



\$3m fully-funded Offer to acquire TYX Jumbuck Gold Project

Key Points

- Marmota (MEU) has made a formal fully-funded **\$3million offer** to acquire Tyranna's Jumbuck Gold Project, adjacent to MEU ground
- \$3m offer is vastly superior to \$2.25m Syngas offer
- Marmota's offer is **NOT** subject to a due diligence condition
- **All other material terms identical to published terms of the Syngas offer**

Marmota Limited ('Marmota' ASX:MEU or 'Buyer') is pleased to advise that it has made an increased formal fully-funded **\$3 million offer**, which is now not subject to a due diligence condition ('Marmota offer'), to acquire all of the rights, title and interest of Tyranna Resources Limited ('Tyranna' ASX:TYX or 'Vendor') in the **Jumbuck Gold Project** (the latter project as defined in the ASX announcement of Tyranna ASX:TYX 24 April 2020 and of Syngas Limited ASX:SYS 17 Oct 2019).

KEY COMMERCIAL TERMS: Marmota \$3m offer

1. Payment

Marmota will provide **consideration of A\$3 million**, composed of:

- A\$2,500,000 in cash¹
- A\$ 500,000 in shares in Marmota Ltd² (payable at completion).

2. Timing

Marmota is fully funded to proceed with completion of the acquisition immediately, upon formal agreement and execution by Tyranna.

Marmota's offer does not require shareholder approval from either Marmota or Tyranna.

Marmota's offer is open for acceptance until 6pm EST on Monday 30 November 2020.

¹ \$100,000 payable on execution of formal agreement with the balance payable at completion

² Calculated at the 6 month MEU VWAP and issued subject to orderly sale provisions

3. Superior offer

The Board of Marmota notes that the terms of the Marmota offer are unequivocally better for Tyranna shareholders than the Syngas offer in every respect. By value, the Marmota offer exceeds the Syngas offer by \$775,000.

The Marmota offer is also fully-funded, not conditional on any capital raising or loan funding and is not subject to the vagaries or timing delays caused by needing shareholder approval.

Other factors

In addition to being superior in every respect:

- Marmota's offer does not involve any significant 'related party' transactions³
- Marmota's offer is fully funded (and not conditional on any capital raising or loan)⁴
- Marmota's offer is not subject to ASX Listing Rule 11.4
- Marmota is free of debt
- Marmota's offer is on the same conditions precedent as those disclosed by Tyranna in respect of the Syngas transaction

Marmota has:

1. Asked the Tyranna Board to notify their shareholders of the superior Marmota offer, and to do so with sufficient time to enable Tyranna shareholders to make an informed voting decision at the forthcoming TYX meeting on 26 November 2020, namely to consider whether they wish to reject:

Resolution 2: Disposal of Jumbuck Gold Project to Syngas

... in preference for the superior Marmota offer.

2. Asked the Tyranna Board to update their recommendation to shareholders, having regard to the new unambiguously superior Marmota offer received.

³ Tyranna's ASX announcement of 17 October 2019 advised that a condition of the Syngas deal is that Mr Bruno Seneque (the then Managing Director of Tyranna at the time of the announcement) joins the Syngas board on completion of acquisition by Syngas.

⁴ The Syngas offer requires funding by loan structures.

Background and Further Detail

1. Tyranna originally entered into an agreement to sell the Jumbuck project to Syngas for \$950,000 in a related party transaction dated 17 October 2019. Shares in Syngas have been suspended from trading on the ASX since September 2018. Subsequently, Syngas has now delisted from the ASX [see TYX Notice of Meeting 26 Oct 2020 at p.15].
2. On 31 July 2020, Marmota made a \$2.6m offer for Tyranna's Jumbuck project [ASX:MEU 31 July 2020]. Notwithstanding that Marmota's \$2.6m offer is still vastly superior to any other offer on the table, the Tyranna Board is currently recommending in its Notice of Meeting [ASX:TYX 26 Oct 2020] that Tyranna shareholders accept a revised offer of \$2.25m from Syngas.
3. The Tyranna Board assert that they have made this recommendation to their shareholders on the basis that the Marmota \$2.6m offer was a 'conditional offer', whereas they view the Syngas offer as 'unconditional' (notwithstanding the Syngas offer has purchaser funding risk, was subject to shareholder approval and various other conditions).
4. The Marmota Board notes with regret that the Tyranna Board has failed to engage with Marmota, nor even respond to Marmota's offer.
5. The Tyranna Notice of Meeting dated 26 October 2020 ('TYX NOM') includes for the first time the conditions of the Syngas offer at Schedule 3 (p.28). Marmota has reviewed those conditions and Marmota considers them entirely acceptable.
6. The restrictive exclusive and non-competitive option granted by Tyranna to Syngas in October 2019, locking out other bidders, has now expired.
7. On 31 July 2020, the Board of Tyranna withdrew the intended shareholder vote on the Syngas offer so that shareholders could consider the new offers. The Tyranna Board then entered into a new agreement with Syngas for an amount \$350,000 less than Marmota's \$2.6m offer (without any engagement with Marmota).
8. The Tyranna Board then revealed that they agreed to pay a \$250,000 termination/penalty fee to Syngas in the event that their own (TYX) shareholders vote against the Syngas deal.
9. According to the TYX Notice of Meeting (p.12):
 - (i) The ASX has formally required that any disposal of Jumbuck to Syngas must obtain the approval of Tyranna shareholders
 - (ii) The ASX has formally required Tyranna to remove that \$250,000 penalty fee on the basis that it constituted an 'unreasonable or coercive break fee', and that the ASX would not approve the Tyranna Notice of Meeting until it was removed.
10. Tyranna shareholders are now free to vote down the Syngas deal and accept the unambiguously better Marmota offer, without incurring any such penalty.

Marmota Chairman, Dr Colin Rose, said:

“ The Jumbuck Gold Project is our immediate neighbour in the Gawler Craton. It is our backyard. It is where we do our gold exploration. Our exploration team know the ground. We believe that if anyone can make it work, Marmota can.

Marmota’s offer is unequivocally superior. It offers the same material terms and conditions as are published in respect of the Syngas offer, but paying \$3m instead of \$2.25m, involves fewer conditions precedent (including not being subject to shareholder approval), and is already funded and not requiring any capital raising or loan funding for the purchaser to complete the transaction.

We believe this dramatically superior offer is a truly excellent outcome for all Tyranna shareholders. ”

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

For further information, please contact:

Marmota Limited

Dr Colin Rose Executive Chairman
Email: colin@marmota.com.au

Unit 6
79–81 Brighton Road
Glenelg SA 5045
ABN: 38 119 270 816
T: (08) 8294 0899
www.marmota.com.au