

1 December 2017

## ***Tyranna to Acquire Producing Gold Project 50km north of Kalgoorlie***

### **Highlights**

- **Transformational acquisition from explorer to producer**
- **New growth strategy focused on near term production acquisition**
- **Operating open cut gold mine – currently subject to development by third party**
- **Historical Mineral Resource of 451,000 at 4.4 g/t gold for 64,200 oz of contained gold. This mineral resource estimate is not reported in accordance with the JORC (2012) Code (see Appendix A) and investors are cautioned that the Company has not yet completed the work to verify the historical resource estimate.<sup>1</sup>**
- **Close proximity to processing mills**
- **Approvals submitted for resource definition drilling to commence in December 2017**

Tyranna Resources Limited (ASX: TYX) ('Tyranna' or 'the Company'), is pleased to announce that it has entered into a binding agreement to acquire the advanced Eureka Gold Project, which hosts the Eureka open cut gold mine, from Central Iron Ore Limited (a company listed on the Canadian TSX Venture Exchange: TSX.V: CIO).

The acquisition will provide Tyranna with a potential cash generating asset which can be used in funding the exciting exploration activities at Tyranna's Jumbuck Gold Project in the northern Gawler block of South Australia.

Tyranna will commence additional drilling in December aimed at upgrading the historical resource estimate to a JORC (2012) compliant estimate. Once the mineral resource has been updated mining studies will commence with the aim of estimating an updated Ore Reserve.

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<sup>1</sup> A competent person has not done sufficient work to classify the historical estimates as mineral resources in accordance with the JORC 2012 Code; and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC 2012 Code.

**Proposed Activities to Continue Mining Activities**

- Drill program to upgrade resource to comply with the JORC 2012 Code;
- Feasibility study
- Approval process to continue mining
- Toll treatment agreement with nearby mills
- Exploration on additional targets to extend operations.

The Eureka open cut gold mine is currently being developed by a local contractor and it is expected that production will commence in early December 2017. Production is scheduled to extend the depth of the current open pit by approximately 20 metres and will be completed during the March 2018 quarter. Once this phase of mining is completed, Tyranna will estimate an updated Ore Reserve with the aim of recommencing mining pending the results of a feasibility study. As part of the acquisition, Tyranna will receive a royalty equal to 4% of the net smelter return generated from the sale of gold and or any other minerals. All royalty receipts will be used to offset the acquisition consideration. On commencement of production, Tyranna will receive \$250,000 as a prepayment of this royalty. Tyranna has submitted a Program of Works with the Department of Mines, Industry, Regulation and Safety for a reverse circulation (RC) drill program for 1,500 metres. This drilling is expected to commence in December 2017 with the aim to bring the historic mineral resource in compliance with JORC 2012. This drilling will also provide samples for geotechnical (Optical Televiewer (OTV) to be used for increased structural information collection and interpretation) and metallurgical test work.

Upon receipt of the drill results, Tyranna will commence a mining feasibility study to evaluate the possibility of mining and toll treating to nearby processing mills.

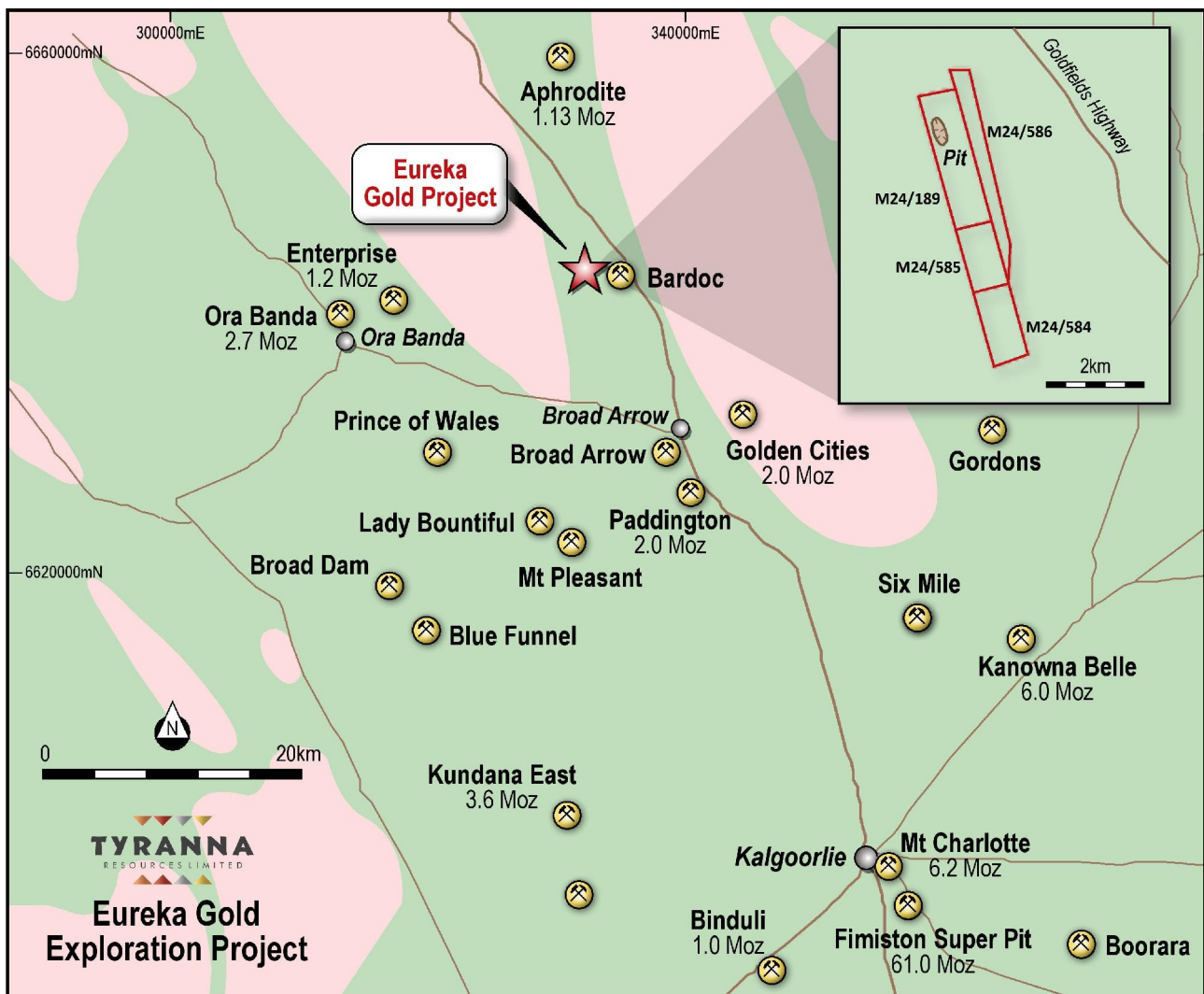


Figure 1: Eureka Gold Project Location Map

## History & Previous Exploration Activity

The Eureka Gold Project area (Figure 1) includes the Eureka Open Pit previously mined by Australian company West Coast Holdings Ltd (during 1985 and 1986) and areas along strike to the north containing the mine sequence stratigraphy. Central Kalgoorlie Gold Mines Limited (later renamed to Sherlock Bay Nickel Corporation Limited) conducted a drilling program in 2002 which defined gold mineralisation considered economically accessible by way of a cut back of the existing pit. Exploration potential is also demonstrated at depth below the existing open pit.



**Figure 2: Eureka pit in development (November 2017)**

Central Kalgoorlie Gold Mines Limited (“CKG”), an Australian company, around 2002 completed several drilling programmes to investigate extensions of mineralisation beneath and along strike from the existing pit. The programmes provided data for an evaluation of the potential for a cut back of the existing pit.

Results of significant drill hole intersections for the CKG drilling are presented in Table 1. The Exploration Results have not been reported in accordance with the JORC Code 2012; a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner’s Exploration Results; but the acquirer has not independently validated the former owner’s Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Table 1: Historical Significant Intercepts

Hole ID	Northing	Easting	RL	DIP	AZI	EOH	Depth From (m)	Depth To (m)	Intercept Width (m)	Au g/t
ERC 1	6643784	332573	400.3	-68	270	150	90	101	11	2.45
ERC 2	6643773	332600	397.2	-72	280	148	124	131	7	2.81
ERC 4	6643769	332557	388.7	-65	264	132	58	64	4	5.77
ERC 5	6643746	332596	392.5	-50	266	166	103	113	10	3.95
ERC 6	6643695	332534	329.6	-87	270	100	36	40	4	4.17
ERC 6	"	"	"	"	"	"	61	72	11	8.5
ERC 6	"	Including	"	"	"	"	66	68	2	34.70
ERC 12	6643587	332550	346	-60	274	70	47	51	4	2.18
ERC 15	6643551	332507	353.1	-67	255	60	4	13	9	3.47
ERC 18	6643717	332534	330.3	-90	0	80	60	70	10	5.96
ERC 25	6643717	332534	330.3	-85	0	78	50	51	1	9.22
ERC 25	"	"	"	"	"	"	72	73	1	17.00
ERC 29	6643495	332572	428.2	-65	273	174	161	165	4	3.41
ERC 34	6643475	332556	428.7	-64	270	156	138	143	5	2.28
ERC 36	6643475	332556	428.7	-60	271	156	57	60	3	9.8
ERC 36	"	"	"	"	"	"	57	58	1	24.8
ERC 36	"	"	"	"	"	"	104	109	5	3.9
ERC 39	6644449	332385	420	-60	270	97	53	57	4	134.0
ERC 39	"	Including	"	"	"	"	53	54	1	163.0
ERC 39	"	Including	"	"	"	"	54	55	1	347.0
ERC 46	6644450	332375	420	-60	270	97	42	46	4	33.7
ERC 46	"	Including	"	"	"	"	42	43	1	110.00
ERC 56	6644449	332390	420	-60	270	66	58	59	1	25.5

These exploration results are not reported in accordance with the JORC (2012) Code and investors are cautioned that the Company has not yet completed the work to verify the historical exploration results.

These drill hole results were announced by Central Kalgoorlie Gold Mines Ltd (ASX:CKG) on the ASX on 5 November 2002 and can be viewed on that platform. They were reported as per the JORC(1999) requirements. Tyranna cannot verify the reliability of the exploration results due to lack of data concerning sampling and sub-sampling techniques and some drill logs. While nothing indicates that the results are not reliable Tyranna is not in a position to be able to fully verify them due to lack of some data. The exploration results are the result of work programs carried out by CKG in 2002 in order to expand and verify the mineral resource beneath and along strike of the Eureka pit; the results were announced to the ASX in announcements dated 29 April 2002, 24 May 2002, 26 August 2002, 4 September 2002, 24 September 2002 and 31 October 2002. To the best of the Company's knowledge there has been no more recent Exploration Results or data relevant to understanding the Exploration Results.

### **Deposit Type**

The mineralisation exploited in the open pit consisted of a number of lens shaped shoots up to 10 metres wide within an intensely sheared zone some 30 metres wide.

### **Mineralisation**

High grade gold mineralisation at Eureka is associated with veining within the altered lower mafics. The vein system, which typically consists of quartz, carbonate and sulphide, has a variable thickness of up to 20 metres.

### **Acquisition Details**

The acquisition of the Eureka Gold Project (M24/189, M24/584, M24/585, M24/586) is equivalent to (AUD) \$3.2 million. The structure of the consideration payable to Central Iron Ore Ltd (CIO) for the Eureka Gold Project consists of:

1. Cash payment of \$250,000 on execution of the sale agreement;
2. Issue of 14,705,882 shares in Tyranna at a deemed issue price of \$0.017 per Share within 5 days after the date of the 2017 Annual General Meeting of Shareholders;
3. Issue of 79,411,765 shares in Tyranna at a deemed issue price of \$0.017 per Share at completion being 31 March 2018 or an earlier date to be agreed by the parties;
4. Cash payments at completion of \$1,350,000 less any royalty payments received which includes the prepayment of \$250,000 and any other royalty payments received.

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### **About Tyranna**

Tyranna is a gold exploration company focused on the large Jumbuck Project in the Northern Gawler Block of South Australia. A total of 14,389 metres was drilled at the Jumbuck Gold Project during the 2016 calendar year with the aim to explore for high grade open pit, gold mineralisation within trucking distance of the Challenger gold operations. The Challenger gold operations is owned and operated by Tyranna's joint venture partner WPG Resources Ltd.

Jumbuck is a highly prospective and underexplored area, similar in style to the Albany/Fraser belt adjacent to the Yilgarn Craton in Western Australia which is host to the large 6.3M oz Tropicana gold deposit. Tyranna controls over 9,762 km<sup>2</sup> of ground in this area, which also hosts the Challenger gold mine (owned by WPG Resources Ltd). Challenger has produced in excess of 1 million ounces of gold to date.

The Jumbuck Project has numerous gold occurrences over large areas, demonstrating strong potential for significant resources of shallow oxide ore, repeating Challenger style deposits.

Tyranna's strategy is to target those more advanced gold prospects which are situated within 50 km's of the Challenger gold processing operations and increase the economic scale of these prospects via focused and extensive exploration drilling.

Competent person statement: The information in this announcement that relates to Exploration Results is based on information compiled by Nicholas Revell, who is a Member of The Australian Institute of Geoscientists and who has more than five years' experience in the field of activity being reported on. Mr. Revell is the Technical Director of the Company. The information in the market announcement is an accurate representation of the available data and studies for the material mining project.

Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix A

As required under ASX listing rules, Chapter 5, 'Requirements applicable to reports of historical estimates and foreign estimates of mineralisation for material mining projects', the following information is provided as support for the historical mineral resource estimate.

5.12.1 The source and date of the historical estimates	The source of the historical mineral resource estimate is the ASX announcement from Central Kalgoorlie Gold Mines Limited (CKG) dated July 2 2003.
5.12.2 Whether the historical estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.	The historical estimate uses appropriate categories of mineralisation as per JORC(2012) but is not JORC(2012) compliant
5.12.3 The relevance and materiality of the historical estimates to the entity.	The historical estimate is relevant and material as the Company has purchased this deposit with the stated aim of further drilling and eventual development of it.
5.12.4 The reliability of the historical estimates, including by reference to any of the criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates.	There is limited data available to fully evaluate the reliability of the historical estimate and to enable a JORC(2012) resource estimate to be estimated without additional drilling
5.12.5 To the extent known, a summary of the work programs on which the historical estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical estimates.	There is limited data available to fully evaluate the input parameters that were used in estimating the historical estimate. The only data available is the drill intersections tabulated in this announcement.
5.12.6 Any more recent estimates or data relevant to the reported mineralisation available to the entity.	To the best of the Company's knowledge there are no more recent estimates or data that is relevant to the historical mineral resource estimate.
5.12.7 The evaluation and/or exploration work that needs to be completed to verify the historical estimates mineral resources in accordance with Appendix 5A (JORC Code).	The Company intends to commence a drilling campaign that will be aimed at confirming and /or extending the mineralisation at Eureka. This drilling will then enable an updated mineral resource estimate to be completed that will conform to JORC (2012) reporting requirements.
5.12.8 The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	The drilling campaign will commence in December 2017 and will be funded from existing cash reserves.



The estimates are historical estimates and are not reported in accordance with the JORC Code

A competent person has not done sufficient work to classify the historical estimates as mineral resources in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code.

Nick Revell, a competent person as defined by the JORC code, a member of The Australian Institute of GeoScience and an employee of Tyranna Resources Ltd confirms that the information in the market announcement provided under ASX listing rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the Eureka project.