



GARDEN GULLY PHASE 3 DRILLING CONTINUES

Thundelarra is pleased to report that the Reverse Circulation rig has returned to Garden Gully to complete the Phase 3 drilling programme. A further twenty holes for approximately 4,000m is planned to finish testing targets at Young, Granite Well, and Transylvania. Further holes are also contemplated at Lydia and Battery, dependent on the conclusions from the evaluation that is still underway of the core from the diamond holes drilled there recently.

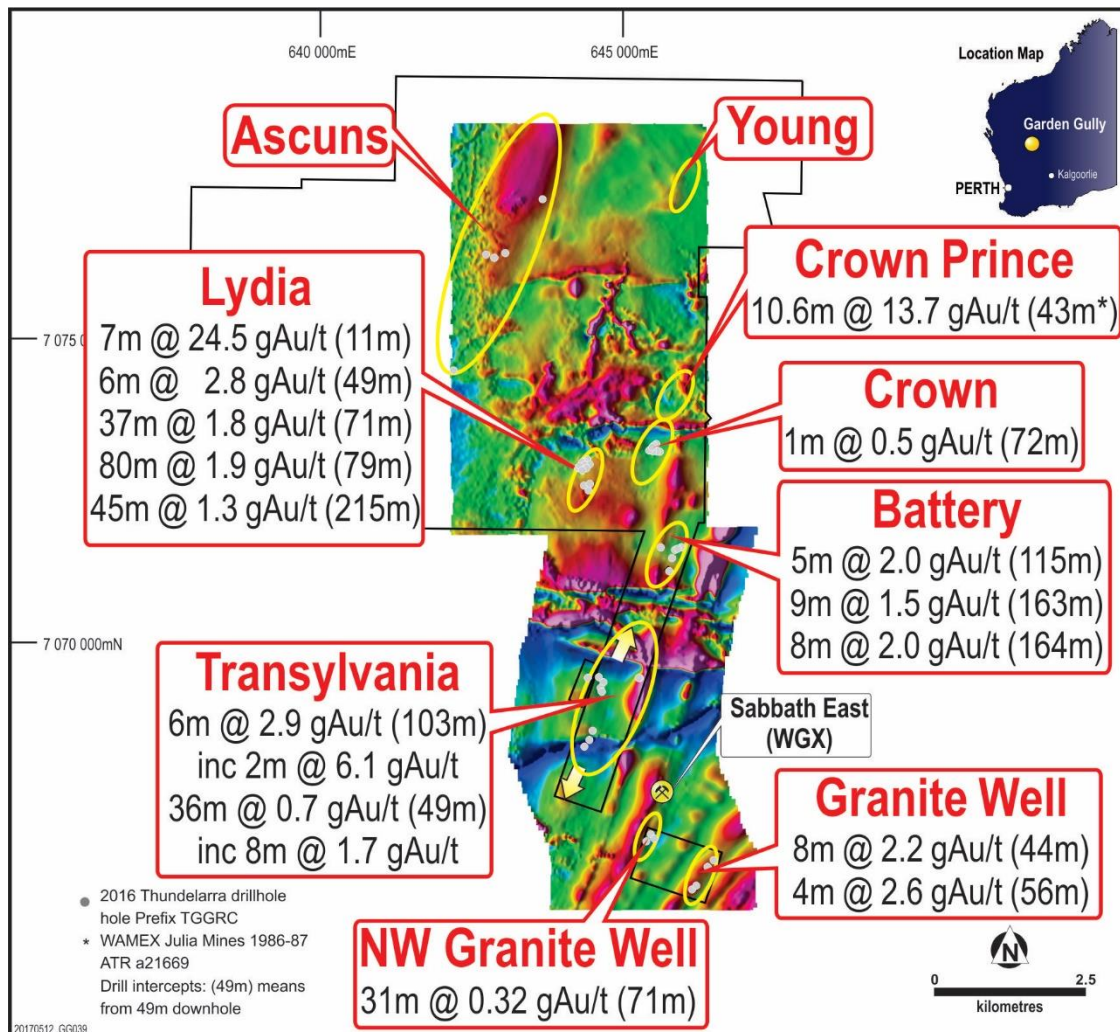


Figure 1. Garden Gully Prospects hosting follow-up drill targets.

Examination of the core from the two Lydia and Battery diamond holes has indicated that further core needs to be cut and assayed. Examination by microscope of the rock types and minerals and their relationships is also warranted to advance our understanding of the geological setting and controls on mineralisation. This is currently underway. Results of all assays and our geological interpretation will be reported as soon as they are available.

The initial evaluation of the geological logs of the drillholes has confirmed our interpretation that the setting at Battery represents a geological environment that is more like a black shale setting with

potential for VHMS-style mineralisation, with a precious metal component as already indicated from historical mining and previous exploration results by both Thundelarra and other earlier explorers.

Lydia continues to exhibit characteristics of a structurally controlled gold-mineralised system. Completion of the evaluation of the diamond core will establish the orientation of the mineralisation and allow the next drilling phase to be as effective as possible.

The Garden Gully project (100% Thundelarra), comprises 14 PLs and 2 ELs, covering about 78km², located about 20km north-west of the town of Meekatharra in Western Australia (Figure 2).

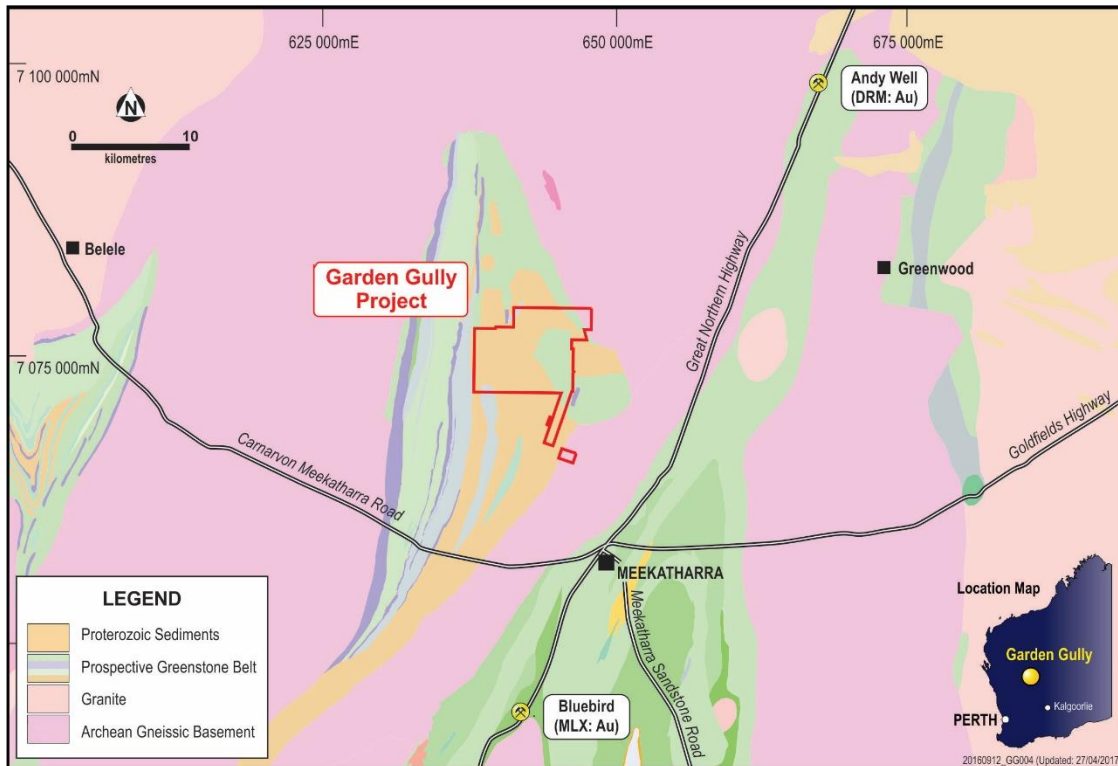


Figure 2. Garden Gully location showing proximity to local plant and infrastructure.

Mineral deposits are rarely found in simple geological settings: geological and structural complexity creates the traps and loci for mineralisation to accumulate. Systematic and persistent exploration practices are needed in order to unlock such deposits, and such an approach takes time.

The interests of Thundelarra's management and executive are wholly aligned with those of all other shareholders. Our shareholdings, like those of all other shareholders, have been bought on market or through share issues and we continue to be confident in the potential of our projects.

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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.