land and buildings owned by a controlled entity based on independent appraisal. During the previous year, the Company recognized an impairment charge on certain exploration assets, being largely the net book value of the existing TGME gold processing plant, following a re-assessment of its future use.

Note 4: Key Management Personnel Compensation

Details of the remuneration paid or payable to each member of the Consolidated Entity's key management personnel (KMP) are set out in the Remuneration Report contained in the Directors' Report on page 49 to 55.

	2020 USD	2019 USD
Total remuneration paid or payable to KMPs is as follows:		
Short-term employee benefits	**818,441**	765,039
Post-employment benefits	**26,346**	26,443
Share-based payments	**339,511**	580,575
	1,184,298	1,372,057

Note 5: Auditor's Remuneration

	2020 USD	2019 USD
Audit services		
Amounts paid/payable to Ernst & Young for audit or review of the financial statements for the consolidated entity	**103,210**	109,953
Non-audit services		
Amounts paid/payable to Ernst & Young for tax compliance services performed for the consolidated entity	**17,087**	-
	120,297	109,953

There were no other services provided by Ernst & Young other than as disclosed above.

Note 6: Loss per Share

	cent	cent
Basic loss per share	**(1.3)**	**(1.6)**
Diluted loss per share	**(1.3)**	(1.6)
	USD'000	USD'000
Loss used to calculate basic and diluted loss per share	**5,490**	5,172
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	**428,178,692**	328,262,806

Note 7: Receivables

	2020 USD'000	2019 USD'000
Current		
Tax receivable	84	64
Other receivables	88	47
	172	111
Non-current		
Security deposits	**34**	44

The value of receivables considered by the directors to be past due or impaired is nil (2019: nil).

Note 8: Non-Current Assets Held for Sale

	2020 USD'000	2019 USD'000
Land and buildings for sale	-	64

The Consolidated Entity owned two residential properties in South Africa which were non-core assets and were held for sale in the previous year. The properties were sold during the year.

Note 9: Other Receivable

	2020 USD'000	2019 USD'000
Rehabilitation investment fund	**1,235**	1,408

The rehabilitation funds are pledged to a third party as security for the issue of rehabilitation guarantees to the Department of Mineral Resources and Energy in South Africa in support of various mining licenses.

Note 10: Property, Plant and Equipment

	2020 USD'000	2019 USD'000
Land and buildings		
Land and buildings - at cost	472	559
Less accumulated depreciation	(248)	(127)
	224	432
Plant and machinery		
Plant and machinery - at cost	**1,454**	1,014
Less accumulated depreciation	**(785)**	(940)
	669	74

	2020 USD'000	2019 USD'000
Other plant and equipment		
Other plant and equipment - at cost	**152**	170
Less accumulated depreciation	**(129)**	(142)
	23	28
Total Property, Plant and Equipment	**916**	534
Movements:		
Land and buildings		
Opening net book value	**432**	236
Disposals	-	(60)
Depreciation	**(6)**	(11)
Impairment	**(155)**	(2)
Reclassified from/(to) assets held for sale	-	278
Exchange rate effect	**(47)**	(9)
Closing net book value	**224**	432
Plant and machinery		
Opening net book value	**74**	161
Additions	**700**	-
Depreciation	**(14)**	(34)
Impairment	**(5)**	(48)
Exchange rate effect	**(86)**	(5)
Closing net book value	**669**	74
Motor vehicles		
Opening net book value	**28**	21
Additions	**15**	13
Disposals	-	(1)
Depreciation	**(10)**	(4)
Impairment	**(4)**	-
Exchange rate effect	**(6)**	(1)
Closing net book value	**23**	28

Note 11: Exploration Expenditure

	2020 USD'000	2019 USD'000
Exploration expenditure	**11,379**	12,375
Movements:		
Opening net book value	**12,375**	10,771
Additions	**1,426**	2,854
Impairment (refer Note 3)	-	(946)
Exchange rate effect	**(2,422)**	(304)
Closing net book value	**11,379**	12,375

Note 12: Trade and Other Payables

	2020 USD'000	2019 USD'000
Trade payables	**927**	1,168
Accrued expenses	**571**	589
	1,498	1,757

The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged at variable rates per annum on the outstanding balances from certain suppliers.

Note 13: Provisions

		2020 USD'000	2019 USD'000
Current			
Provision for employee benefits		143	117
Provision for audit fees		64	90
Provision for tax penalty	(a)	621	-
Provision for tax		-	204
		828	411
Non-Current			
Provision for rehabilitation	(b)	1,578	1,688
Movements:			
Balance at beginning of year		**1,688**	1,362
Changes in estimate during year		**223**	365
Exchange rate effect		**(333)**	(39)
Balance at end of year		**1,578**	1,688

(a) The provision for tax penalty relates to a penalty assessed by the South African Revenue Service ("SARS") on a subsidiary of the Company in respect to the financial years ended 30 June 2016, 2017 and 2018. The subsidiary had lodged its income tax returns in those years, based on professional advice, on the basis that deductible expenses were available as losses carried forward to be used against future assessable income. However, SARS has determined that the expenditure should have been capitalised as the subsidiary was not in production in those periods and claim the capitalised costs as amortisable costs against future assessable income. Notwithstanding the subsidiary has not utilized any of the losses carried forward, SARS has assessed a penalty of 25% of the tax benefit deemed to have been received by the subsidiary.

The subsidiary is strongly objecting against the penalty assessment, however has made the provision in accordance with accounting standards.

(b) The rehabilitation provision relates to the Consolidated Entity's obligation to restore and rehabilitate areas within its mining tenements where there have been exploration and mining activities in the past. The provision includes costs relating to the decommissioning of the gold processing plant.

A third party has issued an environmental bond in the amount of ZAR25,539,327 (US$1,473,000) in favour of the Department of Mineral Resources and Energy of South Africa as guarantee for the Consolidated Entity's rehabilitation obligations. The guarantee is secured by cash held in the Rehabilitation Investment Fund (Note 9).

Refer to Note 1 for further details.

Note 14: Borrowings

		2020 USD'000	2019 USD'000
Current			
Secured			
Vendor finance	(a)	**62**	32
		62	32
Unsecured			
Loan – related party	(b)	**5,610**	5,057
Loan – unrelated party		**103**	106
		5,713	5,163
Total		**5,775**	5,195
Non-Current			
Secured			
Vendor finance	(a)	**106**	178
		106	178

(a) Vendor finance

The loan is secured by registration of a first covering private bond in favour of the lender, over the property purchased by a controlled entity from the lender in 2014. The loan is repayable over 10 years from August 2014 and interest is payable at the South African prime rate plus 2%.

(b) Loan – related party

In 2013, the Company entered into a loan agreement with Australian Private Capital Investment Group (International) Ltd ("APCIG"), a company associated with Mr Simon Liu, a director of the Company, whereby APCIG lent the Company A$4,000,000 (USD 2,805,200). 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;
(iii) The loan matured on 31 January 2017, however APCIG was party to a standstill agreement with The Australian Special Opportunity Fund, LP pursuant to which it agreed not to demand repayment of the note during the term of the Convertible Security Funding Agreement which terminated on 15 April 2019.

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 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.

As at 30 June 2020, the Company had an unwritten agreement with the controller of the loan, Hanhong Private Equity Management Company Ltd (a company associated with Mr Simon Liu), with regard to the repayment terms of the loan, including the total amount of principal and interest of which was agreed to be a maximum of A$5,000,000.

As the above arrangement was not formalised in writing at balance date, it was not reflected in the accounts at 30 June 2020, and therefore interest continued to be accrued and the full amount is classified as a current liability.

Subsequent to balance date, the Company has 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;
(iii) That the amount of A$4,920,000 is to be repaid in the following manner following the novation of the APCIG loan (refer Note 26(b) for further details):
  a. The sum of $3,280,000 by cash payments to AFE, Hanhong or Hanhong's nominee; and
  b. The sum of $1,640,000 by the issue of shares in the capital of the Company to AFE, Hanhong or Hanhong's nominee.
(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 $4,920,000.

Note 15: Issued Capital

	2020 USD'000	2019 USD'000
Issued and paid up shares	**81,349**	75,629

(a) Consolidation of share capital

On 30 November 2018, shareholders in general meeting approved a 10:1 consolidation of shares and options on issue at that date. Comparative figures for the previous financial year have been presented on a post consolidation basis as if the share and option consolidations had occurred in the previous financial year.

(b) Movements

2020		Number of Shares '000	USD'000
01 Jul 2019	Balance at beginning of year	**383,279**	**75,629**
25 Jul 2019	Share placement	**17,467**	**1,825**
25 Jul 2019	Share placement	**94**	**7**
04 Sep 2019	Share placement	**9,200**	**936**
30 Sep 2019	Share placement	**26,667**	**2,699**
16 Jan 2020	Exercise of options	**300**	**39**
29 Apr 2020	Shares placement	**4,650**	**608**
	Less: Share issue expenses		**(394)**
30 Jun 2020	Balance at end of year	**441,657**	**81,349**

2019		Number of Shares '000	USD'000
01 Jul 2018	Balance at beginning of year	256,155	67,316
14 Aug 2018	Share placement	454	36
14 Aug 2018	Shares in settlement of director fees	3,543	236
23 Aug 2018	Share placement	10,000	734
23 Aug 2018	Shares in settlement of director fees	289	40
05 Sep 2018	Conversion of convertible note	25,143	1,623
19 Sep 2018	Share placement	5,556	363
03 Oct 2018	Share placement	15,556	1,003
23 Nov 2018	Share placement	17,222	1,123
31 Jan 2019	Share placement	22,778	1,492
24 Apr 2019	Share placement	5,556	352
09 May 2019	Shares placement	18,868	1,395
09 May 2019	Share in settlement of debt	272	20
11 Jun 2019	Collateral shares sold	-	158
28 Jun 2019	Share placement	1,887	140
	Less: Share issue expenses		(402)
30 Jun 2019	Balance at end of year	383,279	75,629

Ordinary Shares

At a general meeting, on a show of hands, each shareholder present and each other person present as a proxy, attorney or corporate representative of a shareholder and entitled to vote has one vote. On a poll, each shareholder present and each other person present as a proxy, attorney or corporate representative of a shareholder and entitled to vote:

(i) has one vote for each fully paid share held; and

(ii) has for each share which is not fully paid a fraction of a vote equivalent to the proportion which the amount paid up, but not credited as paid up, on that share bears to the total of the amounts paid and payable (excluding amounts credited) on that share.

Fully paid ordinary shares carry a right to dividends and upon the winding up of the Company.

Capital management

The Consolidated Entity's funding requirements are largely sourced from equity raisings. Its objectives in capital management are to ensure that it can meet its debts and commitments as and when they fall due and to maintain an optimal capital structure to reduce the cost of capital.

Note 16: Options and Performance Rights

		2020 Number '000	2019 Number '000
Listed options (ASX: TGMO)	16(b)	**33,755**	31,430
Unlisted options	16(c)	**3,329**	13,893
Unlisted performance rights	16(d)	**25,200**	24,700
		62,284	70,023

	2020 Number '000	2019 Number '000
a) Movements		
Balance at beginning of year	**70,023**	67,364
Listed options issued	**2,325**	3,832
Unlisted options issued	**2,325**	604
Unlisted options exercised	**(300)**	-
Unlisted options cancelled	-	(17,750)
Unlisted options lapsed	**(12,589)**	(6,627)
Performance rights issued	**500**	24,700
Performance rights cancelled	-	(2,100)
Balance at end of year	**62,284**	70,023

b) Listed Options

	2020 Number '000	2019 Number '000	Expiry date	Exercise price
Listed Options	**33,755**	**31,430**	**31 Oct 2020**	**A$0.30**

c) Unlisted Options

Grant date	2020 Number '000	2019 Number '000	Expiry date	Exercise price
19 Oct 2016	-	1,050	12 Oct 2019	A$0.15
19 Oct 2016	-	3,000	12 Oct 2019	A$0.20
19 Oct 2016	-	3,500	12 Oct 2019	A$0.40
18 Jan 2017	-	1,000	18 Jan 2020	A$0.25
18 Jan 2017	-	1,000	18 Jan 2020	A$0.30
22 Feb 2017	-	222	15 Aug 2019	A$0.30
22 Feb 2017	-	615	21 Aug 2019	A$0.30
22 Feb 2017	-	274	01 Sep 2019	A$0.30
20 Jul 2017	-	500	19 Jul 2019	A$0.25
20 Jul 2017	-	1,000	22 Aug 2019	A$0.30
20 Jul 2017	-	-	30 Apr 2020	A$0.20
20 Jul 2017	-	-	19 Jul 2022	A$0.25
20 Jul 2017	-	-	19 Jul 2022	A$0.30
20 Jul 2017	**200**	200	19 Jul 2022	A$0.35
20 Jul 2017	**200**	200	19 Jul 2022	A$0.40
16 Jan 2018	-	728	15 Jan 2020	A$0.19
14 Aug 2018	**604**	604	13 Aug 2020	A$0.19
29 Apr 2020	**2,325**	-	27 Apr 2022	A$0.40
	3,329	13,893		
Weighted average exercise price	**A$0.36**	A$0.28		

During the year, the Company issued 2,325,000 listed options (ASX: TGMO) and 2,325,000 unlisted options exercisable at A$0.40 on or before 27 April 2022, as free attaching options in connection with a share placement on the basis of 1 listed and 1 unlisted option for every 2 shares issued under the placement.

d) Unlisted Performance Rights

Grant date	2020 Number '000	2019 Number '000	Expiry date	Exercise price
28 Jun 2019	**24,700**	24,700	27 Jun 2024	na
26 Sep 2019	**500**	-	27 Jun 2024	na
	25,200	24,700		

Grant Date	Number '000		Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Value at Grant	Vesting Date	Expiry Date
	2020	2019					
26 Sep 2019	**50**	-	All systems, licences, insurances, regulatory and statutory compliance in place to meet South Africa Mining regulations, laws, Mining Charter 111, commercial contacts. (Mine ready).	Nil	A$0.155	On or before 27 Jun 2024	27 Jun 2024
28 June 2019	**4,670**	4,670	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	A$0.16	On or before 27 Jun 2024	27 Jun 2024
28 June 2019 26 Sep 2019	**5,070** **300**	5,070 -	Decision to Mine (Board approval to commence development of a gold mining operation) with all regulatory approvals secured.	Nil	A$0.16 A$0.155	On or before 27 Dec 2020	27 Jun 2024
28 June 2019 26 Sep 2019	**7,530** **100**	7,530 -	Achieving annualised production of 50,000 ounces of gold per annum over a consecutive period of 3 months.	Nil	A$0.16 A$0.155	On or before 27 Dec 2021	27 Jun 2024
28 June 2019 26 Sep 2019	**7,430** **50**	7,430 -	Achieving annualised production of 100,000 ounces of gold per annum over a consecutive period of 3 months.	Nil	A$0.16 A$0.155	On or before 27 Jun 2023	27 Jun 2024
	25,200	24,700					

Fair value of performance rights granted

The fair value of the 500,000 performance rights granted during the year were estimated based on the following assumptions –

Valuation date	26 Sep 2019
Market price per share	$0.155
Exercise price	Nil
Expiry date	27 June 2024
Indicative value per performance right	$0.155

Note 17: Reserves

	2020 USD'000	2019 USD'000
Equity reserve	**7,552**	7,552
Asset revaluation reserve	-	30
Option premium reserve	**198**	198
Share-based payment reserve	**3,603**	3,214
Foreign currency translation reserve	**(5,980)**	(3,693)
	5,373	7,301

(a) The equity reserve recognises the value of share-based payments made on the transfer of shares to BEE entities and includes the equity portion of related party loan not extended on market related terms.
(b) The asset revaluation reserve is used to recognise the fair value of the entity's residential property.
(c) The option premium on convertible notes represents the equity component (conversion rights) of the convertible notes issued.
(d) The share-based payment reserve is used to recognise the value of options and performance rights granted.
(e) The foreign currency translation reserve records exchange differences arising on translation of financial statements of foreign controlled entities.

Note 18: Capital Commitments

Exploration
The Consolidated Entity has certain obligations to perform work in accordance with work programmes, as approved by the relevant statutory body, when the permits are granted. These work programmes may be varied or renegotiated or reduced by farm-out, sale, reduction of tenement area and/or relinquishment.

Note 19: Contingent Liability

(i) Dispute with the Association of Mineworkers and Construction Union

As reported in previous years, a subsidiary of the Company was in dispute with the Association of Mineworkers and Construction Union (AMCU) in South Africa relating to an allegation of unfair dismissal. The employees were claiming re-instatement with back pay as compensation for their alleged unfair dismissal. The matter was settled during the year.

Note 20: Operating Segments
Segment Information

The Consolidated Entity's operations are located in Australia where it has its corporate office and in South Africa where it is involved in gold exploration.

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

Note 21: Cash Flow Reconciliation

	2020 USD'000	2019 USD'000
a. Reconciliation of Cash Flow used in Operating Activities with Loss for the Year		
Loss from ordinary activities after income tax	**(5,490)**	(5,172)
Non-cash items in loss from ordinary activities		
Impairment and depreciation	**235**	1,050
Exploration expenditure	**223**	359
Finance costs	**693**	532
Interest income	**(95)**	(94)
Share-based payment	**389**	584
Tax paid	**(204)**	-
(Gain)/ Loss on financial instrument	**-**	(174)
Unrealised exchange (gain)/loss	**78**	-
	(4,171)	(2,915)
Changes in assets and liabilities		
(Increase) / Decrease in accounts receivable	**(52)**	42
(Decrease) / Increase in provisions	**621**	28
Decrease in trade creditors and accruals	**(224)**	(780)
	345	(710)
Net cash flow used in operating activities	**(3,826)**	(3,625)

b. Non-Cash Financing Activities

Conversion of convertible note	-	1,623
Issue of shares in satisfaction of director fees/salaries	-	276
Issue of shares in satisfaction of outstanding debt	-	20
	-	1,919

Note 22: Related Party Transactions

Parent entity

Theta Gold Mines Limited is the parent entity of the group.

Subsidiaries

Interests in subsidiaries are set out in Note 24.

Transactions with related parties

Transactions with related parties are on normal commercial terms and conditions, except for the loan from Australian Private Capital Investment Group (International) Ltd (refer Note 14(b).

Director and director-related entities

(a) Fully paid ordinary shares
Following shareholders' approval at a general meeting on 28 June 2019, Mr Simon Liu subscribed for and was issued 94,339 shares at A$0.106 per share for total subscription of A$10,000.

(b) The Company rented office space from an entity associated with Mr Richie Yang, for which the Company paid USD Nil (2019: USD12,978) during the year.

Key management personnel

Remuneration of key management personnel are disclosed in Note 4 and the Remuneration Report.

Note 23: Financial Instruments

a. Financial Risk Management Policies

The Consolidated Entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans from related parties.

(i) Treasury Risk Management

The Consolidated Entity's overall risk management strategy seeks to assist the Consolidated Entity in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

(ii) Capital management

The primary objective of the Consolidated Entity's capital management is to ensure that it is able to continue as a going concern and able to meet its debts as and when they become due and payable. It aims to maintain an optimal capital structure to reduce the cost of capital.

(iii) Sensitivity Analysis

Interest Rate Risk and Foreign Currency Risk

The Consolidated Entity has performed sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at the reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The Consolidated Entity's exposure to change in interest rates relates primarily to interest bearing borrowings. Borrowings issued at a variable rate expose the Consolidated Entity to interest rate risk.

The Consolidated Entity's variable interest bearing financial liabilities outstanding at year-end totalled USD168,000 (2019: USD210,000). An increase/decrease in interest rates of 2% would have an adverse/favourable effect on loss before tax of USD4,000 (2019: USD5,000) per annum. The percentage change is based on the potential volatility of interest rates.

Foreign Currency Risk Sensitivity Analysis

The Consolidated Entity undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

At year end the Consolidated Entity was exposed to currency fluctuations between the presentation currency, being US Dollars (USD) and Australian Dollars (AUD) and South African Rand (ZAR). Exchange rate exposures are managed within approved internal policy parameters.

The carrying amounts of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out below.

Assets

	2020 USD'000	2019 USD'000
South African Rand (US dollar equivalent)		
Cash	**49**	129
Receivables	**104**	101
Other receivable	**1,235**	1,408
	1,388	1,638
Australian dollars (US dollar equivalent)		
Cash	**97**	360
Receivables	**102**	54
	199	414

Liabilities

	2020 USD'000	2019 USD'000
South African Rand (US dollar equivalent)		
Trade and other payables	**698**	944
Provisions	**2,299**	1,997
Borrowings	**168**	210
	3,165	3,151
Australian dollars (US dollar equivalent)		
Trade and other payables	**907**	813
Provisions	**106**	102
Borrowings	**5,712**	5,163
	6,725	6,078

Based on the financial instruments held, the Consolidated Entity's total equity would have been USD 465,000 higher / lower (2019: USD 367,000 higher / lower) with a 10% increase / decrease in the US Dollar against the South African Rand and Australian Dollar.

a. Financial Instruments

(i) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the settlement period for all other financial instruments.

2020

	Less than 1 year	1-5 years	Longer than 5 years	Total
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Cash and cash equivalents	147	-	-	147
Trade and other receivables	206	-	-	206
Other financial assets	-	-	-	-
Other receivable		-	1,235	1,235
Total	353	-	1,235	1,588
Financial liabilities				
Trade and other payables	1,498	-	-	1,498
Bank overdraft	-	-	-	-
Borrowings	165	106	-	271
Other financial liabilities	-	-	-	-
Finance leases	-		-	-
Loans from related parties	5,610	-	-	5,610
Total	7,273	106	-	7,379

2019

	Less than 1 year	1-5 years	Longer than 5 years	Total
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Cash and cash equivalents	489	-	-	489
Trade and other receivables	155	-	-	155
Other financial assets	-	-	-	-
Other receivable	1,408	-	-	1,408
Total	2,052	-	-	2,052
Financial liabilities				
Trade and other payables	1,757	-	-	1,757
Bank overdraft	-	-	-	-
Borrowings	138	178	-	316
Other financial liabilities	-	-	-	-
Finance leases	-		-	-
Loans from related parties	5,057	-	-	5,057
Total	6,952	178	-	7,130

Note 24: Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. Refer to Note 2 for a summary of the significant accounting policies relating to the Consolidated Entity.

Set out below is the supplementary information about the parent entity, Theta Gold Mines Limited.

Statement of profit or loss and other comprehensive income.

	Parent	
	2020	2019
	USD'000	USD'000
Loss after income tax	**(6,905)**	(6,987)

Statement of financial position

	Parent	
	2020	2019
	USD'000	USD'000
Assets		
Total current assets	**199**	414
Total non-current assets	**90**	92
Total assets	**289**	506
Liabilities		
Total current liabilities	**6,619**	6,078
Total non-current liabilities	**-**	-
Total liabilities	**6,619**	6,078
Equity		
Issued capital	**96,535**	92,905
Reserves	**3,586**	3,265
Accumulated losses	**(106,451)**	(101,741)
Total equity	**(6,330)**	(5,571)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 (2019: Nil).

Capital commitments
The parent entity had no capital commitments as at 30 June 2020 (2019: Nil).

Significant accounting policies
Investments in subsidiaries are recorded at cost, less any impairment adjustments. Except for the foregoing, the accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in Note 2.

The consolidated financial statements incorporate the assets, liabilities and results of Theta Gold Mines Limited and the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Country of incorporation	Equity holding 2020 %	2019 %
Theta Gold SA (Pty) Ltd (formerly Stonewall Mining (Proprietary) Limited) and its subsidiaries -	South Africa	**100**	100
- Transvaal Gold Mines Estates Limited*	South Africa	**74**	74
- Sabie Mines (Proprietary) Limited*	South Africa	**74**	74
- Vanaxe Share Block Pty Ltd	South Africa	**74**	74
- TGME Exploration Company 1 (Pty) Ltd	South Africa	**100**	-
- TGME Exploration Company 2 (Pty) Ltd	South Africa	**100**	-
Warrinen Pty Ltd	Australia	-	100

* Theta Gold SA (Pty) Ltd (formerly Stonewall Mining (Proprietary) Ltd) entered into a share sale agreement with TGME Empowerment Company Proprietary Limited (TGME SPV) dated 11 June 2012 in terms of which it sold 330,234 shares in Transvaal Gold Mines Estates Limited (TGME) (26% of the shares) to the TGME SPV for a nominal amount. Thus one share was issued by TGME to the TGME SPV on 30 October 2012. This is consolidated into TGME as TGME controls the SPV.

Theta Gold SA (Pty) Ltd entered into a share sale agreement with African Sun Empowerment Company Proprietary Limited (Sabie SPV) dated 11 June 2012 in terms of which it sold 40,299 shares in Sabie (26% of the shares) to the Sabie SPV for a nominal amount. Thus one share was issued by Sabie to the Sabie SPV on 30 October 2012. This is consolidated into Sabie as Sabie controls the SPV.

Warrinen Pty Ltd was a dormant entity with no operations, assets or liabilities.

Note 25: Income tax expense

	2020 USD'000	2019 USD'000
Loss before income tax expense	**(5,490)**	(5,172)
Prima facie (tax benefit) / expense on loss from ordinary activities before income tax at 27.5% (2019: 27.5%)	**(1,510)**	(1,422)
Effect of expenses that are not deductible in determining taxable income	**1,991**	384
Effect of different tax rates of group entities operating in different jurisdictions	**(35)**	(33)
Effect of temporary differences and / or tax losses not recognised	**(446)**	1,071
Income tax expense recognised in profit or loss	-	-

Unrecognised deferred tax balances		
Unused tax losses for which no deferred tax asset has been recognised	**10,464**	10,657
Unredeemed capex for which no deferred tax asset has been recognised	**16,572**	15,701
	27,036	26,358

No deferred tax asset has been recognised as it is currently not probable that future taxable profits will be available to realize the asset in the foreseeable future. Potential deferred tax assets on carry forward losses are shown above.

Note 26: Events after Balance Date

(a) Share Placement

Subsequent to balance date, the Company raised A$4,000,100 from a share placement of 16,667,084 fully paid ordinary shares at an issue price of A$0.24 per share.

(b) Loan – related party

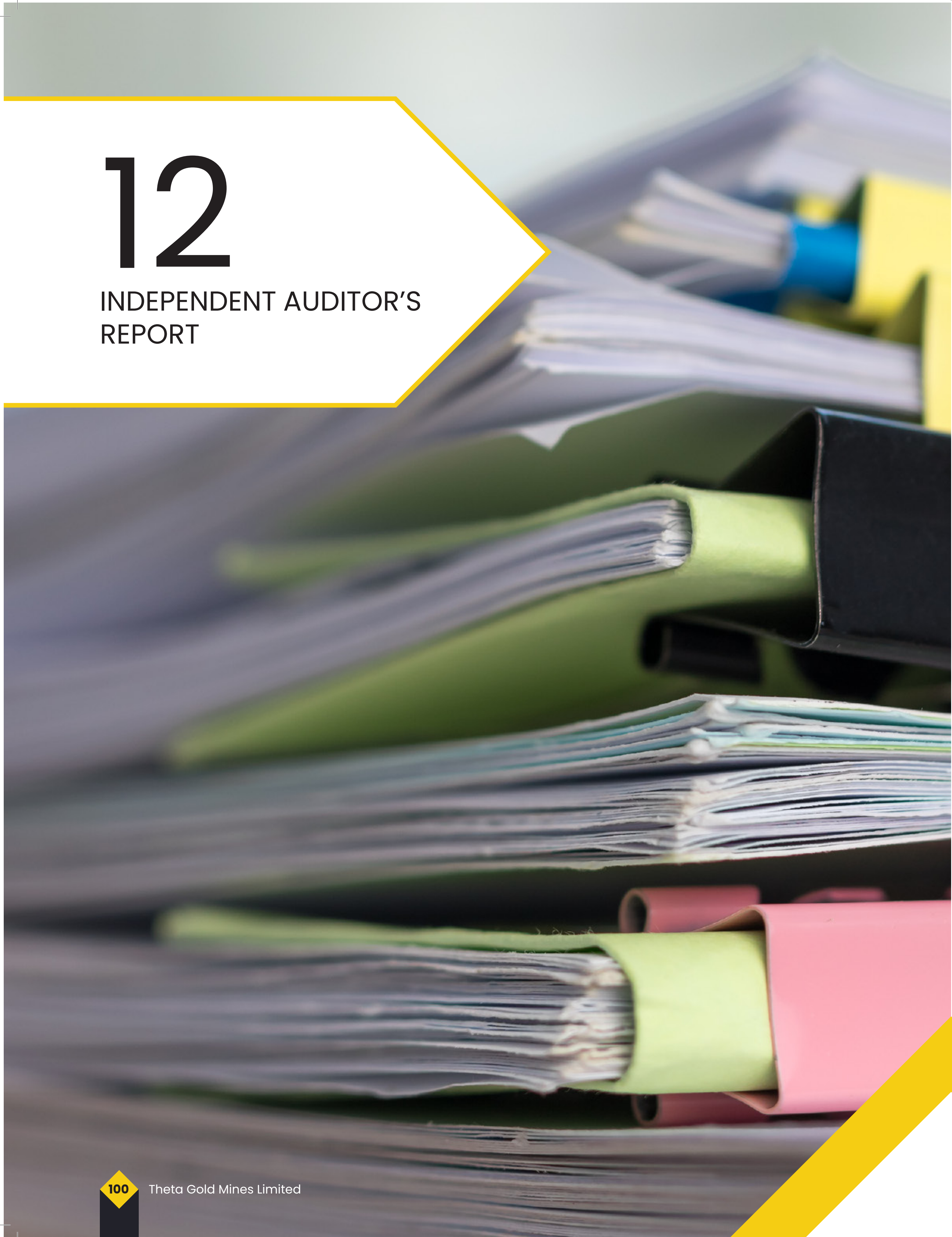
Note 14 refers to a loan from Australian Private Capital Investment Group (International) Ltd ("APCIG"), a company associated with Mr Simon Liu, a director of the Company.

Subsequent to year end, on 23 September 2020 the Company has 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 $4,920,000 is to be paid in the following manner:

a. The sum of $3,280,000 by cash payments (Cash Payments) to AFE, Hanhong or Hanhong's nominee; and
b. The sum of $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 $4,920,000.



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INDEPENDENT AUDITOR'S REPORT

EY
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Independent Auditor's Report to the Members of Theta Gold Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Theta Gold Mines Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubts about the entity's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
Capitalised exploration and evaluation assets are the Group's most significant asset. The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. At each reporting date the Directors' assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with AASB 6 involved judgment, including whether; the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. Due to the value of the exploration and evaluation asset and the subjectivity involved in assessing indicators of impairment, this was a key audit matter. Refer to Note 1 (iv), *Critical Accounting Estimates and Judgements,* Note 2 (g) *Exploration and evaluation expenditure* and Note 11 *Exploration Expenditure* to the financial statements for the amounts held on the balance sheet by the Group as at 30 June 2020 and related disclosure.	Our procedures to address the Group's assessment of the carrying value of exploration and evaluation assets included: ‣ consideration of the Company's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation such as license agreements; ‣ consideration of the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area; ‣ assessment of recent exploration and evaluation activity in the relevant license area and whether there is sufficient information for a decision to be made that an area of interest is not commercially viable; and ‣ considered the adequacy of disclosures included within Note 1 (iv), Note 2 (g) and Note 11 of the financial report.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 49 to 55 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Theta Gold Mines Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2020

13 SHAREHOLDERS INFORMATION

As at 23 September 2020

1. Issued securities

	Ordinary shares (ASX: TGM)	Listed Options (ASX: TGMO)	Unlisted Options	Performance rights
Number on issue	458,919,457	33,754,663	2,325,000	21,200,000

2. Distribution of Shareholders

Holdings Ranges	Holders	Total Units	%
1 - 1,000	131	74,285	0.02
1,001 - 5,000	184	617,965	0.13
5,001 - 10,000	110	903,320	0.20
10,001 - 100,000	274	10,729,654	2.34
100,001 +	122	446,4594,233	97.31
Totals	**821**	**458,919,457**	**100.00**

3. Substantial Shareholders

The substantial shareholders in the Company are -

Name	Number of shares	%
Fineway Creation Limited	67,070,707	15.36
Zenith (HK) Holding Limited	46,645,701	10.68
Xinzhou Li	44,133,334	9.62
Tasman Funds Management Pty Ltd	32,730,995	7.13
Golden Asia Investment Group Limited	31,127,805	6.78

4. Non-Marketable Parcels

A non-marketable parcel is a shareholding with a market value of less than $500. There were 153 shareholders with non-marketable parcels.

5. On-Market Buy-back

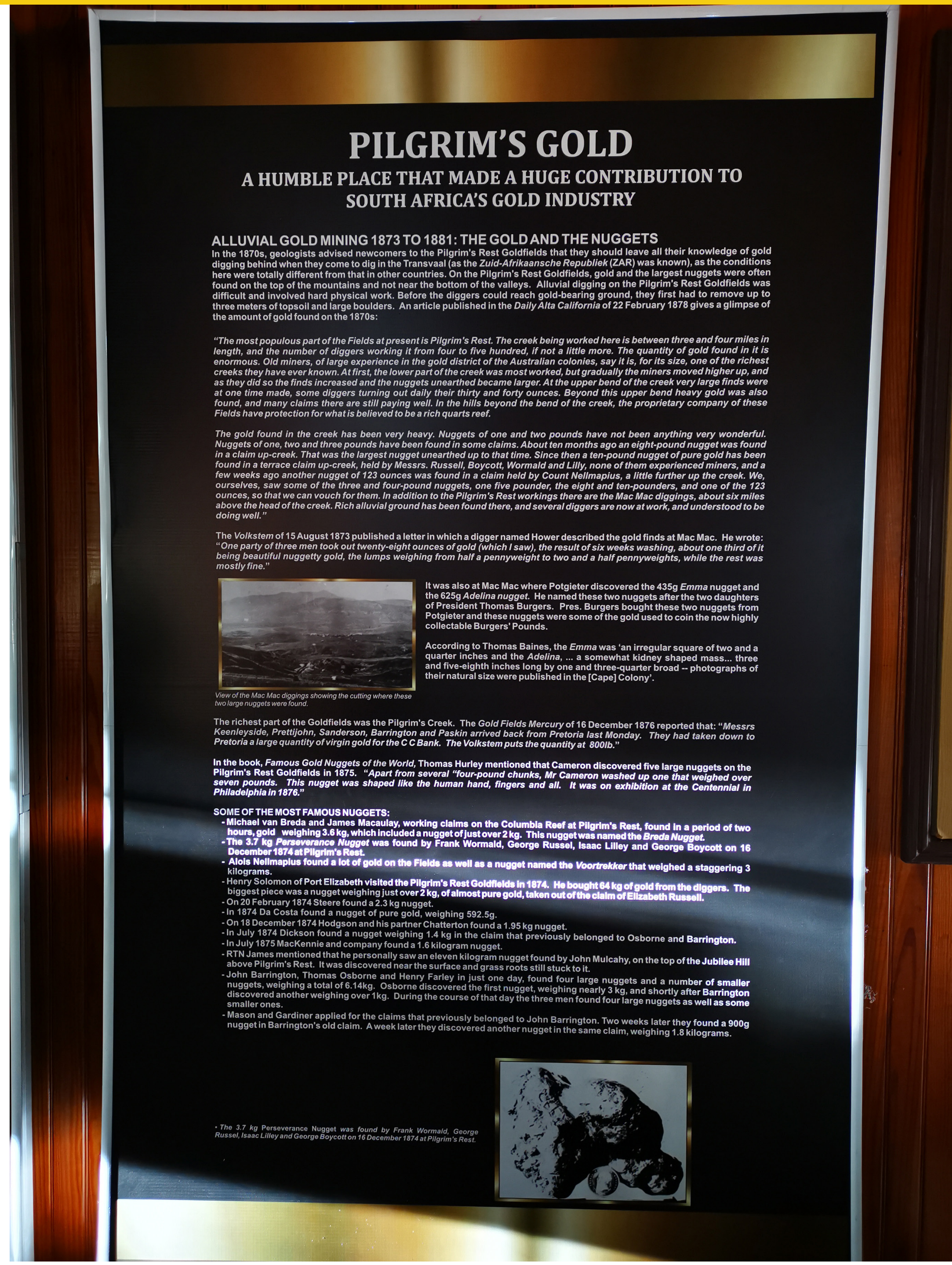
There is no current on-market buy-back.

6. **Voluntary Escrow**

Class	Number of shares	Expiry date
Ordinary shares	53,333,334	31 Dec 2020

7. **Top 20 shareholders**

Holder Name	Number of shares	Expiry date
Fineway Creation Limited	67,070,707	14.62%
Zenith (HK) Holding Limited	46,645,701	10.16%
Mr Xinzhou Li	44,133,334	9.62%
Tasman Funds Management Pty Ltd	32,730,995	7.13%
Golden Asia Investment Group Ltd	31,127,805	6.78%
Citicorp Nominees Pty Limited	25,941,741	5.65%
High Gift Investments Ltd	23,015,179	5.02%
JP Morgan Nominees Australia Limited	20,125,639	4.39%
Best Wealth Winner Limited	19,555,556	4.26%
BNP Paribas Nominees Pty Ltd <UOB KH P/L AC UOB KH Drp>	15,220,000	3.32%
Monex Boom Securities (HK) Ltd <Clients Account>	11,554,476	2.52%
Blonde Mile International Limited	10,263,158	2.24%
Qinglong Fan	9,200,000	2.00%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	8,097,323	1.76%
Goldenroc International (Hong Kong) Limited	8,092,368	1.76%
Khan International Limited	5,569,339	1.21%
Murray SA Investment Pty Ltd <Murray SA Investment A/C>	5,296,373	1.15%
China Tonghai Securities Ltd	5,215,000	1.14%
HSBC Custody Nominees (Australia) Limited	4,833,358	1.05%
Hanhong New Energy Holdings Ltd	4,527,105	0.99%
	398,215,157	**86.77%**



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CORPORATE DIRECTORY

DIRECTORS Non-Executive Chairman Charles William Guy Non-Executive Directors Robert Peter Thomson Bill Richie Yang Finn Stuart Behnken Yang (Simon) Liu Guyang (Brett) Tang	**SHARE REGISTRY** Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000 Australia Tel: 1300 737 760 (within Australia) +61 2 9290 9600 (outside Australia) Fax: +61 2 9290 9655
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AUDITOR Ernst & Young 200 George Street Sydney NSW 2000 Australia	**AUSTRALIAN BUSINESS NUMBER** 30 131 758 177

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