THUNDELARRA

ASX/Media Announcement

24 February 2017

GARDEN GULLY SHAPING UP

*Thundelarra has carried out two work programmes at **Garden Gully**. Phase 1 was scout drilling (28 holes for **2,278m**) that delivered visible gold at Lydia and identified 11 significant geological targets. Phase 2 was 29 Reverse Circulation ("RC") holes for **6,432m**, together with associated Down Hole Electromagnetic ("DHEM") surveys, following up the first nine of the targets. The results and interpretation of the data gathered so far show Garden Gully has the potential to be a significant new gold discovery in an area that has hosted several major gold mines over the years. The **Lydia**, **Transylvania**, **Battery** and **Granite Well** prospects are shaping up as the four main project targets for immediate follow up.*

Numerous gold-mineralised intervals from the drilling to date demonstrate the potential.

Significant gold intersections so far:

- ***Lydia:*** ***6m at 2.8 gpt Au*** *from 49m in TGGRC15*
  7m at 24.5 gpt Au *from 11m in TGGRC18*
  37m at 1.8 gpt Au *from 71m in TGGRC26*
  4m at 3.8 gpt Au *from 97m in TGGRC32*
  8m at 1.8 gpt Au *from 120m in TGGRC32*
  14m at 2.2 gpt Au *from 216m in TGGRC33*
  15m at 1.6 gpt Au *from 243m in TGGRC33*
  80m at 1.9 gpt Au *from 79m in TGGRC34*
- ***Transylvania:*** ***6m at 2.9 gpt Au*** *from 103m in TGGRC22*
  8m at 1.7 gpt Au *from 69m in TGGRC24*
  7m at 1.4 gpt Au *from 107m in TGGRC44*
- ***Battery:*** ***5m at 2.0 gpt Au*** *from 115m in TGGRC42*
  9m at 1.5 gpt Au *from 163m in TGGRC52*
  8m at 2.0 gpt Au *from 164m in TGGRC53*
- ***Granite Well:*** ***31m at 0.3 gpt Au*** *from 71m in TGGRC04*
  8m at 2.2 gpt Au *from 44m in TGGRC48*
  4m at 2.6 gpt Au *from 56m in TGGRC51*
- ***Five potentially mineralised off-hole conductors to be tested***
- ***Geological settings intersected are very similar to those hosting known gold mineralisation nearby (Andy Well, Dalgaranga)***
- ***Start of follow-up drilling is imminent***

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

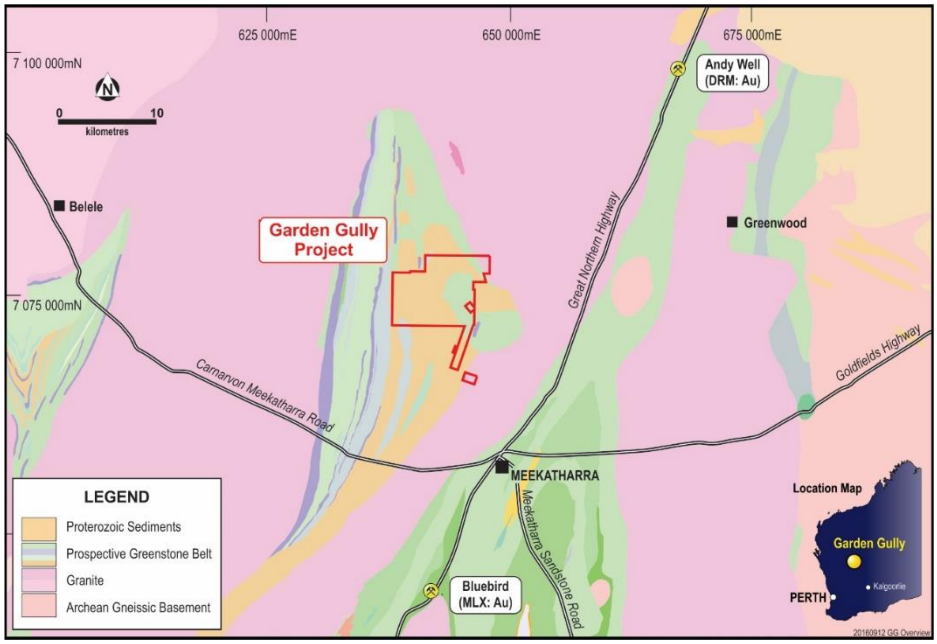

Figure 1. Location showing proximity to local plant and infrastructure. Scale: grid spacing is 25 km.

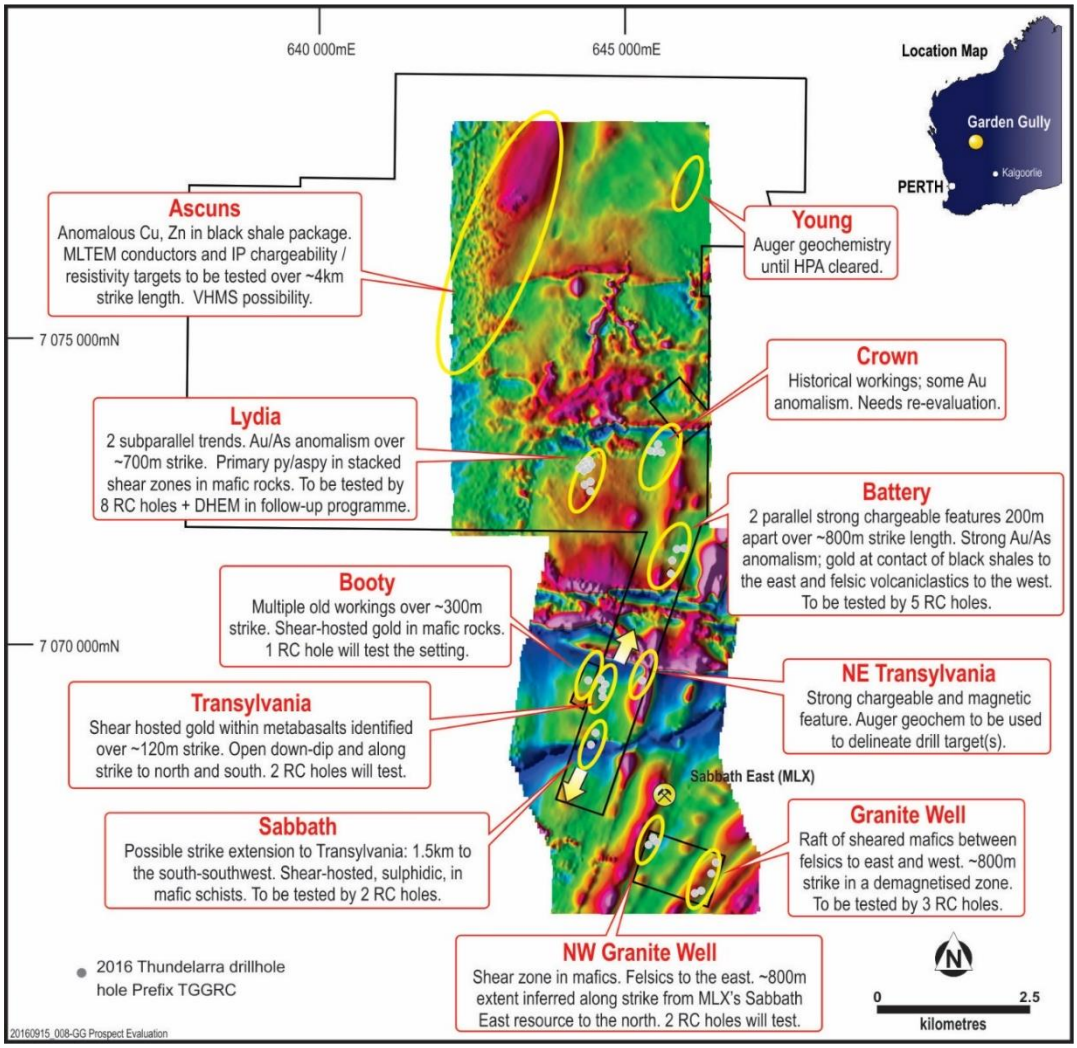

Figure 2. Garden Gully and brief descriptions of the targets followed up in the Phase 2 drilling.

Table 1 shows the details for all holes drilled in the Phase 2 RC drilling 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	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	SW Battery	480m	232m	110°	-60°
TGGRC053	645765	7071143	SW 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 1. Details of the holes drilled at Garden Gully in the Phase 2 follow-up RC programme. All locations on Australian Geodetic Grid GDA94-50. The azimuth shown is the magnetic azimuth of the drilling direction.

Results of most of the holes drilled at Lydia, Battery, Transylvania and Granite Well were reported in announcements dated 03 November 2016, 19 January, 08 February and 13 February 2017.

Assay results from the balance of the holes not previously reported can be found in Appendix 1.

At **Lydia**, holes TGGRC035 and 036 reported several zones mildly anomalous in gold and arsenic: TGGRC035 was collared to the west of where the other holes have shown the prospective trend to be, and the hole was drilled away from the prospective zone. TGGRC036 was drilled to test one possible structural orientation. Evaluation shows the hole was drilled subparallel to the main trend.

The three holes drilled at **Ascuns** were test an interpreted black shale package that offered potential for a possible VHMS-style setting. Interpretation of the mapping and geophysical surveys carried out in conjunction with the drilling have shown that the original interpretation incorrectly placed the geological contact tested by the drilling several hundred metres west of its currently interpreted position. Several zones of highly anomalous zinc values were intersected but the area will need to be re-evaluated in light of the new data gathered from the exploration carried out. The principal zone of interest – the tectonic contact between the black shale environment to the west and the resistive greenstone terrain to the east – will be drill-tested again in future programmes.

The four holes drilled at **Sabbath** were designed to test for possible southerly extensions to the Booty / Transylvania mineralisation and to provide additional information on the most prospective locations and trends for more detailed future follow-up testing. TGGRC056 intersected primary gold mineralisation with anomalous arsenic (**7m at 0.6 gpt Au, 414 ppm As**) from 124m down hole. The position of the zone initially interpreted to be a prospective shear zone, which coincided with several historical workings, has been adjusted based on the data gathered. It now appears that the old workings were developed in transported cover and the geophysical survey data is indicating that the prospective zone appears to be located further to the west than tested by this programme. This will require re-testing in future programmes.

The geological data from the Phase 2 drilling indicates that the Transylvania, NE Transylvania, Booty and Sabbath prospects appear to be associated and will now be known collectively as Transylvania.

Preparation for Phase 3 follow-up drilling to test the Lydia, Battery, Transylvania and Granite Well prospects is well advanced. Thundelarra will advise the market as soon as the programme starts.

For Further Information Contact:
Mr Tony Lofthouse - Chief Executive Officer
+61 8 9389 6927

THUNDELARRA LIMITED
Issued Shares: 423.5M
ASX Code: THX

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, unless part of a larger interval, 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. BLD stands for "Below Level of Detection".

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC035	19	23	4	0.02	348	166	98
TGGRC035	35	39	4	BLD	343	36	46
TGGRC035	39	43	4	0.02	263	39	79
TGGRC035	43	47	4	BLD	250	67	83
TGGRC035	47	51	4	0.02	266	118	45
TGGRC035	51	55	4	0.13	191	113	50
TGGRC035	55	59	4	0.03	197	142	48
TGGRC035	59	63	4	0.11	161	161	78
TGGRC035	63	67	4	0.16	123	164	98
TGGRC035	67	71	4	0.03	209	135	80
TGGRC035	71	75	4	0.02	212	115	55
TGGRC035	75	79	4	0.01	211	112	35
TGGRC035	79	83	4	0.04	214	100	8
TGGRC035	131	135	4	0.02	122	101	83
TGGRC035	176	177	1	0.12	126	89	105
TGGRC035	177	178	1	0.04	146	81	152
TGGRC035	178	179	1	0.02	188	90	81
TGGRC035	179	180	1	0.03	164	109	179
TGGRC035	180	181	1	BLD	151	90	73
TGGRC035	181	182	1	0.02	167	90	64
TGGRC035	182	186	4	0.02	152	82	84
TGGRC035	186	190	4	0.02	154	91	61
TGGRC035	190	191	1	0.10	204	96	59
TGGRC035	191	192	1	0.13	156	89	279
TGGRC035	224	228	4	0.06	132	100	19
TGGRC035	252	256	4	0.06	145	93	87
TGGRC035	256	260	4	0.04	161	88	31
TGGRC035	260	264	4	0.05	130	91	26
TGGRC036	79	83	4	0.11	170	113	BLD
TGGRC036	83	87	4	0.07	119	94	BLD
TGGRC036	142	143	1	0.41	128	52	1,520
TGGRC036	172	173	1	0.10	127	95	303
TGGRC036	173	177	4	0.03	119	94	90
TGGRC036	177	181	4	0.02	145	106	76
TGGRC036	181	185	4	0.02	132	115	59
TGGRC036	185	190	5	0.02	133	129	78
TGGRC037	26	30	4	BLD	122	211	39
TGGRC037	30	34	4	BLD	316	366	50
TGGRC037	34	36	2	0.03	438	187	148
TGGRC037	36	37	1	0.01	862	301	268
TGGRC037	37	38	1	0.01	1160	417	251
TGGRC037	38	39	1	0.02	2050	630	627
TGGRC037	39	40	1	0.01	831	236	126
TGGRC037	40	44	4	0.08	627	456	29

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC037	44	48	4	0.03	180	281	29
TGGRC037	102	108	6	BLD	101	227	15
TGGRC037	108	114	6	BLD	59	113	8
TGGRC037	114	120	6	BLD	89	154	11
TGGRC037	120	126	6	BLD	79	223	22
TGGRC037	126	132	6	0.01	118	214	26
TGGRC037	132	138	6	BLD	71	223	14
TGGRC037	138	144	6	BLD	79	236	20
TGGRC037	144	150	6	BLD	140	756	35
TGGRC037	150	156	6	BLD	125	1,180	25
TGGRC037	156	162	6	BLD	189	1,390	35
TGGRC037	162	168	6	BLD	281	1,140	49
TGGRC037	168	174	6	0.01	202	1,460	54
TGGRC037	174	180	6	0.01	428	2,090	78
TGGRC037	180	186	6	0.01	191	1,830	52
TGGRC037	186	192	6	0.01	224	2,070	55
TGGRC037	192	198	6	BLD	200	1,930	37
TGGRC037	198	204	6	0.01	169	2,170	35
TGGRC037	204	206	2	BLD	294	1,910	109
TGGRC037	206	207	1	0.04	722	2,770	141
TGGRC037	207	208	1	0.01	391	3,320	76
TGGRC037	208	214	6	0.01	598	4,290	90
TGGRC037	214	220	6	0.02	443	3,390	103
TGGRC037	220	226	6	0.03	405	2,990	81
TGGRC037	226	232	6	0.02	421	1,920	46
TGGRC037	232	238	6	0.01	426	1,320	62
TGGRC038	0	6	6	BLD	184	230	100
TGGRC038	30	36	6	BLD	273	97	23
TGGRC038	36	42	6	BLD	146	122	15
TGGRC038	42	48	6	BLD	161	237	15
TGGRC038	72	78	6	BLD	307	79	14
TGGRC038	78	84	6	BLD	665	185	11
TGGRC038	84	90	6	BLD	143	682	15
TGGRC038	90	96	6	BLD	118	602	13
TGGRC038	96	100	4	0.02	114	765	16
TGGRC040	54	60	6	0.01	41	58	86
TGGRC040	60	66	6	0.02	63	187	202
TGGRC040	66	72	6	0.02	692	52	104
TGGRC040	72	78	6	0.01	520	152	57
TGGRC040	78	84	6	0.02	280	147	60
TGGRC040	84	90	6	0.01	217	437	44
TGGRC040	90	96	6	0.02	205	367	41
TGGRC040	96	102	6	0.02	184	599	61
TGGRC040	102	108	6	0.02	181	967	35
TGGRC040	108	114	6	0.02	192	634	58
TGGRC040	114	118	4	0.04	386	241	169
TGGRC054	28	32	4	0.09	175	151	4
TGGRC054	32	36	4	0.05	174	220	6
TGGRC054	36	40	4	0.02	152	189	8

Hole No	From	To	Width (m)	Au (ppm)	Cu (ppm)	Zn (ppm)	As (ppm)
TGGRC054	40	44	4	0.01	176	418	8
TGGRC054	44	48	4	0.01	151	268	18
TGGRC054	48	52	4	BLD	141	166	16
TGGRC054	52	56	4	BLD	129	222	8
TGGRC054	231	235	4	BLD	37	266	15
TGGRC054	235	238	3	BLD	40	285	16
TGGRC056	16	20	4	BLD	121	232	2
TGGRC056	76	80	4	BLD	107	281	8
TGGRC056	108	112	4	BLD	52	357	11
TGGRC056	124	127	3	0.17	96	125	525
TGGRC056	127	128	1	0.03	100	100	147
TGGRC056	128	129	1	0.02	96	126	74
TGGRC056	129	130	1	0.88	73	124	538
TGGRC056	130	131	1	2.66	106	96	563
TGGRC056	144	148	4	BLD	96	217	2
TGGRC057	84	88	4	0.06	65	108	29

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 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 does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• 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 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, 124m to 131m in TGGRC056 is reported as 7m at 0.6 gpt Au. This comprised 5 samples, calculated as follows: [(3*0.17)+(1*0.03)+(1*0.02)+(1*0.88) +(1*2.66)] = [4.10/7] = 0.59 = 0.6 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). • 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.

---oo0oo---