

Tychean Resources Ltd

ACN 119 031 864

Entitlement Issue Prospectus

This Prospectus relates to an offer to Shareholders of 1 Share (**New Share**) for every 3 existing Shares held together with 1 free option for every 2 New Shares subscribed for, exercisable at \$0.006 on or before 30 June 2015 (**New Options**).

The New Shares are offered at a price of \$0.003 each to raise approximately \$1,501,511 (before expenses).

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser.

CORPORATE DIRECTORY

Directors

Robert Kennedy (Chairman)

Joseph Houldsworth (Managing Director)

Ewan Vickery (Non-Executive Director)

Ian Witton (Alternate Director for Mr Kennedy and Mr Vickery)

Company Secretary

Justin Nelson

Registered Office and Principal Place of Business

Level 3, 100 Pirie Street
ADELAIDE SA 5000

Phone: 08 7324 3195

Fax: 08 8312 5576

Website

www.tycheanresources.com

Share Registry

Computershare Investor Services
Level 5, 115 Grenfell Street
Adelaide SA 5000

Phone: 1300 556 161 (within Australia)

+ 61 3 9415 4000 (outside Australia)

Online: www.investorcentre.com/contact

Stock Exchange Listing

Australian Securities Exchange

ASX Code: TYK

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Chairman's Letter

Dear Fellow Shareholders

I am pleased to enclose your Prospectus and accompanying Entitlement and Acceptance Form for participation in the one for three non-renounceable Rights Issue announced by Tychean Resources Limited [TYK] on 21 May 2014.

I recommend this Rights Issue to you as the funds raised will enable Tychean to continue its excellent and fruitful exploration work on its exciting gold prospects in the Eastern Goldfields of Western Australia.

As you are no doubt aware from our numerous announcements, we have so far drilled over 15,000 metres of RAB [Rotary Air Blast], Aircore and more recently RC [Reverse Circulation] drilling at our Spargoville Gold Prospects which have returned highly encouraging results.

I urge you to read the Prospectus in full in order to obtain a complete understanding of the offering being made.

This Rights Issue will raise up to approximately \$1,501,511 (before costs) through the issue of up to approximately 500,503,593 new fully paid ordinary shares at \$0.003 per share – a discount of approximately 25% to the last closing price for Tychean shares on the ASX prior to the announcement of the Rights Issue. In addition, participating shareholders will be issued free, one new option for every two new shares subscribed for, exercisable at a price of \$0.006 per option with an expiry date of 30 June 2015. This Rights Issue fundraising is in addition to a Placement expected to be completed on or about 28 May 2014 to raise \$409,500 (before expenses). The holders of Placement Shares will be entitled to participate in the Rights Issue.

As an eligible shareholder you may participate in the offer by completing the personalised Entitlement and Acceptance Form accompanying the Prospectus.

The closing date for acceptance of shares under the Rights Issue is 5.00 pm (Adelaide time) on 23 June 2014. As an eligible shareholder you may also apply for additional shares in excess of your entitlement. However, under the Prospectus, the Directors reserve the right to accept, scale back or refuse any application in excess of any shortfall available for issue under the Rights Issue.

I intend to take up a portion of my entitlements as do my fellow directors. In addition, my fellow director Mr Ewan Vickery and I are underwriting a portion of shares in any shortfall. I invite you to take up your Entitlement after reading the risk section of this Prospectus and seeking the advice of your financial advisor.

I look forward to continuing this exciting journey of discovery in the Eastern Goldfields of Western Australia with your support.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Robert Kennedy', with a large loop at the end.

Robert Kennedy
Chairman

Important Notices

Key Risks

An investment in the Offer made under this Prospectus should be considered speculative. The attention of investors is drawn to the Risks section of this Prospectus. The principal or key risks relating to an investment in the Offer, which are identified in section 4.1 of the Prospectus entitled “Key risks”, are as follows:

- Going concern
- Future capital requirements
- Exploration and development

Investors should note that detail relating to these key risk factors has not been repeated in the Important Notices.

Lodgement

This Prospectus is dated 28 May 2014 (**Prospectus Date**). A copy of this Prospectus was lodged with ASIC on that date. ASIC takes no responsibility as to the contents of this Prospectus.

Expiry Date

No securities will be issued or allotted on the basis of this Prospectus later than 13 months after the Prospectus Date.

Advice

This is an important document. Before deciding to apply for New Shares you should consider whether they are a suitable investment for you. Persons wishing to subscribe for New Shares offered by this Prospectus should carefully read this Prospectus and consult their professional advisers for the purpose of making an informed assessment of the effect of investing in the Company and the rights and liabilities attaching to, and the nature of, the New Shares offered by this Prospectus.

Jurisdiction

This Offer is only being made to members of the public within Australia and New Zealand. The Company has determined that it would be unreasonable to make an offer under this Prospectus to persons that are not residents of Australia and New Zealand, having regard to the cost of complying with legal requirements in foreign countries. Neither this Prospectus nor the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of the Company to subscribe for or purchase any of the New Shares in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation.

Entitlement and Acceptance Forms

Applications for New Shares may only be made using an Entitlement and Acceptance Form attached to or accompanying the Prospectus.

The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanies a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Representations

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer.

Summary of Key Dates

EVENT	DATE
Prospectus lodged with ASIC and ASX	28 May 2014
“Ex” date	30 May 2014
Record Date to identify Shareholders entitled to participate in the Offer	3 June 2014
Prospectus and Entitlement and Acceptance Forms dispatched to Shareholders	6 June 2014
Opening date	6 June 2014
Last day to extend the Offer closing date	18 June 2014
Closing date for acceptances (5.00 pm Adelaide time)	23 June 2014
Shares quoted on a deferred settlement basis	24 June 2014
Notification to ASX of under subscriptions	26 June 2014
Issue date for New Securities issued under the Offer. Deferred settlement trading ends	30 June 2014
Trading of New Securities on ASX commences	1 July 2014

This timetable is indicative only and subject to change. The Company reserves the right to vary the dates of the Offer subject to the Corporations Act, ASX Listing Rules and other applicable laws.

1. Investment overview

1.1 Placement

On or about 28 May 2014 the Company anticipates completing a Placement of approximately 136,500,000 shares at \$0.003 per share (**Placement Shares**) to sophisticated and professional investors to raise \$409,500 (before expenses). Placement subscribers will also receive 1 free option for every 2 Placement Shares subscribed for under the Placement exercisable at \$0.006 on or before 30 June 2015 (**Placement Options**).

The Company intends to apply for official quotation of the Placement Shares and Placement Options. The holders of the Placement Shares will be entitled to participate in the Rights Issue. The rights and liabilities attaching to the Placement Options are identical to the rights and liabilities attaching to the New Options. Refer to section 1.13 for a description of the rights and liabilities attaching to the New Options.

1.2 The Offer

This is an offer of up to approximately 500,503,593 New Shares to the Shareholders of the Company who are registered on the Record Date with a registered address in Australia or New Zealand together with up to approximately 250,251,797 free New Options on the basis of 1 New Option for every 2 New Shares subscribed for. One New Share is offered for every 3 Shares held at a price of \$0.003 each to raise up to \$1,501,511 (before costs). The New Options are exercisable from Quotation Date until the Expiry Date of 30 June 2015 at a price of \$0.006 per option to convert into up to approximately 250,251,797 Shares.

1.3 Issue Price

The issue price is \$0.003 per New Share payable in full on application. The issue price is nil per New Option.

1.4 Fractional Entitlements

Fractional entitlements will be rounded up to the nearest whole number of New Securities. The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

1.5 Purpose of the Rights Issue

The purpose of the Offer is to raise up to \$1,501,511 for New Shares and \$1,501,511 on exercise of the New Options. There is no guarantee that all or any of the New Options will be exercised. Based on current information and budgets, the Company intends to apply the money raised from the Offer under this Prospectus and the Placement as outlined in the table below.

Results of exploration will lead to an ongoing re-assessment of each project and work programs and budgets may be modified accordingly.

If less than \$1,501,511 is raised, the Company intends to apply the amount raised from the Rights Issue and Placement first to the costs of the Offer and thereafter on a pro-rata basis across items 1 – 3 from the following use of funds table:

Item	Use of Funds	Amount	%
1.	<p>Spargoville Gold Project</p> <ul style="list-style-type: none"> • Core Farm Prospect – Exploration and Resource Definition Aircore Drilling. • 5B Gold Mine – Exploration and Resource Definition RC Drilling. • Golden Orb South Prospect – RC Exploration Drilling. • Fugitive Prospect – RC Exploration Drilling. 	\$850,000	45%

Item	Use of Funds	Amount	%
2.	Valley Floor Gold Project <ul style="list-style-type: none"> • Valley Floor Prospect – Aircore and RC Exploration Drilling. • Lefroy South Prospect – Aircore and RC Exploration Drilling. 	\$650,000	34%
3.	General working capital and Placement expenses	\$326,000	17%
4.	Expenses of the Offer	\$85,000	4%
	TOTAL	\$1,911,000	100%

1.6 Effect of the Offer on Capital Structure

The effect of the Offer on the capital structure of the Company is set out in the following table:

	Pre-Offer	Post-Offer (Assuming 500,503,593 New Shares and 250,251,797 New Options are issued under the Offer)
Ordinary shares	1,501,510,778 ¹	2,002,014,371
Existing Options	270,111,175 ²	270,111,175 ³
Placement Options and New Options	68,250,000 ⁴	318,501,797
Retention Rights	10,000,000 ⁵	10,000,000

¹ This assumes that 136,500,000 Placement Shares are issued on or about 28 May 2014.

² Quoted options exercisable at \$0.006 each, expiring 24 September 2014.

³ This assumes that none of the Existing Options are exercised before the Record Date or otherwise.

⁴ 68,250,000 Placement Options anticipated to be issued on or about 28 May 2014.

⁵ 10,000,000 unquoted Retention Rights on issue to the Managing Director, Joseph Houldsworth.

1.7 Effect of the Offer on Control

Based on publicly available information and assuming completion of the Placement, the substantial shareholders in the Company as at 28 May 2014 are set out below:

Name	Number of shares held	Percentage of issued shares
Ramelius Resources Limited	133,333,334	8.88%
Robert Kennedy and his associates	124,833,354	8.31%

Ramelius Resources Limited (Ramelius) has notified the Company that its present intention is not to take up its Entitlement. No assurance can be given that Ramelius' intentions won't change. Irrespective of whether Ramelius takes up its full Entitlement, it is anticipated there will be no effect of the Offer on control in terms of the voting power of Ramelius.

Chairman, Mr Robert Kennedy and his associates, including RMK Super Pty Ltd, have a combined voting power of 8.31% (124,833,354 shares) as at the date of this Prospectus. In addition, Mr Kennedy has agreed to apply for 23,666,667 shares pursuant to an Underwriting Agreement as outlined in section 5.5 of this Prospectus. Therefore, if Mr Kennedy and his associates take up their full Entitlement, the number of shares in the Company issued to Mr Kennedy and his associates on completion of the Offer will be up to 190,111,139 as set out in the following table.

Description of holding	Number of shares
Existing shares	124,833,354
Shares issues pursuant to Underwriting Agreement	23,666,667
Entitlement	41,611,118
Total	190,111,139

The following table summarises the potential impact of the Offer on Mr Kennedy's voting power under different scenarios, as follows:

Event	Shares held by Robert Kennedy and associates	Total shares on issue	Voting power of Robert Kennedy and associates
Date of Prospectus	124,833,354	1,501,510,778	8.31%
Offer fully subscribed with no shortfall in subscription for New Securities	166,444,472	2,002,014,371	8.31%
Offer 75% subscribed ⁶	190,111,139	1,907,555,140	9.97%
Offer 50% subscribed ⁶	190,111,139	1,782,429,242	10.67%
Offer 25% subscribed ⁶	190,111,139	1,657,303,344	11.47%

Robert Kennedy and his associates hold 26,601,643 options. Mr Kennedy has notified the Company that he and his associates' present intention is not to exercise any options prior to the Record Date. No assurance can be given that the intentions of Mr Kennedy and his associates won't change.

1.8 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances on the Opening Date and closes on the Closing Date. The Directors reserve the right to vary the dates of the Offer, including extending the Closing Date subject to the Corporations Act, ASX Listing Rules or other applicable laws. Investors are therefore urged to lodge their Entitlement and Acceptance Forms as soon as possible.

1.9 Rights Trading

The Rights to the New Shares are non-renounceable, which means that Rights will not be traded.

1.10 Acceptances

Shareholders may accept all or part of their Entitlement.

Instructions for completion are set out on the accompanying Entitlement and Acceptance Form. Acceptance must not exceed your Entitlement as shown on that form.

⁶ This assumes that in each scenario, Robert Kennedy and his associates participate to the full extent of their Entitlement to New Shares under the Offer and that there is a shortfall in the subscription for New Shares under the Offer, in which case Mr Kennedy's obligations under the Underwriting (refer to section 5.5 of the Prospectus) become binding. It should be noted that, other than with respect to Underwriting, Robert Kennedy will not participate in any Shortfall Offer. It is further noted Robert Kennedy has advised that he and his associates do not intend to acquire any additional Shares prior to the Record Date.

1.11 **ASX Listing**

Application has been made for the New Shares and New Options offered under this Prospectus to be granted official quotation by the ASX. The granting by ASX for the official quotation of the New Shares and New Options is not guaranteed.

If the New Shares are not admitted to quotation on the ASX within 3 months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and allotted and all application monies will be refunded.

If the New Options are not admitted to quotation on the ASX within 3 months after the date of this Prospectus, the Company will withdraw the quotation application to ASX, and none of the New Options offered under this Prospectus will be issued.

The ASX takes no responsibility for the contents of this Prospectus.

1.12 **Rights and liabilities attaching to Shares**

Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which may be inspected at the Company's registered office. A summary of the rights and liabilities follows.

Voting rights

At a general meeting every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

Dividends

Dividends are declared by the Directors at their discretion and subject to any special rights (at present there are none) are payable on all Shares in proportion to the amount of capital for the time being paid up but not credited as paid up on those Shares.

Transfer of Shares

Generally, Shares are freely transferable. Where the Listing Rules or the law require the Company to do so, the Directors must decline to register a transfer. If Shares are subject to a restriction agreement entered into by the Company and Shareholder, except as permitted by the Listing Rules, a Shareholder may not dispose of the Shares and the Directors and the Company will not register a dealing in the Shares.

Future increases in capital

The allotment or issue of any Shares of the Company is under the control of the Directors who may, subject to the Corporations Act and the Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

Variation of rights

The rights and privileges attaching to Shares can be altered by special resolution of the Shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

Rights on winding up

In the event of a winding up of the Company:

- any surplus will be divided among the Shareholders in the proportion to the amounts paid on their respective Shares before the winding up began;
- the liquidator may, with the sanction of a special resolution, distribute among the Shareholders the whole or any part of the property of the Company.

1.13 Rights and liabilities attaching to the New Options

The rights and liabilities attaching to the New Options are as follows:

- (1) Each New Option entitles the holder to subscribe for one Share.
- (2) The New Options will expire at 5pm (Adelaide time) on 30 June 2015 (**Expiry Date**). Any New Option which has not been exercised before that date automatically lapses.
- (3) Each New Option is exercisable at an exercise price of \$0.006 per Share at any time before the Expiry Date.
- (4) Some or all of the New Options may be exercised at any one time or times prior to the Expiry Date provided that if the number of New Options held is less than 200,000 then all the New Options must be exercised at one time and if more than 200,000 New Options are held they must be exercised in parcels of at least 200,000.
- (5) New Options will be fully transferable in accordance with the constitution of the Company and, for such time as the Company is listed, the Listing Rules.
- (6) No certificates will be issued for the New Options, but holding statements will be issued to holders for New Options issued.
- (7) Shares issued pursuant to the exercise of any New Option will rank in all respects on equal terms with the existing Shares.
- (8) Shares issued pursuant to the exercise of a New Option will be issued on a date which will not be more than 10 business days after the receipt of a properly executed notice of exercise of option and the application moneys in respect of the exercise of the New Option.
- (9) Application will be made by the Company to the ASX for permission for quotation to be granted in respect of Shares issued upon exercise of any of the New Options in the manner required by the Listing Rules.

- (10) Holders can exercise New Options by completing and submitting a notice of exercise of options (which is set out on the holding statement for the New Options or, if none, such form as the Directors may accept) to the Company's share registry together with the required exercise price.
- (11) A New Option will not entitle the holder to participate in any new issue of Shares by the Company, unless the New Option has been duly exercised prior to the relevant record date.
- (12) If there is a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of the restructure or reorganisation. Any changes to the terms of the New Options will not result in any benefit being conferred on the holder which is not conferred on the Shareholders of the Company.
- (13) If there is a pro-rata issue (except a bonus issue) to the holders of Shares, the exercise price of each New Option will be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

- O' = The new exercise price of the New Option
- O = The old exercise price of the New Option
- E = The number of Shares into which one New Option is exercisable
- P = The average market price per Share (weighted by volume) of Shares during the 5 trading days ending on the day before the ex-rights or ex-entitlements date
- S = The subscription price for a Share under the pro-rata issue
- D = The dividend due but not yet paid on Shares (except those to be issued under the pro-rata issue)
- N = The number of Shares with rights or entitlements that must be held to receive a right to one new Share

- (14) If there is a bonus issue to the holders of Shares, the number of Shares over which the New Option is exercisable will be increased by the number of Shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the bonus issue.

- (15) In the event of a winding up of the Company unexercised New Options will have no right to a distribution of surplus assets of the Company.
- (16) The Listing Rules prevail to the extent of any inconsistency with these terms.
- (17) These terms are governed by the laws of South Australia and the holder submits to the non-exclusive jurisdiction of South Australian courts and courts of appeal from them.

1.14 **Effect of the Rights Issue on Optionholders**

The Company currently has 270,111,175 quoted options on issue exercisable at \$0.006 expiring 24 September 2014.

Optionholders may participate in the Rights Issue by exercising any or all of these options before the Record Date. The exercise of any options prior to the Record Date will increase the issued capital of the Company and may increase the number of New Securities issued under the Rights Issue and the total amount raised under the Rights Issue.

Optionholders cannot participate in the Rights Issue without exercising their options.

1.15 **Minimum Capital Raising**

There is no minimum amount of capital to be raised under the Rights Issue.

1.16 **Shortfall in subscription**

The Directors reserve the right to issue any shortfall in subscription for New Securities at their discretion within 3 months after the close of the Offer (**Shortfall Offer**). Offers of shortfall are made as a separate offer under this Prospectus. Should the Directors decide to issue any shortfall, the Shortfall Offer will remain open after the Closing Date. The issue price for each New Share to be issued under any Shortfall Offer is \$0.003.

1.17 **Overseas Shareholders**

This Offer is only being extended to Shareholders with registered addresses in Australia and New Zealand. All other Shareholders (**Non-Resident Shareholders**) will not be offered Rights under this Prospectus. The Company has determined, in accordance with the Listing Rules, that it would be unreasonable to make an offer under this Prospectus to Non-Resident Shareholders having regard to:

- the number of Shareholders in the places where the offer would be made;
- the number and value of the Rights that would be offered; and
- the cost of complying with the legal requirements in those places.

No Entitlement and Acceptance Forms are being sent to Non-Resident Shareholders.

Neither this Prospectus nor the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of the Company to subscribe for or purchase any of the New Securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and Entitlement and Acceptance Form, and the offering of New Securities, in certain jurisdictions may be restricted by law. Persons into whose possession such documents come should inform themselves about and comply with those restrictions.

1.18 **Taxation**

Shareholders should be aware that there are taxation implications for subscribing for New Securities. These taxation implications will vary between different Shareholders and Shareholders should consult their own professional tax adviser in relation to the taxation implications.

2. **How to Apply**

2.1 **What you may do**

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may:

- take up all of your Entitlement to New Shares;
- take up all of your Entitlement to New Shares and apply for any Entitlement not taken up by other Shareholders;
- take up part of your Entitlement and allow the balance to lapse; or
- not take up any of your Entitlement and allow it to lapse.

2.2 **Complete and return the Entitlement and Acceptance Form**

Refer to the Entitlement and Acceptance Form for instructions on its completion. Please send your completed Entitlement and Acceptance Form together with your cheque made payable to "Tychean Resources Limited" for the total amount payable to reach the Company's share registry by 5:00pm (Adelaide time) on the Closing Date. Do not forward cash or money orders. Receipts for application monies will not be issued.

For payment by BPAY, please follow the instructions on the Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY, you do not need to submit the Entitlement and Acceptance Form. Your BPAY payment must be received by 5:00pm (Adelaide time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment and you should take this into account when making payment.

2.3 **Applying for Additional New Shares**

If a Shareholder wishes to take up any New Shares offered on the basis of this Prospectus which are not taken up by other Shareholders (**Additional New Shares**), Shareholders must, in addition to completing the portion of their Entitlement and Acceptance Form which relates to their Entitlement,

complete the portion of the Form relating to the Additional New Shares they wish to take up.

The number of Additional New Shares available will depend on the level of acceptance of Entitlements by Eligible Shareholders and whether the Directors decide to issue the shortfall. Accordingly you may not receive the full amount or any of the Additional New Shares for which you have applied. Additional New Shares, if available, will be issued under the Shortfall Offer.

2.4 Other Investors

Investors in Australia and New Zealand other than Shareholders that wish to take up any New Shares offered on the basis of this Prospectus not taken up by Shareholders must complete a Shortfall Application Form.

The number of New Shares available will depend on the level of acceptance of Entitlements by Eligible Shareholders, number of Additional New Shares they wish to take up and whether the Directors decide to issue the shortfall.

Shortfall Application Forms will be provided to investors on request. Refer to the Shortfall Application Form for instructions on its completion.

2.5 Entitlements not taken up

If you decide to take up only part of your Entitlement or not to accept any of your Entitlement, your Entitlement will lapse to that extent and may be placed by the Directors within 3 months after the close of the Offer under the Shortfall Offer.

3. Information about the Company

3.1 Disclosing Entity

This Prospectus is issued pursuant to section 713 of the Corporations Act as a prospectus for the offer of continuously quoted securities.

The Company is a "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules of the ASX which require continuous disclosure to the market of any information the Company has which a reasonable person would expect to have a material effect on the price or value of the Company's Shares.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at the ASX during normal working hours or via the ASX website at www.asx.com.au. In addition, copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, any regional ASIC office.

3.2 Information Available to Shareholders and Prospective Investors

The Company will provide a copy of each of the following documents free of charge, to any Shareholder or prospective investor who so requests during the application period under this Prospectus:

- the 2013 Annual Report of the Company which contains the financial statements and consolidated financial statements for the 2013 financial year;
- the half-year report of the Company for the period ended 31 December 2013; and
- the following announcements lodged with the ASX since release of the 2013 Annual Report:

Date	Announcement
27/05/2014	Maiden RC Gold Drilling Programme Completed at Spargoville (WA)
27/05/2014	Tanami Farm-In and Joint Venture Agreement
21/05/2014	Appendix 3B
21/05/2014	TYK to Raise up to \$1.9M to Progress Gold Exploration
21/05/2014	Trading Halt
16/05/2014	Change of Director's Interest Notice
16/05/2014	Appendix 3B
16/05/2014	Air Core Drilling Programme Completed at Spargoville (WA)
15/05/2014	Maiden RC Gold Drilling Programme Commenced at Spargoville
06/05/2014	Air Core Drilling Programme Commenced Spargoville amended
05/05/2014	Air Core Drilling Programme Commenced at Spargoville (WA)
02/05/2014	Spargoville Aircore Gold Resample Results
29/04/2014	Quarterly Activities and Cashflow Report
29/04/2014	Appendix 3B
04/04/2014	Dealing in Securities Policy
28/03/2014	High Grade Gold in New Results from Spargoville in WA
13/03/2014	Investor Presentation
07/03/2014	Half Year Accounts

Date	Announcement
10/02/2014	WA gold drilling programme commenced at Spargoville
05/02/2014	Appendix 3B
04/02/2014	Expiry of Unquoted Options
28/01/2014	Change of Director's Interest Notice
21/01/2014	Appendix 3B
20/01/2014	Quarterly Activities and Cashflow Report
17/12/2013	Spargoville Gold Project – Drill Results
04/12/2013	Appendix 3B
04/12/2013	Spargoville Gold Project – Exploration Update
21/11/2013	WA Gold Exploration Update
06/11/2013	WA Gold Exploration Update
01/11/2013	Appendix 3B
29/10/2013	Quarterly Activities and Cashflow Report
10/10/2013	Change of Director's Interest Notice
10/10/2013	Change of Director's Interest Notice
10/10/2013	Change of Director's Interest Notice
10/10/2013	Change of Director's Interest Notice
08/10/2013	Maiden drill start on Kambalda gold project
04/10/2013	Appendix 3B
03/10/2013	Placement of Rights Issue Shortfall
01/10/2013	Amended Change of Director's Interest Notice
01/10/2013	Change of Director's Interest Notice
01/10/2013	Amended Change of Director's Interest Notice
01/10/2013	Change of Director's Interest Notice
01/10/2013	Change of Director's Interest Notice
27/09/2013	Change of Company Name and ASX Code

Date	Announcement
19/09/2013	Notification of Shortfall under Rights Issue and Funds Use
11/09/2013	Company Update and Rights Issue Reminder
02/09/2013	Change of Director's Interest Notice
02/09/2013	Change of Director's Interest Notice
30/08/2013	Notice of Initial Substantial Holder from RMS
27/08/2013	Notice under s708A of the Corporations Act
27/08/2013	Appendix 3B
27/08/2013	Entitlement Issue Replacement Prospectus
23/08/2013	Results of Meeting
23/08/2013	Managing Director's AGM Presentation
23/08/2013	Chairman's Address to Shareholders
20/08/2013	Letter to Shareholders
20/08/2013	Appointment of Auditor
19/08/2013	Letter to Optionholders
19/08/2013	Appendix 3B
19/08/2013	Entitlement Issue Prospectus
15/08/2013	Spargoville Update
05/08/2013	Non-Renounceable Issue
31/07/2013	Quarterly Activities and Cashflow Report
23/07/2013	ERO Annual General Meeting Sample Proxy Form
22/07/2013	Notice of Annual General Meeting

3.3 Market Prices of the Company's Shares on ASX

The highest and lowest market sale price of the Company's Shares on the ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales, and the last sale on the ASX trading day immediately preceding the date of this Prospectus were as follows:

	Price	Dates
Highest	\$0.008	28 February and 3, 4, 5, 6, 12, 13 and 19 March
Lowest	\$0.003	21, 23 and 26 May
Latest	\$0.004	27 May

3.4 Effect of the Rights Issue on the Company

The principal effects of the Rights Issue on the Company will be, if it is fully subscribed, to:

- increase cash reserves by up to \$1,501,511 (before expenses of the Rights Issue are taken into account) to enable the Company to pursue its objectives;
- result in the Company having on issue up to approximately an additional 500,503,593 Shares and up to approximately 250,251,797 options;
- increase cash reserves by up to \$1,501,511 on exercise of the New Options (there is no guarantee that all or any of the New Options will be exercised);
- result in the Company having on issue on exercise of the New Options, up to (approximately) an additional 250,251,797 Shares (there is no guarantee that all or any of the New Options will be exercised).

3.5 Statement of Financial Position

Set out in this section of the Prospectus is a Pro Forma Consolidated Statement of Financial Position of the Company taking into account the Rights Issue and Placement. It is based on consolidated financial statements for the six months ended 31 December 2013. The Pro Forma Consolidated Statement of Financial Position illustrates the effect of the Rights Issue and Placement as if the Rights Issue and Placement had occurred on 31 December 2013 and assuming full subscription under the Rights Issue.

Tychean Resources Limited
Entitlement Issue Prospectus

	As at 31 December 2013\$	Pro Forma 31 December 2013 after Placement \$	Pro Forma 31 December 2013 after Rights Issue and Placement\$
Current Assets			
Cash and cash equivalents	989,870	1,374,800	2,791,311
Trade and other receivables	46,635	46,635	46,635
Other Assets	22,637	22,637	22,637
Total Current Assets	1,059,142	1,444,072	2,860,583
Non-Current Assets			
Property, Plant & Equipment	2,802	2,802	2,802
Exploration Assets	1,302,144	1,302,144	1,302,144
Total Non-Current Assets	1,304,946	1,304,946	1,304,946
Total Assets	2,364,088	2,749,018	4,165,529
Current Liabilities			
Trade and other payables	53,365	53,365	53,365
Provisions	13,545	13,545	13,545
Total Current Liabilities	66,910	66,910	66,910
Total Non-current liabilities	-	-	-
Total liabilities	66,910	66,910	66,910
Net Assets	2,297,178	2,682,108	4,098,619
Equity			
Issued capital	34,461,886	34,854,187	36,296,198
Reserves	1,033,478	1,033,478	1,033,478
Retained earnings	(33,198,186)	(33,205,557)	(33,231,057)
Total Equity	2,297,178	2,682,108	4,098,619

Note: The above includes an adjustment for the capital raising costs, which have been estimated as \$85,000 for the Rights Issue and \$24,570 for the Placement. The tax effect of capital raising costs has also been recognised.

Note: At 31 December 2013 the Company had cash and cash equivalents of \$989,870. Since 31 December 2013, the Company has expended further cash on exploration and for general working capital. As at 30 April 2014, the Company had cash and cash equivalents of \$542,134.

Exercise of all New Options would further increase Current Cash assets by up to \$1,501,511. There is no guarantee that all or any of the New Options will be exercised.

4. **Risks**

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The risks include, but are not limited to, the following:

4.1 **Key risks**

Going concern

The Company's auditor, Grant Thornton Audit Pty Ltd noted in respect of the half year financial report as at 31 December 2013 the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half year financial report.

Future capital requirements

We may require additional funds to carry out further exploration or development of our existing or new projects. Our ability to raise those funds within an acceptable time frame, and on terms acceptable to us, will vary according to a number of factors including: the prospects of new projects (if any); the results of exploration and subsequent feasibility studies; stock market and industry conditions; and the price of relevant commodities.

Exploration and development

Exploration by its nature contains elements of significant risk. Ultimate success depends on the discovery of economically recoverable resources, obtaining the necessary titles and governmental regulatory approvals and getting suitable finance for mining operations, if and when a decision to mine is made.

There can be no assurance that our existing projects, or any other projects or tenements that we may acquire in the future, will result in the discovery of significant resources. Even if significant resources are identified, there can be no guarantee they will be able to be economically exploited.

The factors that will impact on our future exploration and possible production activities include the following.

- Geological conditions.
- Limitations on activities due to seasonal weather patterns.

- Alterations to joint venture programmes and budgets.
- The availability of drilling rigs and other machinery necessary for the Company to undertake its activities.
- Unanticipated operational and technical difficulties encountered in survey, drilling and production activities.
- Mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other events outside our control.
- Unexpected shortages or increases in the costs of labour, engaging contractors, consumables, spare parts, plant and equipment.
- Prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to existing, and any future access agreements entered into with Aboriginal organisations and native title claimants).

4.2 Risks specific to the Company

Loss of key personnel

Our success depends on the competencies of our directors and senior management. The loss of one or more of our directors or senior management could have a materially adverse effect on our business, financial position and operations. The resulting impact from such an event would depend on the quality of any replacement.

Native title and Aboriginal heritage

Some of our tenements are located within areas that are the subject of claims or applications for native title determination. The *Native Title Act* 1993 (Cth) and related State native title legislation and Aboriginal heritage legislation may affect our ability to obtain access to certain of our exploration areas or to obtain mining production titles. Settling any claims will incur costs to us. The degree to which this may impact on our activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, we are not able to quantify the impact, if any, of such matters on our operations.

Title

All mining tenements that we may acquire are regulated by applicable state mining legislation. There is no guarantee the tenements we apply for will be granted. Also, grant of a tenement will be subject to conditions.

Environment

Our projects are subject to state and federal laws and regulations regarding environmental matters. Our activities and operations cannot be carried out without prior approval by all relevant authorities. Resource activities can be environmentally sensitive and can give rise to substantial costs for environmental rehabilitation, damage control and losses. We intend conducting our activities in an environmentally responsible manner and in accordance with all applicable laws.

Agreements with third parties

We have signed various contracts with others. There is a risk of financial failure or default by the other party to these arrangements. Any breach or failure may lead to penalties or termination of the relevant contract. In addition, our interest in the relevant subject matter (tenement, for example) may be jeopardised.

4.3 Risks specific to the Offer

Dilution risk

If you decide to take up only part of your Entitlement or not to accept any of your Entitlement, your Entitlement will lapse and your ownership of the Company will be diluted to that extent.

New Options

The granting by ASX for the official quotation of the New Options is not guaranteed. Further, there is no guarantee that the market price of the underlying Shares will trade above the exercise price of the New Options. Accordingly, there is a risk that the New Options could expire out of the money.

4.4 General risks

General market conditions

The price of Shares on ASX may rise or fall due to numerous factors including the following.

- General economic conditions, including changes in prices and interest rates.
- Variations in the local and global markets for listed shares in general, or for mining stocks in particular.
- Changes to government policy, legislation or regulation.
- Competition in the industry in which we operate.
- General operational and business risks.
- Demand for commodities.

5. Additional Information

5.1 Directors' Interests

Other than as set out below or elsewhere in this Prospectus:

- (a) no Director or proposed director has, or has had in the two years before the date of this Prospectus, any interest in:
 - the formation or promotion of the Company;

- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer; and
- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to:
- any Director or proposed director to induce him or her to become, or to qualify as, a director of the Company; or
 - any Director or proposed director for services which he or she has provided in connection with the formation or promotion of the Company or the Offer.

5.2 Interests in securities

The securities of the Company in which Directors and their associates have relevant interests as well as their respective Entitlements are:

Director	Shares	Options	Retention Rights	Entitlement to New Shares under the Offer	Entitlement to New Options under the Offer
Robert Kennedy	124,833,354	26,601,643	Nil	41,611,118	20,805,559
Joseph Houldsworth	25,809,524	3,333,334	10,000,000	8,603,175	4,301,588
Ewan Vickery	21,000,000	9,500,000	Nil	7,000,000	3,500,000
Ian Witton	2,244,444	1,048,889	Nil	748,148	374,074

5.3 Directors' fees

The following table shows the total remuneration paid and proposed to be paid per financial year to Directors (inclusive of superannuation).

Director	Fee (inclusive of superannuation) (2012 Financial Year)	Fee (inclusive of superannuation) (2013 Financial Year)	Fee (inclusive of superannuation) (2014 Financial Year)
Robert Kennedy Chairman	\$15,017	\$67,575	\$90,198
Joseph Houldsworth (commenced 14 May 2013) Managing Director	N/A	\$31,250	\$250,000
Ewan Vickery (commenced 14 May 2013) Non-executive Director	N/A	Nil	\$54,500
Ian Witton Alternate Director	Nil	Nil	\$5,000

5.4 Interests of persons involved in the Offer

Other than as set out below or elsewhere in this Prospectus:

- (a) no promoter of the Company or person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or has in the two years before the date of this Prospectus had, any interest in:
- the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer; and
- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any promoter of the Company, underwriter to the Offer or a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or provided in

connection with the formation or promotion of the Company, or the Offer.

5.5 Underwriting

Directors Robert Kennedy and Ewan Vickery (or their controlled or related entities, as the case may be) have signed Underwriting Agreements with the Company, under which they have agreed to apply for Shares in the following amounts:

Director	Controlled or Related Entity	Underwritten Shares	Underwritten Amount
Robert Kennedy	Triple Eight Gold Pty Ltd	23,666,667	\$71,000
Ewan Vickery	EJ & HC Vickery as Trustees of the Vickery Superfund	7,000,000	\$21,000
	TOTAL	30,666,667	\$92,000

Each Underwriting Agreement is in the same terms, summarised as follows:

- the Directors' obligations only become binding if there is a shortfall in the subscription for New Shares under the Rights Issue. If there is a shortfall, each Director (or their controlled or related entity, as the case may be) (**Underwriter**) must apply for the number of Shares specified above;
- the Underwriter must apply for and pay for the New Shares, and the Company must allot and issue the New Shares, on a date to be agreed that is within 15 business days after the Closing Date;
- the issue price for the New Shares will be \$0.003 each, and the New Shares will otherwise be issued pursuant to this Prospectus;
- no fees are payable to the Underwriters for partially underwriting the Offer.
- there are no termination rights.

The Underwriters have notified the Company of their present intention not to acquire Shares or exercise any options prior to the Record Date. No assurance can be given that the Underwriters' intentions won't change.

The relevant interest of the Underwriters pre-Offer is disclosed in section 5.2. Upon completion of the Offer, irrespective of the extent to which it is taken up by Eligible Shareholders, the underwriting arrangements:

- will not cause any Underwriter to become (nor cease being) a substantial holder;

- will not have any effect on control of the Company.

5.6 Expenses of the Rights Issue

On the assumption that the Rights Issue is fully subscribed, the total expenses connected with the Rights Issue, including legal and other advisory fees, listing, printing and other miscellaneous expenses are estimated to be approximately \$85,000.

5.7 Consents

Computershare Investor Services Pty Limited has consented to being named in this Prospectus as share registry for the Company in the form and context in which it is named and at the time of lodgement of this Prospectus, has not withdrawn consent. Computershare Investor Services Pty Limited takes no responsibility for any part of this Prospectus other than references to its name. Computershare Investor Services Pty Limited does not make any statement in this Prospectus nor is any statement based upon a statement by Computershare Investor Services Pty Limited.

Each Director has consented to the issue and lodgment of this Prospectus.

6. Glossary and Interpretation

In this Prospectus, unless the contrary intention appears:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited;

Closing Date means the closing date of the Rights Issue listed in the "Summary of Key Dates" section of this Prospectus;

Company means Tychean Resources Ltd ACN 119 031 864;

Corporations Act means the Corporations Act 2001 (Cth);

Directors means the Directors of the Company;

Eligible Shareholders means on the Record Date, Shareholders recorded on the register of members of the Company as holders of ordinary shares, that have registered addresses in Australia or New Zealand;

Entitlement means the entitlement of an Eligible Shareholder to apply for a number of New Securities under the Offer;

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Prospectus;

Listing Rules means the listing rules of ASX;

New Options means options offered pursuant to this Prospectus;

New Securities means the New Shares and New Options offered pursuant to this Prospectus;

New Shares means shares offered pursuant to this Prospectus;

Offer means the offer of New Securities made on the basis of this Prospectus;

Opening Date means the opening date of the Rights Issue listed in the “Summary of Key Dates” section of this Prospectus;

Placement means the placement of approximately 136,500,000 shares at \$0.003 per share to sophisticated and professional investors to raise \$409,500 (before expenses) anticipated to be completed on or about 28 May 2014. Placement subscribers also receive 1 free option for every 2 new shares subscribed for under the Placement exercisable at \$0.006 on or before 30 June 2015.

Placement Options means the options issued pursuant to the Placement.

Placement Shares means the shares issued pursuant to the Placement.

Prospectus means this document;

Quotation Date means the date of quotation as that term is used in the Listing Rules;

Record Date means the record date to determine the Shareholders entitled to participate in the Rights Issue determined in accordance with the ASX Listing Rules, listed in the “Summary of Key Dates” section of this Prospectus;

Rights means the rights to subscribe for New Securities under this Prospectus;

Rights Issue means the non-renounceable rights issue the subject of this Prospectus;

Shareholders means a holder of Shares;

Shares means fully paid ordinary shares in the Company;

Shortfall Application Form means the shortfall form to be used by an applicant who is not a Shareholder to subscribe for New Securities pursuant to the Prospectus;

Shortfall Offer has the meaning in section 1.16; and

Tenements means those mining tenements in which, as of the date of this Prospectus, the Company has rights to or a contractual or other interest in;

In this Prospectus, unless the contrary intention appears:

- 6.1 words importing the singular include the plural and the plural includes the singular and any gender include the other genders;
- 6.2 if a word or phrase is defined in the Corporations Act or the ASX Listing Rules, it bears the same meaning;
- 6.3 if a word or phrase is defined other parts of speech or grammatical forms of that word have corresponding definitions;
- 6.4 a reference in this Prospectus to a clause, paragraph or section is to a clause, paragraph or section of this Prospectus;

- 6.5 a reference to an annexure is to an annexure to this Prospectus and this Prospectus includes any annexure;
- 6.6 a reference to:
 - 6.6.1 a person includes a natural person, partnership, firm, unincorporated association, corporation and a government or statutory body or authority or other entity;
 - 6.6.2 a person includes the legal personal representatives, successors and assigns of that person;
 - 6.6.3 a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 6.7 time is Adelaide, South Australia time unless stated otherwise;
- 6.8 a right includes a benefit, remedy, direction or power;
- 6.9 A\$, \$A, \$, dollars (\$) and cents (c) are references to the lawful currency of Australia;
- 6.10 annexures to this Prospectus form part of this Prospectus; and
- 6.11 headings are for reference and do not affect interpretation.