

23 September 2016

Tyranna and Alliance Resources form Strategic Joint Venture

Highlights :

- **Tyranna enters into joint venture agreement with Alliance Resources over the Wilcherry Hill Project in SA**
- **Tyranna to receive \$2m cash for sale of 51% JV interest in the Wilcherry Hill Project to Alliance**
- **Deal bolsters Tyranna's cash reserves to focus on core asset: Jumbuck Gold Project – drilling underway**
- **Cornerstone shareholder – Alliance, chaired by major shareholder Mr Ian Gandel may acquire or subscribe for shares up to 19.9% in Tyranna**

Tyranna Resources Limited (ASX: TYX) ("Tyranna" or the "Company") is pleased to announce it has executed a binding Heads of Agreement ("HoA") with Alliance Resources Limited (ASX: AGS) ("Alliance") to form a strategic joint venture covering the Wilcherry Hill Project located 100 km northwest of Whyalla, South Australia.

Alliance will pay Tyranna \$2 million cash to acquire a 51% equity interest in the Wilcherry Hill Project.

The \$2 million cash payment will further strengthen Tyranna's balance sheet and cash reserves to ramp up exploration at its Jumbuck Gold Project, also in SA, and on the 100%-owned Tyranna tenements that also surround the Challenger gold mine. An 8,300 metre drilling program is currently underway and results are expected in mid-October. Refer to **Figure 2** which highlights, in red blocks, Tyranna's 100% owned tenements, on which the Company will now fast track exploration activity.

As a vote of confidence in Tyranna's exploration strategy, Alliance will invest in Tyranna by acquiring or subscribing for shares to become a cornerstone shareholder in the Company. This investment strategy reflects the view of the Directors of Alliance, who consider Jumbuck to have the potential to be a significant gold discovery in the region.

Tyranna's Managing Director Bruno Seneque said today: *"This agreement with Alliance comes at an opportune time, allowing us to focus on the Jumbuck gold project, where we are currently drilling our new gold discoveries at the Greenwood and Campfire Bore prospects. Alliance, whose Chairman and major shareholder is Mr Ian Gandel, is a well-funded and an experienced explorer in South Australia. We are excited to welcome Alliance as our partner and look forward to unlocking the full multi-mineral potential of Wilcherry Hill."*



ASX CODE: TYX

DIRECTORS

Joseph S. Pinto
Non-Executive Chairman

Bruno Seneque
Managing Director

Nick Revell
Technical Director

Frank Lesko
Non-Executive Director

Yugi Gouw
CFO/ Company Secretary

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The Wilcherry Hill Project is prospective for a range of deposit styles including skarn, intrusion-related, sediment-hosted, shear-hosted and iron oxide copper-gold that may contain economic concentration of a variety of commodities, including gold, tin, copper, zinc, lead, silver, iron, bismuth, tungsten, and uranium.

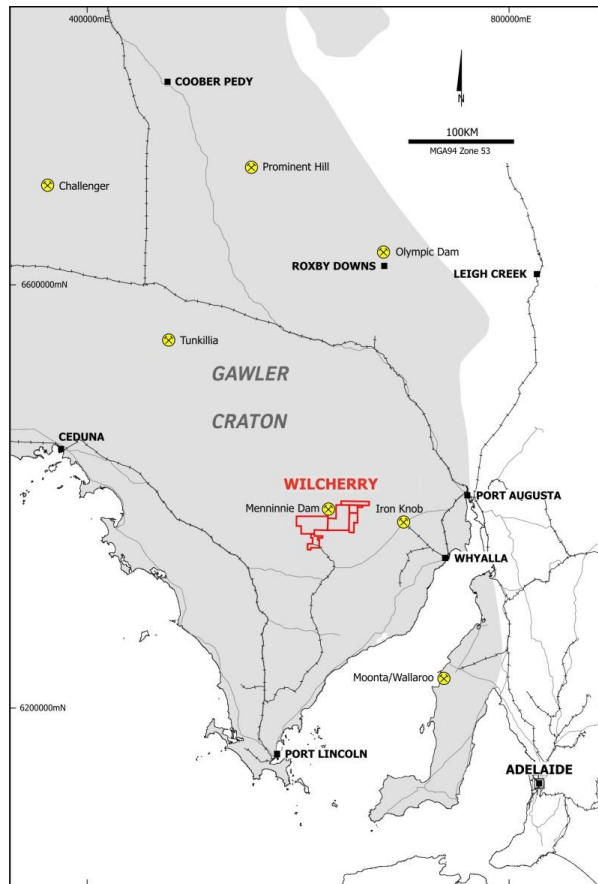


Figure 1: Wilcherry Hill Project location, South Australia

Wilcherry Hill will now become Alliance's flagship project and Alliance has a detailed exploration strategy, which Tyranna shareholders can read in detail by referring to Alliance's ASX announcement dated 23 September 2016.

The main terms of the Tyranna – Alliance agreement are:

- Alliance to acquire a 51% interest in the Wilcherry Hill Project tenements, property and data for \$2 million;
- Thereafter, both parties to contribute to expenditure in accordance with their equity in the Project, or dilute using a standard dilution formula;
- Alliance to determine the exploration work to be undertaken on the Project tenements and ensure they remain in good standing until it serves notice that it intends to proceed to mining by delivering to Tyranna a feasibility study (Decision to Mine), and
- Should a party's equity fall to 10% or less, the parties agree to negotiate in good faith for the majority party to buy-out the minority party's interest in the Project.

Alliance is currently completing its due diligence on the Project and has until 8 October 2016 to determine whether or not to proceed with the purchase.

Tyranna has reached an agreement with Alliance to acquire or subscribe for shares in Tyranna up to 19.9% of Tyranna's issued share capital. Shares subscribed for may be issued once Tyranna has received shareholder approval to ratify the past issue of securities and refreshes its placement capacity under ASX listing rule 7.1 and 7.1A at the next annual general meeting. The issue price of shares will be equal to 95% of the VWAP calculated over the last 30 days before the day on which Alliance provides the subscription funds for those shares. Alliance will also have the right to appoint one director to the board of Tyranna once Alliance has acquired a holding of at least 10% of the ordinary shares in Tyranna.

Bruno Seneque,
Managing Director
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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. An 8,300 metre drilling campaign is currently underway.

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 Tropicana gold deposit. Tyranna controls over 8,000 km² 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 with strong potential for significant resources of shallow oxide ore and repeat 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.

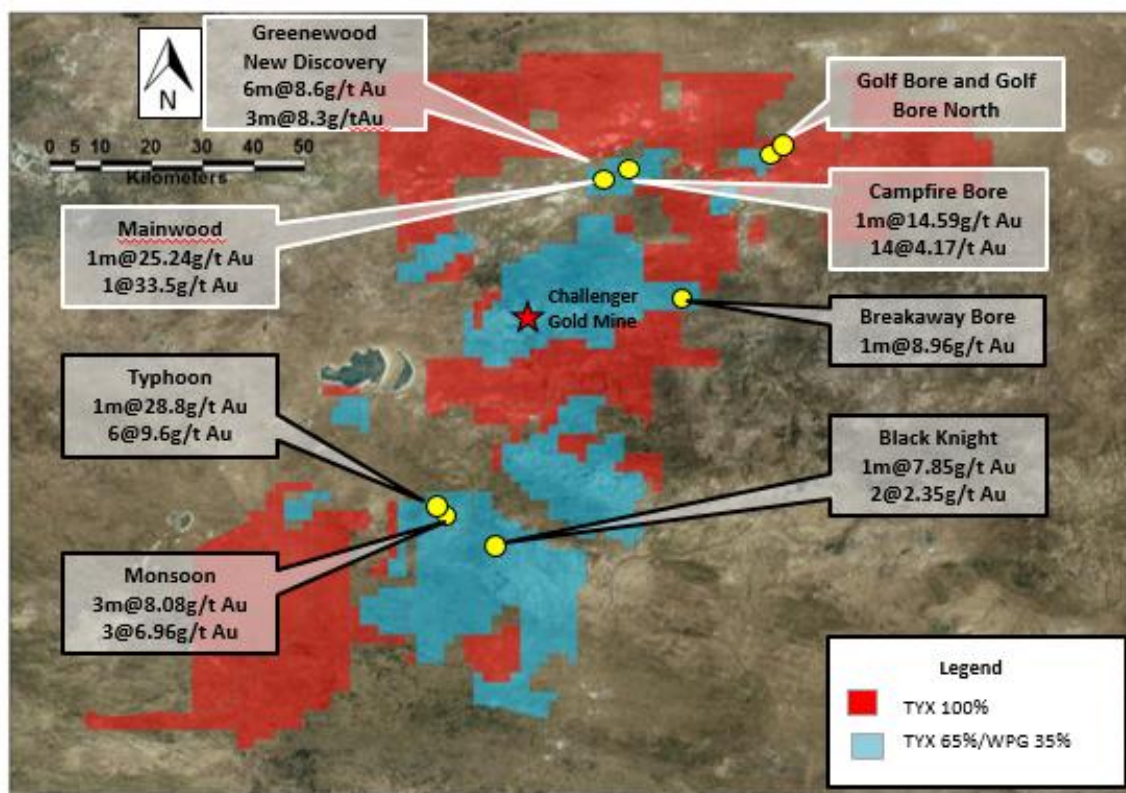


Figure 2: Jumbuck Project Area Map

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.

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