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30 August 2017

Thundelarra Limited
ABN 74 950 465 654
ACN 085 782 994
ASX THX

Dear Shareholder



NOTICE TO ELIGIBLE SHAREHOLDERS OF RENOUNCEABLE RIGHTS ISSUE

We write to you as the registered holder of Thundelarra Limited (ASX: THX) (**Thundelarra** or the **Company**) shares as at today's date. As advised in the Company's ASX announcement dated 28 August 2017, Thundelarra is undertaking a renounceable pro-rata rights issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.025 per share and on the basis of 2 new shares (**New Shares**) for every 5 shares held at the record date on Friday, 1 September 2017 (**Record Date**), together with one free attaching option (**Attaching Option**) for every two New Shares issued (**Rights Issue**). The Attaching Options are intended to be quoted, and will be exercisable at \$0.05 each on or before 30 September 2019. Pursuant to the Rights Issue, the Company will issue up to approximately 169.4 million New Shares and 84.7 million Attaching Options to raise approximately \$4.23 million before costs.

The Rights Issue is renounceable which means there will be trading of rights on ASX and you may dispose of your entitlement to subscribe for New Shares under the Rights Issue (**Entitlement**) to another party other than on the ASX.

The Rights Issue is partially underwritten to \$1 million by CPS Capital Group Pty Ltd (**CPS Capital**).

A copy of the Prospectus has been lodged with ASIC and ASX and is available on the Company's website (www.thundelarra.com) the ASX's website (www.asx.com.au) and will be despatched to persons holding shares as at the Record Date.

Eligible Shareholders

The Rights Issue is available to all Thundelarra shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or subject to certain offer restrictions, New Zealand (**Eligible Shareholders**).

A Shareholder who has a registered address outside Australia and New Zealand will not be eligible to participate in the Rights Issue (**Ineligible Shareholder**).

The Company has appointed CPS Capital as a nominee to sell the Entitlements to which Ineligible Shareholders are entitled (see the Prospectus for further details).

Effect of the Rights Issue

The table below sets out the impact of the Rights Issue on the capital structure of the Company (assuming all securities are issued under the Rights Issue and no convertible securities are converted or exercised into Shares prior to the Record Date).

Detail	Number of Shares	Number of unquoted options	Number of quoted options
Balance at date of announcement of the Rights Issue	426,495,665	34,000,000	Nil
Maximum number of securities offered under the Rights Issue*	169,398,601	Nil	84,699,301
Underwriter Options	-	-	5,000,000
Total at completion of the Rights Issue	595,894,266	34,000,000	89,699,301

Use of proceeds

Subject to the satisfactory completion of the Rights Issue, funds will be used to progress drilling at the flagship Garden Gully Gold Project and for general working capital.

Indicative Timetable

The Rights Issue will be conducted in accordance with the following indicative timetable:

Item	Date
Lodgment of Prospectus with ASX	Monday, 28 August 2017
Lodgment of Appendix 3B with ASX	
Notice of Rights Issue sent to Shareholders	Wednesday, 30 August 2017
Securities quoted on an "Ex" basis	Thursday, 31 August 2017
Record Date for determining Entitlements	Friday, 1 September 2017
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Wednesday, 6 September 2017
Rights trading ends	Thursday, 14 September 2017
Securities quoted on a deferred settlement basis	Friday, 15 September 2017
Last day to extend the offer closing date	Monday, 18 September 2017
Closing Date of Rights Issue (5pm AEST)*	Thursday, 21 September 2017
Notification of Shortfall	Tuesday, 26 September 2017
Anticipated date for issue of the Securities	Thursday, 28 September 2017
Deferred settlement trading ends	

Item	Date
Anticipated date for commencement of Securities trading on a normal settlement basis	Friday, 29 September 2017

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the securities.

Rights Trading

The entitlements to securities under the Rights Issue are renounceable. Accordingly, there will be trading of Entitlements on ASX and you may dispose of your Entitlement to another party other than on ASX. If you do not dispose of your Entitlement during the rights trading period (ending on Thursday, 14 September 2017) or take up your Entitlement by the Closing Date your right to take your Entitlement will lapse. The securities in your Entitlement that are not taken up by you, or any person that you dispose of your Entitlement to, will form part of the Shortfall (as noted below). If you are an Eligible Shareholder and you wish to sell or transfer all or part of your Entitlement to another person you should follow the directions in the Entitlement and Acceptance Form and section 3 of the Prospectus.

Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the shortfall (**Shortfall**).

If you take up your Entitlement in full, you may also apply for additional New Shares and Attaching Options out of the Shortfall (to the extent there is availability) (**Shortfall Securities**) in excess of your Entitlement (**Shortfall Offer**) by completing the relevant part of the Entitlement and Acceptance Form.

Any New Shares and Attaching Options not applied for by the Closing Date which are not then subscribed for by the Underwriter will become Shortfall Securities. The issue price of the New Shares under the Shortfall Offer will be \$0.025 each, being the same price as New Shares under the Rights Issue.

The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Securities at their sole discretion in consultation with the Underwriter.

Underwriting

The Rights Issue is partially underwritten to \$1 million (**Underwritten Amount**) by CPS Capital. The Company will pay CPS Capital an underwriting fee of 5.5% of the Underwritten Amount, a lead manager fee of 2.5% of the amount raised under the Rights Issue and a placement fee of 5.5% of any shortfall placed beyond the Underwritten Amount and all excluding GST. The Underwriter will also be issued 5,000,000 options in the Company on the same terms as the Attaching Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:


- You may take up all or some of your rights to subscribe for New Shares and Attaching Options pursuant to your Entitlement. To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5:00pm (AEST) on Thursday, 21

September 2017, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

- If you have taken up all of your Entitlement, you may apply for additional New Shares and Attaching Options via the Shortfall Offer.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from Thursday, 31 August 2017 until the close of market on Thursday, 14 September 2017. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHESS controlling participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00 pm (AEST) on Thursday, 21 September 2017.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of shares, your interest in the Company will be diluted and you will receive no value for your Entitlements.

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to contact the Company's Share Registry on 1300 850 505.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Philip Crabb', written over a horizontal line.

Philip Crabb
Non-Executive Chairman