

21 August 2018

SIGNS AGREEMENT TO ACQUIRE GOODSPRINGS COBALT & BASE METALS PROJECT, NEVADA USA

Highlights


- **Tyranna executes agreement to acquire 100% of US Cobalt following due diligence and option exercise**
- **Acquisition to be funded via issue of Tyranna shares to vendor, subject to shareholder approval**
- **Stream sampling highlights very high grade Cobalt assays over 7% at Whale**
- **Geological study commissioned to strengthen multiple base metals targets**
- **Located in stable and mining friendly Nevada, United States**
- **Two highly credentialed strategic and technical advisors in Mr Klaus Eckhof and Mr Greg Smith**

Tyranna Resources Limited (ASX: TYX) ('Tyranna' or 'the Company'), is pleased to advise shareholders it has executed the agreement for the 100% acquisition of the private company US Cobalt Pty Ltd ('US Cobalt'), the owner of the Goodsprings Cobalt and Base Metals Project, located in the State of Nevada, USA. The acquisition will be subject to shareholder approval at a general meeting of shareholders to be held on 21 September 2018 and a notice of meeting will be sent to shareholders today.

The Company previously announced that it has entered into a binding option agreement to acquire US Cobalt (refer ASX announcement 22 March 2018) and the acquisition forms part of Tyranna's diversification strategy, aimed at capitalising on the battery minerals revolution which has seen the rapid rise in the LME price of Cobalt from US\$23,000/ton in March 2016 to a high of US\$95,000/ton on 21 March 2018 (Cobalt traded at US\$64,000 on 17 August 2018).

Tyranna Managing Director, Bruno Seneque stated, *"This is an outstanding deal for Tyranna and our shareholders which we have secured via a scrip issue. Historical mining results suggest that this area holds some of the highest grade Cobalt mines that can be found in the district. In the 1920's the mines in this area produced approximately 20 tonnes of Cobalt rich ore from copper mining and historical grades were reported between 6% and 29%¹. No modern mining techniques have been used here and we are confident that good exploration and mining methods will handsomely reward the Company here at Goodsprings.*

The acquisition of US Cobalt adds Goodsprings Cobalt and Base Metals Project as another high value asset to Tyranna's project portfolio and enhances our value as a diversified resources exploration and development company."

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The Goodsprings Cobalt and Base Metals Project comprises 329 mining claims covering 6,580 acres located within the Goodsprings mining district in southern Nevada, 48 kms southwest of Las Vegas and approximately 8 kms west of the town of Jean and 3.2 kms southwest of the town of Goodsprings, Nevada.

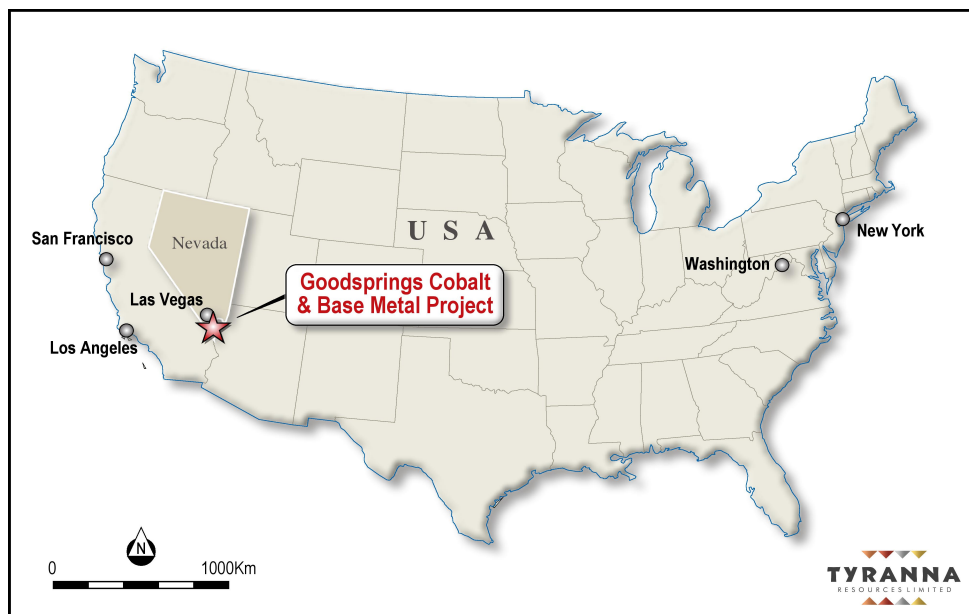



Figure 1: Goodsprings Cobalt & Base Metals Project Location Map

Acquisition Details

Following the Company's due diligence over US Cobalt as part of the Option Agreement (refer ASX Announcement 22 March 2018), Tyranna Resources has agreed to acquire 100% of US Cobalt by way of an off-market scrip for scrip takeover which is subject to the approval of Tyranna Resources shareholders.

Key commercial terms include:

1. Cash payment of \$100,000 for exclusive option agreement (Completed)
2. Due diligence (Completed)
3. Tyranna to issue 141,176,470 ordinary shares in Tyranna Resources Ltd at deemed price of \$0.017. The shares will be issued following shareholder approval. 25% of the consideration shares issued by Tyranna Resources to the vendors of US Cobalt will be subject to voluntary escrow arrangements for a period ending 20 February 2019.
4. The issue of 10 million and 20 million options (TYXOC) to Mr Greg Smith and Mr Paul Lloyd respectively. The options will be issued following shareholder approval.


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Rock chip samples collected earlier in the year by US Cobalt (see Table 1 and refer ASX announcement 11 April 2018) confirmed Tyranna's confidence that the Goodsprings area exhibits a comprehensive range of polymetallic minerals hosted in vein, bedded and replacement deposits throughout the project area.

This was followed shortly afterwards by highly encouraging XRF results for the initial stream sediment sampling and follow up soil sampling programmes at Goodsprings. The initial stream sediment programme highlighted 2 main Co anomalous zones at the Whale Mine and the Rose Mine, coincident with Cu, Pb and Zn at the Whale Mine and Cu and Pb to the south of the Rose Mine.

During due diligence at the Whale Mine, a grab sample of dump material returned 7.64% Co. Other samples taken at the same time at the Whale Mine returned up to 22.5% Cu, 1.37% Pb and >30% Zn reflecting the polymetallic nature of the mineralisation. Soil sampling was completed across the anomalous zones defined by the stream sediment sampling at both the Whale and Rose Mines. (Refer ASX announcement dated 8 May 2018).

At the Whale Mine, the sampling has defined sub-parallel, NE trending, Cu-Pb-Zn anomalism over a strike length of 4km. The eastern most of the anomalies remains open to the NE. Recent alluvium covers a large portion of the area to the south of the anomaly. Previous reconnaissance geological mapping has identified the presence mineralisation hosted within NE trending structural features and westerly dipping beds.

Soil sampling to the south of the Rose Mine has identified a north trending Pb anomaly with partially coincident Cu and Zn values. The soil sampling programme did not return any Co values (utilising the hand held XRF analyser) above limit of detection (LOD). This is interpreted to result from either the masking effect of the other elements or higher mobility of the Co within the soils versus the presence of Co mineralised rock fragments in the alluvial traps sampled by the stream sediment survey.

The Company has commissioned Dr Richard Russell to complete a photogeological structural interpretation on the Goodsprings claim block to identify structural controls on the mineralisation and identify target areas for follow up. Further stream sediment sampling is planned to further test the western portion of the claim block. Soil sampling will be completed to follow the eastern most of the multi element anomalous zones to the north.

Table 1 Olympus XRF Gun and ALS Laboratory results at Goodsprings (refer ASX announcement dated 11 April 2018)

Assay Method		XRF – Gun	ALS-MS41	XRF – Gun	ALS-0G46	XRF – Gun	ALS-0G46	XRF – Gun	ALS-0G46
Samp #	Sample Type	Co ppm	Co ppm	Cu ppm	Cu ppm	Pb ppm	Pb ppm	Zn ppm	Zn ppm
CPL18004	Dump Sample	< 0.01	0.3	< 0.01	16.3	23,636	6.07%	490	402
CPL18005	Dump Sample	214	1.2	< 0.01	44.9	1,000,000	*>20.0%	28,651	1,700
CPL18006	Float	< 0.01	23.8	49,312	6980	1,662	5,730	2,471	2,320
CPL18007	Float	2,158	220	509,585	22.50%	11,273	9,060	91,607	4.27%
CPL18008	Dump Sample	11,992	8,550	957	1830	794	812	1,362	1,480
CPL18009	Float	478	352	2,520	1940	4,018	919	51,585	3.22%
CPL18010	Dump Sample	470	25.1	5,206	5.07%	2,666	2,900	2,916	3,770
CPL18011	Dump Sample	3,019	967	8,989	2540	202	141	418	168
CPL18012	Dump Sample	396	7.6	< 0.01	59.7	1,000,000	*>20.0%	3,318	143
CPL18013	Dump Sample	419	500	18,518	15.20%	41	2,300	17	402
CPL18014	Dump Sample	1,740	466	2,623	1595	136	740	67	54
CPL18015	Float	105,636	*>10000	2,459	2720	538	677	6,501	3,390
CPL18016	Dump Sample	609	1,150	419	7170	3,830	1000	244,284	24.90%
CPL18017	Dump Sample	1,633	104.5	10,386	320	4,548	997	294,154	*>30.0%
CPL18018	Dump Sample	808	61.2	286	212	4,127	1.37%	2,676	3510
CPL18019	Dump Sample	3,208	1830	248,125	31.50%	5,141	696	12,145	4770
CPL18020	Dump Sample	106,114	*>10000	6,981	4.57%	2,321	1350	957	850

**** Indicates the analytical method has a top threshold of 10,000 ppm Co , 20% Pb and 30% Zn.***

Goodsprings Mining District

The earliest reported mining production in the Goodsprings Mining District was conducted in 1856 and the district contains numerous copper, zinc, lead, gold and cobalt mines. Significantly, cobalt oxide is found in the wall rock of nearly every copper deposit in the district¹. Due to the lack of any modern exploration, the Project area presents the very attractive opportunity to deploy modern exploration techniques, which Tyranna is planning to commence as soon as the acquisition transaction is approved by shareholders.

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¹ *This information is extracted from the report entitled 'Longford to Acquire Two High Grade Copper-Cobalt Projects in the USA' created on 21 September 2017 and is available to view on <https://www.asx.com.au/asxpdf/20170921/pdf/43mj7by12hpm9y.pdf> The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'*

Competent person statement: The information in this announcement that relates to Exploration Results was first reported in accordance with ASX Listing Rule 5.7 in the Company's announcements entitled "Extensive base metal soil geochemical anomalies defined at Goodsprings Project, Nevada USA" dated 8 May 2018, and "Exceptional polymetallic rock chip assays from Goodsprings Cobalt & Base Metals Project" dated 11 April 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

About Tyranna Resources Limited

Tyranna Resources is an ASX listed diversified minerals exploration Company with a significant portfolio of assets at various stages of development.

Eureka Gold Mine

Tyranna announced the Eureka Gold Project acquisition in December 2017. A reserve/resource definition drilling program will be drilled to comply the historic mineral resource (as announced on 1st December 2017) with JORC 2012 and to provide geotechnical samples for structural information collection and interpretation and metallurgical test work, which will closely be followed by the commencement of a mining feasibility study.

Jumbuck JV (Tyranna Resources Limited – 78% / WPG Resources Limited – 22%)

Tyranna's Jumbuck Gold project controls 9,762 km² surrounding the Challenger Gold Mine (>1.2M Oz's gold produced @ 6g/t Au). The close proximity of Campfire Bore, Greenwood and Golf Bore to the 1.2m oz Challenger Gold Mine is a key driver for Tyranna which aims to identify a similar analogue deposit. The Company target for the Jumbuck Gold Project is 500,000 oz Au and the Tyranna team has been steadily undertaking works on prospective targets to grow mineral resources (refer to Exploration Target Statement ASX announcement on 17 October 2016)¹.

Wilcherry Project JV (Alliance Resources Limited – 75% / Tyranna Resources Limited – 25%)

The Wilcherry Project contains the highly prospective Weednanna Prospect, and is located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia and comprises seven exploration licences covering 1,200 km² which are prospective for gold and base metals. Weednanna is the most advanced gold prospect at the Wilcherry Project Joint Venture, where high grade gold shoots are associated with a calc-silicate and magnetite skarn system. Planned work includes establishing a maiden mineral resource estimate in 2H 2018, together with a staged program of metallurgical work on Weednanna gold mineralisation with the aim of optimising gold recovery and culminating in process design criteria and capital and operating costs for the processing base case. The outcomes of both work streams, if positive, will feed into a scoping study in 2H 2018.

Kairos Minerals Limited (ASX: KAI)

Tyranna is the 2nd largest shareholder in the Eric Sprott backed Kairos Minerals Ltd, holding 38.5 million shares.

Orinoco Gold Limited (ASX: OGX)

Orinoco is a Brazilian focused gold company targeting the mining of the Cascavel Gold Mine and exploration of the Faina Goldfields Project. Tyranna holds 19.1 million shares and Tyranna also holds a further 14.8 million options exercisable at \$0.11 on or before 31 January 2020.