



## Australian Securities Exchange Announcement

24 April 2017

# Corporate Update

### HIGHLIGHTS

- **Blom Diamonds transaction on-track and proceeding toward completion**
- **Both parties mutually agree to extend due diligence period until 19 May 2017**

Tychean Resources Limited (ASX:TYK) (Tychean or the Company) is pleased to announce that the acquisition of Blom Diamonds is proceeding toward completion. Both parties have mutually agreed to extend the 60-day due diligence period until 19 May 2017 in order for both parties to complete the required process. The proposed acquisition of Blom Diamonds will transform Tychean into a vertically integrated diamond-focused company.

### About Blom Diamonds

Blom Diamonds, comprising Blom Diamond Cutting Works Pty Ltd and Ernest Blom Diamonds CC is a well-established business with a proven track record accumulated over 38 years and a profitable operation that will provide a cash underpin to Tychean and distinguish it from the host of competitor exploration companies. Based in South Africa, Blom Diamonds currently engages in the trading, beneficiation, cutting and polishing of diamonds.

Ernest Blom Diamonds CC commenced business in 1978 and trades in rough diamonds on the South African markets as well as in other African countries. The company is a large-scale buyer of rough diamonds at both tenders and at the mines and utilises an extensive sales network from South Africa to the major diamond centres around the world. Blom Diamond Cutting Works Pty Ltd started business in 1986 whereby a state of the art factory facility in Johannesburg utilises the latest equipment for the polishing of diamonds as well as digital analysing software to maximise weight recovery, purity and clarity of cut stones. Polished diamonds are sold using sales outlets in all the major diamond centres.

Ernest Blom is the sole director of Blom Diamond Cutting Works Pty Ltd and Ernest Blom Diamonds CC. Mr Blom is a third generation member of a South African diamond family who travelled from Holland to South Africa where they co-founded the diamond cutting industry. Since its creation, the group has grown significantly and is well positioned to take full advantage of future growth opportunities. Mr Blom is currently President of the World Federation of Diamond Bourses and Economic Diplomatic Advisor to Belgium in South

Africa. Following transaction completion, it is proposed that Mr Blom will become Managing Director of Tychean.

### **Growth Opportunities – Vertical Integration**

Mr Blom has an international profile of high standing which provides access to a global network of diamond projects whilst Dr Kevin Wills, an existing Director of Tychean, has extensive experience in diamond exploration and development including being a member of the team responsible for the discovery of the famous Argyle diamond mine in Western Australia. Consequently, Tychean will have the necessary experience to combine the full value chain of diamond exploration, production, trading, beneficiation, cutting and polishing, in turn creating a vertically integrated investment vehicle. Tychean notes that the value add by cutting and polishing company-produced diamonds would be in the vicinity of 20% to 30%.

The transaction is subject to conditions such as both parties having the right to complete due diligence, Tychean shareholder approval and satisfaction of all legal and regulatory requirements.

For more information, please contact:

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