

➤ ASX ANNOUNCEMENT

4 May 2023

ASX:TYX

Issued Capital

2,406,425,325 shares
576,935,342 @ 0.01 options
1,000,000 @ 0.075 options
1,000,000 @ 0.10 options
700,000,000 performance shares

Directors

Joe Graziano
Paul Williams
Peter Spitalny
David Wheeler

Company Secretary

Tim Slate

About Tyranna Resources Ltd

TYX is an Australian ASX Listed explorer focused on discovery and development of battery and critical minerals in Australia and Angola.

It owns 80% of a 207km² lithium exploration project in the emerging Giraul pegmatite field located east of Namibe, Angola, Africa. It further holds potential nickel and gold tenements primarily in Western Australia.

Tyranna Resources Ltd

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Tyranna Secures Major Strategic Investor Funding and Off Take Partner for in excess of AUD \$31,000,000

Highlights

- > Subscription agreements executed with Sinomine to fund exploration of the Namibe Lithium Project in Angola to an amount of AUD \$31,000,000, subject to Chinese outbound investment regulatory approvals
- > Phase 1 investment of AUD \$4,500,000 placed at the last sale price of \$0.025c – a 18.8% premium to the 15 day VWAP
- > Further substantial non-dilutive funding of TYX and its shareholders at the project level
- > CPS Capital, in conjunction with Anglo Pacific Ventures, acted as corporate advisors & broker to the transaction
- > The investment ensures the Namibe Lithium project is fast-tracked, creating many local jobs and spending with local suppliers to build the necessary infrastructure and putting Angola firmly on the map as a friendly and progressive mining jurisdiction

Tyranna Resources Limited (ASX: TYX) (Tyranna or the Company) is delighted to announce that it has executed conditional subscription agreements with Sinomine Resource Group Co., Ltd. and Sinomine International Exploration (Hong Kong) Co., Limited) (collectively, **Sinomine**) to invest in excess of AUD \$31,000,000 in two phases to explore and develop the Namibe Lithium Project in Angola (**Subscription Agreements**).

A summary of key terms is as follows:**Phase 1 Investment:**

- A\$10 million for 10% of the fully diluted shares in AM (Mauritius) Limited - the TYX subsidiary based in Mauritius which owns 100% of the Angolan subsidiary operating in Angola;
- A\$4.5 million share placement in TYX at \$0.025 per share for 180 million shares (**Phase 1 Investment**), an 18.8% premium to the 15-day VWAP;
- The funds raised under the Phase 1 investment will be used to advance development of the Namibe Lithium Project in Angola, for general business development purposes, and to provide additional working capital;
- It is intended that the Stage 1 Placement be issued without shareholder approval under the Company's current 15% placement capacity pursuant to Listing Rule 7.1.

Phase 2 Option:

- Option to subscribe A\$10 million for a further 10% of the fully diluted shares in AM Mauritius (for a total 20% holding in AM Mauritius);
- Option to subscribe A\$6.75 million for up to 180 million shares in TYX at an issue price of a 25% discount to the 5 Day VWAP prior or \$0.0375 per share (whichever is the higher) **Phase 2 Option**;
- Option period is 24 months from the date of issue of the **Phase 1 Investment**.

Conditions Precedent

- Binding offtake agreement for 50% of the spodumene and pollucite from the Namibe Lithium Project – Tyranna and Sinomine are required to execute a binding offtake agreement within 30 days from execution of the subscription agreements – with a right of first refusal, subject to government and regulatory approvals, for the balance of production in the event that the Phase 2 options are exercised (**Offtake Agreement**);
- Registration of the transfer of the Namibe Licence (Prospecting Licence No. 001/02/01/T.P/ANG-MIREMPET/2022) from VIG World Angola Lda to TYX-subsiary, Angolitio Exploração Mineira (SU), Limitada (**Angolitio**), currently with the Ministry of Mineral Resources, Petroleum and Gas of Angola;
- Sinomine obtaining all necessary Chinese outbound investment regulatory approvals;
- Angolitio and CPS having entered into a royalty agreement;
- Implementation of agreed amendments to AM Mauritius' constitution;
- Completion of due diligence;
- Each Subscription Agreement is conditional on completion occurring under the other Subscription Agreement;
- Other standard conditions for documents of this nature

Advisor Fees

Tyranna has entered a mandate to pay capital raising fees to its broker, CPS Capital Group Pty Ltd, (**CPS**) of 6% plus GST on funds raised under the Subscription Agreements.

In addition, for the introduction, negotiation and structuring of the Offtake Agreement, CPS will receive a royalty of 0.75% of any gross revenue received under the Offtake Agreement. Tyranna may buy back this royalty at any time by mutual agreement.

Joe Graziano, the Chairman of Tyranna commented as follows: *“The Board of TYX is extremely pleased to have executed this agreement with Sinomine. The transaction will secure funding to complete an extensive exploration program at the Namibe Lithium Project which will assist in defining the scale and size of this project for the future development of potentially significant resources. In addition to working closely with the Angolan government, we have developed a strong working relationship with Sinomine over the past months and we are confident that their commitment to the project’s success is evident by their willingness to invest and to work closely with our team to define that potential. Both teams will be working together closely to share their technical knowledge to ensure an efficient and effective exploration strategy moving forward. I would like to thank the TYX board, advisors and all our team for their efforts to date in progressing this project thus far and am very excited about the future where our vision of defining a lithium resource of significance is another step closer to being achieved.”*

Mr Pingwei Wang, President and CEO of Sinomine commented: *“I am very pleased that Sinomine and Tyranna have agreed terms to progress this investment to explore and define the potential of the Namibe Lithium Project in Angola. As a listed company actively engaged in the mining sector and mining development on an international scale, Sinomine has the ability and confidence to work closely with Tyranna to effectively explore the project in Angola. Through our joint cooperation, we will create value for the local Angolan community as well as the shareholders of both companies.”*

About Sinomine

Founded in 1999, Sinomine is a listed company on the Shenzhen stock exchange and has a market capitalization of approximately AUD \$8 billion. It has developed into a global mining group with a comprehensive resource industrial chain. Sinomine’s main business and operations cover four segments: rare light mineral (cesium and rubidium) resources development & utilization, EV lithium material development & utilization, geo-technical services, and mineral properties development. Sinomine’s business covers more than 40 countries, including Canada, US, UK, Norway, Zambia, Congo (DRC), Zimbabwe, Uganda, Indonesia, Malaysia and other regions in Asia, Africa, Europe, America, and Oceania.

Indicative timetable

The expected key dates for the Subscription Agreements are set out below:

Event	Week ending
Registration of the transfer of the Namibe Licence from VIG World Angola Lda to Angolitio Angolitio and CPS having entered into a royalty agreement Implementation of agreed amendments to AM Mauritius’ constitution	12 May 2023
Sinomine obtaining all necessary Chinese outbound investment regulatory approvals Completion of due diligence	26 May 2023
Offtake Agreement Completion of the Subscription Agreements Issue of Phase 1 Investment Securities	2 June 2023

All dates and times are indicative only and subject to necessary approvals and each other condition precedent to the Subscription Agreements being satisfied or waived.

About the Phase 1 Investment

Sinomine will subscribe for 180,000,000 Shares at \$0.025 per Share to raise A\$4,500,000 before costs.

Funds raised by the Phase 1 Investment will be to advance development of the Namibe Lithium Project in Angola, for general business development purposes, and to provide additional working capital. The Phase 1 Investment Shares will rank equally with existing fully paid ordinary shares on issue. The 180,000,000 Phase 1 Investment Shares are intended to be issued without shareholder approval under the Company's current 15% placement capacity pursuant to Listing Rule 7.1.

The Placement represents an 18.8% premium to the 15-day VWAP of TYX shares as at 25 May 2023 and equal to the Company's last closing price of \$0.025.

About the Phase 2 Option

Sinomine will subscribe for a maximum of 180,000,000 Shares at an issue price of a 25% discount to the 5 Day VWAP prior or \$0.0375 per share (whichever is the higher) per Share to raise A\$6,750,000 before costs.

Funds raised by the Phase 2 Option are expected to be used to advance development of the Namibe Lithium Project in Angola, for general business development purposes, and to provide additional working capital. The Phase 2 Option Shares will rank equally with existing fully paid ordinary shares on issue. The 180,000,000 Phase 2 Option Shares are intended to be issued without shareholder approval under the Company's current 10% placement capacity pursuant to Listing Rule 7.1A.

Authorised by the Board of Tyranna Resources Ltd

Joe Graziano
Chairman