

16th May 2022

TYRANNA SECURES STRATEGIC LITHIUM EXPLORATION PROJECT IN ANGOLA

KEY HIGHLIGHTS

- TYX has secured 80% of a lithium exploration project in the emerging and potentially significant Giraul pegmatite field located east of Namibe, a coastal city in the southwest of Angola, Africa (Figure 1).
- The project size is significant and covers some 207km²
- The occurrence of spodumene, the large size and number of pegmatites and limited historical exploration is encouraging and the potential to rapidly discover economically significant hard-rock lithium mineralisation is very high.
- As part of the transactions a highly qualified team with significant expertise in the lithium sector as well as in-country expertise in West Africa will join TYX.
- TYX has received commitments for a placement of TYX fully paid ordinary shares to raise a total of A\$1,100,000 to facilitate project exploration and increase working capital reserves.

Tyranna Resources Ltd (**Tyranna** or the **Company**) (ASX: TYX) is pleased to announce that it has executed a binding terms sheet to acquire an 80% interest in Angolan Minerals Pty Ltd (**Angolan Minerals**). The key terms of the acquisition of Angolan Minerals (**Proposed Acquisition**) are detailed below.

Over the past two years, TYX has been focused on rationalising its Australian nickel and gold prospects. The Proposed Acquisition provides an opportunity to explore in the highly prospective West African region.

The fundamentals surrounding mineral exploration in Angola are the favourable geology, the limited amount of modern exploration techniques used to date and the Angolan government's objective to attract foreign investment in the mineral resource sector.



Figure 1: Location of the Namibe Lithium Project

The 207km² project area contains the Giraul pegmatite field, in which approximately 600 or more pegmatites are exposed within an area spanning 25km long and up to 10km wide (Figure 2). The exposed pegmatites are up to 1500m long and 100m wide, presenting as patches of outcrop surrounded by rubble and shallow soil derived from eroded pegmatite.

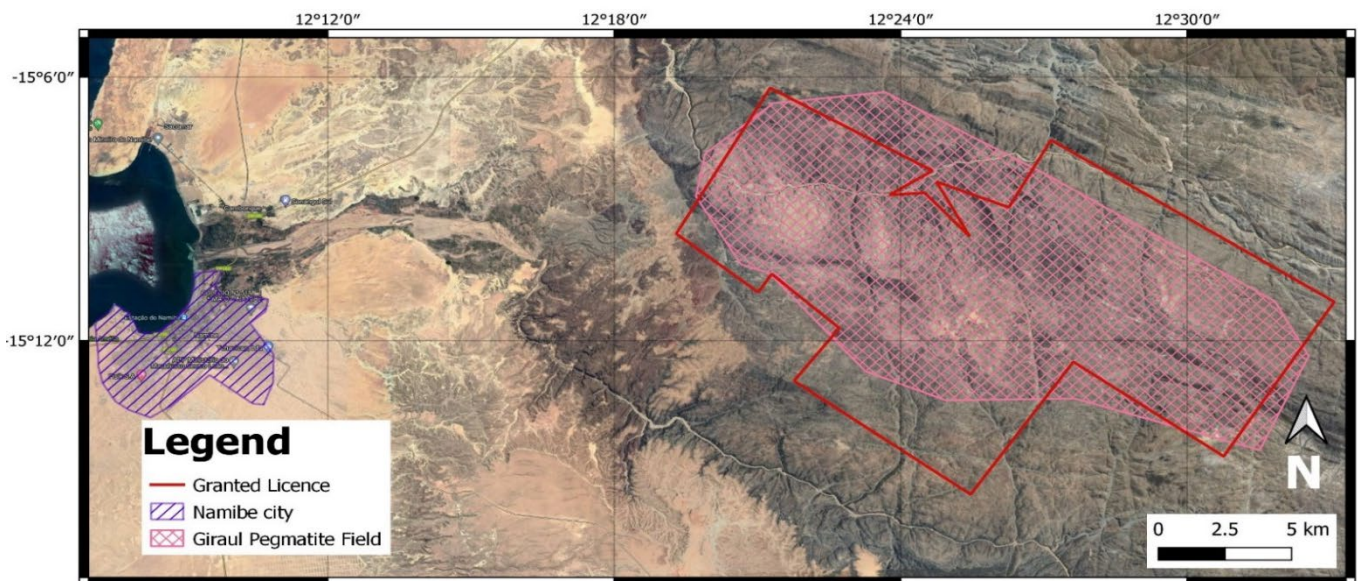


Figure 2: Location of the Namibe Lithium Project

The pegmatite field was discovered in the 1960's and there was minor production of feldspar and beryl until 1975. None of the pegmatites have been tested by drilling, with only limited prior exploration of less than 10% of the pegmatite field but lithium minerals are known to be present at 6 locations (Figure 3), with spodumene (Figures 4 and 5) occurring at 3 of these locations.

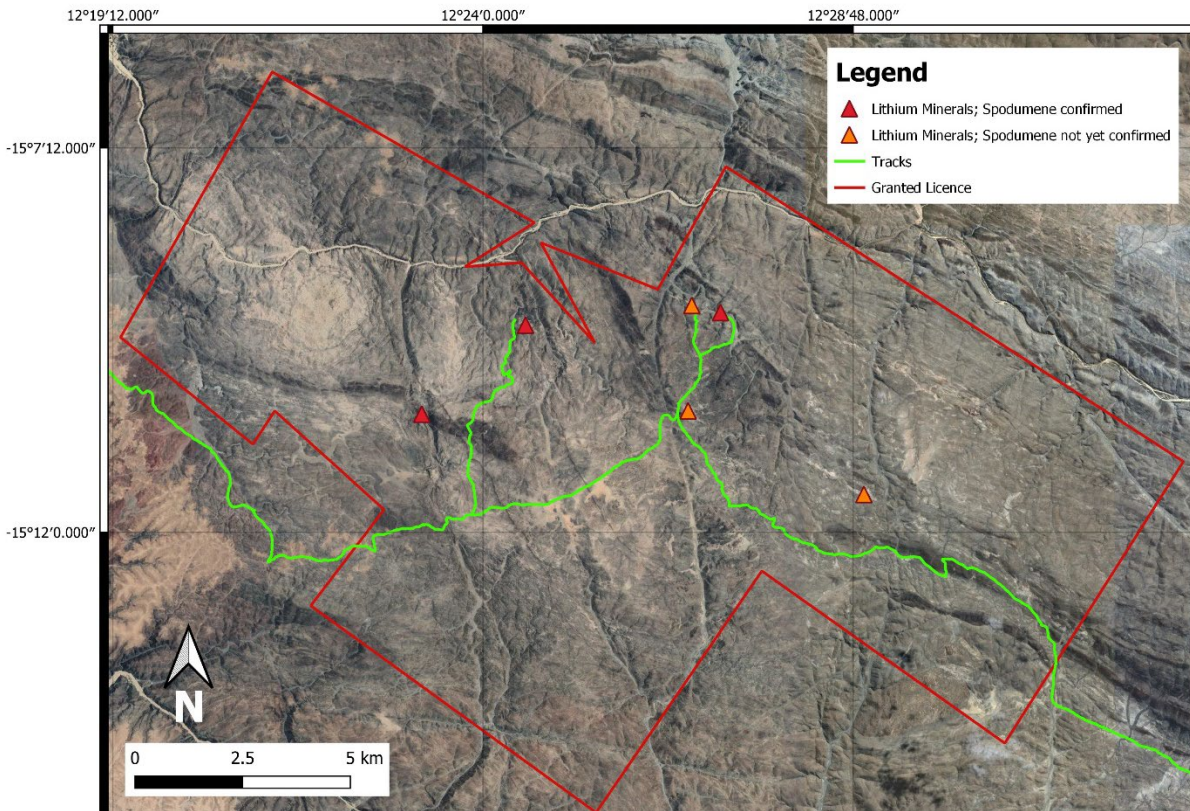


Figure 3: Location of currently known lithium-bearing pegmatites in the Namibe Lithium Project

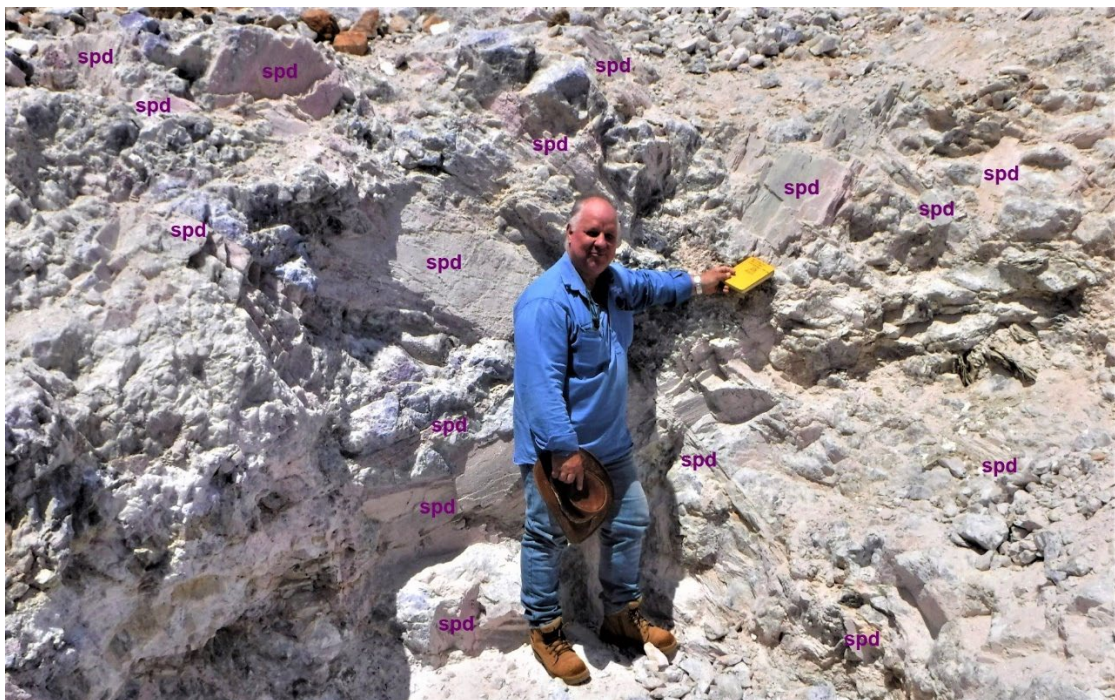


Figure 4: Giant crystals of spodumene exposed at 221584mE/8322791mN (WGS-84 z33L) in wall of a small quarry in the Namibe Lithium Project. Peter Spitalny, lithium pegmatite expert and Principal Technical Adviser to Tyranna provides scale; spodumene crystals labelled spd.



Figure 5: Spodumene crystals, labelled *spd*, exposed at 226120mE/8323015mN (WGS-84 z33L) in wall of a small trench in a pegmatite within the Namibe Lithium Project.

The pegmatites of the Giraul pegmatite field have been subjected to recent academic research, e.g. Goncalves et al (2019), in which the presence of spodumene in the pegmatite field was discussed. Gomes (2018) also discussed the occurrence of spodumene in the pegmatite field and included maps and photographs of the mineralisation.

Identification of spodumene in the field can be achieved through traditional mineral identification techniques such as testing the hardness of the mineral, confirming the relatively high density of the mineral, observing the mineral's habit and the characteristic cleavage and parting. This identification can be achieved reliably and consistently by pegmatite experts such as Mr Peter Spitalny (see below), whose inspection of the Giraul pegmatite field included confirmation of the presence of lithium minerals, including spodumene, in some of the pegmatites.

Tyranna proposes to examine and sample the large number of pegmatites within the Giraul pegmatite field that have not been previously inspected and will complete additional fieldwork on the pegmatites presently known to contain lithium minerals. Tyranna's intention is to define drill-targets and commence drilling as soon as possible.

Paul Williams

As part of the Proposed Acquisition, Mr Paul Williams will join the Tyranna Board as an executive director. Paul has been directly involved in Angola since 2008 and continues that association in his belief that the true potential of Angola's mineral resources has not yet been discovered or developed. He has proven performance in Angola via his involvement with the Longonjo licence. He recognised the potential of the Longonjo licence and was directly responsible for the establishment of Ozango Minerais SA in Angola (Ozango is the company that holds the Longonjo licence and Rare Earth Project in Angola). He introduced Pensana (originally Rift Valley Resources) to Angola and Ozango. Pensana has since developed the Longonjo Rare Earth Project into a world-class deposit.

Paul spent his initial working years in accounting, finance and project management and the last twenty years in the mining and resources sector with ASX-listed companies involved in Australia, Angola, Mauritania and Kenya.

Peter Spitalny

In addition, Mr Peter Spitalny will be contracted by Tyranna as Principal Technical Advisor. Peter is an exploration geologist having three decades of experience with a range of minerals and mineralisation styles and a particular interest in pegmatites, especially those that contain lithium minerals. He has investigated pegmatite-hosted lithium mineralisation in Australia, Canada, Brazil, Argentina, Namibia, Democratic Republic of Congo and most recently Angola.

Mr Spitalny has extensive experience in early-stage exploration for pegmatites in "greenfield" projects, having personally discovered many lithium-bearing pegmatites on behalf of clients, and designed and implemented early-stage exploration plans. In addition, his experience includes progressing advanced projects, and he has acted as chief technical adviser to many companies, including AVZ Minerals Ltd (**AVZ**) for their Manono Lithium and Tin Project, located in the Democratic Republic of the Congo.

Mr Spitalny's work for AVZ commenced at the earliest stage of development of the project and included inspection of the pegmatites and determining their nature, leading to ranking of the development potential of the pegmatites and recommending the focus be upon the Roche Dure pegmatite. His role evolved to becoming responsible for oversight of all technical data and reporting. He developed the geological model that underpinned the maiden Resource Estimate of the spodumene mineralisation in the Roche Dure pegmatite, the largest hard-rock lithium Mineral Resource in the world.

Mr Spitalny is a Competent Person (compliant with the JORC Code 2012) with respect to pegmatite-hosted lithium mineralisation and reporting of associated exploration results. He also has experience in the operation of public companies, having served as a director of Ardiden Ltd, and having served as a high-level consultant collaborating with directors of several other public companies.

Transaction details

Tyranna has entered into a binding terms sheet (**Terms Sheet**) with Angolan Minerals to acquire 80% of the issued capital (**Sale Shares**) and 100% of the issued options (**Sale Options**) (collectively **Sale Securities**) of Angolan Minerals from its current shareholders (**Sellers**). Tyranna will free carry the Sellers' retained 20% in Angolan Minerals in respect of all exploration expenditure until completion of a bankable feasibility study on Angolan Minerals' tenements. The transaction was introduced by CPS Capital.

Consideration

Subject to shareholder approval, including for the purposes of Listing Rule 11.1.2 which applies in circumstances where there is a proposed change in the nature and/or scale of an entity's activities, Tyranna will issue 700,000,000 fully paid ordinary shares in the Company (**Consideration Shares**), 350,000,000 options to acquire shares in the Company, exercisable at \$0.01 per share on or before 30 June 2025 (**Consideration Options**), and 700,000,000 performance shares, convertible into Tyranna shares on satisfaction of the performance milestones (**Performance Shares**), as consideration for the Sale Securities.

A copy of the full terms of issue of the Considerations Options will be included in the Company's notice of general meeting to be dispatched prior to the end of June 2022.

Performance Milestones

The Performance Shares will be issued to the Sellers in two equal tranches converting into ordinary shares on achievement of the following performance milestones:

- (i) 350,000,000 Class A Performance Shares to vest on:
 - A. achievement of 10m (or greater) intercept @ 1% Li₂O (or greater), representing lithium mineralisation having a true thickness or near-true thickness of at least 10m;
OR
 - B. TYX 20-day VWAP equal to or exceeding \$0.02,
within 3 years of issue.
- (ii) 350,000,000 Class B Performance Shares to vest on:
 - A. definition of a cumulative project Mineral Resource exceeding 10Mt @ 1% Li₂O at the Inferred level of classification, compliant with the JORC Code (2012); OR
 - B. TYX 20-day VWAP equal to or exceeding \$0.03,
within 5 years of issue.

A copy of the full terms of issue of the Performance Shares will be included in the Company's notice of general meeting to be dispatched prior to the end of June 2022.

Advisor Fee

Tyranna has agreed to pay a non-cash facilitation fee to CPS Capital Group Pty Ltd (**CPS**) to be settled in Tyranna shares and options as follows:

- (a) 105,000,000 fully paid ordinary shares in the Company (**Advisor Shares**); and
- (b) 52,500,000 options to acquire Tyranna shares (**Advisor Options**).

Exclusivity Fee

Tyranna has agreed to pay a fee of \$50,000 (plus GST) to Angolan Minerals for a 30-day exclusivity period during which Tyranna and the Sellers will execute a formal share sale agreement.

Conditions Precedent

Completion of the Proposed Acquisition is subject to each of the following conditions being satisfied or waived by the appropriate party:

- (a) **(shareholder approvals)** Tyranna obtaining all legal, regulatory and shareholder approvals necessary to undertake the Proposed Acquisition, including shareholder approvals for:
 - (i) the change in nature and/or scale of the Company's activities;
 - (ii) the issue of the Consideration Shares, the Consideration Options and the Performance Shares to the Sellers (including for the purposes of Chapter 6D of the Corporations Act, if required);
 - (iii) the issue of the Advisor Shares and Advisor Options to CPS; and
 - (iv) the issue of 120,000,000 options to acquire Tyranna shares, exercisable at \$0.01 per share on or before 30 June 2025, to the directors and company secretary of the Company.
- (b) **(ASX approvals)** receipt of any waivers and approvals required from ASX in order to effect the transactions contemplated by the Terms Sheet;
- (c) **(tenement sale agreement)** VIG World Angola Lda, the legal and beneficial owner of Prospecting Licence No. 001/02/01/T.P/ANG-MIREMPET/2022 (**Licence**) and Angolan Minerals (or its nominee) having entered into an agreement for the transfer of the Licence to Angolan Minerals (or its nominee) with effect from no later than completion of the Proposed Acquisition (**Completion**);
- (d) **(Angola regulatory approvals)** receipt of any required Angolan regulatory approvals, consents or waivers;
- (e) **(shareholders agreement)** Angolan Minerals, Tyranna and the Sellers having entered into an agreement setting out the governance and operating arrangements for Angolan Minerals with effect from Completion;
- (f) **(no material adverse change)** there having been no material and adverse change in the financial condition or operations of Angolan Minerals prior to Completion;
- (g) **(no breach)** neither Tyranna nor the Sellers being in material breach of the terms of the share sale agreement (including but not limited a material breach of any warranty) providing no party can rely on its own breach to prevent Completion;
- (h) **(transfer of gold licence application)** if required by Angolan Minerals, its Angolan subsidiary Cubal Minerals transferring its application for a gold licence in Angola to a third party nominee entity; and
- (i) **(other approvals)** any other third party approvals, regulatory consents or conditions required to give effect to the transactions contemplated by this Terms Sheet being obtained.

Timetable

Tyranna is in the process of preparing its Notice of General Meeting at which it expects to seek the relevant shareholder approvals to enable the Proposed Acquisition to proceed. The indicative timetable for the completion of the Proposed Acquisition is as follows:

Event	Date (week ending)
Announce proposed Acquisition	20 th May 2022
Lodge notice of General Meeting with ASX for review	27 th May 2022
Finalise Share Sale Agreement	27 th May 2022
Despatch notice of General Meeting	10 th June 2022
Hold General Meeting	15 th July 2022
Completion of Acquisition	22 nd July 2022

*The timetable above is indicative only and subject to change

About the capital raising

The Company is also pleased to announce that it has received firm commitments from sophisticated and professional investors to subscribe for 220,000,000 Shares at \$0.005 per Share with one (1) free attaching option to acquire Tyranna shares for every two (2) shares subscribed for, exercisable at \$0.01 per share on or before 30 June 2025 (collectively **Placement Securities**), to raise \$1,100,000 (**Placement**) before costs.

Funds raised by the Placement will be applied to progressing the development of exploration projects held by the Company, business development and for general working capital. The Placement Shares will rank equally with existing fully paid ordinary shares on issue. The 330,000,000 Placement Securities are intended to be issued without shareholder approval under the Company's current 15% placement capacity pursuant to Listing Rule 7.1.

The Placement represents a 16% discount to the 15-day VWAP of TYX shares as at 11 May 2022 and a 17% discount to the Company's last closing price of \$0.006.

CPS has been engaged by the Company as lead manager to the Placement. CPS and/or its nominees will receive a management fee of 2% plus GST for managing the Placement and a placement fee of 4% plus GST, for funds raised via the Placement.

Authorised by the Board of Tyranna Resources Ltd

Joe Graziano
Director

References:

Gomes, L.C. (2018) *“Panoramica sobre os Recursos de Litio em Países Africanos de Língua Portuguesa”*, pp49-73 in Boletim de Minas Vol 52 Edição Especial Litio, Lisboa 2017-2018

Goncalves, A.O., Melgarejo, J.C., Alfonso, P., Amores, S., Paniagua, A., Buta Neto, A., Morais, E.A. and Camprubi, A. (2019) *“The Distribution of Rare Metals in the LCT Pegmatites from the Giraul Field, Angola”* Minerals, 2019, 9(10), 580