



**Australian Securities Exchange Announcement**

**For Immediate Release**

12 October 2018

**2018 Annual Report, Notice of General Meeting and Proxy Form**

Attached are electronic copies of the Tychean Resources Limited 2018 Annual Report, Notice of Annual General Meeting and Proxy Form which have been mailed to shareholders.

Yours Faithfully

Kaitlin Smith  
Company Secretary



**ANNUAL REPORT 2018**

# TYCHEAN RESOURCES LIMITED

ABN 40 119 031 864 and Controlled Entities

## DIRECTORS

Duncan Gordon (Chairman,  
appointed 21 December 2017)  
Ian Gordon (Non-executive Director,  
appointed 21 December 2017)  
Paul Payne (Non-executive Director,  
appointed 21 December 2017)  
Robert Michael Kennedy (Chairman,  
resigned 21 December 2017)  
Ewan Vickery (Non-executive Director,  
resigned 21 December 2017)  
Kevin Wills (Non-executive Director,  
resigned 21 December 2017)

## COMPANY SECRETARY

Kaitlin Smith

## REGISTERED AND PRINCIPAL OFFICE

Level 3, 100 Pirie Street  
Adelaide, South Australia 5000  
Telephone +61 8 7324 3195  
Facsimile +61 8 8232 8811  
Email [info@tycheanresources.com](mailto:info@tycheanresources.com)

## SOLICITOR

DMAW Lawyers  
Level 3, 80 King William Street  
Adelaide, South Australia 5000  
Telephone +61 8 8210 2222  
Facsimile +61 8 8210 2233

## SHARE REGISTRY

Computershare Investor Services  
Level 5, 115 Grenfell Street  
Adelaide, South Australia 5000  
Telephone +61 8 8236 2300

## AUDITOR

Grant Thornton  
Level 3, 170 Frome Street  
Adelaide, South Australia 5000

## BANKER

National Australia Bank  
161–167 Glynburn Road  
Firle, South Australia 5070

## STOCK EXCHANGE LISTING

Australian Securities Exchange (Adelaide)  
Tychean Resources Limited shares are listed  
on the Australian Securities Exchange  
ASX code: TYK

## WEBSITE

[www.tycheanresources.com](http://www.tycheanresources.com)

The website includes information about the  
Company, its strategies, projects, reports and  
ASX announcements.

## Compliance statements

### DISCLAIMER

This Annual report contains forward looking  
statements that are subject to risk factors  
associated with the exploration and mining  
industry. It is believed that the expectations  
reflected in these statements are reasonable,  
but they may be affected by a variety of  
variables which could cause actual results or  
trends to differ materially.

## EXPLORATION TARGETS

Exploration Targets are reported according to  
Clause 18 of the JORC Code. This means that  
the potential quantity and grade is conceptual  
in nature and that considerable further  
exploration is necessary before any Identified  
Mineral Resource can be reported. It is  
uncertain if further exploration will lead to a  
larger, smaller or any Mineral Resource.

## COMPETENT PERSON

The Company is not aware of any new  
information or data, which hasn't been  
previously reported, that materially affects  
the information included in the report.  
References to previous ASX releases are  
included in the Exploration Review under each  
relevant section.

# CONTENTS

1	Chairman's report
2	Review of Operations
3	Directors' report
10	Remuneration report (audited)
15	Auditor's independence declaration
16	Consolidated statement of profit or loss and other comprehensive income
17	Consolidated statement of financial position
18	Consolidated statement of changes in equity
19	Consolidated statement of cash flows
20	Notes to the consolidated financial statements
41	Directors' declaration
42	Independent auditor's report to the members
45	ASX additional information

# CHAIRMAN'S REPORT

*Duncan Gordon*  
Chairman

Dear fellow Shareholders,

It is with pleasure that I present to you Tychean's 2018 Annual Report.

Over the past 12 months, Tychean has actively progressed discussions with select parties across the minerals sector in relation to an anticipated acquisition of a new project. In particular, the Company is assessing those opportunities that present themselves as material minerals exploration and/or development plays. Although the due diligence and negotiation timelines around these are longer than simple 'farm in' processes, your Board is of the opinion they afford the opportunity for more significant future upside.

Tychean has also maintained its interest in the ongoing Tanami Joint Venture with Ramelius Resources such that future involvement either through further contribution to the project, or by converting the interest to a 1.5% NSR royalty, will be determined upon a decision to mine.

In December 2017, Tychean Resources completed a fully underwritten non-renounceable Entitlement Issue raising ~A\$385,000. Concurrent to the capital raise, Tychean underwent a Board restructure as the Company refocussed its corporate strategy.

During the period, the Company's founding Chairman, Mr Robert (Bob) Kennedy sadly passed away. His passion and knowledge will be sorely missed.

On behalf of the board and shareholders I would like to thank all staff and contractors for their commitment and loyalty over the last year as we look forward to delivering future success to all stakeholders through persistence and continued hard work.

Yours sincerely,

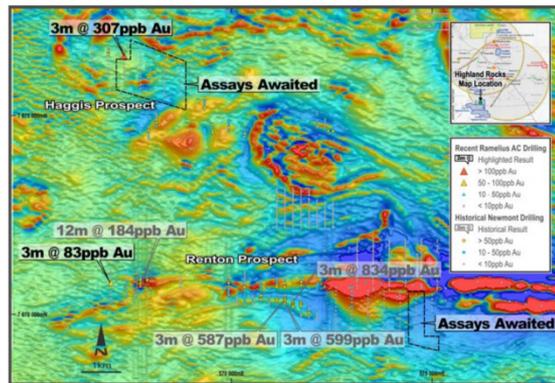
**DUNCAN GORDON**  
Chairman

## REVIEW OF OPERATIONS

### CORPORATE:

On 21<sup>st</sup> December 2017, your Company appointed Mr Duncan Gordon as Non-executive Chairman and Mr Ian Gordon and Mr Paul Payne as Non-executive Directors who replace outgoing Board members Mr Robert Kennedy, Mr Ewan Vickery and Dr Kevin Wills.

The Company shall continue to keep expenditures to a minimum while undertaking due diligence on potential acquisition opportunities in an effort to provide existing shareholders a value accretive investment. Tychean will continue to inform shareholders of any ongoing developments in the mining and exploration space.



**Figure 1:** Highland Rocks ELs recent Ramelius Aircore drilling and historical Newmont drilling over the Renton & Higgs prospects, overlain on a 1VD-RTP aeromagnetic data image.

## SCHEDULE OF INTERESTS IN MINING TENEMENTS

*As at 30 June 2018*

Project	Tenement	Lease Name	State	Status	% Owned by TYK	Holders
Tanami	EL 26625	Suplejack	NT	Granted	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27511	Highland Rocks	NT	Granted	15% <b>Registered</b>	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27806	Talbot North	NT	Granted	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27921	Groundrush	NT	<b>Pending</b>	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27995	Officer Hills South	NT	Granted	15% <b>Registered</b>	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27997	Mount Solitaire	NT	<b>Pending</b>	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 28493	Groundrush South	NT	<b>Pending</b>	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 29829	Highland Rocks 2	NT	Granted	15% <b>Registered</b>	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Tychean Resources Limited (referred to hereafter as the Parent Entity or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2018.

## DIRECTORS

The following persons were directors of the Parent Entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

**Duncan Lachlan Gordon**

(Non-executive Chairman)

Appointed 21 December 2017

**Ian James Gordon**

(Non-executive Director)

Appointed 21 December 2017

**Paul Charles Payne**

(Non-executive Director)

Appointed 21 December 2017

**Robert Michael Kennedy**

(Non-executive Chairman)

Resigned 21 December 2017

**Ewan John Vickery**

(Non-executive Director)

Resigned 21 December 2017

**Dr. Kevin John Anson Wills**

(Non-executive Director)

Resigned 21 December 2017

**Ian Roy Witton**

(Alternate director for R M Kennedy and E J Vickery)

Ceased 21 December 2017

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were natural resources exploration and development. There were no significant changes in the nature of activities of the Group during the year.

## DIVIDENDS

No dividends have been declared or paid during the year (2017: Nil).

## OPERATING RESULTS AND FINANCIAL POSITION

The net result of operations for the financial year was a loss of \$349,156 (2017: \$382,120).

The net assets of the Group have increased by \$96,155 during the financial year from \$417,427 at 30 June 2017 to \$513,582 at 30 June 2018 as a result of capital raising which was \$445,311 net of transaction costs.

## Review of operations

## CORPORATE Activities

During the Reporting Period, the Company carried out the following Capital Raisings:

- On 8<sup>th</sup> November 2017, Tychean completed a Placement raising \$100,000 before costs.
- On 18<sup>th</sup> December 2017, Tychean completed a Share Purchase Plan raising \$384,772 before costs.

## PROJECTS

### Tanami Project (NT)

Tychean maintain a 15% interest in the project, with partner Ramelius Resources (ASX:RMS) who have completed a maiden Aircore drilling programme at the Highland Rocks ELs totalling 5,780m. No field work was completed at the tenements during the financial year. The Goldrush, Goldrush South and Mount Solitaire EL's were granted during the year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters or circumstances that have arisen since 30 June 2018 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGY

The Board of Tychean Resources Limited considers that, in the current environment of constrained capital, the best interests of shareholders in the Company will be served by seeking a balanced approach by the Group in joint venture/alliances with other parties and sourcing new opportunities in both exploration and other sectors. The primary future development focus will be directed at detailed due diligence on new opportunities.

## ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. The Group considers it has complied with all environmental obligations.

Apart from the above, there has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## INFORMATION ON DIRECTORS

**DUNCAN LACHLAN GORDON** B. Eng  
Independent Non-Executive Chairman

### *Experience and Expertise*

Mr Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience working within the mining and natural resources sector. A qualified engineer with accompanying financial background, he has taken principal roles in assisting ASX-listed companies in an advisory capacity, including the identification of major corporate acquisition and divestment opportunities, Initial Public Offerings and raising debt and equity capital both within and outside Australia functions of the major accounting firms. He conducts the review of the Board including the Managing Director in his executive role.

### *Special Responsibilities*

Chairman of the Board.  
Chairman of the Audit Committee.

***Interests in shares and options***

14,006,529 ordinary shares in Tychean Resources Ltd.

**IAN JAMES GORDON** B. Comm  
Non-executive Director

***Experience and Expertise***

Mr Gordon is a mining executive with extensive experience in transaction generation, project acquisition, mine development and the management of public companies. Mr Gordon was formally an Executive Director and Managing Director of Ramelius Resources Limited for seven years and Managing Director of Flinders Mines Limited for two years and is currently the Managing Director of Monax Mining Limited. He holds a Bachelor of Commerce degree from Curtin University (WA) and is a member of the Australian Institute of Company Directors.

***Other current directorships***

Mr Gordon is also a Managing Director of ASX listed company Monax Mining Limited (since August 2017).

***Former directorships in the last 3 years***

Formerly he was a director of Flinders Mines Limited (from April 2014 to June 2016).

***Interests in shares and options***

26,651,505 ordinary shares in the Company.

**PAUL CHARLES PAYNE** B.AppSc Grad Dip Min Ec, FAusIMM  
Non-executive Director

***Experience and expertise***

Mr Payne is a geologist, and holds in excess of 30 years' experience in mining including 10 years independent consulting across a range of commodities and jurisdictions. Mr Payne has extensive technical experience in the evaluation of mineral deposits from early stage exploration to definitive feasibility studies. Recent exploration experience includes implementation and management of gold exploration for Dacian Gold Limited in WA and Rift Valley Resources in Tanzania. Mr Payne has held corporate roles including Technical Director and Managing Director of ASX listed companies including founding Managing Director of Dacian Gold Limited, and was instrumental in the Company's successful IPO and making the major initial gold discovery at its Mount Morgans project.

***Other current directorships***

Mr Payne is a director of Berkut Minerals Ltd (since July 2016 ) and Monax Mining Ltd (since March 2018).

***Former directorships in the last 3 years***

None.

***Interests in shares, options and rights***

10,000,000 ordinary shares in the Company

**ROBERT MICHAEL KENNEDY** ASAIT, Grad Dip (Systems Analysis), Dip Financial Planning, Dip Financial Services, FCA, CTA, AGIA, Life Member AIM, FAICD  
Independent Non-Executive Chairman (resigned December 2017)

***Experience and Expertise***

Mr Kennedy, a Chartered Accountant, had been a non-executive chairman of Tychean Resources Ltd since 2006. Mr Kennedy brought to the Board his expertise and extensive experience as Chairman and non-executive director of a range of listed public companies in the resources sector. Apart from his attendance at Board and Committee meetings, Mr Kennedy led the development of strategies for the development and future growth of the Company. Mr Kennedy led the Board's external engagement of the Company meeting with Government, investors and was engaged with the media. He was a regular attendee of Audit Committee functions of the major accounting firms. He conducted the review of the Board including the Managing Director in his executive role.

***Former directorships in the last 3 years***

Formerly he was a director of Crestal Petroleum Limited (formerly Tellus Resources Ltd from 2013 to 2015), Marmota Energy Limited (from April 2006 to April 2015), Flinders Mines Limited (from December 2001 to March 2018), Ramelius Resources Limited (from March 2003 to March 2018), Monax Mining Limited (from 2004 to March 2018) and Maximus Resources Limited (from December 2004 to March 2018).

***Special Responsibilities***

Former Chairman of the Board.  
Former Member of the Audit Committee.

**EWAN JOHN VICKERY LL.B.**

Non-executive Director (*resigned December 2017*)

***Experience and expertise***

A director since May 2013, Mr Vickery is a corporate and business lawyer with over 40 years' experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies. He is a member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Australian Institute of Company Directors and is a past national president and Life Member of Australian Mining and Petroleum Law Association (AMPLA Limited).

***Other current directorships***

Mr Vickery is the current Chairman of ASX listed company Maximus Resources Limited (Non-executive Director since 2004).

***Former directorships in the last 3 years***

Formerly he was a director of Flinders Mines Limited (from 2001 to October 2016).

**Special Responsibilities**

Former Chairman of the Audit Committee.

**Interests in shares, options and rights**

9,964,288 ordinary shares in the Company.

**IAN ROY WITTON** *Snr Assoc Dip Accy (SAIT), FCPA, FAICD*  
Alternate Director for Mr R M Kennedy and Mr E W Vickery

**Experience and expertise**

Mr Witton has been a company director on various boards for over 26 years. Originally qualified as a CPA he worked as an auditor and taxation agent and was subsequently appointed CEO and later Managing Director for over 27 years of a Licensed Investment Dealer developing and managing superannuation and investment funds, savings, loans and a retirement village. His principal experience is in funds and investment management, strategic development, risk management and corporate governance.

**Other current directorships**

Mr Witton is also a director of a pharmacy and optical company, a public charitable trust fund and he is an alternate director for ASX listed company Monax Mining limited.

**Former directorships in the last 3 years**

None.

**Interests in shares, options and rights**

246,889 ordinary shares in the Company.

**DR. KEVIN JOHN ANSON WILLS** *BSc, Ph.D., ARSM, FAusIMM*  
Non-executive Director (resigned December 2017)

**Experience and expertise**

Dr. Wills is a geologist with 40 years global experience in multi commodity exploration, feasibility studies, mine operations and corporate management. He has been closely involved in the discovery and evaluation of six economic mineral deposits including: diamonds (Argyle WA), base metals (Thalanga & Waterloo QLD), gold (Murchison and Challenger SA), mineral sands (Burekup WA) and iron ore (Blacksmith WA). Dr. Wills was Managing Director of Flinders Mines Limited for over ten years from conception until August 2010. During this period at Flinders Mines located significant iron Ore resources at the Blacksmith Project in the Pilbara Region of Western Australia. In November 2010, he was appointed an Adjunct Associate Professor at the University of Adelaide to engage in teaching economic and mine geology. He is an associate of the Royal School of Mines, past Chairman of the SA Division of the Geological Society of Australia and past Chairman of the Adelaide Branch and Fellow of the Australasian Institute of Mining and Metallurgy.

**Other current directorships**

Dr Wills is a director of Marmota Limited (since June 2017).

**Former directorships in the last 3 years**

None.

**Interests in shares, options and rights**

1,133,195 ordinary shares in the Company

**COMPANY SECRETARY**

**Kaitlin Louise Smith** B.Com (Acc) CA

***Experience and expertise***

Ms Smith was appointed Company Secretary on 1 September 2015. Ms Smith provides the Company Secretarial and Accounting role to various public and proprietary companies. She holds a Bachelor of Commerce (Accounting) and is a Chartered Accountant.

***Interests in shares, options and rights***

None

**Meetings of directors**

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	Full meetings of directors		Audit committee meetings		Remuneration committee meetings	
	A	B	A	B	A	B
Duncan Lachlan Gordon	7	7	2	2	1	1
Ian James Gordon	7	7	2	2	1	1
Paul Charles Payne	7	7	2	2	1	1
Robert Michael Kennedy (resigned 21 December 2017)	5	6	-	1	-	-
Kevin John Anson Wills (resigned 21 December 2017)	6	6	-	-	-	-
Ewan John Vickery (resigned 21 December 2017)	6	6	1	1	-	-
Ian Roy Witton ( <i>Alternate Director</i> )	-	-	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year and was eligible to attend.

**Indemnification and insurance of officers**

The Group is required to indemnify the directors and other officers of the Company and its Australian-based controlled entities against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Group. No costs were incurred during the year pursuant to this indemnity.

The companies within the Group have entered into deeds of indemnity with each director whereby, to the extent permitted by the *Corporations Act 2001*, the Group agreed to indemnify each director against all loss and liability incurred as an officer of the relevant company, including all liability in defending any relevant proceedings.

**Insurance premiums**

Since the end of the previous year the Group has paid insurance premiums of \$17,337 to insure the directors and officers in respect of directors' and officers' liability and legal expenses insurance contracts.

**Proceedings on behalf of the Group**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

**Non-audit services**

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid or payable to the external auditors of the Parent Entity, its related practices or non-related audit firms during the year ended 30 June 2018.

**Shares under option**

There are no unissued ordinary shares of Tychean Resources Limited under option at the date of this report.

**Remuneration report – audited**

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Share-based compensation
- D Shareholdings
- E Use of Remuneration Consultants

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

**A Principles used to determine the nature and amount of remuneration**

The Group's policy for determining the nature and amounts of emoluments of board members and senior executive officers of the Group is as follows:

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

**Remuneration report – audited (continued)**

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

***Voting and comments made at the company's 2017 Annual General Meeting***

Tychean Resources Limited received more than 84% of 'yes' votes on its remuneration report for the 2017 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

***B Details of remuneration***

This report details the nature and amount of remuneration for each key management person of the Company.

The names and positions held by directors and key management personnel of the Company during the financial year are:

- Mr D L Gordon – Chairman, non-executive (since 21 December 2017)
- Mr I J Gordon – Director, non-executive (since 21 December 2017)
- Mr P C Payne – Director, non-executive (since 21 December 2017)
- Mr R M Kennedy - Chairman, non-executive (resigned 21 December 2017)
- Mr E J Vickery – Director, non-executive (resigned 21 December 2017)
- Mr I R Witton - Alternate director for R M Kennedy (since 26 August 2010) and
- Dr K J A Wills – Director, non-executive (resigned 21 December 2017)

## Remuneration report – audited (continued)

**Key management personnel of the Group and other executives of the Company and the Group**

2018	Short-term employee benefits	Post- employment benefits	Share- based payments	
Name	Salary	Super- annuation	Options	Total
	\$	\$	\$	\$
<i>Non-executive directors</i>				
Duncan Lachlan Gordon	19,062	-	-	19,062
Ian Charles Gordon	19,062	-	-	19,062
Paul Payne	19,062	-	-	19,062
Robert Michael Kennedy	-	-	-	-
Ewan John Vickery	-	-	-	-
Ian Roy Witton ( <i>Alternate Director</i> )	-	-	-	-
Kevin John Anson Wills	-	-	-	-
<b>Total key management personnel compensation (Group)</b>	57,186	-	-	57,186

**Key management personnel of the Group and other executives of the Company and the Group**

2017	Short-term employee benefits	Post- employment benefits	Share- based payments	
Name	Salary	Super- annuation	Options	Total
	\$	\$	\$	\$
<i>Non-executive directors</i>				
<i>Robert Michael Kennedy</i>	20,571	1,954	-	22,525
Ewan John Vickery	12,443	1,182	-	13,625
Ian Roy Witton ( <i>Alternate Director</i> )	-	-	-	-
Kevin John Anson Wills	12,443	1,182	-	13,625
<b>Total key management personnel compensation (Group)</b>	45,457	4,318	-	49,775

**Remuneration report – audited (continued)****C Share based compensation****Employee Share Option Plan****Shares issued on exercise of remuneration options**

The Company has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. There were no employee share options issued during the financial year.

**Options granted as remuneration**

No options were granted to directors or key management personnel of the Company during the financial year.

**Shares issued on exercise of remuneration options**

No shares were issued to directors as a result of the exercise of remuneration options during the financial year.

**Directors' interests in shares and options**

Directors' relevant interests in shares and options of the Company are disclosed below.

**Options**

There are no options held by each key management person of the Group during the financial year.

No options were issued as remuneration to KMP.

**D Shareholdings**

The number of ordinary shares in Tychean Resources Ltd held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
<b>30 June 2018</b>					
<b>Directors</b>					
Duncan Gordon	-	-	-	14,006,528	14,006,528
Ian Gordon	-	-	-	26,651,505	26,651,505
Paul Payne	-	-	-	10,000,000	10,000,000
Robert Kennedy*	22,142,859	-	-	(22,142,859)	-
Ewan Vickery*	4,964,288	-	-	(4,964,288)	-
Ian Witton ( <i>Alternate Director</i> )	246,889	-	-	(246,889)	-
Kevin Wills*	133,195	-	-	(133,195)	-
	<b>27,487,231</b>	<b>-</b>	<b>-</b>	<b>23,170,802</b>	<b>50,658,033</b>

\*resigned on 21 December 2017

**Remuneration report – audited (continued)**

***E Use of Remuneration Consultants***

The Remuneration Committee seeks external remuneration advice as required. No such advice was obtained during the financial year ending 30 June 2018.

Remuneration report ends.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

The Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Duncan Gordon', with a stylized flourish at the end.

**Duncan Gordon**

**Chairman**

**Dated 17 September 2018**

## Auditor's Independence Declaration

### To the Directors of Tychean Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Tychean Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 17 September 2018

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	Consolidated year ended	
		30 June 2018	30 June 2017
		\$	\$
Revenue	2	3,993	3,892
Administration expenses	3	(143,348)	(198,227)
Consulting fees	3	(183,604)	(174,142)
Loss on Disposal of Assets		-	(3,888)
Impairment of exploration expenditure	3	(1,196)	(3,015)
<b>(Loss) before income tax</b>		<b>(324,155)</b>	<b>(375,380)</b>
Income tax benefit (expense)	4	-	(6,740)
<b>(Loss) for the year</b>		<b>(324,155)</b>	<b>(382,120)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will be reclassified to profit or loss		(25,000)	-
<b>Total comprehensive income for the year</b>		<b>(349,155)</b>	<b>(382,120)</b>

### Earnings per share for loss attributable to the ordinary equity holders of the Company

	Note	Cents	
Cents			
Basic earnings per share (cents)	14	(0.07)	(0.12)
Diluted earnings per share (cents)	14	(0.07)	(0.12)

The above consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position**  
 As at 30 June 2018

		Consolidated year ended	
		30 June 2018	30 June 2017
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	350,451	165,339
Trade and other receivables	7	1,520	2,497
Other assets	8	6,807	4,657
Investments	9	25,000	50,000
<b>Total Current Assets</b>		<b>383,778</b>	<b>222,493</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	190	307
Exploration, evaluation and development assets	11	252,521	252,521
<b>Total Non-Current Assets</b>		<b>252,711</b>	<b>252,828</b>
<b>Total Assets</b>		<b>636,489</b>	<b>475,321</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	122,907	57,894
<b>Total Current Liabilities</b>		<b>122,907</b>	<b>57,894</b>
<b>Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>122,907</b>	<b>57,894</b>
<b>Net Assets</b>		<b>513,582</b>	<b>417,427</b>
<b>EQUITY</b>			
Issued capital	13	38,106,938	37,661,627
Reserves		(25,000)	-
Retained earnings		(37,568,356)	(37,244,200)
<b>Total Equity</b>		<b>513,582</b>	<b>417,427</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity**  
**For the Year Ended 30 June 2018**

	Attributable to owners of the Tychean Resources Limited			Total \$
	Issued Capital \$	Retained Earnings \$	Reserves \$	
<b>Balance at 1 July 2016</b>	<b>37,324,853</b>	<b>(36,862,080)</b>	-	<b>462,773</b>
Loss for year	-	(382,120)	-	(382,120)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(382,120)</b>	<b>-</b>	<b>(382,120)</b>
<b>Transactions with owners in their capacity as owners</b>				
Share issues, net of transaction costs and tax	336,774	-	-	336,774
<b>Balance at 30 June 2017</b>	<b>37,661,627</b>	<b>(37,244,200)</b>	<b>-</b>	<b>417,427</b>
Balance at 1 July 2017	37,661,627	(37,244,200)	-	417,427
Loss for year	-	(324,156)	-	(324,156)
Other comprehensive income	-	-	(25,000)	(25,000)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(324,156)</b>	<b>(25,000)</b>	<b>(349,156)</b>
<b>Transactions with owners in their capacity as owners</b>				
Share issues, net of transaction costs and tax	445,311	-	-	445,311
<b>Balance at 30 June 2018</b>	<b>38,106,938</b>	<b>(37,568,356)</b>	<b>(25,000)</b>	<b>513,582</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
**For the Year Ended 30 June 2018**

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(264,192)	(456,918)
Interest received	3,993	3,892
Net cash (used in) operating activities	<u>23 (260,199)</u>	<u>(453,026)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for exploration activities	<u>-</u>	<u>-</u>
Net cash used by investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	<u>445,311</u>	330,034
Net cash provided by financing activities	<u>445,311</u>	330,034
Net increase in cash and cash equivalents held	185,112	(122,992)
Cash and cash equivalents at beginning of year	<u>165,339</u>	<u>288,331</u>
Cash and cash equivalents at end of financial year	<u>6 350,451</u>	<u>165,339</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Financial Statements are for the consolidated entity consisting of Tychean Resources Limited and its subsidiaries.

##### **(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Tychean Resources Limited is a for profit entity for the purpose of preparing the financial statements.

##### **(i) Compliance with IFRS**

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

##### **(ii) Historical cost convention**

These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

##### **(iii) Critical accounting estimates**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

##### **(b) Basis of Consolidation**

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies continued**

##### **(c) Investments in associates and joint ventures**

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

##### **(d) Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

##### **(e) Income Tax**

The tax expense recognised in the profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies continued**

##### **(e) Income Tax (cont.)**

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tychean Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

##### **(f) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### **(g) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

##### **(h) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies continued**

##### **(i) Property, Plant and Equipment**

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### **Plant and equipment**

Plant and equipment is measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

##### **Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use. The depreciation rates used for each class of depreciable assets vary from 25% to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(k)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit or loss and other comprehensive income. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

##### **(j) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **(k) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies continued**

##### **(l) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Any bank overdrafts the Group have are shown within borrowings in current liabilities in the consolidated statement of financial position.

##### **(m) Earnings per share**

Tychean Resources Ltd presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

##### **(n) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### **(o) Share Based Payments**

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Binomial pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

##### **(p) Exploration and development expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 1 Summary of Significant Accounting Policies continued

#### (q) Adoption of new and revised accounting standards

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2018. Information on these new standards is presented below.

Recently issued accounting standards to be applied in future accounting periods. The accounting standards that have not been early adopted for the year ended 30 June 2018, but will be applicable to the Group in future reporting periods are detailed below.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 9 <i>Financial Instruments</i> (December 2014) [Also refer to AASB 2013-9 and AASB 2014-1 below]	AASB 139 Financial Instruments: Recognition and Measurement	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.	1 January 2018	Based on the entity's assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
AASB 16 <i>Leases</i>	AASB 117 <i>Leases</i> Int. 4 <i>Determining whether an Arrangement contains a Lease</i> Int. 115 <i>Operating Leases—Lease Incentives</i> Int. 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	AASB 16: <ul style="list-style-type: none"> <li>replaces AASB 117 <i>Leases</i> and some lease-related Interpretations</li> <li>requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases</li> <li>provides new guidance on the application of the definition of lease and on sale and lease back accounting</li> <li>largely retains the existing lessor accounting requirements in AASB 117</li> </ul> requires new and different disclosures about leases	1 January 2019	Based on the entity's assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of Significant Accounting Policies continued**

##### **(r) Key estimates**

The preparation of the consolidated financial statements requires management to make estimates and judgments. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### **(i) Estimated impairment**

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

##### **(ii) Exploration and evaluation**

The Group policy for exploration and evaluation is discussed in note 1 (s). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss. The related carrying amounts are disclosed in note 3.

##### **(s) Financial report**

The financial report was authorised for issue on 17 September 2018 by the Board of directors

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 2 Revenue and Other Income

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Other Income		
Interest received	3,993	3,892
	<u>3,993</u>	<u>3,892</u>

### 3 Expenses

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Profit before income tax from continuing operations includes the following expenses:		
<b>Administration</b>		
Compliance	19,565	19,152
Depreciation	117	2,108
Legal fees	19,186	80,643
Administration costs	47,089	46,344
Employment costs	57,391	49,980
	<u>143,348</u>	<u>198,227</u>
<b>Consulting fees</b>		
Accounting and secretarial services	84,044	835,379
Audit fees	34,560	28,000
Corporate consulting	65,000	60,763
	<u>183,604</u>	<u>174,142</u>
<b>Impairment of assets</b>		
Capitalised exploration expenditure	1,196	3,015
	<u>1,196</u>	<u>3,015</u>

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 4 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
<b>Deferred tax expense</b>		
Deferred tax	-	6,740
Research & Development Tax Concession	-	-
	<hr/>	<hr/>
<b>Income tax expense for continuing operations</b>	-	6,740
	<hr/>	<hr/>
	-	6,740

(b) Reconciliation of income tax to accounting profit:

Prima facie profit from ordinary activities	(324,156)	(375,380)
Tax at the Australian tax rate of	<b>27.5%</b>	27.5%
	<hr/>	<hr/>
Prima facie tax payable on ordinary activities	<b>(89,143)</b>	(103,230)
 Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-allowable items	-	-
Impairment of exploration assets	<b>329</b>	905
Adjustment for Research and Development tax offset	-	-
Tax Effect of temporary differences not brought to account as they do not meet the recognition criteria	<b>88,814</b>	109,065
	<hr/>	<hr/>
	-	6,740
	<hr/>	<hr/>
Utilised Tax losses through Exploration Development and Incentive Scheme	-	-

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria per AASB 112 *Income Taxes*. A DTA has not been recognised in respect of tax losses as realisation of the benefit is not regarded as probable.

The Group has unrecognised assessed losses of \$6,900,936 (2017: \$6,814,889) that are available indefinitely for offset against future taxable profits of the Group.

The tax rates applicable to each potential tax benefit are as follows:

Timing differences – 27.5%;

Tax losses – 27.5%.

**Notes to the Consolidated Financial Statements**  
**For the Year Ended 30 June 2018**

**5 Operating Segments**

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time are no separately identifiable segments.

**6 Cash and cash equivalents**

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	\$	\$
Cash at bank and in hand	<u>350,451</u>	165,339
	<u><u>350,451</u></u>	<u><u>165,339</u></u>

**7 Trade and other receivables**

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	\$	\$
CURRENT		
GST receivable	<u>1,520</u>	2,497
<b>Total current trade and other receivables</b>	<u><u>1,520</u></u>	<u><u>2,497</u></u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

As at 30 June 2018 there were no material trade and other receivables that were considered to be past due or impaired (2017: Nil).

**8 Other assets**

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	\$	\$
CURRENT		
Prepayments	<u>6,807</u>	4,657
<b>Total other assets</b>	<u><u>6,807</u></u>	<u><u>4,657</u></u>

## Notes to the Consolidated Financial Statements

### For the Year Ended 30 June 2018

#### 9 Investments

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Investments	25,000	50,000
<b>Total other asset</b>	<b>25,000</b>	<b>50,000</b>

The Company holds 25,000,000 shares in Maximus Resources Limited (ASX: MXR). The market price as at 30.06.2018 was \$0.001 per share.

#### 10 Property, plant and equipment

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
PLANT AND EQUIPMENT		
Property, plant and equipment	2,148	2,148
At cost	(1,958)	(1,841)
<b>Accumulated depreciation</b>	<b>190</b>	<b>307</b>

#### Total property, plant and equipment

##### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment \$	Computer Software \$	Total \$
<b>Consolidated</b>			
<b>Year ended 30 June 2018</b>			
Balance at the beginning of year	36	271	307
Disposal	-	-	-
Depreciation expense	(9)	(108)	(117)
<b>Balance at the end of the year</b>	<b>27</b>	<b>163</b>	<b>190</b>
	Computer Equipment \$	Computer Software \$	Total \$
<b>Consolidated</b>			
<b>Year ended 30 June 2017</b>			
Balance at the beginning of year	1,141	5,162	6,303
Disposal	(850)	(3,038)	(3,888)
Depreciation expense	(255)	(1,853)	(2,108)
<b>Balance at the end of the year</b>	<b>36</b>	<b>271</b>	<b>307</b>

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 11 Exploration, evaluation and development assets

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Exploration and evaluation	252,521	252,521
	<u>252,521</u>	<u>252,521</u>
		<b>Exploration and evaluation</b>
		\$
<b>2018</b>		
Balance at beginning of the year		252,521
Disposals		
Impairment		(1,196)
Expenditure incurred		1,196
Balance at end of the year		<u>252,521</u>
<b>2017</b>		
Balance at beginning of the year		252,521
Disposals		
Impairment		(3,015)
Expenditure incurred		3,015
Balance at end of the year		<u>252,521</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The impairment of the exploration assets in 2017/2018 relates predominantly to the impairment within the Spargoville Areas of Interest. An agreement was entered into to dispose of its interest in the Spargoville Project to a third party. Tenements with the Valley Floor Area of Interest were surrendered within the 2017/2018 year.

### 12 Trade and other payables

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	8,018	38,392
Other payables and accrued expenses	114,888	19,502
<b>Total current liabilities</b>	<u>122,906</u>	<u>57,894</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 13 Issued Capital

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Ordinary Shares	<b>38,106,938</b>	37,661,627
	<b>38,106,938</b>	37,661,627

#### (a) Ordinary shares

		Consolidated year ended	
		30 June 2018	
Date		No.	\$
01/07/2017	At the beginning of the reporting period	<b>334,770,921</b>	37,661,627
07/11/2017	Placement	<b>50,000,000</b>	100,000
18/12/2017	Non-renounceable rights issue	<b>192,385,686</b>	384,772
	Less: transaction costs arising on share issue (net of tax effect)		(39,461)
	At the end of the reporting period	<b>577,156,607</b>	38,106,938

#### Capital Management

Management controls the capital of the Group in order to maintain and generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group has no debt capital. The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group capital by assessing the Group financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

#### (b) Options

No options were granted to directors or key management personnel of the Company during the financial year.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 14 Earnings per Share

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders	<b>(349,156)</b>	(382,120)
Weighted average number of shares outstanding during the year	<b>469,881,082</b>	334,770,921
Basic earnings per share (cents)	<b>(0.07)</b>	(0.12)

#### (b) Dilutive earnings per share

Pursuant to AASB 133, the Company has no diluted securities.

### 15 Capital and Leasing Commitments

#### (a) Contractual Commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay amounts totalling nil during the year ending 30 June 2019 (2018: \$nil) in respect of tenement lease rentals and to meet minimum expenditure requirements.

### 16 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group's is exposed to are described below:

	<b>Consolidated year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	<b>350,451</b>	165,339
Trade, term and loans receivables	-	-
Investments in Maximus Resources Ltd (ASX:MXR)	<b>25,000</b>	50,000
<b>Total financial assets</b>	<b>375,451</b>	215,339
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
Trade and other payables	<b>122,906</b>	57,894
<b>Total financial liabilities</b>	<b>122,906</b>	57,894

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 16 Financial Risk Management continued

#### Specific risks

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

#### Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Investments in listed company
- Trade and other payables

#### Objectives, policies and processes

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

#### Liquidity risk

Liquidity risk arises from the Group's management of working capital.

It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash to meet its liquidity requirements for up to 30-day periods.

The Group manages its liquidity needs by carefully monitoring long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly. At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The Group liabilities have contractual maturities which are summarised below:

	Not later than 1 month		1 to 3 months	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
<b>Financial assets - cash flows realisable</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	350,451	165,339	-	-
Trade, term and loans receivables	-	-	-	-
<b>Total</b>	<b>350,451</b>	<b>165,339</b>	<b>-</b>	<b>-</b>

**Notes to the Consolidated Financial Statements**  
**For the Year Ended 30 June 2018**

**16 Financial Risk Management continued**

**Market risk**

(i) Foreign currency sensitivity

All of the Group transactions are carried out in Australian Dollars, therefore the Group is not exposed to foreign exchange risk.

(ii) Cash flow interest rate sensitivity

The Group is exposed to interest rate risk.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2017: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	30 June 2018		30 June 2017	
	+2.00%	-2.00%	+2.00%	-2.00%
	\$	\$	\$	\$
<b>Cash and cash equivalents</b>				
Net results	7,009	(7,009)	3,307	(3,307)
Equity	7,009	(7,009)	3,307	(3,307)
<b>Borrowings</b>				
Equity	-	-	-	-

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions. Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

**Net fair values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 16 Financial Risk Management continued

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

	30 June 2018		30 June 2017	
	Net Carrying Value \$	Net Fair value \$	Net Carrying Value \$	Net Fair value \$
<b>Financial assets</b>				
Cash and cash equivalents	350,451	350,451	165,339	165,339
Trade and other receivables	-	-	-	-
Investments	25,000	25,000	50,000	50,000
<b>Total financial assets</b>	<b>375,451</b>	<b>375,451</b>	<b>215,339</b>	<b>215,339</b>
<b>Financial liabilities</b>				
Trade and other payables	122,907	122,907	57,894	57,894
<b>Total financial liabilities</b>	<b>122,907</b>	<b>122,907</b>	<b>57,894</b>	<b>57,894</b>

### 17 Dividends

There were no dividends paid during the year (2017: nil).

### 18 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Tychean Resources Ltd during the year are as follows:

	Consolidated year ended	
	30 June 2018 \$	30 June 2017 \$
Short-term employee benefits	57,186	45,457
Post-employment benefits	-	4,318
Share-based payments	-	-
<b>Total Remuneration</b>	<b>57,186</b>	<b>49,775</b>

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2018.

#### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22: Related Party Transactions.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 19 Remuneration of Auditors

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Remuneration of the auditor of the Group, Grant Thornton (Australia), for:		
Financial due diligence	-	27,500
Auditing or reviewing the financial report	34,560	28,000
	<u>34,560</u>	<u>55,500</u>

### 20 Deed of Cross-Guarantee

The Parent entity has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

### 21 Contingent Liabilities

The Group has no contingent liabilities (2017:\$nil).

### 22 Related Parties

#### (a) The Group's main related parties are as follows:

##### (i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to the remuneration report in the Directors' Report.

The aggregate amounts recognised during the year (excluding re-imbusement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

Director	Transaction	Note	Consolidated	
			2018	2017
			\$	\$
D Gordon	Payments to a Director related entity for corporate advisory fees and capital raising services		35,860	50,000
D Gordon	Payments to a Director related entity for company secretary and accounting services		80,539	80,879
K Wills	Payments to a Director related entity for consulting services		5,000	-

**Notes to the Consolidated Financial Statements**  
**For the Year Ended 30 June 2018**

**22 Related Parties continued**

(ii) Subsidiaries:

The consolidated financial statements include the financial statements of Tychean Resources Ltd and the following subsidiaries:

Name of subsidiary	% ownership interest	% ownership interest
	2018	2017
Tychean Tanami Pty Ltd (previously ERO Metals Pty Ltd)	100.0	100.0
Valley Floor Resources Pty Ltd	100.0	100.0

**23 Cash Flow Information**

(a) Reconciliation of result for the year to cashflows from operating activities

	Consolidated year ended	
	30 June 2018	30 June 2017
	\$	\$
Reconciliation of net income to net cash provided by operating activities:		
(Loss) for the year	(349,156)	(382,120)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	119	2,108
- income tax benefit	-	6,740
- impairment loss	1,196	3,015
- disposal of assets	-	3,888
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	977	50,543
- (increase)/decrease in prepayments	(2,150)	(56)
- (increase)/decrease in investments	25,000	(50,000)
- increase/(decrease) in trade and other payables	63,815	(87,144)
- increase/(decrease) in provisions	-	-
Cashflow from operations	<u>(260,199)</u>	<u>(453,026)</u>

**24 Events Occurring After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2018

### 25 Parent entity

	Year ended	
	30 June 2018	30 June 2017
	\$	\$
<b>Statement of Financial Position</b>		
Assets		
Current assets	383,777	222,493
Non-current assets	262,093	262,210
Total Assets	<u>645,870</u>	<u>484,703</u>
Liabilities		
Current liabilities	122,903	57,892
Total Liabilities	<u>122,903</u>	<u>57,892</u>
Equity		
Issued capital	38,106,938	37,661,627
Retained earnings/ (losses)	(37,583,971)	(37,234,816)
Option reserve	-	-
Total Equity	<u>522,967</u>	<u>426,811</u>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit or loss for the year	<u>(348,247)</u>	<u>(381,622)</u>
<b>Total comprehensive income</b>	<u><b>(348,247)</b></u>	<u><b>(381,622)</b></u>

The Parent has no contingent liabilities (2017:\$nil).

### 26 Company Details

The registered office of and principal place of business of the company is:

Tychean Resources Ltd  
 Level 3, 100 Pirie Street  
 Adelaide, South Australia 5000

Email: [info@tycheanresources.com](mailto:info@tycheanresources.com)

## **Notes to the Consolidated Financial Statements**

### **For the Year Ended 30 June 2018**

#### **27 Going concern**

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Group indicate that it will require positive cash flows from additional capital or sale of assets for continued operations. The Group incurred a loss of \$349,156. The Group's cash balance at 30 June 2018 was \$350,451.

The Group's ability to continue as a going concern is contingent on obtaining additional capital and/or sale of assets. If additional capital is not obtained or assets not sold, the going concern basis may not be appropriate, with the result that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

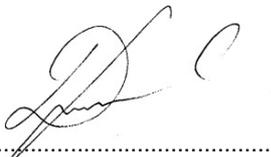
**Directors' Declaration**  
**For the Year Ended 30 June 2018**

**Director's Declaration**

The directors of the Group declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2018 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the Group;
2. the Chairman and Company Secretary have given the declarations required by Section 295A that:
  - a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  
  
Duncan Lachlan Gordon

Dated 17 September 2018

# Independent Auditor's Report

## To the Members of Tychean Resources Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Tychean Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 27 in the financial statements, which indicates that the Group incurred a net loss of \$349,155 during the year ended 30 June 2018, and as of that date, the Group's cash outflows from operating and investing activities was \$260,199. As stated in Note 27, these events or conditions, along with other matters as set forth in Note 27, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Exploration and evaluation assets – Note 11</b></p> <p>At 30 June 2018, the carrying value of exploration and evaluation assets was \$252,521.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>• reviewing management’s area of interest considerations against AASB 6;</li> <li>• conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including;               <ul style="list-style-type: none"> <li>○ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;</li> <li>○ enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s budgeted expenditure;</li> <li>○ understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li> </ul> </li> <li>• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and</li> <li>• assessing the appropriateness of the related financial statement disclosures.</li> </ul>

### Information other than the financial report and auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2018, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 10 to 14 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Tychean Resources Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 17 September 2018

# ASX ADDITIONAL INFORMATION

The information set out below is current as at 31 August 2018

## A DISTRIBUTION OF EQUITY SECURITIES

Ordinary shares

Range	Total holders
1 - 1,000	567
1,001 - 5,000	560
5,001 - 10,000	170
10,001 - 100,000	525
100,001 - 9,999,999,999	440
<b>Total</b>	<b>2,262</b>

There are 1,774 holders of less than a marketable parcel of ordinary shares. At a share price of \$0.0050 each unmarketable parcel is 100,000 shares.

## B EQUITY SECURITY HOLDERS

The information set out below is current as at 5 September 2018

### Quoted equity securities

The Company had 577,156,607 fully paid ordinary shares on issue.  
The names of the twenty largest holders of shares are listed below.

Name	Number of shares held	Percentage of issued shares
CHARMAINE LINDA LOBO	35,000,000	6.06
SARAH JUNE MCALPINE	29,434,975	5.10
MR IAN JAMES GORDON	26,651,505	4.62
RAMELIUS RESOURCES LIMITED	25,214,286	4.37
RMK SUPER PTY LTD <RMK PERSONAL S/F A/C>	18,533,097	3.21
ICON HOLDINGS PTY LTD <THE K & A PAGANIN S/F A/C>	15,000,000	2.60
TRIPLE EIGHT GOLD PTY LTD <THE BLUE SKY A/C>	14,461,189	2.51
DUNCAN GORDON <THE BRANDEEN INVESTMENT A/C>	14,006,528	2.43
PAYNE GEOLOGICAL SERVICES PTY LTD <PAYNE SUPER FUND A/C>	10,000,000	1.73
MR EWAN JOHN VICKERY + MRS HELEN CAROLINE VICKERY <VICKERY SUPER FUND A/C>	9,597,620	1.66
HAWGOOD PTY LTD	8,107,729	1.40
MR JOHN CAMPBELL SMYTH + DR ANN HOGARTH <SMYTH SUPER FUND A/C>	8,000,000	1.39
BLUE SPEC DRILLING PTY LTD	7,500,000	1.30
MR GLEN COUTINHO <HAWGOOD P/L SPR B/FUND A/C>	7,229,169	1.25
BERKSHIRE NOMINEES PTY LTD <BERKSHIRE FAMILY A/C>	7,000,000	1.21
MARKET WATCH PTY LTD	7,000,000	1.21
P SARIAN PTY LIMITED <P SARIAN SUPER FUND A/C>	6,500,000	1.13
SANLAM PRIVATE WEALTH PTY LTD <WESTBOURNE LONG SHORT A/C>	6,250,000	1.08
TANGO88 PTY LTD <TANGO88 A/C>	5,862,054	1.02
FGC DEVELOPMENTS PTY LTD	5,485,001	0.95
Total	266,833,153	46.23

## C SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below.

Name	Number of shares held	Percentage of issued shares
Mr Robert Michael Kennedy and associates	18,533,097	5.75

## D VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

### a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and on a poll each share shall have one vote.

### b) Options

No voting rights.

### c) Rights

No voting rights.

## E ON-MARKET BUY-BACK

There is no current on-market buy-back.





# Notice of Annual General Meeting

**Annual General Meeting to be held at  
Level 3, 100 Pirie Street, Adelaide SA  
on Wednesday, 14 November 2018 at 11:00am (Adelaide time).**



## TYCHEAN RESOURCES LIMITED

ABN 40 119 031 864

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Notice is hereby given that the Annual General Meeting of the shareholders of Tychean Resources Limited (the **Company**) will be convened on Wednesday, 14 November 2018 at Level 3, 100 Pirie Street, Adelaide SA 5000, at 11:00am (Adelaide time) to consider and, if thought fit, pass the following resolutions.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed proxy form. The completed proxy form must be received by the Company at least 48 hours before the commencement of the meeting.

### AGENDA

#### ORDINARY BUSINESS

##### Annual financial report

To receive and consider the Company's financial statements and reports of the directors and the independent auditor for the year ended 30 June 2018.

The annual financial report is available at <http://www.tycheanresources.com/reports.html>

##### RESOLUTION 1 – Adoption of the remuneration report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the remuneration report required by section 300A of the *Corporations Act 2001* (Cth) (**Corporations Act**), as contained in the Company's directors' report for the year ended 30 June 2018 be adopted."

#### Voting exclusion

In accordance with the Corporations Act, a vote must not be cast on this resolution in any capacity (and will be taken not to have been cast if cast contrary to this resolution) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, and any closely related party of such a member. However, such a member or any closely related party of such a member may cast a vote as a proxy if the vote is not cast on behalf of a person described above and either:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; or
- the person is the chair of the meeting at which the resolution is voted on and the appointment of the chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorizes the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

*Note: The vote on this resolution is advisory only and does not bind the directors or the Company.*

#### **RESOLUTION 2 – Election of Duncan Gordon as a director**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Duncan Gordon, being a director of the Company who was appointed by the directors of the Company since the last Annual General Meeting and retires in accordance with the Company’s constitution, and being eligible, is elected as a director of the Company.”

A summary of Mr D Gordon’s qualifications and experience is set out in the Explanatory Statement accompanying this Notice.

#### **RESOLUTION 3 – Election of Ian Gordon as a director**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Ian Gordon, being a director of the Company who was appointed by the directors of the Company since the last Annual General Meeting and retires in accordance with the Company’s constitution, and being eligible, is elected as a director of the Company.”

A summary of Mr I Gordon’s qualifications and experience is set out in the Explanatory Statement accompanying this Notice.

#### **RESOLUTION 4 – Election of Paul Payne as a director**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Paul Payne, being a director of the Company who was appointed by the directors of the Company since the last Annual General Meeting and retires in accordance with the Company’s constitution, and being eligible, is elected as a director of the Company.”

A summary of Mr Payne’s qualifications and experience is set out in the Explanatory Statement accompanying this Notice.

#### **OTHER BUSINESS**

#### **RESOLUTION 5 – Ratification of a previous issue of shares**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That approval be given for the purpose of ASX Listing Rule 7.4 and for all other purposes, for the issue of 50,000,000 fully paid ordinary shares at \$0.002 per fully paid ordinary share on 7 November 2017.”

##### Voting exclusion

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who participated in the issue and any associate of those persons. However, in respect of this resolution, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chairman of the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**RESOLUTION 6 – Approval to issue an additional 10% of issued ordinary securities over a 12 month period**

To consider, and if thought fit, pass the following resolution as a special resolution:

‘That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval be given to issue equity securities (as defined in the ASX Listing Rules) equivalent to an additional 10% of the number of ordinary securities on issue calculated in accordance with the formula in listing rule 7.1A.2 and on terms described in the explanatory memorandum’.

**Voting exclusion statement**

The Company will disregard any votes cast in favour of this resolution by a person (and any associates of such a person) who is expected to participate in the proposed issue and a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

To transact any further business that may be lawfully brought forward.

Further information regarding the business to be transacted at the meeting is set out in the accompanying Explanatory Statement.

Dated this 12 October 2018

**BY ORDER OF THE BOARD**

Kaitlin Smith  
Company Secretary

## **EXPLANATORY STATEMENT**

This Explanatory Statement accompanies and forms part of the Notice of Annual General Meeting dated 12 October 2018 (**Notice**) and has been prepared to provide shareholders with material information to enable them to make an informed decision on the business to be conducted at the meeting of the Company. Amongst other things, this Explanatory Statement provides shareholders with the information required to be provided to shareholders by the Corporations Act and the ASX Listing Rules.

The Explanatory Statement sets out an explanation of each of the resolutions to be put to shareholders. Shareholders should read this Explanatory Statement carefully before determining how to vote in respect of the resolutions.

### **ANNUAL FINANCIAL REPORT**

The first item of the Notice is to receive and consider the annual financial report for the Company for the year ended 30 June 2018, comprising the financial statements and notes, together with the directors' report and the auditor's report. No resolution is required in respect of this agenda item. However, it provides shareholders with the opportunity to ask questions of the Company's management and auditors in relation to the Company's results and operations for that financial year. The annual financial report may be found on the Company's website at: <http://www.tycheanresources.com/reports.html>.

### **RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

In accordance with section 250R of the Corporations Act the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its remuneration report for the year ended 30 June 2018. The remuneration report is a distinct section of the directors' report that deals with the remuneration of directors and KMP of the Company and can be located on pages 10-14 in the 2018 annual financial report and also on the Company's website.

The remuneration report sets out the Company's remuneration arrangements for its directors, officers and senior management.

Shareholders will be given reasonable opportunity at the meeting to discuss the report.

*The directors recommend shareholders vote in favour of adopting the remuneration report.*

*The Chairman of the meeting intends to vote all available proxies in favour of resolution 1.*

### **RESOLUTION 2 – ELECTION OF MR D GORDON AS A DIRECTOR**

Under the Company's constitution, any director appointed to the board by the directors since the last Annual General Meeting must retire at the next Annual General Meeting. The director will be eligible for election. The director required to retire under the above framework is Mr Duncan Gordon. Mr D Gordon has indicated that he will offer himself for election by members at the meeting.

In accordance with clause 47 of the Company's constitution, Mr D Gordon retires and being eligible, has offered himself for election. A brief summary of Mr D Gordon's qualifications and experience follows.

### **Duncan Gordon B.ENG**

Mr D Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience working within the mining and natural resources sector. A qualified engineer with accompanying financial background, he has taken principal roles in assisting ASX-listed companies in an advisory capacity, including the identification of major corporate acquisition and divestment opportunities, Initial Public Offerings and raising debt and equity capital both within and outside Australia. Details of Mr D Gordon's material directorships currently held, interests in the Company and status as an independent non-executive director, are set out in the 2018 Annual Report.

In accordance with the ASX Corporate Governance Council Principles and Recommendations, an appropriate background check has been undertaken in relation to Mr D Gordon's candidacy for election as a director.

*The directors (except Mr D Gordon, who abstains) recommend shareholders vote in favour of the election of Mr Gordon.*

*The Chairman of the meeting intends to vote all available proxies in favour of resolution 2.*

### **RESOLUTION 3 – ELECTION OF MR I GORDON AS A DIRECTOR**

Under the Company's constitution, any director appointed to the board by the directors since the last Annual General Meeting must retire at the next Annual General Meeting. The director will be eligible for election. The director required to retire under the above framework is Mr Ian Gordon. Mr Gordon has indicated that he will offer himself for election by members at the meeting.

In accordance with clause 47 of the Company's constitution, Mr Gordon retires and being eligible, has offered himself for election. A brief summary of Mr I Gordon's qualifications and experience follows.

### **Ian Gordon B.COMM**

Mr I Gordon is a mining executive with extensive experience in transaction generation, project acquisition, mine development and the management of public companies. Mr I Gordon was formally an Executive Director and Managing Director of Ramelius Resources Limited for seven years and Managing Director of Flinders Mines Limited for two years and is currently the Managing Director of Monax Mining Limited. He holds a Bachelor of Commerce degree from Curtin University (WA) and is a member of the Australian Institute of Company Directors. Details of Mr I Gordon's material directorships currently held, interests in the Company, and status as an independent non-executive director, are set out in the 2018 Annual Report.

In accordance with the ASX Corporate Governance Council Principles and Recommendations, an appropriate background check has been undertaken in relation to Mr I Gordon's candidacy for election as a director.

*The directors (except Mr I Gordon, who abstains) recommend shareholders vote in favour of the election of Mr I Gordon.*

*The Chairman of the meeting intends to vote all available proxies in favour of resolution 3.*

### **RESOLUTION 4 – ELECTION OF MR PAYNE AS A DIRECTOR**

Under the Company's constitution, any director appointed to the board by the directors since the last annual general meeting must retire at the next annual general meeting. The director will be eligible for election. The director required to retire under the above framework is Mr Paul Payne. Mr Payne has indicated that he will offer himself for election by members at the meeting.

In accordance with clause 47 of the Company's constitution, Mr Payne retires and being eligible, has offered himself for election. A brief summary of Mr P Paynes' qualifications and experience follows.

### **Paul Payne B.APPSC GRAD DIP MIN EC, FAUSIMM**

Mr Payne is a geologist, and holds in excess of 30 years' experience in mining including 10 years independent consulting across a range of commodities and jurisdictions. Mr Payne has extensive technical experience in the evaluation of mineral deposits from early stage exploration to definitive feasibility studies. Recent exploration experience includes implementation and management of gold exploration for Dacian Gold Limited in WA and Rift Valley Resources in Tanzania. Mr Payne has held corporate roles

including Technical Director and Managing Director of ASX listed companies including founding Managing Director of Dacian Gold Limited, and was instrumental in the Company's successful IPO and making the major initial gold discovery at its Mount Morgans project. Details of Mr P Payne's material directorships currently held, interests in the Company, and status as an independent non-executive director, are set out in the 2018 Annual Report.

In accordance with the ASX Corporate Governance Council Principles and Recommendations, an appropriate background check has been undertaken in relation to Mr Payne's candidacy for election as a director.

*The directors (except Mr P Payne, who abstains) recommend shareholders vote in favour of the election of Mr Payne.*

*The Chairman of the meeting intends to vote all available proxies in favour of resolution 4.*

## **OTHER BUSINESS**

### **RESOLUTION 5 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES**

The Company has issued 50,000,000 fully paid ordinary shares at \$0.002 per fully paid ordinary share in a placement to sophisticated and professional investors.

These shares were issued on 7 November 2017 on the same terms and conditions as other existing ordinary shares in the Company quoted on the Australian Securities Exchange.

The funds raised by the placement have been and will be used to:

- provide the Company with funds to undertake a review of the Company's current tenement position, assess new mineral and exploration opportunities in Australia, and
- provide working capital to the Company.

ASX Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of the shares detailed in resolution 5 did not exceed the 15% limit referred to above.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby refreshing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes the ratification and approval of the allotment and issue of 50,000,000 shares to sophisticated and professional investors for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

ASX Listing Rule 14.9 requires the approval be given by an ordinary resolution of the Company.

*The directors recommend shareholders vote in favour of resolution 5.*

*The Chairman of the meeting intends to vote all available proxies in favour of resolution 5.*

### **RESOLUTION 6 – APPROVAL TO ISSUE ADDITIONAL 10% OF ISSUED ORDINARY SECURITIES OVER A 12 MONTH PERIOD**

Listing rule 7.1A permits eligible entities that have obtained shareholder approval by special resolution at an AGM to issue an additional 10% of the entity's issued ordinary securities (calculated using the formula set out below). The ability to issue securities under listing rule 7.1A is in addition to the Company's ability to issue 15% of its fully paid ordinary securities without security holder approval in a 12 month period, under Listing Rule 7.1.

A listed entity must satisfy both of the following criteria at the time of its AGM in order to be eligible to seek approval under Listing Rule 7.1A:

- It must have a market capitalisation of \$300 million or less; and
- It must not be included in the S&P/ASX 300 Index.

At the date of the Notice, the Company satisfied both of those criteria.

The number of equity securities that the Company may issue with approval under listing rule 7.1A.2 is calculated using the following formula:

$$(A \times D) - E$$

A = The number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:

- o plus the number of fully paid ordinary securities issued in the 12 months under an exception in rule 7.2;
- o plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- o plus the number of fully paid ordinary securities issued in the 12 months with approval of shareholders under rule 7.1 or 7.4;
- o less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = The number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of shareholders under rule 7.1 or 7.4.

A resolution under listing rule 7.1A can only be proposed as a special resolution at an eligible entity's AGM. A special resolution is a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Securities issued with approval under listing rule 7.1A must belong to a class of equity securities already quoted. Listing rule 7.1A cannot be used for placements of securities in a class that have not yet been quoted.

#### *Information required by listing rule 7.3A*

Listing rule 7.3A prescribes the information that must be included in the Notice in relation to a resolution under listing rule 7.1A. This information is as follows:

1. The issue price of securities issued under listing rule 7.1A must be no lower than 75% of the volume weighted average market price for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were conducted immediately before either:
  - 1.1 the date on which the price at which the securities are to be issued is agreed; or
  - 1.2 if the securities are not issued within 5 trading days of the date in paragraph 1.1 above, the date on which the securities are issued.
2. If resolution 6 is approved by shareholders and the Company issues additional equity securities there is a risk of economic and voting dilution of the existing shareholders including the risk that:
  - 2.1 the market price for the Company's ordinary securities may be significantly lower on the issue date than on the date of the approval under listing rule 7.1A; and
  - 2.2 the ordinary securities may be issued at a price that is at a discount to the market price for those ordinary securities on the issue date.

The table below provides details of the quoted and unquoted classes of equity securities the Company has on issue at the date of the Notice.

<b>Equity Security</b>	<b>Number on issue</b>
Quoted fully paid ordinary shares	577,156,607

The following table illustrates the potential dilution of existing shareholders on the basis of the number of ordinary securities for variable 'A' as at the date of this notice (**current variable A**) and where variable "A" is 1.5 times and twice the current variable A:

<b>Dilution</b>				
<b>Variable "A" in Listing Rule 7.1A.2</b>	<b>Issue Price (per Share)</b>	<b>50% decrease in Deemed Issue Price</b>	<b>Deemed Issue Price</b>	<b>50% increase in Deemed Issue Price</b>
		\$0.002	\$0.004	\$0.006
<b>Current Variable "A"</b> 577,156,607 Shares	<b>10% dilution - Shares issued</b>	57,715,661	57,715,661	57,715,661
	<b>Funds raised</b>	\$115,431	\$230,863	\$346,294
<b>50% increase in current Variable "A"</b> 865,734,911 Shares	<b>10% dilution - Shares issued</b>	86,573,491	86,573,491	86,573,491
	<b>Funds raised</b>	\$173,147	\$346,294	\$519,441
<b>100% increase in current Variable "A"</b> 1,154,313,214 Shares	<b>10% dilution - Shares issued</b>	115,431,321	115,431,321	115,431,321
	<b>Funds raised</b>	\$230,863	\$461,725	\$692,588

Assumptions relevant to the table describing the potential dilution of existing shareholders:

- (i) An additional 10% of the Company's ordinary shares are issued under rule 7.1A;
  - (ii) No options are exercised before the date of the issue under rule 7.1A;
  - (iii) The issue under rule 7.1A consists only of shares.
3. The Company will only issue equity securities during the 12 month period after the date of the AGM on 14 November 2018 (that is, up to and including 14 November 2019). The approval under resolution 6 for the issue of equity securities will cease to be valid in the event that shareholders approve a transaction under listing rule 11.1.2 (a significant change to the nature or scale of activities) or listing rule 11.2 (the disposal of the Company's main undertaking).
  4. The Company may issue the equity securities for the following purposes:
    - 4.1 non-cash consideration for the acquisition of new resources, assets and investments.

In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

- 4.2 cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued exploration and development expenditure on the Company's current assets and/or general working capital.
5. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issues. The identity of the allottees of equity securities will be determined on a case-by-case basis and in regard to factors including but not limited to the following:
- 5.1 the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 5.2 the effect of the issue of the equity securities on the control of the Company;
- 5.3 the financial situation and solvency of the Company; and
- 5.4 advice from corporate, financial and broking advisors (if applicable).

The allottees pursuant to this resolution have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees pursuant to this resolution will be the vendors of the new assets. If this resolution is approved by shareholders, the Company may issue equity securities during the 12 month period after the date of the AGM as and when the circumstances of the Company require.

6. The Company has not previously obtained shareholder approval under listing rule 7.1A.
7. A voting exclusion statement is included in the Notice. At the date of the Notice the proposed allottees of the securities are not known and identified. Therefore no existing shareholder's votes will be excluded under the voting exclusion in this Notice.

*The Directors recommend shareholders vote in favour of resolution 6.*

The Chairman of the meeting intends to vote all available proxies in favour of resolution 6.

**Definitions:**

**Key Management Personnel** (KMP) of the Company are, as adopted from the Australian Accounting Standards Board, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Closely related parties** of the Company's KMP include certain family members, dependants and companies they control.

## **VOTING INFORMATION AND NOTES**

### **1. Voting entitlement on a poll**

On a poll, each shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

### **2. Proxies**

A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.

If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Absent this specification, on a poll, each proxy may exercise half the votes.

A proxy can be either an individual or a body corporate and need not be a shareholder of the Company. If a shareholder appoints a body corporate as proxy, the body corporate will need to appoint an individual as its corporate representative and provide satisfactory evidence of this appointment.

If a shareholder's instruction is to abstain from voting for a particular item of business, the shareholders' votes will not be counted in computing the required majority on a poll.

To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the meeting. Proxy forms and authorities may be sent to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001, , or by facsimile to Computershare on (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555 or the Company on +61 8 8232 8811.

Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

Vote electronically by casting votes online at [www.investorvote.com.au](http://www.investorvote.com.au) and follow the prompts. To use this facility, you will need your holder number (SRN or HIN), postcode and control number as shown on the proxy form.

Custodian voting - For Intermediary Online subscribers only (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

### ***Chairman acting as proxy***

Shareholders may appoint the chairman of the meeting as their proxy.

Where the chairman is appointed as a proxy by a shareholder entitled to cast a vote on a particular resolution and the proxy form specifies how the chairman is to vote on the resolution (that is, a directed proxy), the chairman must vote in accordance with that direction.

In respect of proxies where no voting direction has been given (undirected proxies), the chairman intends to vote all available proxies in favour of each resolution.

In relation to resolution 1, if the shareholder has appointed the chairman as their proxy and no voting direction has been given, the shareholder will be expressly authorising the chairman to exercise the undirected proxy in respect of resolution 1 even though the resolution is connected with

the remuneration of members of the KMP of the Company. Please read the directions on the proxy form carefully, especially if you intend to appoint the chairman of the meeting as your proxy.

3. **Entitlement to vote at the meeting**

For the purpose of the meeting, shares in the Company will be taken to be held by those persons who are registered holders at 7:00pm (AEDT) on Monday 12 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

4. **Quorum**

The constitution of the Company provides that 10 shareholders present in person, by proxy, attorney or body corporate representative shall be a quorum for a general meeting of the Company.

5. **Appointment of a corporate representative**

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

6. **Appointment of an attorney**

Attorneys are requested to bring a power of attorney pursuant to which they are appointed. Proof of identity will also be required for attorneys.



**Tychean Resources Limited**  
ACN 119 031 864

**Lodge your vote:**

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 652 385  
(outside Australia) +61 3 9415 4359



**Proxy Form**

<p><b>Vote and view the annual report online</b></p> <ul style="list-style-type: none"> <li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li> <li>• Follow the instructions on the secure website to vote.</li> </ul>	
<p><b>Your access information that you will need to vote:</b></p> <p><b>Control Number:</b></p> <p><b>SRN/HIN:</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

**For your vote to be effective it must be received by 11:00am (Adelaide time) Monday 12 November 2018**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Tychean Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tychean Resources Limited to be held at **Level 3, 100 Pirie Street, Adelaide on 14 November 2018 at 11:00am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 1** (except where I/we have indicated a different voting intention below) even though **Item 1** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 1** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Duncan Gordon as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Ian Gordon as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Paul Payne as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of a previous issue of shares - 7 November 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue an additional 10% of issued ordinary securities over a 12 month period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_