



FIRST QUARTER ACTIVITY & CASHFLOW REPORT 31 DECEMBER 2014

HIGHLIGHTS

WESTERN AUSTRALIA

- **Red Bore Copper-Gold Project, Murchison Region (THX 90%)**
 - *Follow-up reverse circulation drilling completed: 11 holes for 1,424m advance.*
 - *Program was designed to:*
 - *test inferred vertical extensions of “pipes” identified at Red Bore Gossan;*
 - *test down-dip extensions of the main magnetic anomaly at Red Bore Gossan;*
 - *improve understanding of the copper-gold-silver-magnetite mineralisation identified at Impaler Prospect, 900m west of Red Bore Gossan;*
 - *explain the magnetite veins with chalcopyrite 300m east of Red Bore Gossan.*
 - *Assay results still awaited at end of Quarter.*
 - *Geology in the new holes continues to support the mineralisation model.*

NORTHERN TERRITORY

- **Allamber Project, Pine Creek Region (THX 100%)**
 - *Follow-up reverse circulation drilling completed: 21 holes for 3,482m advance.*
 - *Seven prospects tested: Swamp Donkey, Hatrick, Nipper, Ox-Eyed Herring, North Brumby, Sulphur Hill, and Cliff South.*
 - *No significant upgrades identified from geological logging: assays awaited.*
 - *Assay results still awaited at end of Quarter.*

CORPORATE

- **Cash position at end of quarter: \$6.446 million (excludes equity investments).**
- **Current marked to market value of equity investments: \$0.119 million.**

SUBSEQUENT EVENTS SINCE 31 DECEMBER

- **Airborne magnetic survey undertaken over Curara Well and Red Bore.**
- **Downhole geophysical surveys on selected completed drillholes at Red Bore.**
- **Downhole geophysical surveys on selected completed drillholes at Allamber.**

Red Bore, WA (THX 90%)

Red Bore is located about 900km NNE of Perth, in the Doolgunna region of Western Australia. It is a granted mining licence of 2 square kilometres in area. It is situated close to Sandfire Resources NL's operating DeGrussa copper-gold mine: the DeGrussa treatment plant is no more than a few hundred metres from the northwest corner of the Red Bore lease. A maiden resource was reported in the ASX announcement dated 04 May 2012.

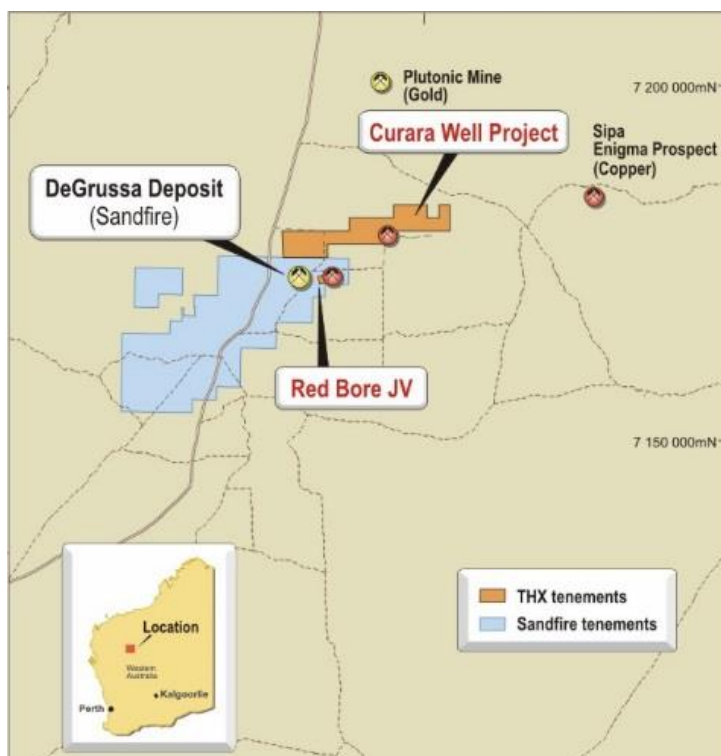


Figure 1. Location map of Red Bore and Curara Well Projects showing proximity to DeGrussa copper-gold mine (Sandfire Resources NL). Scale: grid spacing is 30 km.

During the quarter a reverse circulation drilling program of 11 holes for a total advance of 1,424m was completed. Its principal objectives were:

- 1) to test for further vertical continuations and down-plunge extensions of the massive chalcopyrite copper-gold-silver mineralisation originally intersected in diamond hole TRBDD09 and again in TRBC075;
- 2) to improve the understanding of the copper-gold-silver-magnetite mineralisation identified in holes TRBC064 and TRBC065, 900m west of the Red Bore Gossan. This location, now named "Impaler Prospect", represents the first proof that pursuit of magnetic anomalies can result in the discovery of additional "pipes" akin to the Red Bore Gossan mineralisation;
- 3) to explain the magnetite veining with chalcopyrite previously logged 300m to the east of the Red Bore gossan but not explained in hole TRBC069; and
- 4) to continue testing other magnetic anomalies for further such Red Bore style occurrences.

Holes TRBC077, TRBC078, TRBC080, TRBC081 and TRBC085 tested the targets at the Red Bore Gossan area (1 above). Holes TRBC079, TRBC082 and TRBC087 were designed to improve our knowledge of the geology and mineralisation at the newly-named "Impaler" prospect (Objective 2 above); hole TRBC086 tested Objective 3; and holes TRBC083 and TRBC084 targeted other magnetic anomalies (4 above).

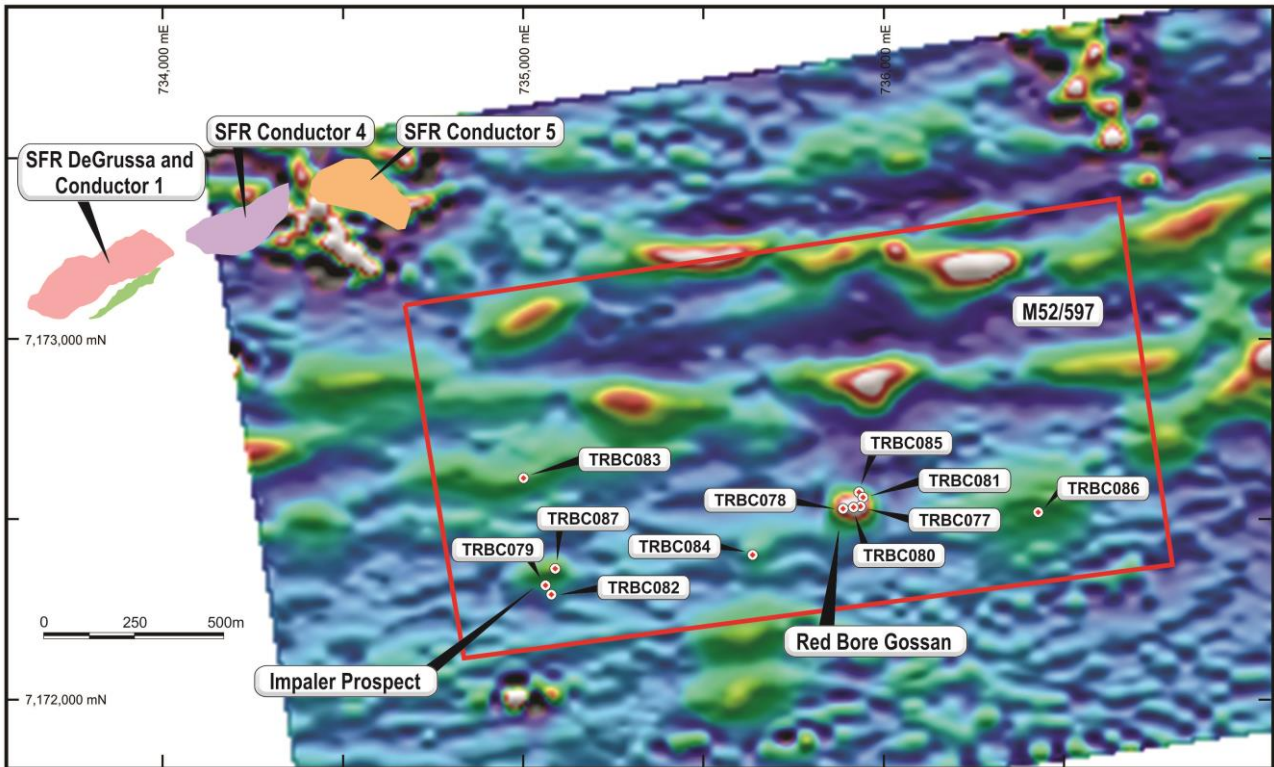


Figure 2. Collar locations of RC drill program. Grid spacing is 1,000m. Notional surface traces of the DeGrussa deposits overlain to provide geographical context (size and location relative to Red Bore is as shown).

The program was very successful, providing further geological data consistent with our current model for the Red Bore mineralisation. Assay results were still awaited at the end of the Quarter. Full assay results from all holes drilled at Red Bore since work recommenced in earnest in April 2014 were announced to the ASX on 16 May 2014, 14 July 2014, and 08 September 2014. The importance of the continuing exploration programs at Red Bore is clearly seen in the summary results shown in Table 1 below. The intervals are downhole widths. True widths as yet unknown.

Intercepts averaging > 5% Copper					
				From	Hole
15.6m	at 15.2% Cu		17.7 gpt Ag	24m	TRBDD09
29m	at 6.0% Cu	1.1 gpt Au	3.3 gpt Ag	6m	TRBC070
16m	at 9.0% Cu	2.3 gpt Au	10.5 gpt Ag	25m	TRBC075
15m	at 5.3% Cu	1.4 gpt Au	6.2 gpt Ag	19m	TRBC072
5m	at 13.1% Cu	1.5 gpt Au	18.7 gpt Ag	50m	TRBC072
9m	at 6.0% Cu	3.4 gpt Au	7.3 gpt Ag	29m	TRBC071
4m	at 9.9% Cu	0.3 gpt Au	2.1 gpt Ag	12m	TRBDD06
5.8m	at 6.6% Cu	2.2 gpt Au	2.5 gpt Ag	12m	TRBDD01
5.9m	at 6.0% Cu			54m	TRBDD06
4.5m	at 6.5% Cu	2.3 gpt Au	7.6 gpt Ag	29m	TRBDD04
5.0m	at 5.0% Cu	0.5 gpt Au	2.9 gpt Ag	20m	TRBDD03
Intercepts over 30% Copper					
1.0m	at 31.3% Cu	2.6 gpt Au	34.2 gpt Ag	36m	TRBDD09
1.0m	at 30.0% Cu	2.9 gpt Au	32.4 gpt Ag	30m	TRBC075

Table 1. Significant intercepts from 22 holes drilled, assayed and reported since April 2014.

Curara Well, WA (THX 90%)

No direct fieldwork was carried out on this project during the Quarter. Some rehabilitation was completed over areas disturbed in prior work programs. Thundelarra continues to review possible methods for generating new data to assist in the effective identification of targets for testing. This process will progress into the first quarter of calendar 2015 and targets identified will then be the subject of relevant Heritage surveys. Our objective is to identify all the targets to be tested so that they can all be cleared by a single Heritage survey exercise (rather than multiple surveys), after which the relevant Programs of Work can be prepared and submitted to the DMP. The timing of the start of actual exploration will be governed by the time taken to complete the necessary approval processes.

The Curara Well project area continues to be considered as one of high prospectivity.

Sophie Downs, East Kimberley, WA (THX 100%)

Sophie Downs is approximately 50km 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.

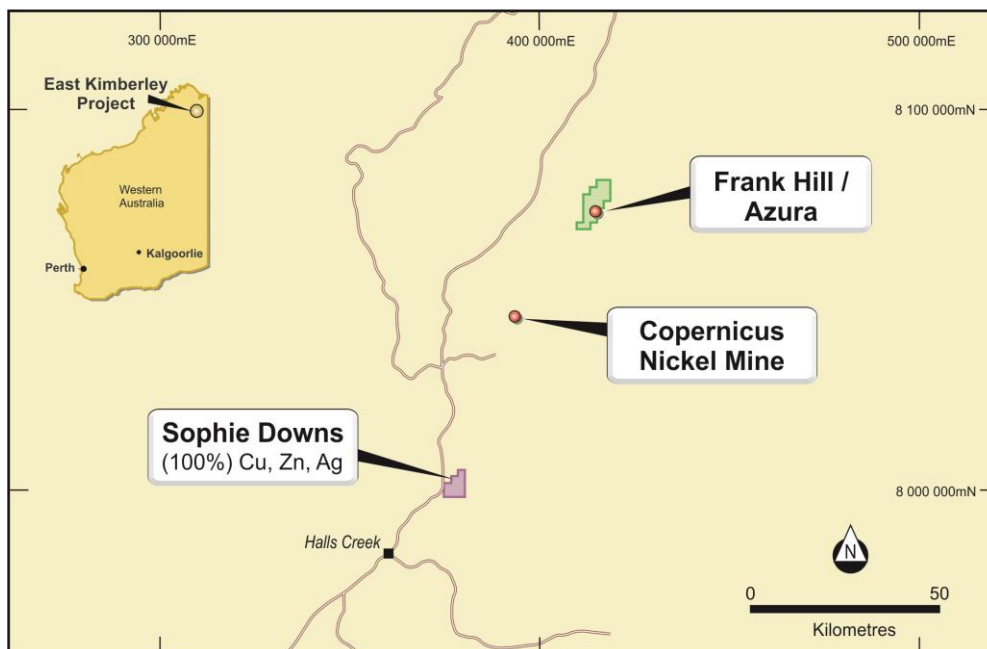


Figure 3. Sophie Downs regional location map.

No fieldwork was carried out on this project during the Quarter. Thundelarra will prepare a work program for the 2015 field season to evaluate possible targets identified from our interpretations of the geological information collected to date. The principal target continues to be the possibility that the known zinc mineralisation may extend deeper within the Halls Creek Fault Zone as part of a system of replacement skarn-style mineralisation.

Frank Hill, East Kimberley, WA (THX 100%)

Frank Hill is north-east of Sophie Downs on exploration license EL 80/2878.

During the Quarter rehabilitation was completed over all areas previously explored, in accordance with the DMP requirements. No new fieldwork was done, but a detailed review of all previous exploration data was carried out to re-evaluate the Company's view of the potential for discovery of economic mineralisation. As a result of the review, it was decided to surrender the ground.

Saltwater Pool JV, WA (Avocet operator LLO; Cullen CUL; THX)

Saltwater Pool is in the southeast of the Ashburton Basin, 150km southwest of Newman in WA. No report has been received from the JV operator relating to any work conducted during the Quarter.

Allamber Project, Pine Creek, NT (THX 100%)

Allamber is approximately 180km south-east of Darwin and is part of the Pine Creek Orogen. The project is very well served by regional infrastructure, with sealed road, rail, and a gas pipeline running within 25k of the project area.

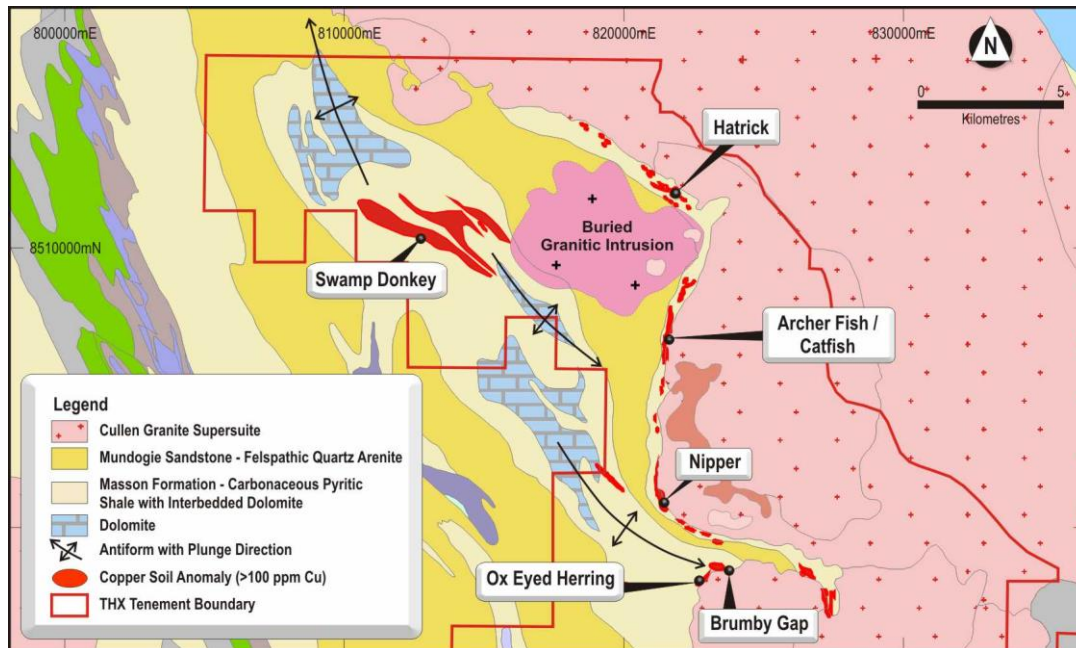


Figure 4. Allamber Project area showing prospect locations.

During the Quarter a reverse circulation drilling program of 21 holes for a total advance of 3,482m was completed. Seven prospects were tested: Swamp Donkey, Hatrick, Nipper, Ox-Eyed Herring, North Brumby (also known as Brumby Gap), Sulphur Hill (just to the east of Brumby Gap), and Cliff South (ESE of Brumby Gap).

Assay results were still awaited at the end of the Quarter. Geological logging of the drill chips has not revealed any significant upgrades at zones of known mineralisation, but a clearer picture of the next follow-up exploration steps at Allamber will be clearer when full assay data has been received and evaluated.

A number of the completed holes will have downhole geophysical surveys carried out on them to assist in the evaluation process.

Copperfield Project, Pine Creek, NT (THX 100%)

The Copperfield Project is located adjacent to the Pine Creek town site and offers a number of targets that may be prospective for gold and copper.

No fieldwork was carried out on this project during the Quarter.

Ngalia Uranium Project, NT (THX 100%)

No fieldwork was carried out on this project during the Quarter.

The landholdings, prospectivity, and expenditure requirements relating to the Ngalia Basin Uranium Project are under continual review in the context of the global market for exposure to uranium. Thundelarra continues to seek partners to assist in the exploration of this quality uranium exploration project and a number of interested parties have executed confidentiality agreements to gain access to the technical datasets. Rehabilitation of previous exploration program sites, in accordance with conditions of tenure, is essentially complete.

SCHEDULE OF TENEMENTS

During the quarter Thundelarra surrendered E80/2878 (Frank Hill). It was also established that the DMP had refused JV Partner Cullen's request to renew E52/1890 (Yilbrinna Pool).

Project / Tenement		Interest at Beginning of Quarter	Interest at End of Quarter	Acquired During the Quarter	Disposed During the Quarter	Joint Venture Partner/Farm-in Party
Western Australia						
Frank Hill	E80/2878	100%	0%	-	100%	-
Sophie Downs	E80/3673	100%	100%	-	-	-
Keller Creek	E80/2836	20% fci	20% fci	-	-	Panoramic (PAN)
Kallenia	E52/1892	0%	0%	-	-	Cullen (CUL)
Red Bore	M52/597	90%	90%	-	-	WR Richmond
Curara Well	E52/2402	90%	90%	-	-	WR Richmond
Northern Territory						
Ngalia Basin Project						
Mt Wedge	EL24561	100%	100%	-	-	-
Walbiri Range	EL25283	100%	100%	-	-	-
Jabangardi Hill	EL25334	100%	100%	-	-	-
Allamber Project						
Brumby Gap	EL10043	100%	100%	-	-	-
Frances Creek	EL10167	100%	100%	-	-	-
McKeddies	EL23506	100%	100%	-	-	-
Allamber 1	EL24549	100%	100%	-	-	-
Mary River	EL25868	100%	100%	-	-	-
Mount Saunders	EL27365	100%	100%	-	-	-
Allamber North	EL27649	100%	100%	-	-	-
Second Chance	EL28857	100%	100%	-	-	-
Costica's Folly	EL29260	100%	100%	-	-	-
Copperfield Project						
Copperfield	EL29523	100%	100%	-	-	-

Table 2. Schedule of Tenements showing changes during the December 2014 Quarter.

CORPORATE

Thundelarra's successfully placement in July 2014 means that the Company is fully funded to carry out its planned 2015 exploration programs, with the principal focus continuing to be at the Red Bore and Curara Well projects. Allamber will also see follow-up work.

Discussions continue on a number of fronts to deliver value for shareholders from a few remaining non-core exploration assets. The process has been extremely successful, significantly reducing annual overheads associated with work expenditure commitments, tenement rents, and rates.

The CEO has presented activities updates to several conferences, focusing particularly on the exciting exploration results from Red Bore. This marketing has been well received by potential investors, with a high level of interest being established in the Company's exploration programs. We continue to promote our activities and the potential that we see for our projects during 2015.

At 31st December 2014, our cash balance was \$6.446 million. The marked to market valuation of equity investments held by Thundelarra at the date of this report was \$0.119 million and is additional to the reported cash balance. Furthermore, the second tranche of the consideration for the sale of the Hayes Creek uranium interests fall due by the end of July 2015: \$900,000 deliverable in shares if the purchaser lists on a Stock Exchange before then, and in cash if no listing eventuates.

PRODUCTION AND DEVELOPMENT

None of Thundelarra's projects are at a production or development stage and consequently there were no activities during the quarter relating to production or development.

SUBSEQUENT EVENTS

Since the end of the December Quarter, a low level airborne magnetic survey has been flown over the Red Bore and Curara Well tenements. This is an important part of the process of understanding the local geological setting and of identifying new targets for possible repetitions of the Red Bore style of mineralisation.

Downhole geophysical surveys have also been carried out on selected holes from the recent drilling programs at both Allamber and Red Bore.

Tony Lofthouse
Chief Executive Officer

THUNDELARRA LTD**REGISTERED OFFICE**

Suite 8, 186 Hampden Rd Nedlands WA 6009

Ph: +61 8 9389 6927

www.thundelarra.com.au

PO Box 7363 Cloisters Square WA 6850

Fax: +61 8 9389 5593

info@thundelarra.com.au

ABN: 74 950 465 654

ACN: 085 782 994

ASX CODE: THX

Issued Shares: 319.3M (at 31 December 2014)

Market Cap: \$34M (at 29 January 2015)

Competent Person Statement

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Thundelarra Limited

ABN

74 950 465 654

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(859) - - (401)	(859) - - (401)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	68	68
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – research & development refund	324	324
Net Operating Cash Flows	(868)	(868)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (13)	- - (13)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – (provide details if material)	-	-
Net investing cash flows	(13)	(13)
1.13 Total operating and investing cash flows (carried forward)	(881)	(881)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(881)	(881)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue cost	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(881)	(881)
1.20	Cash at beginning of quarter/year to date	7,327	7,327
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,446	6,446

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	153
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Thundelarra's financial year is from 1 October 2014 to 30 September 2015.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	187	827
5.2 Deposits at call	6,259	6,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,446	7,327

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E80/2878 Surrendered	100%	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	319,258,499	319,258,499	
7.4	Changes during quarter			
	(a) Increases through issues	434,782	434,782	\$0.092
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options (description and conversion factor)	6,750,000 6,750,000 2,000,000 1,000,000 1,280,000 11,500,000 500,000	- - - - - - -	<i>Exercise price</i> \$0.64 \$0.84 \$0.23 \$0.45 \$0.09 \$0.06 \$0.06	<i>Expiry date</i> 25/02/2015 27/02/2016 28/02/2017 16/04/2015 31/10/2015 28/02/2019 18/03/2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 29 January 2014

Print name: Frank DeMarte
Company Secretary

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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