THUNDELARRA

ASX/Media Announcement

08 February 2017

OFF-HOLE CONDUCTORS AT TRANSYLVANIA PROSPECT, GARDEN GULLY

Thundelarra is pleased to announce results of drilling at the Transylvania, NE Transylvania and Booty Prospects at Garden Gully. Downhole EM (DHEM) surveys have identified three strong, potentially mineralised, off-hole conductors that represent high priority targets for follow-up drill testing. The drilling confirmed the presence of primary gold mineralisation and intersected zones of alteration and prospective lithologies, including intrusive quartz-feldspar porphyry like that identified at the Battery prospect. These results complement the excellent prospectivity already announced at the Battery and Lydia prospects. The potential at the Garden Gully project continues to grow.

Highlights:

- ***Primary gold mineralisation intersected at Transylvania***
- ***7m at 1.35 gpt Au from 107m***
    - ***inc 2m at 4.04 gpt Au***
- ***Three strong, potentially mineralised, off-hole conductors identified***
- ***Intrusive quartz porphyry observed: similar to that at Battery***
- ***Lithologies displaying silica-carbonate-sulphide alteration were intersected: prospective for further gold mineralisation***
- ***Follow-up drilling planned***

These new results confirm the presence of quartz porphyry at depth (deeper than at Battery Prospect). The evidence continues to build in support of the possibility of intrusive related provenance for the gold mineralisation being found at Garden Gully.

The package of lithologies, including the black shales, continues to show parallels to the Gilbeys and Gilbeys South mineralisation at Gascoyne Resources' Dalgaranga project (ASX.GCY).

Three new off-hole conductors, any or all of which could host gold mineralisation, represent further targets for follow-up.

We are still awaiting results from the remaining holes that tested the Granite Well, Sabbath and Ascuns prospects at Garden Gully. When results are received we will interpret them and advise the market accordingly.

The results from the Garden Gully prospects assessed and reported to date are still only early stage exploration but are consistently reinforcing the potential that the Project offers. Garden Gully is a very exciting project and we are focusing all our exploration efforts on this promising new discovery.

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 1), about 20km north-west of Meekatharra.

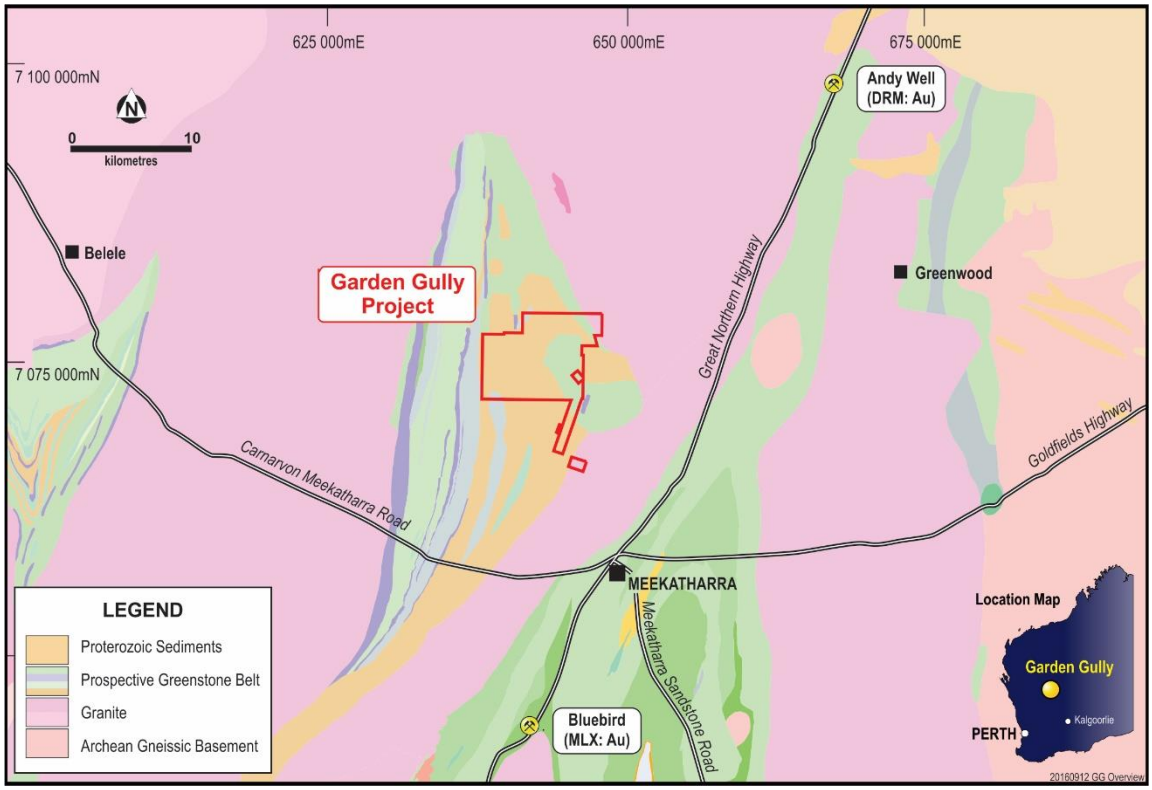

Figure 1. Location showing proximity to local plant and infrastructure. Scale: grid spacing is 25 km.

The five reverse circulation ("RC") holes drilled at the **Transylvania**, **NE Transylvania** and **Booty** prospects for a total advance of 1,142m were designed to follow up the shallower gold intersections from TGGRC022 (6m at 2.85 gpt Au from 103m) and TGGRC024 (8m at 1.73 gpt Au from 69m) that were hit in the original scout drilling programme. Results from that programme can be found in the ASX announcements dated 29 July, and 13 and 14 September 2016. Details of the holes drilled and the targets tested are displayed in Table 1. Significant intersections are presented in Table 2.

Hole ID	Easting	Northing	RL	Depth	Azimuth	Dip	Targets
TGGRC043	644631	7069259	480m	202m	110°	-60°	Inferred shear zone / quartz veining
TGGRC044	644626	7069390	480m	184m	110°	-60°	Nthly extension of mineralised trend
TGGRC046	645270	7069389	480m	268m	140°	-60°	Magnetic and chargeable target
TGGRC047	645280	7069385	480m	250m	80°	-60°	Magnetic and chargeable target
TGGRC049	644464	7069395	480m	238m	110°	-60°	Inferred shear zone; chargeable target

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

TGGRC043 was drilled in an ESE direction to test for continuation at depth and to identify possible plunge directions of the mineralisation encountered in TGGRC022 (6m at 2.85 gpt Au from 103m). A quartz vein was intersected with low grade gold mineralisation (2m at 0.27 gpt Au from 36m) which could be correlated to the upper zone in TGGRC022 (2m at 0.72 gpt Au from 19m). The lower high grade zone was not encountered: possible explanations are that it could be faulted off, or the actual plunge direction of the mineralisation could be away from the drill hole trace.

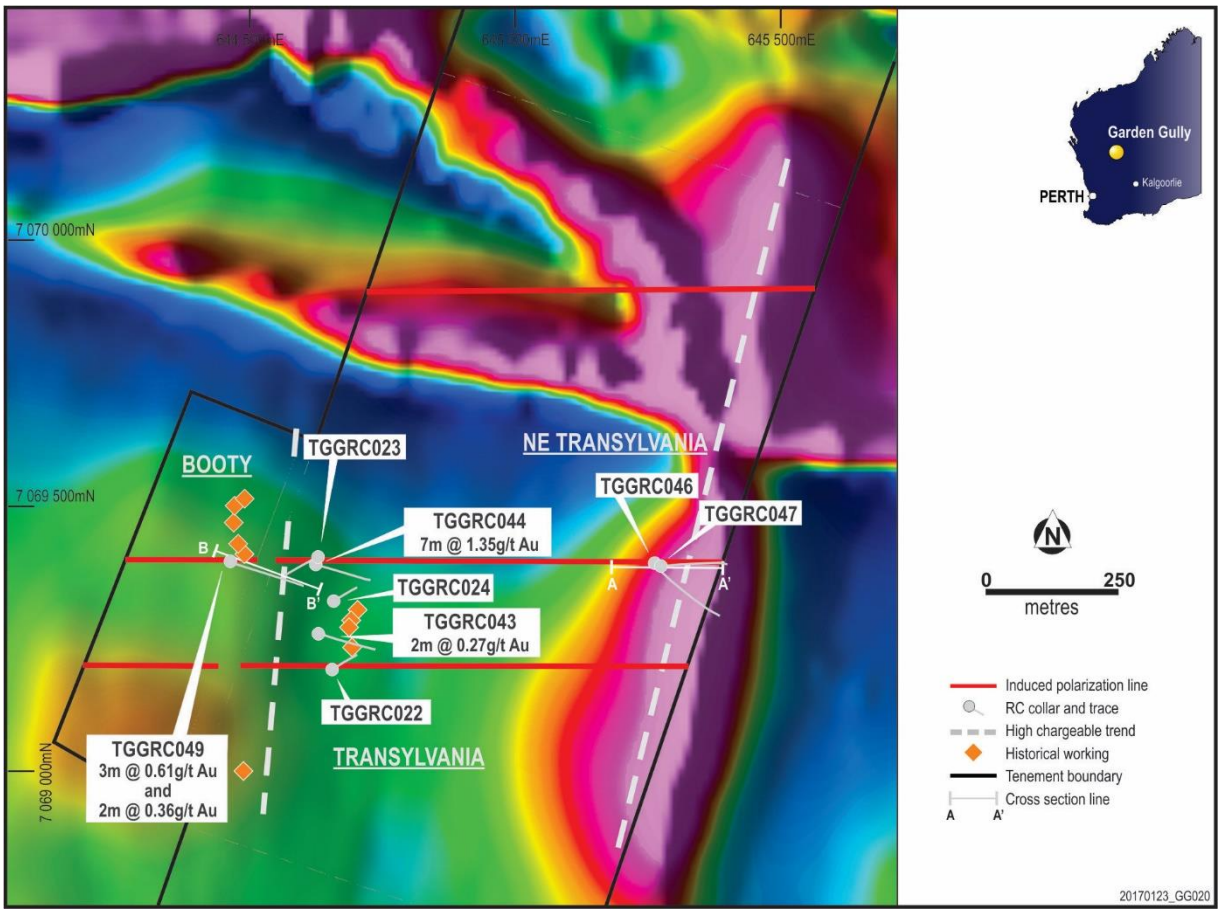

Figure 2. Drill hole locations and IP lines on TMI image over the Booty-Transylvania Prospects.

To the north, along the inferred strike, TGGRC044 was designed to follow up the mineralisation from TGGRC024 (8m at 1.73 gpt Au from 69m). The hole intersected 7m at 1.35 gpt Au from 107m (Figure 2). The mineralised zone is hosted by a mafic schist and exhibits neither resistive nor chargeable features. DHTEM surveys in both holes have identified a large distant conductor located east of the holes. It displays a steep westerly dip with a northerly strike (Figure 3) and a substantial north-south extent. This may represent a stratigraphic conductor, but the close association of gold mineralisation with black shales observed in the area renders it a significant target to be tested.

Hole No	From	To	Interval	Au (g/t)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC043	36	38	2	0.21			541
TGGRC044	107	114	7	1.35			2,317
inc	108	110	2	4.04			6,040
TGGRC046	220	238	18			563	844
inc	222	224	2		125	1,598	218
TGGRC047	57	59	2	0.06	275	681	230
	149	157	8		278		
	185	201	16				332
	211	214	3		767	187	528
TGGRC049	18	21	3	0.62	150	181	509
	150	152	2	0.37		205	376

Table 2. Significant intercepts at Transylvania – Booty prospects. See Appendix 1 for all material assays.

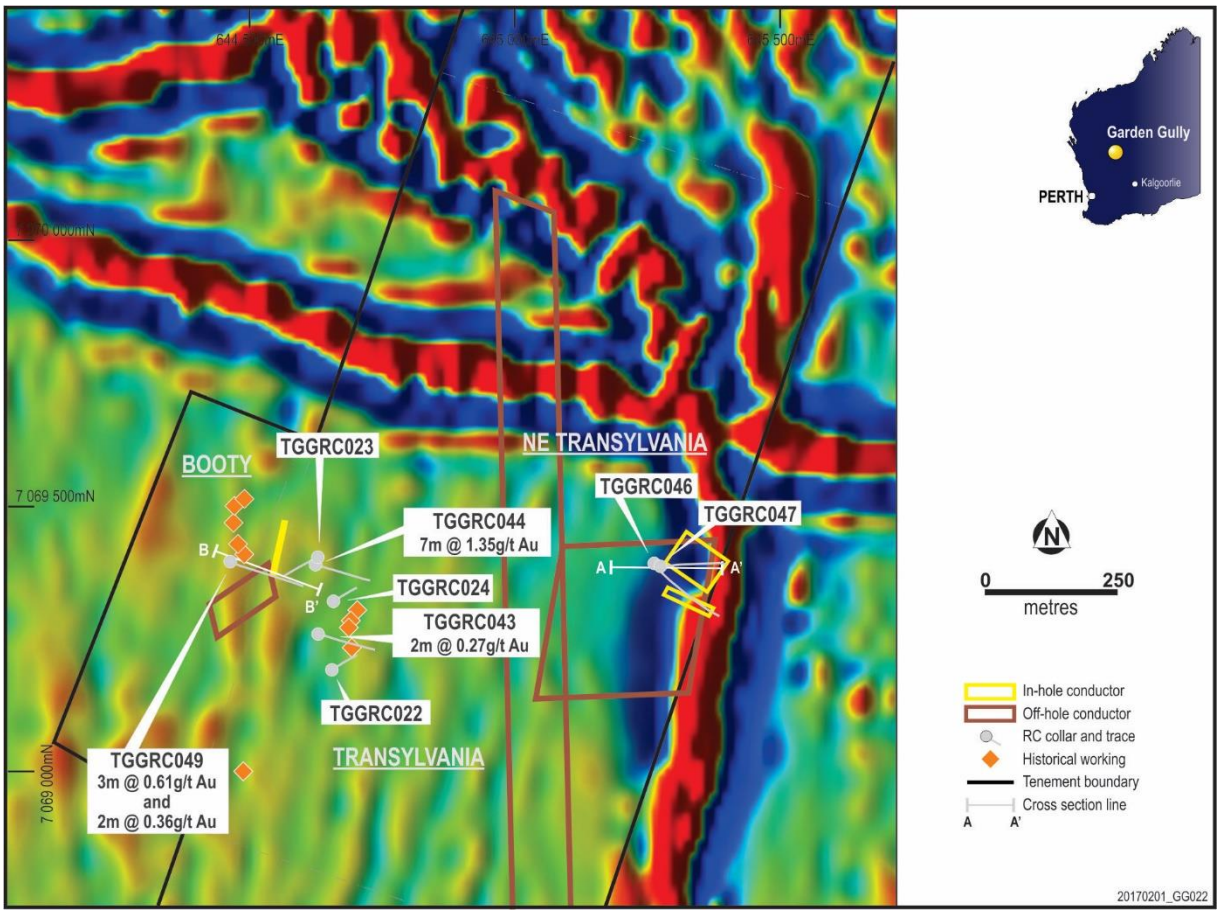

Figure 3. Drill holes and 3 off-hole conductors, shown on AGC 1VD image over the Booty-Transylvania Prospects.

On the north-eastern part of this area (**NE Transylvania** prospect), two holes tested a strong coincident magnetic and chargeable anomaly.

TGGRC046 intersected strong arsenic anomalism and silicified black shales below 180m with thin massive sulphides (interpreted as the cause of the chargeable feature). Mafic schists with high magnetic susceptibilities were intersected in the upper part of the hole, accounting for the magnetic feature. Assays have returned only high anomalous gold background values within the anomalous arsenic sections (Appendix 1; Figure 4).

TGGRC047 was drilled north-easterly from the same pad to test the northerly strike extent of the same features and intercepted a similar lithological and geochemical setting. DHEM surveys undertaken on both holes picked up a strong off-hole conductor, dipping to the west, (Figures 3, 4) which will be tested in follow-up programmes. It appears that the drilling only "clipped" the upper part of this feature.

Our current interpretation is that the main conductor contains sulphides including arsenopyrite (observed in the hole at 226m). A narrow zone of massive sulphides, mostly pyrite with traces of arsenopyrite, was intersected between 225m-227m. Narrow quartz porphyry dykes were intersected at 229m, showing that the intrusive rocks within the area are at least 160m deeper than at the Battery Prospect, where they have been intercepted close to the surface from 54m.

Scanning Electron Microscope (SEM) imaging and Laser Ablation studies are being carried out on the intersected sulphides to confirm if the arsenopyrite and pyrite are intrusive-related and thus that the main mineralised source is well below the drilled holes.

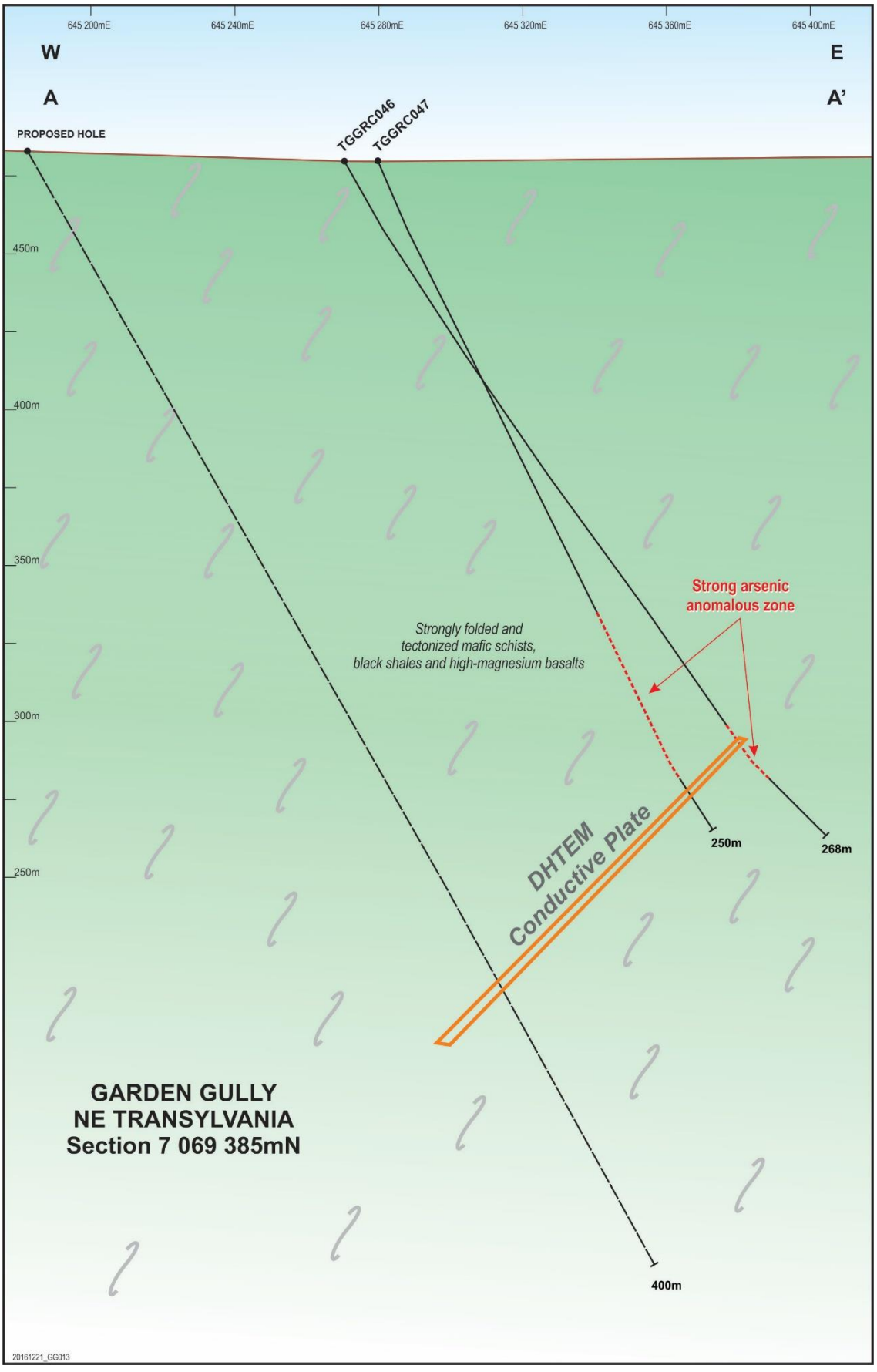

Figure 4. Cross-section showing the off-hole conductor from holes TGGRC046 and 047.

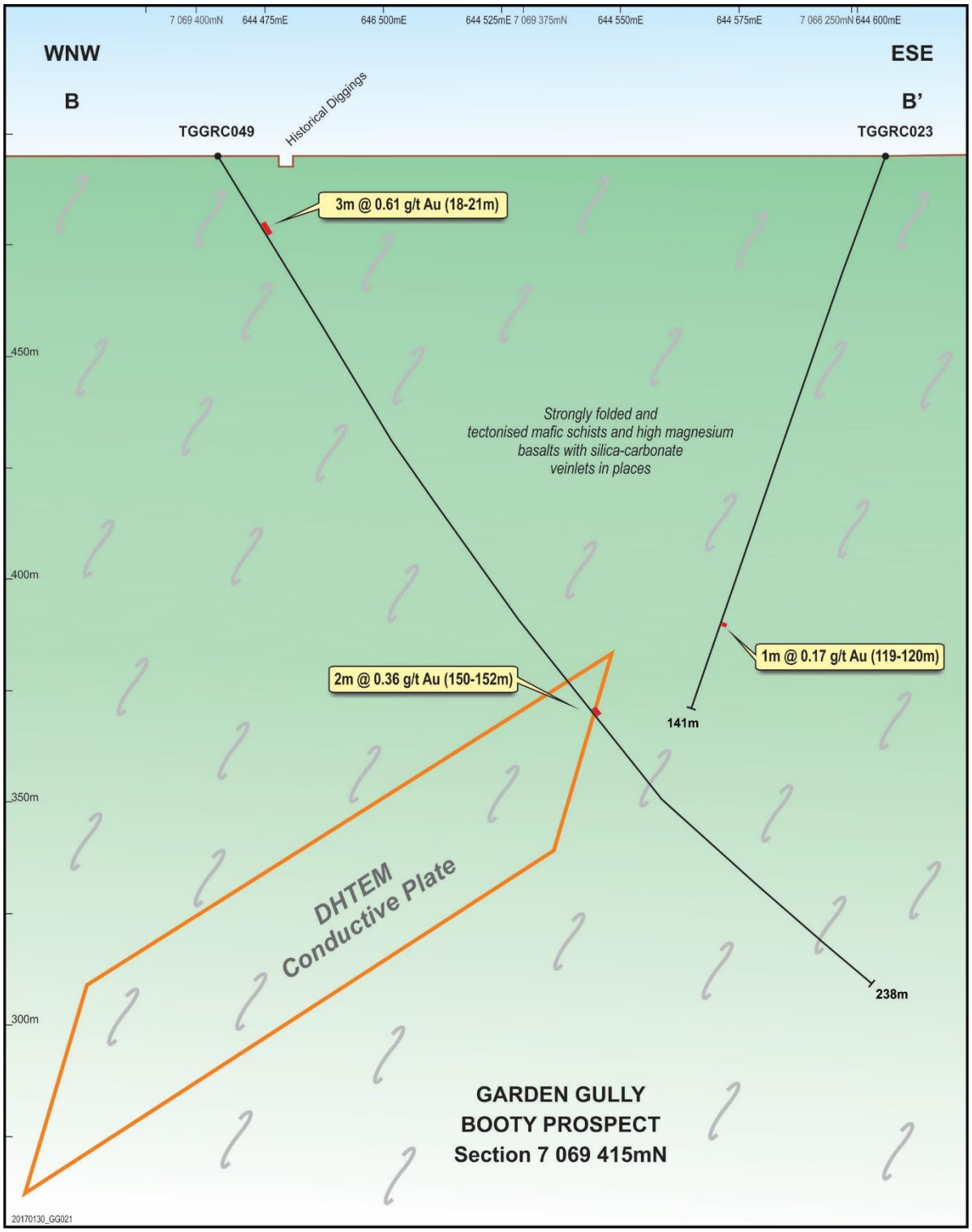

Figure 5. Cross-section showing the off-hole conductor from hole TGGRC049.

Initial interpretation of the structural setting over the Transylvania prospect shows that a reverse fault system, dipping steeply to WNW, has affected the tightly folded NNE-trending lithology and appears to be the loci of the late stage gold mineralisation associated with the sulphide minerals.

Acoustic Televiewer logging of accessible holes is being undertaken to work out the structural details and to establish possible plunge directions of the mineralised shoots. These data will greatly aid the design and efficacy of further follow-up RC drilling and diamond tails that is planned.

TGGRC049 was drilled towards the ESE under old workings at the **Booty** Prospect. It also targeted a strong north-trending chargeable anomaly (Figure 2). The hole intersected low levels of gold anomalism under the old diggings within the weathering profile (4m at 0.21 gpt Au from 3m; and 3m at 0.62 gpt Au from 18m: refer Table 2 and Appendix 1).

A narrow mineralised zone (2m at 0.37 gpt Au) was intersected from 150m-152m under the chargeable zone and is associated with strong arsenic anomalism. The DHTEM survey on this hole picked up a strong off-hole conductive plate immediately below and south-west of this intersection (Figures 3, 5). A deeper hole is planned for follow-up to test this conductor. The cross-section (Figure 5) shows that the previous hole TGGRC023 was of insufficient depth and was orientated sub-parallel to the lithology, both of which factors would have prevented the conductor from being recognised at the time.

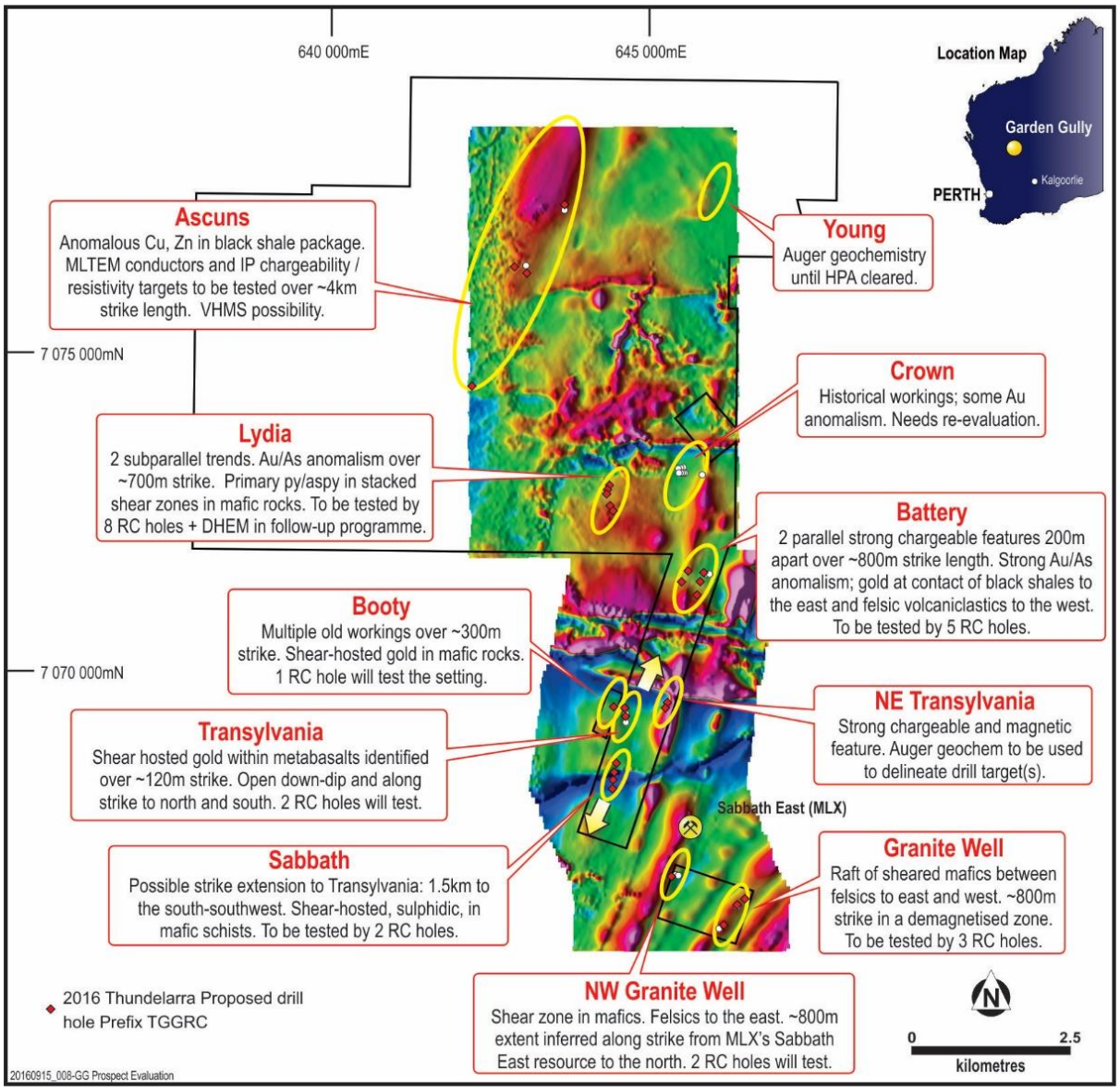

Figure 6. Garden Gully Prospects with their follow-up drill targets.

DHEM surveys undertaken on all holes recently drilled at the Transylvania, NE Transylvania and Booty prospects have returned strong indications of the presence of three major off-hole conductors, any or all of which could host gold mineralisation.

Furthermore, the identification of quartz porphyry rocks within the local package of lithologies at these locations, as well as at Battery as previously announced, further supports the possibility of intrusive related provenance for the gold mineralisation being found at Garden Gully.

All of these factors complement the already exciting and developing story that is Garden Gully.

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Competent Person Statement

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, are based upon, and fairly represent, information and supporting documentation compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and a full-time employee of the Company. Mr Vieru has sufficient experience which is relevant to the style(s) of mineralisation and type(s) of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Vieru consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

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

In the following table, values are not reported for intervals where gold content < 0.05 ppm (0.05 gpt); copper content < 200 ppm; zinc content < 200ppm; arsenic content < 70 ppm.

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC043	9	15	6	0.05			
TGGRC043	27	29	2		207		75
TGGRC043	29	30	1		214		138
TGGRC043	30	31	1			227	465
TGGRC043	31	32	1				386
TGGRC043	32	33	1				890
TGGRC043	33	34	1				865
TGGRC043	34	35	1				1,150
TGGRC043	35	36	1	0.09			515
TGGRC043	36	37	1	0.42			586
TGGRC043	37	38	1	0.12			522
TGGRC043	38	39	1				280
TGGRC043	39	40	1			210	225
TGGRC043	40	41	1	0.07			430
TGGRC043	41	43	2	0.07			
TGGRC043	43	49	6				
TGGRC043	49	55	6			201	
TGGRC044	101	102	1	0.05			
TGGRC044	106	107	1				84
TGGRC044	107	108	1	0.54			2,240
TGGRC044	108	109	1	4.71			6,960
TGGRC044	109	110	1	3.38			5,120
TGGRC044	110	111	1	0.15			351
TGGRC044	111	112	1	0.17			432
TGGRC044	112	113	1	0.35			684
TGGRC044	113	114	1	0.18			435
TGGRC044	114	117	3	0.05			142
TGGRC044	147	153	6	0.01			
TGGRC046	59	60	1				102
TGGRC046	60	61	1				201
TGGRC046	61	62	1				177
TGGRC046	62	63	1				201
TGGRC046	63	64	1	0.02		229	122
TGGRC046	64	65	1		258	568	
TGGRC046	59	60	1				102
TGGRC046	60	61	1				201
TGGRC046	61	62	1				177
TGGRC046	62	63	1				201
TGGRC046	63	64	1	0.02		229	122
TGGRC046	64	65	1		258	568	
TGGRC046	139	145	6		223		
TGGRC046	211	217	6		366		
TGGRC046	217	220	3			213	
TGGRC046	220	221	1			501	126
TGGRC046	221	222	1			341	271

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC046	222	223	1		302	494	120
TGGRC046	223	224	1		249	2,840	123
TGGRC046	224	225	1			355	312
TGGRC046	225	226	1			205	2,050
TGGRC046	226	227	1				1,030
TGGRC046	227	228	1	0.07		540	6,430
TGGRC046	228	229	1			825	797
TGGRC046	229	230	1			251	178
TGGRC046	230	231	1				109
TGGRC046	231	232	1	0.01		307	865
TGGRC046	232	233	1				
TGGRC046	233	234	1	0.06		297	353
TGGRC046	234	235	1			1,100	1,080
TGGRC046	235	236	1	0.06		926	802
TGGRC046	236	237	1	0.06		676	303
TGGRC046	237	238	1			218	184
TGGRC046	238	239	1				
TGGRC046	239	242	3			282	
TGGRC047	53	54	1				101
TGGRC047	54	55	1				220
TGGRC047	55	56	1				307
TGGRC047	56	57	1			249	317
TGGRC047	57	58	1	0.05	372	711	93
TGGRC047	58	59	1	0.07		651	367
TGGRC047	59	60	1				145
TGGRC047	149	153	4		348		
TGGRC047	153	157	4		207		
TGGRC047	165	169	4	0.05			
TGGRC047	169	170	1				83
TGGRC047	170	171	1				
TGGRC047	171	172	1				168
TGGRC047	172	173	1				229
TGGRC047	173	174	1				210
TGGRC047	174	175	1				124
TGGRC047	175	176	1				143
TGGRC047	176	177	1				442
TGGRC047	177	178	1				71
TGGRC047	178	179	1				176
TGGRC047	179	180	1				158
TGGRC047	180	181	1				148
TGGRC047	181	182	1				178
TGGRC047	185	186	1	0.11			160
TGGRC047	186	187	1				211
TGGRC047	187	188	1				362
TGGRC047	188	189	1				749
TGGRC047	189	190	1				940
TGGRC047	190	191	1				596
TGGRC047	191	192	1				424
TGGRC047	192	193	1	0.06			247

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC047	193	194	1				332
TGGRC047	194	195	1				365
TGGRC047	195	196	1				119
TGGRC047	196	197	1				90
TGGRC047	197	198	1				101
TGGRC047	198	199	1				73
TGGRC047	199	200	1				248
TGGRC047	200	201	1				293
TGGRC047	201	202	1				
TGGRC047	202	203	1				172
TGGRC047	205	206	1				108
TGGRC047	206	207	1				182
TGGRC047	207	208	1				491
TGGRC047	208	209	1				517
TGGRC047	209	210	1				485
TGGRC047	210	211	1				273
TGGRC047	211	212	1		417		127
TGGRC047	212	213	1		1,360		533
TGGRC047	213	214	1		525	325	924
TGGRC047	214	215	1			827	
TGGRC047	215	216	1			542	
TGGRC047	216	217	1	0.05		436	
TGGRC047	217	218	1			814	
TGGRC047	218	219	1	0.01		464	
TGGRC047	219	220	1			336	75
TGGRC047	220	221	1			1,520	224
TGGRC047	221	222	1		240	3,350	433
TGGRC047	222	223	1			545	576
TGGRC047	223	224	1			587	158
TGGRC047	224	225	1	0.13		1,180	879
TGGRC047	225	226	1			389	351
TGGRC047	226	227	1				72
TGGRC047	227	228	1				494
TGGRC047	228	229	1	0.05		228	536
TGGRC047	229	230	1			205	132
TGGRC049	1	2	1	0.05			109
TGGRC049	2	3	1	0.08			
TGGRC049	3	7	4	0.21			
TGGRC049	7	11	4			291	
TGGRC049	11	15	4			229	
TGGRC049	15	16	1				
TGGRC049	16	17	1				118
TGGRC049	17	18	1				295
TGGRC049	18	19	1	0.64	212		696
TGGRC049	19	20	1	0.97			477
TGGRC049	20	21	1	0.24		251	355
TGGRC049	21	22	1	0.07			194
TGGRC049	22	23	1				90
TGGRC049	23	24	1	0.06			80

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC049	80	84	4	0.02			
TGGRC049	150	151	1	0.12			224
TGGRC049	151	152	1	0.61		291	528
TGGRC049	152	156	4	0.07			
TGGRC049	196	200	4	0.01			

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.	• 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.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• 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.
	• 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.	• 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.	• 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%.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Samples were collected through a cyclone and split using a riffle splitter. One duplicate sample is submitted for every 10 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.	• 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.	• 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.

	• Specification of the grid system used. • Quality and adequacy of topographic control.	• 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 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 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 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 Abernethy 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. Also, primary gold mineralisation hosted in quartz feldspar porphyry was observed at depth in recent drilling: the first time these intrusive lithologies have been recorded here.
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: • 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	• 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 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

	does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	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, 107m to 114m in TGGRC044 is reported as 7m at 1.57 gpt Au. This comprised 7 samples, each of 1m, calculated as follows: [(1*0.54)+(1*6.21)+(1*3.38)+(1*0.15)+(1*0.17)+(1*0.35) +(1*0.18)] = [10.98/7] = 1.57 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.	• Induced polarisation (IP) surveys conducted by Vortex Geophysics (P51/2909, P51/2910, P51/2911, P51/2913, P51/2914, P51/2948 and E51/1661). Designed to detect resistive bedrock and chargeable units such as disseminated sulphides, the surveys consisted of 75m dipole spacing. Configuration: Transmitter Dipole (75m) – Receiver Dipole (75m) Station interval: 75m Number of receiver dipoles: 8 to 12 Receiver: GDD 16chn Chargeability integration Transmitter: VIP30 – 15KVa • High powered downhole TEM survey completed on P51/2909, P51/2910, P51/2911, P51/2912, P51/2913 and P51/2914. Survey aimed to confirm in-hole bedrock conductors from DHEM; to define additional/potential off-hole anomalism of interest; to provide drill targets for untested/off-hole DHTEM anomalies; and to aid geological mapping by identifying conductive stratigraphy/sulphide units and potential structural corridors. • All DHTEM survey logging conducted using a SMARTem24 instrument combined with a high powered VTX-100 transmitter. Time frequency 1Hz, loop size 300x275m, 100Amps current (single turn loops). The probe used is a DigiAtlantis Fluxgate B-field Probe – ZXY 3D components, multiple readings at about 28-46 stacks. Probe noise levels are low-moderate average at below 0.05T/A or below 5pT, some noise spikes above 5pT.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	• 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

	• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	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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