



28 May 2014

Dear Optionholder

Participation in non-renounceable rights issue

The purpose of this letter is to give you notice, as a holder of options over unissued shares (**Options**) in Tychean Resources Ltd (**Company**) of an upcoming non-renounceable rights issue announced on 21 May 2014 (**Rights Issue** or **Offer**).

The Company is undertaking a 1 for 3 non-renounceable Rights Issue at an issue price of \$0.003 per share to raise up to \$1.5 million (approximately). In addition, subscribers will receive 1 free attaching new option for every 2 new shares subscribed for, exercisable at \$0.006 on or before 30 June 2015. The Company will apply to the ASX for the new shares and new options under the Rights Issue to be granted official quotation.

Only shareholders of the Company with an address on the Company's register in Australia or New Zealand at 7.00 pm (Adelaide time) on 3 June 2014 (**Record Date**) will be eligible to participate in the Offer.

The Directors of the Company reserve the right to issue shortfall shares under the Offer at their discretion within three months after the close of the Offer.

Full details of the Offer are set out in a prospectus released to ASX Market Announcements on 28 May 2014. The prospectus is available in electronic form on the ASX website at www.asx.com.au or the Company's website at www.tycheanresources.com.

As an optionholder, you do not have any entitlement to participate in the Offer unless your options are exercised in time for shares to be allotted to you on or before the Record Date. To ensure that your shares are allotted and issued on or before the Record Date, your Exercise of Option Form and relevant payment, in cleared funds, must be received by the Company no later than 3 June 2014.

Before making a decision whether to exercise your options or to participate in the Offer, you should seek independent advice from your professional advisor.

Yours sincerely

A handwritten signature in black ink, appearing to read "Justin Nelson", written over a white background.

Justin Nelson
Company Secretary