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ASX ANNOUNCEMENT

Theta invests in Jaggards, DigitalX and Aura Group backed Bullion Asset Management of Singapore

Highlights:

- Theta Gold Mines takes an equity position in Singapore based Bullion Asset Management ("BAM") through the issue of Theta script
- Initial investment of A\$700,000 in Theta shares for a 5% equity position in BAM
- Theta may opt-in to invest up to 50% of BAM's future gold mining acquisitions (advance gold projects or operating mines) at any time up to 31 December 2025

January 20, 2021 (SYDNEY, AUSTRALIA) -- Theta Gold Mines Limited ("Theta", "Theta Gold" or "Company") (ASX: TGM | OTCQB: TGMGF) is pleased to announce an equity investment in Bullion Asset Management Services Pte Ltd ("BAM"), a Singapore-based technology company focused on financing, tokenization of physical gold bullion and precious metals trading.

The investment, which is via an all-scrip issue of TGM shares, represents about 1.5% of the Company's current issued capital (if all options are exercised) and brings to Theta a strategic partner in Asia that is at the forefront of bullion and precious metals trading and tokenization.

BAM is a Singapore registered company co-founded by Decentralised Capital Pte Ltd¹ ("DC"), a related entity of Aura Group² and backed by Jaggards Trading Pty Ltd³ ("Jaggards"), Australia's oldest bullion and rare coin merchant, and DigitalX Ltd⁴ ("DigitalX", ASX: DCC), an ASX listed technology and digital asset management company. The Aura Group and its principals do not currently hold shares in Theta.

BAM's core business is to create a one stop shop in financing, tokenization and trading of gold and other precious metals. BAM delivers digital ownership of highly secure physical bullion to provide market participants with a low cost and liquid storage solution for the management of bullion and other assets. BAM will service precious metal miners/developers, fund managers, gold bullion and precious metal dealers, digital asset investors and the decentralized finance sector. All gold is vaulted, insured, audited, allocated and redeemable, and direct ownership is instantly transferable.

"This is a unique investment opportunity for Theta and gives us exposure to a rapidly growing bullion management business backed by Australia's oldest and most reputable bullion and numismatic merchant, Jaggards, and ASX-listed Blockchain technology expert and digital asset fund manager DigitalX," said Bill Guy, Chairman of Theta Gold Mines."

¹ <https://decentralised.capital/>

² <https://Aura.co>

³ <https://jaggards.com.au/>

⁴ <https://www.digitalx.com/>

Transaction Details

Theta Gold will subscribe for A\$700,000 worth of shares in BAM at an issue price of US\$1.00 per share by the issue of Theta Gold shares at an issue price equal to the volume weighted average price for trades done on the Australian Securities Exchange for the 30 traded days prior to the issue date of the shares ("30-days-VWAP"); for example if the issue price of TGM shares is A\$0.32 per ordinary share, then a total of 2,187,500 TGM shares will be issued to BAM ("Initial Subscription").

The Initial Subscription is expected to be settled on 29 January 2021 and the Theta Gold shares will be subject to 6 months voluntary escrow. This initial investment will make Theta Gold a top 5 shareholder in BAM, holding approximately 5% of the total issued capital of BAM, alongside the 3 largest shareholders DC, Jaggards and DigitalX.

As part of the transaction, Theta also has the option to:

- acquire a further 10% of BAM on or before 17 January 2022, taking its shareholding in BAM to approximately 15%
 - First Option - Following the Initial Subscription, Theta Gold has the option to subscribe for a further A\$700,000 worth of BAM shares, on or before 17 April 2021, at an issue price of US\$1.00 per share by the issue of further Theta Gold shares at an issue price equal to the 30-days-VWAP prior to the issue date. The Theta Gold shares issued under the First Option will be subject to 9 months voluntary escrow.
 - Second Option - Subject to Theta Gold exercising the First Option, the Company has been granted a second option to subscribe for a further A\$700,000 worth of BAM shares, on or before 17 January 2022, at an issue price of US\$1.25 per share by the issue of further Theta Gold shares at an issue price equal to the 30-days-VWAP prior to the issue date.
- appoint a non Australian resident director to the board of BAM after 17 January 2023 if its shareholding in BAM exceeds 10% at that time;
- co-invest in up to 50% of any future gold mining asset acquisitions (advance gold projects or operating mines) by BAM before 31 December 2025.

Theta Gold shares will be issued under the company's placement capacity pursuant to Listing Rule 7.1.

About Bullion Asset Management

BAM's wholly-owned subsidiary, xbullion Holdings Limited ("xbullion"), domiciled in the Cayman Islands, launched its very first 100% physical-gold-backed digital token GOLD⁵ (the "GOLD Token") in September 2020 on the Ethereum blockchain – xbullion is currently listed on regional digital exchange Zipmex⁶. GOLD currently is already available for trade against numerous currencies AUD, SGD, USD, IDR and THB. Its supply, corporate and logistic partners include: StoneX, a Fortune100 financial platform service company; Baird & Co, UK's largest independent gold trader; Jaggards, Australia's oldest bullion and rare coin merchant. Other key aspects of GOLD include:

- BAM and xbullion accounts are audited annually and all physical gold are audited quarterly by global audit firm BDO.
- Each GOLD Token represents direct ownership of one (1) gram of 9999/LBMA physical gold bullion: GOLD Token will compete directly with a limited number of global peers, including the Tether-issued XAUT⁷ ("Tether Gold") and Infinigold issued in collaboration with the Perth Mint, PMGT⁸ ("Perth Mint Gold Token").
- BAM has plans to launch other commodity backed products, including silver and other precious metals.

⁵ <https://xbullion.io/>, and a digital token listed on the Ethereum (ERC-20) blockchain.

⁶ <https://zipmex.com> and <https://zipmex.com.au>

⁷ XAUT ("Tether Gold") is a digital token, backed by physical gold, offered by TG Commodities Limited. One full XAUT token represents one troy fine ounce of gold on a London Good Delivery bar. (<https://gold.tether.to>)

⁸ PMGT ("Perth Mint Gold Token") is a digital token, each one is a tokenized version of a GoldPass certificate, which are 100% backed by physical gold stored in The Perth Mint's central bank grade vaults. (<https://pmgt.io>)

This announcement was approved for release by Mr Bill Guy, Chairman.

For more information please visit www.thetagoldmines.com or contact:

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ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | OTCQB: TGMGF) is a gold mining development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.

Theta Gold's core project is located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km northeast of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province). Following small scale production from 2011 – 2015, the Company is currently focussing on the construction of a new gold processing plant within its approved footprint at the TGME plant, and for the processing of the Theta Open Pit oxide gold ore. Nearby surface and underground mines and prospects are being evaluated.

The Company aims to build a solid production platform to over 160 kozpa based primarily around shallow, open-cut or adit-entry hard rock mining sources. Theta Gold has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

Theta Gold holds 100% issued capital of its South African subsidiary, Theta Gold SA (Pty) Ltd ("SGSA"). SGSA holds a 74% shareholding in both Transvaal Gold Mining Estates Limited ("TGME") and Sabie Mines (Pty) Ltd ("Sabie Mines"). The balance of shareholding is held by Black Economic Empowerment ("BEE") entities. The BEE shareholding in TGME and Sabie Mines is comprised of a combination of local community trusts, an employee trust and a strategic entrepreneurial partner.

ABOUT AURA GROUP

Aura Group (www.aura.co) is a fast growing alternative investment and wealth management platform. Founded in Australia in 2009 and head quartered in Singapore, Aura Group and related entities collectively manage and advise over A\$1billion across a range of asset classes such as Private Equity, Venture Capital, Private Credit and Real Assets. The Group has a significant footprint across the Asia Pacific region including Singapore, Sydney, Melbourne and Ho Chi Minh City. Aura Group was awarded Best Wealth and Fund Management Company – Asia Pacific and Client Service Excellence Award – South East Asia by Acquisition International, an international digital business magazine, at the 2019 International Finance Awards. Aura Group co-founded Decentralised Capital in 2018 to identify and commercialise opportunities in the blockchain industry.

ABOUT JAGGARDS

Trading continuously since 1963, Jaggards is Australia's oldest independent bullion dealer, offering unparalleled service to investors who wish to safeguard their wealth with gold and silver bullion ingots and coins. Sourcing only the best bullion products from the most renowned refineries and mints from around the world, Jaggards is one of the most trusted names in the industry. Now Jaggards aims to forge ahead with digital initiatives to make investment in precious metals more accessible to a wider spectrum of investors.

ABOUT DIGITALX

DigitalX Limited is a technology company that develops blockchain applications for organizations and provides low-cost traditional asset management products for investors looking to gain exposure to digital assets such as Bitcoin. DigitalX is currently commercialising Drawbridge, a RegTech solution that supports other listed companies in better managing their securities dealing policies.

DISCLAIMER

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