THUNDELARRA

ASX/Media Announcement

19 January 2017

PRIMARY GOLD MINERALISATION AT BATTERY PROSPECT, GARDEN GULLY

Thundelarra is pleased to announce that results of drilling at the Battery Prospect at Garden Gully have confirmed the existence of primary gold mineralisation. The presence of gold mineralised porphyry within a package of mafic schists, high magnesium basalts and black shales is significant as similar associations in WA have formed the basis of new mine developments. Such potential enhances the prospectivity of the project – especially when considered in conjunction with the spectacular results previously announced from the Lydia Prospect (ASX 03 November 2016) that included 80m at 1.9 gpt Au and 45m at 1.3 gpt Au..

Highlights:

- ***Primary gold mineralisation intersected at Battery***
- ***New mineralisation style not previously reported at Garden Gully***
- ***Shows similar geological characteristics to known and established large scale gold systems in the Eastern Goldfields of WA***
- ***Large off-hole conductor identified at depth will require testing***
- ***Significant targets identified for follow-up programmes***
- ***23m at 0.4 gpt Au from 77m in mineralised quartz porphyry***
- ***5m at 2.0 gpt Au from 115m***
- ***9m at 1.5 gpt Au from 163m***
    - ***inc 4m at 2.4 gpt Au***
- ***8m at 2.0 gpt Au from 164m***
    - ***inc 4m at 3.3 gpt Au***

The results show that gold mineralisation is present at depth below the previous arsenic anomalism trend which coincides with the chargeable feature recently delineated by an Induced Polarisation survey. Mineralisation is hosted by quartz veins and felsic intrusives (confirmed by petrographic analysis to be quartz porphyry), containing pyrite and arsenopyrite emplaced within strongly folded and tectonised mafic schists and black shales.

Exploration reported by Gascoyne Resources Ltd (ASX.GCY) on its Gilbeys and Gilbeys South mineralisation at Dalgaranga describe a package of rocks including porphyry, black shale, chlorite–sericite mafic schist, high magnesium basalts and gabbros / dolerites. The geological similarities observed at Garden Gully warrant detailed follow-up so we can establish if Garden Gully is hosting similar mineralisation. Gascoyne's defined Gilbeys resource exceeds 1 million ounces so far.

We are still awaiting results from a further 16 follow-up holes testing the nine Garden Gully targets. When results are received we will interpret them and advise the market accordingly. This is still very early stages of what is becoming a very exciting project for Thundelarra. We are focusing all possible exploration attention on this promising new area.

Garden Gully, wholly-owned by Thundelarra, comprises 14 granted Prospecting Licences, 1 granted Exploration Licence, and 1 Exploration Licence application covering about 65.5 km2 located in Western Australia's Doolgunna region (Figure 2), about 20km north-west of Meekatharra.

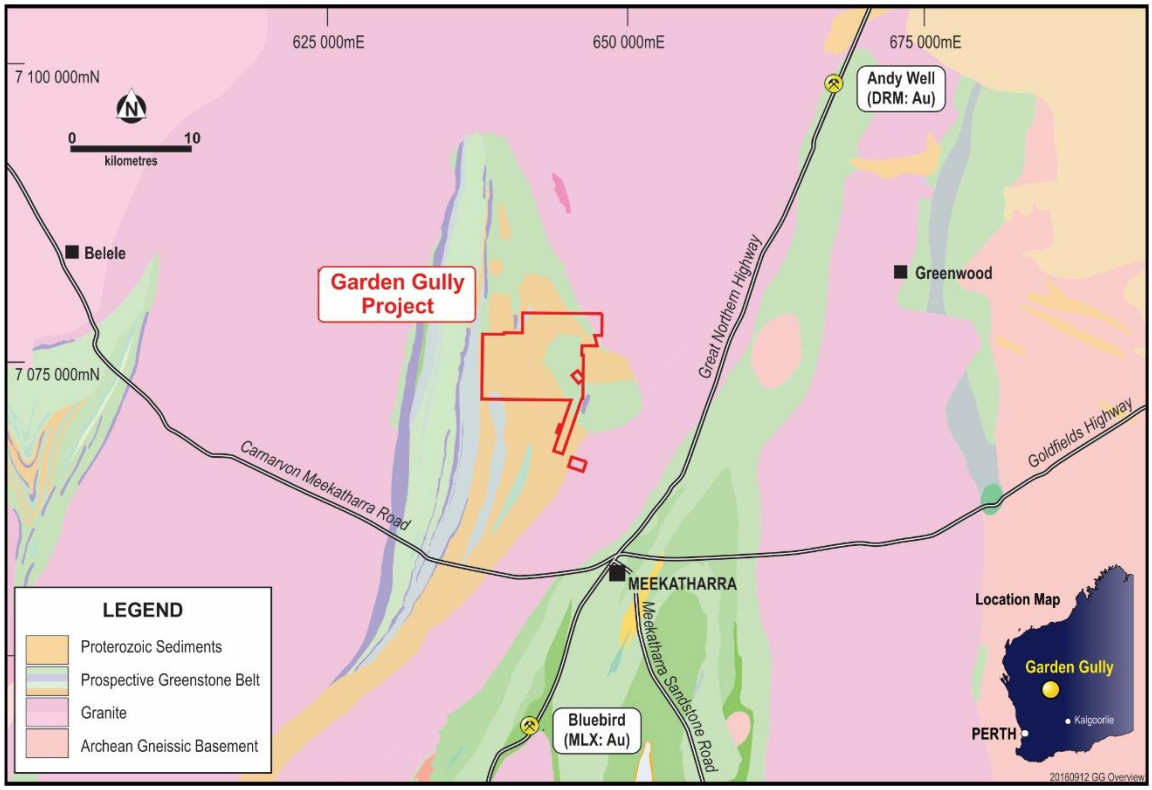

Figure 1. Location showing proximity to local plant and infrastructure. Scale: grid spacing is 25 km.

The five reverse circulation ("RC") holes drilled at Battery for a total advance of 1,154m were designed to follow up the shallow gold intersection from TGGRC020 (5m @ 0.72 gpt Au from 60m) and to test two strong parallel chargeable features about 200m apart over a strike extent of about 800m. These targets were identified from the results of the initial scout drilling programme and ground geophysical surveys. Strong gold and arsenic anomalism had been identified, with gold values noted at the contact of black shales to the east and what was logged as felsic volcaniclastics to the west.

Details of all holes drilled at Battery in this follow-up programme are tabulated below:

Hole ID	Easting	Northing	RL	Depth	Azimuth	Dip	Targets
TGGRC039	645620	7071536	480m	251m	107°	-60°	IP anomaly and high arsenic trend
TGGRC041	645877	7071496	480m	267m	110°	-60°	IP anomaly and high arsenic trend
TGGRC042	645766	7071144	480m	202m	110°	-60°	Arsenic anomaly and several QV
TGGRC052	645825	7071360	480m	232m	110°	-60°	Arsenic/gold trend within black shale
TGGRC053	645765	7071143	480m	202m	110°	-70°	Arsenic/gold trend within black shale

Table 1. Details of the holes drilled at the Battery Prospect, Garden Gully. All locations on Australian Geodetic Grid GDA94-50. The azimuth shown is the magnetic azimuth of the drilling direction.

Drilling to date confirms a strike length of mineralisation of at least 400m which remains open at depth and towards the north and south. An "Optical Televiewer" survey programme is underway on selected holes to collect structural data to assist in planning further follow-up RC infill and diamond drilling. The Optical Televiewer system essentially photographs the internal wall of the drill holes:

examination of the images allows an interpretation of structural features and orientations that are vital to an understanding of the geological controls but not otherwise available in RC holes.

TGGRC039 targeted a week arsenic anomaly and a high chargeable / high resistive feature under the old gold workings (Figure 2). The hole intersected a pyritic black shale sequence between 200m and 214m, which explains the chargeable anomaly. Highly anomalous zinc and copper values are present within this shaley package (14m @ 0.43% Zn). Elevated arsenic values are also present close to the black shale, which is considered to be in a tectonic contact with the dominant mafic schist lithology from the area. Numerous quartz veins are present, but only elevated arsenic values have been encountered with no significant gold anomalism.

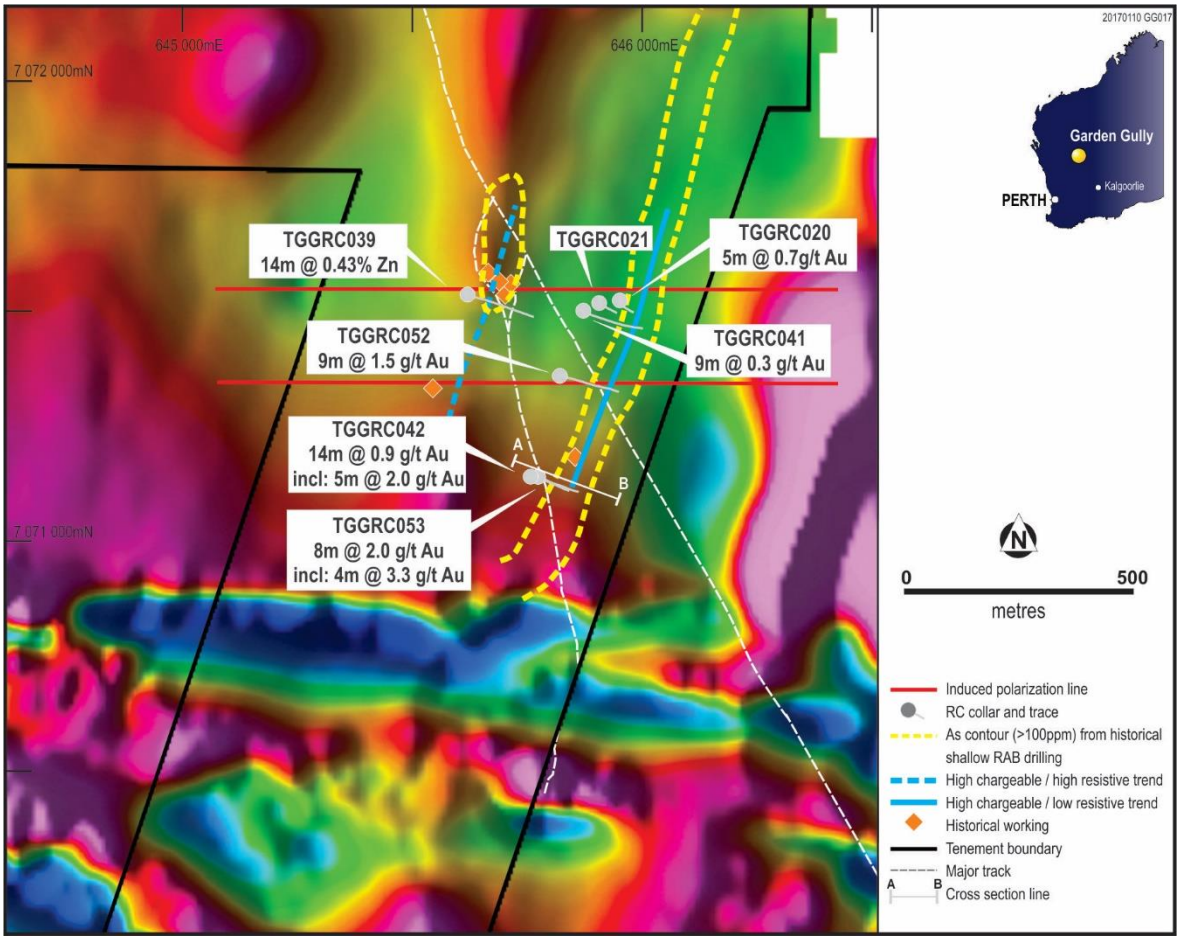

Figure 2. Drill hole locations and IP lines on TMI image over the Battery Prospect

TGGRC041 was drilled west of the previous shallow holes TGGRC020 and TGGRC021, both of which were abandoned due to difficult ground conditions (swelling clays and strong water flow). TGGRC020 was abandoned at 72m within a mineralised zone which included 5m @ 0.72 gpt Au from 60m. TGGRC041 was drilled to a depth of 267m and intersected the chargeable anomaly, represented by a sulphidic black shale package from 190-200m down hole, which also returned significantly anomalous gold values (9m @ 0.34 gpt Au from 190m).

TGGRC042 was collared approximately 370m south-west to follow up the continuity of the same chargeable feature. This hole has intersected a reverse fault system containing mafic rocks, quartz veins and silicified black shales pierced by narrow dykes of felsic intrusive rocks which have been confirmed by petrological analyses to be quartz-porphyries.

Scanning Electron Microscopy (SEM) and laser ablation analysis is being undertaken to confirm the exact composition of these rocks and to identify the associated sulphides. Low grade gold values

have returned from 54m to the end of the hole, which was terminated at 202m. Assays >0.05 gpt Au are recorded in Appendix 1.

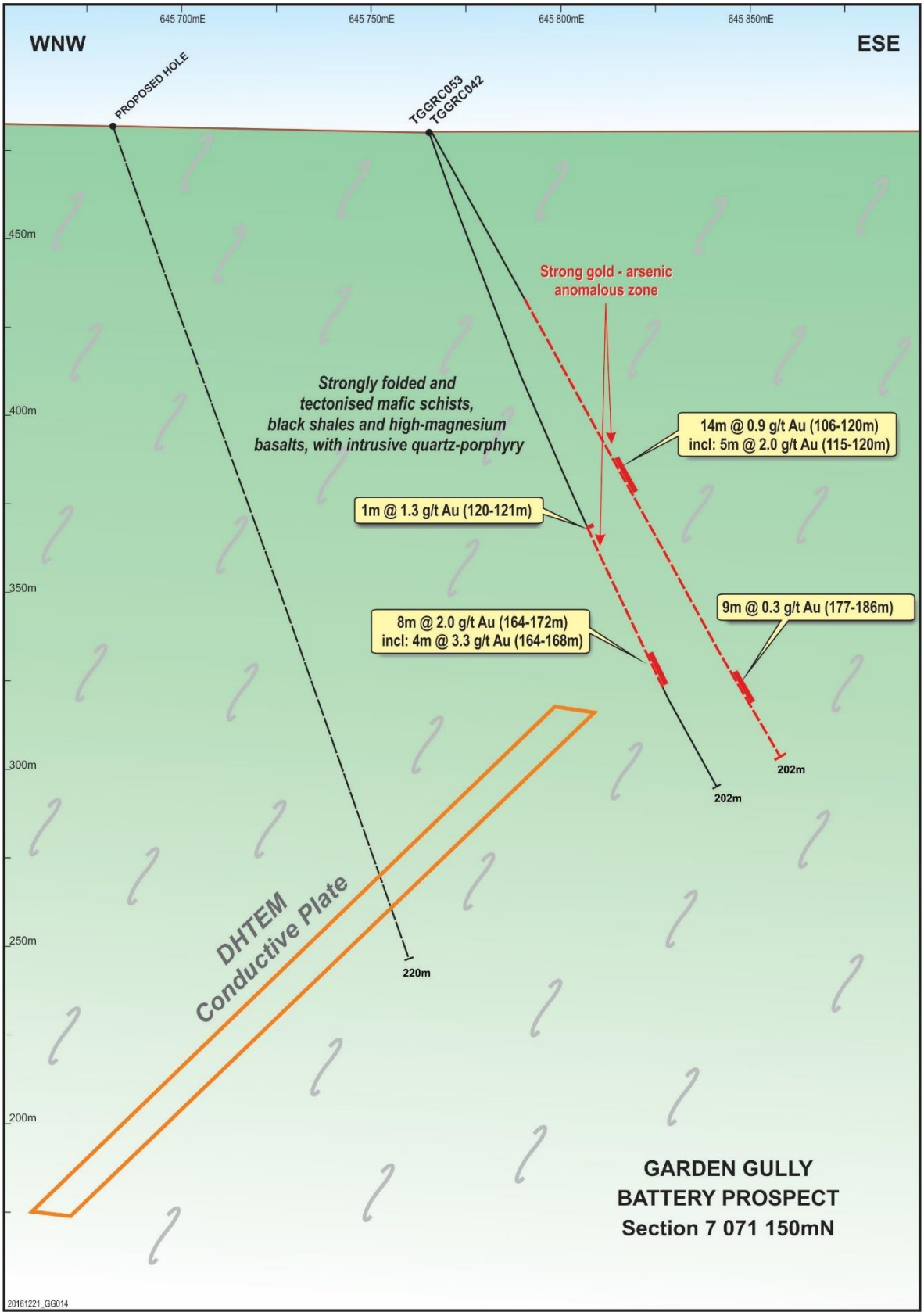

Figure 3. Cross section showing the strong DHTEM conductor off-hole from TGGRC053.

It was subsequently discovered that TGGRC042 had collapsed at approximately 50m, thus preventing the insertion of PVC casing. This in turn prevented a DHTEM survey from being carried

out on the hole. It was decided to drill another hole from the same pad at a higher angle: TGGRC053. Similar lithologies were encountered and assay results returned several mineralised intervals including 8m at 1.99 gpt Au between 164-172m, with 4m at 3.34 gpt Au between 164-168m.

Downhole surveying was completed and a strong, westerly dipping, off-hole conductor was picked up below this hole (Figure 3). This new target will be followed up in the next drilling programme.

TGGRC052 was drilled half way between TGGRC041 and TGGRC053 and successfully intersected a similar lithology which confirms the continuity of the chargeable feature. This hole also was not able to be cased due to collapse. A similar gold mineralised zone was intersected at approximately the same depth: 9m at 1.45 gpt Au from 163-172m, including 4m at 2.39 gpt Au from 164m.

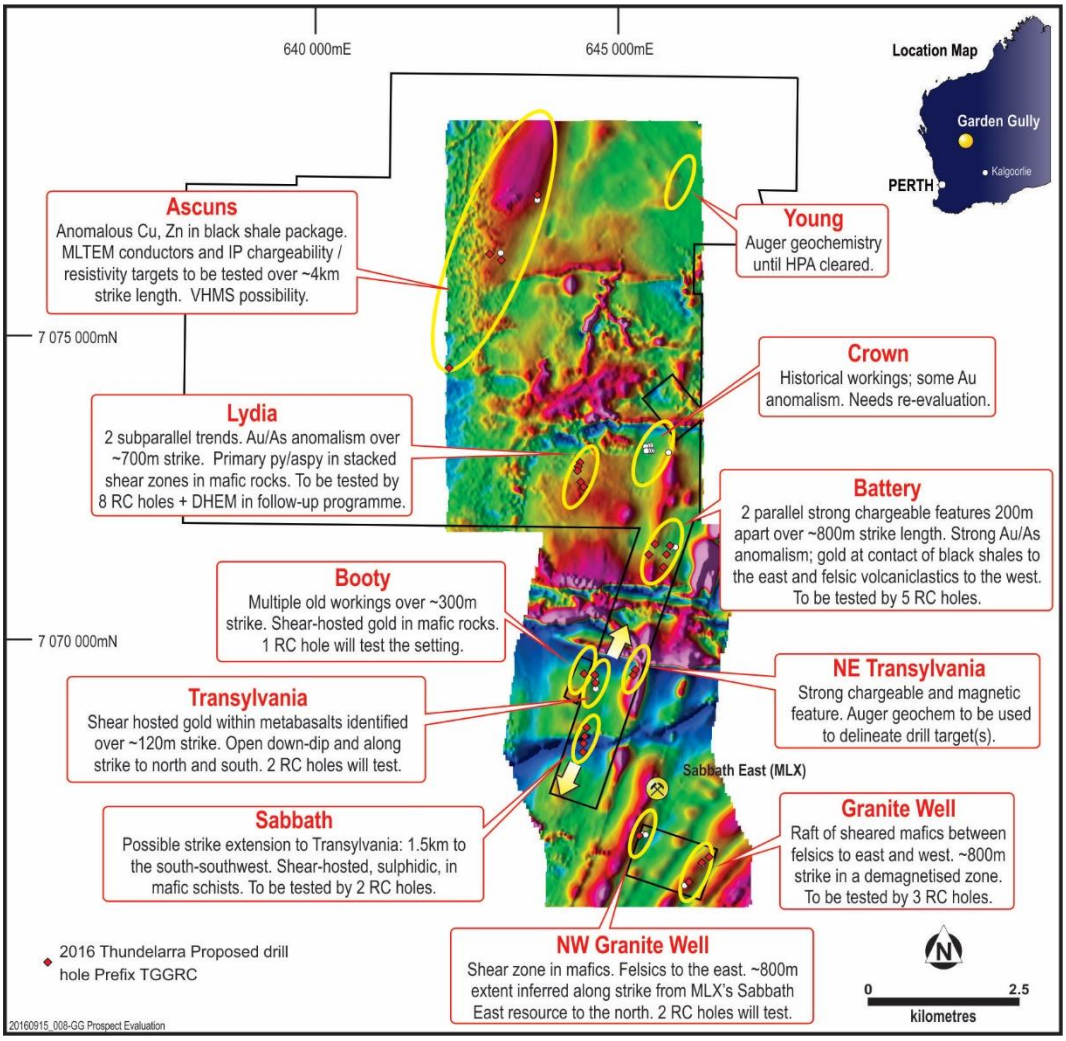

Figure 4. Garden Gully Prospects with their follow-up drill targets.

Hole No	From	To	Interval	Au (g/t)	Cu (ppm)	Zn (ppm)
TGGRC039	200	214	14m		818	4,347
TGGRC041	154	163	9m		653	2,937
	190	199	9m	0.3		
TGGRC042	77	100	23m	0.4		
	106	120	14m	0.9		
inc	115	120	5m	2.0		
	177	186	9m	0.3		
TGGRC052	163	172	9m	1.5		
inc	164	168	4m	2.4		
TGGRC053	120	121	1m	1.3		
	164	172	8m	2.0		
inc	164	168	4m	3.3		

Table 2. Significant new drill intercepts at Battery. See Appendix 1 for all material assays.

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Appendix 1: Laboratory assay results: Fire Assay 50g charge after Aqua Regia digest with ICP analysis.

Only intervals reporting gold content ≥ 0.05 ppm (0.05 gpt); copper content ≥200 ppm; or zinc content ≥1,000ppm are recorded in the following table.

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)
TGGRC039	87	88	1	0.07		
TGGRC039	200	204	4		262	1,230
TGGRC039	204	205	1		818	7,640
TGGRC039	205	206	1		1,170	7,400
TGGRC039	206	207	1		2,110	10,000
TGGRC039	207	208	1		1,440	9,540
TGGRC039	208	214	6		811	3,560
TGGRC041	40	46	6		237	
TGGRC041	58	64	6		216	
TGGRC041	74	75	1		219	
TGGRC041	114	118	4		268	
TGGRC041	118	119	1		360	
TGGRC041	119	120	1	0.05	697	
TGGRC041	124	125	1		268	
TGGRC041	154	160	6		229	1,260
TGGRC041	160	163	3	0.06	1,500	6,290
TGGRC041	163	164	1		235	
TGGRC041	165	168	3		240	
TGGRC041	189	190	1	0.05		
TGGRC041	190	191	1	0.84		
TGGRC041	191	192	1	0.82		
TGGRC041	192	193	1	0.19		
TGGRC041	193	194	1	0.07		
TGGRC041	194	195	1	0.31		
TGGRC041	195	196	1	0.23		
TGGRC041	196	197	1	0.28		
TGGRC041	197	198	1	0.19		
TGGRC041	198	199	1	0.11		
TGGRC041	199	200	1	0.07		
TGGRC041	200	201	1	0.05	229	1,270
TGGRC041	201	204	3	0.08		
TGGRC041	204	210	6	0.06		
TGGRC041	234	240	6	0.05		
TGGRC041	246	252	6	0.05		
TGGRC042	26	30	4	0.09		
TGGRC042	34	38	4	0.06		
TGGRC042	38	42	4	0.06		
TGGRC042	42	46	4	0.08		
TGGRC042	46	50	4	0.09	254	
TGGRC042	54	58	4	0.12		
TGGRC042	58	62	4	0.30		
TGGRC042	66	70	4	0.14		
TGGRC042	70	71	1	0.09		
TGGRC042	71	72	1	0.08		
TGGRC042	72	73	1	0.06		

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)
TGGRC042	75	76	1	0.15		
TGGRC042	76	77	1	0.20		
TGGRC042	77	78	1	0.72		
TGGRC042	78	79	1	0.26		
TGGRC042	79	80	1	0.19	257	
TGGRC042	80	81	1	0.11	388	
TGGRC042	81	82	1	0.11	315	
TGGRC042	82	86	4	0.06		
TGGRC042	86	88	2	0.05		
TGGRC042	88	89	1	0.93		
TGGRC042	89	90	1	0.73		
TGGRC042	90	91	1	0.68		
TGGRC042	91	92	1	0.71		
TGGRC042	92	93	1	0.56		
TGGRC042	93	94	1	0.55		
TGGRC042	94	95	1	0.44		
TGGRC042	95	96	1	0.20		
TGGRC042	96	97	1	0.18		
TGGRC042	97	98	1	0.42		
TGGRC042	98	99	1	0.83		
TGGRC042	99	100	1	0.68		
TGGRC042	100	101	1	0.10		
TGGRC042	101	103	2	0.05		
TGGRC042	106	107	1	0.29		
TGGRC042	107	108	1	0.10		
TGGRC042	108	109	1	0.12		
TGGRC042	109	110	1	0.36		
TGGRC042	110	111	1	0.64		
TGGRC042	111	112	1	0.32	260	
TGGRC042	112	113	1	0.22		
TGGRC042	113	114	1	0.09		1,080
TGGRC042	114	115	1	0.15		
TGGRC042	115	116	1	2.23	356	2,850
TGGRC042	116	117	1	4.86		
TGGRC042	117	120	3	0.97		
TGGRC042	120	124	4	0.08		
TGGRC042	124	128	4	0.13		
TGGRC042	128	132	4	0.14		
TGGRC042	132	136	4	0.12		
TGGRC042	136	140	4	0.20		
TGGRC042	140	144	4	0.06		
TGGRC042	144	148	4	0.14		
TGGRC042	148	152	4	0.07		
TGGRC042	152	156	4	0.10		
TGGRC042	156	160	4	0.05		
TGGRC042	160	164	4	0.09		
TGGRC042	164	168	4	0.07		
TGGRC042	172	175	3	0.17		
TGGRC042	175	177	2	0.18		

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)
TGGRC042	177	178	1	0.54		
TGGRC042	178	179	1	0.31		
TGGRC042	179	180	1	0.17		
TGGRC042	180	181	1	0.11		
TGGRC042	181	182	1	0.09		
TGGRC042	182	183	1	0.17		
TGGRC042	183	184	1	0.44		
TGGRC042	184	185	1	0.42		
TGGRC042	185	186	1	0.13		
TGGRC042	186	187	1	0.05		
TGGRC042	187	188	1	0.08		
TGGRC042	190	191	1	0.42		
TGGRC042	191	193	2	0.26		
TGGRC042	193	197	4	0.41		
TGGRC042	197	202	5	0.16		
TGGRC052	124	128	4		232	
TGGRC052	161	162	1	0.09		
TGGRC052	163	164	1	0.71		
TGGRC052	164	165	1	3.29		
TGGRC052	165	166	1	0.94		
TGGRC052	166	167	1	0.74		
TGGRC052	167	168	1	4.58		
TGGRC052	168	169	1	0.75		
TGGRC052	169	170	1	1.06		
TGGRC052	170	171	1	0.93		
TGGRC052	171	172	1	1.08		
TGGRC052	172	173	1	0.30		
TGGRC052	173	174	1	0.31		
TGGRC052	174	175	1	0.14		
TGGRC052	175	176	1	0.10		
TGGRC052	176	177	1	0.06		
TGGRC052	177	178	1	0.07		
TGGRC052	178	179	1	0.34		1,070
TGGRC052	187	188	1	0.07		
TGGRC052	188	189	1	0.07		
TGGRC052	194	195	1	0.17		
TGGRC052	202	206	4	0.05		
TGGRC052	214	215	1			1,210
TGGRC053	53	54	1	0.09		
TGGRC053	54	58	4	0.06		
TGGRC053	94	98	4		240	
TGGRC053	110	114	4		326	1,120
TGGRC053	120	121	1	1.29		
TGGRC053	121	122	1	0.07		
TGGRC053	130	131	1	0.12		
TGGRC053	131	132	1	0.11		
TGGRC053	133	134	1	0.05		
TGGRC053	137	142	5		266	
TGGRC053	142	143	1	0.20	833	5,610

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)
TGGRC053	143	144	1	0.12	829	8,630
TGGRC053	144	145	1	0.39	265	1,610
TGGRC053	145	146	1	0.39		
TGGRC053	146	147	1	0.16	486	2,990
TGGRC053	147	148	1		384	4,050
TGGRC053	148	149	1		203	1,210
TGGRC053	149	150	1	0.05		
TGGRC053	154	155	1	0.05		
TGGRC053	155	156	1	0.19		
TGGRC053	156	160	4	0.08		
TGGRC053	163	164	1	0.12		
TGGRC053	164	167	3	1.39		
TGGRC053	167	168	1	9.20		1,920
TGGRC053	168	172	4	0.61		

Appendix 2: JORC Table 1 Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• This was a reverse circulation (RC) drilling programme. RC sample was collected through a rig mounted cyclone with cone splitter attachment and split in even metre intervals. Wet sample was speared or on occasion scoop-sampled. RC drill chips (from each metre interval) were examined visually and logged by the geologist. Any visual observation of alteration or of mineralisation was noted on the drill logs. Any interval where sulphides were observed was tested by hand-held XRF to assist in identifying intervals to be bagged and numbered for laboratory analysis. • Duplicate samples are submitted at a rate of approximately 10% of total samples taken (ie one duplicate submitted for every 10 samples). The Delta XRF Analyser is calibrated before each session and is serviced according to the manufacturer's (Olympus) recommended schedule. • The presence or absence of mineralisation is initially determined visually by the site geologist, based on experience and expertise in evaluating the styles of mineralisation being sought.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Reverse circulation holes were drilled by a truck-mounted Atlas-Copco E220RC rig with 1260cfm@365psi or 1050cpm@450psi compressor. The rig has a full lock-out isolation and emergency shut-out system.

Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Volume of material collected from each metre interval of drilling completed is monitored visually by the site geologist and field assistants. Dry sample recoveries were estimated at ~95%. Where moisture was encountered the sample recovery was still excellent, estimated at >80%. • Samples were collected through a cyclone and split using a riffle splitter. One duplicate sample is submitted for every 10 samples. • No evidence has been observed of a relationship between sample recovery and grade. The excellent sample recoveries obtained preclude any assumption of grain size bias.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• RC chips are logged visually by qualified geologists. Lithology, and where possible structures, textures, colours, alteration types and minerals estimates, are recorded. • Representative chips are retained in trays for each metre interval drilled, with sections of interest photographed. • The entire length of each drillhole is logged and evaluated.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Not core • Samples were collected through a rig-mounted cyclone and split using a riffle splitter. The majority of the samples obtained were sufficiently dry for this process to be effective. Material too moist for effective riffle splitting was sampled using a 4cm diameter spear. Each such sample submitted to the laboratory comprised three spear samples taken from different directions into the material for each metre interval. • The samples were sent to SGS in Perth for Au by 50g fire assay and a 49-element analysis by 4 acid digest. Sample preparation techniques are well-established standard industry best practice techniques. Drill chips and core are dried, crushed and pulverised (whole sample) to 85% of the sample passing -75µm grind size. • Field QC procedures include using certified reference materials as assay standards. One duplicate sample is submitted for every 15 samples, approximately. • Evaluation of the standards, blanks and duplicate samples assays has fallen within acceptable limits of variability. • Sample size follows industry standard best practice and is considered appropriate for these style(s) of mineralisation.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The assay techniques used for these assays are international standard and can be considered total. Samples were dried, crushed and pulverised to 85% passing -75µm and assayed using ICP AES and ICP IMS following four-acid digest for the 49 element analyses; and Fire Assay for gold following a four-acid digest in Teflon tubes of a 50g charge • The handheld XRF equipment used is an Olympus Delta XRF Analyser and Thundelarra follows the manufacturer's recommended calibration protocols and usage practices but does not consider XRF readings sufficiently robust for public reporting. Thundelarra uses the handheld XRF data as an indicator to support the selection of intervals for submission to laboratories for formal assay. • The laboratory that carried out the assays is ISO certified and conducts its own internal QA/QC processes in addition to the QA/QC implemented by Thundelarra in the course of its sample submission procedures. Evaluation of the relevant data indicates satisfactory performance of the field sampling protocols in place and of the assay laboratory. The laboratory uses check samples and assay standards to complement the duplicate sampling procedures practiced by Thundelarra.

Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• All significant intersections are calculated and verified on screen and are reviewed by the CEO prior to reporting. • The programme included no twin holes. • Data is collected and recorded initially on hand-written logs with summary data subsequently transcribed in the field to electronic files that are then copied to head office. • No adjustment to assay data has been needed.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Collar locations were located and recorded using hand-held GPS (Garmin 62S model) with a typical accuracy of ±5m. Down-hole surveys are carried out on each holes with readings taken every 50m at least using a gyro tool. • The map projection applicable to the area is Australian Geodetic GDA94, Zone 50. • Topographic control is based on standard industry practice of using the GPS readings. Local topography is relatively flat. Detailed altimetry is not warranted.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill hole collars were located and oriented so as to deliver maximum relevant geological information to allow the geological model being tested to be assessed effectively. • This is still early stage exploration and is not sufficiently advanced for this to be applicable. • Various composite sampling was applied depending on the geology of the hole. All sample intervals are reported in Appendix 1. Zones where geological logging and/or XRF analyses indicated the presence of mineralised intervals were sampled on one metre intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• This drill programme is the second at the project. To date there is insufficient data to establish true widths, orientation of lithologies, relationships between lithologies, or the nature of any structural controls. The main aim of this programme is to generate geological data to develop an understanding of these parameters. • Data collected so far presents no suggestion that any sampling bias has been introduced.
Sample security	• The measures taken to ensure sample security.	• When all relevant intervals have been sampled, the samples are collected and transported by Company personnel to secure locked storage in Perth before delivery by Company personnel to the laboratory for assay.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Internal reviews are carried out regularly as a matter of policy. All assay results are considered to be representative as both the duplicates and standards from this programme have returned satisfactory replicated results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	• The Garden Gully Project comprises fourteen granted prospecting licences P51/2909, P51/2910, P51/2911, P51/2912, P51/2913, P51/2914, P51/2760, P51/2761, P51/2762, P51/2763, P51/2764, P51/2765, P51/2941, P51/2948, one granted exploration licence E51/1661, and one exploration licence application E51/1737, totalling approximately 65.5 square kilometres in area. THX holds a 100% interest in each lease. The project is partially located in the Yoothapina pastoral lease, 15km north of Meekatharra, in the Murchison of WA.

	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The licences are in good standing and there are no known impediments to obtaining a licence to operate.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• First workings in the Garden Gully area: 1895 - 1901 with the Crown gold mine. 264 tonnes gold at 1.99 oz/t average (~ 56 g/t Au). Maximum depth~24m. Kyarra gold mine (1909 – 1917): 18,790 oz gold from quartz veins in "strongly sheared, decomposed, sericite rich country rock". - Seltrust explored for Copper and Zinc from 1977, reporting stratigraphically controlled "gossanous" rock from chip sampling and drilling. - In 1988, Dominion gold exploration at Crown defined a >100ppb gold soil anomaly. RAB to 32m: "no significant mineralisation": drilling was "sub-parallel to the dip of mineralisation". Best intersection: 15m at 2.38g/t from 5m. - 1989 at Lydia: Julia Mines RAB drilled 30 m intervals 100m apart across the shear zone targeting the arsenic anomaly. 12m at 5.16 g/t Au from 18m; 6m at 3.04 g/t Au from 18m. No samples deeper than 24m due to poor recovery, so open at depth in the prospective shear zone. Julia also drilled shallow aircore at Crown mine, returned best intersection of 2m at 0.4g/t Au from 34m in quartz veins in felsic volcanics. - In 1989, Matlock Mining explored North Granite Well and Nineteenth Hole. Best result 8m at 2.1 g/t Au. Supergene zone: grades to 3.17 g/t Au and still open. - 1993 – 2003: St Barbara Mines: RAB, RC on E51/1661. Gold associated with black shale (best: 1m at 0.64 g/t). - 1996, Australian Gold Resources RAB and RC drilling found Cu, Zn and Ag anomalies (up to 1800ppm Cu, 1650ppm Zn and 3.8 g/t Ag) associated with saprolitic clay and black shales at 60-80m deep on current E51/1661. - 2001-2002, Gamen (Bellissimo & Red Bluff Noms) trenched, sampled, mapped and RC drilled at Crown. Results (up to 0.19 g/t Au) suggests the presence of gold mineralisation further to the east of Crown gold mine. - 2008 – 2009: Accent defined targets N and S of Nineteenth Hole from satellite imagery and airborne magnetics.
Geology	• Deposit type, geological setting and style of mineralisation.	- The Garden Gully project lies on the south-eastern limb of the Abbotts Greenstone Belt; comprised of Archaean rocks of the Greensleeves Formation (Formerly Gabanintha); a bimodal succession of komatiitic volcanic mafics and ultramafics overlain by felsic volcanics and volcaniclastic sediments, black shales and siltstones and interlayered with mafic to ultramafic sills. Regional synclinal succession trending N-NE with a northern fold closure postdating E-W synform, further transected by NE trending shear zones, linearity with the NE trend of the Abernathy Shear, which is a proven regional influence on structurally controlled gold emplacement in Abbotts and Meekatharra Greenstone Belts and in the Meekatharra Granite and associated dykes. - The Project is blanketed by broad alluvial flats, occasional lateritic duricrust and drainage channels braiding into the Garden Gully Drainage System. Bedrock exposures are limited to areas of dolerite, typically massive and unaltered. Small basalt and metasediment outcrops exist, with some exposures of gossanous outcrops and quartz vein scree. Gold bearing quartz reefs, veins and lodes occur almost exclusively as siliceous impregnations into zones within the Kyarra Schist Series, schistose derivatives of dolerites, gabbros and tuffs, typically occurring close to axial planes of folds and within anastomosing ductile shear zones.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drill holes:	• All relevant drillhole details are presented in Table 3. • The principal geologic conclusion of the work reported from this programme at the Lydia Prospect confirm the presence of significant widths of gold mineralisation with

	• easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	multiple periodic high grade gold intervals in what are interpreted to be plunging shoots. Extensive primary gold mineralisation is present below the base of oxidation. This primary mineralisation (often associated with sulphides as pyrite and arsenopyrite) offers an exceptionally positive outlook for the potential of the prospect to host gold mineralisation of commercial scale. The proof of such potential will be further tested in follow-up drilling, which will include diamond drilling to permit structural parameters to be identified and thus structural controls interpreted.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All summary information of significant drill intercepts is presented in Table 1. Full assay data are recorded in Appendix 1. No assay grades have been cut. • Arithmetic weighted averages are used. For example, 100m to 105m in TGGRC034 is reported as 5m at 4.9gpt Au. This comprised 5 samples, each of 1m, calculated as follows: [(1*5.72)+(1*8.09)+(1*4.94)+(1*2.55) +(1*3.22)] = [24.52/5] = 4.9 gpt Au. • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Insufficient geological data have yet been collected to allow the geometry of the mineralisation to be interpreted. • True widths are unknown and insufficient information is available yet to permit interpretation of geometry. Reported intercepts are downhole intercepts and are noted as such.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.	• Relevant location maps and figures are included in the body of this announcement (Figures 1 and 2). Insufficient data have yet been collected to allow meaningful cross-sections to be drawn with confidence.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• This announcement includes the results of all Au assays for the first six holes of the eight follow-up holes drilled at the Lydia Prospect. The assays for the last two holes are pending. The reporting of the results to hand is comprehensive and thus by definition balanced. It represents early results of a larger programme to investigate the possible mineralisation at Garden Gully.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including, but not limited to: geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• This announcement includes qualitative data relating to interpretations and potential significance of geological observations made during the programme. As additional relevant information becomes available it will be reported and announced to provide context to current and planned programmes.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further deep RC drilling, together with diamond drilling to assist in structural interpretations, is planned to commence at Lydia as soon as practicable to test the potential for repetitions or continuations at depth of the primary gold mineralisation discovered in this programme. • Figure 3 provides a broad overview of the potential geological targets at the Garden Gully Project that are still to be tested by follow up drilling. Further details will be provided when available.

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