



## ACQUISITION OF RED DRAGON MINES NL

The Board of Thundelarra is pleased to announce that it has today executed a share purchase agreement with the key shareholders of Red Dragon Mines NL ACN 079 224 632 (**Red Dragon**) for Thundelarra to acquire all of the issued shares of Red Dragon (**Share Purchase Agreement**).

### About Red Dragon

Red Dragon is an unlisted no liability exploration company incorporated in Western Australia. Red Dragon has one wholly-owned subsidiary, Zeus Mining Pty Ltd ACN 113 854 596 (**Zeus**).

Red Dragon has a portfolio of attractive gold tenements in Western Australia that Thundelarra believes offer excellent exploration potential for new greenfields discoveries. The package comprises four main projects, located in active gold exploration provinces that are close to established infrastructure and to established and operating gold plants with surplus capacity.

### Strategic Rationale

Thundelarra's stated commodity focus is copper, gold, and base metal exploration, with current prospects also hosting potential for graphite and uranium.

Red Bore, Curara Well and Allamber offer exciting copper potential, but until now the Company has no dedicated gold projects.

The Board developed a strategic view that the success enjoyed by a number of West Australian gold producers had created a distinct opportunity in the gold exploration space. Producers like Metals Ex (MLX), Northern Star (NST), and others, have consciously sought to consolidate operating and mothballed gold plants in conjunction with nearby brown fields mineral resources and exploration projects to develop gold production hubs. This creates an opportunity for green fields explorers to put together exploration prospects in prospective geological settings within trucking distance of these production hubs. Ideally in locations where previous historical exploration had established the presence of gold but where there were not yet any established resources, possibly due to the lack of systematic exploration.

Proximity to the developing production hubs was a prime criterion in our search for the right opportunity, as were walk-up drill targets. Proximity to current exploration activity was also considered a desirable attribute, together with the ability to acquire full unfettered ownership and thus control over the exploration strategy.

The potential for exploration successes that could lead quickly to the definition of resources to supply ore feed for the nearby production hubs, was seen as an efficient and effective way to deliver value quickly for shareholders, particularly at this stage of the commodity and sharemarket cycle.

In the past 12-18 months the Company has reviewed and evaluated a number of potential new project acquisitions or joint ventures. The tough times prevailing in the exploration sector have meant that many such opportunities have had substance, as current landholders unable to fund continued exploration. However, the market conditions have also allowed us to be very discerning in our decisions. We have considered and evaluated many prospects in our search: the Red Dragon

portfolio met all our strategic criteria for a suitable gold investment and we are excited by the potential that we believe it represents.

## The Prospects

The Red Dragon portfolio comprises four prospects (Figure 1):

- **Garden Gully**
- **Mooloogool**
- **White Well**
- **Paynes Find**

Garden Gully, Mooloogool and White Well are located in the vicinity of Meekatharra, close to the Andy Well gold plant (Doray Minerals; 200ktpa) and the Bluebird Gold Plant (Metals Ex; 3.1 Mtpa).

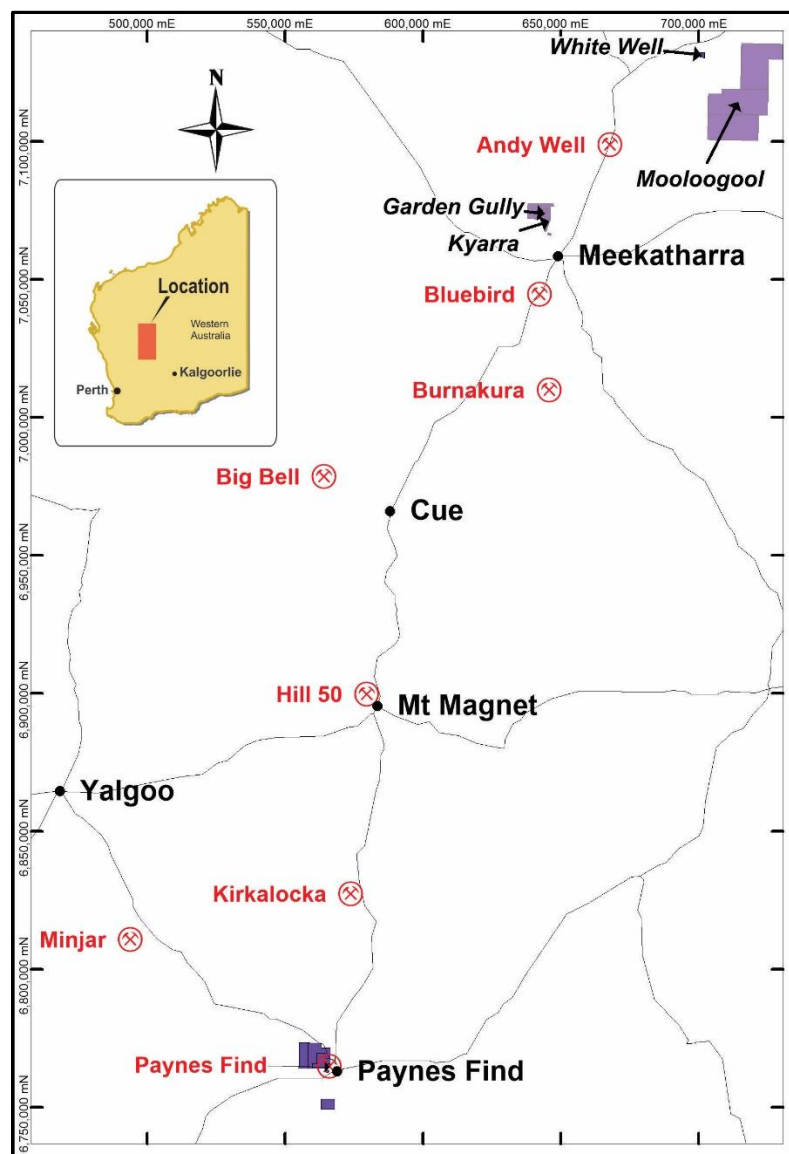


Figure 1. Western Australia: location map of Red Dragon Projects

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, which has a nominal treatment capacity of 1.6-2.2 Mtpa and is currently on care and maintenance.

**Garden Gully**

Garden Gully comprises 1 EL and 12 PLs for a total area of approximately 65km<sup>2</sup>. The project is located about 10km north-northwest of Meekatharra (Figure 2). The area encompasses a number of historic gold mines with aggregate recorded production of 20,718oz at an average grade of 21.7 gpt. Gold mineralisation is shear-related and hosted in mafic rocks of the Abbott Greenstone Belt.

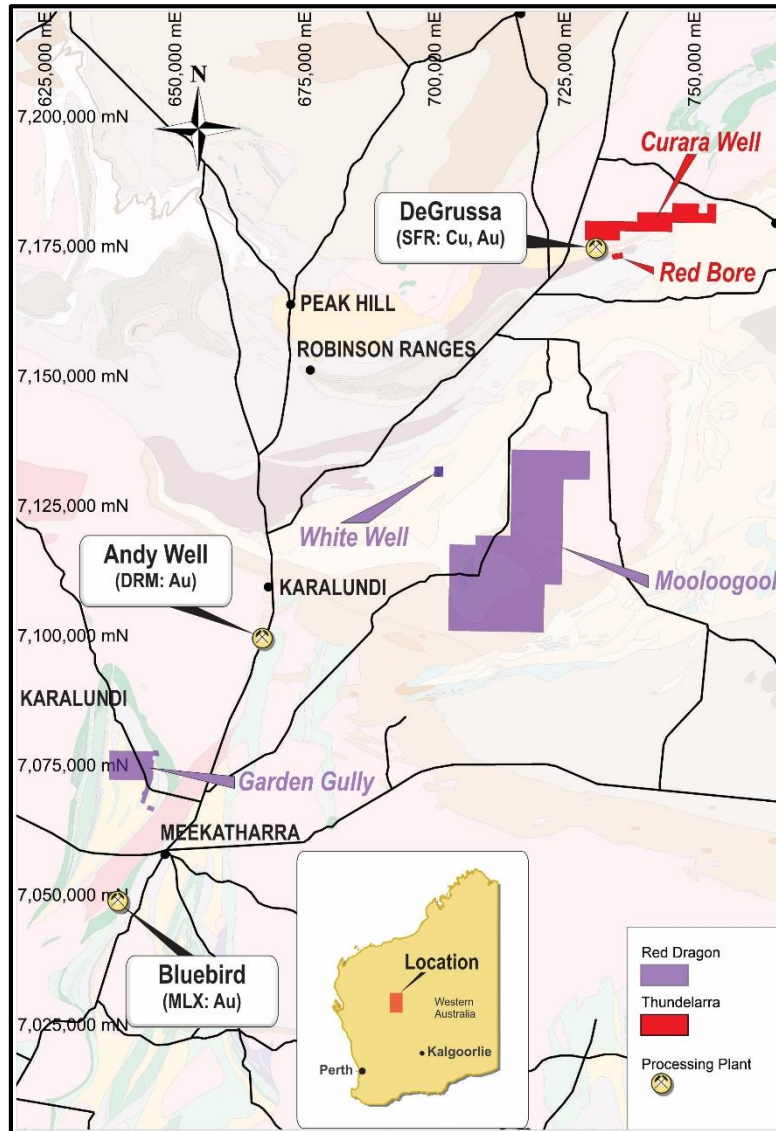


Figure 2: Location of Garden Gully, Mooloogool and White Well, and nearby processing plants.

The Garden Gully Project area is a prime area for the occurrence of Archaean shear-hosted lode gold deposits. The landholding is surrounded by tenements held by Doray Mining, who are actively exploring for additional mineralisation for their Andy Well gold plant which is 10km distant by road.

Preliminary evaluation of targets at Garden Gully recommends diamond drill testing in the vicinity of the historic Kyarra gold mine, and RC testing of 12 further targets within the overall Project area.

**Mooloogool**

Mooloogool comprises 3 ELs for a total area of approximately 554.5km<sup>2</sup>, located about 100km northeast of Meekatharra (Figure 2). The area covers deformed metasediments in the Yerrida Basin around the Goodin Dome. It has undergone limited historical exploration but the area is currently the focus of extensive exploration activity by a number of companies.

**White Well**

White Well comprises 2 PLs for a total area of 308ha (~3km<sup>2</sup>). It is located approximately 90km northeast of Meekatharra (Figure 2). The area covers Palaeoproterozoic metasediments of the Yerrida Group and is surrounded by tenements the subject of current active exploration by Enterprise Metals (ENT).

Historical exploration at White Well and current exploration on adjacent ground appears to indicate the existence of chargeability anomalies at White Well that warrant drill testing. These represent walk-up drill targets that would be tested by a programme of reverse circulation drilling.

**Paynes Find**

Paynes Find comprises 4 ELs and 2 PLs for a total area of approximately 117km<sup>2</sup>. The Project is located approximately 140km south of Mount Magnet along the Great Northern Highway (Figure 3). Evidence of modern exploration over the area is sparse, despite the Project being close to a number of significant old gold mines. Mineralisation at Paynes Find 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.

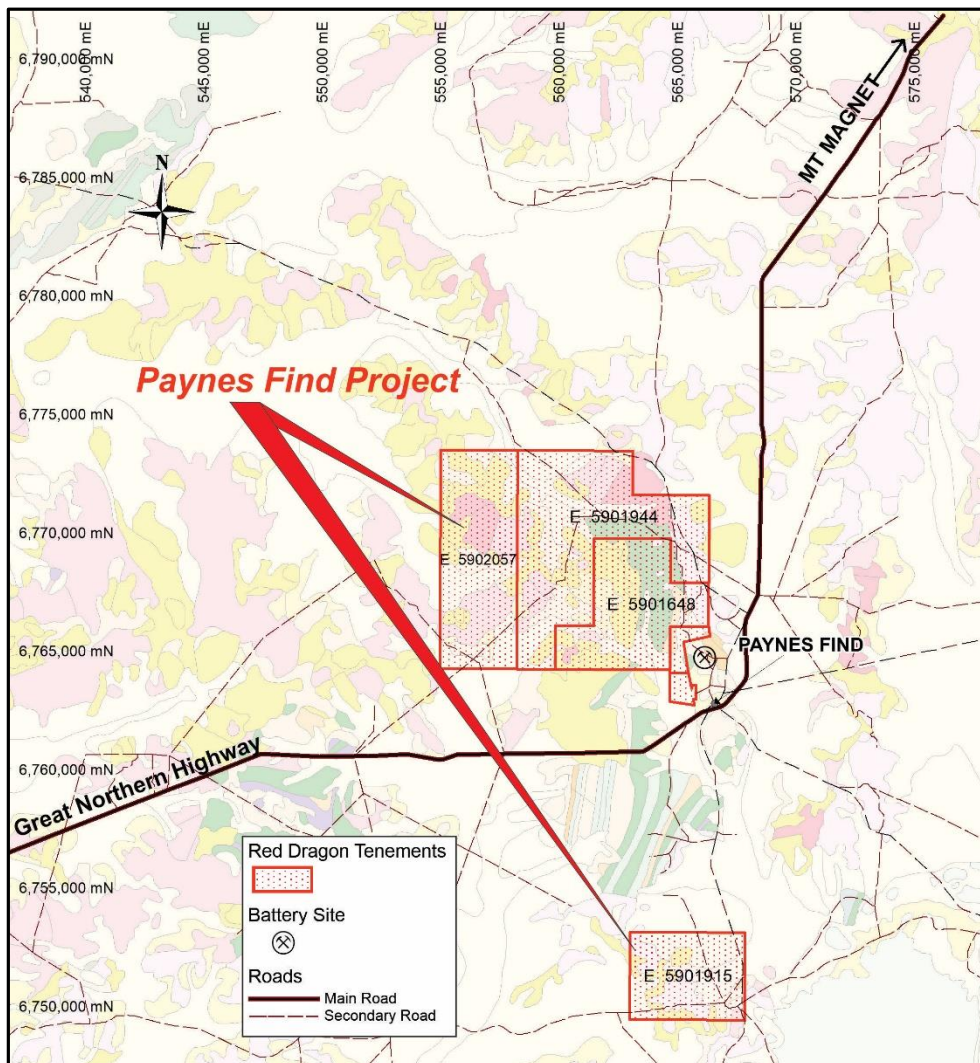


Figure 3: Location of Paynes Find project.

The Paynes Find Shear Zone in the eastern part of the main project area is considered prospective for recurrences of the structurally-controlled, shear-hosted high grade historical gold mineralisation exploited in the past. A programme of reverse circulation drilling is proposed to test initial targets.



## Terms of the acquisition

The following is a summary of the key terms of the acquisition:

<b>Parties</b>	Thundelarra.  Ragged Range Mining Pty Ltd ACN 074 428 907; Chin Nominees Pty Ltd ACN 008 798 865 as trustee for the Chin Nominees No.2 Superfund Account, Ioma Pty Ltd ACN 009 243 403 as trustee for The Gemini Trust; Angelo Michael Levissianos and Siat Yoon Chin <b>(Key Shareholders)</b>
<b>Terms of acquisition</b>	The Key Shareholders who represent approximately 64.78% of the total issued share capital of Red Dragon agree to sell and procure the remaining shareholders (being all those shareholders who are not Key Shareholders) to sell, 100% of the issued share capital of Red Dragon.
<b>Consideration</b>	17,927,166 fully paid ordinary shares at a deemed issue price of \$0.077 per share, being the VWAP15 of Thundelarra shares, rounded to the nearest 0.1 cent.
<b>Conditions</b>	Completion is subject to and conditional upon Thundelarra obtaining, within 3 months after 15 October 2015 (or such later date agreed between parties), shareholder approval pursuant to ASX Listing Rules 10.1, 10.11 and Chapter 2E of the Corporations Act in respect of the transactions contemplated by the Share Purchase Agreement.
<b>Completion</b>	Completion will take place 5 business days after the satisfaction of the above Conditions, or such other date agreed by the parties.

Shareholders should note that entities associated with Thundelarra director Mr Philip Crabb are substantial shareholders of Red Dragon and an entity associated with Thundelarra director Mr Frank DeMarte is a shareholder of Red Dragon.

Accordingly, it is a condition of the Share Purchase Agreement that Thundelarra obtain shareholder approval for the proposed acquisition of Red Dragon and for the issue of the consideration shares to related parties under Listing Rules 10.1, 10.11 and Chapter 2E of the Corporations Act 2001 (Cth). Full details will be included in a Notice of General Meeting and Explanatory Memorandum that will be provided to shareholders in due course. The meeting materials will include an Independent Expert's Report, which will state whether in the expert's opinion the transaction is fair and reasonable to the non-associated shareholders of Thundelarra.

The Board of Thundelarra expects that completion of the acquisition of Red Dragon will occur around early December 2015, however the exact timing will be subject to Thundelarra receiving all necessary shareholder approvals as mentioned above.

Malcolm Randall, independent Non-Executive Director of Thundelarra, commented:

*"I am very excited with the potential of this opportunity that has presented itself to acquire a group of highly prospective gold tenements located in historical and producing districts in the Murchison region of Western Australia, near well-planned existing plant and infrastructure.*

*The fact that gold processing plants are already in place and operating close to the Red Dragon gold tenements means that, subject to the discovery of viable resources, the projects could be fast-tracked*

*into production. It would also mean lower start-up costs, lower capital costs and lower operating costs, and a quicker path to production and cash flow, should a discovery be made.*

*As previously advised to Shareholders, our Company's strategic focus has consistently remained on copper and gold and the Red Dragon acquisition will complement this focus and our objectives.*

*The acquisition of these gold tenements will not in any way compromise the Company's excitement and continuing exploration emphasis on our existing copper projects – especially at Red Bore.”*

**For Further Information Contact:**  
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**THUNDELARRA LIMITED**  
**Issued Shares: 319.4M**  
**ASX Code: THX**