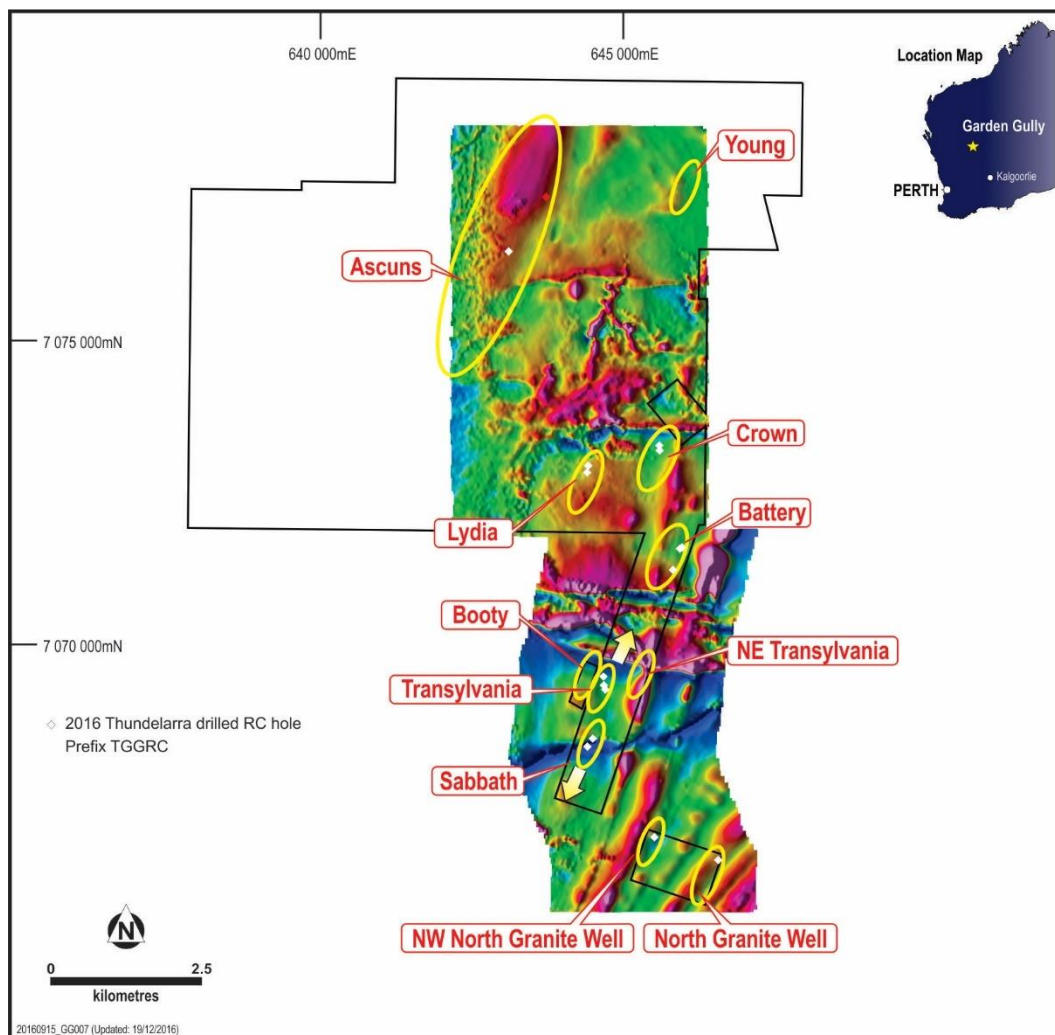


## GARDEN GULLY : EXPLORATION STATUS UPDATE

Thundelarra recently completed follow-up drilling at Garden Gully to test further the exploration prospects identified in the initial 28-hole scout drilling programme carried out mid-year. This follow-up programme comprised 29 holes for a total advance of 6,432m, testing nine new prospect targets. Over 1,000 samples were submitted to the laboratory for assay. Results are pending and, once received, will be reported as soon as practicable in the New Year.



**Figure 1. Garden Gully Prospects hosting follow-up drill targets. Young and Crown not tested in this follow-up programme.**

An enforced suspension of drilling due to mechanical issues after the first six holes were drilled at **Lydia** allowed samples from those holes to be brought to Perth and submitted for assay. The exceptional results from those first holes (**80m @ 1.9g/t Au including 16m @ 3.8g/t Au**) were reported to the market on 03 November 2016.

Follow-up drilling at Lydia will be carried out in the first quarter of 2017.

A brief summary of the targets tested in this programme follows (see Figure 1 for prospect locations and Figure 2 for the regional setting of the Garden Gully Project).

- **Lydia:** inferred target zone in excess of 700m long. Extensive gold mineralisation including high grade intervals. Refer ASX announcements 13, 14 September and 03 November 2016.
- **Booty:** multiple old workings over an inferred strike length of about 300m north-south extent. Shear-hosted gold anomalies within mafics.
- **Transylvania:** shear-hosted gold within metabasalts over a strike length of about 120m identified to date. Open down dip and along strike to both north and south.
- **Sabbath:** interpreted to be a possible extension to the Transylvania structure, about 1,500m to the south-southwest.
- **NE Transylvania:** strong chargeable and magnetic feature warrants testing.
- **Battery:** two parallel strong chargeable features about 200m apart over a strike extent of about 800m identified to date. Strong gold and arsenic anomalism. Gold noted at contact of black shales to the east and felsic volcanoclastics to the west.
- **North Granite Well:** demagnetised shear zone about 800m long located beneath mafic schists. Warrants more detailed investigation.
- **NW North Granite Well:** strong chargeable feature anomalous in gold (31m @ 0.32g/t) with a strike extent of about 800m identified to date.
- **Ascuns:** anomalous base metals (copper and zinc) in black shales. Several MLTEM and IP anomalies along a north-northeast trend of more than 4 kilometres strike extent. Main target is the lower black shale package.

Garden Gully, wholly-owned by Thundelarra, comprises 14 granted Prospecting Licences, 1 granted Exploration Licence, and 1 Exploration Licence Application covering about 65.5km<sup>2</sup> located in Western Australia's Doolgunna region (Figure 2), about 20km north-west of Meekatharra.

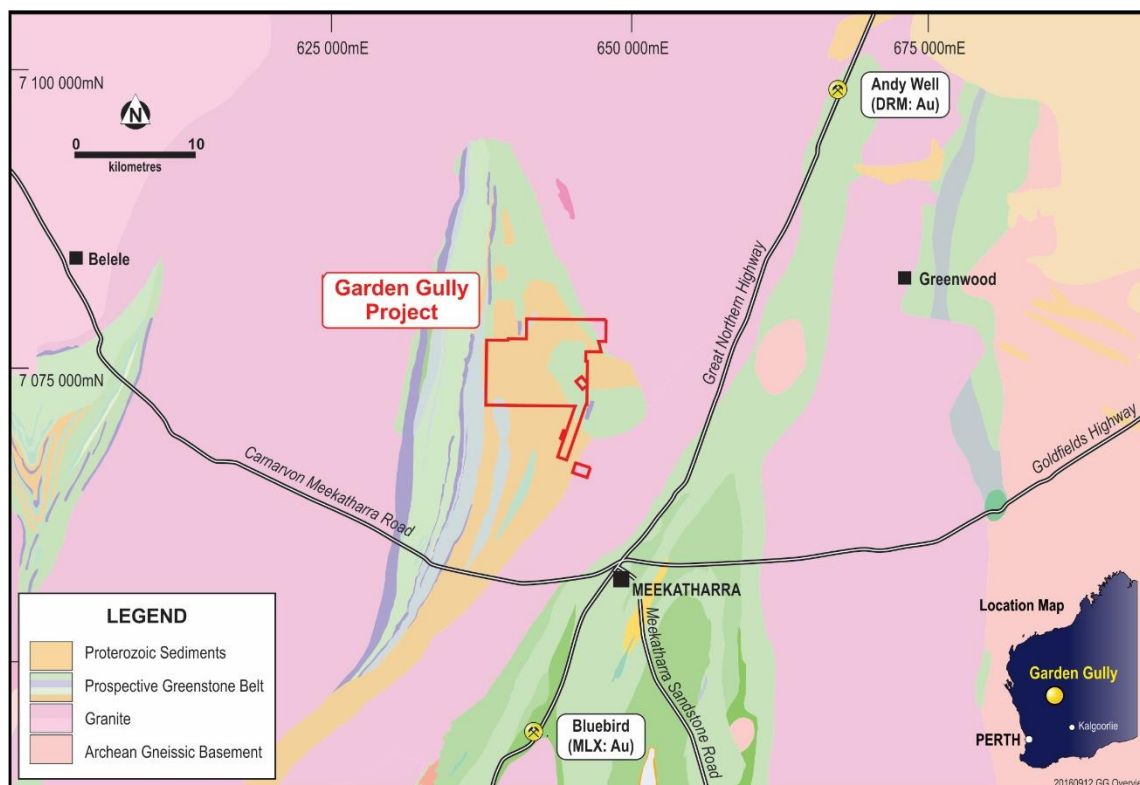


Figure 2. Garden Gully location showing proximity to local plant and infrastructure.

Table 1 shows the details for all holes drilled in this programme.

Hole ID	Easting	Northing	Prospect	RL	Depth	Azimuth	Dip
TGGRC029	644438	7072461	Lydia	485m	322m	300°	-60°
TGGRC030	644419	7072550	Lydia	485m	304m	300°	-59.9°
TGGRC031	644360	7072740	Lydia	480m	262m	296°	-69.8°
TGGRC032	644363	7072797	Lydia	480m	184m	299°	-69.8°
TGGRC033	644379	7072854	Lydia	480m	268m	296°	-69.9°
TGGRC034	644369	7072856	Lydia	480m	268m	239°	-69.2°
TGGRC035	644351	7072802	Lydia	480m	268m	236°	-69.7°
TGGRC036	644409	7072544	Lydia	480m	190m	190°	-70.2°
TGGRC037	642235	7074414	Ascuns	480m	238m	266°	-63.3°
TGGRC038	642900	7076280	Ascuns	480m	100m	290°	-60°
TGGRC039	645620	7071536	Battery	480m	251m	107°	-60°
TGGRC040	642760	7076338	Ascuns	480m	118m	291°	-60.9°
TGGRC041	645877	7071496	Battery	480m	267m	110°	-60°
TGGRC042	645766	7071144	Battery	480m	202m	110°	-60°
TGGRC043	644631	7069259	Transylvania	480m	202m	110°	-60°
TGGRC044	644626	7069390	Transylvania	480m	184m	110°	-60°
TGGRC045	645381	7066758	NW North Granite Well	480m	258m	70°	-70°
TGGRC046	645270	7069389	Transylvania	480m	268m	140°	-60°
TGGRC047	645280	7069385	Transylvania	480m	250m	80°	-60°
TGGRC048	646503	7066404	North Granite Well	480m	226m	115°	-60°
TGGRC049	644464	7069395	Booty	480m	238m	110°	-60°
TGGRC050	646388	7066307	North Granite Well	480m	258m	115°	-60°
TGGRC051	646176	7065982	North Granite Well	480m	208m	115°	-60°
TGGRC052	645825	7071360	Battery	480m	232m	110°	-60°
TGGRC053	645765	7071143	Battery	480m	202m	110°	-70°
TGGRC054	644488	7068528	Sabbath	480m	238m	300°	-70°
TGGRC055	644451	7068386	Sabbath	480m	142m	230°	-70°
TGGRC056	644453	7068386	Sabbath	480m	160m	300°	-60°
TGGRC057	644366	7068260	Sabbath	480m	124m	70°	-70°

Table 2. Details of the holes drilled at Garden Gully. All locations on Australian Geodetic Grid GDA94-50. The azimuth shown is the magnetic azimuth of the drilling direction.

This announcement is not reporting any actual exploration results and so does not require a competent person's statement.

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