



Australian Securities Exchange Announcement

28 April 2017

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

QUARTERLY REPORT

EXPLORATION & CORPORATE HIGHLIGHTS

- Binding HOA signed for Acquisition of 74% interest in Blom Diamonds

Corporate:

Last quarter saw Tychean Resources successfully sign a Binding Heads of Agreement (HOA) to acquire a 74% interest in Blom Diamond Cutting Works and Ernest Blom Diamonds CC (Blom Diamonds), an established South Africa-based diamond company. The acquisition is a culmination of significant efforts in securing Tychean a cornerstone project and will transform the Company into a vertically integrated diamond-focused company.

Blom Diamonds, comprising Blom Diamond Cutting Works Pty Ltd and Ernest Blom Diamonds CC is a well-established business with a proven track record accumulated over 38 years and a profitable operation that will provide a cash underpin to Tychean and distinguish it from the host of competitor exploration companies. Based in South Africa, Blom Diamonds currently engages in the trading, beneficiation, cutting and polishing of diamonds.

Agreement Terms:

Under the terms of the HOA, Tychean will acquire a 74% equity interest in Blom Diamonds on the following basis:

- a) 68,450,000 Tychean shares to be issued to Blom Diamonds following transaction completion
- b) Performance shares in the capital of Tychean convert upon the satisfaction of the following milestones
 - a. **Milestone 1** - 433,516,667 Tychean shares upon Blom Diamonds achieving EBITDA of ZAR 19,615,312 (A\$ 1,926,871*) for the financial year ending 30 June 2018

- b. **Milestone 2** - 433,516,667 Tychean shares upon Blom Diamonds achieving EBITDA of ZAR 22,152,739 (A\$ 2,176,130*) for the financial year ending 30 June 2019
- c. **Milestone 3** - 433,516,667 Tychean shares upon Blom Diamond achieving EBITDA of ZAR 25,539,051 (A\$ 2,508,778*) for the financial year ending 30 June 2020
- c) Conversion of performance shares will be subject to a minimum threshold conversion of 50% meaning that performance shares will be issued on a pro-rata basis according to actual EBITDA as a % of each EBITDA milestone should actual EBITDA be at least 50% of the milestone. For example, if actual EBITDA for the financial year ending 30 June 2018 is 80% of the milestone, 80% of the performance shares will be converted into ordinary shares
- d) Any shortfall in the conversion of performance shares can be carried forward to the next financial year and converted into ordinary shares on a pro-rata basis should the actual EBITDA for that financial year exceed the milestone EBITDA

*Based on current exchange rates

The transaction is subject to conditions such as both parties having the right to complete due diligence, which was mutually agreed to expire on 19 May 2017, Tychean shareholder approval and satisfaction of all legal and regulatory requirements.

Tychean's cash balance as at 31 March 2017 is \$292,538.

EXPLORATION ACTIVITIES:

Tanami Joint Venture (NT) – Ramelius 85%, Tychean 15%.

Tychean maintain a 15% interest in the project, with joint venturer Ramelius Resources (**ASX:RMS**) who completed its maiden Aircore drilling programme at the Highland Rocks ELs totalling 5,780m during the December quarter where further drilling results are expected.

It is anticipated the balance of the Tanami joint venture ELA's will be granted ahead of the start of the 2017 field season.

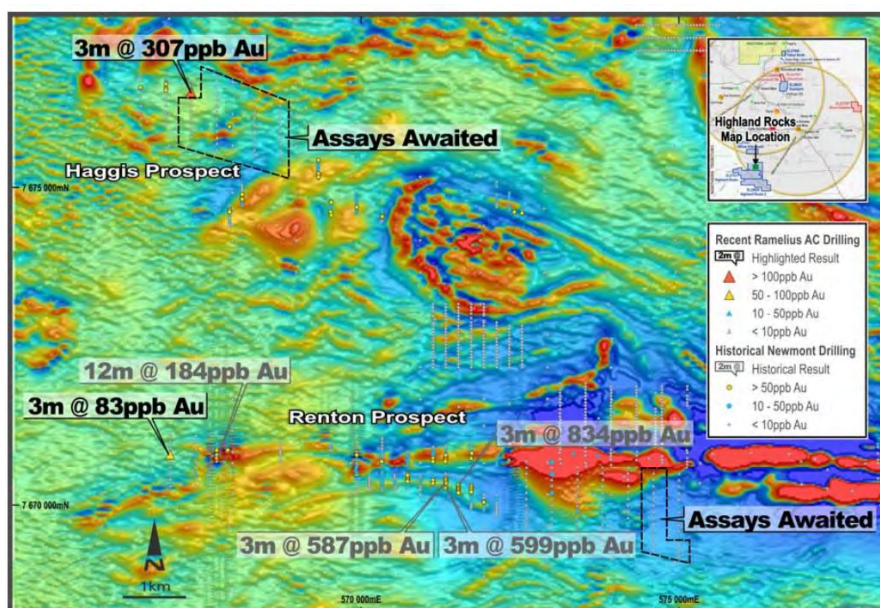


Figure 1: Highland Rocks ELs recent Ramelius Aircore drilling and historical Newmont drilling over the Renton & Higgs prospects, overlain on a 1VD-RTP aeromagnetic data image.

SCHEDULE OF INTERESTS IN MINING TENEMENTS
As at 31 March 2017

Project	Tenement	Lease Name	State	Status	% Owned by TYK	Holders
Spargoville	M15/1475	Eagles Nest	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	E15/967	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	E15/968	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	L15/128	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	L15/255	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/395	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/703	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/5860	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/4884	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/4885	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/4963	Kambalda West	WA	Granted	100% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1448	Hilditch	WA	Granted	44.10% Registered, nil beneficially owned	BULLABULLING PTY LTD (10%) TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1449	Larkinville	WA	Granted	36.75% Registered, nil beneficially owned	PIONEER RESOURCES LTD (25%) TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/5912	Villa Deste	WA	Granted	36.75% Registered, nil beneficially owned	PIONEER RESOURCES LTD (25%) TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1101	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1263	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1264	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1323	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1338	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1474	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1769	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1770	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1771	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1772	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1773	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1774	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	M15/1775	Wattle Dam	WA	Granted	49% Registered, nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD

Project	Tenement	Lease Name	State	Status	% Owned by TYK	Holders
Spargoville	M15/1776	Wattle Dam	WA	Granted	49% Registered , nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Spargoville	P15/5953	Logan Dam	WA	Granted	49% Registered , nil beneficially owned	TYCHEAN RESOURCES LTD MAXIMUS RESOURCES LTD
Tanami	EL 26625	Suplejack	NT	Granted	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27491	Highland Rocks	NT	Granted	15% Registered	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27806	Talbot North	NT	Granted	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27921	Groundrush	NT	Pending	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27995	Officer Hills South	NT	Granted	15% Registered	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 27997	Mount Solitaire	NT	Pending	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 28493	Groundrush South	NT	Pending	15% beneficially owned	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD
Tanami	EL 29829	Highland Rocks 2	NT	Granted	15% Registered	TYCHEAN RESOURCES LTD RAMELIUS RESOURCES LTD

For further information please contact:

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Chairman
Tychean Resources Limited
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Mr. Duncan Gordon
Executive Director
Adelaide Equity Partners Limited
M: 0404 006 444

Further information relating to Tychean Resources Ltd and its various exploration projects can be found at its website: www.tycheanresources.com

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Tychean Resources Limited

ABN

40 119 031 864

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(2)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(105)	(327)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(104)	(327)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	353
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(21)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	332

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	397	288
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(104)	(327)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	332
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	293	293

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	293	397
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	293	397

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	50
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fee and Superannuation

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

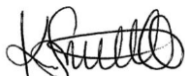
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	106
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	106

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



28 April 2017

Sign here:
(Company secretary)

Date:

Print name: Kaitlin Smith.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.