

16 April 2020

Strategic focus re-set: expedite exploring highly prospective 44km nickel strike, optimise gold assets

- Post a recent internal review, focused on expediting value generation from the current asset mix, Tyranna's Board has evolved a fresh strategic initiative on which projects to progress and optimise moving forward, detailed as follows:
 - **Advancing Dragon & Knight Nickel Project (WA):** The project lies east of the recently discovered Mt Alexander Ni Project (St George Mining⁴ (ASX: SGQ)). The project overlies the extension of the sheeted dyke(s) that are interpreted to host the Ni sulphide mineralisation at Mt Alexander and is considered prospective for Ni sulphide mineralisation in a similar geological setting. Tyranna's geology team has been compiling historical exploration and reviewing regional geophysical datasets with an aim of identifying and prioritizing targets for initial field work. Priority targets will be tested as soon as possible.
 - **Jumbuck Gold Project (SA) – cash sale proceeding:** Syngas (ASX: SYS), which paid a \$50k deposit on 18 November 2019, has re-confirmed it remains committed to acquire the Jumbuck Gold Project for \$950k in cash, with settlement expected this quarter²
 - **Optimising Eureka Gold Project (WA):** With the total JORC compliant resource at **762,000t @ 1.8g/t Au (43.100oz)** and shallow drill hole intercepts below the base of the pit up to **5m @ 25.6 g/t Au from 33m including 1m @ 89.7 g/t Au from 34m (19ERC12)³**, Tyranna's optimisation plans, currently being discussed with prospective parties, comprise:
 - 1) Engaging a development partner to mine the project; or
 - 2) Straight cash sale
 - **Seeking EOI for Goodsprings Base Metals Project (Nevada, USA):** With immaterial carrying costs and having renewed the mining claims in late 2019, Tyranna is seeking expressions of interest (EOI) from third-parties to acquire or develop the project
 - Divesting other non-core assets
- The Board remains positive on the nickel outlook over the longer-term, while the level of interest in the Central Yilgarn region remains elevated, especially on the back of recent discoveries by St George Mining at its nearby Mt Alexander Project

Tyranna's Director Joe Graziano remarked: "The outcome from the strategic review is a clear intent to re-focus Tyranna's exploration efforts on identifying targets along and systematically exploring the 44km strike of the dyke(s) across the Dragon & Knight Nickel Project. Priority targets will be initially tested with geochemical sampling over coming months.

Pleasingly, Syngas has re-confirmed its commitment to complete acquiring the Jumbuck Gold Project for \$950,000 shortly. Incrementally, the Board has commenced discussions with prospective groups to optimise the high-grade Eureka Gold Project which could potentially create significant value for shareholders."


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Tyranna Resources Limited (ASX: TYX) (“Tyranna” or “the Company”) is pleased to update shareholders on the substance of a recent internal review which resets the strategic focus towards ramping up exploring the recently acquired Dragon & Knight Nickel Projects in the Central Yilgarn, Western Australia.

STRATEGIC FOCUS RE-SET: EXPLORE NICKEL, OPTIMISE GOLD ASSETS

The objective of the internal review was to focus on expediting value generation from the current asset mix, which would facilitate securing funding to progress advancement of the Dragon & Knight Nickel Project.

A review of the key assets and the prevailing status quo follows:

Sale of Jumbuck Gold Project (SA) to raise \$950k

On 18 November 2018, Syngas announced that it had paid Tyranna a \$50k option fee, which legally bound the two parties to enter into a definitive share purchase agreement to proceed with acquiring the Jumbuck Gold Project in South Australia for \$950k².

With recent volatility in global stock markets, brought on by policies to mitigate the COVID 19 pandemic, Syngas’ Board has moved to re-confirm the following:

- Syngas remains fully committed to proceed acquiring the Jumbuck Gold Project, with completion slated to be finalised shortly once all final regulatory approvals are secured; and
- Syngas will be in a position to pay the \$950k full and final settlement to Tyranna at completion.

Barring any unforeseen circumstances and reassurances from Syngas, the Board remains confident this transaction will complete by the end of the current quarter.

Optimising Eureka Gold Project, WA Goldfields

After considerable review, the Board has decided to optimise the high-grade Eureka Gold Project – located on a granted mining lease 50km north of Kalgoorlie (WA). Discussions with interested groups are presently underway which comprise either engaging a development partner to mine the project or straight cash sale. The Board will keep shareholders informed of developments once they materialise.

An updated Mineral Resource Estimate was completed by Tyranna in 1H 2019 beneath the existing Eureka pit, as shown in Table 1.

TABLE 1: EUREKA GOLD PROJECT – MINERAL RESOURCE ESTIMATES (2019)

	Tonnes (t)	Grade (g/t Au)	Ounces (Au)
Indicated	434,000	1.8	25,200
Inferred	328,000	1.7	17,900
TOTAL	762,000	1.8	43,100
0.5g/t Au cut off			
Indicated	311,000	2.1	22,300
Inferred	251,000	2.0	16,000
TOTAL	562,000	2.1	38,300
1g/t Au cut off			

Source: Tyranna Resources 2019 Annual Report)

Moreover, there is scope to expand the resource further – subject to further drilling campaigns – as the mineralised zone remains open along strike, north-south, and at depth.

The last RC drilling campaign, undertaken in February 2019, highlights the potential of the Eureka Gold Project, with circa 35% of shallow holes completed in the base of the pit returning average intercepts at **7m >2g/t Au³**.

The best shallow drill intercepts returned from the Q1 2019 RC drilling programme included the following:

- **5m @ 25.6 g/t Au from 33m including 1m @ 89.7 g/t Au from 34m (19ERC12)**
- **7m @ 3.0 g/t Au from 39m (19ERC04)**
- **12m @ 2.6 g/t Au from 20m including 1m @ 15.8 g/t Au from 26m (19ERC17)**
- **5m @ 3.7 g/t Au from 23m including 1m @ 13.5 g/t Au from 24m (19ERC18)**
- **9m @ 2.5 g/t Au from 12m (19ERC20)³**

Historically, the Eureka Pit has produced over 37,000 oz in two mining campaigns, the last completed in 2018.

- 1985-89: 220,000t @ 4.5g/t Au for 32,000oz; and
- Oct 2017 – April 2018: 53,000t @ 3.3g/t Au for 5,400oz under a tribute arrangement with the previous owners³.

Utilising nearby third-party processors is considered the most effective path to fast-track production, particularly with moderate haulage costs. However, permission will need to be secured from WA's Department of Mines, Industry Regulation and Safety before mining operations can re-commence.

As the Board already has a short-list of prospective groups interested in the Eureka Gold Project, it will accelerate progressing discussions over the balance of the current quarter.

OTHER PROJECTS

Seeking EOIs for Goodsprings Base Metals Project (Nevada, USA)

The Goodsprings Base Metals Project, which is located circa 50km southwest of Las Vegas (Nevada, USA) comprises 329 mining claims covering 6,580 acres³. Previous geophysics surveys and geochemical work highlighted potential targets for copper-zinc-cobalt mineralisation.

Although Tyranna renewed its mining claims in late 2019 with the Bureau of Land Management in Las Vegas, the Board has decided to seek EOIs from prospective parties to acquire or develop the project. Note, since absorbing the renewal expense late last year, the actual ongoing carrying costs are immaterial.

Weebo Gold Project

The Weebo Gold Project is located 70km north of Leonora in the Eastern Goldfields of Western Australia and was acquired by the Company in 2017. The Project comprises approximately 69 km² of ground east of the Jaguar base metal mine. The Company is reviewing the project to assess options moving forward.

Pacific Express Ni Project

Tyranna acquired the Pacific Express nickel project in Late 2019. The project, located in northern NSW comprises a single licence (EL8733) for ~ 108 km. The area is prospective for lateritic Ni-Co mineralisation. Historical exploration has defined several target areas which require further investigation¹.

Advancing the Dragon & Knight Nickel Projects (WA)

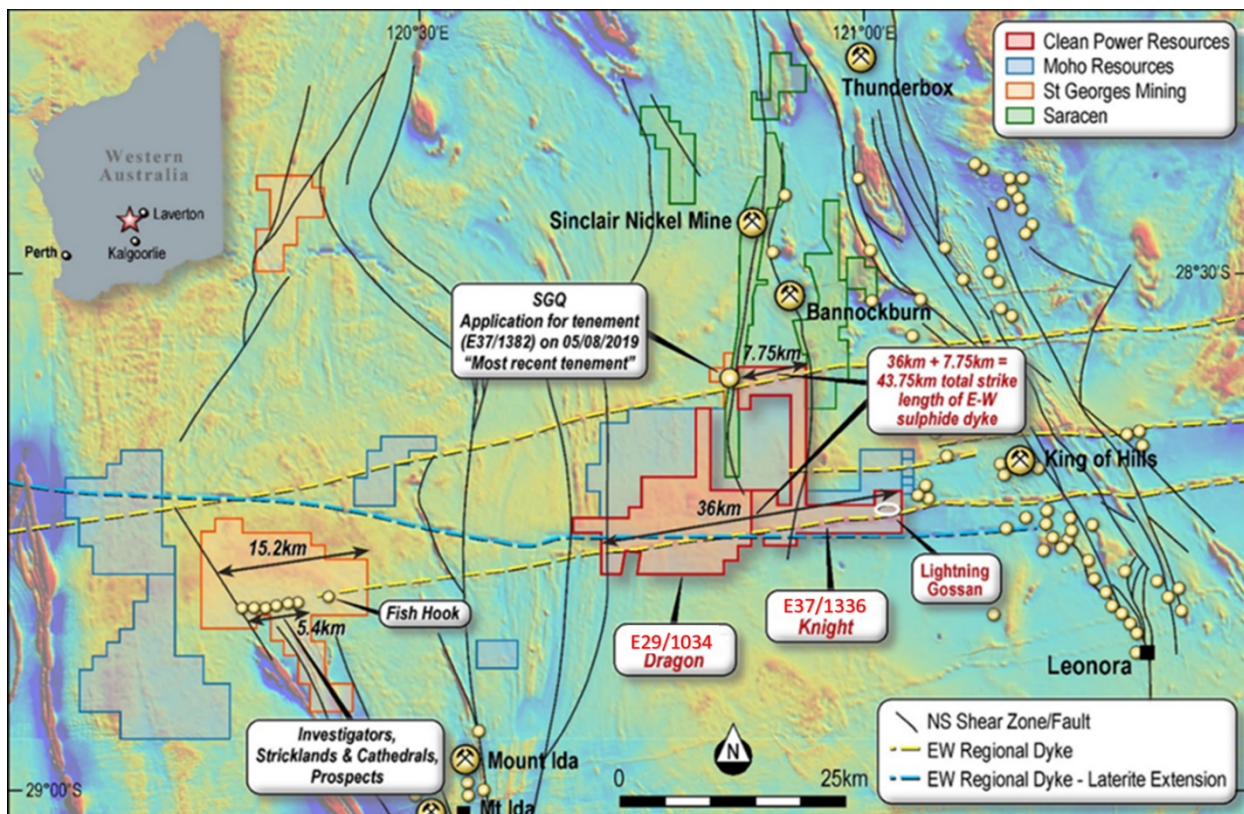
Tyranna's strategic re-focus is to raise adequate funds from disposing the legacy gold assets to progress the Dragon & Knight Nickel Projects. The project comprises two granted EL's (E37/1336 and E29/1034).

Looking forward, the Board remains optimistic on the outlook for nickel over the longer-term. Moreover, the Board is cognizant the level of interest in the Central Yilgarn region remains high, resulting from recent discoveries, for instance, by St George Mining at its Mt Alexander Project⁴ (Figure 1).

Due diligence by Tyranna's geology team has verified the following:

- There are two parallel ENE trending regional dykes which appear to control nickel-copper sulphide mineralisation which intersect the projects in two separate strike lengths that are related to sheeted Proterozoic dykes; and
- The aggregate strike length is circa 44km – with the sub-components 8km & 36km respectively – and contains highly prospective targets for follow up exploratory work¹.

FIGURE 1: DRAGON & KNIGHT NICKEL PROJECTS



Source: TYR ASX Release – 30 October & 26 November 2019

In addition, a priority target identified was an area around the Lightning Gossan within the Knight Nickel Project (E37/1336). According to the geological interpretation, the underlying mineralisation is similar based on a review of extensive historic surface sampling at Lightning Gossan which included assay results up to **7,600ppm Ni, 5,700ppm Cu, & 1,140ppm Zn¹**. In addition, four shallow drill holes by CRA Exploration intersected Ni mineralisation with a best intercept of **4m @ 1,925ppm Ni from 16m including 2m @ 2,290ppm Ni¹**.

Next steps

Tyranna believe that the project is prospective for Ni sulphide mineralisation associated with the sheeted dykes. There appears to have been little modern-day exploration for Ni sulphide mineralisation in this style of geological setting within the project area and the Company intends to implement the following:

- Complete regional targeting and review using geophysics;
- Complete first pass exploration of priority targets including geochemical sampling and prospecting as soon as possible.
- Reconcile the geochemical and geophysical results to identify targets to drill-test.

On behalf of Tyranna Resources Ltd

Joe Graziano
Director

References

- 1) TYX ASX Release – 30 October & 26 November 2019
- 2) SYS ASX Release – 18 November 2019
- 3) TYX ASX Release – 5 December 2018 & 20 September 2019 (Annual Report 2019)
- 4) SGQ ASX Release – 1 April 2020

Competent person statement

Exploration results

The exploration results for the Pacific Express, Knight, and Dragon projects contained in this announcement are based on and fairly represents information and supporting documentation prepared by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Nicholas Ryan is an employee of Xplore Resources Pty Ltd. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for over 14 years and is a Chartered Professional (Geology). Mr Ryan is employed by Xplore Resources Pty Ltd as a Consultant Resource Geologist. Mr Ryan is the Consulting Technical Manager for Clean Power Resources Pty Ltd, and holds no direct or indirect financial interest in Clean Power Resources Pty Ltd or Tyranna Resources Limited, other than remuneration for consulting services from his employer. Mr Ryan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ryan consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

The information in this report that relates to Exploration Targets and Mineral Resource estimates is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Richard Maddocks is an independent consultant to Tyranna Resources Limited. Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information contained in this report referring to Exploration Results is extracted from the reports entitled 'Tyranna to Acquire Producing Gold Project' released on December 1 2017, 'High Grade Drilling Results at Eureka' released to the ASX on 5 December 2018 and 'Eureka Drilling Intersects 5m @ 25.6g/t; released on March 7 2019 and Eureka Mineral Resource & Maiden Exploration Target released on 13 March 2019, all available to view on www.tyrannaresources.com.au or the ASX website under the code TYX. 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. 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.