THUNDELARRA

Annual Report 2017

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ASX CODES

THX, THXOB

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ASX ADDITIONAL INFORMATION

The Annual Report covers both Thundelarra Limited as an individual entity and the Consolidated Entity consisting of Thundelarra Limited and its controlled entities.

CHAIRMAN'S LETTER

Dear Shareholder

It gives me great pleasure to present the 2017 Annual Report for Thundelarra. It was another challenging year for the mineral exploration sector, but at long last the green shoots of recovery appear to be establishing themselves. Metals prices are showing positive trends, global economic growth rates appear to be on the rise, and gold is maintaining price levels that are very attractive for companies with exposure to significant exploration targets. Thundelarra most definitely falls in this last category.

The corporate and exploration strategies we have put in place over the past two years, starting with decision to acquire Red Dragon's gold assets near Meekatharra in the Murchison district of Western Australia, have proved prudent and well-judged. They also demonstrate the capacity of your executive team to think ahead and to plan effectively for different market outcomes.

One of our most significant achievements during the year was the successful acquisition of the Crown Prince prospect, which we believe to be key to unlocking the golden potential we are convinced exists at Garden Gully. The discovery and announcement of visible free gold in drill core recovered at Crown Prince during our inaugural drill programme there has validated our committed efforts to acquire the project. We await eagerly the results of our 2018 exploration programmes at Crown Prince and at the other highly prospective targets forming our very exciting Garden Gully project. It is worth reminding our shareholders that the gold price was at a six-year low of US$1,060 per ounce when your Company acquired the Garden Gully gold assets. The price of the yellow metal has subsequently risen over 25% to levels around US$1,330 per ounce at the time of writing.

Shareholders in exploration companies recognise that exploration is a high risk game, but it is the potential for high rewards that attracts both investors and explorers. And exploration success is basically a numbers game: the more holes you drill, the better your chance of success. Luck will also play a part, but as an old colleague of mine in the exploration game used to say: "This 'luck' thing is amazing, you know. The more holes we drill, the luckier we seem to get!". Your Company recognises this and so we do everything possible to ensure that we continue to explore aggressively while managing cash reserves prudently. If we are not actively exploring and systematically identifying and drilling valid targets, then we are not likely to be making new discoveries.

Seven drilling programmes carried out during the year (two diamond and five reverse circulation) tested targets at sixteen prospects within four separate projects. Your Company drilled 69 holes for a total advance of 12,711m : an 8% increase in metres drilled compared to the previous year. Geophysical surveys (both surface and downhole) were also conducted at several of the prospects drilled, mainly to aid in the identification of drill targets. This is a significant performance for a junior exploration company and clearly demonstrates our commitment to aggressive exploration.

On the broader market front, it is very gratifying to see that the green shoots that had begun to appear in 2016, and which we all hoped were signalling the long-awaited recovery in the resources sector, have indeed continued to flourish, particularly for gold and lithium explorers. There is still uncertainty around overall market and investor sentiment for the exploration sector, but it is much less than in recent years and there is now definitely investment money available for exploration stories with some substance. Thundelarra continues to fall into that category, as was amply demonstrated by the successful Renounceable Rights Issue and Placement that raised $5.2 million at 2.5 cents in September to fund the aggressive exploration planned for our Garden Gully gold project, northwest of Meekatharra in Western Australia.

Garden Gully and our other gold projects are our main exploration focus for 2018. Your Board continues to believe that the greatest likelihood for market success and share price appreciation lies with a gold discovery, and Garden Gully represents that in spades. However, it would be inappropriate not to mention Red Bore, a project that has been our core focus for several years and which has delivered spectacular drilling results but not yet the glittering sulphide prize that we still believe is present there.

We maintained our conviction that Sandfire, our neighbours operating the DeGrussa copper-gold mine just a few hundred metres from our tenement boundary, would have to approach us eventually as they continued to deplete the DeGrussa reserves and moved towards integrating the Monty deposit into the DeGrussa mine plan. Sandfire did approach us and a very attractive exploration joint venture was agreed and signed, subject to a pre-emptive right in the existing Joint Venture between Thundelarra and W Richmond, holder of 10% of the licence. Mr Richmond decided to exercise his pre-emptive right and so replace Sandfire in the arrangement. He paid $1.5 million cash to Thundelarra and undertook to carry out $1.5 million of exploration expenditure at Red Bore before late January 2019. Achieving that in itself would earn him no further interest, but would allow him to continue to explore.

CHAIRMAN'S LETTER

Only by discovering and announcing JORC 2012 compliant resource of at least 30,000 tonnes of copper or copper equivalent will he earn further equity in Red Bore – an additional 75% that would take him to 85% and reduce Thundelarra to 15%. Thundelarra is free-carried during this whole process and would remain free-carried through to production, if a mining development did indeed proceed. An eventual 15% of at least 30,000t of copper (copper is currently trading at US$7,000 per tonne, equivalent to about A$8,750 per tonne) is without question a better proposition than 90% of no commercial resource. Especially when getting to that position would not involve any expenditure by your Company and if, as we hope, there is any new discovery made at Red Bore, then Thundelarra remains the only ASX-listed company that offers stock-market trading exposure to such a discovery.

In summary, we have exciting exploration targets and the money to be able to explore them effectively and efficiently for the coming year. All the Thundelarra management team are shareholders in the Company. We invested more of our own money through participation in the Rights Issue, with some also making additional on-market purchases. Our desire for exploration success and our commitment and drive to deliver it is as closely aligned to that of every other shareholder as it could be.

Our exploration successes continue to be testament to the technical rigour applied by our geological team. Our prospects are not located in simple geological settings. If they were, it is unlikely that they would offer the exploration potential that they do. Exploration success will come from persistence and from patience. The application and diligence of our geological team has identified valid reasons for why many different phases of previous exploration at Garden Gully had not found the mineralisation that we have now discovered at Lydia and other prospects. Each successive set of results gives us another piece of the exploration puzzle and takes us one step closer to that discovery that we all want.

Every shareholder wants quicker results and that is understandable. But we ask shareholders to remember that we must continue to use our cash reserves wisely. Our best chance of finding it is to be systematic and patient in our approach. Every exploration dollar must be made to count.

Thundelarra's commitment to systematic, but financially prudent, exploration will continue unabated in 2018. We will continue to pursue our dreams of exploration success, with Garden Gully our flagship for gold and Red Bore, Curara Well, Allamber or Sophie Downs offering base metal targets. Our 20% free-carried interest in Panoramic's Keller Creek nickel tenement in the East Kimberley could also add value for Thundelarra. Keller Creek hosts the extensions to the Savannah North mineralisation and hence the long-term future of Panoramic's Savannah nickel operations.

I would like to take this opportunity to thank our hard working CEO Tony Lofthouse; Director and Company Secretary Frank DeMarte; fellow Director Mal Randall; and our staff including Bridget Reid and Jenny Jones, for their dedication and efforts during another challenging year. The addition of Rick Crabb as an independent non-executive director will add further experience and value to our team. Particular mention again needs to made of the commitment of our Chief Geologist Costica Vieru and Geologist Stephane Roudaut. Their technical expertise and rigorous evaluation of the geological data garnered from our exploration efforts have been of paramount importance to the exploration successes we have enjoyed this year.

Last but no means least, thank you to you our loyal Shareholders for your continued faith in what we are trying to achieve. I ask that you support the resolutions proposed for the Annual General Meeting and respond by having your proxies voting in favour of those resolutions lodged at an early date.

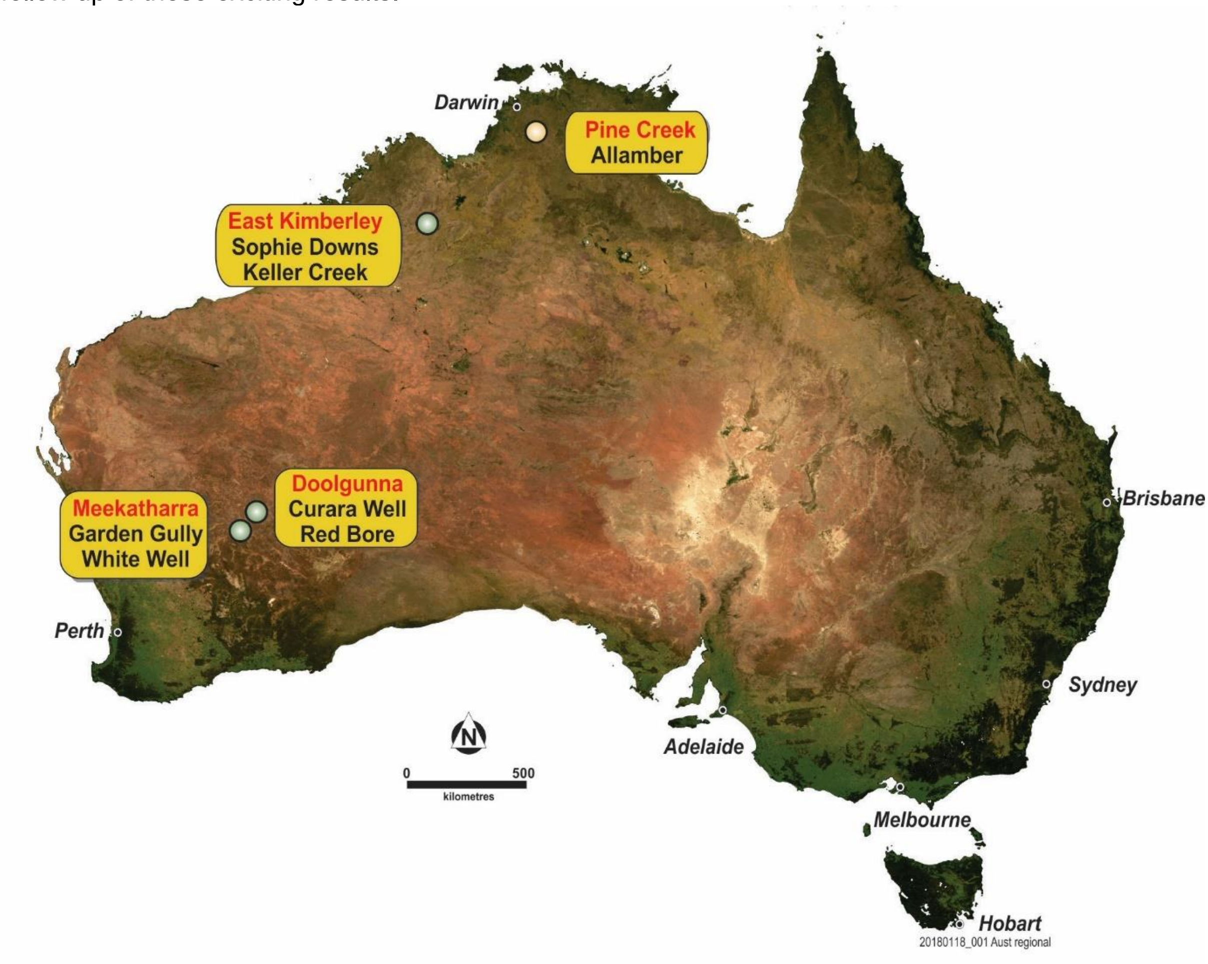
2018 will be an exciting year as the gold price strengthens and our drilling at Garden Gully continues to deliver the sort of results that we all want to see – like the visible free gold intersected in the Crown Prince drill core! We have exciting projects and the money to explore them and we will continue to do everything within our power to ensure that your continuing confidence is not misplaced.

Philip G Crabb
Chairman

CEO'S REVIEW OF OPERATIONS

In 2017 Thundelarra continued its commitment to explore aggressively its gold and copper projects in Western Australia and the Northern Territory. Our 2017 flagship gold project, Garden Gully, is located about 15 kilometres north-west of Meekatharra in the Murchison District of Western Australia. Meekatharra has a long history as a centre for gold mining and it has excellent established infrastructure. Mines in the immediate district have produced well in excess of seven million ounce of gold to date.

Garden Gully contains a number of separate prospects within the fifteen prospecting licences and two exploration licences that make up the 78 square kilometres project area. A notable highlight for 2017 was the successful addition of the Crown Prince tenement to the project portfolio. The Crown Prince hosts the historical mine that sourced the majority of the 21,000 ounces of gold production, at an average grade of about 21 grams gold per tonne, recorded from Garden Gully. Whilst not strictly part of the 2017 exploration activity at the project, on 04 October 2017 our inaugural exploration drilling programme at Crown Prince began. Shortly thereafter, two separate diamond drill holes reported visible free gold in the drill core, vindicating our vigorous pursuit of this particular piece of the Garden Gully puzzle. 2018 will see aggressive follow up of these exciting results.



Regional location map of Thundelarra's Exploration Projects

Thundelarra's flagship project of previous years has been Red Bore, which is adjacent to Sandfire Resources' operating DeGrussa copper-gold mine and is prospective for repetitions of DeGrussa's VHMS ("Volcanic Hosted Massive Sulphide") style of mineralisation. Thundelarra's exploration at Red Bore since 2014 had developed a geological model of the unquestionably complex local geological setting. However, none of the targets we had drilled had proven to be a new VHMS deposit, which had left us with the challenge of how to efficiently and cost-effectively identify follow-up targets to test.

We were convinced that the combination of our proximity to DeGrussa; Sandfire's detailed knowledge of the local geology both at surface and underground; the geological indicators and established presence of mineralisation that we had identified; the progressive depletion of reserves at DeGrussa; and the incorporation of the Monty deposit into the DeGrussa mine plan; all these together meant that Sandfire needed to establish one way or another exactly what potential might exist at Red Bore. To do this would need an exploration joint venture. Thundelarra was prepared to wait and in June 2017 a joint venture agreement was struck with Sandfire on terms that Thundelarra considered very attractive.

CEO'S REVIEW OF OPERATIONS

The joint venture agreement with 10% partner W Richmond contained a pre-emptive clause. Mr Richmond exercised his pre-emptive right, delivering $1.5 million cash to Thundelarra and thereby excluding Sandfire's involvement. Mr Richmond also assumed the responsibility to spend $1.5 million on exploration at Red Bore by late January 2019. Meeting that expenditure requirement will only earn him the right to continue to explore the project. Only by defining JORC 2012 compliant resources of at least 30,000 tonnes of copper or copper equivalent will Mr Richmond increase his equity interest in the project by 75%. That would then give Mr Richmond 85% and Thundelarra would retain 15%, free carried to production. Thundelarra would not incur any project expenditure liabilities during the time that Mr Richmond continues to explore the license, and if he withdraws after the initial term to January 2019, then the tenement reverts to 90% Thundelarra, 10% W Richmond.

Thundelarra sincerely hopes that Mr Richmond's endeavours are successful in identifying new VHMS mineralisation at Red Bore, as Thundelarra remains the only ASX-listed exposure to any successes.

Exploration at our projects during the year to 30 September 2017 included programmes of mapping, geochemical sampling, geophysical surveying (both surface and downhole), diamond, reverse circulation and auger drilling, and petrological studies.

Total expenditure for 2017 was just over $3.9 million (2016: $4.7 million), of which 80% ($3.1 million) went into the ground (2016: 67% / $3.2 million). The balance represented administrative expenses. Analysis of junior exploration companies over the years has shown that few, if any, *active* explorers can maintain effective performance with administrative costs running at much under about $1 million per annum. Thundelarra is committed to ensuring that at least two thirds of all expenditure goes into the ground: an "explorer" that is not actually exploring is not going to make the discovery that can drive the share price up – which is what all investors want.

In 2017 Thundelarra carried out seven drilling programmes (two diamond, five reverse circulation) testing targets at sixteen prospects within four separate projects: Garden Gully, Mooloogool, Payne's Find and Allamber. In all, 69 holes were drilled for a total advance of 12,711m, an 8% increase on the metreage drilled last year. The breakdown of the drilling was as follows:

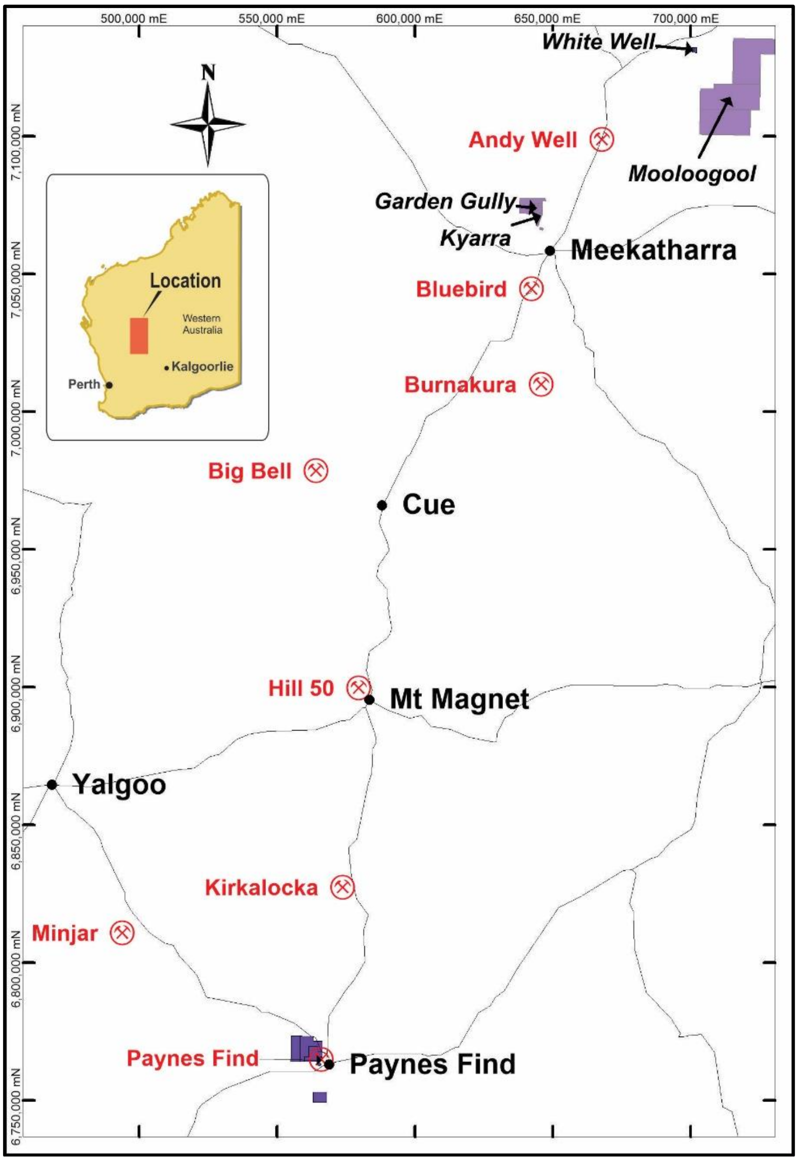
Type of Drilling	Holes	Metres Drilled	Projects
Reverse Circulation	62	11,609	Garden Gully; Payne's Find, Mooloogool; Allamber
Diamond	7	1,361	Garden Gully; Allamber
Total	69	12,711	

Garden Gully and White Well are both close to Meekatharra and within easy trucking distance of existing gold processing plants. The Bluebird plant (WestGold; ~3.1 Mtpa) is located about 30 kms south of Garden Gully along the sealed Great Northern Highway and is understood to have spare capacity. The Andy Well plant (Doray Minerals; ~300kpta) is located about 30 kms north along the Great Northern Highway, and although it was placed on care and maintenance in early November 2017, it still remains a very attractive potential alternative when considering possible future treatment options.

The **Paynes Find** project is located further south, 140km south of Mount Magnet. It is next to the Great Northern Highway, with most of the project area less than 5 kms from the Paynes Find Battery. It is 85km south of the Kirkalocka gold plant, (nominal treatment capacity 1.6-2.2 Mtpa) which is currently on care and maintenance.

Review of all data generated at the **Mooloogool** Project, to the north-east of Meekatharra, did not identify any further gold targets during the year that warranted follow-up testing. Consequently the decision was made to surrender the ground after completing all requisite reporting and rehabilitation.

CEO'S REVIEW OF OPERATIONS



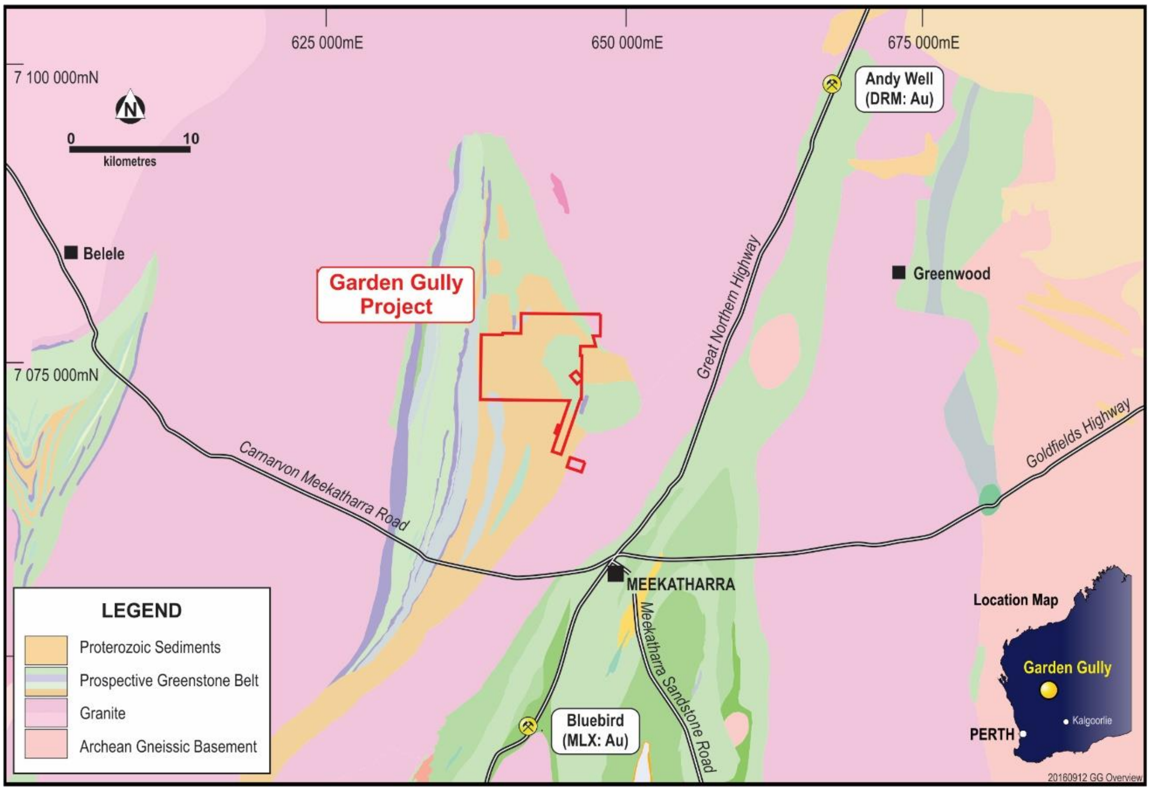
Western Australia: location map of gold projects. Mooloogool now surrendered.

The **Garden Gully** Project comprises 2 granted Exploration Licences and 15 granted Prospecting Licences for a total project area of approximately 78km^2. The area encompasses a number of historic gold operations, with aggregate recorded production of 20,718 oz gold at an average grade of 21.7 gpt, the majority of which was sourced from the Crown Prince licence (previously known as Kyarra).

Thundelarra began exploration at Garden Gully in mid-2016 and as at the date of this report has completed almost 26,000m of drilling in 141 holes, comprising 23,342m of reverse circulation ("RC") and 2,523m of diamond drilling ("DD").

Full details of each of the exploration programmes carried out in 2017 at Garden Gully, including all assay results, can be found in the announcements to the ASX dated 03 November 2016; 09 December 2016; 19 December 2016; 19 January 2017; 08 February 2017; 13 February 2017; 24 February 2017; 02 March 2017; 12 May 2017; 20 June 2017; and 10 July 2017;

CEO'S REVIEW OF OPERATIONS



Garden Gully location showing proximity to local plant and infrastructure.

Four drill programmes were conducted at the Project during 2107. Reverse circulation totalled 56 holes for 10,559m and a further seven diamond holes were completed for 1,103m advance. The diamond holes were generally as tails on RC pre-collars.

Initial drilling at **Lydia** in 2016 had intersected high grade visible gold in the supergene zone:

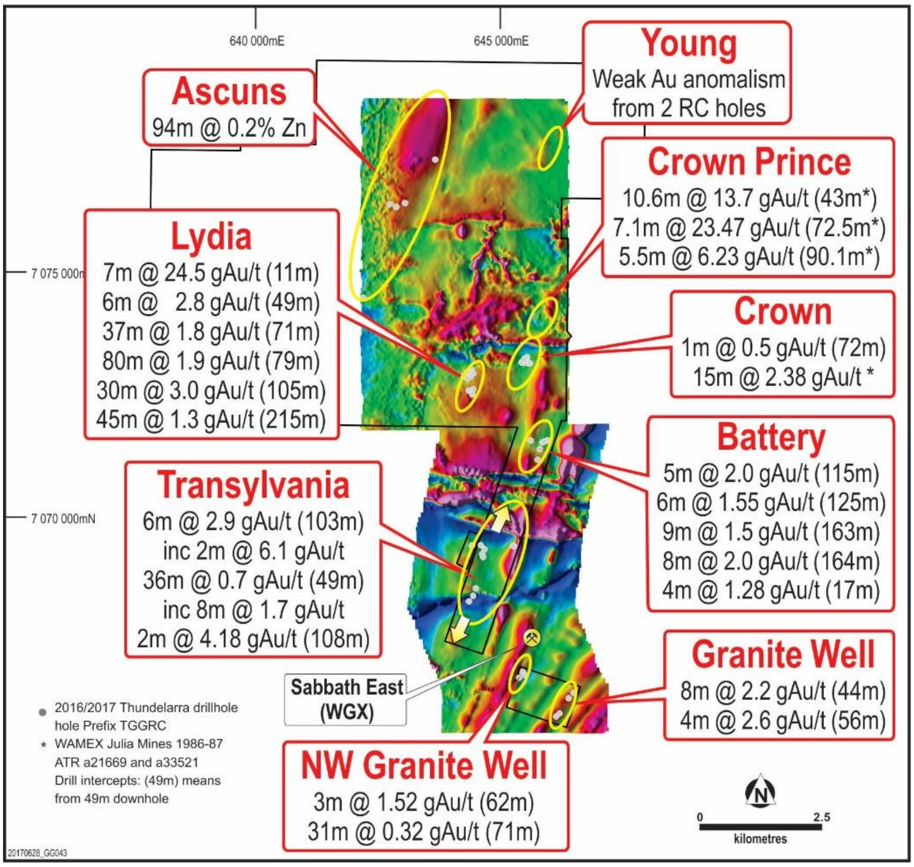
7m at 24.5 gpt Au (re-sampled assay 17.7 gpt Au) from 11m in hole TGGRC018

Visible gold in drill chips from the Lydia Prospect, Garden Gully project.

CEO'S REVIEW OF OPERATIONS

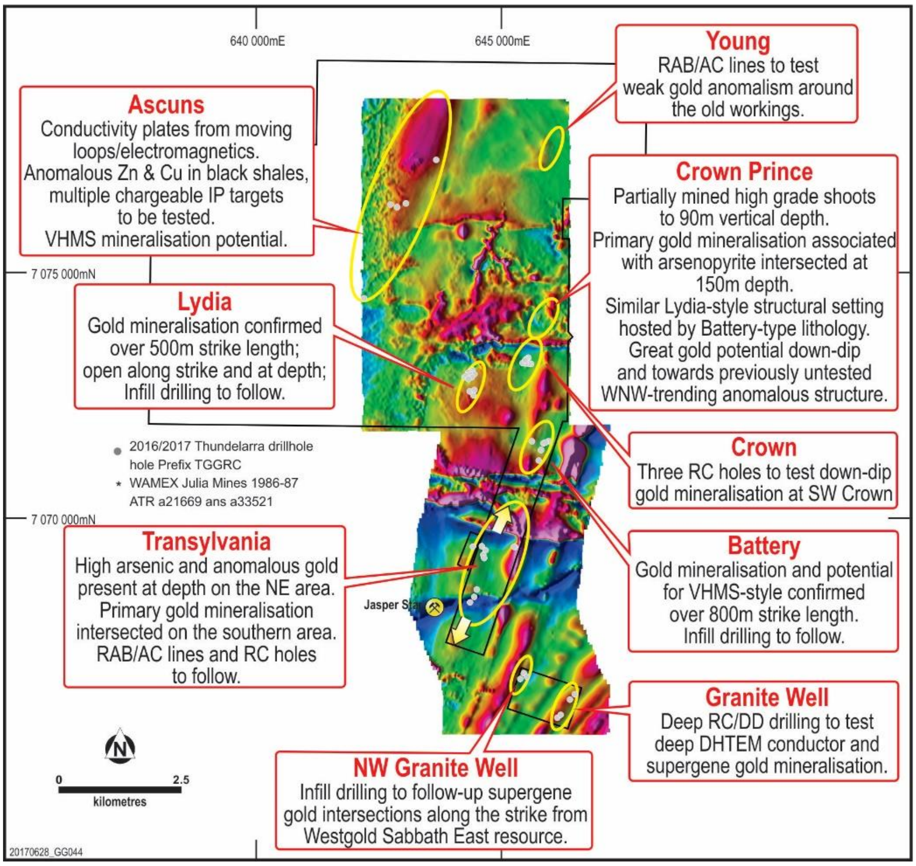
The first follow-up programme at Lydia continued to deliver excellent intersections:

Hole No	From	To	Interval	Au(g/t)
TGGRC029	111	114	3m	2.1
inc	111	112	**1m**	**5.2**
TGGRC032	93	103	10m	1.6
inc	97	101	**4m**	**3.8**
	118	135	**17m**	**1.0**
inc	120	128	8m	1.8
TGGRC033	164	171	7m	2.6
inc	166	170	**4m**	**4.3**
	215	260	**45m**	**1.3**
inc	216	230	**14m**	**2.2**
and	243	258	**15m**	**1.6**
TGGRC034	79	159	**80m**	**1.9**
inc	81	86	**5m**	**6.0**
and	89	97	8m	1.3
and	100	105	**5m**	**4.9**
and	113	129	**16m**	**3.8**
inc	124	129	**5m**	**4.9**
and	145	150	5m	2.6
and	214	218	4m	1.3



Garden Gully Prospects with significant gold intersections, shown on TMI image.

CEO'S REVIEW OF OPERATIONS



Garden Gully Prospects with target descriptions, shown on TMI image.

The second phase of drilling completed a further 29 RC holes for a total advance of 6,432m and continued to expand the mineralisation and potential at a number of the Garden Gully prospects. At the end of Phase 2 the most significant intersections included:

➢	***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*

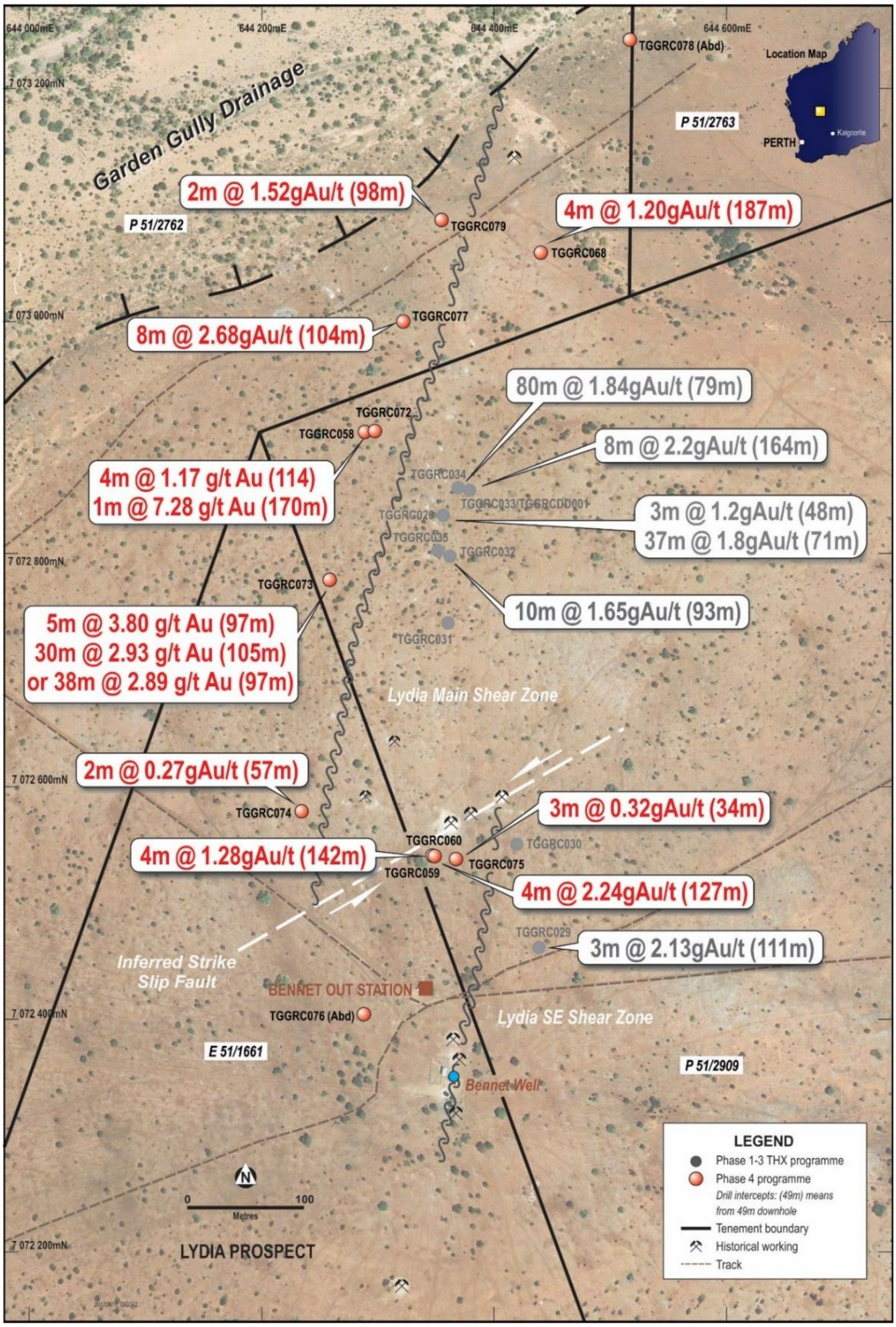
CEO'S REVIEW OF OPERATIONS

The third phase of drilling included diamond holes to provide structural information to assist in interpretation of the structural controls on the mineralisation at Lydia:

Hole No	From	To	Interval	Au(g/t)	Observations	Prospect
TGGRC058	114m	118m	4m	**1.2**	Q-carb-sulphides veins	**Lydia South-East**
	and					
	170m	171m	1m	**7.3**		
TGGRC059	142m	146m	4m	**1.3**	Q-carb-sulphides veins	**Lydia South-East**
incl.	142m	144m	2m	**2.4**		
TGGRC060	112m	113m	1m	1.0	Q-carb-sulphides veins	**Lydia South-East**
	and					
	127m	131m	4m	**2.2**		
	and					
	185m	186m	1m	0.4		
TGGRC068	187m	191m	4m	**1.2**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
TGGRC072	81m	84m	3m	**1.0**	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	109m	111m	2m	**1.3**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
	and					
	115m	116m	1m	**1.2**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
	and					
	164m	165m	1m	0.9	Q-carb-sulphides veins	**Lydia Main Shear Zone**
TGGRC073	**97m**	**102m**	**5m**	**3.8**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
	and					
	105m	**135m**	**30m**	**3.0**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
TGGRC074	57m	59m	2m	0.3	Supergene Mineralisation	**Lydia Main Shear Zone**
TGGRC075	34m	37m	3m	0.3	Supergene Mineralisation	**Lydia South-East**
TGGRC077	46m	50m	4m	0.2	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	104m	**112m**	**8m**	**2.9**	Q-carb-sulphides veins	**Lydia Main Shear Zone**
TGGRC079	43m	44m	1m	0.8	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	45m	46m	1m	**2.3**	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	72m	73m	1m	**1.3**	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	76m	77m	1m	**1.3**	Supergene Mineralisation	**Lydia Main Shear Zone**
	and					
	98m	100m	2m	**1.5**	Q-carb-sulphides veins	**Lydia Main Shear Zone**

CEO'S REVIEW OF OPERATIONS

All the holes that reached their proposed target depths intersected gold mineralisation, both within the weathering profile or in primary mineralisation associated with quartz-carbonate-sulphide alteration. Best intersections were recorded in **TGGRC073** and **TGGRC077** (see table above and figure below)

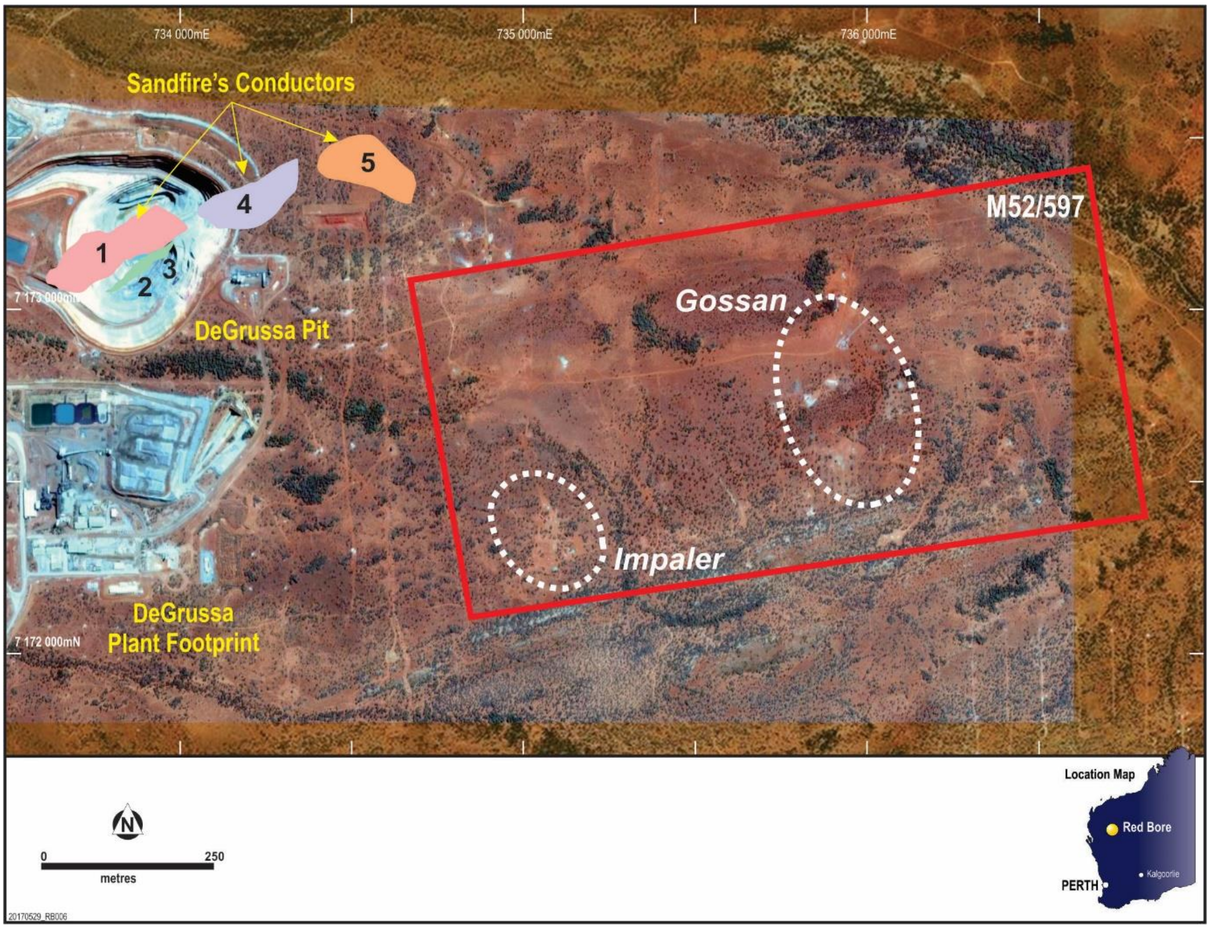


Drillhole locations and main gold intersections at Lydia Prospect on the Landsat image.

Follow-up drilling programmes in 2018 will continue to develop the understanding of the controls on mineralisation at the various Garden Gully prospects, with particular emphasis on extending the known zones of mineralisation at the Lydia Prospect with the objective of moving towards definition of a maiden resource.

CEO'S REVIEW OF OPERATIONS

A 90% interest in **Red Bore** had been the flagship project for Thundelarra in previous years. Red Bore is a 2 square kilometre granted mining licence at Doolgunna in the Murchison district of Western Australia. It is surrounded by ground held by Sandfire Resources for their DeGrussa copper-gold mine, whose treatment plant is about 500m from the western boundary of the Red Bore licence.



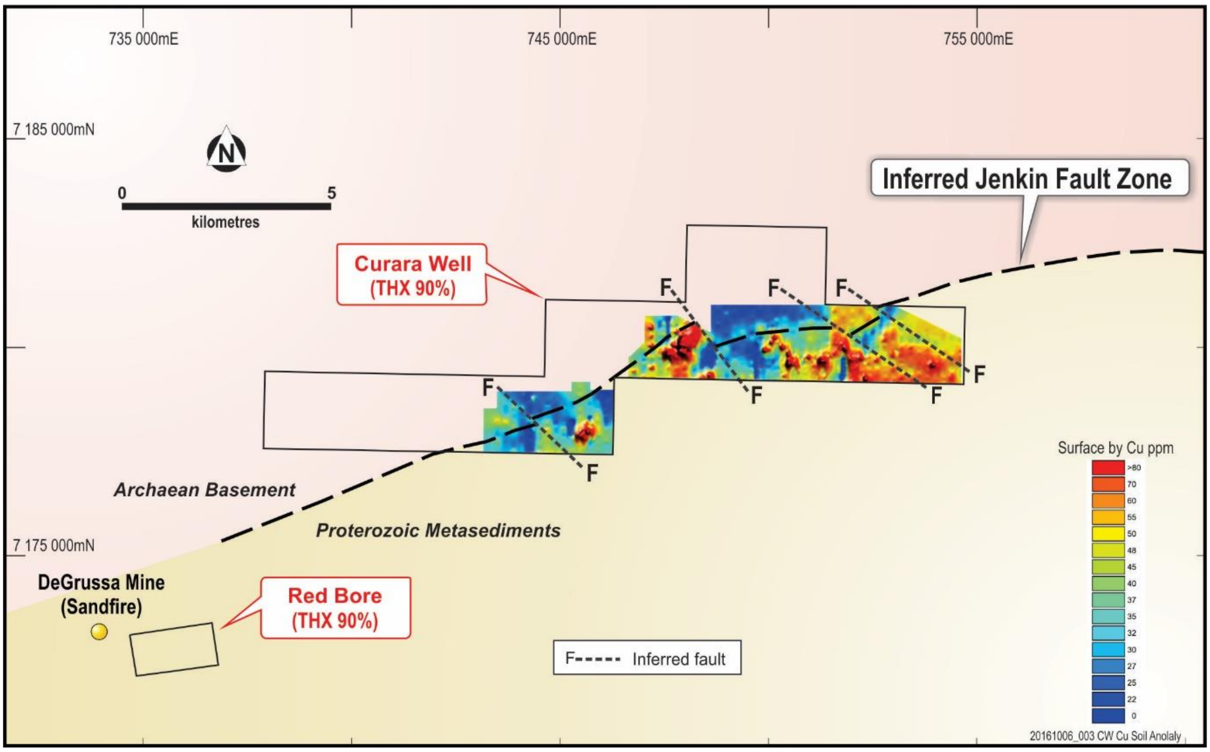
Aerial photograph showing proximity of Red Bore (M52/597) to the DeGrussa Mine.

Thundelarra did not carry out any new field exploration at Red Bore (M52/597) or at Curara Well (E52/2402) during 2107, focusing instead on the gold assets in our project portfolio as described elsewhere in this report. Notwithstanding the deliberate decision to realign our focus, it is important to understand that the exploration results to date at Red Bore categorically demonstrate the potential for discovery of new VHMS deposits still remains.

The 90%-owned **Curara Well** project is about five kilometres north of the Red Bore project. No field work of significance was carried out at **Curara Well** during the year, but the area remains prospective based on the conclusions of the 2015 field work, which tested several theories regarding the position and attitude of the Jenkin Fault Zone ("JFZ"), a major basin-bounding fault active during rifting when the VMS-prospective Bryah and other sedimentary basins were forming to the south. Conventional wisdom has such basin-bounding faults dipping towards the basin. Based on GSWA evidence from large scale regional AMT traverses and conceptual models developed by Thundelarra's geological teams, our exploration proved that the JFZ actually dips steeply the other way (to the northwest). This is significant as it opens the possibility that Bryah Basin sediments, including the Narracoota formation that is the main host of the VMS mineralisation discovered so far in the area, may exist at depth to the north of the surface trace of the JFZ.

The geological models at Curara Well remain valid but additional work is required to target the locations and settings there that may represent the best potential for a discovery. Curara Well remains a significant exploration project in our portfolio, but 2018 exploration will focus mainly on our gold portfolio, and specifically on Garden Gully.

CEO'S REVIEW OF OPERATIONS



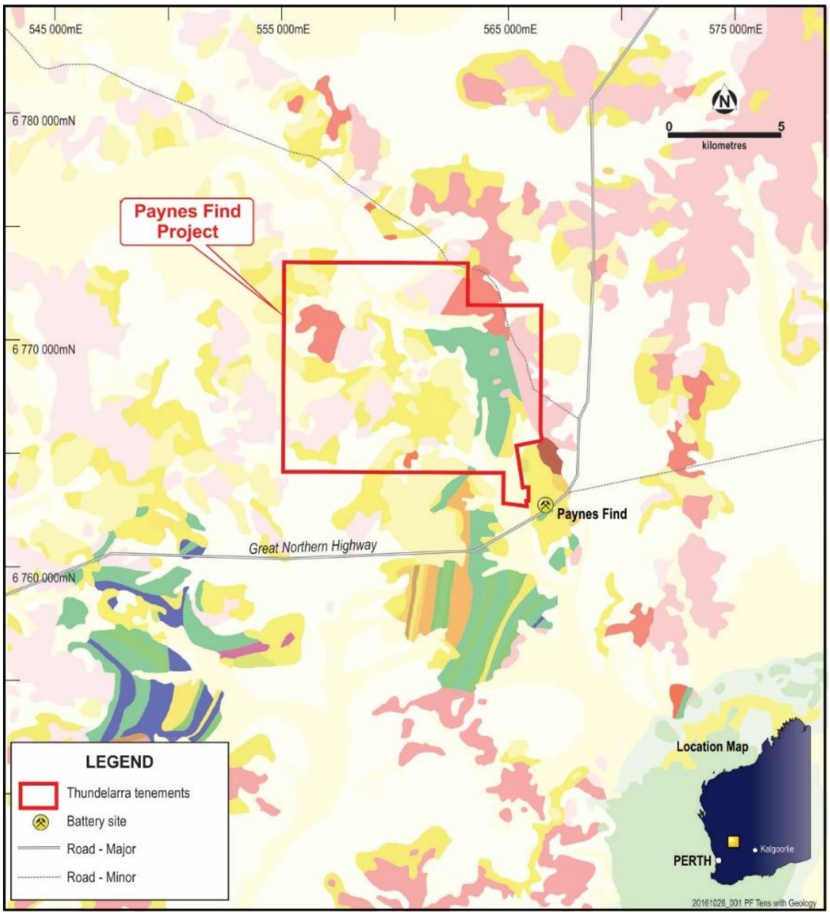
Red Bore (M52/597) and Curara Well (E52/2402) locations relative to DeGrussa. Copper in soil anomalies.

White Well comprises 2 granted Prospecting Licences for a total area of 308ha (~3km^2). It is located approximately 90km northeast of Meekatharra. The White Well project area is also surrounded by tenements the subject of current active exploration by Sandfire Resources NL (SFR) following an arrangement reached with the registered tenement holder Enterprise Metals (ENT) in late 2016.

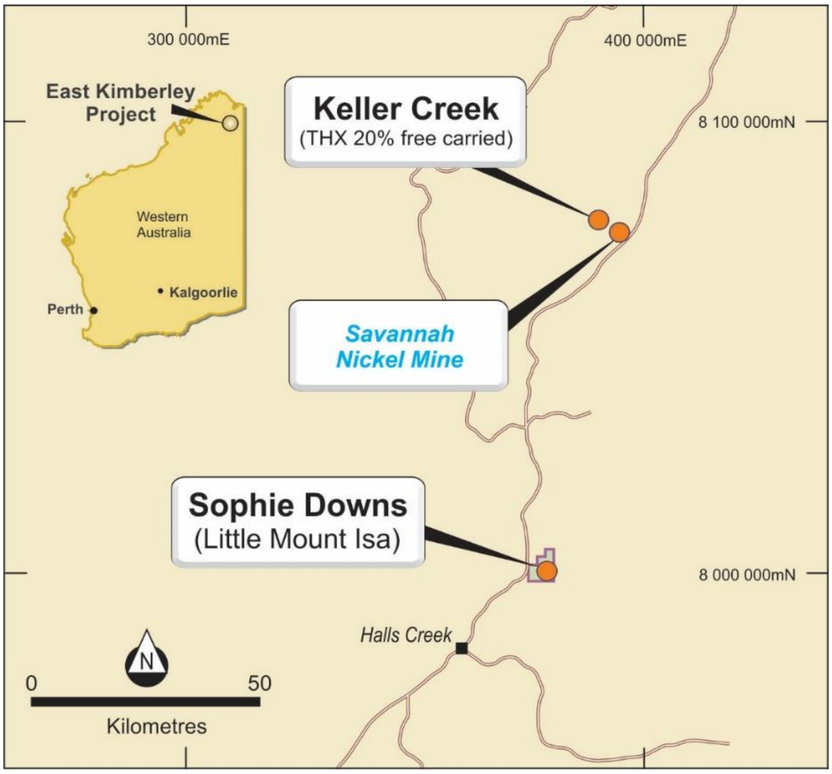
Paynes Find comprises 1 granted Exploration Licence and 2 granted Prospecting Licences. The Project is located approximately 140km south of Mount Magnet along the Great Northern Highway. During 2017 a total of four reverse circulation holes were drilled for a total advance of 628m. No significant metal values were encountered and consequently a significant part of the project area was surrendered to leave the current holding. Mineralisation is shear-related hosted by gneiss. Recorded historical gold production totalled about 46,000 ounces from 60,000t grading 24 gpt from lodes in plunging shoots.

Sophie Downs is approximately 30km to the north-east of Halls Creek in the East Kimberley region of Western Australia on Thundelarra's 100%-owned exploration license EL 80/3673. No significant new field work was carried out during 2017 but a small drilling programme was scheduled for early 2018.

CEO'S REVIEW OF OPERATIONS



Location of Paynes Find project.



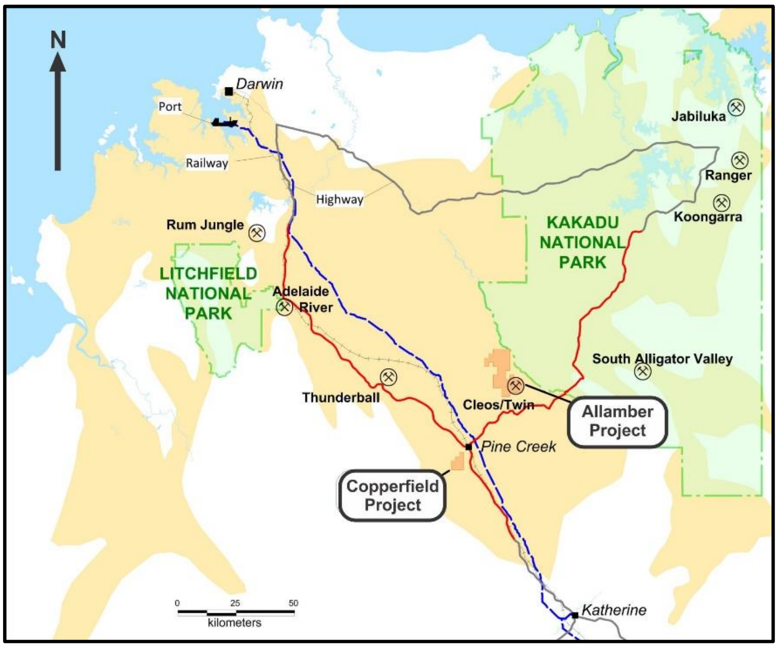
Sophie Downs and Keller Creek locations in the East Kimberley.

CEO'S REVIEW OF OPERATIONS

The **Keller Creek** tenement, in which Thundelarra holds a 20% free-carried interest through to a decision to mine, is adjacent to the Savannah underground nickel mine operated by Panoramic Resources (PAN). Panoramic holds the 80% balance in Keller Creek and manages exploration on the tenement. In its ASX announcement dated 26 August 2015, Panoramic released an exploration update on its Savannah North discovery: geophysical surveys indicate that the nickel mineralisation at depth extends possibly up to 2 kilometres to the west, beneath the Keller Creek tenement. This could effectively represent the long-term future of the Savannah mine and the potential that this extension

represents is significant to Thundelarra. As Panoramic continues exploration on this mineralisation into 2017 and beyond, any successes should, in theory, translate to additional value for Thundelarra too. We look forward to developments at Keller Creek with great anticipation.

In the Northern Territory the Company had reduced its holdings and currently has only the **Allamber** project close to the township of Pine Creek.

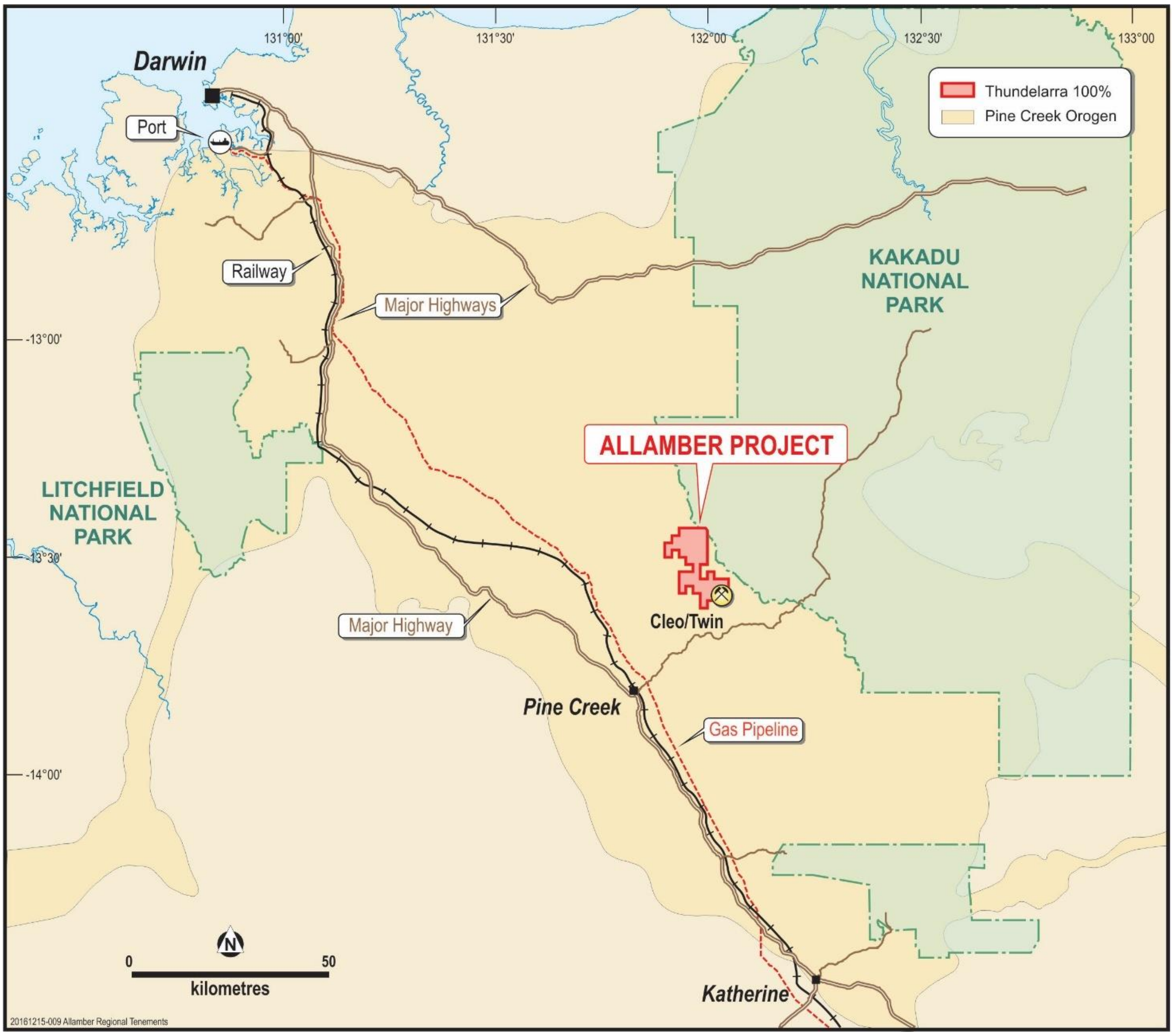


Regional location of Allamber, showing local infrastructure. Copperfield relinquished..

Allamber is located approximately 180km south-east of Darwin. Our interests there have been consolidated into a portfolio of contiguous tenements that are now wholly-owned. The project area lies mostly within the Mary River pastoral station that for many years has been operating as a safari hunting lodge. In late 2016 the owner of the Mary River Station passed away and the property was put up for sale. This processed continued until well into 2017 and following the eventual settlement of the sale, Thundelarra is still in the process of establishing contact with the new owners in order to discuss and negotiate a mutually satisfactory land access agreement. Until such time as that is concluded, active exploration at the property will remain on hold.

A five hole, 863m follow-up drilling programme at Allamber in 2017 encountered further base metal (copper) mineralisation at two of the three prospects tested and confirmed the potential for graphite of significant grade to occur over substantial distances along the carbonaceous Masson formation contact with the adjacent granite. The Ox-Eyed Herring / Tarpon area appear to represent the surface mineralisation from a deeper-seated intrusive source. Planned DHTEM (downhole EM) surveys will guide follow-up exploration for the next field season. Allamber remains highly prospective for copper and graphite and also retains its uranium prospectivity at Cliff South.

CEO'S REVIEW OF OPERATIONS



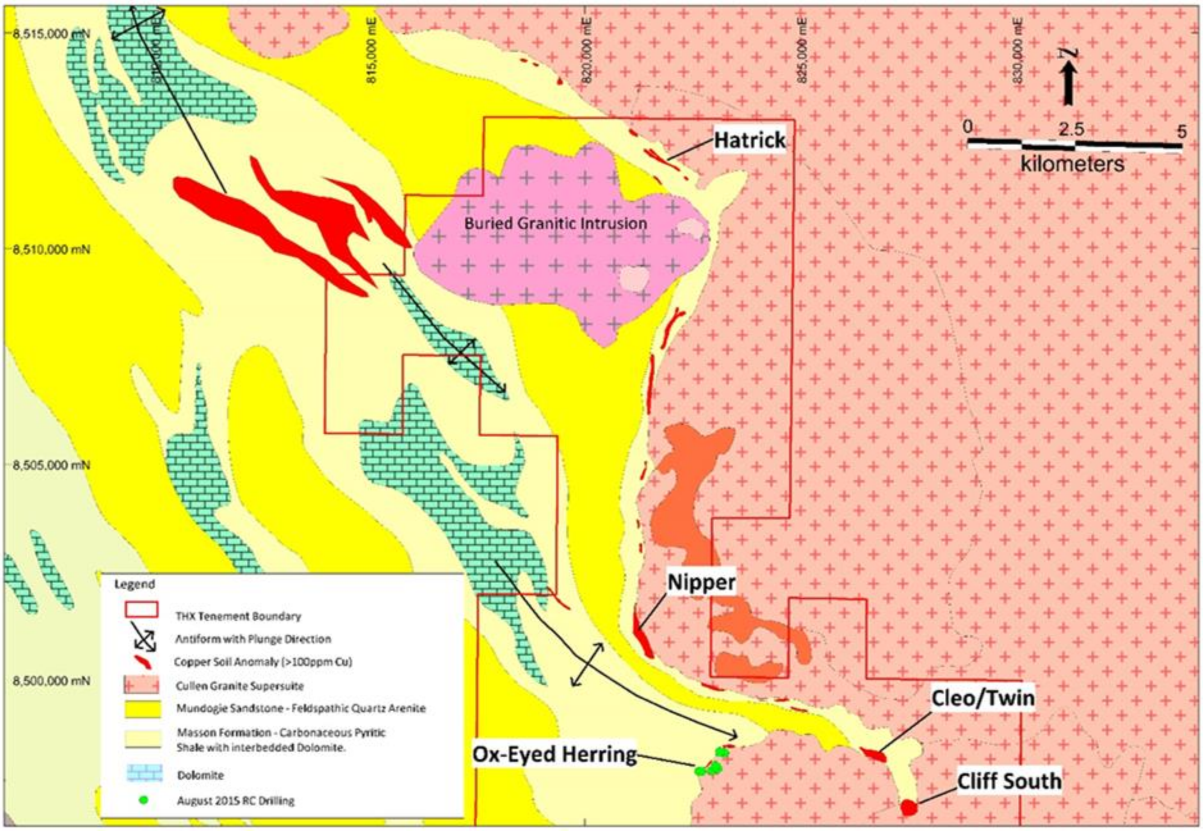
Regional map showing location of Allamber Project and proximity to infrastructure.

Total advance was 863.3m (344m RC; 519.3m DD tails). Full details are presented below.

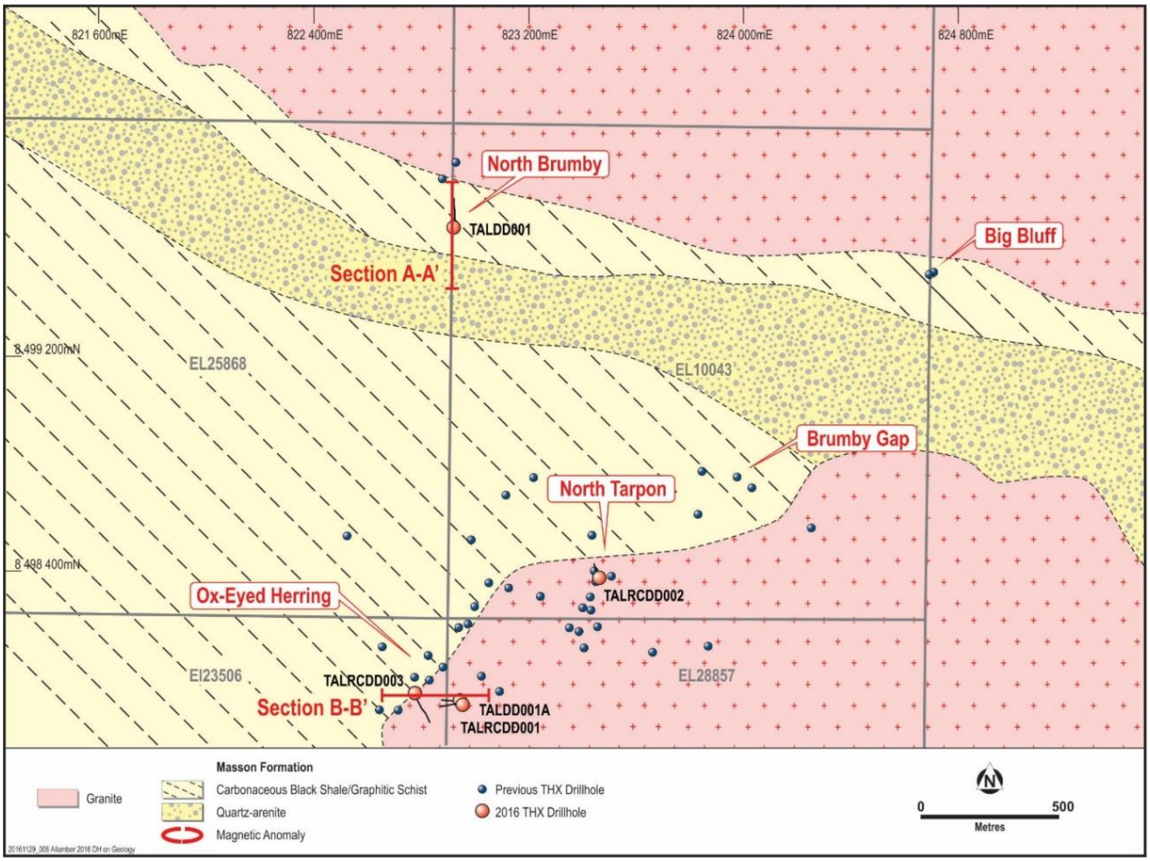
Hole ID	Prospect	Easting	Northing	RL	Azimuth	Dip	Depth
TALDD001	North Brumby	822919	8499685	170m	357^0	-65^0	249.1m
TALDD001A	Ox-Eyed Herring	822905	8497915	143m	267^0	-65^0	44.9m
TALRCDD001	Ox-Eyed Herring	822937	8497914	143m	267^0	-65^0	176.9m
TALRCDD002	North Tarpon	823461	8498372	170m	327^0	-75^0	209.7m
TALRCDD003	Ox-Eyed Herring	822772	8497937	147m	150^0	-60^0	182.7m

Details of holes drilled. RCDD represents RC pre-collar with DD tail. Locations on GDA94 MGA zone 52. The azimuth shown is the magnetic azimuth of the drilling direction.

CEO'S REVIEW OF OPERATIONS



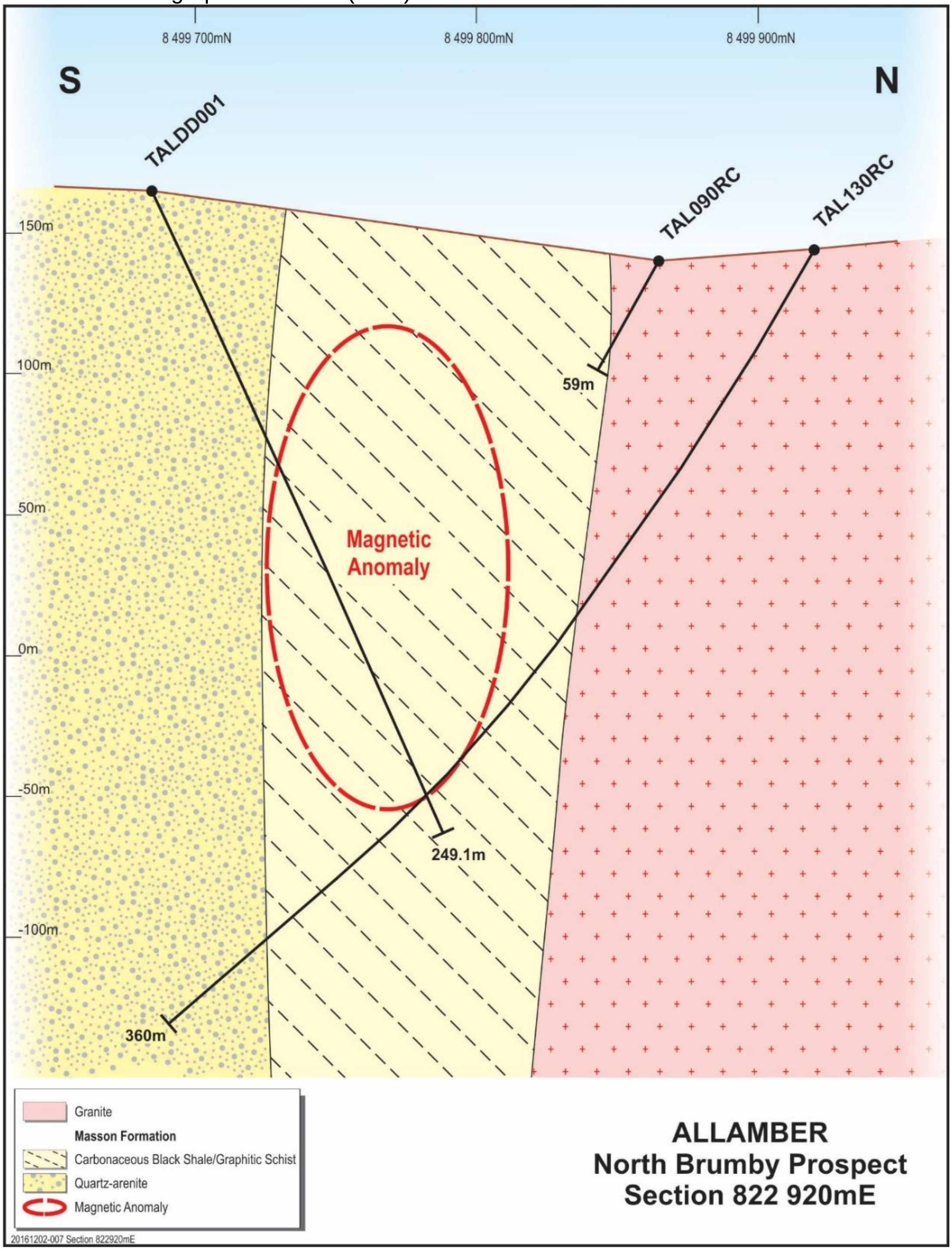
Allamber Project area showing various prospect locations and tenement outline.



Ox-Eyed Herring, North Tarpon and North Brumby prospects showing section and drill collar locations.

CEO'S REVIEW OF OPERATIONS

TALDD001 was drilled at **North Brumby** to test the strong magnetic anomaly located within the black shale package at the contact with the granitic batholith to the north; and the graphite potential at the metamorphosed contact with the granitic intrusion. A thick sequence of metasediments was intersected, with several granitic dykes noted. Trace amounts of pyrite and chalcopyrite were observed. Graphitic schists with various amounts of sulphides, mostly pyrrhotite and pyrite, were intersected. Samples were collected to test for total graphitic content (TGC).



North Brumby cross section. Refer A-A' on previous figure.

The presence of pyrrhotite explains the magnetic anomaly tested by this hole. Base metals were generally at background levels, with occasional elevated zinc.

CEO'S REVIEW OF OPERATIONS

Core from 168.8m in TALDD001 showing graphite with sulphides (pyrrhotite, pyrite) in quartz-muscovite schist. Field of view approximately 3 cm.

The thick carbonaceous shale package between the Masson quartz-arenite, to the south, and the granitic batholith, to the north, has significant potential for graphite. Petrology carried out on several samples showed an average graphite flake size of approximately 70 microns. The local continuity of this stratigraphic horizon (Figures 2, 3) show that it has the potential to host significant graphite content both to the north-west (to the Nipper prospect and beyond to Hatrick) and to the east towards the Cleo-Twin prospect. Samples were taken from across the sequence from 61.5m downhole to 246.65m downhole and the 18 samples delivered TGC grades averaging 11.5% within a range of 17.4% to 5.6%.

The diamond hole testing **North Tarpon** hit some local zones of enriched copper values (see table below), but overall the whole intersected package does not show potential for economic copper mineralisation at commercial scale.

Hole ID	From	To	Interval	Cu
TALRCDD002	85.0	87.5	2.50m	**0.25%**
TALRCDD002	111.2	119.25	8.05m	**0.59%**
TALRCDD002	177.0	180.0	3.00m	**0.69%**
TALRCDD002	192.5	195.1	2.60m	**1.23%**

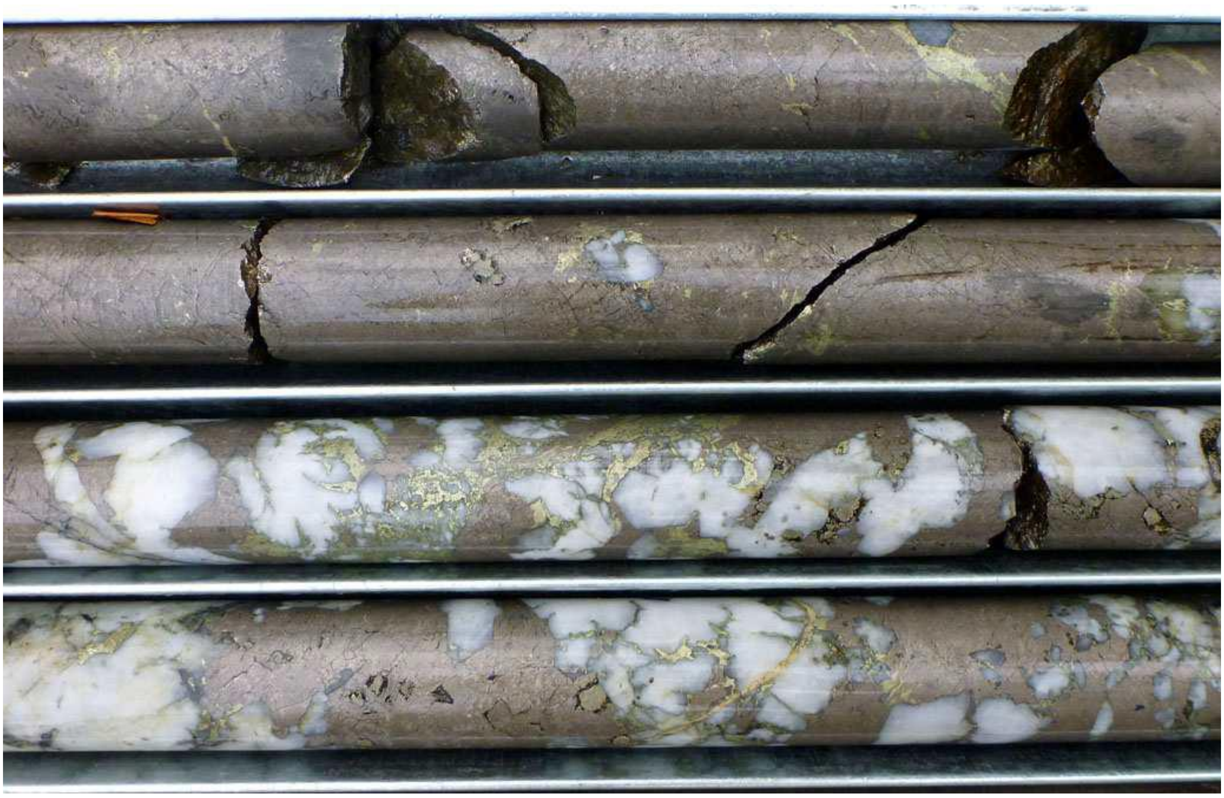
Significant copper intercepts from North Tarpon.

At **Ox-Eyed Herring** two thin mineralised zones were intersected in **TALRCDD001** between 152.15-154.3m and 159.4-161.2m. **TALRCDD003** tested a strong off-hole conductor and intersected massive sulphides comprising pyrrhotite with blebs of chalcopyrite and thin zones of quartz breccia with chalcopyrite. Significant intercepts are recorded below.

Hole ID	From	To	Interval	Cu
TALRCDD001	152.15	154.3	2.15m	**0.60%**
TALRCDD001	159.4	161.2	1.80m	**0.21%**
TALRCDD003	154.75	164.0	**9.25m**	**1.21%**
including	156.0	159.6	3.60m	**1.58%**
and	160.5	162.95	2.45m	**1.74%**

Significant copper intercepts from Ox-Eyed Herring.

CEO'S REVIEW OF OPERATIONS



Massive sulphides (pyrrhotite; blebby chalcopyrite) and quartz-chalcopyrite breccia. TALRCDD003 (156-161m)

The best intercept (**9.25m at 1.21% Cu**) was from 154.75m and contained thin intervals of higher grade copper. It is associated with elevated levels of silver, bismuth, tin and tungsten.

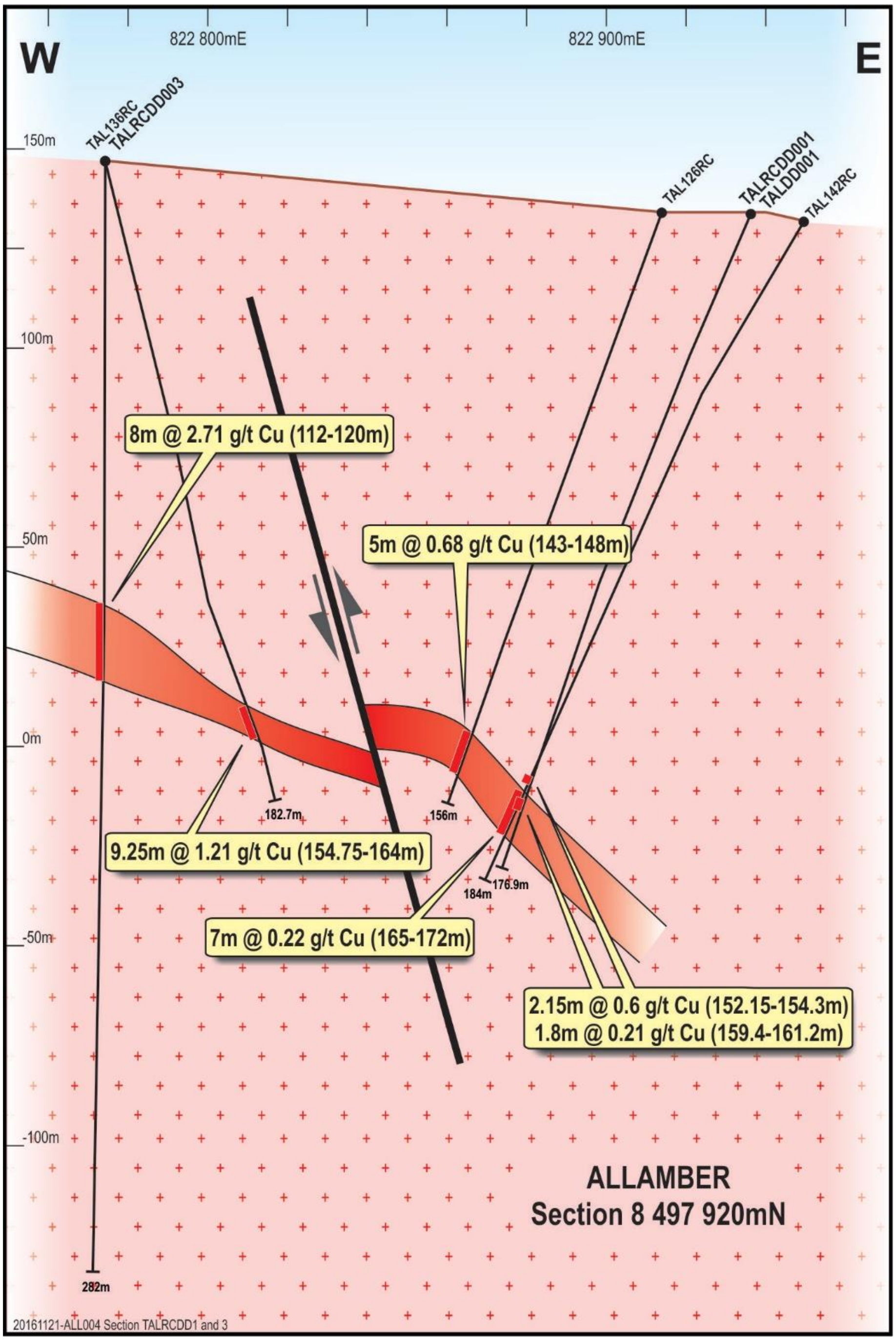
The mineralisation is complex but the metal associations identified in this drill programme warrant further investigation to gain a better understanding of the systems at work.

The cross-section B-B' below shows previous drill intersections and the inferred sub-vertical transfer fault interpreted as a possible feeder for the mineralising fluids at the Ox-Eyed Herring prospect. Additional drilling with DHTEM surveys would help define this deep target and provide a basis for future follow-up work.

Full details of the results of this drilling programme and the assays can be found in the ASX announcement dated 16 December 2016.

The **Cliff South** copper-uranium prospect at Allamber also remains of interest, although it continued to be of low priority during 2017, primarily due to the persistently depressed uranium price dampening any interest in the uranium sector.

CEO'S REVIEW OF OPERATIONS



Ox-Eyed Herring cross section. Refer B-B'.

CEO'S REVIEW OF OPERATIONS

CORPORATE

Thundelarra continues to manage its capital carefully and frugally, whilst maintaining active exploration programmes. A Renounceable Rights Issue offered in September 2017 achieved a 60% take-up from existing shareholders, but the demand for shortfall was so strong that the Board decided to issue an additional placement. As a result, a total of $5.2 million was raised (before costs), which was an excellent outcome. Both issues were at 2.5 cents per share and were accompanied by a 1 for 2 listed free option exercisable at $0.05 by 30 September 2019.

At the end of the year Thundelarra had $4.6 million cash at bank, which increased to $7.3 million a few days later when the balance of the shortfall funds came in on 04 October 2017. This left the Company well placed, financially, for the aggressive exploration planned in 2018 at the Garden Gully gold project and elsewhere.

The exploration sector "green shoots" alluded to last year appear to be starting to flourish, at long last. Thundelarra remains very upbeat about our exploration prospects and the geological and technical potential of our targets. Although the past five to six years have been unquestionably challenging, they have allowed us to develop a team culture that focuses on efficient and effective use of shareholder funds.

Consequently, 2018 has the potential to be a very exciting year for Thundelarra shareholders. Results to date at Garden Gully, including the visible free gold intersected in drill core testing for extensions at depth beneath the mineralisation at the historic Crown Prince operations, augur very well for our planned programmes. Red Bore will have $1.5 million of exploration spending by our joint venture partner and Thundelarra should benefit from any resulting exploration success. Continuing recovery in the nickel price could lead to positive news from Keller Creek. Add Allamber, Sophie Downs, and the other gold projects to the list and we believe Thundelarra offers excellent potential for significant discoveries and market re-rating in what is finally a resurgent exploration sector.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

In accordance with ASX Listing Rules 5.20, 5.21, 5.22, 5.23 and 5.24, Thundelarra has an equity interest in estimated mineral resources at the Red Bore Copper-Gold Project, located approximately 900km north-east of Perth in the Doolgunna region of the Murchison District of Western Australia, and at the Chloe Uranium Project within the Allamber Project located about 240km south-south-east of Darwin in the Northern Territory. The mineral resources tabulated below have not changed in any way from the previous year. Neither resource has had any additional exploration results that would warrant recalculation since the original resource reported.

RED BORE COPPER-GOLD PROJECT

The Red Bore project comprises one granted Mining Licence M52/597 and is a joint venture between Thundelarra (90%) and Mr William Richmond (10%).

Estimated mineral resources (100%) were reported to the Australian Stock Exchange on 4 May 2012.

	1% Cu Cut-off Grade						
Class	**Material**	**Tonnes**	**Bulk Density**	**Cu (%)**	**Tonnes Cu**	**Au (%)**	**Au Ounces**
Indicated	Oxide	20,000	3.2	2.9	600	0.40	270
Indicated	Transitional	12,000	3.2	4.2	480	0.50	180
Indicated	Fresh	16,000	3.1	4.0	660	0.40	190
		48,000	**3.2**	**3.6**	**1,740**	**0.40**	**650**

Red Bore Copper-Gold Project (Murchison District, Western Australia). No change from original 2012 report.

CLEO URANIUM PROJECT

The Cleo project lies within granted Exploration Licence EL24549 and contains two deposits, Twin and Dam. It is held 100% by Element 92 Pty Ltd, a wholly-owned subsidiary of Thundelarra.

Estimated mineral resources (100%) were reported to the Australian Stock Exchange on 26 March 2008 by previous owner Atom Energy Ltd (ASX:AXY).

	100ppm U_3O_8 Cut-off Grade		
Deposit	**Class**	**Tonnes**	**U_3O_8 (ppm)**
Dam	Inferred	585,000	286
Twin	Inferred	824,000	316
		1,409,000	**304**

Cleo Uranium Project (Pine Creek District, Northern Territory). No change from original 2008 report.

This information was prepared and first disclosed in compliance with the 2004 JORC Code. Thundelarra is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Consequently it has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

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Competent Person Statement
The mineral resources and ore reserves statement in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by a competent person or persons. The mineral resources and ore reserves statement as a whole has been approved by Mr Costica Vieru, who is a full-time employee of the Company and a Member of the Australian Institute of Geoscientists. Mr Vieru consents to the inclusion of the mineral resources and ore reserves statement in the form and context in which it appears in this Annual Report.
mineral resources and ore reserves statement in the form and context in which it appears in this Annual Report.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

APPROACH TO CORPORATE GOVERNANCE

Thundelarra Limited ACN 085 782 994 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations (each a recommendation) set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition. The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained it reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at http//www.thundelarra.com/corporate_governance:

Charters
Board
Audit Committee
Nomination Committee
Remuneration Committee
Risk Committee

Policies and Procedures
Policy and Procedure for the Selection and (Re)Appointment of Directors
Process for Performance Evaluations
Securities Trading Policy
Code of Conduct (summary)
Compliance Procedures (summary)
Procedure for the Selection, Appointment and Rotation of External Auditor
Shareholder Communication and Investor Relations Policy
Diversity Policy (summary)
Induction Program
Policy on Continuous Disclosure (summary)
Whistleblower Policy

The Company reports below on whether it has followed each of the recommendations during the 2016/2017 financial year (**Reporting Period**). The information in this statement is current at 20 December 2017. This statement was approved by a resolution of the Board on 20 December 2017.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter, which is disclosed on the Company's website.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks which are undertaken, and the information provided to shareholders are set out in the Company's Policy and Procedure for the Selection and (Re) Appointment of Directors, which is disclosed on the Company's website.

The Company provided shareholders with all material information in relation to the re-election of Philip Crabb as a director at its last Annual General Meeting held on 24 February 2017 and undertook appropriate checks in respect of the appointment of Rick Crabb as a director on 20 November 2017.

Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is related party of the Chief Executive Officer or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter. The Company's Secretary's role is also outlined in the employment agreement between the Company Secretary and the Company.

Recommendation 1.5

The Company has established a Diversity Policy. However, the Diversity Policy does not include requirements for the Board to establish measurable objectives for achieving gender diversity or for the Board to assess annually both the objectives and progress towards achieving them. Nor has the Board set measurable objectives for achieving gender diversity. The Board considers that the Company has in place policies and arrangements to encourage diversity in employment. Further, due to the Company's current operations, size and small number of employees, the Board considers that it is difficult to set meaningful measurable objectives for achieving gender diversity. The Board will review its position and may develop measurable objectives when the Company's operations increase.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at the date of this statement are set out in the following table. "Senior executive" for these purposes means those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance:

	Proportion of women
Whole organisation	2 out of 10 (20%)
Senior executive positions	0 out of 2 (0%)
Board	0 out of 4 (0%)

Recommendation 1.6

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors in accordance with the process disclosed in the Company's Process for Performance Evaluations.

Each of the directors (including the Chair) completes a questionnaire and the Chair discusses the responses to the questionnaire with the Board on a round-table basis. The Chair is reviewed on this basis by the rest of the Board. Where a Board member also performs an executive role (eg. in the case of the Chief Financial Officer and Company Secretary), the review also addresses the directors' executive role.

During the Reporting Period, an evaluation of the Board, its committees and individual directors took place in accordance with the process disclosed above.

Recommendation 1.7

The Chair is responsible for evaluating the performance of the Company's two senior executives, the Chief Executive Officer and the Chief Financial Officer & Company Secretary in accordance with the process disclosed in the Company's Process for Performance Evaluations.

The evaluation is conducted at the time of the executive's annual remuneration review, and involves an interview with the Chair to discuss performance against the Chief Executive Officer's contract with the Company. The Chair also evaluates the performance of the Chief Executive Officer on an ongoing basis via informal discussions about performance.

The Chief Financial Officer and Company Secretary's performance was reviewed as part of his review as a Board member. Please refer to Recommendation 1.6 above.

During the Reporting Period a performance evaluation of the Chief Executive Officer took place in accordance with the process disclosed above.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Although the Board has not established a separate Nomination Committee, it has adopted a Nomination Committee Charter, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee, as disclosed on the Company's website.

When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. Separate meetings of the full Board in its capacity as the Nomination Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is represented by the composition of its current Board. The Board members have a high level of experience and expertise in the resources sector. The Board comprises directors who possess the following skills, qualifications and experience:

- extensive corporate and public company experience;
- technical skills and qualifications;
- experience in management and marketing in the resources sector;
- legal qualifications:
- financial qualifications; and
- geological experience.

The Board considers that this mix of skills is appropriate for the Company's current circumstances.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations. During the Reporting Period, the sole independent director of the Company was Malcolm Randall. Mr Randall has been on the Board since 2003 as a non-executive director.

The Board has considered Mr Randall's independence, and notwithstanding his length of service on the Board, the Board considers that Mr Randall is sufficiently independent because he is not a member of management, he is free of any business or other relationship that could materially interfere with the independent exercise of his judgement and consistently makes decisions that are in the best interests of the Company. Accordingly, the Board considers Mr Randall to be an independent director.

Subsequent to the end of the Reporting Period (on 20 November 2017), the Board appointed an additional non-executive Director to the Board, Rick Crabb.

The length of service of each director is set out in the Directors' Report on pages 31 to 33 of the Company's 2017 Annual Report.

Recommendation 2.4

The Board does not have a majority of directors who are independent. The Board considers that its composition is appropriate for the Company's circumstances and includes an appropriate mix of skills and expertise relevant to the Company. The Company gives consideration to the balance of independence on the Board, and will continue to review its composition. As noted above, subsequent to the end of the Reporting Period, the Board appointed an additional independent non-executive Director to the Board such that the Board now comprises an equal number of independent and non-independent Directors, and will continue to review its composition.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Recommendation 2.5

During the Reporting Period, the Company did not have an independent Chair. The non-independent Chair of the Board is Philip Crabb. The Board believes that Mr Crabb is the most appropriate person for the position of Chair because of his industry experience and knowledge. Philip Crabb and his associate's substantial shareholding is the only factor that precludes him from being considered independent. The Board believes that Mr Crabb makes decisions that are in the best interests of the Company.

The Chief Executive officer is Mr Antony Lofthouse who is not a director or Chair of the Board.

Recommendation 2.6

The Company has an induction program that it uses to when new directors join the Board and when new senior executives are appointed. The goal or the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's Induction Program is disclosed on the Company's website.

The full Board in its capacity as the Nomination Committee regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. In particular, the Board ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

The Company has established a Code of Conduct for its directors, senior executives and employees, a summary of which is disclosed on the Company's website.

The Company has also adopted a Whistleblower Policy to encourage the reporting of violations (or suspected violations) of the Company's Code of Conduct and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling. The Company's *Whistleblower Policy* is disclosed on the Company's website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The Board has established an Audit Committee. During the Reporting Period, the members of the Audit Committee are the Company's two non-executive directors, Malcolm Randall (Chair) and Philip Crabb. The Audit Committee was not structured in compliance with Recommendation 4.1 as it comprised only two members. The Board was unable to establish an Audit Committee that met the compositional requirements of Recommendation 4.1. However, the Board considered it appropriate that the Audit Committee comprise the Company's two non-executive directors, one of whom is independent and the committee is chaired by an independent director who is not also Chair of the Board.

However, subsequent to the Reporting Period, Rick Crabb has been appointed as an additional member to the Audit Committee, which is now structured in compliance with Recommendation 4.1.

The Company has also established a Procedure for the Selection, Appointment and Rotation of its External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Details of director attendance at Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 42 of the Company's 2017 Annual Report.

The Board has adopted an Audit Committee Charter which describes the Audit Committee's role, composition, functions and responsibilities.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Recommendation 4.2

Before the Board approved the Company financial statements for the half year ended 31 March 2017 and the full-year ended 30 September 2017 and each of the quarters ending 31 December 2016, 31 March 2017, 30 June 2017 and 30 September 2017, it received from the Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and must arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and who is in a position to answer questions about the audit. Each year, the Company writes to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

A representative of the Company's auditor, Stanton's International attended the Company's annual general meeting held on 24 February 2017.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.thundelarra.com as set out in its Shareholder Communication and Investor Relations Policy.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's Shareholder Communication and Investor Relations Policy.

Recommendation 6.3

The Company has in place a Shareholder Communication and Investor Relations Policy which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The contact details of the Company and its share registry are available on its website at www.thundelarra.com.au. Further, shareholders may register to receive Company information on its website.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1

The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

performs the role of Risk Committee however, the Chief Executive Officer also attends meetings of the Risk Committee by invitation. Although the Board has not established a separate Risk Committee, it has adopted a Risk Committee Charter. When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board did not officially convene as a Risk Committee during the Reporting Period, however risk-related discussions occurred from time to time during the year as required.

Recommendation 7.2

The full Board in its capacity as the Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Using its risk management framework, the Board has identified the following risk categories – liquidity, strategic risk, operational, environmental, compliance, human capital, workplace, health and safety, financial reporting, market and commodity related.

As the Company is not in production nor has any major operations, the Company has not identified any material exposure to any environmental and/or social sustainability risks.

However, the Company does have a material exposure to the following economic risks:

Economic risk type	Mitigation strategies
Market risk – movements in commodity prices	The group manages its exposure to market risk by monitoring market conditions and making decisions based on industry experience.
Future capital – cost and availability of funds to meet the Company's business needs	The Company monitors its cash reserves and manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the group's current and future operations.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The Board has established a Remuneration Committee. During the Reporting Period, the members of the Remuneration Committee were the Company's two non-executive directors, Malcolm Randall (Chair) and Philip Crabb. The Remuneration Committee was not structured in compliance with Recommendation 8.1 as it comprised only two members. However, the Board considered it appropriate that the Remuneration Committee comprise the Company's two non-executive directors, one of whom is independent and the committee is chaired by an independent director who is not also Chair of the Board.

However, subsequent to the Reporting Period, Rick Crabb has been appointed as an additional member to the Remuneration Committee, which is now structured in compliance with Recommendation 8.1.

Details of director attendance at Remuneration Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 42 of the Company's 2017 Annual Report.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

Recommendation 8.2

Details of remuneration, including the Company's policy on remuneration and "clawback policy" regarding the lapsing of performance-based remuneration in the event of fraud or serious misconduct and the clawback of the performance-based remuneration in the event of a material misstatement in the Company's financial statements, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences at page 12 of the Company's 2017 Annual Report.

The Company's Employee Share Option Plan includes provisions that if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested options were not, or should not have been determined to have been, satisfied, then the holder will cease to be entitled to those vested options (**Affected Options**) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the holder pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjusting fixed remuneration, incentives or participation in the option incentive plan of a relevant holder in the current year or any future year to take account of the after tax value of the Affected Options.

Recommendation 8.3

The Company's Securities Trading Policy includes a statement of the Company's policy on prohibiting participants in the Company's Employee Share Option Plan (Plan) entering into transactions or arrangements which limit the economic risk of participating in the Plan.

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Thundelarra Limited and the entities it controlled at the end of, or during, the year ended 30 September 2017.

INFORMATION ON DIRECTORS

The following persons were Directors of Thundelarra Limited ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

Mr Philip G Crabb	Non-Executive Chairman	
Mr Frank DeMarte	Executive Director	
Mr Malcolm R J Randall	Non-Executive Director	
Mr Rick W Crabb	Non-Executive Director	Appointed on 20 November 2017

PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of $2,568,079 (2016 – loss $5,514,791).

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the Company's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years, the financial effects of which have not been provided for in the 30 September 2017 financial statements:

Rights Issue – Shortfall Securities

In October 2017, the Company issued 68,910,786 ordinary fully paid shares at an issue price of $0.025 together with 34,455,399 free attaching quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 relating to the shortfall from the renounceable rights issue that closed on 21 September 2017.

Placement

In October 2017, the Company issued 38,000,000 ordinary fully paid shares at an issue price of $0.025 together with 19,000,000 free attaching quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 to raise an additional $950,000 (before costs) to unrelated sophisticated investors to accommodate some of the demand from investors.

Exercise of Quoted Securities

In October 2017, the Company issued 1,618 ordinary fully paid shares at an issue price of $0.050 pursuant to the exercise of quoted options.

Issue of Quoted Options to Underwriter

In October 2017, the Company issued 5,000,000 quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 to CPS Capital Group Pty Ltd as consideration for their role as part Underwriter to the renounceable rights issue.

Issue of Employee Options

In December 2017, the Company issued 2,500,000 unquoted options exercisable at $0.04 each with an expiry date of 18 December 2020 to eligible employees in accordance with the Company's Employee Share Option Plan.

DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters which would have a significant adverse effect on the Consolidated Entity.

CORPORATE INFORMATION

Thundelarra Limited	Parent entity
Element 92 Pty Ltd	100% owned controlled entity
Red Dragon Mines Pty Ltd	100% owned controlled entity

INFORMATION ON DIRECTORS

PHILIP G CRABB	***Non-Executive Chairman***
Qualifications	*FAusIMM, MAICD*
Skills and Experience	Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past 47 years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb was re-appointed a director on 7 March 2012.
Other current Directorships	Aldershot Resources Limited (since 2010).
Former Directorships in last three years	None.
Special Responsibilities	Member of Nomination Committee from March 2012. Member of Audit Committee from March 2012.
Interest in Shares and Options at the date of this report	75,727,697 Fully paid ordinary shares. 10,000,000 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

MALCOLM R J RANDALL	***Non-Executive Director***
Qualifications	*B.Applied Chem, FAICD*
Skills and Experience	Mr Randall holds a Bachelor of Applied Chemistry Degree and is a member of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 20 years with the Rio Tinto group of companies. His experience extends over a broad range of commodities including iron ore, diamonds, base metals, coal, uranium, and industrial minerals both in Australia and internationally. Mr Randall was appointed a director on 8 September 2003.
Other current Directorships	Magnetite Mines Limited (since 2006). Summit Resources Limited (since 2007). Spitfire Oil Ltd (since 2007).

DIRECTORS‘ REPORT

	Kalium Lakes Limited (since 2016). Argosy Minerals Limited (since 2017).
Former Directorships in last three years	MZI Resources Limited (formerly Matilda Zircon Ltd) from 2009 to 2016.
Special Responsibilities	Chairman of Audit Committee from April 2013. Chairman of Nomination Committee from December 2004. Chairman of Remuneration Committee from April 2013.
Interest in Shares and Options at the date of this report	1,960,000 Fully paid ordinary shares. 280,000 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 1,500,000 Unquoted options expiring 28 February 2019 exercisable at 6 cents each. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 2,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

FRANK DEMARTE	***Executive Director***
Qualifications	*BBus(Acct), FGIA, FCIS, FAICD*
Skills and Experience	Mr DeMarte has over 32 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Company Secretary and Chief Financial Officer of the Company. Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Governance Institute of Australia Ltd. A Fellow of the Chartered Secretaries of Australia and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed a director on 30 April 2001.
Other current Directorships	Magnetite Mines Limited (since 2004).
Former Directorships in last three years	None.
Special Responsibilities	Member of Nomination Committee from December 2004. Member of Remuneration Committee from April 2013. Chief Financial Officer and Company Secretary.
Interest in Shares and Options at the date of this report	6,811,740 Ordinary shares. 928,274 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 1,500,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 5,000,000 Unquoted options expiring 28 February 2019 exercisable at 6 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

RICK W CRABB	***Non-Executive Director***
Qualifications	B. JURIS (Hons), LLB, MBA, FAICD
Skills and Experience	Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practiced as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects including financing, marketing,

DIRECTORS' REPORT

	government agreements and construction contracts for many resource development projects in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. Mr Crabb has recently retired after 9 years as a Councillor on the Western Australian Division of the Australian Institute of Company Directors. Mr Crabb was appointed a director on 20 November 2017.
Other current Directorships	Paladin Resources Ltd (Administrators Appointed) (since 1994)
Former Directorships in last three years	Golden Rim Resources Ltd from 2001 to 2017. Otto Energy Limited from 2004 to 2015. Platypus Minerals Limited from 1999 to 2015.
Special Responsibilities	Member of Nomination Committee from November 2017. Member of Audit Committee from November 2017. Member of Remuneration Committee from November 2017.
Interest in Shares and Options at the date of this report	3,485,392 Ordinary shares. 497,925 Quoted options expiring 30 September 2019 exercisable at 5 cents each.

COMPANY SECRETARY

FRANK DEMARTE *BBus (Acct), FGIA, FCIS, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 33 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Governance Institute of Australia Ltd (formally the Chartered Secretaries of Australia) and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed to the position on 8 September 2003.

SHARES UNDER OPTION

As at the date of this report, there were:

- 34,000,000 unissued ordinary shares of the Company under option as follows:

Date options issued	Expiry date	Exercise price of options	Number of options
27 July 2016	30 June 2018	$0.10	4,000,000
28 February 2014	28 February 2019	$0.06	11,500,000
4 September 2015	4 September 2018	$0.08	3,150,000
26 February 2016	26 February 2021	$0.08	3,000,000
15 November 2016	14 November 2019	$0.06	4,350,000
24 February 2017	23 February 2022	$0.07	8,000,000

- 109,297,721 are quoted options expiring on 30 September 2019 exercisable at $0.05 per option.

Date options issued	Expiry date	Exercise price of options	Number of options
28 September 2017	30 September 2019	$0.05	50,843,940
3 October 2017	30 September 2019	$0.05	58,453,781

During the financial year:

(1) 2,000,000 options exercisable at $0.23 expired on 28 February 2017; and
(2) 500,000 options exercisable at $0.06 expired on 18 March 2017.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report details the nature and amount of remuneration for each of the directors and other senior management personnel of the Company.

(a) Details of Key Management Personnel

The following persons were key management personnel of Thundelarra Limited during the financial year:

Philip G Crabb	Non-Executive Chairman
Frank DeMarte	Executive Director
Malcolm R J Randall	Non-Executive Director
Antony L Lofthouse	Chief Executive Officer

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Group.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the Group's operations.

(A) Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel.

The Remuneration Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

(B) Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

(C) Non-Executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

(b) Compensation of Key Management Personnel (continued)

The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee may also be paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitments required by directors who serve on one or more sub committees.

Each non-executive director receives $49,000 per annum effective from 1 July 2014 ($28,000 per annum prior to 1 July 2014), exclusive of any superannuation obligations for being a director of the Company. The exception to this fee structure is the Chairman of the Board who receives $90,000 per annum effective from 1 July 2016 ($62,000 per annum prior to 1 July 2016) exclusive of any superannuation ($31,846 per annum prior to 1 July 2014).

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose board they sit. The compensation of non-executive directors for the year ended 30 September 2017 is detailed as per the disclosures on page 14.

(D) Executive Compensation

Objective
The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set by remuneration committee to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the remuneration committee will review individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Since an annual review of the remuneration for the executives in July 2014, there has not been any changes to the Chief Executive Officer remuneration of $250,000 per annum exclusive of any superannuation effective from 1 July 2014 ($175,000 per annum prior to 1 July 2014) and the Company Secretary and Chief Financial Officer of $200,000 per annum exclusive of any superannuation effective from 1 July 2014 ($162,500 per annum prior to 1 July 2014).

(E) Fixed Compensation

Objective
Fixed compensation is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure
Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

(F) Other Compensation

Notwithstanding Guideline 8.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that non-executive Directors should not receive Options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the granting of options is an incentive to each of the Directors, which is a cost effective and efficient reward for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Directors.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(b) Compensation of Key Management Personnel (continued)

Details of the remuneration of each director of Thundelarra Limited and other key management personnel, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2017

		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total $	% Remuneration
Names		Salary & Directors Fees	Annual Leave Movement	Other	Superannuation	Long Service Leave	Equity Options		Consisting of Options for the Year
Executive Director									
Frank DeMarte	**2017**	**200,000**	**(6,154)**	**6,935**	**19,000**	**-**	**73,800**	**293,581**	25%
	2016	265,971	(66,920)	6,777	25,267	19,527	35,500	286,122	12%
Non-Executive Directors									
Malcolm R J Randall	**2017**	**49,000**	**-**	**-**	**4,655**	**-**	**49,200**	**102,855**	**48%**
	2016	49,942	-	-	4,745	-	17,775	72,462	25%
Philip G Crabb	**2017**	**90,000**	**-**	**1,071**	**8,550**	-	**73,800**	**173,421**	**43%**
	2016	70,731	-	1,231	6,719	-	17,775	96,456	18%
Executive									
Antony L Lofthouse	**2017**	**250,000**	**1,961**	**5,221**	**23,750**	-	**84,300**	**365,232**	**23%**
	2016	254,807	1,218	4,598	24,207	-	-	284,830	-
Totals	**2017**	**589,000**	**(4,193)**	**13,227**	**55,955**	**-**	**281,100**	**935,089**	**30%**
	2016	641,451	(65,702)	12,606	60,938	19,527	71,100	739,920	10%

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(c) Employment Agreements for Key Management Personnel

Name	Base salary	Terms of Engagement	Notice Period
F DeMarte (1)	$200,000	No fixed term	Twelve months
A L Lofthouse (2)	$250,000	No fixed term	Six months

(1) Base salary of $200,000 effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation, subject to the termination benefit provisions in Pt 2D.2 – Division 2 of the Corporations Act 2001.

(2) Base salary of $250,000 effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation and entitlements.

(d) Shareholdings of Key Management Personnel (Consolidated and Parent Entity)

The number of shares held in Thundelarra Limited during the financial year.

30 September 2017	Balance 1 October 2016	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2017
P G Crabb	55,194,289	-	-	20,533,408	75,727,697
F DeMarte	4,955,193	-	-	1,856,547	6,811,740
M R J Randall	1,400,000	-	-	560,000	1,960,000
A L Lofthouse	3,641,176	-	-	2,098,824	5,740,000
Total	65,190,658	-	-	25,048,779	90,239,437

30 September 2016	Balance 1 October 2015	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2016
P G Crabb	49,196,493	-	-	5,997,796	55,194,289
F DeMarte	3,905,882	-	-	1,049,311	4,955,193
M R J Randall	1,009,191	-	-	390,809	1,400,000
A L Lofthouse	3,041,176	-	-	600,000	3,641,176
Total	57,152,742	-	-	8,037,919	65,190,658

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. The contractual life of each option granted is five years. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 20.

Compensation Options: Granted and vested during the year ended 30 September 2017.

30 September 2017	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 20)	Exercise Price per option ($) (Note 20)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	3,000,000	3,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
F DeMarte	3,000,000	3,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
M R J Randall	2,000,000	2,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
A L Lofthouse	3,000,000	3,000,000	15/11/16	$0.0281	$0.06	14/11/19	14/05/17	14/11/19
Total	11,000,000	11,000,000						

Compensation Options: Granted and vested during the year ended 30 September 2016.

30 September 2016	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 20)	Exercise Price per option ($) (Note 20)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	750,000	750,000	26/02/16	$0.0237	$0.08	26/02/21	26/02/16	26/02/21
F DeMarte	1,500,000	1,500,000	26/02/16	$0.0237	$0.08	26/02/21	26/02/16	26/02/21
M R J Randall	750,000	750,000	26/02/16	$0.0237	$0.08	26/02/21	26/02/16	26/02/21
A L Lofthouse	-	-	-	-	-	-	-	-
Total	3,000,000	3,000,000						

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(f) Shares Issued on exercise of compensation options

No shares were issued to key management personnel on exercise of compensation options for the year ended 30 September 2017. No other key management personnel exercised compensation options during the year ended 30 September 2016.

(g) Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2017.

30 September 2017	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	73,800	-	-	43%
F DeMarte	73,800	-	-	25%
M R J Randall	49,200	-	-	48%
A L Lofthouse	84,300	-	-	23%
Total	281,100	-	-	30%

There were no alterations to the terms and conditions of options granted as remuneration since their grant.

The value of the options exercised during the year is calculated as the market price of shares of the Company on the Australian Securities Exchange as at the close of trading on the date the options were exercised after deducting the price paid to exercise the options. Options issued to employees vest on the basis that continual employment with the Company is achieved. All employees leaving while options are vesting will forfeit their options. Director options vest on date of issue.

For details on the valuation of the options, including models and assumptions used, please refer to Note 20. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2016.

30 September 2016	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
F DeMarte	35,550	-	-	12%
M R J Randall	17,775	-	-	25%
P G Crabb	17,775	-	-	18%
A L Lofthouse	-	-	-	-
Total	71,100	-	-	10%

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(h) Clawback Policy

The Company's Employee Share Option Plan includes provisions that if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested options were not, or should not have been determined to have been, satisfied, then the holder will cease to be entitled to those vested options (**Affected Options**) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the holder pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjusting fixed remuneration, incentives or participation in the option incentive plan of a relevant holder in the current year or any future year to take account of the after tax value of the Affected Options.

(i) Equity instruments

Analysis of options and rights over equity instruments granted as compensation. Details of vesting profiles of the options granted as remuneration to each key management personnel of the group are detailed below:

	Number of options granted	Grant Date of options	Exercise Price of options $	Fair Value of Options on Grant Date $	Financial year in which Options Expire
Executive Directors					
P G Crabb	3,000,000	24/02/17	$0.07	$0.0246	2022
	750,000	26/02/16	$0.08	$0.237	2021
F DeMarte	3,000,000	24/02/17	$0.07	$0.0246	2022
	1,500,000	26/02/16	$0.08	$0.237	2021
	5,000,000	28/02/14	$0.06	$0.0153	2019
Non-Executive Directors					
M R J Randall	2,000,000	24/02/17	$0.07	$0.0246	2022
	750,000	26/02/16	$0.08	$0.237	2021
	1,500,000	28/02/14	$0.06	$0.0153	2019
Chief Executive Officer					
A L Lofthouse	3,000,000	15/11/16	$0.06	$0.0281	2019
	5,000,000	28/02/14	$0.06	$0.0153	2019
	2,000,000	4/09/15	$0.08	$0.03819	2018

(j) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2017.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(k) Other transactions with key management personnel and their related parties

During the year there were no other transactions with key management personnel and their related parties.

(l) Option holdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Thundelarra Limited during the financial year.

							Vested at 30 September 2017		
30 September 2017	Balance at beginning of period 1 October 2016	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2017	Total	Exercisable	Not Exercisable
F DeMarte	7,000,000	3,000,000	-	(500,000)	-	9,500,000	9,500,000	9,500,000	-
M R J Randall	2,750,000	2,000,000	-	(500,000)	-	4,250,000	4,250,000	4,250,000	-
P G Crabb	750,000	3,000,000	-	-	-	3,750,000	3,750,000	3,750,000	-
A L Lofthouse	7,000,000	3,000,000	-	-	-	10,000,000	10,000,000	10,000,000	-
Total	17,500,000	11,000,000	-	(1,000,000)	-	27,500,000	27,500,000	27,050,000	-

							Vested at 30 September 2016		
30 September 2016	Balance at beginning of period 1 October 2015	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2016	Total	Exercisable	Not Exercisable
F DeMarte	7,000,000	1,500,000	-	(1,500,000)	-	7,000,000	7,000,000	7,000,000	-
M R J Randall	2,750,000	750,000	-	(750,000)	-	2,750,000	2,750,000	2,750,000	-
P G Crabb	1,000,000	750,000	-	(1,000,000)	-	750,000	750,000	750,000	-
A L Lofthouse	7,000,000	-	-	-	-	7,000,000	7,000,000	7,000,000	-
Total	17,750,000	3,000,000	-	(3,250,000)	-	17,500,000	17,500,000	17,500,000	-

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year and the number of meetings attended by each director:

	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Name	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
M R J Randall	4	4	2	2	1	1	-	-
F DeMarte (1)	4	4	2	2	1	1	-	-
P G Crabb	4	4	2	2	1	1	-	-
R W Crabb (2)	-	-	-	-	-	-	-	-

Note 1: F DeMarte, who is the Company's Company Secretary and Chief Financial Officer, attends Committee meetings by invitation only.

Note 2: R W Crabb was appointed an additional director on 20 November 2017.

Committee Memberships

As at the date of this report, the Company had an Audit Committee, Remuneration Committee and a Nomination Committee.

Audit	Remuneration	Nomination
M R J Randall (C)	M J Randall (C)	M J Randall (C)
P G Crabb	P G Crabb	F DeMarte
R W Crabb	R W Crabb	P G Crabb
		R W Crabb

Note: (C) Designates the Chairman of the Committee.

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Malcolm Randall by rotation and being eligible, offers himself for re-election at the Annual General Meeting. Mr Rick W Crabb, appointed an additional director during the year, submits himself for election at the Annual General Meeting.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums to insure the Directors and Officers of the Company against liabilities for costs and expenses that may be incurred by the Directors in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

DIRECTORS' REPORT

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

The following fee was paid or payable to Stanton's International Securities Pty Ltd for non-audit services provided during the year ended 30 September 2017:

	$
Valuation of Options issued to employees	475

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2017 has been received and can be found on page 60.

Signed in accordance with a resolution of the directors.

FRANK DEMARTE
Executive Director

Perth, Western Australia
20 December 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
REVENUE FROM CONTINUING OPERATIONS			
Revenue	4(a)	65,111	84,558
Other income	4(b)	2,077,463	367,627
		2,142,574	452,185
EXPENDITURE			
Amortisation and depreciation		(33,692)	(45,021)
Employee benefits expense	4(c)	(319,035)	(71,100)
Exploration expenditure written off or impaired	4(d)	(3,041,985)	(4,644,808)
Administration expenses	4(e)	(1,315,941)	(1,206,047)
Profit/(Loss) from continuing operations before income tax expense		**(2,568,079)**	**(5,514,791)**
Income tax (expense)/benefit	5	-	-
Net profit/(loss) from continuing operations for the year		**(2,568,079)**	**(5,514,791)**
Other comprehensive income			
Item that will not be reclassified to profit or loss		-	-
Item that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		**(2,568,079)**	**(5,514,791)**
Net Profit/(Loss) attributable to members of the parent entity		**(2,568,079)**	**(5,514,791)**
Comprehensive income/(loss) attributable to members of the parent entity			
Profit/(loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) (cents per share)	7	(0.60)	(1.57)
Diluted earnings/(loss) (cents per share)	7	(0.60)	(1.57)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	4,630,313	3,817,917
Trade and other receivables	8	19,528	101,627
Other financial assets	9	182,515	407,687
TOTAL CURRENT ASSETS		4,832,356	4,327,231
NON-CURRENT ASSETS			
Other receivables	8	248,606	324,706
Property, plant and equipment	10	112,077	143,963
Exploration expenditure	12(a)	-	-
Deferred tax asset	13	-	-
TOTAL NON-CURRENT ASSETS		360,683	468,669
TOTAL ASSETS		5,193,039	4,795,900
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	672,686	313,935
Provisions	15	199,799	178,524
TOTAL CURRENT LIABILITIES		872,485	492,459
NON-CURRENT LIABILITIES			
Provisions	15	-	-
Deferred tax liability	16	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		872,485	492,459
NET ASSETS		4,320,554	4,303,441
EQUITY			
Contributed equity	17(a)	59,692,721	57,461,564
Reserves	17(d)	8,194,373	7,840,338
Accumulated losses	18	(63,566,540)	(60,998,461)
TOTAL EQUITY		4,320,554	4,303,441

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2015		52,049,324	7,686,038	(55,483,670)	4,251,692
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(5,514,791)	(5,514,791)
Total comprehensive income/(loss) for the year		-	-	(5,514,791)	(5,514,791)
Transactions with owners recorded directly in equity:					
Cost of share based payments	17(d)	-	154,300	-	154,300
Shares issued during the year	17(b)	5,689,392	-	-	5,689,392
Transaction costs	17(b)	(277,152)	-	-	(277,152)
		5,412,240	154,300	-	5,566,540
Balance at 30 September 2016		57,461,564	7,840,338	(60,998,461)	4,303,441

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2016		57,461,564	7,840,338	(60,998,461)	4,303,441
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(2,568,079)	(2,568,079)
Total comprehensive income/(loss) for the year		-	-	(2,568,079)	(2,568,079)
Transactions with owners recorded directly in equity:					
Cost of share based payments	17(d)	-	354,035	-	354,035
Shares issued during the year	17(b)	2,699,695	-	-	2,699,695
Transaction costs	17(b)	(468,538)	-	-	(468,538)
		2,231,157	354,035	-	2,585,192
Balance at 30 September 2017		59,692,721	8,194,373	(63,566,540)	4,320,554

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government		412,506	85,957
Other revenue received		1,500,000	-
Payment to suppliers		(636,147)	(1,403,075)
Interest received		72,741	87,448
Net cash inflow/(outflow) from operating activities	6(a)	1,349,100	(1,229,670)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		(50,000)	-
Payments for purchase of plant, equipment and vehicles		(11,245)	(6,416)
Proceeds from sale of investments		364,957	-
Proceeds from sale of plant, equipment and vehicles		9,322	7,873
Redemption of security deposits		76,100	50,000
Exploration and evaluation expenditure		(3,093,343)	(3,123,091)
Net cash inflow/(outflow) from investing activities		(2,704,209)	(3,071,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		2,542,195	4,171,500
Share issue costs		(374,690)	(56,452)
Net cash inflow from financing activities		2,167,505	4,115,048
Net increase/(decrease) in cash and cash equivalents held		812,396	(186,256)
Cash and cash equivalents at the beginning of the financial year		3,817,917	4,004,173
Cash and cash equivalents at the end of the financial year	6(b)	4,630,313	3,817,917

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. CORPORATE INFORMATION

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2017 was authorised for issue in accordance with a resolution of the directors on 20 December 2017. Thundelarra Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

Separate financial statements of Thundelarra Limited as an individual entity are no longer presented as the consequence of a change on the Corporations Act 2001, however required financial information for Thundelarra Limited as an individual entity is included in note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Standards and Interpretations).

The financial report has also been prepared on a historical basis and the accruals basis modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The group recorded a loss of $2,568,079 for the year ended 30 September 2017. Total exploration expenditure recognised in the year is $3,041,985. The group had cash assets of $4,630,313 at 30 September 2017 and investments held for trading and available for sale valued at $182,515 at the reporting date. The directors believe the going concern basis of preparation is appropriate.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2017 and are outlined below.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The Consolidated financial report also complies with International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations adopted by the Group

None of the new accounting standards and amendments to the accounting standards are mandatory for the first time in their annual reporting period commencing 1 October 2016 affected any amounts recognised in the current reporting period or any prior reporting period, although it caused minor changes to the Group's disclosures.

(d) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fair value of assets and liabilities (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3
Measurements based on unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fair value of assets and liabilities (continued)

Fair value hierarchy (continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(e) New accounting standards for application in future periods

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) New accounting standards for application in future periods

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018) (continued).

  To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 16: Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

  The main changes introduced by the new Standard are as follows:

  - recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
  - depreciating the right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
  - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

  The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

  Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) New accounting standards for application in future periods

- *AASB 2014-3: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture (applicable to annual reporting periods commencing on or after 1 January 2018)*

  This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture and requires that:

  - a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;

  - the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and

  - any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

  Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Thundelarra Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(g) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Business Combinations (continued)

At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.
The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Other Comprehensive Income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the Statement of Profit or Loss and Other Comprehensive Income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement comprehensive income.

(h) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in note 21.

Mineral Exploration and Evaluation
Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs may be carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area of interest are continuing. The ultimate recoupment of the costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment of assets
The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Significant accounting estimates and assumptions

Impairment of assets
Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

(i) Deferred taxation

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Sale of concentrates or ore is recorded when control has passed to the buyer.

(k) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Inventory

(i) Raw materials and stores, work in progress and finished goods
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing inventory to its present location and conditions are accounted for as follows:

- ore stocks – cost of direct mining and a proportion of site overheads; and
- concentrates and work in progress – cost of direct mining, processing, transport and labour and a proportion of site overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Spares for production
Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such items are valued at net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss, or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) Other taxes

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(p) Plant and equipment

Plant and equipment is stated at cost less any accumulated depreciation and any impairment in losses.

(i) Depreciation
The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:
Leasehold improvements – over 5 years or period of lease
Plant and equipment – over 4 to 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Plant and equipment (continued)

Leasehold improvements – over 5 years or period of lease
Plant and equipment – over 4 to 10 years
Motor vehicles – over 4 years
Office equipment – over 5 to 8 years

(ii) Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the item value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is being derecognised.

(q) Exploration expenditure

(i) Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

(a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or

(b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the income statement in the year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined.

For the years ending 30 September 2017 and 2016 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to the reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided by the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(t) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of the employee departures, and periods of service. Where it is material expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(u) Earnings per share

(i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

(ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Borrowing costs

Borrowing costs are recognised as an expense when incurred. Alternatively, borrowing costs can be capitalised for qualifying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(y) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exits, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(z) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Interests in joint arrangements (continued)

The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 24.

(aa) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as thorough the amortisation process. For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

(ab) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thundelarra Exploration Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ab) Share-based payment transactions (continued)

Equity settled transactions:

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled aware are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(ac) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(ad) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.
Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.
Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. SEGMENT INFORMATION

The Group operates in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Consolidated 2017 $	Consolidated 2016 $
4.	**REVENUE AND EXPENSES**		
(a)	**Revenue**		
	Interest income from non related parties	65,111	84,558
(b)	**Other Revenue**		
	Net gain on disposal of fixed assets (4(f))	-	2,115
	Net gain on disposal of investments (4(g))	164,957	-
	Research and development – tax refund	412,506	85,957
	Increase in market value of investments	-	279,555
	Other income – Red Bore pre-emptive right	1,500,000	-
		2,077,463	367,627
	Total Revenues	2,142,574	452,185
(c)	**Employee Benefits Expenses**		
	Share based payments expense	(319,035)	(71,100)
	The share based payments expense relates to the requirement to recognise the cost of granting options to Directors and employees under AIFRS over the option vesting period.		
(d)	**Exploration Expenditure Written Off**		
	Exploration expenditure written-off or impaired	(3,041,985)	(4,644,808)
(e)	**Other Expenses**		
	Administrative costs	(6,140)	(8,492)
	Office and miscellaneous	(240,162)	(224,090)
	Professional fees	(106,081)	(103,832)
	Regulatory fees	(77,554)	(66,808)
	Shareholder and investor relations	(160,181)	(126,600)
	Employee expenses	(683,768)	(640,861)
	Decrease in market value of investments	(25,171)	-
	Other operating expenses	(16,884)	(36,164)
		(1,315,941)	(1,206,047)
(f)	**Net Gain on Disposal of Fixed Assets**		
	Proceeds from disposal of fixed assets	6,883	7,873
	Carrying amounts of fixed assets sold	(6883)	(5,758)
	Net gain on disposal	-	2,115
(g)	**Net Gain on Disposal of Investments**		
	Proceeds from disposal of investments	364,957	-
	Carrying amounts of investments sold	(200,000)	-
		164,957	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. INCOME TAX

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated 2017 $	Consolidated 2016 $
Profit/(Loss) from ordinary activities before income tax expense	(2,568,079)	(5,514,791)
Prima facie tax benefit on loss from ordinary activities at 27.5% (2016 – 30%)	(706,221)	(1,654,437)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	1,645	1,431
Share based payments	83,667	24,847
	(620,909)	(1,628,159)
Movement in current year temporary differences	(90,681)	485,664
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	711,589	1,142,495
Tax effect of prior year research and development refund	-	-
Income tax expense/(benefit)	-	-

(b) Unrecognised temporary differences Deferred Tax Assets (27.5%) (2016 – 30%)

	Consolidated 2017 $	Consolidated 2016 $
Impairment and depreciation of assets in joint venture	1,688	2,027
Prepayments	-	6,209
Investments	302,248	284,673
Capital raising, formation and legal costs	180,170	127,307
Provisions for expenses	61,797	61,468
Carry forward revenue losses	12,519,493	12,881,350
Carry forward capital losses	4,926	5,373
	13,070,322	13,363,034
Deferred Tax Liabilities (27.5%) (2016 – 30%)		
Unearned revenue	2,357	4,859
	2,357	4,859
Net Deferred Tax Asset (Liability)	13,067,965	13,358,175

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2017 as an asset because recovery of the tax losses is not probable.

The potential future income tax benefit will be obtainable by the Group only if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
(b) the Group continues to comply with the conditions for deductibility imposed by income tax law; and
(c) no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Consolidated 2017 $	Consolidated 2016 $
6.	**CASH FLOW INFORMATION**		
(a)	**Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax**		
	Operating profit/(loss) after income tax	(2,568,079)	(5,514,791)
	Non cash flows in operating loss		
	Exploration costs written-off or provided	3,041,985	4,644,808
	Amortisation and depreciation	33,692	45,021
	Share based payments	319,035	71,100
	Net (Increase)/ decrease in fair value of investments	25,171	(279,555)
	(Profit)/Loss on sale of investments	(164,957)	(2,115)
	Change in assets and liabilities		
	(Decrease)/increase in trade creditors and accruals	558,879	(67,077)
	(Increase)/decrease in receivables	82,099	(46,212)
	(Decrease)/increase in provisions	21,275	(80,849)
	Net cash outflow from operating activities	1,349,100	(1,229,670)
(b)	**Cash and cash equivalents represents:**		
	Cash in bank and on hand	358,470	508,917
	Deposits at call	4,271,843	3,309,000
		4,630,313	3,817,917
(c)	**Non Cash Investing Activities**		
	Acquisition of tenements and rights by issue of shares	157,500	1,380,392
7.	**EARNINGS PER SHARE**		
(a)	Basic earnings/(loss) per share (cents per share)	(0.60)	(1.57)
(b)	Diluted earnings/(loss) per share (cents per share)	(0.60)	(1.57)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

		2017	2016
(c)	Net profit/(loss) attributable to ordinary shareholders	(2,568,079)	(5,514,791)
(d)	Weighted average number of ordinary shares outstanding during the year used in the calculation:		
	- basic earnings per share	426,082,140	350,913,974
	- diluted earnings per share	426,082,140	350,913,974

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	2017	2016
Other receivables	10,958	85,429
Accrued income	8,570	16,198
	19,528	101,627

The were no amounts receivable from directors and director related entities in 2017 and 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Consolidated 2017 $	Consolidated 2016 $
8. TRADE AND OTHER RECEIVABLES (NON CURRENT)		
Security deposits/bonds	248,606	324,706

The Group believes that all outstanding receivables can be recovered when due and there are no past receivables due as at the balance sheet date.

	2017 $	2016 $
9. OTHER FINANCIAL ASSETS (CURRENT)		
Listed shares held for trading at fair value	182,515	407,687

At as at the 19 December 2017, the total market value of the quoted investments based on closing prices at that date was $205,493.

10. PROPERTY, PLANT AND EQUIPMENT

	2017 $	2016 $
Plant and equipment, at cost	298,738	301,874
Less: accumulated depreciation	(262,399)	(256,144)
Less: impairment loss	-	-
	36,339	45,730
Motor vehicles, at cost	196,625	196,625
Less: accumulated depreciation	(182,330)	(176,294)
Less: impairment loss	-	-
	14,295	20,331
Office equipment, at cost	288,959	298,638
Less: accumulated depreciation	(251,166)	(247,170)
Less: impairment loss	-	-
	37,793	51,468
Plant and equipment (NT), at cost	73,708	73,708
Less: accumulated depreciation	(50,058)	(47,274)
Less: impairment loss	-	-
	23,650	26,434
Total property, plant and equipment	112,077	143,963

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Plant and equipment	2017 $	2016 $
Carrying amount at 1 October 2016	45,730	52,969
Additions	1,333	5,121
Depreciation	(10,724)	(12,360)
Carrying amount at 30 September 2017	36,339	45,730

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Consolidated 2017 $	Consolidated 2016 $
10.	**PROPERTY, PLANT AND EQUIPMENT (continued)**		
	Reconciliations (continued)		
	Motor vehicles		
	Carrying amount at 1 October 2016	20,331	35,295
	Disposals		(5,758)
	Depreciation	(6,036)	(9,206)
	Carrying amount at 30 September 2017	14,295	20,331
	Office equipment		
	Carrying amount at 1 October 2016	51,468	70,207
	Additions	473	1,295
	Depreciation	(14,148)	(20,034)
	Carrying amount at 30 September 2017	37,793	51,468
	Plant and equipment (NT)		
	Carrying amount at 1 October 2016	26,434	29,854
	Additions	-	-
	Disposals	-	-
	Depreciation	(2,784)	(3,420)
	Carrying amount at 30 September 2017	23,650	26,434
	Total carrying amount at 30 September 2017	112,077	143,963

11. PARENT ENTITY DISCLOSURES

STATEMENT OF FINANCIAL POSITION

	2017 $	2016 $
ASSETS		
CURRENT ASSETS	4,745,439	4,276,677
NON-CURRENT ASSETS	169,259	206,463
TOTAL ASSETS	4,914,698	4,483,140
LIABILITIES		
CURRENT LIABILITIES	856,383	266,177
NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	856,383	266,177
NET ASSETS	4,058,315	4,216,963
EQUITY		
Contributed equity	59,692,721	57,461,564
Reserves	8,194,373	7,840,338
Accumulated losses	(63,828,779)	(61,084,939)
TOTAL EQUITY	4,058,315	4,216,963
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net profit/ (loss) from continuing operations for the year	(2,743,840)	(5,317,172)
Total Comprehensive income/(loss) for the year	(2,743,840)	(5,317,172)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Consolidated 2017 $	Consolidated 2016 $
11. PARENT ENTITY DISCLOSURES (continued)		
OTHER FINANCIAL ASSETS (NON-CURRENT)		
Investment in Subsidiary		
Element 92 Pty Ltd	3,661,200	3,661,200
Provision for write down of investment	(3,661,200)	(3,661,200)
	-	-
Investment in Subsidiary		
Red Dragon Mines Pty Ltd	1,380,392	1,380,392
Provision for write down of investment	(1,380,392)	(1,380,392)
	-	-

12. EXPLORATION EXPENDITURE (NON-CURRENT)

(a) Exploration and evaluation

	2017 $	2016 $
At 1 October 2016	-	-
Expenditure incurred during the year	3,041,985	4,644,808
Expenditure provided or written off during the year (note 4(d))	(3,041,985)	(4,644,808)
At 30 September 2017	-	-

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively sale of the respective areas of interest (refer to note 24).

Some of the Consolidated entity's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

13 DEFERRED TAX ASSET (NON-CURRENT)

	2017 $	2016 $
Deferred tax asset (Note 5)	-	-

14. TRADE AND OTHER PAYABLES (CURRENT)

	2017 $	2016 $
Trade payables and accruals	672,686	313,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Consolidated 2017 $	Consolidated 2016 $
15. PROVISONS (CURRENT)		
Employee entitlements	199,799	178,524
Number of employees at year end	10	10
PROVISIONS (NON-CURRENT)		
Employee entitlements	-	-
Provision for rehabilitation	-	-
	-	-

Superannuation
The Company contributes to employees' superannuation plans in accordance with the requirements of Occupational Superannuation Legislation. Contributions by the Company represent a defined percentage of each employee's salary. Additional employee contributions are voluntary.

Employee Share Option Plan
Details of the Employee Share Option Plan for the Company are disclosed in Note 20.

16. DEFERRED TAX LIABILITY (NON-CURRENT)		
Deferred tax liability (Note 5)	-	-

17. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares 2017	Number of Shares 2016	Consolidated 2017 $	Consolidated 2016 $
(a) Issued and paid up capital				
Ordinary shares	528,183,479	423,495,665	59,692,721	57,461,564

(b) Movement in ordinary shares on issue

		Number of Shares	Issue Price $	Total $
1/10/15	**Opening balance**	319,388,499		52,049,324
18/12/15	Takeover of Red Dragon Mines NL	17,927,166	0.077	1,380,392
8/07/16	Share purchase plan	36,180,000	0.05	1,809,000
27/07/16	Placement	50,000,000	0.05	2,500,000
	Share issue costs	-		(277,152)
	Balance at 30 September 2016	423,495,665		57,461,564
2/03/17	Acquisition of tenement	3,000,000	0.053	157,500
28/09/17	Renounceable rights issue	101,687,814	0.025	2,542,195
	Share issue costs	-		(468,538)
	Balance at 30 September 2017	528,183,479		59,692,721

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

17. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue

The following table summarises the movement in options on issue for the year ended 30 September 2017

30 September 2017	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Unquoted options exercisable at 23 cents each on or before 28 February 2017	2,000,000	-	-	(2,000,000)	-
Unquoted options exercisable at 6 cents each on or before 28 February 2019	11,500,000	-	-	-	11,500,000
Unquoted options exercisable at 6 cents each on or before 18 March 2017	500,000	-	-	(500,000)	-
Unquoted options exercisable at 8 cents each on or before 4 September 2018	3,150,000	-	-	-	3,150,000
Unquoted options exercisable at 8 cents each on or before 26 November 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 10 cents each on or before 30 June 2018	4,000,000	-	-	-	4,000,000
Unquoted options exercisable at 6 cents each on or before 14 November 2019	-	4,350,000	-	-	4,350,000
Unquoted options exercisable at 7 cents each on or before 23 February 2022	-	8,000,000	-	-	8,000,000
Quoted options exercisable at 5 cents each on or before 30 September 2019	-	50,843,940	-	-	50,843,940
Total	24,150,000	63,193,940	-	(2,500,000)	84,843,940

The following table summarises the movement in options on issue for the year ended 30 September 2016

30 September 2016	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Unquoted options exercisable at 84 cents each on or before 27 February 2016	6,750,000	-	-	(6,750,000)	-
Unquoted options exercisable at 23 cents each on or before 28 February 2017	2,000,000	-	-	-	2,000,000
Unquoted options exercisable at 9 cents each on or before 31 October 2015	1,150,000	-	-	(1,150,000)	-
Unquoted options exercisable at 6 cents each on or before 28 February 2019	11,500,000	-	-	-	11,500,000
Unquoted options exercisable at 6 cents each on or before 18 March 2017	500,000	-	-	-	500,000
Unquoted options exercisable at 8 cents each on or before 4 September 2018	3,150,000	-	-	-	3,150,000
Unquoted options exercisable at 8 cents each on or before 26 November 2021	-	3,000,000	-	-	3,000,000
Unquoted options exercisable at 10 cents each on or before 30 June 2018	-	4,000,000	-	-	4,000,000
Total	25,050,000	7,000,000	-	(7,900,000)	24,150,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Consolidated 2017 $	Consolidated 2016 $
17. CONTRIBUTED EQUITY AND RESERVES (continued)		
(d) Reserves		
Share based payments reserve		
Balance at beginning of year	7,840,338	7,686,038
Share based payments	354,035	154,300
Balance at end of year	8,194,373	7,840,338

Nature and purpose of reserves

General reserve

This reserve records fair value changes on available for sale financial assets. There were no available for sale financial assets as at 30 September 2017.

Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued.

	Consolidated 2017 $	Consolidated 2016 $
18. ACCUMULATED LOSSES		
Balance at the beginning of the year	(60,998,461)	(55,483,670)
Net profit/(loss) attributable to members of Thundelarra Limited	(2,568,079)	(5,514,791)
Balance at the end of the financial year	(63,566,540)	(60,998,461)

19. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments

	2017	2016
Within one year	371,857	621,403
Later than one year but not later than five years	517,816	1,206,447
Later than five years	191,545	213,350
	1,081,218	2,041,200

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

(ii) Operating lease commitments

Operating lease commitments are as follows:

	2017	2016
Office rental		
Within one year	129,205	92,479
Later than one year but not later than five years	221,207	-
Later than five years	-	-
	350,412	92,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

19. COMMITMENTS AND CONTINGENCIES (continued)

(ii) Operating lease commitments (continued)

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 June 2020. The lease includes a clause to enable an upward revision of rental charge on an annual basis of a fixed percentage increase.

(iii) Bank Guarantees

At 30 September 2017 the Group has outstanding $44,683 (2016: $50,000) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

At the date of this report, there are no claims lodged in relation to tenements held by the Group.

20. SHARE BASED PAYMENTS

(a) Type of share based payment plan

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 26 February 2016. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

Subject to the Rules set out in ESOP and the Listing Rules, the Company (acting through the Board) may offer options to any Eligible Person at such time and on such terms as the Board considers appropriate.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

(b) Summary of options granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in share options issued during the year in respect of share based payments.

	Number 2017	WAEP 2017 $	Number 2016	WAEP 2016 $
Outstanding at the beginning of the year	24,150,000	0.09	25,050,000	0.29
Granted during the year	12,350,000	0.07	7,000,000	0.09
Lapsed during the year	(2,500,000)	(0.20)	(7,900,000)	0.73
Exercised during the year	-	-	-	-
Outstanding at the end of the year	34,000,000	0.07	24,150,000	0.09
Exercisable at the end of the year	34,000,000	0.07	24,150,000	0.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

20. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2017 is represented by:

Date options issued	Expiry date	Exercise price of options	Number of options
27 July 2016	30 June 2018	$0.10	4,000,000
28 February 2014	28 February 2019	$0.06	11,500,000
4 September 2015	4 September 2018	$0.08	3,150,000
26 February 2016	26 February 2021	$0.08	3,000,000
15 November 2016	14 November 2019	$0.06	4,350,000
24 February 2017	23 February 2022	$0.07	8,000,000
28 September 2017	30 September 2019	$0.05	50,843,940

Please refer to Shares Under Option table in the Directors Report for movements since year end.

(a) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2017 is 2.26 years (2016 – 2.28 years).

(b) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.06 to $0.10 (2016 - $0.06 to $0.23).

(c) Weighted average fair value

The weighted average fair value of options granted during the year was $0.03 (2016 - $0.02)

(d) Options pricing model

The fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the **options were granted.**

The following table lists the inputs to the model used for the year ended 30 September 2017.

Number of Options	4,350,000	8,000,000
Option exercise price	$0.06	$0.07
Expiry date	14 November 2019	23 February 2022
Expected life of the option (years)	3	5
Vesting period (months)	6 months	-
Dividend yield (%)	Nil	Nil
Expected volatility (%)	78.99%	76.5%
Risk-free interest rate (%)	1.84%	2.27%
Discount for unquoted security	-	30%
Closing share price at grant date (cents)	$0.06	$0.06
Vesting date	14/05/2017	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

20. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2016

Number of Options	3,000,000	4,000,000
Option exercise price	$0.08	$0.10
Expiry date	26 February 2021	30 June 2018
Expected life of the option (years)	5	2
Vesting period (months)	Nil	Nil
Dividend yield (%)	Nil	Nil
Expected volatility (%)	86%	80%
Risk-free interest rate (%)	1.91%	1.56%
Discount for unquoted security	30%	-
Closing share price at grant date (cents)	$0.055	$0.066
Vesting date	-	-

21. REMUNERATION OF AUDITORS

	Consolidated	
	2017 $	2016 $
The auditor of Thundelarra Limited is Stanton's International for:		
• An audit or review of the financial report of the consolidated entity	23,713	28,826
• Valuation of Options issued to employees	475	950
• Independent experts report for shareholders in relation to the acquisition of Red Dragon Mines NL.	-	8,525
	24,188	38,301

22. RELATED PARTY DISCLOSURES

(a) Directors

There were no fees received in the normal course of business in 2017 and 2016 for office rental, administrative and employees services from companies of which P G Crabb, F DeMarte, M R J Randall and R W Crabb are directors and shareholders.

There were no fees paid in the normal course of business in 2017 and 2016 for employees services from companies of which P G Crabb, F DeMarte, M R J Randall and R W Crabb are directors and shareholders.

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year.

(c) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Notes 11 and 23.

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2017 consists of loans advanced by the Parent totalling $2,988,408 (2016: $1,110,751). The loans outstanding at 30 September 2017 total $20,401,651 (2016: $17,413,243). The loans provided are unsecured, interest free and have no fixed term of repayment. There were no repayments made during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

23. CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	**Country of Incorporation**	**2017 %**	**2016 %**	**2017 $**	**2016 $**
Element 92 Pty Ltd	Australia	100	100	-	-
Red Dragon Mines Pty Ltd	Australia	100	100	-	-

24. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

The Consolidated Entity also has a number of other interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect of these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated. At 30 September 2017 all capitalised costs were written off.

The Consolidated Entity's share of capitalised expenditure in respect to these joint venture activities is as follows:

Joint Venture	Principal Activities	Percentage Interest 2017	Percentage Interest 2016	Expenditure Capitalised 2017 $	Expenditure Capitalised 2016 $
Breakaway JV	Base metals	20%	20%	-	-
Red Bore JV	Base metals	90%	90%	-	-
Curara Well JV	Base metals	90%	90%	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

25. FINANCIAL INSTRUMENTS

(a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as trade receivables and trade payables. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for other financial assets which have been sold for working capital purposes. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, equity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
Consolidated	**2017 $**	**2016 $**	**2017 $**	**2016 $**	**2017 $**	**2016 $**	**2017 $**	**2016 $**
Financial Assets								
Cash and cash equivalents	358,470	508,917	4,271,843	3,309,000	-	-	4,630,313	3,817,917
Trade and other receivables	-	-	248,606	324,706	19,528	101,627	268,134	426,333
Other financial assets	-	-		-	182,515	407,687	182,515	407,687
Total Financial Assets	358,470	508,917	4,520,449	3,633,706	202,043	509,314	5,080,962	4,651,937
Financial Liabilities								
Trade and other payables	-	-	-	-	(672,686)	(313,935)	(672,686)	(313,935)
Total Financial Liabilities	-	-	-	-	(672,686)	(313,935)	(672,686)	(313,935)
Net Financial Assets/(Liabilities)	358,470	508,917	4,520,449	3,633,706	(470,643)	195,379	4,407,276	4,338,002
Weighted Average Interest Rate	0.75%	0%	2.06%	2.81%				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

25. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated 2017 $	2016 $
Net Financial Assets/(Liabilities) as above	4,408,276	4,338,002
Property, plant and equipment	112,077	143,963
Exploration & evaluation expenditure	-	-
Intangibles	-	-
Provisions	(199,799)	(178,524)
Net Assets per Statement of Financial Position	4,320,554	4,303,441

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Company is exposed is through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk and equity price risk.

(a) ***Interest Rate Risk***
The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities, is disclosed under point (a) above.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

(b) ***Credit Risk***
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance date.

(c) ***Net Fair Value of Financial Assets and Liabilities***
The net fair value of the financial assets and financial liabilities approximates their carrying value, except for the fair value of equity investments traded on organised markets which have been valued by reference to the market prices prevailing at balance date for those equity investments.

(d) ***Liquidity Risk***
The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Group's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

(e) ***Commodity Price Risk***
At the 30 September 2017, the Group does not have any financial instruments subject to commodity price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

26. SENSITIVITY ANALYSIS

(a) Fair Value Risk

The Group has exposure to the movement in fair values of its held for trading financial assets.

Based on fair values at 30 September 2017, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2017 $	2016 $
Loss before tax:		
Available for sale financial assets	-	-
Held for trading financial assets		
Equity:		
Available for sale financial assets		
Held for trading financial assets	-	-

(b) Interest Rate Risk

The following table represents a summary of the interest rate sensitivity of the Group's financial assets at the balance sheet date on the deficit for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Consolidated 30 September 2017	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	4,630,313	(46,303)	(46,303)	46,303	46,303
Other receivables interest bearing	19,528	(195)	(195)	195	195
Totals	4,649,841	(46,498)	(46,498)	46,498	46,498

Consolidated 30 September 2016	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	3,817,917	(38,179)	(38,179)	38,179	38,179
Other receivables interest bearing	324,706	(3,247)	(3,247)	3,247	3,247
Totals	4,142,623	(41,426)	(41,426)	41,426	41,426

None of the Group's financial liabilities are interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

27. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2017 financial report:

Rights Issue – Shortfall Securities
In October 2017, the Company issued 68,910,786 ordinary fully paid shares at an issue price of $0.025 together with 34,455,399 free attaching quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 relating to the shortfall from the renounceable rights issue that closed on 21 September 2017.

Placement
In October 2017, the Company issued 38,000,000 ordinary fully paid shares at an issue price of $0.025 together with 19,000,000 free attaching quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 to raise an additional $950,000 (before costs) to unrelated sophisticated investors to accommodate some of the demand from investors.

Exercise of Quoted Securities
In October 2017, the Company issued 1,618 ordinary fully paid shares at an issue price of $0.050 pursuant to the exercise of quoted options.

Issue of Quoted Options to Underwriter
In October 2017, the Company issued 5,000,000 quoted options exercisable at $0.05 each with an expiry date of 30 September 2019 to CPS Capital Group Pty Ltd as consideration for their role as part Underwriter to the renounceable rights issue.

Issue of Employee Options
In December 2017, the Company issued 2,500,000 unquoted options exercisable at $0.04 each with an expiry date of 18 December 2020 to eligible employees in accordance with the Company's Employee Share Option Plan.

28. CONTINGENT LIABILITIES

The consolidated entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Thundelarra Limited I state that:

In the opinion of the directors:

(a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2017 and of its performance for the year ended on that date; and

 (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the financial report also complies with International Financial Reporting Standards as described in note 2(b).

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2017.

On behalf of the Board

FRANK DEMARTE
Executive Director

Perth, Western Australia

20 December 2017

Stantons International Audit and Consulting Pty Ltd
trading as
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THUNDELARRA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Thundelarra Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 September 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

(a) the financial report of Thundelarra Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2017 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.
In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report**.**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 19 of the directors' report for the year ended 30 September 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion
In our opinion the remuneration report of Thundelarra Limited for the year ended 30 September 2017 complies with section 300A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir R. Tirodkar
Director

West Perth, Western Australia
20 December 2017

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20 December 2017

Board of Directors
Thundelarra Limited
Suite 8
186 Hampden Road
NEDLANDS, WA 6009

Dear Directors

RE: THUNDELARRA LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Thundelarra Limited.

As Audit Director for the audit of the financial statements of Thundelarra Limited for the year ended 30 September 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir R. Tirodkar

Director

ASX ADDITIONAL INFORMATION

The following information dated 15 January 2018 is required by the Listing Rules of the ASX Limited.

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of security are:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	399	95,394
1,001 – 5,000	519	1,545,840
5,001 – 10,000	433	3,457,920
10,001 – 100,000	1,316	53,651,294
100,001 and over	794	576,345,435
Totals	3,461	635,095,883
Holding less than a marketable parcel	1,604	8,455,877

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

		Shares Held	
	Holder	Number	%
1	Ragged Range Mining Pty Ltd & Associates	75,727,697	11.92
2	Chin Nominees Pty Ltd & Associates	53,770,959	8.47
3	Mr Siat Yoon Chin	26,680,236	4.20
4	Mr Steven Barcham	6,737,000	1.06
5	Troca Enterprises Pty Ltd <Coulson Super A/C>	5,700,000	0.90
6	Norvest Projects Pty Ltd	5,500,000	0.87
7	BNP Paribus Noms Pty Ltd <DRP>	5,215,603	0.82
8	Mr Michael Angelow Levissianos	5,000,000	0.79
9	Madisons Pty Ltd <Brown Retirement Fund A/C>	5,000,000	0.79
10	Custodial Services Limited <Beneficiaries Holding A/C>	4,672,696	0.74
11	Rookharp Investments Pty Limited	4,670,000	0.74
12	Troca Enterprises Pty Ltd <Coulson Super Fund A/C>	4,000,000	0.63
13	Grandor Pty Ltd <Mark Scott Family P/F A/C>	3,800,000	0.60
14	Mr John Roussis	3,642,753	0.57
15	Ms Sigrid Tittiana Gibson	3,640,000	0.57
16	Be Copymart Pty Ltd <B&E McConnell S/F A/C>	3,600,100	0.57
17	Frank DeMarte	3,450,429	0.54
18	Gemini Holdings Pty Ltd <The DeMarte Family A/C>	3,361,311	0.53
19	Citicorp Nominees Pty Limited	3,097,009	0.49
20	BNP Paribus Noms Pty Ltd HUB24 Custodial Serv Ltd DRP	3,008,653	0.47
	Total top 20 holders	230,274,446	36.26
	Total remaining holders	404,821,437	63.74

ASX ADDITIONAL INFORMATION

(b) Options expiring 30/09/2019 exercisable at $0.05 each

	Holder	Options Held Number	%
1	Ragged Range Mining Pty Ltd & Associates	10,000,000	9.15
2	Chin Nominees Pty Ltd & Associates	7,195,034	6.58
3	Mr Siat Yoon Chin	3,740,000	3.42
4	M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	2,880,000	2.64
5	EMNJ Pty Ltd	2,650,000	2.42
6	Mr Stephen Michael Bonnar + Mrs Monika Karapetyan <Bonnor Family Superfund A/C>	2,576,066	2.36
7	Mr Ashok Verma	2,500,000	2.29
8	Mr Martin Christopher Angel + Mrs Laura Marie Angel <Angel Family Account>	2,400,000	2.20
9	Rookharp Investments Pty Limited	2,335,000	2.14
10	AET SFS Pty Ltd <Peak OpportunitiesFund>	2,000,000	1.83
11	Mr Jimmy Fausto Caffieri + Mrs Lucia Caffieri <Caffieri Family A/c	2,000,000	1.83
12	Madisons Pty Ltd <Brown Retirement Fund A/C>	2,000,000	1.83
13	Troca Enterprises Pty Ltd <Coulson Super A/C>	2,000,000	1.83
14	Mr Nevres Crljenkovic	1,500,000	1.37
15	Mr Ross Jeremy Taylor <Jamanaro A/C>	1,500,000	1.37
16	Jomot Pty Ltd	1,390,217	1.27
17	Srejca Pty Ltd	1,250,000	1.14
18	Mr Graham Dennis Carter + Mrs Yvonne Maria Carter <Cartegra Super Fund A/C>	1,100,000	1.01
19	Nsautilus Investments Pty Ltd <The Robinson Family SF A/C>	1,074,701	0.98
20	Bettermake Pty Ltd <B & L Basile Super fund a/C>	1,070,000	0.98
	Total top 20 holders	53,161,053	48.64
	Total remaining holders	56,136,668	51.36

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	75,727,697	11.92
Chin Nominees Pty Ltd & Associates	53,770,959	8.47

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares - On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options - The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

Thundelarra Limited ordinary shares are listed on all member exchanges of the ASX Limited. The home exchange is in Perth.

6. RESTRICTED SECURITIES

There are no securities on issue that have been classified by the ASX Limited, Perth as restricted securities.

ASX ADDITIONAL INFORMATION

7. ON-MARKET BUY-BACK

The Company does not have a current on-market buy-back plan.

8. SCHEDULE OF TENEMENTS

Tenement Number and Type	Tenement Name	Holder/Applicant	Interest (%)
WESTERN AUSTRALIA			
E80/3673	Sophie Downs	THX	100
E52/2402	Curara Well	THX/WRR	90/10
M52/597	Red Bore	THX/WRR	90/10
E80/4834	Keller Creek	PAN/THX	80/20 fci
E59/1648	Paynes Find	RDM	100
E59/1929	Paynes Find	RDM	100
E59/1930	Paynes Find	RDM	100
P51/2787	White Well	RDM/AL	90/10
P51/2788	White Well	RDM/AL	90/10
E51/1661	Garden Gully	ZEUS	100
E51/1737	Garden Gully	ZEUS	100
P51/2909	Garden Gully	ZEUS	100
P51/2910	Garden Gully	ZEUS	100
P51/2911	Garden Gully	ZEUS	100
P51/2912	Garden Gully	ZEUS	100
P51/2913	Garden Gully	ZEUS	100
P51/2914	Garden Gully	ZEUS	100
P51/2760	Garden Gully	ZEUS	100
P51/2761	Garden Gully	ZEUS	100
P51/2762	Garden Gully	ZEUS	100
P51/2763	Garden Gully	ZEUS	100
P51/2764	Garden Gully	ZEUS	100
P51/2765	Garden Gully	ZEUS	100
P51/2941	Garden Gully	ZEUS	100
P51/2948	Garden Gully	ZEUS	100
P51/3009	Crown Prince	ZEUS	100

NORTHERN TERRITORY			
Allamber Project			
EL10043	Brumby Gap	THX	100
EL23509	McKeddies	E92	100
EL24549	Allamber 1	E92	100
EL25868	Mary River	E92	100
EL28857	Second Chance	E92	100

ASX ADDITIONAL INFORMATION

Key to Tenement Type:

E/EL	= Exploration License
P/PL	= Prospecting License
M	= Mining Lease

Key to Parties

THX	= Thundelarra Limited
E92	= Element 92 Pty Ltd
WRR	= William Robert Richmond
PAN	= Panoramic Resources Limited
RDM	= Red Dragon Mines Pty Ltd
ZEUS	= Zeus Mining Pty Ltd
AL	= Angelo Levissianos

THUNDELARRA

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