

Tyranna Resources Ltd

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Tyranna Resources study results confirm early gold mining opportunity

Tyranna Resources Ltd (ASX:TYX) has received the results from the review of a restart study at its 100% owned Eureka Gold Project near Kalgoorlie in Western Australia.

The study shows that a viable cash flow positive early mining opportunity exists at the Eureka project, which was mined as recently as 2018.

Tyranna's next step in development is to fast-track mining approvals, contractor appointment and finalise an off-take agreement.

READ: Tyranna Resources eyes near-term gold production at Eureka; drill targets identified in Nevada

Tyranna's managing director Bruno Seneque said: "The results of the mining study as an early mining opportunity demonstrates the potential to generate good free positive cash flow for the business with minimal upfront capital delivering a very good cash margin over a short period.

"We plan to generate cash flow to self-fund exploration to grow our assets at Eureka with minimal shareholder dilution.

"Plans are underway to secure a funding solution that will enable Tyranna to commence mining at Eureka and in the meantime, mining approvals will be fast tracked, mining and haulage contractors appointed, and negotiations with the preferred toll taker will be concluded."

READ: Tyranna Resources releases JORC resource and Exploration Target for Eureka

The study and proposed mining operation is based on the March 2019 JORC resource of 762,000 tonnes grading 1.8 g/t gold for 43,100 ounces of gold.

The mineralised material is accessed via firstly shallow open pit mining and then via an adit into north pit wall.

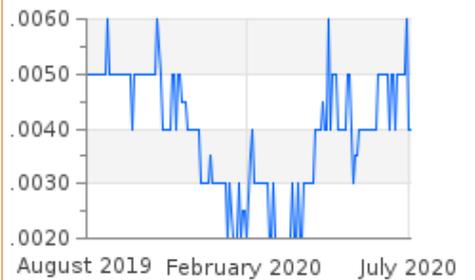
Two months of planned mining is forecast to produce a combined total 60,500 tonnes of ore grading 2.1 g/t for 4,057 ounces of contained gold.

Importantly, the maximum capital draw down is estimated as being between \$0.6-0.7 million, after which positive cash flow commences.

Price: 0.004

Market Cap: \$4.47 m

1 Year Share Price Graph



Share Information

Code: TYX

Listing: ASX

52 week High Low
0.008 0.002

Sector: Gold & silver

Website: www.tyrannaresources.com

Company Synopsis:

Tyranna Resources Ltd (ASX:TYX) is growing gold resources at the Western Gawler Craton Joint Venture. The company is also the second largest shareholder in Kairos Minerals Ltd (KAI:ASX).

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Table 1: Summary of key outcomes (at an A\$1,800/oz gold price)

OPEN PIT MINING	
Total pit volume (kBCM)	26
Stripping ratio (waste: ore)	3.3
Mined ore (kt)	21
Gold grade (g/t)	2.9
Milling recovery average (%)	95.7
Recovered gold (ounces) Koz	2
Upfront pre-production cost estimate (A\$M)	0.6
Stockpiled waste cost estimate to first ore (A\$M)	0.05
Free cash flow over 1-month project life (A\$M)	1.6

ADIT MINING	
Mined ore (kt)	40
Gold grade (g/t)	1.7
Milling recovery average (%)	95.7
Recovered gold (ounces) Koz	2.1
Free cash flow over 2-month project life (A\$M)	1

Room to grow at Eureka at depth

Recently, an Exploration Target was compiled for Eureka measuring 3-4 million tonnes grading 2-4 g/t gold for 200,000-500,000 ounces gold.

The top end of this range is over 10x the size of the JORC resource and suggests there is an opportunity to grow the resource and mine life.

Previous mining and exploration carried out only focussed on the immediate region around the historical Eureka workings and to date there has been no drilling to the south of the current pit and limited drilling to the north. The deepest hole beneath the pit intersected mineralisation less than 200m below surface.

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