

30 April 2018

## Quarterly Activities Report 31 March 2018

### Highlights

#### ACQUISITION OF GOODSPRINGS COBALT-BASE METALS PROJECT, USA

- Part of the Company's diversification strategy
- Area with strong mining history and presents attractive opportunity to deploy modern exploration techniques
- Exceptional high-grade polymetallic results from rock chip samples with cobalt assays reaching the threshold limit of 10,000ppm
- Klaus Eckhof appointed Strategic Advisor and Greg Smith appointed Technical Consultant
- Due diligence completed with both parties working together to satisfy all conditions precedents including drafting the sale and purchase agreement

#### EUREKA GOLD MINE

- Reserve/resource definition drilling planned to comply with JORC 2012
- Several high-priority targets identified
- Program of Works submitted to the Department of Mines to follow up historical bonanza gold results

#### JUMBUCK GOLD PROJECT


- Diamond drilling completed at Greenwood and Campfire Bore
- 5 diamond holes for 777.85m completed to update the resource model
- Results announced on 18 April 2018 with visible gold reported in the Primary Zone

#### WILCHERRY HILL JOINT VENTURE

- 22 RC holes completed on Targets 4 and 5 at Weednanna
- Target 4 continued to return high-grade results including
  - o 16m @ 3.2 g/t Au from 84m
  - o 12m @ 10.2 g/t Au from 92m, incl. 4m @ 28.1 g/t Au from 96m
  - o 4m @ 12.4 g/t Au from 52m
- Target 5 returned best intercept of 8m @ 2.2g/t Au from 164m
- High-res gravity survey commenced at Weednanna
- Regional diamond drilling commenced at Wilcherry Hill

#### CORPORATE

- \$2.55 million share placement completed to fund works and acquisition of Eureka Gold Project

  
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### GOODSPRINGS COBALT-BASE METALS PROJECT

In March 2018, Tyranna announced it had entered a binding option agreement to acquire private company, US Cobalt Pty Ltd, the owner of Goodsprings Cobalt and Base Metals Project, in Nevada, USA, and appointed mining identity Klaus Eckhof as a strategic advisor.

The US Cobalt acquisition is part of Tyranna's diversification strategy aimed at capitalising on the battery minerals revolution.

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

The district has a long association with mining and contains numerous copper, zinc, lead, gold and cobalt mines. The diverse range of minerals extracted within the district is hosted in vein, bedded, and replacement deposits and the most important district production was zinc-lead recovered from carbonate hosted MVT (Mississippi Valley Type) replacement occurrences.

Cobalt oxide is found in the wall rock of nearly every copper deposit in the district and historic reports note that locally, cobalt is abundant. In the early 1920s, approximately 20 tons of cobalt-rich ore was shipped from four separate copper mines to processing facilities, assaying between 6% and 29% cobalt. Records indicate that mining in the district ceased in 1921- 1922 and it appears that very little work has been undertaken in the Goodsprings district since this time.

Due to the lack of any modern exploration, the project area presents very attractive opportunities to deploy modern exploration techniques which Tyranna is planning to commence as soon as the acquisition transaction is executed.

The project surrounds New World Cobalt (ASX: NWC) previously named Longford Resources (ASX:LFR) claims to the north and south.

On 11 April 2018, Tyranna announced exceptionally high-grade polymetallic results from rock chip samples sent to ALS Laboratory in Reno, Nevada, with cobalt assays reaching the threshold limit of 10,000ppm (1% Co) and will be assayed to determine actual cobalt grades.

Highlights included:

- Cobalt assay highlights: >1%, 0.855%, 0.115%
- Copper assay highlights: 22.50%, 15.20%, 5.07%
- Zinc assay highlights: > 30.0%, 24.90%, 4.27%
- Lead assay highlights: >20.0%, 6.07%.

The results, which are detailed in ASX Announcement dated 11 April 2018, confirmed Tyranna's confidence that Goodsprings exhibits a polymetallic suite of minerals hosted in vein bedded, and replacement deposits throughout the project area.

#### *Acquisition Details*

Tyranna executed a binding agreement to acquire US Cobalt Pty Ltd to give Tyranna the exclusive right to acquire 100% of US Cobalt by way of an off-market scrip for scrip takeover. The key commercial terms include:

1. Cash payment of \$100,000 for 14-day exclusive option agreement
2. 14 days to complete due diligence
3. Tyranna will issue 141,176,470 ordinary shares in Tyranna Resources Ltd at deemed price of \$0.017. The shares will be issued pursuant to the Company's placement capacity under Listing Rule 7.1 (71,529,796 shares) and 7.1A (69,646,674 shares).
4. Mr Klaus Eckhof will be issued 20 million options (TYXOC), and Mr Greg Smith will be issued 10 million options (TYXOC) as part of consulting arrangements. Mr Paul Lloyd (director of US Cobalt) will be issued 20 million options (TYXOC). These options will be issued after the general meeting of shareholders to be held on 19 April 2018 under Listing Rule 7.1.

Tyranna announced the completion of due diligence on the project on 6 April 2018. Both parties will now work together to satisfy all of the conditions precedent, which include the drafting of the sale and purchase agreement.

#### **EUREKA GOLD PROJECT**

As reported in December 2018, Tyranna acquired the Eureka Gold Project in WA, which includes the Eureka Open Pit Mine, previously mined in the 1980s.

Tyranna commenced drilling at the Eureka Gold Project in January, aiming to undertake a program of reserve/resource definition drilling of up to 2000m to be drilled in two stages. This aimed to comply the

historic mineral resource (as announced on 1 December 2017) with JORC 2012 standards 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.

Tyranna submitted a Program of Works to the Department of Mines to conduct a reverse circulation (RC) program to follow up historical bonanza gold hits located 600m north of the current Eureka pit. It also completed a comprehensive review of available geological and geophysical data and identified several high priority targets. The drilling aimed to follow up the high-grade intercepts to confirm the historical results, the orientation and continuity of the mineralisation.

The drilling program is expected to be complete by May/June 2018.

### **JUMBUCK GOLD PROJECT**

Tyranna's key project controls 9,762 km<sup>2</sup> surrounding the Challenger Gold Mine (>1M gold produced @6g/t). A 1,000m diamond drilling program commenced in November 2017 at the Greenwood Gold Prospect (located 37km north of the Challenger Gold Mine) to follow up a recent high-grade reverse circulation program which confirmed a high-grade gold structure.

In March, Tyranna completed diamond drilling at the Greenwood and Campfire Bore prospects. It drilled five diamond holes for a combined total of 777.85m, aiming to gain critical, accurate structural information and geotechnical data in the Primary zone (below 100m RL) to update the current resource model.

Results from the program are announced on 18 April 2018 with visible gold reported in the Primary Zone.

### **WILCHERRY HILL JOINT VENTURE**

Tyranna's interest in the Wilcherry Hill Joint Venture via subsidiary Trafford Resources Pty Ltd diluted to 28.91% during the quarter, with JV manager Alliance Resources (ASX: AGS) increasing its interest to 71.09% by sole funding expenditure for the quarter ended 31 March 2018.

### Weednanna Prospect

Drilling results from AGS' third phase of RC drilling at Weednanna reported in January included:

- 35m @ 3.65 g/t Au from 43m in 17WDRC051 (Target 1), incl. 9m @ 8.91 g/t Au from 44m
- 6m @ 13.63 g/t Au from 59m in 17WDRC057 (Target 2), incl. 3m @ 26.60 g/t Au from 62m
- 15m @ 18.21 g/t Au from 107m in 17WDRC067 (Target 4), incl. 7m @ 35.94 g/t Au from 109m
- 3m @ 25.45 g/t Au from 81m in 17WDRC070 (Target 4), incl. 1m @ 74.2 g/t Au from 81m.

In January, Alliance completed ground moving loop electromagnetic (MLEM) surveys over the remaining heli-electromagnetic target areas to better define HEM conductors. 14 MLEM targets were defined, eight of which will be drilled using an RC rig for 1,525 metres, and six will be drilled using a diamond rig for 1,960 metres.

In February, Alliance commenced RC drilling these targets to test the limits of the new Target 4 gold zone. Alliance completed 22 RC holes for 3,138 metres with 19 holes testing Target 4 and three initial holes to test Target 5.

Preliminary results for 17 holes were received from this drilling and reported in April, with 14 holes reported intercepts >1 g/t Au, with 3 holes returning >50 g/t-m Au. Target 4 continued to return high-grade gold results, including:

- 16m @ 3.2 g/t Au from 84m in 18WDRC003
- 12m @ 10.2 g/t Au from 92m in 18WDRC005, incl. 4m @ 28.1 g/t Au from 96m
- 4m @ 12.4 g/t Au from 52m in 18WDRC006

Nineteen holes (18WDRC001-013 and 18WDRC017-022) were drilled at Target 4 to test some wide-spaced historic gold intercepts. All the new holes intersected strong pyrite associated with magnetite skarn. Sixteen holes reported intercepts >1 g/t Au. The mineralisation is open down dip in the east on most sections and/or down plunge to the south.

At Target 5, two of the three holes reported intercepts >1 g/t Au, with a best intercept of 8m @ 2.2 g/t Au from 164m in 18WDRC016.

Alliance is planning further RC drilling in 2018 to define the limits of gold mineralisation at Targets 4 and 5 and to test new target areas.

Alliance later commenced a high-resolution gravity survey at Weednanna. Alliance will survey a total of 2,550 stations, comprising 1,900 stations using a 25m grid over the central Weednanna area and 600 stations using a 50m grid elsewhere.

The high-resolution gravity survey at Weednanna and surrounds will assist with mapping the sub-surface geology, particularly the target corridors of calc-silicate and magnetite skarn that host high-grade gold shoots. The data will complement the existing airborne magnetic, induced polarisation and drilling datasets at Weednanna and will be utilised for constrained 3D inversion modelling to assist with targeting new gold lodes. The survey is expected to be complete by the end of April.

### **Regional drilling**

Alliance commenced a regional diamond drilling program to test for base metals at Wilcherry. This aimed to test six MLEM targets defined by the earlier survey as well as the HP2 (North) target, where a hole drilled in late 2017 was abandoned due to broken ground and clay, but intersected 3m @ 0.4% zinc from 159m to end of hole.

The diamond drilling commenced at the MLEM target HP2 (North) in the western part of the project area to test the zinc mineralisation, then moved to HP2 (South) and the remainder of the MLEM targets.

### **CORPORATE**


#### *Appointment of Strategic Advisor*

Mr Klaus Eckhof is the Executive Chairman for ASX-listed AVZ Minerals Ltd, which is developing one of the world's largest lithium (pegmatite) deposits and has a market capitalisation of \$530 million. He is a geologist with more than 20 years of experience identifying, exploring and developing mineral deposits around the world.

In 2003, Mr Eckhof founded Moto Goldmines which acquired the Moto Gold Project in the Democratic Republic of Congo. There, Mr Eckhof and his team delineated more than 22 million ounces of gold and delivered a feasibility study within four years from the commencement of exploration. The project was subsequently acquired for circa US\$500 million by Randgold Resources (LON:RRS) who poured first gold in September 2013.

#### *Appointment of Technical Consultant*

As part of the Goodsprings acquisition, Tyranna appointed Greg Smith as a technical consultant. Greg is a geologist (BSc in Geology from Dalhousie University in Canada) with 40 years' experience as an exploration and mining geologist in Canada, Africa, Australia and South East Asia. Greg was previously the Exploration Manager for Moto Goldmines on the Moto Gold Project in the DRC and was instrumental in the development of the Moto Gold Project.

  
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### *Share Placement*

During the quarter, Tyranna completed a \$2.55 million placement via the issue of 150 million shares at \$0.017 per share as approved by shareholders at the 2017 Annual General Meeting. The placement included the issue of one free attaching option (TYXOC – listed options exercisable at \$0.04 expiring on 6 October 2021) for every two shares taken up. CPS Capital managed the capital raising.

Funds from the placement are advancing exploration at the Eureka Gold Project in WA, as well as acquisition costs related to the project.

All Tyranna directors subscribed for \$10,000 worth of shares each (for a total of \$40,000) on the same terms as the Placement, after receiving shareholder approval on 19 April 2018 in accordance with the ASX Listing Rules.

### *Investment in Kairos Minerals*

Tyranna holds 31.3 million shares in Kairos Minerals Limited (ASX: KAI), valued at \$1.2 million. Tyranna will earn another 7.2 million shares should 500,000 oz of gold be identified on the Mt York tenements in the Pilbara region of Western Australia within three years of the acquisition date, and has received encouragement from recent Kairos drilling which has confirmed Mt York contains a significantly larger BIF-hosted gold system.

### *Investment in Orinoco Gold*


Tyranna holds 19.1 million shares in Brazilian-focused gold explorer Orinoco Gold Limited (ASX: OGX) valued at \$1.5 million. The Company holds a further 14.8 million options exercisable at \$0.11 on or before 31 January 2020 valued at \$0.6 million. Orinoco's share price has seen significant gains following spectacular grades from the Pilot Hammer Mill at its Cascavel Gold Mine.

As at 31 March 2018, Tyranna held \$3.2 million cash at bank.

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**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 of approximately 1,500 – 2,000 metres will be drilled in two stages, scheduled to be completed by May/June 2018. The aim of this drilling program is 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.


*Wilcherry Project JV (Alliance Resources Limited – 71.09% / Tyranna Resources Limited – 28.91%)*

The Wilcherry Project contains the highly prospective Weednanna Prospect, where recent drilling program totalled 11,207m. Targets 1,2,3 and 4 have reported 43 out of 70 holes >1g/t with 14 holes returning >50g/t Au. Final results released (ASX Announcement 17th January 2018) has confirmed a new high-grade gold zone within the project complex, returning significant results including:

- 35m @3.65 g/t Au from 43m,
- 6m @ 13.63 g/t Au from 59m,
- 15m @ 18.21 g/t Au from 107m and
- 3m @25.45 g/t Au from 81m including 1m @ 74.2 g/t Au from 81m.

*Jumbuck JV (Tyranna Resources Limited – 77% / WPG Resources Limited – 23%)*

Tyranna's Jumbuck Gold project controls 9,762 km<sup>2</sup> surrounding the Challenger Gold Mine (>1M gold produced @6g/t). The close proximity of Greenwood 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 Resource and the Tyranna team has been undertaking works on prospective targets to build on the 219,000 oz Au Inferred Resource in place (refer ASX announcement on 17 October 2016).



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*Kairos Minerals Limited (ASX : KAI)*

Tyranna is the 2nd largest shareholder in the Eric Sprott backed Kairos Minerals Ltd, holding 31.3 million, shares valued at \$1.2 million. Tyranna will earn another 7.2 million shares should 500,000 oz of gold be identified on the Mt York tenements in the Pilbara region of Western Australia within three years of the acquisition date. Mt York gold project Mineral Resource (Total Indicated & Inferred Resource: 5.692Mt at 1.42g/t for 258,000oz Au)

*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 is the 4th largest shareholder in Orinoco, holding 19.1 million shares valued at \$1.5 million. The Company holds a further 14.8 million options exercisable at \$0.11 on or before 31 January 2020 valued at \$0.6 million.

**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 GeoScience 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.


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 1: Mining Tenements as at 31 March 2018**


South Australia Tenement Schedule				
Exploration License No	Tenement Name	Registered Holder	Interest at Beginning of Qtr	Interest at End of Qtr
5470	Valley Dam	Trafford Resources Pty Ltd	32.7%	28.9%
5299	Wilcherry Hill	Trafford Resources Pty Ltd	32.7%	28.9%
5164	Eurilla Dam	Trafford Resources Pty Ltd	32.7%	28.9%
5590	Peterlumbo	Trafford Resources Pty Ltd	32.7%	28.9%
5875	Mt Miccollo	Trafford Resources Pty Ltd	32.7%	28.9%
5961	Pinkawillinie	Trafford Resources Pty Ltd	32.7%	28.9%
5931	Maratchina Hill	Trafford Resources Pty Ltd	32.7%	28.9%
6002	Irra Outstation (Jumbuck)	Trafford Resources Pty Ltd	100%	100%
6003	Garford Outstation West	Trafford Resources Pty Ltd	100%	100%
6004	Garford Outstation East	Trafford Resources Pty Ltd	100%	100%
5098	Wildingi Claypen	Trafford Resources Pty Ltd	100%	100%
5168	Indooroopilly	Trafford Resources Pty Ltd	100%	100%
5282	Hilga Crutching Shed	Trafford Resources Pty Ltd	100%	100%
5283	Mt Christie	Trafford Resources Pty Ltd	100%	100%
5284	Commonwealth Hill	Trafford Resources Pty Ltd	100%	100%

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Exploration License No	Tenement Name	Registered Holder	Interest at Beginning of Qtr	Interest at End of Qtr
5285	Ingomar	Trafford Resources Pty Ltd	100%	100%
5460	Mt Christie Siding	Trafford Resources Pty Ltd	100%	100%
5680	Isthmus	Half Moon Pty. Ltd.	100%	100%
5510	Mathews Tank	Trafford Resources Pty Ltd	100%	100%
5551	Brickies - Wynbring	Trafford Resources Pty Ltd	100%	100%
5526	Galaxy Tank	Trafford Resources Pty Ltd	100%	100%
6005	Eagle Hawk	Trafford Resources Pty Ltd	100%	100%
5032	Deep Leads	Trafford Resources Pty Ltd	100%	100%
5817	Sandstone	Half Moon Pty. Ltd.	100%	100%
5818	Lake Anthony	Half Moon Pty. Ltd.	100%	100%
5819	Irra	Half Moon Pty. Ltd.	100%	100%
5820	Barton Area	Half Moon Pty. Ltd.	100%	100%
ELA2012/291	Barton Siding	Trafford Resources Pty Ltd	100%	100%
5772	Warrior Outstation	Half Moon Pty. Ltd.	100%	100%
5032	Tarcoola	Trafford Resources Pty Ltd	0%	100%
6005	Eaglehawk	Trafford Resources Pty Ltd	0%	100%

  
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<b>South Australia Tenement Schedule</b>				
<b>Exploration License No</b>	<b>Tenement Name</b>	<b>Registered Holder</b>	<b>Interest at Beginning of Qtr</b>	<b>Interest at End of Qtr</b>
5998	Campfire Bore	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	68% rights to the gold	69% rights to the gold
5298	Mulgathing	Challenger Gold Operations Pty Ltd	75% rights to the gold	77% rights to the gold
5732	Sandstone JV	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	68% rights to the gold	69% rights to the gold
5661	Jumbuck	Challenger Gold Operations Pty Ltd	75% rights to the gold	77% rights to the gold
5720	Mobella	Challenger Gold Operations Pty Ltd	75% rights to the gold	77% rights to the gold
5767	Sandstone	Challenger Gold Operations Pty Ltd	75% rights to the gold	77% rights to the gold
6021	Blowout	Challenger Gold Operations Pty Ltd	75% rights to the gold	77% rights to the gold

  
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<b>Western Australia Tenement Schedule</b>				
<b>Exploration License No</b>	<b>Tenement Name</b>	<b>Registered Holder</b>	<b>Interest at Beginning of Qtr</b>	<b>Interest at End of Qtr</b>
E36/880	Weebo	Tyranna Resources Ltd	100%	100%
E37/1275	Weebo	Tyranna Resources Ltd	100%	100%
E37/1328A	Weebo	Tyranna Resources Ltd	0%	0%
M24/189	Eureka	Central Iron Ore Ltd	0%	0%
M24/584	Eureka	Central Iron Ore Ltd	0%	0%
M24/585	Eureka	Central Iron Ore Ltd	0%	0%
M24/586	Eureka	Central Iron Ore Ltd	0%	0%

  
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