



## THIRD QUARTER ACTIVITY & CASHFLOW REPORT 30 JUNE 2015

### HIGHLIGHTS

#### WESTERN AUSTRALIA

- **Red Bore Copper-Gold Project, Murchison Region (THX 90%)**
  - *Aeromagnetic and Audio Magneto-Telluric (AMT) surveys completed*
  - *New and follow-up drill targets identified for testing*
  - *Follow-up RC drilling started in May and continued into July 2015*
  - *At 30 June, 17 of 19 holes completed for 2,284m drilled in the Quarter*
  - *Geology observed in the new holes continues to support the mineralisation model*
  - *Down hole EM surveys on selected holes will aid follow-up diamond drill targeting*
  
- **Curara Well Project, Murchison Region (THX 90%)**
  - *Aeromagnetic and Audio Magneto-Telluric (AMT) surveys completed*
  - *8 air core drill traverses completed for 2,340m in 48 holes*
  - *Several targets related to the Jenkin Fault zone identified for testing*
  - *5 RC drillholes totalling 928m completed to test these targets*
  - *Geology logged in the new holes refines interpreted position of Jenkin Fault zone*
  - *Down hole EM surveys planned to aid in targeting follow-up diamond drilling*

#### CORPORATE

- **Cash position at end of quarter: \$5.007 million (excludes equity investments).**
- **Current marked to market value of equity investments: \$0.117 million.**
- **Breakaway Research released an update note on Thundelarra.**

#### SUBSEQUENT EVENTS SINCE 30 JUNE

- **Drilling programme completed at Red Bore. Samples submitted for assay.**
- **Assay results still pending at date of this Quarterly Report.**
- **DHEM surveys are imminent on selected Red Bore and Curara Well drillholes.**
- **Drilling programme at Allamber's Ox-Eyed Herring planned for early August.**

## Doolgunna Projects, WA Red Bore (THX 90%); and Curara Well (THX 90%)

Red Bore is a granted Mining Licence (M52/597), two square kilometres in area, located about 900km NNE of Perth in the Doolgunna region of Western Australia. It is situated less than 1,500m from the processing plant at Sandfire Resources NL's operating DeGrussa copper-gold mine.

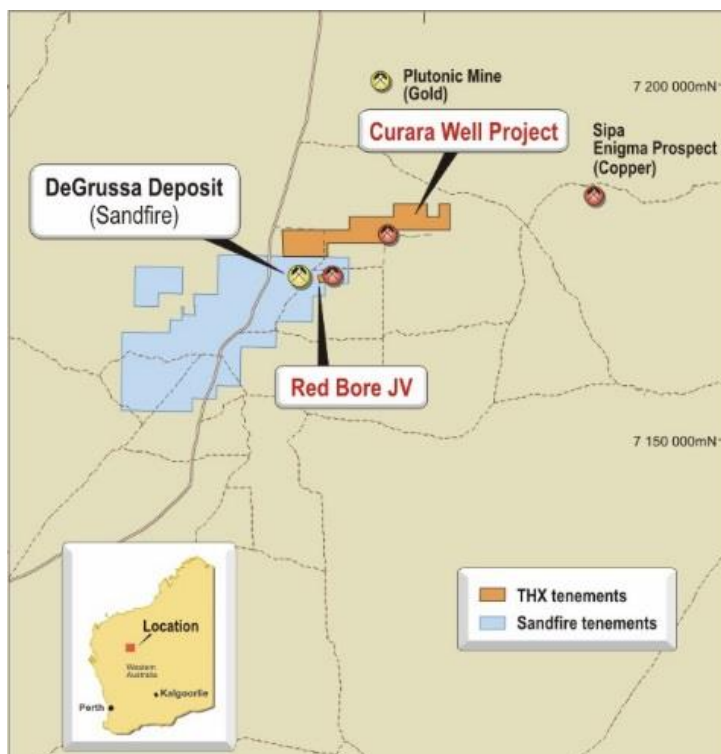


Figure 1. Location map of Red Bore and Curara Well Projects showing proximity to DeGrussa copper-gold mine (Sandfire Resources NL). Scale: grid spacing is 30 km.

Curara Well is a granted Exploration Licence (E52/2402), approximately 83 square kilometres in area, located just a few kilometres north of Red Bore in the Doolgunna region of Western Australia.

A low level aeromagnetic and radiometric survey was flown over both tenements in the March 2015 Quarter. A number of Audio-Magneto Telluric (“AMT” – see next paragraph) survey lines were also completed. Interpretation of the data from these surveys was completed in the June Quarter, confirming previously identified anomalies and highlighting a number of other potential targets for follow-up (see Figures 2, 3).

AMT is a broad scale geophysical technique that uses the natural charge in the ground - in layman’s terms, the “left-overs” from lightning strikes – to measure the contrast between areas of higher and lower conductivity and resistivity: boundaries or zones between rocks that are better or worse conductors of electrical charge. The information from such surveys can assist in identifying the location and orientation of deep-seated structures (for example, the Jenkin Fault Zone), and assist in interpreting the relationships between the different rock types in the project areas.

The airborne survey results identified numerous anomalies at Curara Well (Figure 2). The AMT survey traverses helped plan the location of air core drill traverses designed to refine our knowledge of the location of the Jenkin Fault Zone beneath cover (Figures 3, 5).

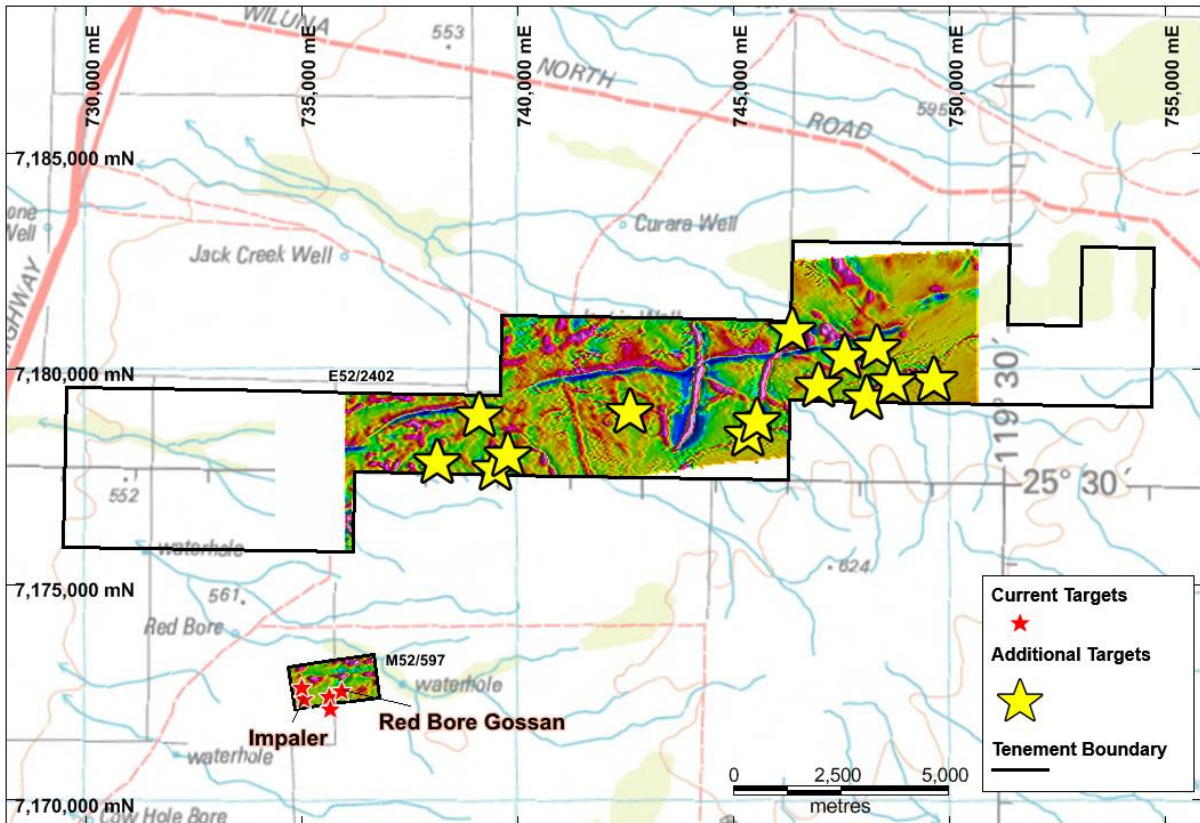


Figure 2. TMI magnetics from recently flown aeromagnetic survey over Red Bore and Curara Well Project areas.

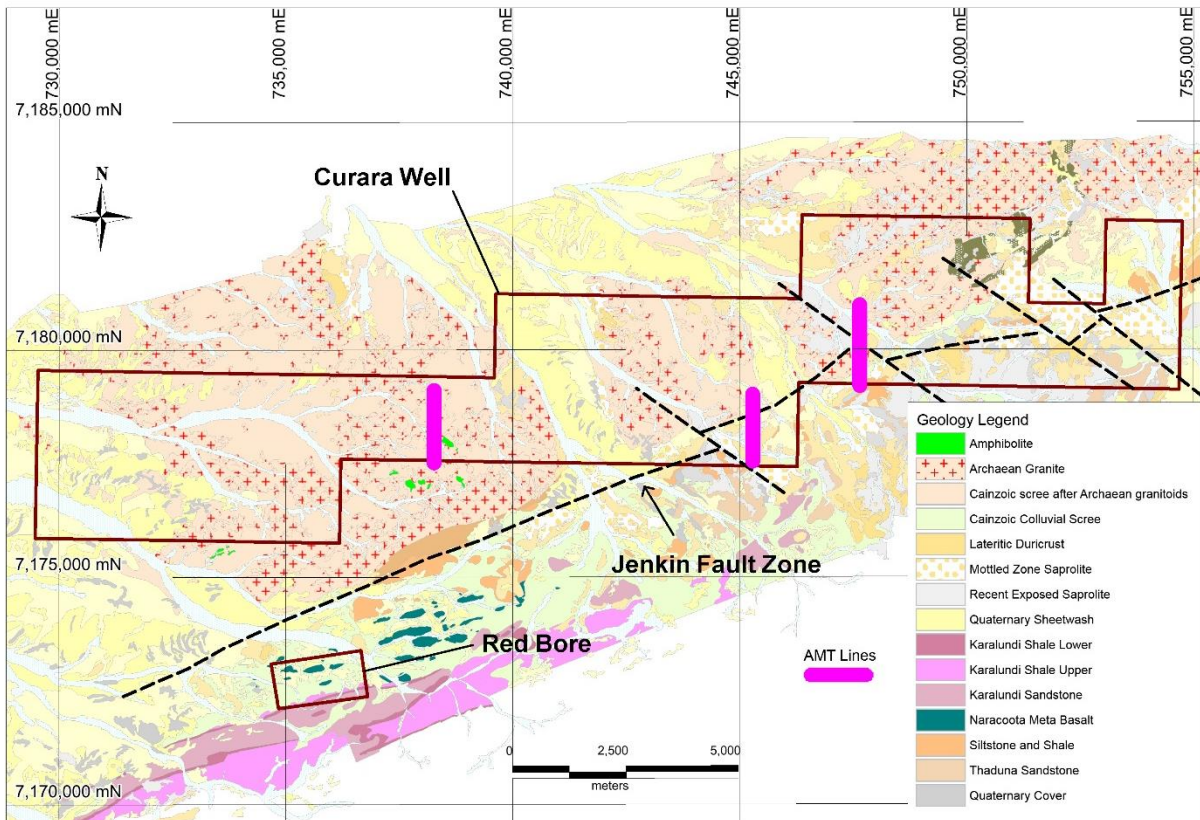


Figure 3. Regional geology surrounding Red Bore and Curara Well tenements, showing interpreted position of the important Jenkin Fault Zone and the location of the AMT traverses.

At Red Bore, the Reverse Circulation (“RC”) drilling programme tested these magnetic anomalies further, together with the associated copper-gold-silver mineralisation already identified at Gossan and Impaler. It also tested several zones that the AMT survey indicated to be of potential interest.

At the end of the Quarter, 17 of the 19 RC holes were complete (Figure 4). Selected holes were cased in preparation for down-hole EM and magnetic geophysical surveys, which are about to start.

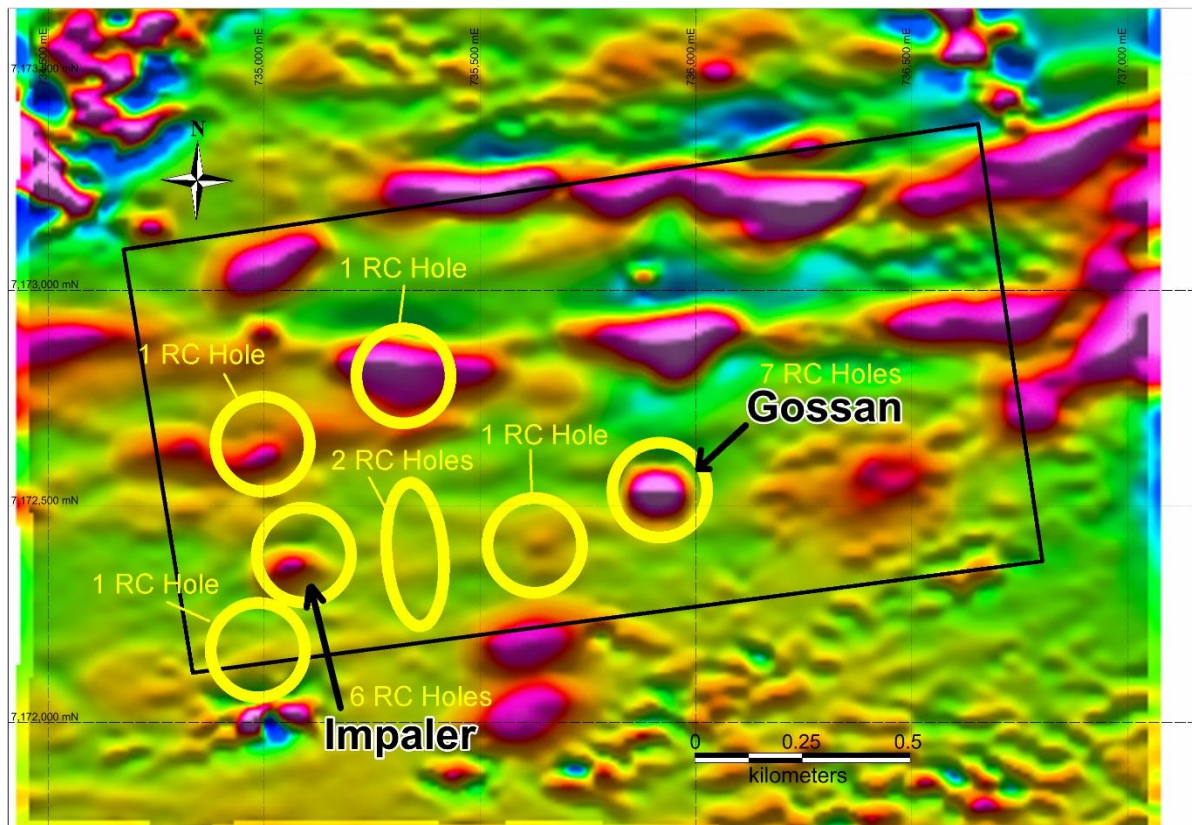


Figure 4: Red Bore: general distribution of drill holes between targets. Grid spacing is 500m.

The programme had four main objectives:

- To pursue down-plunge extensions of the mineralisation at Gossan;
- To improve the understanding, and to test for extensions, of the Impaler mineralisation;
- To test other magnetic targets that might represent further “pipes”; and
- To explore several other mineralisation targets in possible structurally-controlled settings.

A number of holes encountered broken ground, mainly in the vicinity of targeted structural features such as fault zones, resulting in the holes being terminated before reaching their target depths. Some were re-drilled and some warrant deeper follow-up diamond drilling to allow the targets to be properly tested and evaluated.

Samples were submitted for assay after the end of the Quarter and at the date of this report the results are still pending.

At Curara Well, “ground truthing” (surface geological mapping and geochemical sampling) had previously identified a number of areas where brecciation was observed. Our AMT survey data, together with the conclusions of larger scale regional AMT traverses conducted by the Geological Survey of Western Australia (“GSWA”) in 2014, gave further support to our theoretical model that rocks of the Narracoota Formation, which host the DeGrussa and Red Bore copper-gold-silver mineralisation, might exist beneath the granite mapped at surface on the Curara Well tenement.

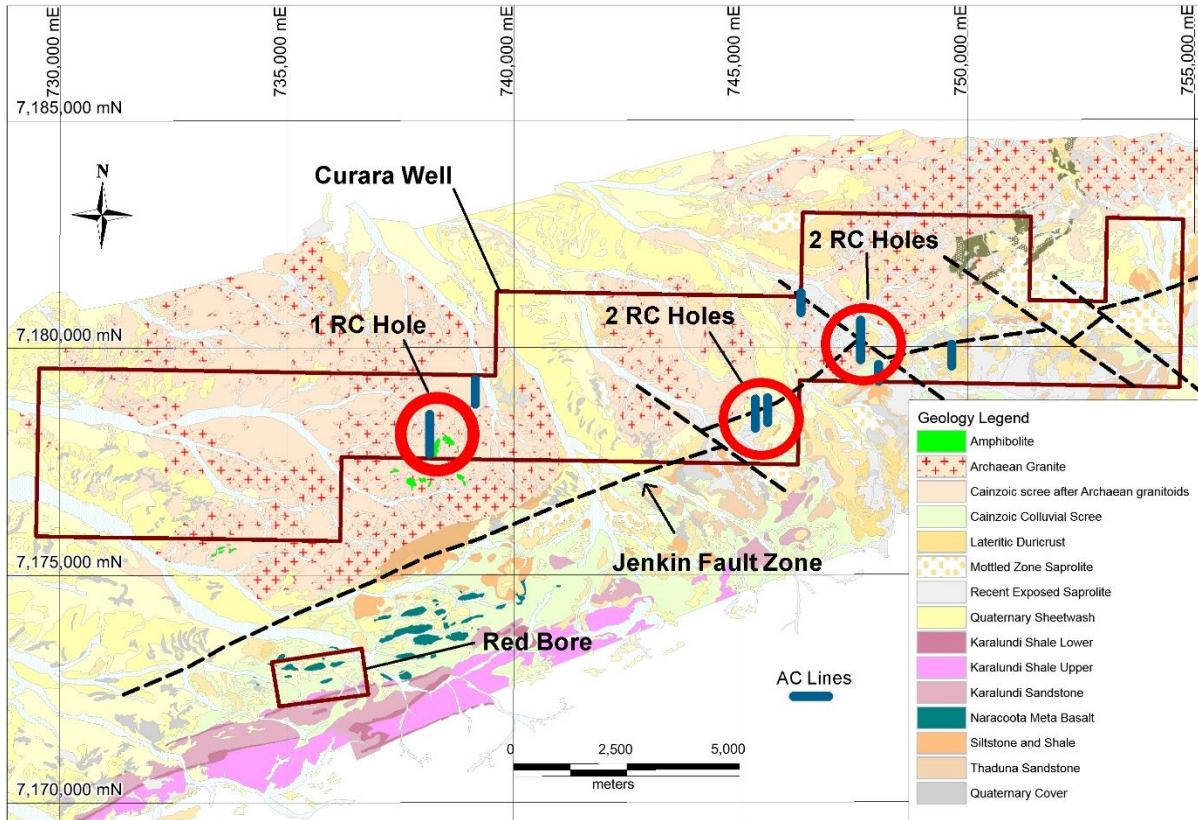


Figure 5. Curara Well tenement showing the inferred surface trace of the Jenkin fault zone, the location of Air Core drilling traverses, and the general location of follow-up Reverse Circulation drill holes. Grid spacing is 500m.

The two most easterly AMT traverses (Figure 3) were positioned to gain information on the location and dip of the Jenkin Fault Zone. This deep-seated structure offers potential to act as a conduit for mineralising fluids coming from deeper-seated sources. The westerly AMT traverse was positioned to obtain information to help identify the source of amphibolitic rocks mapped at surface in and around that location, which could potentially represent metamorphosed sediments of the Narracoota or alternatively rafts of older Archean greenstone. Either would represent targets for follow-up.

Eight air core drill traverses (Figure 5), oriented approximately north-south, were drilled to blade refusal or to the depth of the available drill rods. A total of 2,340m was drilled in 48 holes, ranging from 3m to 81m in depth and averaging just under 50m per hole.

Most of the traverses were designed to test the interpreted position of the Jenkin Fault Zone (“JFZ”) and so refine our knowledge of its location. Other traverses were designed to test interpreted transverse faults, considered an important influence on local mineralisation models.

The development of a more accurate understanding of the local structural controls and their location allows better interpretation of the local geology and thus mineralisation targets.

In summary, the initial Curara Well air core programme had four main objectives:

- To locate the JFZ more accurately under surface cover;
- To locate and test the possible off-sets / transfer faults along the JFZ;
- To identify geochemical anomalies in the proximity of the JFZ; and
- To determine the depth of the weathering profile in the proximity of the JFZ.

Five RC holes totalling 928m were drilled to follow up targets identified by the air core traverses (refer Figure 4), and cased in preparation for down-hole EM and magnetic geophysical surveys. The surveys will be carried out as part of the Red Bore survey programme currently about to start.

Initial geological evaluation of the drilling programmes just completed at Red Bore and at Curara Well has provided further evidence supporting the macro scale geological models currently advanced by our geological team. This, in conjunction with the recent positive results from the nearby Monty project being explored by the Sandfire / Talisman joint venture, continue to underpin the prospectivity of the Doolgunna area, with particular emphasis on understanding the geological setting and structural controls at depth.

A programme of diamond drilling is planned to test at depth a number of the targets at Red Bore and Curara Well. The final decision on the number and location of the holes, and their targets, will be made when all pending assays have been received and all relevant data, including from the planned down-hole geophysical surveys, has been compiled and collated with the geological logs.

Full details of all drillhole collar locations at both projects will be reported when all assay results have been received and the results collated and interpreted.

Thundelarra is dedicated to exploring the unquestioned potential of Red Bore and Curara Well in a systematic, cost-effective and technically rigorous fashion. We seek what we believe could be a significant deep-seated source of the copper, gold and silver mineralisation found in the “pipes” at Gossan. Such a source could conceivably be related to the nearby DeGrussa deposits, the source of which is as yet unknown. Based on the information released to date, the mineralisation recently discovered at Monty shows every indication of having a VMS source (volcanogenic massive sulphide), which provides a significant boost to the prospectivity of the area.

It is this potential for a major deposit, most probably at depth, that we are pursuing aggressively.

### **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.

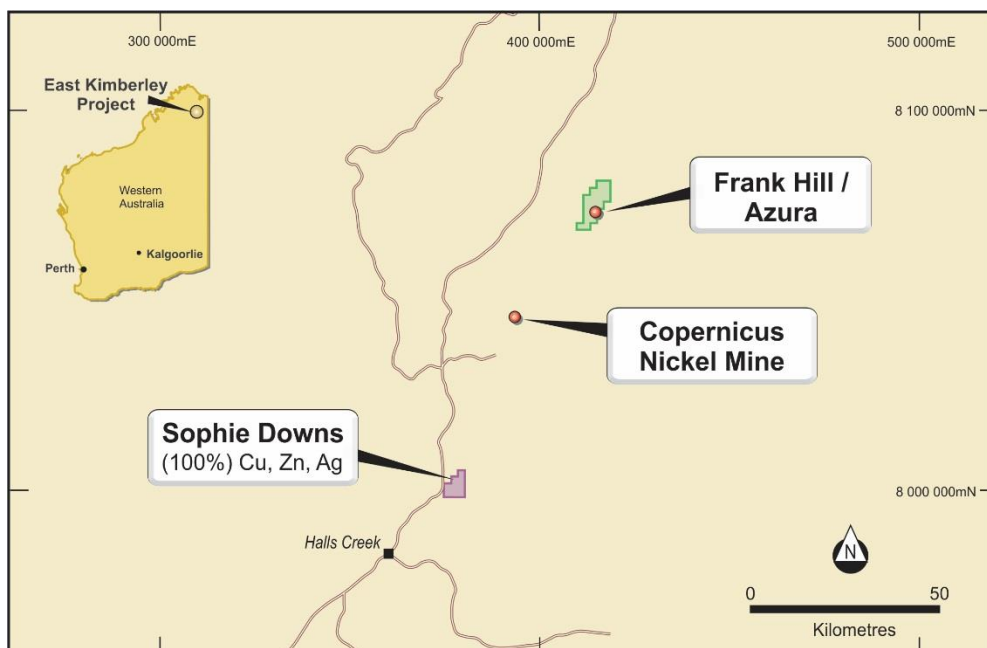


Figure 6. Sophie Downs regional location map.

A brief field visit to the project was made during the Quarter, in preparation for a planned small RC drill programme. This will test the possibility that the zinc mineralisation previously discovered by Thundelarra at the Little Mount Isa prospect may extend deeper within the Halls Creek Fault Zone as part of a system of replacement skarn-style mineralisation. A new review of all historical exploration data at the Ilmars prospect is also contemplated.

**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 25km of the project area.

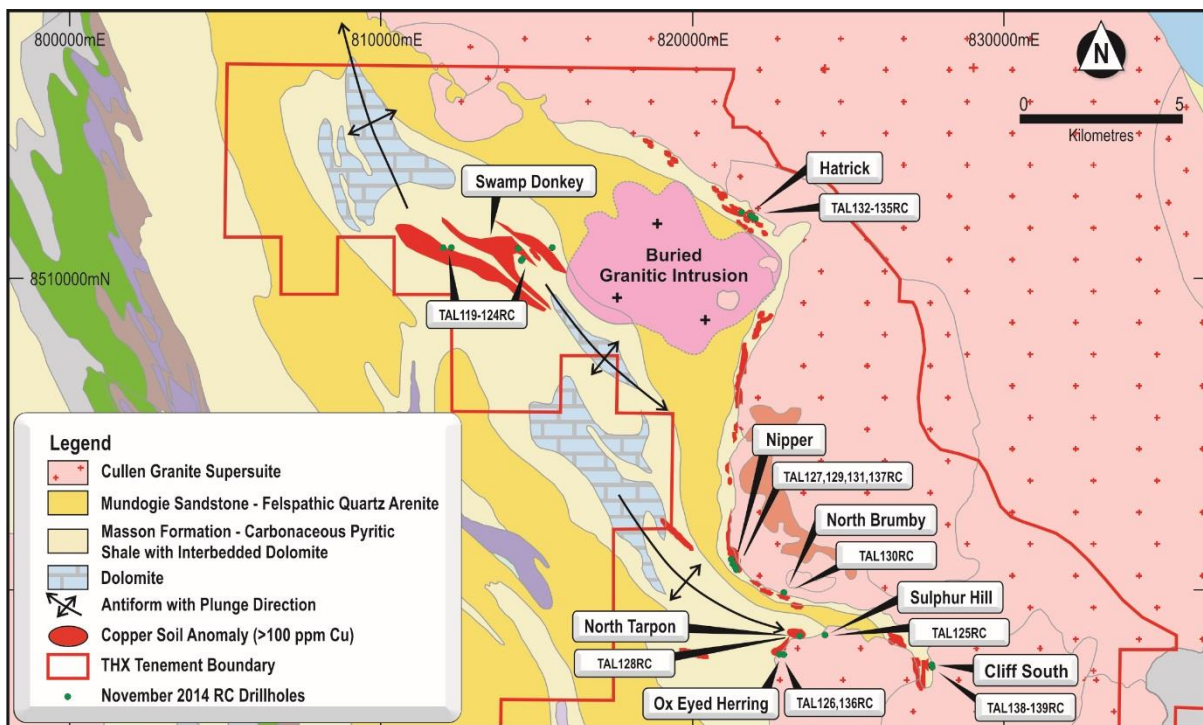


Figure 7. Allamber Project area showing prospect locations and drillhole collars from last programme.

No field work was carried out on the Allamber Project during the June Quarter. Follow-up drilling at the Ox-Eyed Herring / Tarpon prospects is planned for the September Quarter. The aim is to extend the copper mineralisation already identified there and to improve the understanding of the geological and mineralisation controls.

Following the December 2014 Quarter drilling programme, a number of the prospects within the Allamber Project were downgraded. As a result of those decisions, parts of the overall project area no longer deemed prospective have been relinquished as part of our proactive cost management.

**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 conducted 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 active testing of this quality uranium exploration project.

**SCHEDULE OF TENEMENTS**

A number of blocks that were part of the Allamber Project, and which were no longer considered to contain the potential for mineralisation of commercial scale, were surrendered.

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
<b>Western Australia</b>						
Sophie Downs	E80/3673	100%	100%	-	-	-
Keller Creek	E80/2836	20% fci	20% fci	-	-	Panoramic (PAN)
Red Bore	M52/597	90%	90%	-	-	WR Richmond
Curara Well	E52/2402	90%	90%	-	-	WR Richmond
<b>Northern Territory</b>						
<b>Ngalia Basin Project</b>						
Mt Wedge	EL24561	100%	100%	-	-	-
Walbiri Range	EL25283	100%	100%	-	-	
Jabangardi Hill	EL25334	100%	100%	-	-	
<b>Allamber Project</b>						
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%	0%	-	8 of 8 blocks	Surrendered
Second Chance	EL28857	100%	100%	-	-	-
Costica's Folly	EL29260	100%	100%	-	9 of 18 blocks	Partial surrender
<b>Copperfield Project</b>						
Copperfield	EL29523	100%	100%	-	-	-

Table 1. Schedule of Tenements showing changes during the June 2015 Quarter.



## CORPORATE

Thundelarra remains fully funded to carry out its planned 2015 exploration programmes. We continue to manage our exploration expenditure carefully and prudently, with more than two thirds of every dollar spent going into the ground.

Settlement of the final \$900,000 tranche from the sale of the Hayes Creek Uranium assets is due by 31 July 2015 in the form of shares (if the purchaser completes an IPO before then) or in cash, unless we receive a request, as allowed under the original sale agreement, to extend the settlement date, which we will consider in good faith.

Discussions continue on a number of fronts to deliver value for shareholders from the few remaining non-core exploration assets.

Thundelarra also continues to evaluate numerous project opportunities that are received from parties seeking new partners and/or investors. Most of these opportunities are not progressed beyond the initial due diligence evaluation process. However, Thundelarra continues to seek new projects that are consistent with our core commodity focus of copper and gold. Such projects must offer the potential for Thundelarra to be able to deliver positive returns to shareholders, either through direct exploration success or by adding geological value to the project to attract interest prior to subsequent sale or disposal.

Given the current state of the share market and commodity prices, we believe this to be the ideal time to consider new opportunities and to position our project pipeline to take best advantage of the market recovery that we are confident will occur in line with the usual cyclical nature of the industry.

Respected Australian equity research group Breakaway Research completed an update research note that was released in April and which is available on the Thundelarra website.

The Company released a short video explaining the conceptual model for the mineralisation at Red Bore. This formed the basis of several conference presentations to market our exploration activities and to promote the potential that we believe exists at our Projects.

At 30th June 2015, our cash balance was \$5.007 million. The marked to market valuation of equity investments held at the date of this report was \$0.117 million and is additional to the reported cash balance. Thundelarra is well-placed to continue aggressive exploration of our exciting prospects.

## 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 June Quarter, Thundelarra has completed the planned drilling programmes at Red Bore and Curara Well. At the date of this Quarterly Report the assay results are still awaited from the laboratory.

Selected holes from the recent drill programme, at both Red Bore and Curara Well, are scheduled for downhole EM (DHEM) and magnetic geophysical surveying. These surveys are imminent and the resultant data will be incorporated with the assay data, and the geological data from the drillhole

logs, to refine our interpretation of the geological controls and so help define deeper targets for the follow-up diamond drilling programme that is planned for the September Quarter.

At Allamber in the NT, preparations were made for an RC drilling programme in the September Quarter to advance the exploration of the copper mineralisation already identified at the Ox-Eyed Herring and Tarpon prospects.

**Tony Lofthouse**  
**Chief Executive Officer**

## THUNDELARRA LTD

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ABN: 74 950 465 654

ACN: 085 782 994

ASX CODE: THX

Issued Shares: 319.4M (at 30 June 2015)

Market Cap: \$28M (at 27 July 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")

30 June 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	(578) - - (292)	(1,930) - - (944)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	168
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – research and development refund	-	324
<b>Net Operating Cash Flows</b>	<b>(817)</b>	<b>(2,382)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (12)	- - (35)
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 – Redemption of security deposits	42	85
<b>Net investing cash flows</b>	<b>30</b>	<b>50</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(787)</b>	<b>(2,332)</b>

+ 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)	(787)	(2,332)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	12	12
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	-	-
	<b>Net financing cash flows</b>	<b>12</b>	<b>12</b>
	<b>Net increase (decrease) in cash held</b>	<b>(775)</b>	<b>(2,320)</b>
1.20	Cash at beginning of quarter/year to date	5,782	7,327
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>5,007</b>	<b>5,007</b>

### 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	167
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
<b>Total</b>	<b>900</b>

### 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	865	182
5.2 Deposits at call	4,142	5,600
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,007</b>	<b>5,782</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### 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	EL27649	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	<b>Preference securities</b> (description)	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<b>+Ordinary securities</b>	319,388,499	319,388,499	
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (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	<b>Options</b> (description and conversion factor)	6,750,000 2,000,000 1,150,000 11,500,000 750,000	- - - - -	<i>Exercise price</i> \$0.84 \$0.23 \$0.09 \$0.06 \$0.06	<i>Expiry date</i> 27/02/2016 28/02/2017 31/10/2015 28/02/2019 18/03/2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	130,000	-	\$0.09	31/10/2015
7.10	Expired during quarter	1,000,000	-	\$0.45	16/04/2015
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (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: 28 July 2015

Print name: Frank DeMarte  
Company Secretary

## Notes

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 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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