

DIAMOND DRILLING UNDERWAY AT RED BORE

Thundelarra is pleased to announce that Diamond Drilling contractor DDH1 Ltd has begun testing the deep target identified earlier this year from reprocessing of gravity data (see ASX announcement dated 26 April 2016). The Red Bore Project, 90%-owned by Thundelarra, is a two square kilometre granted Mining Licence (M52/597) located about 160km NE of Meekatharra in Western Australia.

TRBDD015 was collared on Tuesday 02 August 2016. It is being drilled at -75° declination towards an azimuth of 328° . At the end of the first day the hole had reached a depth of 8m using PQ3 coring.

The Doolgunna area is currently a hot-bed of exploration activity, with Thundelarra's RC and diamond drilling at Red Bore; Sandfire drilling to the north and east (Figure 1); and RNI drilling to the south.



Figure 1. RC drilling at Tepes target, Red Bore. Note Sandfire rig at right, close to the northern boundary of the Red Bore tenement; and Sandfire's DeGrussa plant infrastructure in the background at centre.

A brief summary of the targets follows (numbers refer to target locations on Figure 2 below):

- Target 1: shallower (~300m) gravity target identified in 1H 2016 has not been tested before. Located close to what was previously called the "North West Gossan Prospect". Renamed "Tepes" for easier reference. Potentially a VHMS occurrence.
- Targets 2, 3 and 4: these holes will help identify the most effective collar location for the first follow-up diamond hole to test the gravity anomaly identified in 1H 2016 at approximately 600m depth below Gossan. Target 3 will also provide further information on a previously identified IP anomaly in that approximate location that has not been completely explained. Target 4 is the approximate location of the diamond hole that has now commenced to test the gravity target.
- Target 5: "Spike". A magnetic anomaly that has not been previously tested.
- Target 6: "Jaspilite". Previous drill testing of this magnetic anomaly has not provided a comprehensive explanation of the anomaly. This will be revisited.

- Target 7: “Scythe”. Previous drill testing of this target had revealed a conductor that warranted further follow-up testing when a suitable rig became available.
- Targets 8 and 9: “Impaler”. Previous drill testing of the Impaler prospect had encountered difficult ground conditions. Interpretation of the deep diamond hole completed in early 2016 identified the theoretical potential for down-dip and easterly extensions of the geological setting that may be prospective for VHMS occurrences.

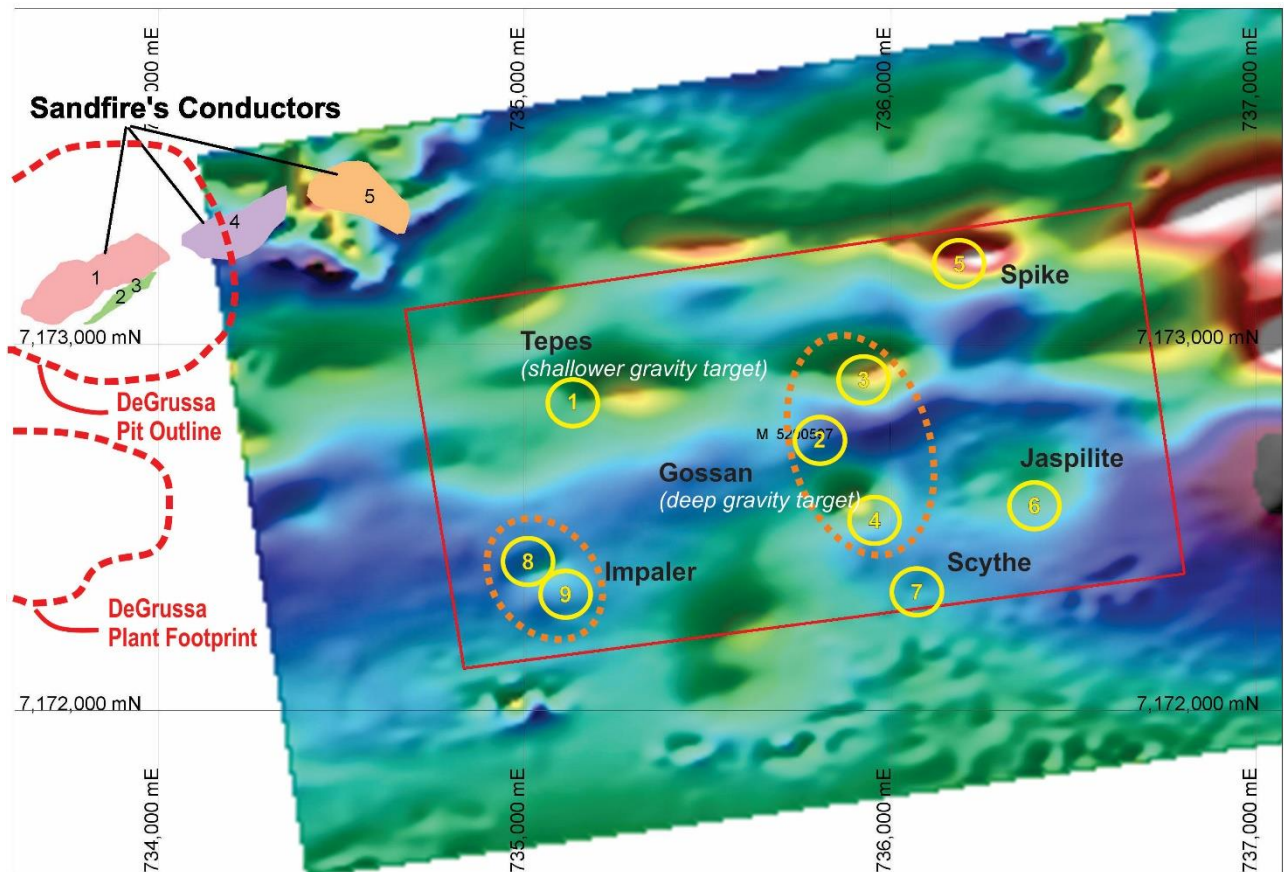


Figure 2. Red Bore drill targets on TMI magnetic image. Surface trace of Conductor orebodies (to scale) and approximate location of DeGrussa pit and plant show proximity of Red Bore to Sandfire’s infrastructure.

The project geologist may amend the programme as warranted, based on the geological data obtained hole by hole. Hole locations and details of any material findings will be announced during the course of the programme.

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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.