

17 October 2019

Term Sheet for the Sale of the Jumbuck Gold Project

Tyranna Resources Limited (ASX: TYX) (**Tyranna** or **the Company**), has agreed to enter into a term sheet with Syngas Limited (ACN 062 284 084) (**Syngas**) for the proposed sale of all of Tyranna's right, title and interest in all of the issued shares of Half Moon Pty Ltd (ACN 159 579 138) (**HMP**), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture (**WGCV** or **JV**) and all tenements located around the WGCV owned 100% by HMP and Trafford Resources Pty Ltd (ACN 112 257 299) (**Trafford**), collectively referred to as the "Jumbuck Gold Project". HMP and Trafford are wholly owned subsidiaries of Tyranna.

Details of the proposed terms of the transaction are set out below and further details are contained in an announcement by Syngas (ASX: SYS) on 17 October 2019.

Term Sheet

The key commercial terms set out in the Term Sheet are summarised below:

- 1) Syngas is granted an option by Tyranna to acquire 100% of the shares of HMP and all the tenements held by Trafford located around the WGCV, collectively referred to as the Jumbuck Gold Project for \$950,000 cash (**Option**).

Tyranna has been informed by Syngas that this payment is a payment to which ASX listing rule 1.1 condition 11 may apply and this payment is yet to be considered by ASX in the context of this rule, and whether it represents a re-imbursalment of expenditure incurred in developing the asset. ASX has not yet assessed this proposed payment for its suitability under this listing rule;
- 2) The exercise period for the Option is a period of 7 months from signing of the Term Sheet where Syngas may do all things required to complete the Acquisition and to seek official quotation and re-instatement of its securities to trading on the ASX. The Option can be further automatically extended by 3 months by the payment of \$25,000 by Syngas to Tyranna;
- 3) Syngas has 30 days from signing of the Term Sheet to conduct a due diligence on the Jumbuck Gold Project (**Due Diligence Period**) and seek the preliminary approval of the ASX on the restructuring of Syngas;
- 4) A non refundable of Option fee of \$50,000 (**Option Fee**) is payable in the following manner:-

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- a) \$10,000 of the Option Fee will be paid in cash, without shareholder approval, within 3 business days of the date of execution of the Term Sheet. This amount has been paid.
- b) The balance of the Option Fee of \$40,000 shall be paid upon successful completion of the due diligence (**Due Diligence**) by Syngas during the Due Diligence Period and the receipt of ASX preliminary approval to the restructuring of Syngas and at this stage the Term Sheet will be binding.

Tyranna has been informed by Syngas that the Option Fee is a payment to which ASX listing rule 1.1 condition 11 may apply and this payment is yet to be considered by ASX in the context of this rule, and whether it represents a re-imbusement of expenditure incurred in developing the asset. ASX has not yet assessed this proposed payment for its suitability under this listing rule;

- 5) Upon completion of the Due Diligence, Syngas and Tyranna shall enter into a definitive share purchase agreement (**Purchase Agreement**) and any other agreement that may be necessary or desirable to effect the Acquisition which will set out in detail the terms and conditions of the Acquisition including:
 - a) Syngas to pay \$950,000 to Tyranna as consideration for the acquisition of all the issued capital in HMP and all the tenements held by Trafford located around the WGCJV upon completion of the Acquisition and approval for the re-instatement of the shares of Syngas to trading on the ASX.
 - b) Tyranna will ensure that the ownership transfer (transfer of title) of the Western Gawler Craton JV tenements in accordance with the Terms of Resolution Dispute between the parties to the Western Gawler Craton JV is completed within the timeframe as per the Deed of Covenant signed on 27 July 2019 and third party agreements are signed for Syngas to assume all obligations and liabilities from settlement.
- 6) Mr Bruno Seneque to join the board of Syngas on completion of the Acquisition.

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