Tychean Resources Ltd

Financial Statements

For the Year Ended 30 June 2015

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 2015.

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:

Robert Michael Kennedy
(Non-executive Chairman)

Joseph Fred Houldsworth
(Managing Director)

Ewan John Vickery
(Non-executive director)

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

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 (2014: Nil).

OPERATING RESULTS AND FINANCIAL POSITION
The net result of operations for the financial year was a loss of $681,148 before tax (2014: $806,820).

The net assets of the Group have increased by $923,683 during the financial year from $2,933,454 at 30 June 2014 to $3,857,137 at 30 June 2015.

Review of operations

CORPORATE

Corporate Activities

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

- As part of the Capital Raising that commenced on 21 May 2014, (Previous Reporting period) in which Tychean Resources Limited announced it would undertake a capital raising of up to $1.9 million comprising:
- A placement ("Placement") of approximately 136.5 million fully paid ordinary shares at $0.003 per share to raise approximately $0.4 million, with 1 free option being issued for every 2 new shares subscribed for under the Placement, was made to sophisticated and professional investors under the Company's existing 15% placement capacity. The Placement shares were issued on 29 May 2014. New shares issued under the Placement rank equally with existing shares in Tychean. The New Options were issued on the same date as the shares and quoted on 1 July 2014.
- A non-renounceable 1 for 3 entitlement issue ("Entitlement Issue" or "Offer") at $0.003 per share to raise up to approximately $1.5 million, with 1 free option being issued for every 2 new shares subscribed for under the Entitlement Issue.
- The Capital Raising Program was successfully concluded 30 June 2014, with the returns from the Entitlement Issue closing at $628,436 for 209,478,755 shares. With the $409,500 from the Placement made in May 2014, a total of $1,037,936 was raised before partial underwriting and Shortfall placement.
- The Company subsequently placed a total of 117,333,334 shortfall shares at $0.003 per share to raise $352,000 before costs (August 2014).
- Further, a total of 143 million shortfall shares were placed at $0.003 per share to raise $429,000 before costs (September 2014).
- A placement ("Placement") of 100 million fully paid ordinary shares at $0.002 per share to raise $200,000 was announced on 21 January 2015. The placement was made to sophisticated and professional investors under the Company's 15% placement capacity. The new shares under the placement were issued on 27 January 2015.
- The Company announced a Share Purchase Plan (SPP) on 19 February 2015 to raise up to $300,000. The SPP opened on 27 February 2015 and closed on 18 March 2015 with applications received in excess of the capped amount of 150 million new shares. Excess subscription monies were refunded by cheque to the relevant applicants and new shares were issued on 25 March 2015.

The Company used the funds raised under the SPP and in the abovementioned placement to:

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

- On 6 May 2015, Tychean announced an accelerated non-renounceable entitlement offer to raise up to $450,726. Under the terms of the offer, Tychean offered one new share at a price of $0.002 each, for every ten existing shares held, together with one free option for every new share subscribed for, exercisable at $0.004 on or before 4 June 2016.

The company used the funds raised under the entitlement offer 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 comprised two components:

- An institutional entitlement offer which closed on 8 May 2015, where certain institutional investors were invited to apply for their pro rata entitlement, which raised $65,291.
- A retail entitlement offer which closed on 12 June 2015, where other eligible shareholders were invited to apply for their pro rata entitlement, which raised $246,322.

The Entitlement Offer was partially underwritten by the directors of the Company up to a total of 11,983,307 shares. A total of 57,573,692 shortfall shares remain available to be issued.

An R & D Claim for the sum of $96,541 was received from the Tax Office on 23 April 2015.

In recognition of performance and as a further incentive, Exploration Manager Mr Matthew Svensson has been granted 10,000,000 Performance Rights (Rights) with the following principal terms:

- The Rights have been granted to Mr Svensson for no consideration;
- The Rights will vest on publication by Tychean of a resource estimate of any category reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) in respect of the Company's Redback gold discovery at the Spargoville Gold Project in the eastern goldfields of Western Australia;
- Upon vesting, Mr Svensson will be issued with one fully paid ordinary share in Tychean for each Right, for no consideration;
- If the Rights have not vested on or before 1 January 2016, or such later date as agreed, they will automatically lapse (with no value) on that day.
- As at the date of this report Matt Svensson's employment has been terminated accordingly the conditions of vesting will not be satisfied.

PROJECTS

The 2015 financial year has seen the Company's major efforts focused on exploring its Spargoville Gold Project located in the eastern goldfields of Western Australia.

Spargoville Gold Project (WA)

With the Primary Focus at Spargoville, drilling programmes were completed within the project area during the period and focused on three priority prospects, namely the Golden Orb Area Prospect Group, Hilditch Gold and Core Farm Paleochannel.

The Redback Prospect was identified as a priority target with High Grade mineralised zones highlighted – Western, Central and Eastern Zones.

Tanami Project (NT)

Tanami joint venturer, Ramelius Resources Limited (ASX:RMS), completed an RC Drilling programme at the Suplejack Project during March 2015, (15 holes for a total of 1206m). The objective of the maiden drill program was to test for geochemical anomalism along the basement/cover interface, from a broadly spaced drill pattern over selected parts of the Suplejack structure.

Results have defined three, moderate tenor interface anomalies over the Suplejack structure. The anomalies occur at the interface between Cambrian basalt cover and Proterozoic Tanami Group basement, or within Proterozoic Gardiner Sandstone (where present) which directly overlies Tanami Group basement.

Follow-up drilling is planned to commence as soon as is possible in the next field season.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Apart from the below, no matter or circumstance has arisen since 30 June 2015 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.

A Farm-in and Joint Venture Agreement on the Company's Spargoville Gold Project was signed with Maximus Resources Limited on 5 August 2015, under the following Terms and Conditions:

- Maximus to pay $200,000 in cash followed by a further equivalent value in MXR shares upon transfer of 25% interest in the Project.
- Maximus can earn up to 90% equity by investing a further $800,000 in exploration activities within three years.

Tychean Resources Limited received the $200,000 from Maximus on 5 August 2015.

In respect of the Company's Tanami Joint Venture Project, Ramelius has advised Tychean that it had met its Minimum Exploration Expenditure of $100,000 by February 2015, and by 31 July 2015, advised that it had incurred more than the necessary $500,000 ($543,050) in order to earn its Joint Venture Interest of 85%.

On 6 July 2015, Blue Spec Drilling Pty Ltd was issued 75,000,000 shares for $150,000 worth of services provided prior to 30 June 2015. This amount is recorded in the current financial statements as an accrued expense.

In July 2015, Joseph Houldsworth announced his intention to retire as Managing Director effective from 1 September 2015.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGY

The Group's strategy is to explore for gold across its portfolio of projects in Western Australia and the Northern Territory. 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 of direct exploration by the Group and joint venture/alliances with other parties.

The primary focus of exploration will be directed at Gold mineralisation at its Spargoville and Valley Floor Projects in the eastern goldfields of WA with a secondary focus on gold in the Tanami region of the Northern Territory. The Company is confident that the prudent application of exploration funds across this balanced geographic/commodity profile has an excellent chance of delivering discovery success.

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

ROBERT MICHAEL KENNEDY *ASAIT, Grad. Dip (Systems Analysis), FCA, AGIA, Life member AIM, FAICD*
Independent Non-Executive Chairman

Experience and expertise
Mr Kennedy, a Chartered Accountant, has been non-executive Chairman of Tychean Resources Limited since 2006.

Mr Kennedy brings 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 leads the development of strategies for the development and future growth of the Company. Mr Kennedy leads the Board's external engagement of the Company, meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms. He conducts the review of the Board including the Managing Director in his executive role.

Independence
In assessing Mr Kennedy's independence, the Board (excluding Mr Kennedy), took into account his stamina, his ability to think independently across a wide range of issues and his relentless availability. Whilst Mr Kennedy has been appointed to a number of Resource Industry Boards, due to his extensive knowledge of the industry, the time required across these companies in no way impedes on his dedication to his role as Chairman of the Board. In taking all of these issues into account, the Board (excluding Mr Kennedy), were unanimous in declaring Mr Kennedy as independent.

Other current directorships
Mr Kennedy is a director of ASX listed companies, Ramelius Resources Limited (since 2003), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004) and Monax Mining Limited (since 2004).

Former directorships in the last 3 years
Formerly he was a director of Beach Energy Limited (from December 1991 to December 2012), Crestal Petroleum Ltd formerly Tellus Resources Limited (from December 2013 to February 2015) and Marmota Energy Limited (from April 2006 to April 2015).

Special Responsibilities
Chairman of the Board

Membership of the Audit Committee.

Interests in shares, options and rights
200,000,001 ordinary shares in the Company.
25,666,644 options over ordinary shares exercisable at \$0.004 on or before 4 June 2016.

JOSEPH HOULDSWORTH
Appointed Managing Director

Experience and expertise
Mr. Houldsworth joined Tychean Resources Limited as Managing Director in May 2013. He has over 30 years' experience in the resources industry at both operational and management levels primarily in the Western Australian Goldfields. He is the former Managing Director of Ramelius Resources Limited and was instrumental in turning the Company into a highly profitable gold miner. He is a former consultant for 10 years to insolvency specialists on both mining and exploration and has had considerable experience in asset management for various mining entities.

Other current directorships
None.

Former directorships in the last 3 years
None.

Interests in shares, options and rights
63,053,970 ordinary shares in the Company.
6,891,270 options over ordinary shares exercisable at \$0.004 on or before 4 June 2016.

EWAN JOHN VICKERY LL.B.
Non-executive Director

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 also a Non-Executive Director of ASX listed company Maximus Resources Limited (since 2004), Flinders Mines Limited (since 2001) and he re-joined the Board of Tychean Resources Limited (formerly ERO Mining Limited) in May 2013.

Former directorships in the last 3 years
None.

Special Responsibilities
Chairman of the Audit Committee.

Interests in shares, options and rights
42,500,001 ordinary shares in the Company.
5,000,001 options over ordinary shares exercisable at $0.004 on or before 4 June 2016.

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
2,468,888 ordinary shares in the Company.
224,444 options over ordinary shares exercisable at $0.004 on or before 4 June 2016.

Company Secretary

Justin Paul Nelson LL.B., B.A.(Jur)

Experience and expertise
Mr Nelson was appointed Company Secretary on 1 August 2012. He is a Principal of DMAW Lawyers. He is a former South Australian State Manager of ASX and is experienced in the listed company environment. He has excellent knowledge of the ASX Listing Rules, governance and all other aspects of ASX related matters.

Interests in shares, options and rights
1,270,000 ordinary shares in the Company.

570,000 options over ordinary shares exercisable at $0.004 on or before 4 June 2016.

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 2015, 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
Robert Michael Kennedy	14	14	2	2	1	1
Joseph Fred Houldsworth	14	14	2	2	0	0
Ewan John Vickery	14	14	2	2	1	1
Ian Roy Witton	0	0	0	0	0	0

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 $24,965 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 2015.

Shares under option

Unissued ordinary shares of Tychean Resources Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price	Number under option
19 June 2015	04 June 2016	$0.004	135,054,357
15 May 2015	04 June 2016	$0.004	32,645,369
			167,699,726

Shares issued on the exercise of options

The following ordinary shares of Tychean Resources Listed Exploration were issued during the year ended 30 June 2015 and up to the date of this report on the exercise of options granted:

Date shares issued	Exercise price	Number of shares issued
7 July 2014	0.006	**15,000**
30 July 2014	0.006	**4,000**
12 August 2014	0.006	**114,775**
2 September 2014	0.005	**146,667**
10 September 2014	0.006	**242,290**
19 September 2014	0.006	**189,109**
22 September 2014	0.005	**523,501**
1 October 2014	0.005	**388,869**
25 March 2015	0.006	**85**
5 June 2015	0.005	**71,557**
2 July 2015	0.004	**1,135**
9 July 2015	0.004	**2,335**
24 July 2015	0.004	**78,705**
3 August 2015	0.004	**7,965**

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 Service agreements
D Share-based compensation
E Shareholdings
F 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. The remuneration of the Managing Director is determined by the non-executive directors on the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

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.

The employment conditions of the Managing Director, Mr Houldsworth are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Director's contract may be terminated at any time on three months' notice by either party. The Company may terminate these contracts without notice in serious instances of misconduct.

Voting and comments made at the company's 2014 Annual General Meeting

Tychean Resources Limited received more than 95% of 'yes' votes on its remuneration report for the 2014 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 R M Kennedy - Chairman, non-executive
- Mr J F Houldsworth – Managing Director (since 14 May 2013)
- Mr E J Vickery – Director, non-executive (since 14 May 2013)
- Mr I R Witton - Alternate director for R M Kennedy (since 26 August 2010) and E J Vickery (since 26 June 2013)

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

2015	Short-term employee benefits	Post-employment benefits	Share-based payments	
Name	Salary $	Super-annuation $	Options $	Total $
Non-executive directors				
Robert Michael Kennedy	82,283	7,817	-	90,100
Ewan John Vickery	49,772	4,728	-	54,500
Ian Roy Witton	-	-	-	-
Managing Director				
Joe Houldsworth	191,781	18,219	-	210,000
Total key management personnel compensation (Group)	323,836	30,764	-	354,600

The directors conclude that there are no executives requiring disclosure other than those listed. In August 2014, the Board of Directors approved payment of a bonus of $10,000 to Joe Houldsworth. On the recommendation of the Remuneration Committee the payment of a bonus was approved rather than an increase in Mr Houldsworth's salary package. It was determined that this event was an adjusting event in accordance with AASB 110 Events after the Balance Sheet Date and therefore the bonus was recognised in the financial statements for the year ended 30 June 2014.

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

2014	Short-term employee benefits	Post-employment benefits	Share-based payments	
Name	Salary $	Super-annuation $	Options $	Total $
Non-executive directors				
Robert Michael Kennedy	82,660	7,546	-	90,206
Ewan John Vickery	49,886	4,614	-	54,500
Ian Roy Witton	4,577	423	-	5,000
Managing Director				
Joe Houldsworth	238,833	21,167	50,000	310,000
Total key management personnel compensation (Group)	375,956	33,750	50,000	459,706

C Service agreements

In July 2015, Mr Joe Houldsworth announced his retirement as Managing Director effective 1st September 2015.

D 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

The number of options held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Issued as remuneration	Purchased (exercised/ expired)	Acquired/ (disposed)	Balance at the end of year	Vested and exercisable	Unvested
30 June 2015							
Directors							
Robert Kennedy	35,768,311	-	(47,601,645)	37,499,978	25,666,644	25,666,644	-
Ewan Vickery	10,500,000	-	(14,000,000)	8,500,001	5,000,001	5,000,001	-
Joseph Houldsworth	17,634,923	-	(17,634,923)	6,891,270	6,891,270	6,891,270	-
Ian Witton	1,048,889	-	(1,048,889)	224,444	224,444	224,444	-
	64,952,123	-	(80,285,457)	53,115,693	37,782,359	37,782,359	-

No options were issued as remuneration to KMP.

E 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
30 June 2015					
Directors					
Robert Kennedy	143,166,690	-	-	56,833,311	200,000,001
Ewan Vickery	23,000,000	-	-	19,500,001	42,500,001
Joseph Houldsworth	34,412,700	-	10,000,000	18,641,270	63,053,970
Ian Witton	2,244,444	-	-	224,444	2,468,888
	202,823,834	-	10,000,000	95,199,026	308,022,860

F 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 2015.

Remuneration report ends.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

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

Joseph Houldsworth

Managing Director

Dated 21 August 2015

Grant Thornton

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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 2015, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S K Edwards
Partner – Audit & Assurance

Adelaide, 21 August 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

		Consolidated year ended	
		30 June 2015	30 June 2014
	Note	$	$
Revenue	2	**19,894**	81,376
Administration expenses	3	**(742,270)**	(769,099)
General exploration written off	3	**(6,485)**	(32,556)
Impairment of exploration expenditure	3	**-**	(33,052)
(Loss) before income tax		**(728,861)**	(753,331)
Income tax benefit (expense)	4	**47,713**	(53,489)
(Loss) for the year		**(681,148)**	(806,820)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**(681,148)**	(806,820)

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

	Note	Cents	Cents
Basic earnings per share (cents)	15	(0.03)	(0.07)
Diluted earnings per share (cents)	15	(0.03)	(0.07)

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 2015

		Consolidated year ended	
		30 June 2015	30 June 2014
	Note	$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	**102,522**	1,099,286
Trade and other receivables	8	**36,294**	55,982
Other assets	10	**10,838**	9,586
Total Current Assets		**149,654**	1,164,854
Non-Current Assets			
Property, plant and equipment	9	**10,124**	2,173
Exploration, evaluation and development assets	11	**4,096,218**	1,992,378
Total Non-Current Assets		**4,106,342**	1,994,551
Total Assets		**4,255,996**	3,159,405
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**381,720**	222,020
Employee benefits	13	**17,139**	3,931
Total Current Liabilities		**398,859**	225,951
Non-Current Liabilities		-	-
Total Liabilities		**398,859**	225,951
Net Assets		**3,857,137**	2,933,454
EQUITY			
Issued capital	14	**37,042,054**	35,437,223
Reserves		**1,083,478**	1,083,478
Retained earnings		**(34,268,395)**	(33,587,247)
Total Equity		**3,857,137**	2,933,454

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 2015

	Attributable to owners of the Tychean Resources Limited			
	Issued Capital $	Retained Earnings $	Reserves $	Total $
Balance at 1 July 2013	32,344,411	(32,780,427)	1,033,478	597,462
Loss for year	-	(806,820)	-	(806,820)
Total comprehensive income for the year	**-**	**(806,820)**	**-**	**(806,820)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs and tax	3,092,812	-	-	3,092,812
Retention rights issued during the year	-	-	50,000	50,000
	3,092,812	-	50,000	3,142,812
Balance at 30 June 2014	**35,437,223**	**(33,587,247)**	**1,083,478**	**2,933,454**
Balance at 1 July 2014	35,437,223	(33,587,247)	1,083,478	2,933,454
Loss for year	-	(681,148)	-	(681,148)
Total comprehensive income for the year	**-**	**(681,148)**	**-**	**(681,148)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs and tax	1,604,831	-	-	1,604,831
	1,604,831	-	-	1,604,831
Balance at 30 June 2015	**37,042,054**	**(34,268,395)**	**1,083,478**	**3,857,137**

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 2015

	Note	Consolidated year ended 30 June 2015 $	30 June 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**6,000**	55,361
Payments to suppliers and employees		**(753,355)**	(715,998)
Research and development tax received		**96,541**	-
Interest received		**13,894**	25,668
Net cash (used in) operating activities	24	**(639,920)**	(634,969)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(11,138)**	(1,858)
Payments for exploration assets		**(1,819,762)**	(1,803,826)
Net cash used by investing activities		**(1,830,900)**	(1,805,684)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**1,474,056**	3,135,519
Net cash provided by financing activities		**1,474,056**	3,135,519
Net (decrease) increase in cash and cash equivalents held		**(996,764)**	694,866
Cash and cash equivalents at beginning of year		**1,099,286**	404,420
Cash and cash equivalents at end of financial year	7	**102,522**	1,099,286

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 2015

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).

(ii) New and amended standards adopted by the Group.

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.
- AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.
- The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

(b) Basis of Consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2015. 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 2015

1 Summary of Significant Accounting Policies continued

(c) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

On the acquisition date the consideration transferred is compared with the fair value of the net identifiable assets acquired. The excess of consideration over the assets acquired is recorded as an exploration & evaluation asset.

(d) 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.

(e) 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.

(f) 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).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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.

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.

(g) 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.

1 Summary of Significant Accounting Policies continued

(h) 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).

(i) 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.

(j) 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(l)).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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.

(k) 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).

(l) 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.

(m) 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.

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2014: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

1 Summary of Significant Accounting Policies continued

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

(o) 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.

(p) 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.

(q) 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.

(r) Functional and presentation currency

The functional currency of each of the Group entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(s) 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.

1 Summary of Significant Accounting Policies continued

(t) Adoption of new and revised accounting standards

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 Financial Instruments (or AASB 139 Financial Instruments: Recognition and Measurement where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Examples of entities which might qualify as investment entities would include Australian superannuation entities, listed investment companies, pooled investment trusts and Federal, State and Territory fund management authorities.

AASB 2013-5 is applicable to annual reporting periods beginning on or after 1 January 2014.

This Standard has not had any impact on the Group as it does not meet the definition of an 'investment entity' in order to apply this consolidation exception.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity);
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

1 Summary of Significant Accounting Policies continued

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operation decision maker has been identified as the Board of Directors.

(v) Trade Receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(w) Reserves

Reserves represent the share option reserve. This reserve records items recognised as expenses on valuation of employee share options and rights.

(x) 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. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(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.

(iii) **Changes in accounting estimates**
During the current reporting period, the Group changed the discount rate used in measuring its Australian dollar dominated defined benefit obligations and other long term employee benefits from the Australian government bond rate to the high quality corporate bond rate. This change was necessitated by developments in the Australian business environment that confirmed there is a sufficiently observable, deep and liquid market in high quality Australian corporate bonds to satisfy the requirements in AASB 119 Employee Benefits. The Group has concluded that this amendment has resulted in a 'change in accounting estimate' in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group is not able to predict the impact of changing to high quality corporate bond rates in periods after the next reporting period due to the inherent uncertainty in measuring defined benefit obligations.

(y) Financial report

The financial report was authorised for issue on 17 August 2015 by the Board of directors.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Revenue and Other Income

	Consolidated year end	
	30 June 2015	30 June 2014
	$	$
Other Income		
Royalties	**6,000**	55,361
Interest received	**13,894**	26,015
	19,894	81,376

3 Expenses

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Profit before income tax from continuing operations includes the following expenses:		
Administration		
Compliance	**129,057**	143,100
Consulting fees	**60,000**	60,000
Depreciation	**3,187**	1,118
Legal fees	**12,058**	2,977
Administration costs	**259,333**	226,302
Employment costs	**278,635**	335,602
	742,270	769,099
Exploration expenditure		
General Exploration written off	**6,485**	32,556
	6,485	32,556
Impairment of assets		
Capitalised exploration expenditure	**-**	33,052
	-	33,052

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

4 Income Tax Expense

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

	Consolidated year end	
	30 June 2015	**30 June 2014**
	$	**$**
Deferred tax expense		
Deferred tax	**48,828**	53,489
Research & Development Tax Concession	**(96,541)**	-
Income tax expense for continuing operations	**(47,713)**	53,489
	(47,713)	53,489

(b) Reconciliation of income tax to accounting profit:

Prima facie profit from ordinary activities	**(728,861)**	(753,331)
Tax at the Australian tax rate of	**30%**	30%
Prima facie tax payable on ordinary activities	**(218,658)**	(225,999)
Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-allowable items	**500**	15,686
Adjustment for Research and Development tax offset	**(96,541)**	-
Effect of timing differences not brought to account	**266,986**	263,802
	(47,713)	53,489
Income tax attributable to entity	**(47,713)**	53,489

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 $9,161,569 (2014: $8,989,304) 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 - 30%;
Tax losses - 30%.

5 Business Combinations

On 23 August 2013, the parent entity acquired a 100% interest of Valley Floor Resources Pty Ltd which resulted in Tychean Resources Ltd obtaining control of Valley Floor Resources Pty Ltd. The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Fair value $
Purchase consideration:	
- Equity instruments	150,000
Total purchase consideration	150,000
Assets or liabilities acquired:	
Cash	1,028
Receivables	140
Exploration and evaluation assets	8,215
Total net identifiable assets	9,383
Identifiable assets acquired and liabilities assumed	9,383
Consideration	150,000
Less: Identifiable assets acquired	9,383
Exploration and evaluation	140,617

Revenue of Valley Floor Resources Pty Ltd included in the consolidated revenue of the Group since the 1 July 2014 amounted to $9 with a loss of $(71).

6 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical area of interest as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- geographical location; and
- any external regulatory requirements.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Tychean Resources Ltd.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

6 Operating Segments continued

(b) Segment performance

Year ended 30 June 2015	Spargoville	Suplejack	Valley Floor Resources	Other	Total
	$	$	$	$	$
Segment revenue	-	-	-	-	-
Adjusted EBITDA	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Impairment	-	-	-	-	-
Segment assets	**3,334,063**	**251,044**	**511,111**	-	**4,096,218**
Segment asset movements for the period					
Acquisition of tenements	-	-	-	-	-
Capital expenditure	1,956,703	17,918	129,219	-	2,103,840
Impaired	-	-	-	-	-
Total movement for the year	**1,956,703**	**17,918**	**129,219**	-	**2,103,840**
Segment assets	**3,334,063**	**251,044**	**511,111**	-	4,096,218
Unallocated assets	-	-	-	-	159,778
Total assets					**4,255,996**
Segment liabilities	278,435	-	551	-	278,986
Unallocated liabilities	-	-	-	-	119,873
Total liabilities					**398,859**

Year ended 30 June 2014	Spargoville	Suplejack	Valley Floor Resources	Other	Total
	$	$	$	$	$
Segment revenue	-	-	-	-	-
Adjusted EBITDA	(14,117)	-	-	(18,935)	(33,052)
Cost of goods sold	-	-	-	-	-
Impairment	(14,117)	-	-	(18,935)	**(33,052)**
Segment assets	**1,377,359**	**233,127**	**381,892**	-	**1,992,378**
Segment asset movements for the period					
Acquisition of tenements	400,000	-	140,617	8,215	548,832
Capital expenditure	987,662	9,070	241,275	10,720	1,248,727
Impaired	(14,117)	-	-	(18,935)	(33,052)
Total movement for the year	**1,373,545**	**9,070**	**381,892**	-	**1,764,507**
Segment assets	**1,377,359**	**233,127**	**381,892**	-	1,992,378
Unallocated assets	-	-	-	-	1,167,027
Total assets					**3,159,405**
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	225,950
Total liabilities					**225,950**

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

6 Operating Segments continued

(c) Adjusted EBITA

	Consolidated year ended 30 June 2015 $	30 June 2014 $
Allocated	-	(33,052)
Reconciliation of segment liabilities		
Unallocated		
Interest Revenue	**13,894**	26,015
Other revenue	**6,000**	55,361
Marketing expenses	**(3,729)**	(5,383)
Administrative expenses	**(738,541)**	(763,716)
General exploration	**(6,485)**	(32,556)
Profit before Income Tax	**(728,861)**	(753,331)
Income Tax	**47,713**	(53,489)
Profit after income tax	**(681,148)**	(806,820)

(d) Segment Revenues

Segment revenue reconciles to total revenue from continuing operations as follows:

	Consolidated year ended 30 June 2015 $	30 June 2014 $
Total segment revenue		
Interest revenue	**13,894**	26,015
Other revenue	**6,000**	55,361
Total revenue from continuing operations	**19,984**	81,376

(e) Segment Assets

Reportable segments' assets are reconciled to total assets as follows:

	Consolidated year ended 30 June 2015 $	30 June 2014 $
Allocated		
Segment assets	**4,096,218**	1,992,378
Unallocated		
Cash and cash equivalents	**102,522**	1,099,286
Trade and other receivables	**36,294**	55,982
Other current assets	**10,838**	9,586
Property, plant and equipment	**10,124**	2,173
Total assets	**4,255,996**	3,159,405

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

6 Operating Segments continued

(f) Segment liabilities

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Allocated		
Segment liabilities	**278,986**	-
Unallocated		
Trade and other payables	**102,734**	222,020
Provisions	**17,139**	3,931
Total Liabilities	**398,859**	225,951

7 Cash and cash equivalents

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Cash at bank and in hand	**102,522**	1,099,286
	102,522	1,099,286

8 Trade and other receivables

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
CURRENT		
Trade receivables	**5,998**	3,724
	5,998	3,724
GST receivable	**30,289**	43,917
Other receivables	**7**	8,341
Total current trade and other receivables	**36,294**	55,982

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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 2015 there were no material trade and other receivables that were considered to be past due or impaired (2014: Nil).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2015

9 Property, plant and equipment

	Consolidated year ended 30 June 2015	30 June 2014
PLANT AND EQUIPMENT	$	$
Property, plant and equipment		
At cost	**16,137**	4,999
Accumulated depreciation	**(6,013)**	(2,826)
Total property, plant and equipment	**10,124**	2,173

(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:

Consolidated	**Computer Equipment** $	**Computer Software** $	**Total** $
Year ended 30 June 2015			
Balance at the beginning of year	**2,028**	**145**	**2,173**
Additions	**-**	**11,138**	**11,138**
Depreciation expense	**(507)**	**(2,680)**	**(3,187)**
Balance at the end of the year	**1,521**	**8,603**	**10,124**

Consolidated	**Computer Equipment** $	**Computer Software** $	**Total** $
Year ended 30 June 2014			
Balance at the beginning of year	3,065	226	3,291
Depreciation expense	(1,037)	(81)	(1,118)
Balance at the end of the year	2,028	145	2,173

10 Other assets

	Consolidated year ended 30 June 2015	30 June 2014
	$	$
CURRENT		
Prepayments	**10,838**	9,586
Total other assets	**10,838**	9,586

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

11 Exploration, evaluation and development assets

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Exploration and evaluation	**4,096,218**	1,992,378
	4,096,218	1,992,378

	Exploration and evaluation
2015	$
Balance at beginning of the year	**1,992,378**
Expenditure incurred	**2,103,840**
Balance at end of the year	**4,096,218**
2014	
Balance at beginning of the year	227,871
Tenement acquisition costs	548,832
Expenditure incurred	1,248,727
Exploration expenditure impaired	(33,052)
Balance at end of the year	1,992,378

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.

12 Trade and other payables

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**170,080**	97,820
Employee benefits	**17,457**	21,137
Unissued shares	**-**	71,000
Other payables and accrued expenses	**194,183**	32,063
Total current liabilities	**381,720**	222,020

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

13 Employee Benefits

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Current liabilities		
Opening balance	**3,931**	4,137
Additional provisions	**37,527**	20,829
Amounts used	**(24,319)**	(21,035)
Closing balance	**17,139**	3,931

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

14 Issued Capital

	Consolidated year ended	
	30 June 2015	30 June 2014
	$	$
Ordinary Shares	**37,042,054**	35,437,223
	37,042,054	35,437,223

(a) Ordinary shares

Date		Consolidated year ended 30 June 2015 No.	$
1 July 2014	At the beginning of the reporting period	**1,711,006,872**	35,437,223
7 July 2014	Exercise of options	**15,000**	90
7 July 2014	Rights issue subscriptions	**30,666,667**	92,000
30 July 2014	Exercise of options	**4,000**	24
12 August 2014	Exercise of options	**114,775**	689
22 August 2014	Placement of shortfall	**117,333,334**	352,000
2 September 2014	Exercise of options	**146,667**	880
5 September 2014	Placement of shortfall	**143,000,006**	429,000
10 September 2014	Exercise of options	**242,290**	1,454
19 September 2014	Exercise of options	**189,109**	1,135
22 September 2014	Exercise of options	**523,501**	3,141
1 October 2014	Exercise of options	**388,869**	2,333
27 January 2015	Placement of shares	**100,000,000**	200,000
25 March 2015	Share purchase plan	**150,000,000**	300,000
25 March 2015	Exercise of options	**85**	1
15 May 2015	Institutional component of rights issue	**32,645,369**	65,291
18 May 2015	Vesting of retention rights	**10,000,000**	-
5 June 2015	Exercise of options	**71,557**	429
19 June 2015	Retail component of rights issue	**123,161,080**	246,322
19 June 2015	Shares issued pursuant to an underwriting agreement	**11,983,307**	23,974
	Less: transaction costs arising on share issue (net of tax effect)	**-**	(113,932)
30 June 2015	At the end of the reporting period	**2,431,492,488**	37,042,054

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

14 Issued Capital continued

(b) Options

(i) For information relating to the Tychean Resources Ltd employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 25 Share-based payments.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to Note 25.

15 Earnings per Share

	Consolidated year ended	
	30 June 2015	**30 June 2014**
	$	**$**
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders	**(681,148)**	(806,820)
Weighted average number of shares outstanding during the year	**2,052,805,818**	1,211,032,184
Basic earnings per share (cents)	**(0.033)**	(0.067)
(b) Basic earnings per share from continuing operations		
Loss attributable to the ordinary equity holders from continuing operations	**(681,148)**	(806,820)
Weighted average number of shares outstanding during the year	**2,052,805,818**	1,211,032,184
Basic earnings per share from continuing operations(cents)	**(0.033)**	(0.067)
(c) Dilutive earnings per share		
Loss attributable to the ordinary equity holders	**(681,148)**	(806,820)
Weighted average number of shares outstanding during the year	**2,052,805,818**	1,211,032,184
Dilutive earnings per share (cents)	**(0.033)**	(0.067)
(d) Dilutive earnings per share from continuing operations		
Loss attributable to the ordinary equity holders from continuing operations	**(681,148)**	(806,820)
Weighted average number of shares outstanding during the year	**2,052,805,818**	1,211,032,184
Dilutive earnings per share from continuing operations (cents)	**(0.033)**	(0.067)

16 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 approximately $72,000 during the year ending 30 June 2016 (2015: $826,000) in respect of tenement lease rentals and to meet minimum expenditure requirements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

17 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:

	Consolidated year ended	
	30 June 2015	**30 June 2014**
	$	**$**
Financial Assets		
Cash and cash equivalents	**102,522**	1,099,286
Trade, term and loans receivables	**6,005**	12,065
Total financial assets	**108,527**	1,111,351
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**381,720**	222,020
Total financial liabilities	**381,720**	222,020

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
- 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

17 Financial Risk Management continued

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 2015	30 June 2014	30 June 2015	30 June 2014
Financial assets - cash flows realisable	$	$	$	$
Cash and cash equivalents	102,522	1,099,286	-	-
Trade, term and loans receivables	6,005	12,065	-	-
Total	108,527	1,111,351	-	-

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% (2014: +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 2015		30 June 2014	
	+2.00%	-2.00%	+2.00%	-2.00%
	$	$	$	$
Cash and cash equivalents				
Net results	**2,050**	**2,050**	21,986	21,986
Equity	**(2,050)**	**(2,050)**	(21,986)	(21,986)
Borrowings				
Equity	-	-	-	-

Credit risk

Credit risk refers to the risk that a 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.

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 2015		30 June 2014	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	$	$	$	$
Financial assets				
Cash and cash equivalents	102,522	102,522	1,099,286	1,099,286
Trade and other receivables	6,005	6,005	12,065	12,065
Total financial assets	108,527	108,527	1,111,351	1,111,351
Financial liabilities				
Trade and other payables	381,720	381,720	222,020	222,020
Total financial liabilities	381,720	381,720	222,020	222,020

18 Dividends

There were no dividends paid during the year (2014: nil).

19 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 end	
	30 June 2015	30 June 2014
	$	$
Short-term employee benefits	**323,836**	375,956
Post-employment benefits	**30,764**	33,750
Share-based payments	**-**	50,000
Total Remuneration	**354,600**	459,706

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 2015.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 23: Related Party Transactions.

20 Remuneration of Auditors

	Consolidated year end	
	30 June 2015	30 June 2014
	$	$
Remuneration of the auditor of the Group, Grant Thornton (Australia), for:		
Auditing or reviewing the financial report	**23,500**	27,900
	23,500	27,900

21 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.

22 Contingent Liabilities

In the opinion of the Directors, the Group did not have any contingent liabilities at 30 June 2015.

23 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

23 Related Parties continued

There were no other transactions with KMP and their related entities.

(ii) Subsidiaries:

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

Name of subsidiary	% ownership interest 2015	% ownership interest 2014
Eromanga Uranium Resources Pty Ltd	-	100.0
South East Energy Ltd	-	100.0
Tychean Tanami Pty Ltd (previously ERO Metals Pty Ltd)	**100.0**	100.0
Valley Floor Resources Pty Ltd (acquired 23 August 2013 via the issue of 50,000,000 fully paid ordinary shares)	**100.0**	100.0

De-registration of subsidiaries
In June 2014 the Board of Directors resolved to proceed with de-registration of two subsidiaries: Eromanga Uranium Resources Pty Ltd and South East Energy Ltd. The subsidiaries were de-registered with ASIC in August 2014.

(b) Balances to related parties

	Consolidated year ended 30 June 2015	30 June 2014
CURRENT	$	$
Amount payable to:		
Key management personnel: Joe Houldsworth	-	10,000
	-	10,000

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

24 Cash Flow Information

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

	Consolidated year ended	
	30 June 2015	30 June 2014
Reconciliation of net income to net cash provided by operating activities:	$	$
(Loss) for the year	**(681,148)**	(806,820)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**3,187**	1,118
- exploration and evaluation expenditure written off	**6,485**	32,556
- income tax expense	**48,828**	53,489
- share based payments	**-**	50,000
- impairment loss	**-**	33,052
- exploration recovery	**(40,280)**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**5,574**	(9,462)
- (increase)/decrease in prepayments	**(1,253)**	(565)
- (increase)/decrease in other assets	**14,114**	(36,768)
- increase/(decrease) in trade and other payables	**(8,635)**	48,637
- increase/(decrease) in provisions	**13,208**	(206)
Cashflow from operations	**(639,920)**	(634,969)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

25 Share-based Payments

(i) Employee Options

N/A

(ii) Retention Rights

The Group granted Joseph Houldsworth 20,000,000 retention rights pursuant to his appointment as Managing Director of Tychean Resources Ltd (previously ERO Mining Ltd) on 14 May 2013. 50% of the rights vested on the first anniversary of employment and 50% of the rights vested on the second anniversary of employment. Upon vesting, 1 ordinary share in Tychean Resources Ltd was issued for each right for no consideration.

2015 Grant Date	**Exercise price**	**Start of the year**	**Granted during the year**	**Exercised during the year**	**Forfeited during the year**	**Balance at the end of the year**	**Vested and exercisable at year end**
14 May 2013	-	10,000,000	-	(10,000,000)	-	-	-

2014 Grant Date	**Exercise price**	**Start of the year**	**Granted during the year**	**Exercised during the year**	**Forfeited during the year**	**Balance at the end of the year**	**Vested and exercisable at year end**
14 May 2013	-	20,000,00	-	(10,000,000)	-	10,000,000	-

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The values were calculated by using a Binomial option pricing model applying the following inputs:

Weighted average fair value ($)	0.05
Weighted average exercise price ($)	-
Underlying share price ($)	0.05
Expected share price volatility:	100.50%
Risk-free interest rate:	2.54%

The life of the rights is based on the days remaining until expiry. Volatility is based on historical share prices. The retention rights have a value of $0.005 per retention right

In recognition of performance and as a further incentive, Exploration Manager Mr Matthew Svensson has been granted 10,000,000 Performance Rights (Rights) with the following principal terms:

- The Rights have been granted to Mr Svensson for no consideration;
- The Rights will vest on publication by Tychean of a resource estimate of any category reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) in respect of the Company's Redback gold discovery at the Spargoville Gold Project in the eastern goldfields of Western Australia;
- Upon vesting, Mr Svensson will be issued with one fully paid ordinary share in Tychean for each Right, for no consideration;
- If the Rights have not vested on or before 1 January 2016, or such later date as agreed, they will automatically lapse (with no value) on that day.
- As at the date of this report Matt Svensson's employement has been terminated and accordingly the conditions of vesting will not be satisfied.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

26 Events Occurring After the Reporting Date

Except for the below, no other 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.

A Farm-in and Joint Venture Agreement on the Company's Spargoville Gold Project was signed with Maximus Resources Limited on 5 August 2015, under the following Terms and Conditions:

- Maximus to pay $200,000 in cash followed by a further equivalent value in MXR shares upon transfer of 25% interest in the Project.
- Maximus can earn up to 90% equity by investing a further $800,000 in exploration activities within three years.

Tychean Resources Limited received the $200,000 from Maximus on 5 August 2015.

In respect of the Company's Tanami Joint Venture Project, Ramelius has advised Tychean that it had met its Minimum Exploration Expenditure of $100,000 by February 2015, and by 31 July 2015, advised that it had incurred more than the necessary $500,000 ($543,050) in order to earn its Joint Venture Interest of 85%.

On 6 July 2015, Blue Spec Drilling Pty Ltd were issued 75,000,000 shares for $150,000 worth of services provided prior to 30 June 2015. This amount is recorded in the current financial statements as an accrued expense.

In July 2015, Joseph Houldsworth announced his intention to retire as Managing Director effective from 1 September 2015.

27 Parent entity

	Year ended	
	30 June 2015	**30 June 2014**
	$	**$**
Statement of Financial Position		
Assets		
Current assets	**149,654**	1,163,880
Non-current assets	**4,094,725**	1,995,719
Total Assets	**4,244,379**	3,159,599
Liabilities		
Current liabilities	**398,859**	225,950
Total Liabilities	**398,859**	225,950
Equity		
Issued capital	**37,042,054**	35,437,223
Retained earnings/ (losses)	**(34,280,012)**	(33,587,052)
Option reserve	**1,083,478**	1,083,478
Total Equity	**3,845,520**	2,934,049
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**(681,075)**	(798,661)
Total comprehensive income	**(681,075)**	(798,661)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

28 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

29 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 $681,148 (2014: $806,820) and operations were funded by a net cash outlay from operating and investing activities of $2,470,820.

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

The directors of the Group declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2015 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 Managing Director and Chief Finance Officer 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 ....

Robert Michael Kennedy

Dated 21 August 2015

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TYCHEAN RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Tychean Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Tychean Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 29 in the financial report which indicates that the consolidated entity incurred a net loss of $681,148 during the year ended 30 June 2015 and, as of that date, the consolidated entity's cash outlay from operating and investing activities of $2,470,820. These conditions, along with other matters as set forth in Note 29, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

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Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Tychean Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S K Edwards
Partner – Audit & Assurance

Adelaide, 21 August 2015