THUNDELARRA

ASX/Media Announcement

14 September 2016

GARDEN GULLY – FOUR FURTHER GOLD ZONES

Thundelarra is pleased to report results and conclusions from the balance of the holes drilled at the Garden Gully Gold Project. This initial drilling programme has been an unqualified success, exceeding our expectations for a first-pass scout programme. Deep RC drilling will test these tantalising new targets to follow the mineralisation identified in this programme.

Highlights: *(downhole depths reported: true widths not yet known)*

- ***Four more gold targets to add to Lydia (7m @ 24.5 gpt Au; 13 Sep 2016 report)***
- ***Transylvania:*** ***6m at 2.9 gpt Au from 103m, including 2m at 6.1 gpt Au***
  36m at 0.7 gpt Au from 49m, including 8m at 1.7 gpt Au
- ***Battery:*** ***5m at 0.7 gpt Au from 60m***
- ***North Granite Well:*** ***31m at 0.32 gpt Au from 71m***
- ***Crown:*** ***1m at 0.5 gpt Au from 72m***

Figure 1. Drilling at North Granite Well Prospect, Garden Gully project.

This initial scout drilling programme at Garden Gully was designed to develop an understanding of the local geology and structure in order to help identify targets for subsequent more detailed, deeper follow-up drilling. Not all holes were able to achieve target depth due to a number of factors, but this did not prevent the programme from being an outstanding success.

Originally intended as an air core programme, but air core could not penetrate the thick ferricrete layer under transported cover. With a shallow water table too, the programme was changed to Reverse Circulation using a small diameter hammer and the same rig. A total of 28 holes were

drilled for a total advance of 2,278m, testing targets at eight prospect locations identified from historical reports, geochemistry, geological mapping and geophysical surveys.

The Garden Gully project, wholly-owned by Thundelarra, comprises 14 granted Prospecting Licences, 1 granted Exploration Licence, and one Exploration Licence application covering about 65.5 square kilometres and is located in Western Australia's Doolgunna region (Figure 2) about 20km north-west of the town of Meekatharra.

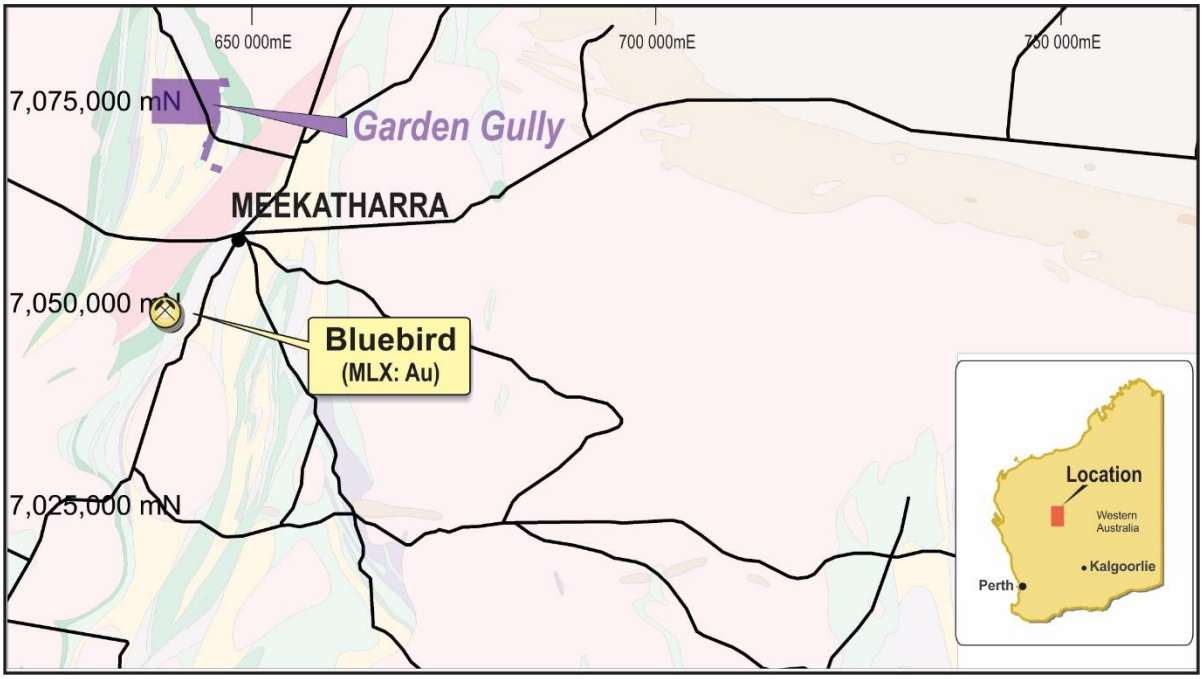

Figure 2. Garden Gully location showing proximity to local plant and infrastructure. Scale: grid spacing is 25 km.

The Project contains a number of prospects that underwent first pass testing by this initial scout drilling programme (Figure 3). The spectacular results at Lydia (7m at 24.5 gpt Au; repeat assay 17.7 gpt Au; 12m at 4.0 gpt Au) reported in the ASX announcement dated 12 September 2016, are not the only successes of the programme.

Prospect	Hole No	From	To	Interval	Au(g/t)
North Granite Well	**TGGRC002**	32	39	7m	0.44
	inc	33	36	3m	0.79
	TGGRC003	49	53	4m	0.93
	TGGRC004	71	102	31m	0.32
Crown	**TGGRC010**	72	73	1m	0.47
Battery	**TGGRC020**	60	65	5m	0.72
Transylvania	**TGGRC022**	19	21	2m	0.72
	and	103	109	**6m**	**2.85**
	inc	106	108	**2m**	**6.13**
	TGGRC024	49	85	36m	0.68
	inc	69	77	**8m**	**1.73**
	and	81	85	**4m**	**1.23**

Table 1. Significant drill intercepts. See Appendix 1 for all assays above 0.1 ppm Au.

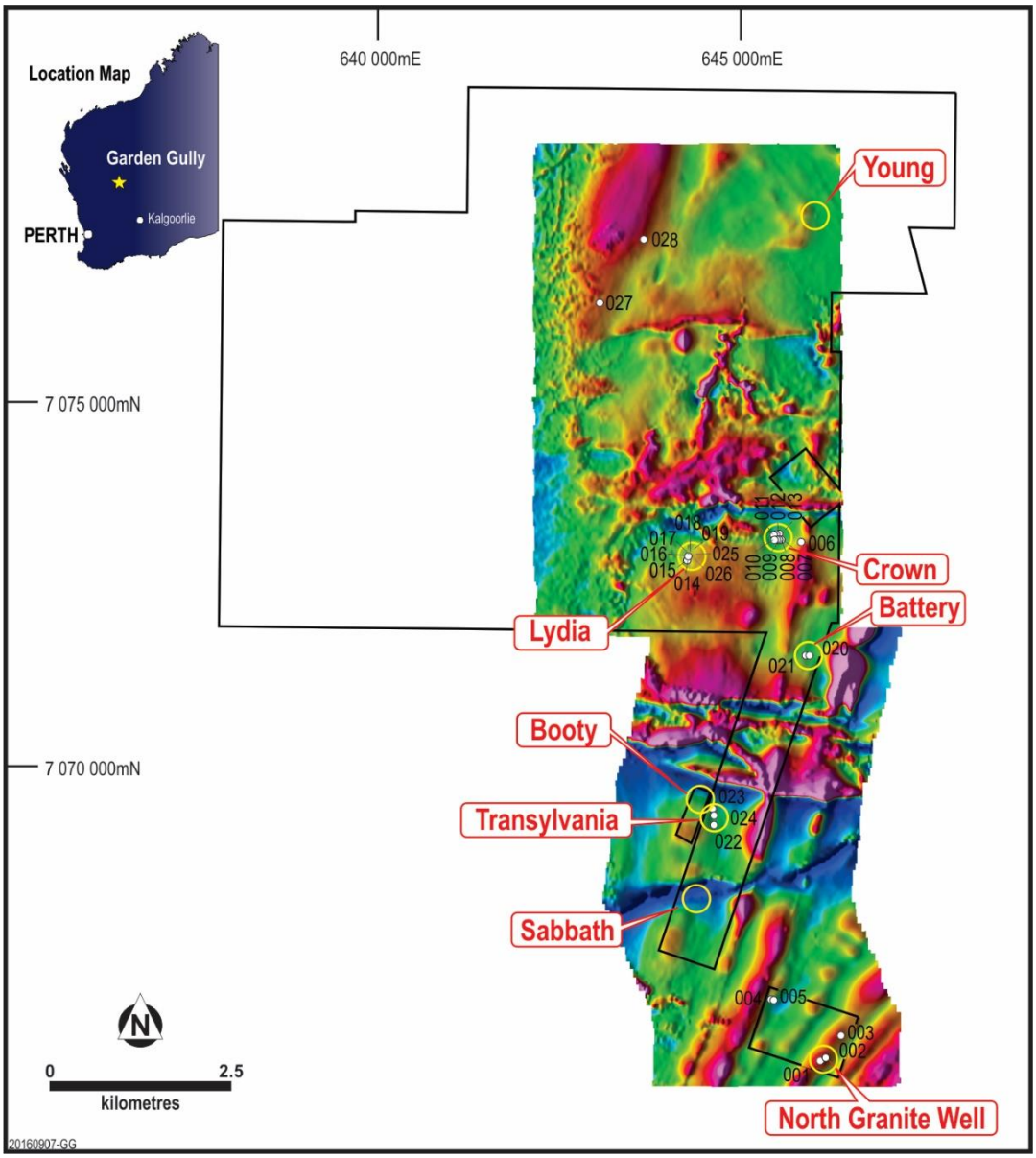

Figure 3. Prospect locations and drill collars in the Garden Gully Project, shown on TMI image.

At **North Granite Well** prospect, holes **TGGRC001-003** tested an inferred mineralised zone trending north-east, marked by shallow historical diggings and numerous shallow holes drilled by previous explorers at different times in the past. All three holes intersected low grade gold mineralisation, mostly located near the base of oxidation (Table 2, Appendix 1). Holes **TGGRC004-005** drilled in the north-west corner of the tenement tested a prominent chargeable anomaly. **TGGRC005** intersected the feature, reporting highly anomalous gold values over a significant interval (**31m at 0.32 gpt Au** from 71m downhole). Follow-up RC drilling will test this anomaly further at depth.

At **Crown**, two drill traverses were designed to test the narrow mineralised veins reported in the old workings. **TGGRC010** intersected a narrow anomalous zone but in general the eight holes drilled at this prospect failed to intersect significant gold mineralisation and did not deliver any explanation for the various geophysical anomalies being tested. Further investigation will follow.

Hole ID	Easting	Northing	Prospect	RL	Depth	Azimuth	Dip
TGGRC001	646120	7065942	North Granite Well	506m	73m	120º	-60º
TGGRC002	646179	7065981	North Granite Well	504m	76m	120º	-60º
TGGRC003	646399	7066304	North Granite Well	499m	81m	120º	-60º
TGGRC004	645440	7066784	North Granite Well	494m	102m	295º	-60º
TGGRC005	645461	7066777	North Granite Well	495m	60m	295º	-60º
TGGRC006	645850	7073074	Crown	486m	84m	090º	-60º
TGGRC007	645575	7073104	Crown	488m	71m	090º	-60º
TGGRC008	645546	7073103	Crown	491m	66m	090º	-60º
TGGRC009	645517	7073105	Crown	482m	66m	090º	-60º
TGGRC010	645487	7073105	Crown	480m	75m	090º	-60º
TGGRC011	645477	7073167	Crown	480m	72m	090º	-60º
TGGRC012	645501	7073176	Crown	480m	69m	090º	-60º
TGGRC013	645540	7073183	Crown	480m	33m	090º	-60º
TGGRC014	644321	7072842	Lydia	480m	75m	100º	-60º
TGGRC015	644319	7072842	Lydia	480m	63m	070º	-60º
TGGRC016	644331	7072884	Lydia	480m	87m	100º	-60º
TGGRC017	644330	7072884	Lydia	480m	102m	100º	-60º
TGGRC018	644341	7072924	Lydia	480m	96m	100º	-60º
TGGRC019	644350	7072960	Lydia	480m	96m	100º	-60º
TGGRC020	645946	7071517	Battery	471m	72m	120º	-60º
TGGRC021	645912	7071514	Battery	488m	72m	120º	-60º
TGGRC022	644657	7069191	Transylvania	496m	111m	060º	-60º
TGGRC023	644626	7069403	Transylvania	500m	141m	240º	-60º
TGGRC024	644660	7069321	Transylvania	495m	93m	060º	-60º
TGGRC025	644360	7072919	Lydia	480m	75m	340º	-60º
TGGRC026	644357	7072833	Lydia	480m	111m	320º	-60º
TGGRC027	646120	7065942	Unnamed	480m	81m	290º	-60º
TGGRC028	646179	7065981	Unnamed	480m	75m	295º	-60º

Table 2. Details of the holes drilled at Garden Gully. All locations on Australian Geodetic Grid GDA94-50. The azimuth shown is the magnetic azimuth of the drilling direction.

TGGRC022-024 were drilled at the **Transylvania** prospect, 120m east of the Booty prospect. Two holes intersected semi-oxidised gold mineralisation within narrow quartz veins hosted by metabasaltic rocks. **TGGRC022** intersected **6m at 2.85 gpt Au** from 103m downhole, including **2m at 6.13 gpt Au**. **TGGRC024** intersected an extensive zone of anomalous gold values: **36m at 0.68 gpt Au** from 49m to 85m downhole, including **8m at 1.73 gpt Au** from 69m and **4m at 1.23 gpt Au** from 81m. The sulphidic mineralisation consisted of pyrite and minor arsenopyrite and although the zone is not presenting with a geophysical signature, it is open at depth and along strike. **TGGRC023** tested a strong chargeable anomaly between Transylvania and Booty. Disseminated pyrite within a mafic sequence with a massive sulphidic zone between 131m and 134m downhole explains the chargeable anomaly, but no anomalous metal values were returned. The extensive “smoke” at and around Transylvania and Booty will be targeted in the deeper follow-up RC drill programme.

TGGRC020-021 tested a strong arsenic anomaly and a coincident chargeable anomaly at the **Battery** prospect. The holes were abandoned due to strong water flow and swelling clays, but the **5m at 0.72 gpt Au** from 60m downhole in **TGGRC020** is significantly anomalous and warrants follow up deeper RC drilling, which will form part of the next programme.

The north-western part of the Project Area contains a strong conductor which previous historical drilling had reported to contain anomalous base metal values. **TGGRC027-028** both intersected black shale with anomalous copper and zinc values, but no anomalous gold values were recorded. The lower part of the black shale unit will be tested as part of the follow-up deeper RC drill programme.

The next stage of exploration will be a deeper RC programme with holes testing the numerous prospective anomalous zones and targets identified in this highly successful initial 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.

Appendix 1: Laboratory assay results: Fire Assay 50g charge after Aqua Regia digest with ICP analysis.

Any intervals reporting gold content below 0.1 ppm (0.1 gpt) are not recorded in the following table, except as part of a longer interval of consecutive samples, where relevant.

Hole No	From	To	Width (m)	Au (ppm)	Comment
TGGRC001	32	36	4	0.13	
TGGRC001	36	40	4	0.17	
TGGRC001	44	48	4	0.13	
TGGRC001	10	11	1	0.22	
TGGRC002	32	33	1	0.13	32m-39m
TGGRC002	33	34	1	0.66	7m @ 0.44 gpt
TGGRC002	34	35	1	0.72	inc
TGGRC002	35	36	1	0.98	33m-36m
TGGRC002	36	37	1	0.17	3m @ 0.79 gpt
TGGRC002	37	38	1	0.32	
TGGRC002	38	39	1	0.13	
TGGRC002	40	41	1	0.20	
TGGRC002	47	48	1	0.25	
TGGRC003	49	53	4	0.93	4m @ 0.93 gpt
TGGRC003	69	73	4	0.10	
TGGRC004	64	68	4	0.36	
TGGRC004	68	69	1	0.15	

Hole No	From	To	Width (m)	Au (ppm)	Comment
TGGRC004	71	72	1	0.33	71m-102m
TGGRC004	72	73	1	0.17	31m @ 0.32 gpt
TGGRC004	73	74	1	0.16	
TGGRC004	74	75	1	0.37	
TGGRC004	75	76	1	0.50	
TGGRC004	76	77	1	0.13	
TGGRC004	77	78	1	0.12	
TGGRC004	78	79	1	0.19	
TGGRC004	79	80	1	0.34	
TGGRC004	80	81	1	0.15	
TGGRC004	81	82	1	0.74	
TGGRC004	82	83	1	0.28	
TGGRC004	83	84	1	0.19	
TGGRC004	84	85	1	0.51	
TGGRC004	85	86	1	0.36	
TGGRC004	86	87	1	0.95	
TGGRC004	87	88	1	0.27	
TGGRC004	88	89	1	0.53	
TGGRC004	89	90	1	0.29	
TGGRC004	90	91	1	0.40	
TGGRC004	91	92	1	0.42	
TGGRC004	92	93	1	0.27	
TGGRC004	93	94	1	0.35	
TGGRC004	94	95	1	0.23	
TGGRC004	95	96	1	0.22	
TGGRC004	96	97	1	0.29	
TGGRC004	97	98	1	0.20	
TGGRC004	98	99	1	0.23	
TGGRC004	99	100	1	0.30	
TGGRC004	100	101	1	0.33	
TGGRC004	101	102	1	0.21	
TGGRC005	17	18	1	0.24	
TGGRC005	18	22	4	0.11	
TGGRC010	72	73	1	0.47	1m @ 0.47 gpt
TGGRC020	21	22	1	0.14	
TGGRC020	60	61	1	1.16	60m-65m
TGGRC020	61	62	1	0.25	5m @ 0.72 gpt
TGGRC020	62	63	1	1.47	
TGGRC020	63	64	1	0.63	
TGGRC020	64	65	1	0.11	
TGGRC020	70	71	1	0.30	
TGGRC022	16	17	1	0.23	
TGGRC022	17	19	2	0.00	
TGGRC022	19	21	2	0.72	2m @ 0.72 gpt
TGGRC022	103	104	1	0.46	103m-109m
TGGRC022	104	105	1	3.92	**6m @ 2.85 gpt**
TGGRC022	105	106	1	0.24	inc
TGGRC022	106	107	1	9.88	106m-108m
TGGRC022	107	108	1	2.37	**2m @ 6.13 gpt**

Hole No	From	To	Width (m)	Au (ppm)	Comment
TGGRC022	108	109	1	0.21	
TGGRC023	119	120	1	0.17	
TGGRC024	49	50	1	0.14	49m-85m
TGGRC024	50	51	1	0.20	36m @ 0.68 gpt
TGGRC024	51	52	1	0.02	inc
TGGRC024	52	53	1	0.15	69m-77m
TGGRC024	53	54	1	0.11	**8m @ 1.73 gpt**
TGGRC024	54	55	1	0.67	and
TGGRC024	55	56	1	0.35	81m-85m
TGGRC024	56	57	1	0.57	**4m @ 1.23 gpt**
TGGRC024	57	58	1	0.03	
TGGRC024	58	59	1	0.11	
TGGRC024	59	60	1	0.02	
TGGRC024	60	61	1	0.20	
TGGRC024	61	62	1	0.04	
TGGRC024	62	63	1	0.25	
TGGRC024	63	64	1	0.01	
TGGRC024	64	65	1	0.50	
TGGRC024	65	66	1	0.38	
TGGRC024	66	67	1	0.48	
TGGRC024	67	68	1	0.49	
TGGRC024	68	69	1	0.50	
TGGRC024	69	70	1	**2.85**	
TGGRC024	70	71	1	**1.74**	
TGGRC024	71	72	1	**1.74**	
TGGRC024	72	73	1	**2.78**	
TGGRC024	73	74	1	**1.30**	
TGGRC024	74	75	1	**1.03**	
TGGRC024	75	76	1	**1.40**	
TGGRC024	76	77	1	**1.01**	
TGGRC024	77	78	1	0.42	
TGGRC024	78	79	1	0.03	
TGGRC024	79	80	1	0.04	
TGGRC024	80	81	1	0.05	
TGGRC024	81	82	1	0.38	
TGGRC024	82	83	1	3.22	
TGGRC024	83	84	1	0.90	
TGGRC024	84	85	1	0.42	

Appendix 2: JORC Table 1 Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• RC sample was collected and split in even metre intervals where sample was dry. Wet sample was speared or on occasion scoop-sampled. RC drill chips from each metre were examined visually and logged by the geologist. Evidence of alteration or the presence of mineralisation was noted on the drill logs. Intervals selected by the site geologist were tested by hand-held XRF and those reporting relevant metal content were bagged and numbered for laboratory analysis. • Duplicate samples are submitted at a rate of approximately 10% of total samples taken (ie one duplicate submitted for every 10 samples). The Delta XRF Analyser is calibrated before each session and is serviced according to the manufacturer's (Olympus) recommended schedule. • The presence or absence of mineralisation is initially determined visually by the site geologist, based on experience and expertise in evaluating the styles of mineralisation being sought.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Narrow diameter reverse circulation drilling using a Gemco H-13 multi-purpose scout drill rig. Mounted on an Isuzu 4x4. 600 cpm plus auxiliary booster.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Volume of material collected from each metre interval of drilling completed is monitored visually by the site geologist and field assistants. Dry sample recoveries were estimated at ~95%. Wet sample recovery was lower, estimated to average ~40%. • Samples were collected and dry sample split using a riffle splitter. • Based on the relatively small number of assays received to date, there is no evidence of either a recovery/grade relationship or of sample bias.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• RC chips are logged visually by qualified geologists. Lithology, and where possible structures, textures, colours, alteration types and minerals estimates, are recorded. • Representative chips are retained in chip trays for each metre interval drilled. • The entire length of each drillhole is logged and evaluated.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• RC samples were collected and dry sample split using a riffle splitter. Material too moist for effective riffle splitting was sampled using a 4cm diameter spear. Sample submitted to the laboratory comprised three spear samples in different directions into the material for each metre interval. • The samples were sent to Nagrom in Perth for Au analysis by FA50 (Fire Assay on 50g charge). Sample preparation techniques are well-established standard industry best practice techniques. Drill chips and core are dried, crushed and pulverised (whole sample) to 95% of the sample passing -75µm grind size. • Field QC procedures include using certified reference materials as assay standards. One duplicate sample is submitted for every 15 samples, approximately.

		• Evaluation of the standards, blanks and duplicate samples assays shows them to be within acceptable limits of variability. • Sample representitivity and possible relationship between grain size and grade was confirmed following re-sampling and re-assaying of high grade interval. • Sample size follows industry standard best practice and is considered appropriate for these style(s) of mineralisation.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The assay techniques used for these assays are international standard and can be considered total. Samples were dried, crushed and pulverised to 95% passing -75µm and assayed for gold by 50g Fire Assay following an aqua regia digest, with digest solution analysed by ICP. • The handheld XRF equipment used is an Olympus Delta XRF Analyser and Thundelarra follows the manufacturer's recommended calibration protocols and usage practices but does not consider XRF readings sufficiently robust for public reporting. Thundelarra uses the handheld XRF data as an indicator to support the selection of intervals for submission to laboratories for formal assay. • The laboratory that carried out the assays is an AQIS registered site and is ISO certified. It conducts its own internal QA/QC processes in addition to the QA/QC implemented by Thundelarra in the course of its sample submission procedures. Evaluation of the relevant data indicates satisfactory performance of the field sampling protocols in place and of the assay laboratory. The laboratory uses check samples and assay standards to complement the duplicate sampling procedures practiced by Thundelarra.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• All significant intersections are calculated and verified on screen and are reviewed by the CEO prior to reporting. • The programme included no twin holes. • Data is collected and recorded initially on hand-written logs with summary data subsequently transcribed in the field to electronic files that are then copied to head office. • No adjustment to assay data has been needed.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Collar locations were located and recorded using hand-held GPS (Garmin 62S model) with a typical accuracy of ±5m. Due to the short hole length and scout drilling nature of the programme, the only down-hole survey carried out is the dip at the end of the hole. No down-hole azimuth measured. • The map projection applicable to the area is Australian Geodetic GDA94, Zone 50. • Topographic control is based on standard industry practice of using the GPS readings. Local topography is relatively flat. Detailed altimetry is not warranted.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill hole collars were located and oriented so as to deliver maximum relevant geological information to allow the geological model being tested to be assessed effectively. • This is still early stage exploration and is not sufficiently advanced for this to be applicable. • Various composite sampling was applied depending on the geology of the hole. All sample intervals are reported in Appendix 1. Zones where geological logging and/or XRF analyses indicated the presence of mineralised intervals were sampled on one metre intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• This programme is the first THX exploration drilling at the project and as such insufficient data has been collected and compiled yet to be able to establish true widths, orientation of lithologies, relationships between lithologies, or the nature of any structural controls. The main aim of this programme is to generate geological data to develop an understanding of these parameters.

		• Data collected so far presents no suggestion that any sampling bias has been introduced.
Sample security	• The measures taken to ensure sample security.	• When all relevant intervals have been sampled, the samples are collected and transported by Company personnel to secure locked storage in Perth before delivery by Company personnel to the laboratory for assay.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Internal reviews are carried out regularly as a matter of policy. All assay results are considered to be representative as both the duplicates and standards from this programme have returned satisfactory replicated results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Garden Gully project comprises fourteen granted prospecting licences P51/2909, P51/2910, P51/2911, P51/2912, P51/2913, P51/2914, P51/2760, P51/2761, P51/2762, P51/2763, P51/2764, P51/2765, P51/2941, P51/2948 and one granted exploration licence E51/1661, totalising approximately 65.5 square kilometres in area. THX holds a 100% interest in each lease. The project is partially located in the Yoothapina pastoral lease, 15km north of Meekatharra, in the Murchison of WA. • The licences are in good standing and there are no known impediments to obtaining a licence to operate.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• First workings in the Garden Gully area: 1895 - 1901 with the Crown gold mine. 264 tonnes gold at 1.99 oz/t average (~ 56 g/t Au). Maximum depth~24m. Kyarra gold mine (1909 – 1917): 18,790 oz gold from quartz veins in "strongly sheared, decomposed, sericite rich country rock". - Seltrust explored for Copper and Zinc from 1977, reporting stratigraphically controlled "gossanous" rock from chip sampling and drilling. - In 1988, Dominion gold exploration at Crown defined a >100ppb gold soil anomaly. RAB to 32m: "no significant mineralisation": drilling was "sub-parallel to the dip of mineralisation". Best intersection: 15m at 2.38g/t from 5m. - 1989 at Lydia: Julia Mines RAB drilled 30 m intervals 100m apart across the shear zone targeting the arsenic anomaly. 12m at 5.16 g/t Au from 18m; 6m at 3.04 g/t Au from 18m. No samples deeper than 24m due to poor recovery, so open at depth in the prospective shear zone. Julia also drilled shallow aircore at Crown mine, returned best intersection of 2m at 0.4g/t Au from 34m in quartz veins in felsic volcanics. - In 1989, Matlock Mining explored North Granite Well and Nineteenth Hole. Best result 8m at 2.1 g/t Au. Supergene zone: grades to 3.17 g/t Au and still open. - 1993 – 2003: St Barbara Mines: RAB, RC on E51/1661. Gold associated with black shale (best: 1m at 0.64 g/t). - 1996, Australian Gold Resources RAB and RC drilling found Cu, Zn and Ag anomalies (up to 1800ppm Cu, 1650ppm Zn and 3.8 g/t Ag) associated with saprolitic clay and black shales at 60-80m deep on current E51/1661. - 2001-2002, Gamen (Bellissimo & Red Bluff Noms) trenched, sampled, mapped and RC drilled at Crown. Results (up to 0.19 g/t Au) suggests the presence of gold mineralisation further to the east of Crown gold mine. - 2008 – 2009: Accent defined targets N and S of Nineteenth Hole from satellite imagery and airborne magnetics.
Geology	• Deposit type, geological setting and style of mineralisation.	- The Garden Gully project lies on the south-eastern limb of the Abbotts Greenstone Belt; comprised of Archaean rocks

		of the Greensleeves Formation (Formerly Gabanintha); a bimodal succession of komatiitic volcanic mafics and ultramafics overlain by felsic volcanics and volcaniclastic sediments, black shales and siltstones and interlayered with mafic to ultramafic sills. Regional synclinal succession trending N-NE with a northern fold closure postdating E-W synform, further transected by NE trending shear zones, linearity with the NE trend of the Abernathy Shear, which is a proven regional influence on structurally controlled gold emplacement in Abbotts and Meekatharra Greenstone Belts and in the Meekatharra Granite and associated dykes. - The Project is blanketed by broad alluvial flats, occasional lateritic duricrust and drainage channels braiding into the Garden Gully Drainage System. Bedrock exposures are limited to areas of dolerite, typically massive and unaltered. Small basalt and metasediment outcrops exist, with some exposures of gossanous outcrops and quartz vein scree. Gold bearing quartz reefs, veins and lodes occur almost exclusively as siliceous impregnations into zones within the Kyarra Schist Series, schistose derivatives of dolerites, gabbros and tuffs, typically occurring close to axial planes of folds and within anastomosing ductile shear zones.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All relevant drillhole details are presented in Table 2. • The principal geologic conclusion of the work reported from this programme at the Lydia Prospect confirm the presence of high grade gold mineralisation in what are interpreted to be plunging shoots. Extensive primary gold mineralisation was also intercepted below the base of oxidation: primary mineralisation associated with sulphides, which offers a very positive outlook for the potential of the prospect which is to be further tested in follow-up drilling.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All summary information of significant drill intercepts is presented in Table 1. Full assay data are recorded in Appendix 1. No assay grades have been cut. • Arithmetic weighted averages are used. For example, 103m to 109m in TGGRC022 is reported as 6m at 2.85gpt Au. This comprised 6 samples, each of 1m, calculated as follows: [(1*0.46)+(1*3.92)+(1*0.24)+(1*9.88) +(1*2.37) +(1*0.21)] = [17.08/6] = 2.85gpt Au. • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Insufficient geological data have yet been collected to allow the geometry of the mineralisation to be interpreted. • True widths are unknown and insufficient information is available yet to permit interpretation of geometry. Reported intercepts are downhole intercepts and are noted as such.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.	• Relevant location maps and figures are included in the body of this announcement (Figures 2, 3 and 4). Insufficient data have yet been collected to allow a meaningful cross-section to be drawn with confidence.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• This announcement includes the results of all Au assays for the eight holes drilled at the Lydia Prospect. The reporting is comprehensive and thus by definition balanced. It represents early results of a larger programme to investigate the possible mineralisation at Garden Gully.

Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including, but not limited to: geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• This announcement includes qualitative data relating to interpretations and potential significance of geological observations made during the programme. As additional relevant information becomes available it will be reported and announced to provide context to current and planned programmes.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Deeper RC drilling is planned to commence at Lydia as soon as possible to test the potential for repetitions or continuations at depth of the primary gold mineralisation discovered in this programme. • Figure 4 provides a broad overview of the potential geological setting to be targeted by follow up drilling. Further details will be provided when available.

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