



14 May 2015

Dear Shareholder

On 6 May 2015, Tychean Resources Ltd (**Company**) announced an accelerated non-renounceable entitlement issue to shareholders of 1 new share for every 10 existing shares held at an issue price of \$0.002 per new share, together with one free option for every new share subscribed for, exercisable at \$0.004 on or before 4 June 2016 (**Entitlement Issue or Offer**).

This letter is to inform you about the Entitlement Issue and to explain why you will not be able to subscribe for the Entitlement Issue. This letter is not an offer of, or an invitation by or on behalf of the Company to subscribe for the Entitlement Issue. You are not required to do anything in response to this letter.

The Entitlement Issue and use of funds

The Entitlement Issue seeks to raise up to \$450,726 before costs.

The Company will use the funds raised under the Entitlement Issue to:

- progress exploration and resource definition at the Company's Redback Gold Project near Spargoville in WA; and
- provide working capital to the Company.

The Entitlement Offer comprises two components:

- an institutional entitlement offer, where certain institutional investors have been invited to apply for their pro rata entitlement, to raise up to \$75,000; and
- a retail entitlement offer, where other eligible shareholders have been invited to apply for their pro rata entitlement, to raise up to \$375,726.

The Entitlement Offer is partially underwritten.

Eligibility Criteria

Only the Company's shareholders who meet all of the following criteria will be eligible to participate in the retail component of the Entitlement Issue.

- Have a registered address in Australia or New Zealand at 7:00pm Sydney time on 11 May 2015.
- Are not in the United States and not acting for the account or benefit of a person in

the United States (to the extent such person holds the Company's ordinary shares for the account or benefit of such person in the United States).

- Were not invited to participate (other than as a nominee, in respect of other underlying holdings) in the institutional component of the Entitlement Issue.
- Are eligible under all applicable securities laws to receive an offer under the Entitlement Issue.

The Company has decided pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the *Corporations Act 2001* (Cth) that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand (**Non-Resident Shareholders**), having regard to the number of shareholders in such places, the number and value of the new shares and new options they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

According to our records, you are a Non-Resident Shareholder and as such you do not satisfy the eligibility criteria for participation in the Entitlement Issue. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth), the Company wishes to advise you that it will not be extending the Entitlement Issue to you and you will not be able to subscribe for new shares or attaching options under the Entitlement Issue. You will not be sent documents relating to the Entitlement Offer.

You are not required to do anything in response to this letter.

If you have any questions regarding the Offer please contact the Company on (08) 7324 3195.

Yours sincerely

A handwritten signature in black ink, appearing to read "Joe Haldeman". The signature is fluid and cursive, with a large initial "J" and a stylized "H".

Director
Tychean Resources Limited