

EIS Drilling Grant for the Yampi Ni-Cu-Au Project

ASX Announcement
11 January 2019



HIGHLIGHTS

- **Yampi Ni-Cu-Au project awarded WA Government Exploration Incentive Scheme ("EIS") grant of \$120,000 via independent, competitive process involving 73 applicants of which only 40 were successful.**
- **Funding to be applied in drilling four diamond holes for a total of 1,200m at Grant's Find, Wilson's Reward and CO1 Mag/EM/Ruins Dolerite target.**
- **Drilling planned to commence at start of field season in April 2019.**

Tychean Resources Ltd. ("Tychean") (ASX:TYK) has been advised by IronRinger Resources Pty. Ltd. ("IronRinger") of success in securing an EIS grant to co-fund the drilling of four diamond holes for ~1,200m at the Yampi Ni-Cu-Au project. The Yampi project is being acquired by Tychean via the acquisition of 100% of the shares in IronRinger, subject to satisfaction of a number of conditions.

The EIS grant of \$120,000 is the full amount applied for by IronRinger and is a contribution towards 50% of direct drilling costs. The drilling program over three high priority targets is planned to commence in the 2019 field season around April 2019.

Tychean Chairman, Duncan Gordon said "This is an excellent result as the EIS grant process is highly competitive and is determined by an independent panel of experts. We are excited to commence drilling of the high priority nickel, copper and gold targets at Yampi. This is a major milestone towards realising the potential of the area".



Image 1: IronRinger's Drew Money highlighting copper staining west of Grant's Find

Tychean Resources Limited (ASX:TYK)

Ground Floor, 70 Hindmarsh Square
Adelaide SA 5000
T | +61 8 7324 3195
F | +61 8 8232 8811
E | info@tycheanresources.com
W | www.tycheanresources.com
ACN | 119 031 864

DIRECTORS

Duncan Gordon
Ian Gordon
Paul Payne

Chairman
Non-Executive Director
Non-Executive Director

CORPORATE STRUCTURE

Shares on issue: 577,156,607
Market cap: A\$1.7M
(at \$0.003 per share)
Cash (at 30 Sep 2018): \$0.18M
12 Month trading range: \$0.009-\$0.003

BACKGROUND

Yampi lies on, and adjacent to, major faults which are significant tectonic features and part of the southern margin of the Kimberley craton defined by the King Leopold Orogen. This Orogen is one of the fundamental tectonic building blocks of the modern Australian continent.

Major regional WNW-trending faults, which are significant long-life tectonic features, are located at the south of the project. These features define a significant basin margin and splays from these structures appear to be a classic position for major SEDEX-style mineralisation.

Copper mineralisation in the form of gossans and veins is exposed over a 13km strike length.

This context suggests structurally controlled orogenic Cu-Au shear-hosted mineralisation or the surface expression of SEDEX style base metal mineralisation.

Prospectivity is highlighted by the extensive number of targets in outcropping areas. Unusually for the Kimberley, areas of Yampi are also under cover which also provides the opportunity for a significant concealed discovery.

In addition, a large number of historic copper workings and mineral occurrences have been identified at Yampi (Figure 1). These were the target of exploration by Western Mining Corporation Ltd. ("WMC") in the 1950's. Since that time, minimal exploration has occurred due to the area becoming a military reserve which has only recently become accessible.

No exploration for nickel or gold was carried out by WMC and there was no assaying for those metals. The potential for discovery of those metals has now been demonstrated ~40kms to the south east where Buxton Resources (ASX:BUX) and Independence Group (ASX:IGO) are successfully drilling Cu-Ni sulphides at Double Magic (Figure 1).

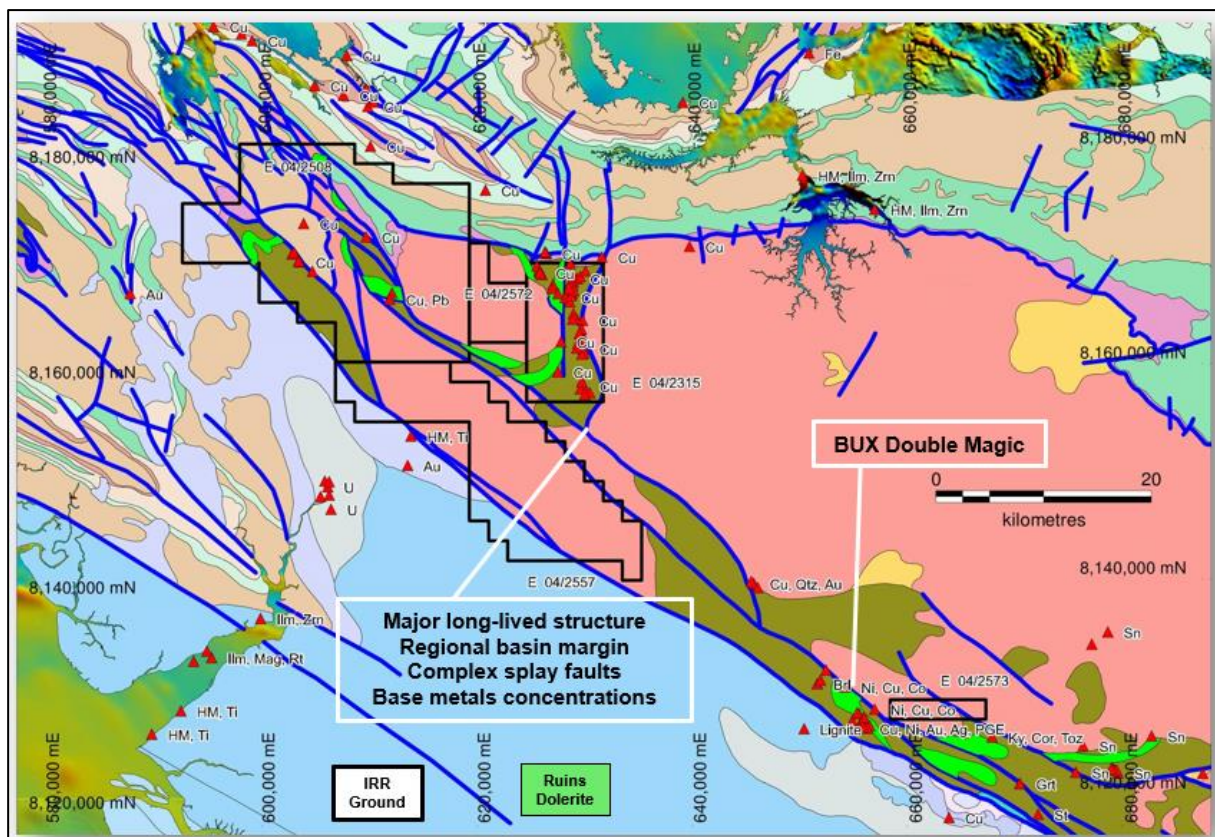


Figure 1: Yampi Project geology, tenements and known mineralisation

GRANT'S FIND AND WILSON'S REWARD

Grant's Find and Wilson's Reward sit over ~13kms of gossans. Both areas were mined for copper pre-WW1. The area has seen minimal exploration since 1959 when WMC drilled 10 holes with encouraging copper results.

The copper and gold potential of the project has also been highlighted in several generations of rock chip sampling (Figure 2). Multiple zones of high grade copper and gold have been defined with selective rock chip sampling around workings and gossan outcrops.

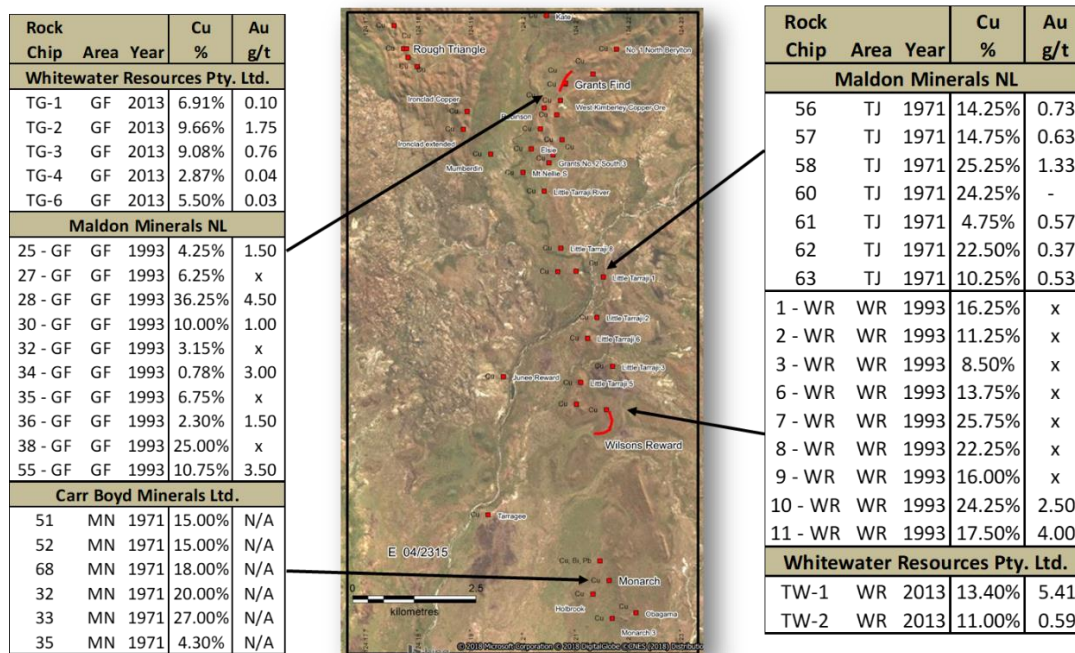


Figure 2: Rock chip sample results for Grant's Find (GF), Wilson's Reward (WR), Tarraji (TJ) and Monarch (MN)

CO1 Overlapping Mag/EM/Ruins Dolerite Target

In 2015, a VTEM "EM" geophysical survey at Yampi focussed on the regional Ruins Dolerite which was identified as the key control on nickel and copper mineralisation at Buxton Resources' Double Magic project. Seventeen high quality targets were identified. The targets were then ranked based on the following criteria (Figure 3):

- intensity of EM conductor;
- strength of magnetic anomaly;
- strike length (discrete bodies are higher priority); and
- correlation with Ruins Dolerite.

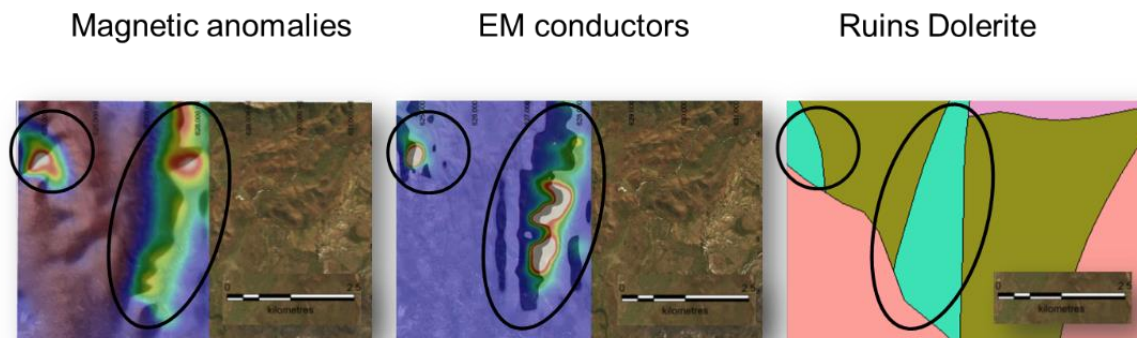


Figure 3: Target ranking criteria

CO1 is a top ranked target (Figure 4). Planning is underway to also drill CO2, BO1, BO2 and BO3 at the start of field season in April 2019. Historical stream sediment sampling has shown anomalous copper and nickel in the vicinity of the EM targets (Figure 4).

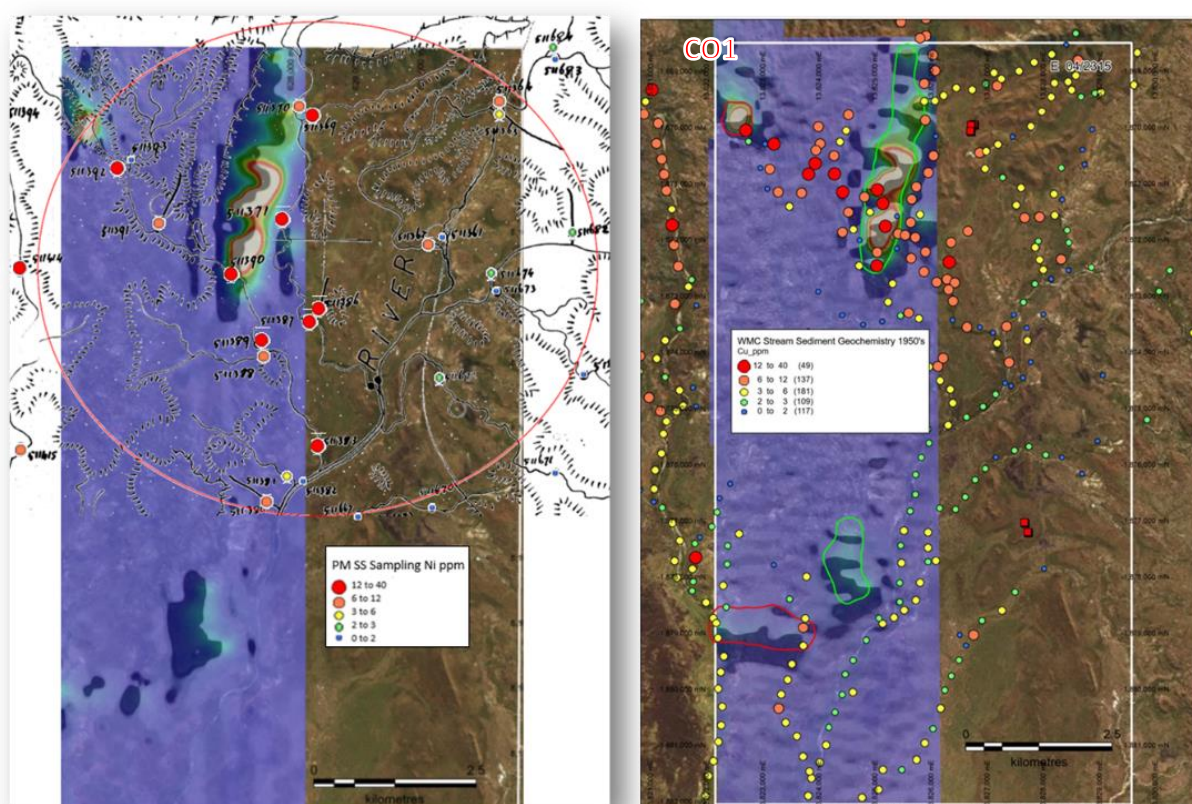


Figure 4: CO1 Mag/EM/Ruins Dolerite target with Ni stream sediment sampling shown left and Cu shown right

ACQUISITION AGREEMENT

Tychean has the right to acquire all of the shares in IronRinger the holder of the Yampi project and the Rocky Dam project near Kalgoorlie (see ASX Release dated 7 November 2018).

The agreement is subject to a number of conditions including shareholder approvals, transfer of E04/2315 from the existing holder to IronRinger and approval to the change of control of IronRinger pursuant to military reserve access agreements that relate to the Yampi tenements.

JORC TABLE

Attached to this announcement is a comprehensive JORC Table in relation to the above information. In addition, the JORC Table covers all of the IronRinger projects and serves not only as a reference point for this announcement but also future announcements.

For further information, please contact:

Duncan Gordon
Chairman
Tychean Resources Ltd.

+61 8 7324 3195
info@tycheanresources.com

COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Paul Payne, who is a Fellow of the AusIMM and a director and shareholder of the Company. Mr Payne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Payne consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

INVESTMENT HIGHLIGHTS

Tychean is, subject to various conditions, acquiring projects from IronRinger (see ASX release dated 7 November 2018), including:

Tarraji/Yampi:

- area locked up as a military reserve for >40 years and has seen minimal exploration since the 1950s;
- large scale Ni-Cu-Au opportunity with numerous, high priority nickel-copper-gold targets identified from VTEM survey and supported by 1960's geochemical sampling;
- VTEM targets similar to the targets successfully drilled by Buxton Resources Ltd (ASX:BUX) and Independence Group NL (ASX:IGO) at the Double Magic base metals project located ~40km to the south east;
- successful EIS grant of \$120,000 awarded via independent, competitive process;
- 877sqkms of tenements; and
- historic workings and known mineralisation.

Rocky Dam Pyrite/Sulphur and Gold:

- pyrite/sulphur target;
- gold and base metal prospectivity defined by previous exploration; and
- surrounded by Riversgold; Northern Star; Sumitomo and Aruma with gold targets identified by CRA and Delta Gold.



JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Western Mining Corporation Ltd. (WMC) completed diamond drilling at Tarraji in the 1950s. WMC intersected copper mineralization – but sampling techniques are not known. WMC conducted stream sediment sampling in the Tarraji River area in 1958. Samples were collected at 1,000 foot (305m) to 2,000 foot (610m) intervals working up the main streams in to tributaries. Samples were taken from the banks of streams and sample volume was recorded as follows: "enough to quarter fill a one pound block bottom paper bag." Assay technique is described below. Pickands Mather & Co. International (PMI) conducted extensive drainage sampling over the West Kimberley in 1964 including over the Tarraji area. Samples were assayed for Cu, Ni, Pb and Zn. Sampling and assay methodologies are not known. Maldon Minerals NL carried out rockchip sampling over the Tarraji area in 1993. Sampling technique and location coordinates are not known. Samples are numbered and locations are referenced as the names of historical workings and a geological description. This enables an approximate sample location to be identified. Carr Boyd Minerals Ltd. carried out stream sediment and rockchip sampling in the vicinity of the Monarch workings in the Little Tarraji river area. There is no description of the sampling methodology nor detailed locational information. A location sketch has been provided in the Carr Boyd Minerals Ltd. public domain reporting but this is sufficient only to indicate that the samples are in the Monarch workings area. The Cu grades of the rockchip samples indicate the sampling was targeting potentially mineralised material. Whitewater Resources Pty. Ltd. carried out a limited program of rockchip sampling over the Wilson's Reward and Grant's Find workings and gossans in 2013. These samples have been well located with all samples accompanied with GPS UTM coordinates. Sampling has targeted potentially mineralized material at both locations. Samples were submitted to a commercial laboratory for

Criteria	JORC Code explanation	Commentary
		<p>fire assay and ICP multi-element analysis.</p> <ul style="list-style-type: none"> Versatile time domain electromagnetic (VTEM) and aeromagnetic data acquired for Rio Tinto Exploration in October 2015 were flown by UTS Geophysics using an A-star 350 B3 helicopter with a VTEM max receiver and transmitter and Geometrics cesium vapour magnetic sensor.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> At Tarraji, WMC completed ten diamond drill holes in 1959. Total depths are recorded in the table in this announcement. The drilling was carried out with a man portable Mindrill E 1000. Swiss Aluminium Mining completed percussion drilling at the Rocky Dam pyrite deposit in the 1970s. Sampling techniques are not known. At the Rocky Dam pyrite deposit, diamond drilling was completed by Swiss Aluminum Mining in 1971. Core was NQ size and quarter core samples cut with a diamond saw were submitted for analysis. Gold exploration at Rocky Dam has been conducted using RAB and air core drilling. Sampling techniques are not known but 1m samples and 4m composites have been recorded
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> At Tarraji recoveries were in the order of 100% for the holes completed at Grant's Find (GS 1 to 6) and on average about 60% for the holes drilled at Wilson's Reward (WSD 1 to 4). The recovery at Wilson's Reward was highly variable and is recorded as low as 17% for one of the mineralized intervals. At Rocky Dam, core recovery was measured for each run and was demonstrated to be good in fresh rock.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No logging records are available from the Tarraji diamond drilling, however lithologies are described on cross sections at imperial scale one inch to 100 feet. Detailed logging for all holes was prepared for the Rocky Dam diamond drilling.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sampling methods are not known for the Tarraji diamond drilling. Quarter NQ core was submitted for analysis from the Rocky Dam diamond drilling.
Quality of assay data and	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and 	<ul style="list-style-type: none"> For the work conducted by Maldon Minerals NL, Carr Boyd Minerals Ltd.

Criteria	JORC Code explanation	Commentary
laboratory tests	<p><i>whether the technique is considered partial or total.</i></p> <ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>and WMC the information related to sampling, assay, and quality control is not known. The Whitewater Resources Pty. Ltd. samples were submitted for a fire assay analysis for Au, Pt and Pd. An ICP analysis was carried out for a multi-element suite comprising Ag, As, Ba, Bi, Co, Cu, Fe, Mo, Ni, P, Pb, Sb, Te, Th, U, W, Zn, La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu. Two duplicate samples were taken in the field; one at Wilson's Reward and one at Grant's Find and seven standard laboratory standards were included.</p> <ul style="list-style-type: none"> The WMC stream sediment samples assayed for Cu were assayed with a cold dilute acid extraction with a cuproine colorimetric agent which was specific for copper. Results were considered reliable for a 1ppm to 40ppm range with background around 2ppm. Additional details on sampling procedures and controls are not known. The PMI samples were analyzed in field laboratory facilities but no details are available. At Rocky Dam, sampling was carried out on visually mineralised intervals and analysed for Cu, Pb, Zn, Ni and Co. Assaying methods are not known
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not known
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Surveying details for the Tarraji drilling are not known and it is assumed the drill holes were located from the local grid that WMC had established over the project area. This grid comprised one baseline with orientation approximately oriented along magnetic north with 2000-foot spaced crosslines. This local grid has been georectified based on major geographic features. The drill hole coordinates for the Grant's Find holes GS 1 to 6 have been estimated from this method and may have substantial errors. The Wilson's Reward series of holes are identified in the WAMEX database and coordinates from this database are assumed to be correct. WMC stream sediment data points have been digitized off georeferenced 1" to 60 chain base maps compiled by WMC in 1958. The PMI data points have been referenced from georeferenced 1" to 60 chain base maps prepared by PMI. The Maldon Minerals NL, and Carr Boyd Minerals Ltd. samples are referenced only as the names of historical workings and a geological description. No coordinates are available. For the Rocky Dam drilling, a local grid

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>was established and collars located by chain and compass from the base line.</p> <ul style="list-style-type: none"> • Drilling at Tarraji was reconnaissance in nature therefore irregularly spaced. • WMC stream sediment sampling was conducted at 305m to 610m intervals. WMC considered the 610m spacing to be adequate for defining anomalism in the Little Tarraji River area. • The PMI sampling philosophy is not known. • At Rocky Dam, drilling was designed to scope out potential of the sulphide system and varied from 200m to 400m spacings. • No Mineral Resource estimates have been prepared
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drilling at Tarraji and Rocky Dam was approximately orthogonal to the surface trend of mineralisation. • 2015 VTEM data were acquired in three blocks on lines orientated 137° (Block A), 164° (Block B) and 000° (Block C), slightly oblique to the strike of the predominant structural/geological trend.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Not known.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No external audits or reviews of sampling techniques and data collection have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Tychean has entered into an agreement to purchase the tenements held by IronRinger Resources Pty Ltd (see main text of release). The Tarraji licences include 100% owned granted exploration licences E4/2508, E42557, E42572, E4/2574, E4/2573 and 80% owned E4/2315. The Rocky Dam exploration licence E25/533 is 100% owned by IronRinger. The Tarraji and Yampi tenements sit on Defence Reserve ground and access agreements are in place.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Limited drilling was completed by WMC at Tarraji in the 1950s. A variety of exploration companies have undertaken work on the Rocky Dam project including drilling.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralisation at Tarraji includes sediment and vein hosted base metals. At Rocky Dam, pyrite mineralisation is hosted in black shales within a broad volcanic assemblage. At Rocky Dam, gold mineralisation is hosted in volcanic and sedimentary sequences.
<i>Drill hole information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Drilling was completed in the 1950s and 1970s and limited information is available. All holes from Tarraji and Rocky Dam pyrite are tabulated in the body of the release with available data. The elevation information for the WMC Tarraji drilling is not available. Holes intersecting gold mineralisation at Rocky Dam have been tabulated.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Length weighted average intersections have been reported. For the Grant's Find (GS) and Wilson's Reward (WS) series of holes, the length weighted intervals have been reported as described on the WMC cross sections from 1959 with lengths converted from inches to meters. Individual assay results are not available.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are 	<ul style="list-style-type: none"> The relationship between mineralisation width and intersection width is not known for Tarraji and Rocky Dam gold. The Rocky Dam pyrite drilling intersections approximate true width of mineralisation.

Criteria	JORC Code explanation	Commentary
	<i>reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Appropriate plans are included in the body of this release.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Due to the large number of reconnaissance holes at Rocky Dam, only holes with significant gold mineralisation have been reported. All holes from Tarraji and Rocky Dam pyrite have been reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Rio Tinto Exploration completed a versatile time domain electromagnetic (VTEM) and aeromagnetic survey covering 206 sq km of the Tarraji/Yampi tenements for 901 line km of data using 125m and 250m line spacing. Targets from the VTEM survey are shown in Figure 3 in the release. Maldon Minerals NL carried out rockchip sampling over the Tarraji area in 1993. Sampling and analytical techniques are not known. Samples are numbered and locations are referenced as the names of historical workings and a geological description. This enables an approximate sample location to be identified. Whitewater Resources Pty. Ltd. completed rock chip sampling of copper gossans in 2013.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Tychean is planning to conduct further work at the project which may include geophysics, sampling and drilling.