



**TYCHEAN RESOURCES LIMITED
(FORMERLY ERO MINING LIMITED)
AND CONTROLLED ENTITIES**

ABN: 40 119 031 864

**Interim Financial Report For The Half Year Ended
31 December 2013**

To be read in conjunction with the 30 June 2013 Annual Report

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Directors' report

Your directors present their report on the consolidated entity consisting of Tychean Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

Directors

The following persons were directors of Tychean Resources Limited at any time during the half year and up to the date of this report:

Robert Michael Kennedy (Non-executive Chairman)
Joseph Fred Houldsworth (Managing Director)
Ewan Vickery (Non-Executive Director)

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations and financial results

The Company's major efforts during the half year have been focused on exploring its recently acquired Spargoville and Valley Floor Gold Projects located in the Eastern Goldfields of Western Australia.

During the period under review the Company completed the acquisition of both the Spargoville Gold Project and the Valley Floor Gold Prospect.

The Company completed a successful Capital Raising in September 2013, with a total of \$1,625,243 being raised before costs comprised of both a Rights Issue and the placement of the shortfall.

The Company changed its name from ERO Mining Limited [ERO] to Tychean Resources Limited [TYK]

In respect of the exploration completed by the Company:

- An Air Core Reconnaissance drilling program was successfully concluded at its Valley Floor Gold Prospect (Lake Lefroy) 8 October 2013, identifying significant supergene horizons.
- An extensive Close Spaced Auger drilling program was completed at its Fugitive and Déjà vu Prospects (Spargoville) 22 October 2013 and successfully highlighted exciting gold anomalies.
- A 4305 metre RAB drilling program was completed at its Core Farm; 8500N and Golden Orb East Prospects (Spargoville) 21 November 2013, intercepting highly anomalous gold values at the Core Farm Prospect (**4m @ 22g/t Au**).

No Activity occurred on the Company's Tanami Gold Project [Northern Territory] during the reporting period.

TYCHEAN RESOURCES LIMITED
Directors' Report
31 December 2013
(continued)

The net result of operations for the half year was a loss of \$417,759 (2012: \$4,688,877).

The net assets of the Group have increased by \$2,297,178 during the half year from \$597,462 at 30 June 2013.

Earnings per share has gone from (\$0.75) cents to (\$0.04) cents.

Matters subsequent to the end of the financial half-year

There has not arisen in the interval between 31 December 2013 and the date of this report any item, transaction or event which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2013 has been received and can be found on page 4.

Dated at Adelaide this 7th day of March 2014 and signed in accordance with a resolution of the Directors.

Joe Houldsworth
Managing Director



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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 review of Tychean Resources Limited for the half-year ended 31 December 2013, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Partner – Audit & Assurance

Adelaide, 7 March 2014

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TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated Group Dec-13 \$	Dec-12 \$
Revenue		69,239	95,420
Expenses			
Administration expenses		(431,787)	(297,636)
Exploration expenditure		(28,341)	(70,749)
Impairment of exploration		(1,336)	(4,415,912)
Loss before income tax		<u>(392,225)</u>	<u>(4,688,877)</u>
Tax expense		(25,534)	-
Net Loss from continuing operations		<u>(417,759)</u>	<u>(4,688,877)</u>
Discontinued operations			
Profit/(loss) from discontinued operations after tax		-	-
Net Profit for the year		<u>(417,759)</u>	<u>(4,688,877)</u>
Other comprehensive income:			
Other comprehensive income for the half year		-	-
Total comprehensive income (loss) for the year		<u>(417,759)</u>	<u>(4,688,877)</u>
Total comprehensive income attributable to:			
Members of the parent entity		(417,759)	(4,688,877)
Non-controlling interest		-	-
		<u>(417,759)</u>	<u>(4,688,877)</u>
Earnings per share			
From continuing and discontinued operations:		cents	cents
Basic earnings per share (cents)		(0.04)	(0.75)
Diluted earnings per share (cents)		(0.04)	(0.75)

The accompanying notes form part of these financial statements.

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Consolidated Group	
		Dec-13	Jun-13
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		989,870	404,420
Trade and other receivables		46,635	11,082
Other assets		22,637	9,022
TOTAL CURRENT ASSETS		<u>1,059,142</u>	<u>424,524</u>
NON-CURRENT ASSETS			
Property, plant and equipment		2,802	3,291
Exploration asset		1,302,144	227,870
TOTAL NON-CURRENT ASSETS		<u>1,304,946</u>	<u>231,161</u>
TOTAL ASSETS		<u>2,364,088</u>	<u>655,685</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		53,365	54,086
Provisions		13,545	4,137
TOTAL CURRENT LIABILITIES		<u>66,910</u>	<u>58,223</u>
TOTAL LIABILITIES		<u>66,910</u>	<u>58,223</u>
NET ASSETS		<u>2,297,178</u>	<u>597,462</u>
EQUITY			
Issued capital	3	34,461,886	32,344,411
Reserves		1,033,478	1,033,478
Retained earnings		(33,198,186)	(32,780,427)
TOTAL EQUITY		<u>2,297,178</u>	<u>597,462</u>

The accompanying notes form part of these financial statements.

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated Group	
	Dec-13	Dec-12
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	60,896	-
Interest received	6,996	21,706
Payments to suppliers and employees	(467,742)	(330,711)
Net cash used in operating activities	<u>(399,850)</u>	<u>(309,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration activities	(554,783)	(141,902)
Purchase of property, plant and equipment	(1,858)	-
Net cash used in investing activities	<u>(556,641)</u>	<u>(141,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,627,054	-
Payments for capital raising costs	(85,113)	(15,796)
Net cash provided by (used in) financing activities	<u>1,541,941</u>	<u>(15,796)</u>
Net increase in cash held	585,450	(466,703)
Cash and cash equivalents at beginning of financial period	404,420	1,224,895
Cash and cash equivalents at end of financial period	<u>989,870</u>	<u>758,192</u>

The accompanying notes form part of these financial statements.

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	<u>Share Capital</u>		<u>Reserves</u>	
	Ordinary	Retained Earnings	General Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2012	32,327,371	(25,149,066)	983,478	8,161,783
Comprehensive income				
Loss for the period	-	(4,688,877)	-	(4,688,877)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	<u>-</u>	<u>(4,688,877)</u>	<u>-</u>	<u>(4,688,877)</u>
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period	17,040	-	-	17,040
Total transactions with owners and other transfers	<u>17,040</u>	<u>-</u>	<u>-</u>	<u>17,040</u>
Balance at 31 December 2012	<u>32,344,411</u>	<u>(29,837,943)</u>	<u>983,478</u>	<u>3,489,946</u>
Balance at 1 July 2013	32,344,411	(32,780,427)	1,033,478	597,462
Comprehensive income				
Loss for the period	-	(417,759)	-	(417,759)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	<u>-</u>	<u>(417,759)</u>	<u>-</u>	<u>(417,759)</u>
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period	2,177,054	-	-	2,177,054
Transaction costs	(85,113)	-	-	(85,113)
Tax effect on transaction costs	25,534	-	-	25,534
Total transactions with owners and other transfers	<u>2,117,475</u>	<u>-</u>	<u>-</u>	<u>2,117,475</u>
Balance at 31 December 2013	<u>34,461,886</u>	<u>(33,198,186)</u>	<u>1,033,478</u>	<u>2,297,178</u>

The accompanying notes form part of these financial statements.

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING LIMITED)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1 Basis of preparation of the half-year report

Basis of Preparation

The consolidated financial report for the half-year period ended 31 December 2013 has been prepared in accordance with Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. The half year report is for the consolidated entity consisting of Tychean Resources Limited (previously ERO Mining Limited) and its subsidiaries.

The consolidated half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The annual financial report of the Group for the year ended 30 June 2013 is available upon request from the Group's registered office at Level 3, 100 Pirie Street, Adelaide SA 5000 or the website: www.tycheanresources.com.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

New and amended accounting policies adopted by the Group

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2013, except for the application of the following standards as of 1 January 2013:

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 13 Fair Value Measurement; and
- AASB 119 Employee Benefits (September 2011)

Management has reviewed the new requirements of the above standards and has concluded that there is no effect on the classification or presentation of balances as the group has no arrangements within the scope of the above standards.

These financial statements were authorised for issue by the Board of Directors on 7 March 2014.

2 Business Combination

On 23 August 2013 the Group acquired 100% of the ordinary shares of Valley Floor Resources Pty Ltd for the total consideration of \$150,000 via the issue of 50,000,000 fully paid ordinary shares.

This is an exploration company, the holder of Exploration Licence E15/1249 directly south of Kambalda and containing the Valley Floor Gold Prospect (Acquisition).

The consolidated financial statements incorporate all of the assets, liabilities and results of the Group, including the newly acquired subsidiary.

The assets, liabilities and results of Valley Floor Resources Pty Ltd are fully consolidated into the financial statements of the Group from the date on which control was obtained by the Group.

	Fair Value
Cash	1,028
Receivables	140
Exploration asset	8,215
	9,383
Net assets acquired	9,383
Exploration asset uplift	140,617
	150,000
Acquisition - date fair value of the total consideration transferred	150,000
Representing	
Ordinary shares issued	150,000
Acquisition costs expensed to profit and loss	-

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING LIMITED)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

(b) Business Segments

	Billa Kalina Copper	Spargoville	Valley Floor Resources	All Other Segments	Total
	\$	\$	\$	\$	\$
31 December 2012					
Adjusted earnings before interest, tax, depreciation and amortisation	-	-	-	(4,415,912)	(4,415,912)
Cost of goods sold	-	-	-	-	-
Impairment	-	-	-	(4,415,912)	(4,415,912)
Segment assets for the period ending 31 December 2012	2,409,614	-	-	278,102	2,687,716
Segment asset movements for the half year:					
Capital expenditure	21,798	-	-	52,934	74,732
Capital expenditure impaired	-	-	-	(4,415,912)	(4,415,912)
Total movement for the year	21,798	-	-	(4,362,978)	(4,341,180)
Segment assets					2,687,716
Unallocated assets					858,655
Total assets					3,546,371
Segment liabilities					-
Unallocated liabilities					56,426
Total liabilities					56,426
	Billa Kalina Copper	Spargoville	Valley Floor Resources	All Other Segments	Total
	\$	\$	\$	\$	\$
31 December 2013					
Adjusted earnings before interest, tax, depreciation and amortisation	-	-	-	(1,336)	(1,336)
Cost of goods sold	-	-	-	-	-
Impairment	-	-	-	(1,336)	(1,336)
Segment assets for the year ended 31 December 2013	-	695,874	358,881	247,389	1,302,144
Segment asset movements for the year:					
Capital expenditure	-	685,900	358,881	15,118	1,059,899
Capital expenditure impaired	-	-	-	(1,336)	(1,336)
Total movement for the year	-	685,900	358,881	13,782	1,058,563
Segment assets					1,302,144
Unallocated assets					1,061,943
Total assets					2,364,087
Segment liabilities					-
Unallocated liabilities					66,910
Total liabilities					66,910

(c) Adjusted EBITDA

	Half year ended	
	Dec 13	Dec 12
	\$	\$
Allocated adjusted EBITDA	(1,336)	(4,415,912)
Unallocated:		
Interest revenue	13,878	22,081
Other revenue	55,361	73,339
Administrative expenses	(431,787)	(297,636)
General exploration written off	(28,341)	(70,749)
Profit (loss) before income tax	(392,225)	(4,688,877)

TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING LIMITED)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

5 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 5 February 2014 71,556 ordinary shares were issued as a result of the exercise of option at \$0.006.

6 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 for continued operations. The Group incurred a loss of \$417,759 for the half year (December 2012: \$4,688,877) and operations were funded by operating and investing activities of \$956,491.

The Group is currently meeting minimum cash commitments and the Group is actively seeking joint venture partners to achieve a minimum cash outlay. Expenditure will increase in the event that positive exploration results are received; in this event, the Group will seek to raise capital based on positive exploration results.

The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, 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.

7 Company Details

The registered office of the company is:
Tychean Resources Limited
Level 3
100 Pirie Street
Adelaide SA 5000

The principal place of business is:
Tychean Resources Limited
Level 3
100 Pirie Street
Adelaide SA 5000

**TYCHEAN RESOURCES LIMITED (FORMERLY ERO MINING)
ABN: 40 119 031 864 AND CONTROLLED ENTITIES
DIRECTOR'S DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**


In accordance with a resolution of the directors of Tychean Resources Limited, the directors of the company declare that:

- 1 the financial statements and notes as set out on pages 5 to 12 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair value of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the consolidated group;

- 2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts

Signed in accordance with a resolution of the directors.

Joe Houldsworth
Managing Director



Adelaide
7 March 2014

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

We have reviewed the accompanying half-year financial report of Tychean Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Tychean Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Tychean Resources Limited consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Tychean Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tychean Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 6 in the financial report which indicates that the consolidated entity's incurred a net loss of \$417,759 for the half year 31 December 2013 and cash used in operating and investing activities of \$956,491. These conditions, along with other matters as set forth in Note 6, 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 half year financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Partner – Audit & Assurance

Adelaide, 7 March 2014