



Tychean Resources Limited Corporate Governance Statement

The Board of Directors of Tychean Resources Limited ('Tychean') aims to achieve appropriate standards of corporate governance and has established corporate governance policies and procedures, where practicable, consistent with the ASX Corporate Governance Council's *'Corporate Governance Principles and Recommendation – 3rd Edition'* (ASX Principles or Recommendation), which were published on 27 March 2014.

In ensuring appropriate standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with best practice and which unless otherwise stated, were in place during the whole of the period to the date of this statement.

Principle 1 Lay solid foundations for management and oversight

1.1 Roles and Responsibilities of the Board - followed

The Board is governed by the Corporations Act 2001, its formal constitution and, after listing, by the ASX Listing Rules. The Board's primary role is to set policy regarding the affairs of the Company for the protection and enhancement of long-term Shareholder value.

The Board takes responsibility for the overall corporate governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

1.2 Director appointment - followed

Tychean considers the character, experience and skillset as well as interests and associations of potential candidates for appointment to the Board and will conduct appropriate checks to verify the suitability of the candidate, prior to their election. Tychean has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the notice of meeting provided to shareholders. During the period, Tychean did not appoint any new directors. On the resignation of Mr Joe Houldsworth, Dr Kevin Wills was appointed as a non-executive director.

1.3 Written agreements of appointment - followed

The roles and responsibilities of Directors have been formalised in letters of appointment which each Director has entered in to. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relation to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, and insurance and indemnity entitlements

Contract details of senior executives who are KMP are summarised in the Remuneration Report on Page 18 of the Company's Annual Report.



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1.4 Company Secretary - followed

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. All directors have access to the Company Secretary.

The appointment or removal of the Company Secretary is a matter for the Board. Details of the Company Secretary's experience and qualifications are set out on page 15 of the Annual Report.

1.5 Diversity policy – not followed

The Company is committed to creating a diverse working environment and culture.

However, given the size of the Company and scale of its operations, the Board is of the view that a written diversity policy with measurable objectives for achieving gender diversity is not required at this time. Further as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.

1.6 Board Reviews – not followed

The Audit, Governance and Remuneration Committee meets at least annually and the recommendations are made in line with the Company's present circumstances and goals to ensure shareholder benefits from the attraction and retention of a high quality Board and senior management team.

The Board recognises that as a result of the Company's size the assessment of the Board's overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendations, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place. A more formal process of Board assessment will be considered in the future as the Company develops.

1.7 Management Reviews - followed

The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development. A review was conducted in association with the annual audit.

Principle 2 Structure Board to add value

2.1 Nomination committee – followed

The Company does not have a Nominations Committee.

The Company's constitution specifies the number of directors must be at least three and at most four. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

The Board is of the opinion that the current structure of the Board is appropriate given the size and nature of the Company. The Board considers that all Directors bring an independent judgement to bear on Board decisions and that the Board's expertise and experience adds considerable value to the Company.



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2.2 Board skills matrix - followed

The following table outlines the experience and skills of the Board.

Experience Skills and Attributes	Board	Audit, Governance and Remuneration
Total non-executive directors	3	3
Experience		
Corporate Leadership – Successful experience in CEO and/or other corporate leadership roles	3	3
Resource Industry Experience – Relevant industry (resources, mining, exploration) experience	3	3
Other Board level experience – Membership of other listed entities (last 3 years)	2	2
Knowledge and skills		
Strategy	3	3
Governance	3	3
Capital Raising	3	3
Risk and Compliance	3	3
Mergers and Acquisitions	3	3
Tertiary qualifications	3	3
Economics, law, commerce and/or business	3	3
Public Accounting	1	1
Gender		
Female	0	0
Male	3	3

2.3 Independent Directors – followed

The composition of the Board consists of three directors two of whom were, including the Chairman, non-executives. Messrs Kennedy and Vickery are Independent Directors. In addition, one alternate director acted during the year for Messrs Kennedy and Vickery.

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors' Report section of the Annual Report.

The non-executive directors are considered to be independent.

The Company has no relationships with any of the independent directors which the company believes would compromise the independence of these directors.



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2.4 Composition of the Board - followed

The Board comprises individuals with a range of knowledge, skills and expertise that are appropriate to its activities and objectives.

The composition of the Board is three directors. All, including the Chairman, are non-executives. Mr Kennedy's role as Chairman of the Board is separate from those of the Managing Director, Mr Houldsworth, who is responsible for the day to day management of the Company.

The Company's constitution specifies the number of Directors must be at least three and at most four. The Board may at any time appoint a Director to fill a casual vacancy. Directors appointed by the Board are subject to election by Shareholders at the following annual general meeting and thereafter Directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive Directors is linked to their holding of executive office. Mr Houldsworth resigned as Managing Director and Dr Wills was appointed as non-executive director 1 September 2015.

2.5 The Chairman - followed

The Chairman is an Independent Director. The role of Chairman of the Board is separate from that of the Managing Director who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

2.6 Board induction and professional development - followed

An induction process including appointment letters exists to promote early, active and relevant involvement of new members of the Board. All Tychean directors are encouraged to further their knowledge through ongoing professional development through professional industry, governance and government bodies.

Principle 3 Act ethically and responsibly

3.1 Code of conduct - followed

The Company aims for an appropriate standard of corporate governance and ethical conduct by Directors and employees.

All directors have signed deeds with the Company which require them to comply with all the obligations of a director under the Corporations Act 2001. Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter, subject to the discretion of the Board.

All Directors are required to provide the Company with details of all securities registered in the Director's name or an entity in which the director has a relevant interest.

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. The Corporations Act also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available and which may reasonably be expected to have a material affect on the price of the securities if the information was generally available.



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> Dealing in Securities Policy

Principle 4 Safeguard integrity in financial reporting

4.1 Audit committee – not followed

Tychean was not a Company required by ASX Listing Rule 12.7 to have an Audit Committee during the year although it is an ASX Recommendation. Notwithstanding the Listing Rule requirement, an Audit Governance and Remuneration Committee has been established to oversee corporate governance, internal controls, ethical standards, financial reporting, and external accounting and compliance procedures.

During the financial year the Audit, Governance and Remuneration Committee consisted of two Independent Board directors, Messrs Kennedy and Vickery, and is chaired by Mr Vickery.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company and the current Board structure, the establishment of a separate audit committee in line with ASX Recommendation 4.1 cannot be justified by the perceived benefits of doing so. The existing composition of the Audit, Governance and Remuneration Committee is such that review and authorisation of the integrity of the Company's financial reporting and the independence of the external auditor is via the exercise of independent and informed judgement.

The Board has adopted a formal Charter for the audit and governance activities of the Audit, Governance and Remuneration Committee. The Charter details the Committee's role and responsibilities, composition and membership requirement.

Mr Kennedy is a qualified Chartered Accountant. Details of Directors' qualifications and attendance at meetings are set out in the Directors' Report section of the Annual report.

The Committee meets at least twice yearly and reports to the Board. The Managing Director, Company Secretary and external auditor may, by invitation, attend meetings at the discretion of the Committee.

4.2 CEO and CFO financial statements declaration - followed

The Chief Executive Officer and Chief Financial Officer are required to provide written declarations under s295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Both the Managing Director and Chief Financial Officer provide said assurances at the time the s295A declarations are provided to the Board.

4.3 External Auditor attendance at AGM - followed

The external auditor of the Company is invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.



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Principle 5 Making timely and balanced disclosure

5.1 Continuous disclosure policy – not followed

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASXCGC best practice recommendations, information is communicated to Shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act;
- the half yearly financial report lodged with the ASX and ASIC and sent to all Shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of Shareholders;
- notices of all meetings of Shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website; and
- disclosure of the Company's corporate governance practices and communications strategy on this Company's website.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for continuous disclosure is required.

Principle 6 Respect the rights of shareholders

6.1 Information on website - followed

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and aims to ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

6.2 Investor relations program – not followed

Due to the size of the Company, the Board does not believe that a documented or formalised investor program is required. The Company actively engages with investors at the Annual General Meeting and responds to enquiries made from time to time.

6.3 Security holder participation at meetings – followed

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.



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6.4 Facilitate security holder communications - followed

The Company provides its investors the option to receive communications from and send communications to the Company and the share registry electronically.

Principle 7 Recognise and manage risks

7.1 Risk committee – not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title, native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company and the current Board structure, the establishment of a risk committee in line with ASX Recommendation 7.1 cannot be justified by the perceived benefits of doing so.

7.2 Risk assessment and management - followed

The Board with the assistance of the Audit, Governance and Remuneration Committee conducts a formal review of the risk profile of the Company annually and monitors risk informally throughout the year. A review was conducted in association with the annual audit.

7.3 Internal Audit function – not followed

The Company does not have an internal audit function and does not believe that the size and nature of the Company warrants establishment of said function at this time.

7.4 Economic, environmental and social risks – not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, heritage and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risks is presented to the Board.



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Principle 8 Remunerate fairly and responsibly

8.1 Remuneration committee – not followed

The Company has established a single Audit, Governance and Remuneration Committee. The Committee monitors the composition of the Board and reviews the compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance. The Committee makes recommendations to the Board who are ultimately responsible for the Company's remuneration policy.

During the financial year the Committee consisted of two Independent Directors, Messrs Kennedy and Vickery. Mr Vickery acted as Chairman of this committee. Details of the number of and attendance at Committee meetings can be found in the Directors' Report of the Annual Report.

The Board believes that given the size of the Company that the cost of establishing a formal remuneration and nomination committee charter cannot be justified by the perceived benefits of doing so. In addition, the Company does not meet the ASX recommendation for a membership of three for this Committee.

8.2 Executive and Non-executive remuneration policy - followed

In view of the current size of the Board remuneration matters will be monitored by the entire Board having regard to industry practices and laws.

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. 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 traveling, accommodation and other expenses incurred in performing their duties as Directors.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

> Constitution

8.3 Equity-based remuneration scheme – not followed

The Company does not have an equity-based remuneration scheme.