

Digging gold out of the Bushveld

Theta Gold Mines Limited (ASX:TGM) is a gold developer targeting transitioning to producer by early CY27. TGM is currently completing site clearance and preparation works which will enable construction of a new gold plant once full funding has been finalised. TGM has secured credit approval for a US\$35m debt facility with broader commercial bank syndication in process whilst the contractor for the gold plant has provided a staggered US\$30m payment schedule which further reduces the required upfront equity contribution. Post the decision to mine the TGME Gold Mine Project, the company has commenced bulk earth works and initial civil engineering activities at site. Current cash on hand is ~A\$8.3m as of 1 July 2025 and provides the company with the funding to continue progressing site activities.

Business model

TGM's business model has been to explore and progress the development of the Transvaal Gold Mining Estates Limited (TMGE) tenements towards production. TMGE holds several contiguous licences on the eastern side of the Bushveld complex in South Africa and hosts a JORC-compliant gold resource of ~6.1Moz of which ~4.5Moz is attributable to underground mining domains.

A Feasibility Study (FS) was released in July 2022 which detailed a mining operation that can produce 80-100koz p.a. for ~13 years from four mining fronts. At a gold price of US\$1,642/oz, the FS gives a post-tax NPV10 of US\$219m which increases to US\$400m at a gold price of US\$2,200/oz. The FS also highlighted a scenario whereby production can be further expanded to 160koz p.a. An update of the Feasibility Study (FS) is expected in 3Q25.

Development and exploration activity

Post the decision to mine in June 2025, TGM continues to progress site, contractual and funding programs to support the commencement of full construction of the project and includes:

- Complete an updated FS due 3Q CY25;
- Complete site clearing and preparation activities 3Q CY25;
- Secure the final approval being the Mining Right (MR) for the Rietfontein mine;
- Secure remaining equity funding and finalise debt funding with co-lender; and
- Transition final quotes into equipment, services and other site contracts

Once all these items are in hand, TGM can complete construction which is targeted for CY26. One key risk to the outcomes of a mining operation is securing the mining right at the Rietfontein mine; however, whilst important, it represents only ~25% of planned production.

We note that TGM has been able to regularly raise capital to support ongoing development activity despite periods when it was difficult to do so for a junior resources company. We also highlight that since CY23, TGM has put over ~50% of its spending into exploration and development activities.

Peer comparisons

Against 22 peers (refer to page 5 of this report), TGM trades below both the average and median when assessed on an EV/oz basis. The peer set comprises companies at various development stages with higher valued peers typically at more advanced stages of feasibility or entering production. This suggests that the market capitalisation of TGM can materially re-rate should the company successfully enter production.

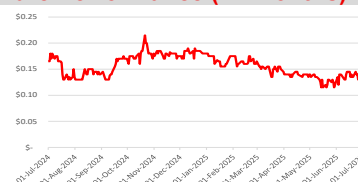
Precious Metals

2 July 2025

Share Details

ASX code	TGM
Share price (1-July)	\$0.13
Market capitalisation	\$120.7M
Shares on issue	928.6M
Options @\$0.12-\$0.50	108.5M
Rights	18.3M
Net Cash/(Debt) 30-06-25	(\$0.6M)
Free float	49%

Share Performance (12 months)



Upside Case

- Securing full funding to enable the completion of construction - targeting first cash flows in CY27
- Completing the expansion case highlighted in the feasibility study
- Rerating of South African sovereign risk with new government of unity (ANC/DA)

Downside Case

- Failure to secure the requisite approvals for the Rietfontein mine
- Significant negative revision in capex and upfront funding requirements
- General South African sovereign risk

Board and Management

Bill Guy	Executive Chairman
Richie Yang	Non-Executive Director
Byron Dumpleton	Non-Executive Director
Brett Tang	Non-Executive Director
Jacques du Triou	COO

Company Contacts

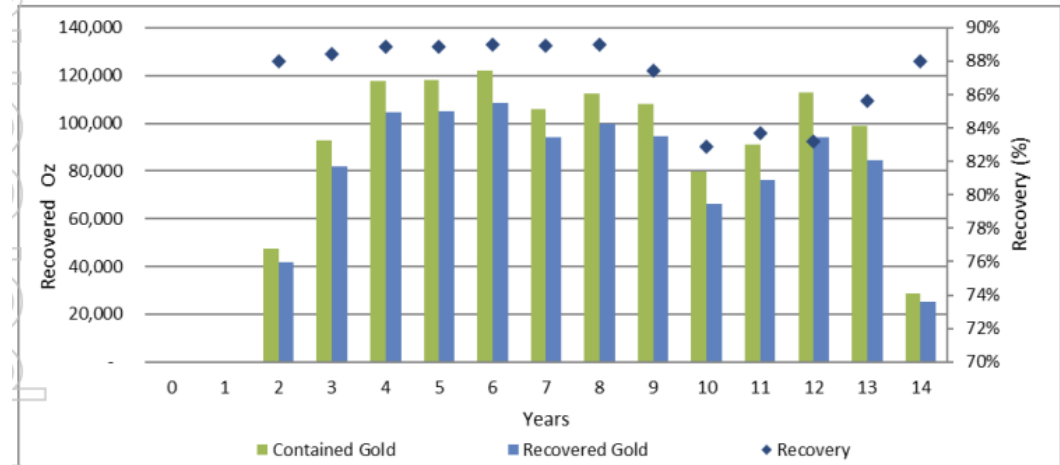
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reserve and base-case mining feed comes from the Beta and Rietfontein mines. Under the proposal, mining would ramp up over 41 months to a steady state production and processing level of 540ktpa (45ktpm) and with a recovery of ~87% results in gold production of 80-100koz p.a.

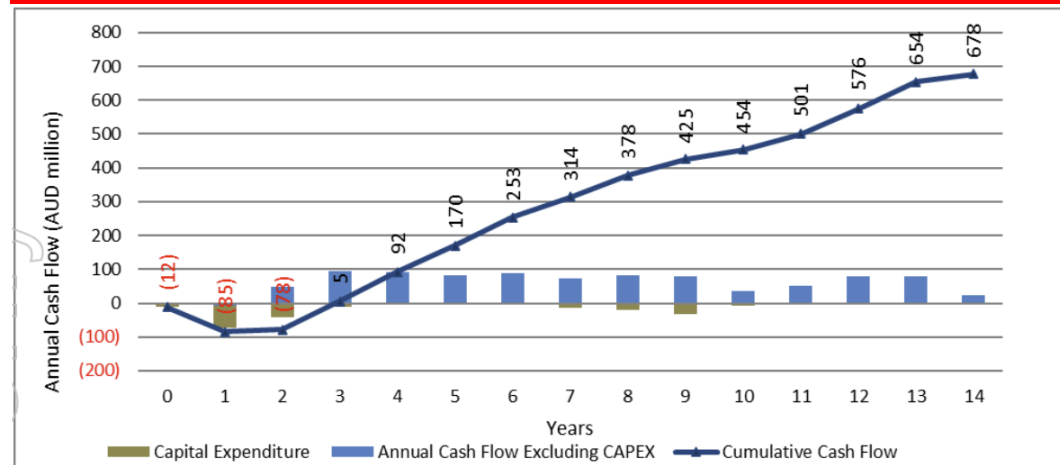
Exhibit 2: FS production profile



Source: Company release, July 2022

The peak capital requirement for the mine is estimated at US\$77m whilst the All-in Sustaining Cost (AISC) is estimated at an average of US\$834/oz, which when using a gold price of US\$1,642/oz results in a post-tax NPV10 of US\$219m and an IRR of 57%. At a gold price of US\$2,200/oz (highest level in the report), the NPV10 and IRR increase to US\$400m and 87% respectively.

Exhibit 3: FS cash-flow profile



Source: Company release, July 2022

The study also highlighted future expansion opportunities which could enable production from a further three mining centres that could support an increase in mining and processing rates from 540ktpa to 960ktpa (80ktpm) and gold production of up to 160koz p.a. This expansion is expected to be funded through cash flows generated by the base-case mine plan as per the FS.

In the intervening period since the release of the FS in July 2022, TGM has continued to progress the project on several fronts being approvals, contractors and funding.

Approvals for mining were secured in [March 2024](#) with the public hearing phase leading into the approval demonstrating strong support for mining to go ahead. The Mining Right (MR) 83 for mining operations covers the Beta, CDM and Frankfort mines which are three of the four mines in the FS and cover ~75% of planned production. MR 83 covers all aspects of the project and the three mining fronts such as the gold plant, water use, tailings, environmental rehabilitation, and the social and labour plan. Only the Rietfontein mine (MR 358) was excluded and falls under a separate ongoing approval process.

In [June 2025](#), TGM announced approval for debt funding of up to US\$35m with supportive terms including an 18-month capital and interest moratorium which means that TGM doesn't start paying off the loan until the mine is operational and generating cash flows, thus reducing the upfront working capital requirements.

With a large portion of the [US\\$30m EPCM cost](#) for the gold plant under a deferred payment plan and up to US\$35m in debt funding, this leaves TGM in a good position to fund the residual gap. The final quantum of the gap will be subject to finalising the total funding requirement identified in the updated FS due 3Q25, noting that based on the funding requirement of US\$77m in the prior FS, this gap will likely be over US\$12m.

In CY25, TGM has [progressed site preparation works](#) which involve clearing the mining site to prepare it for construction activities. This includes decommissioning and dismantling old plant facilities and infrastructure that will be rebuilt and replaced under the mining operation proposed in the FS.

Post a capital raise of US\$4.0m at \$0.13/share in [June 2025](#), the board of TGM approved the decision to mine for the TGME project which enables preparations to commence for bulk earth works and initial civil engineering at site. The company also noted that the syndication process for the US\$35m loan facility was also underway.

More recently in CY24, TGM has highlighted the continued potential for a surface gold resource, which is effectively gold in the tailings or rock dumps from prior mining operations and are estimated by TGM to contain 174koz grading between 0.94gpt and 1.24gpt. We note ~141koz of the total surface gold is in tailings and mostly associated with sample number TGME A. Sampling data released in [July 2024](#) suggests recoveries of ~59%, ~95% and ~95% for the TGME A, Beta & Peachtree, and Vaalhoek 1 sample sources respectively.

Development Forward Plan

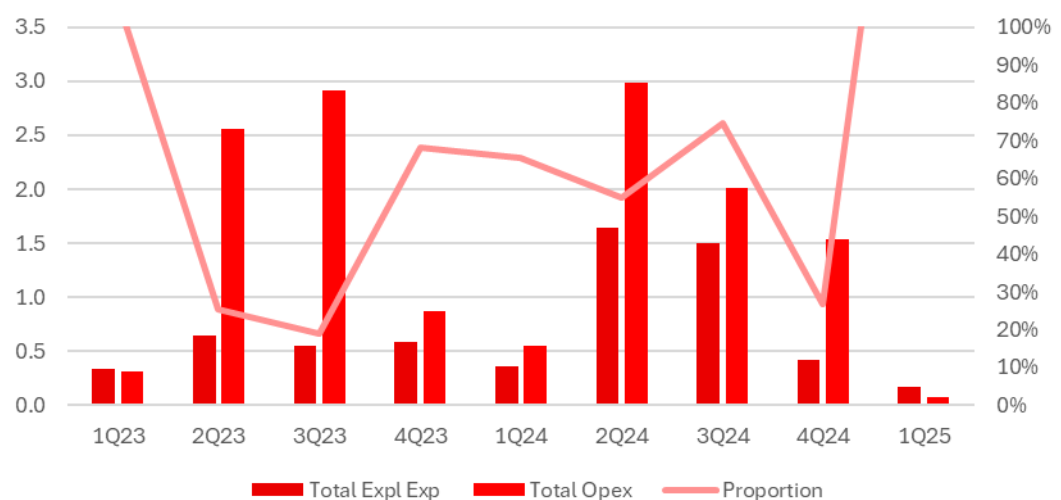
TGM continues to progress site, contractual and funding programs to complete construction of the project :

- Complete an updated FS due 3Q CY25;
- Complete site clearing and preparation activities 3Q CY25;
- Secure the final approval being the Mining Right (MR358) for the Rietfontein mine;
- Secure equity funding and finalise debt funding; and
- Transition final quotes into equipment, services and other site contracts

Capital Position & Spending Profile

TGM has ~US\$5.3m in cash (1 July 2025) and in our view is capitalised to conduct ongoing site preparation and civil engineering activities. We also note that since CY23, TGM has put ~56% of its spending into exploration and development activities.

Exhibit 4: TGM historical spending breakdown

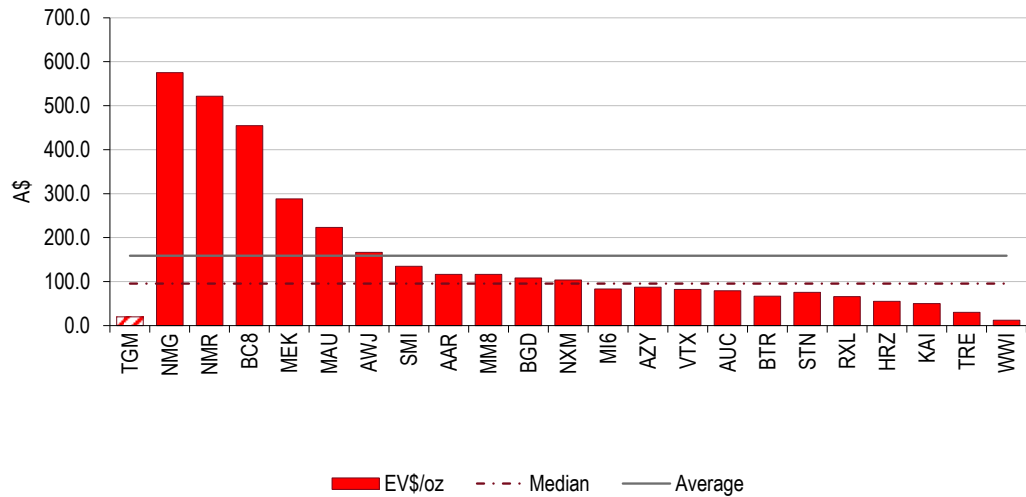


Source: Company data

Peer Comparison

Against 22 peers, TGM trades below both the average and median when assessed on an EV/oz basis. The peer set comprises companies at various development stages with higher valued peers typically at more advanced stages of feasibility or entering production. This suggests that the market capitalisation of TGM can materially re-rate should the company successfully enter production.

Exhibit 5: Peer comparisons (EV/Oz, A\$)



Source: LSEG as at 1 July, RaaS analysis

FINANCIAL SERVICES GUIDE

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Effective Date: 26th March 2024

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