

FOURTH QUARTER ACTIVITY & CASHFLOW REPORT 30 SEPTEMBER 2011

HIGHLIGHTS

NORTHERN TERRITORY EXPLORATION

- ✦ 11,335m of RC, mud rotary and diamond drilling completed
- ✦ Broad widths of high grade copper intersected at the Hattrick Prospect
 - 19m at 1.94% Cu & 9.7g/t Ag including 2m at 6.07% Cu & 27g/t Ag
 - 17m at 1.09% Cu & 3.5g/t Ag including 3m at 3.45% Cu & 9.7g/t Ag
 - Drilling is continuing with more assays awaited
- ✦ Detailed review of Pine Creek highlights extensive copper and gold potential
- ✦ Gold focused drilling program commencing at the Pricilla Prospect
 - 3 km line of historic gold workings largely untested by drilling
 - Large scale operating gold mine 300m along strike from lease boundary
- ✦ Further paleochannel uranium mineralisation intersected at the Ngalia Basin
 - Up to 5.3m at 1,593 ppm eU₃O₈
- ✦ JV partner sought to help advance exploration of 7,000km² Ngalia project

WESTERN AUSTRALIA EXPLORATION

- ✦ 3,975m of RC and diamond drilling completed
- ✦ Deep diamond holes completed at Red Bore
 - Chalcopyrite in core confirms mineralised system continues at depth
- ✦ First drilling program completed at Curara Well project
 - Anomalous copper intersected
- ✦ Heritage clearance completed at the Pyramid VMS project
 - Drilling to commence in the current quarter

CORPORATE

- ✦ Cash position at end of quarter - \$8.0 million

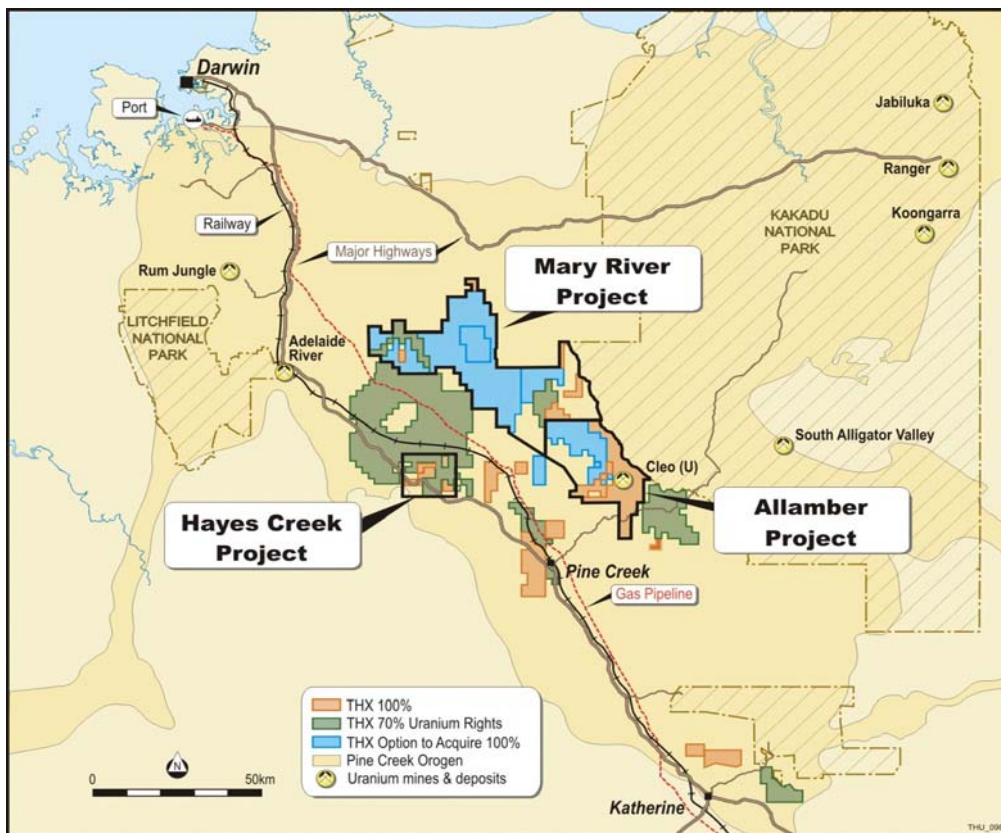
NORTHERN TERRITORY

During the quarter Thundelarra broadened its exploration focus in the Northern Territory, which had been principally on uranium, to put greater emphasis on base and precious metals. This change in strategy was initially prompted by the return of significant copper intercepts from drilling at the Allamber Project in late 2010. A detailed review of historical data and initial ground assessment of selected sites within the Company’s Pine Creek tenure subsequently revealed extensive potential for copper and gold that remain largely untested. This potential was highlighted in September when drilling at the Hatrick Prospect intersected broad zones of high grade copper/silver mineralisation.

Exploration strategy has also been influenced by reduced financial market support for uranium following tsunami damage to the Fukushima nuclear power facility in March. Thundelarra retains a positive view on the fundamentals of uranium and intends to further develop its advanced uranium prospects, however in the near term the majority of the exploration budget will be directed towards defined copper and gold targets.

In the three months to 30 September 2011, Thundelarra completed 11,335 metres of reverse circulation (RC), mud rotary and diamond drilling in the Northern Territory. At the Ngalia Basin, 5,075 metres of mud rotary drilling was completed, concluding Thundelarra’s 2011 campaign at that project. Post quarter end, the 2011 uranium drilling program in the Pine Creek region was also completed. Drilling is continuing, with primary targets for the remainder of the season being copper at Allamber, including follow up drilling at Hatrick, and gold at Hayes Creek.

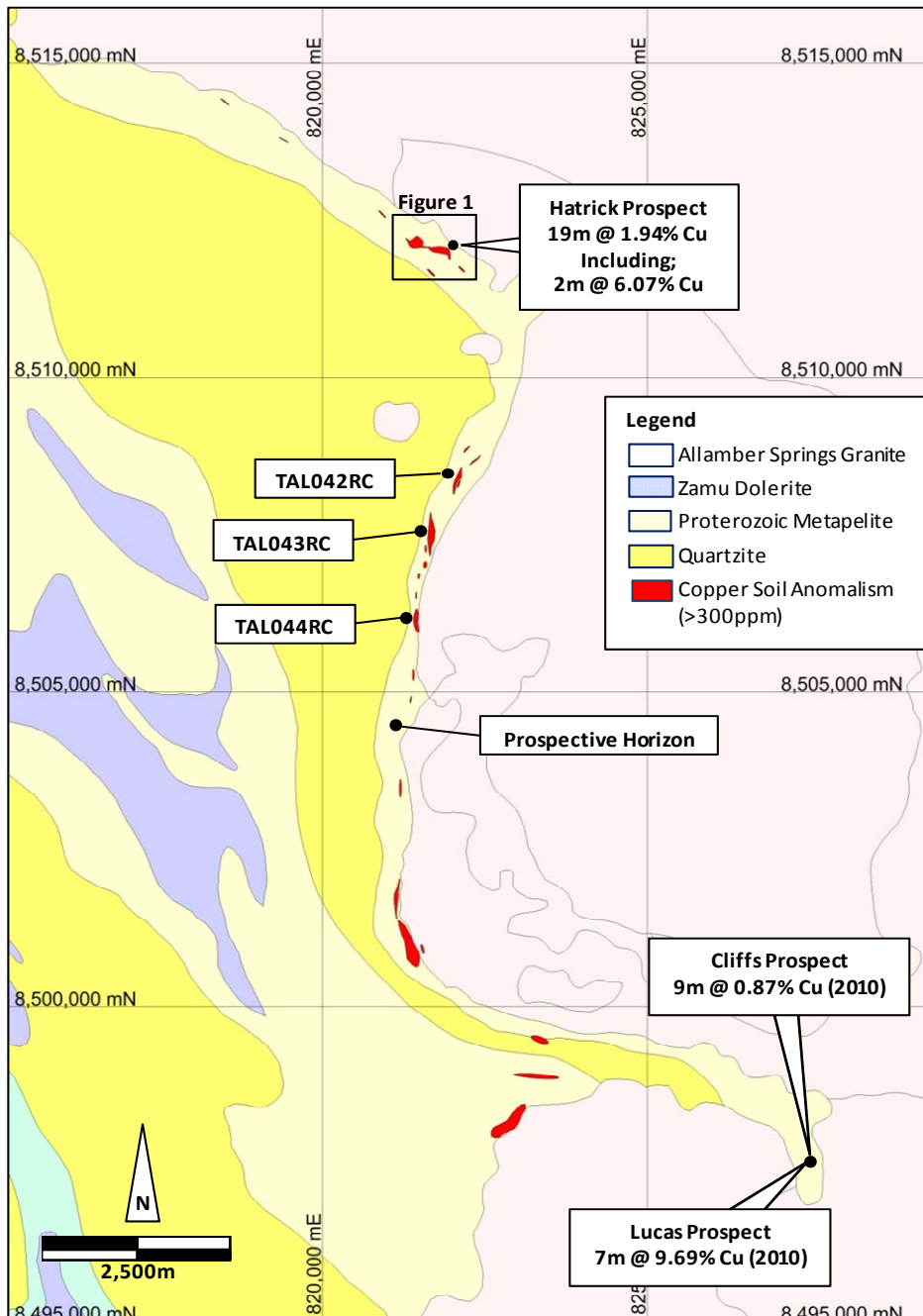
Pine Creek Regional Project



Allamber Project

The Allamber Project is located in the south eastern corner of the Thundelarra's Pine Creek tenure and contains the Cleo uranium resource and a number of historical copper, lead and zinc occurrences associated with a sulphidic and carbonaceous shale horizon (metapelite) that runs along the Allamber Granite contact. This prospective horizon can be traced for over 20 kilometres within the Allamber Project area and has extensive areas of surface copper anomalism defined by historical soil sampling programs and recent soil geochemistry by Thundelarra (see the following map).

Allamber Project Map



During the quarter Thundelarra commenced an RC drilling program designed to follow up significant copper and uranium intercepts returned from the Lucas and Cliff South Prospects in late 2010, which included 7 metres grading 9.69% copper in hole TAL024RC (ASX 6 December 2010). In addition, 4 copper soil anomalies were tested along the shale horizon.

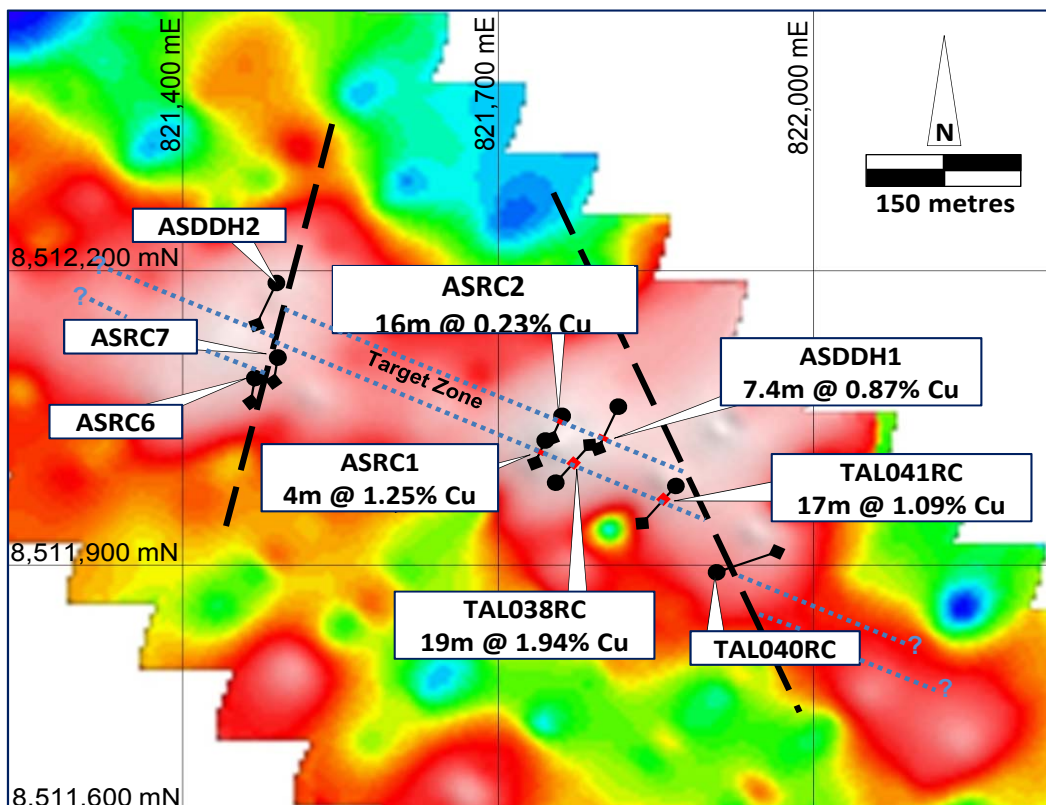
Three holes were drilled at the Hatrick Prospect, 18 kilometres north of Lucas, with 2 returning high grade copper sulphide and silver intercepts over broad widths (ASX 29 September 2011). Hole TAL038RC intersected 19 metres grading 1.94% copper and 9.7 g/t silver, including 2 metres at 6.07% copper and 27.0 g/t silver. 130 metres to the south-west, hole TAL041RC, drilled in the opposite direction across the interpreted strike, intersected 17 metres at 1.09% copper and 3.5 g/t silver, including 3 metres at 3.45% copper and 9.7 g/t silver. Unlike TAL024RC, where high copper values were interpreted to represent surface enrichment, mineralisation in TAL038RC and TAL041RC is thought to be primary, with chalcopyrite the dominant copper mineral logged.

Hole TAL040RC, drilled approximately 100 metres further south-west, intersected a fault which appears to have terminated or displaced the copper mineralisation.

A small number of shallow (up to 50 metres depth) RC holes and two diamond drill holes were completed at Hatrick by Aztec Exploration in 1993. Hole ASRC1, drilled 35 metres north-west along strike from TAL038RC, intersected 4 metres grading 1.25% copper from 20 metres down-hole. Holes ASDDH1 and ASRC2 intersected what appears to be a separate parallel zone of mineralisation to that intersected by holes TAL038RC, TAL041RC and ASRC1, as shown in the map below.

A second cross-cutting fault approximately 300 metres north-west of hole TAL038RC may represent the northern limit of mineralisation as Aztec holes ASRC6, ASRC7 and ASDDH2 returned anomalous, but low grade copper values. The implied strike length of the primary zone of interest is 450 metres.

Hatrick Prospect Drill Holes on Soil Geochemistry



Holes TAL042RC, TAL043RC and TAL044RC were drilled at three sites between Hatrick and Lucas where high order (>300 ppm copper) surface anomalism had been identified. Each of these holes intersected highly anomalous copper mineralisation. Anomalism in Hole TAL043RC was particularly extensive, however results at all three sites indicate further evaluation is warranted. Assay results for the remaining holes in the program are awaited.

The prevalence of transported cover at Allamber limits the effectiveness of soil geochemistry meaning that drilling is required to effectively test the prospective metapelite unit. Drilling has recommenced at Allamber with further holes planned for the Hatrick, Lucas and Cliff South prospects.

The Hatrick, Lucas and Cliff South Prospects are located on Exploration Licenses EL24549, in which Thundelarra's wholly owned subsidiary; Element 92 Pty Ltd has a 100% interest. Holes TAL42-44RC are located on EL23506, over which Element 92 has an option to acquire a 100% interest.

Allamber Project – Table of Intercepts

Hole	Easting (metres)	Northing (metres)	Dip/Azi	From-To (metres)	Interval (metres)	Copper Grade	Silver Grade	
TAL038RC	821 733	8 511 999	-60°/40°	4 - 26	22	1,272 ppm	NSA	
				and	43 - 62	19	1.94%	9.7 g/t
				including	59 - 61	2	6.07%	27.0 g/t
				and	62 - 68	6	955 ppm	3.8 g/t
				and	72 - 92	20	2,140 ppm	1.6 g/t
TAL039RC	821 908	8 511 894	-60°/70°	Abandoned at 28 metres				
TAL040RC	821 904	8 511 890	-60°/70°	4 - 16	12	735 ppm	1.0 g/t	
				and	36 - 40	4	577 ppm	2.0 g/t
				and	44 - 48	4	719 ppm	2.0 g/t
TAL041RC	821 859	8 511 982	-60°/220°	0 - 24	24	1,684 ppm	1.2 g/t	
				and	28 - 45	17	1.09%	3.5 g/t
				including	42 - 45	3	3.45%	9.7 g/t
				and	45 - 56	11	3,611 ppm	1.7 g/t
				and	72 - 80	8	602 ppm	NSA
				and	84-101 (eoh)	17	1,498 ppm	1.0 g/t
TAL042RC	821 053	8 508 178	-60°/300°	0 - 8	8	538 ppm	NSA	
TAL043RC	821 723	8 507 680	-60°/120°	0 - 8	8	747 ppm	1.0 g/t	
				and	33 - 34	1	3,492 ppm	2.0 g/t
				and	52 - 60	8	687 ppm	1.0 g/t
				and	84 - 88	4	2,863 ppm	2.0 g/t
TAL044RC	821 487	8 506 163	-60°/280°	68 - 88	20	701 ppm	1.2 g/t	

Note: Datum is MGA Zone 52 GDA94.

High grade results are expressed as percentages and composited using a 0.5% copper cut-off.

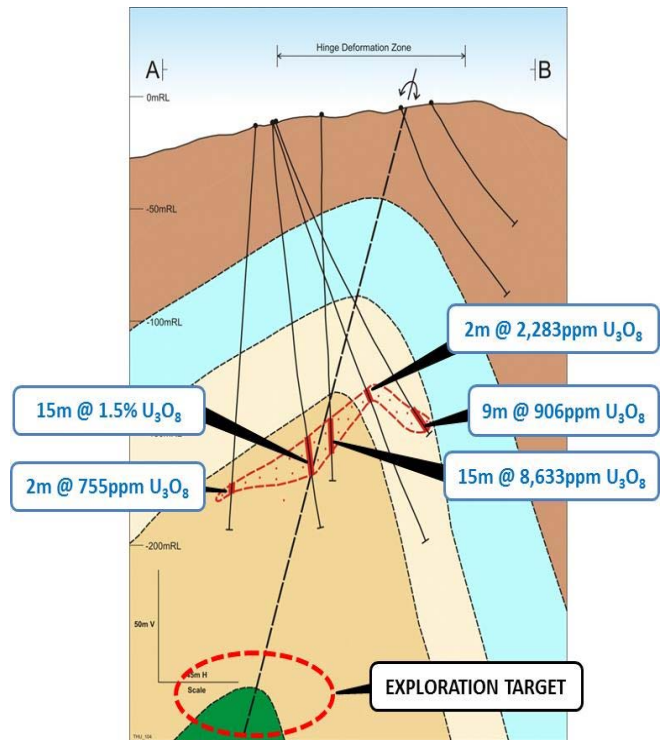
Significantly anomalous results are expressed as parts per million (ppm) copper and composited using a 500 ppm copper cut-off.

NSA = no significant assays

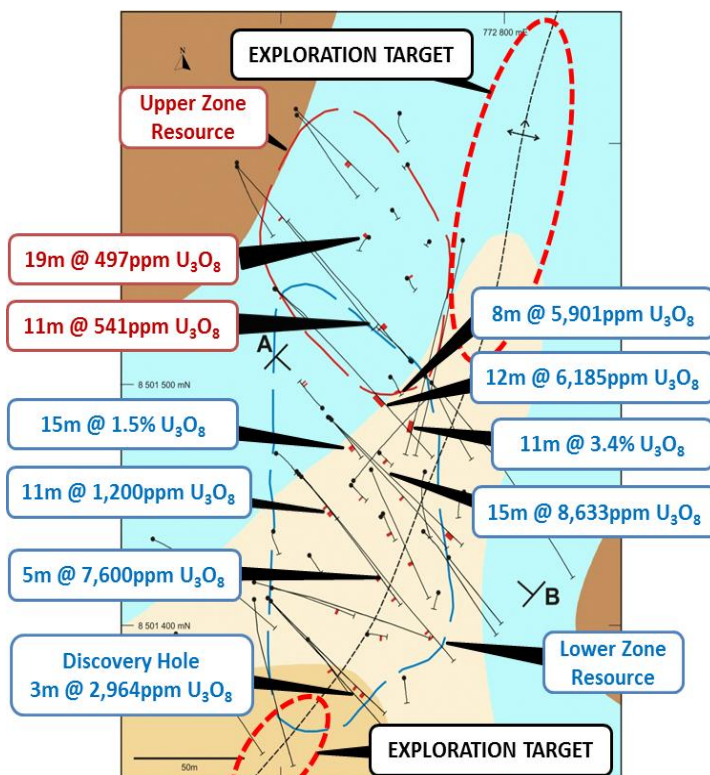
Hayes Creek Project

During the quarter, Thundelarra completed a 4 hole, 602 metre diamond drilling program at the Thunderball uranium prospect with the holes designed to test for possible along strike extensions of the Lower Zone mineralisation to the north and south and for a stacked repetition of the mineralisation beneath the current resource. Coring commenced from RC pre-collars of 100-180 metres resulting in total hole depth of up to 350 metres. Exploration targets are shown on the following plan and section. Drilling intersected broad zones of intense deformation associated with the interpreted hinge zone but failed to intersect significant uranium mineralisation.

The Thunderball anticline, which can be traced for several kilometres within the Hayes Creek Project remains a viable untested target for future uranium exploration, but no further work is planned for this season.



Thunderball Cross-Section



Thunderball Drill Plan

During July a 1,810 metre RC drilling program was also conducted at the Hayes Creek Project. Eight holes were drilled at the Bella Rose, Lady Josephine, Corkscrew and Moonraker uranium prospects, with six returning intercepts above 100ppm U₃O₈. Hole TPCRC143 returned the best intercept of one metre at 502ppm U₃O₈ from 45 metres downhole depth. Even though no high grade intercepts were returned, the results reinforce the widespread nature of the uranium mineralisation in the Hayes Creek Project area. Two pre-collar holes were drilled at Thunderball in preparation for the diamond drilling program. See the following Table for all intercepts > 100ppm U₃O₈.

Hayes Creek Project - Table of Intercepts >100ppm U₃O₈

Prospect Name	Hole No.	East	North	Dip/Azi	From-To (metres)	Interval (metres)	U ₃ O ₈ (ppm)
Lady Josephine	TPCRC139	772 784	8 501 544	-60/215	102-103	1	153
Thunderball	TPCRC140	772 784	8 501 544	-90/259	74-77	3	139
Moonraker	TPCRC142	773 680	8 50 2351	-60/217	60-61	1	384
Moonraker	TPCRC143	773 699	8 502 387	-70/132	45-46	1	502
Thunderball	TPCRC145	772 735	8 501 391	-60/270	42-43	1	287
	TPCRC145				44-45	1	184
	TPCRC145				49-50	1	140
Bella Rose	TPCRC147	766 669	8 498 625	-60/192	81-82	1	338
					103-104	1	127

At the Copperfield prospect, located some 10 kilometres south of the Pine Creek township, 10 RC holes were drilled targeting a copper mineralised horizon that was traced for over 800 metres on the surface and marked by a number of old mine shafts and shallow workings. A ground geophysical survey (Induced Polarisation) conducted by Thundelarra in 2010 generated a number of anomalies beneath and along strike from a number of the deeper old copper mines in the area. The 1,557 metre RC drilling program however failed to return any significant results with only one hole returning an intercepts above 1% copper (see following Table of Significant Copper Intercepts).

Copperfield Prospect - Table of Significant Copper Intercepts

Prospect Name	Hole No.	East	North	Dip/Azi	From-To (metres)	Interval (metres)	Cu (%)
Copperfield	TMLRC001	803599	8464657	-60/160	33-35	2	0.32
Copperfield	TMLRC002	803594	8464576	-70/160	49-50	1	0.58
Copperfield	TMLRC003	803572	8464662	-60/160	33-34	1	0.78
Copperfield	TMLRC004	803563	8464681	-60/160	22-23	1	1.03

Gold Exploration

In the Pine Creek Gold Field, Thundelarra holds over 1,500 square kilometres of tenements where it has the rights to all commodities including gold and base metals. These tenements which constitute the Allamber, Mary River, Copperfield and part of the Hayes Creek project areas contain numerous historical gold and base metal occurrences, but have been subject to little modern-day exploration. Thundelarra has completed detailed airborne magnetic and radiometric surveys over the tenements, regionally mapped the a number of prospective areas and has almost completed the capture and compilation of all relevant historical exploration information taken from approximately 500 company exploration reports.

In November 2011, Thundelarra will commence its first gold focussed drilling program at the Hayes Creek project. A 3,000 metre RC drilling program is planned to test a number of priority gold targets defined by a recently completed detailed geological mapping exercise along the Priscilla Gold Line tenements. This Gold Line which extends for over three kilometres within the Priscilla tenements and hosts the operating Princess Louise gold mine (operated by Crocodile Gold) located approximately 300 metres to the north of Thundelarra's tenement boundary. Thundelarra has recently acquired 80% equity in the tenements with the remaining 20% held by Crocodile Gold.



Princess Louise gold mine looking north-west from Priscilla Project tenement boundary. The mine is owned and operated by Crocodile Gold Australia



Historical gold workings along the Priscilla Gold Line. These workings extend for over 500 metres and will be drill tested during the November 2011 RC drilling program

Ngalia Basin Project

A high resolution gravity survey and 5,075 metre mud rotary drilling program were completed at Ngalia during the quarter. The drilling returned multiple intercepts of strongly anomalous uranium within the extensive paleochannel system, with the best result of 5.28 metres at 1,593 ppm eU₃O₈ reported from hole TNG126MR.

Ngalia Basin Significant Drill Intercepts (grade x thickness >100 m.ppm eU₃O₈)

Hole	Easting (metres)	Northing (metres)	From (metres)	To (metres)	Interval (metres)	Grade (ppm eU ₃ O ₈)	Gr x t'ness (m.ppm eU ₃ O ₈)
TNG125MR	784 632	7 506 242	112.91	113.80	0.91	138	126
TNG126MR	784 753	7 506 364	115.70	116.53	0.88	171	150
TNG126MR	784753	7 506 364	119.84	121.03	1.19	150	179
TNG126MR	784 753	7 506 364	124.92	126.68	1.76	188	331
TNG126MR	784 753	7 506 364	130.31	135.59	5.28	1,593	8,411
TNG126MR	784 753	7 506 364	136.36	137.09	0.73	355	259
TNG127MR	784 836	7 506 446	126.38	127.57	1.19	105	125
TNG128MR	784 711	7 506 321	115.22	116.86	1.64	143	235
TNG129MR	784 604	7 506 402	114.67	116.41	1.74	264	459
TNG130MR	784 699	7 506 499	116.10	117.55	1.45	104	151
TNG131MR	784 549	7 506 350	115.39	116.83	1.44	129	186
TNG131MR	784 549	7 506 350	139.59	141.03	1.44	449	647
TNG132MR	784 879	7 506 469	114.77	115.46	0.69	148	102
TNG134MR	784 948	7 506 349	124.45	125.44	0.99	132	131
TNG135MR	784 892	7 506 299	131.08	133.47	2.39	126	301
TNG135MR	784 892	7 506 299	134.56	135.46	0.90	141	127
TNG138MR	784 653	7 506 451	116.14	116.84	0.70	192	134
TNG154MR	792 623	7 500 199	111.84	112.74	0.90	118	106
TNG156MR	784 796	7 506 407	129.08	131.36	2.28	158	360
TNG157MR	781 022	7 510 466	139.49	140.88	1.39	148	206

Grid:GDA94 Z52

All holes are vertical

Primary intervals calculated on 100 ppm eU₃O₈ lower cut off

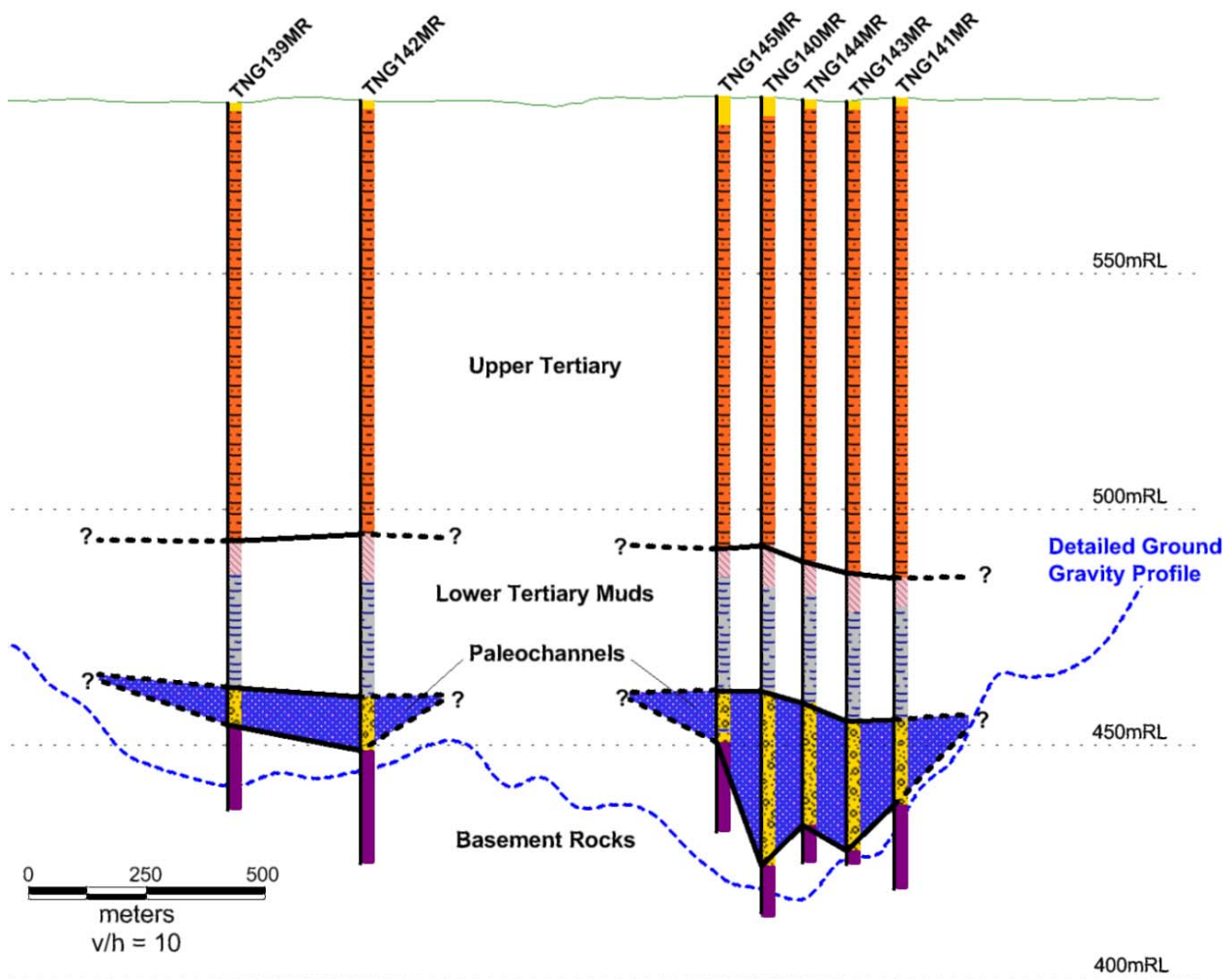
Drilling productivity was exceptionally high, with daily advance rates approximately three times that achieved when Thundelarra commenced drilling at Ngalia in 2010.

The ultra-high resolution (80 metre station spacing) ground gravity program was conducted in an area along-strike and to the east of the Afghan Swan prospect in order to better define Lower Tertiary paleochannel systems. Subsequent reconnaissance drilling confirmed that the gravity survey had clearly defined the paleochannels within the broader paleovalley.

The exploration techniques developed by Thundelarra at Ngalia over the last two years, which comprise the use of Tempest airborne EM to delineate paleovalleys, high resolution gravity to

precisely define paleochannels and industry-leading mud rotary drilling to sample Tertiary sediments within the paleochannels, will substantially reduce the cost and improve the speed at which the vast Ngalia paleochannel systems can be explored.

Discovery of the Ngalia Basin paleochannel system, confirmation of the presence of high grade uranium mineralisation and development of highly efficient exploration techniques have significantly enhanced the value of the Thundelarra’s project. However the task of fully exploring Thundelarra’s extensive tenure within the region, which now exceeds 7,000 square kilometres, remains substantial and the Company intends to seek expressions of interest from major companies involved in the nuclear sector in relation to forming a joint venture to further progress exploration.



Cross section showing geologic logging and interpretation of recent drill holes along with gravity survey data. The gravity profile is a vertical derivative based on 80m-spaced ground gravity data. The drilling program was targeted based to intersect the low parts of the gravity profile, which are interpreted to be caused by thicker accumulations of Tertiary sediments, which are substantially lighter than the underlying basement rocks.

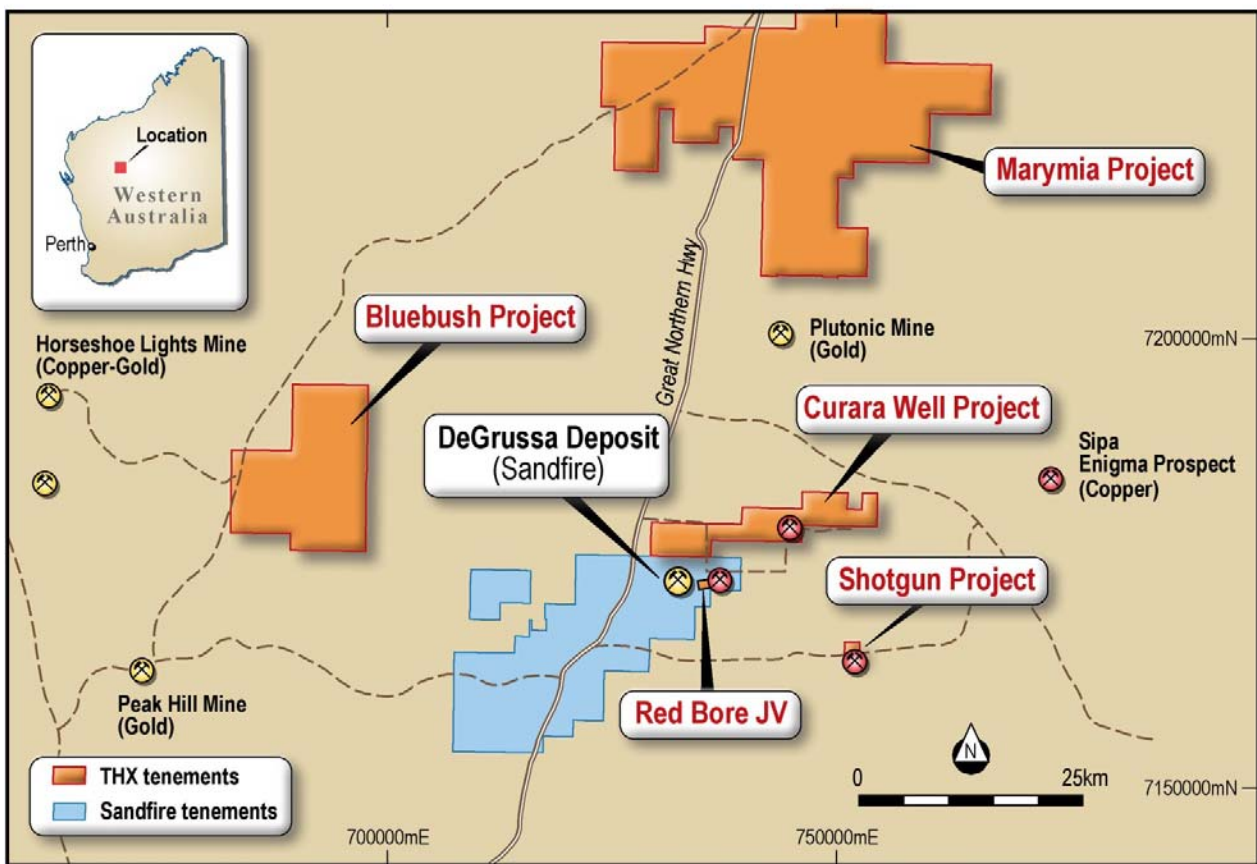
WESTERN AUSTRALIA

Doolgunna Region

The Doolgunna region continued to be the Western Australian focus of exploration during the quarter, with work directed at finding copper-gold sulphide mineralisation similar to that of the DeGrussa deposit. This spectacular discovery by Sandfire Resources NL hosts a resource of 14.3 million tonnes grading 4.6% copper and 1.6 g/t gold (652,000t contained copper, 742,000 oz contained gold) and is currently undergoing mine development. Thundelarra’s tenure directly abuts Sandfire’s mining lease and exploration license.

Thundelarra’s programs included deep diamond drilling at the Red Bore project and the first drilling programme over the Curara Well project. Exploration has also been advanced at other projects within the Company’s 1,500 square kilometre tenement holding in the Doolgunna region, shown in the figure below.

Doolgunna Regional Projects and Tenement Map

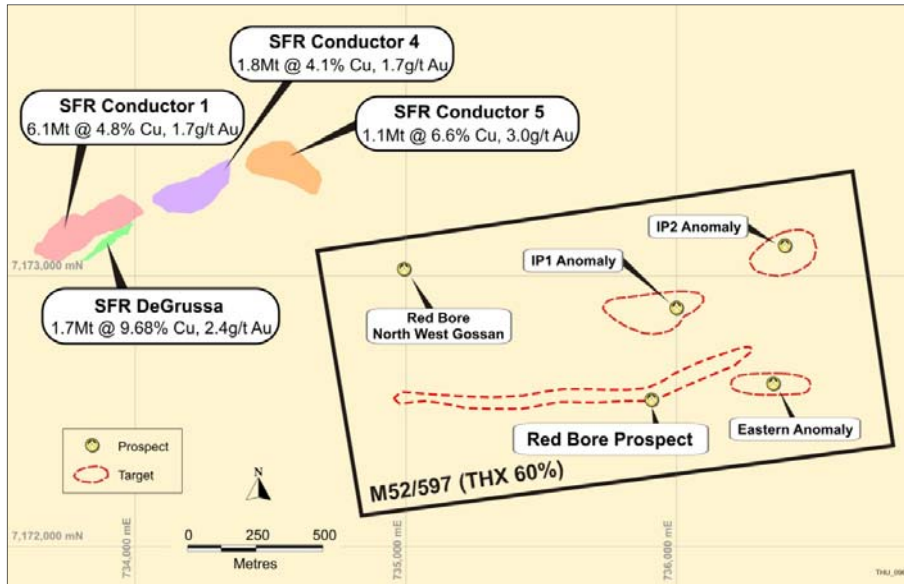


Red Bore Project

At the Red Bore project, granted mining lease M52/597, the Company has the right to earn 60% equity. The licence is situated 500 metres south-east of Sandfire’s DeGrussa deposit, and approximately 200 metres from the Conductor 5 ore body, as displayed in the figure below.

During the quarter five diamond tails for 867m of core and three RC exploration drillholes for 449m were completed. Results, detailed below, outline high prospectivity along strike from the Red Bore prospect and in the northern and north western tenement area, with further deep drilling planned in both areas.

Red Bore Project and the Nearby Sandfire DeGrussa Deposits



Drill information is detailed in the table below.

Table 1 Phase 5 Drilling, Red Bore

P Hole	Area	East	North	Dip / Azimuth	Precollar (m)	Total Depth (m)
TRBCD054	NW Gossan	735000	7172910	-70/358	251m	569.1m EOH
TRBCD055	Red Bore (West) Prospect	735810	7172780	-60/178	262m	600m (EOH)
TRBCD056	Red Bore Prospect	735934	7172497	-60/358	40m	108m (EOH)
TRBCD057	Red Bore Prospect	735914	7172521	-60/358	10m	72m (EOH)
TRBCD058	Red Bore Prospect	735910	7172770	-60/178	232m	552.7m EOH
TRBC059	Red Bore (East) Prospect	736105	7172770	-60/178	-	250m
TRBC060	SE Corner	736439	7172521	-60/358	-	129m
TRBC061	West of Red Bore Prospect	735641	7172485	-60/358	-	160m
TRBC062	West of Red Bore Prospect	735638	7172382	-60/358	-	160m

Note –Dip and azimuth are collar surveys, co-ordinates in MGAz50 GDA94

Red Bore Prospect

Thundelarra's work at Red Bore has identified a significant VMS horizon, with mineralisation at the Red Bore prospect of up to 17 metres at 11.7% copper & 1.73g/t gold from 29 metres in TBRC005. This mineralisation has a strong gold-copper-silver and Sn-Mo-Se-Co-As-Te association and has a striking visual and geochemical similarity to the nearby DeGrussa deposit. Exploration along the two kilometre strike length of this favourable horizon is a key focus for Thundelarra's work.

During the quarter two deep diamond holes (TRBCD055 and TRBCD58) were completed below and to the west of the shallow discovery mineralisation in TBRC005. Three exploration RC holes were also completed along the trend of the target horizon. Two shallow diamond holes were drilled to better understand mineralisation encountered in prior RC drilling.

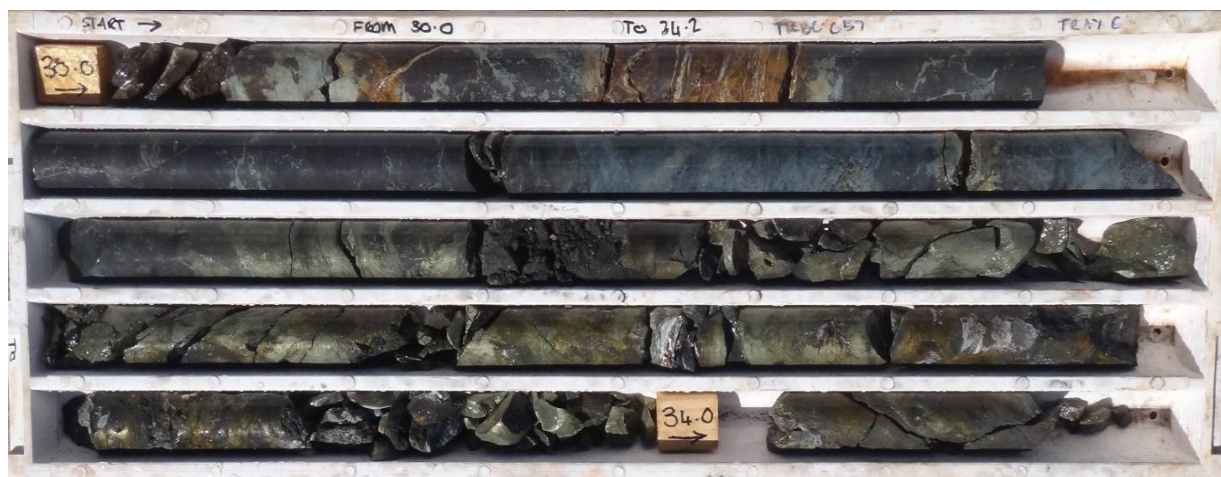
TRBCD058, completed to a downhole depth of 553 metres, intersected a thick package of Narracoota Volcanics, dominated by dolerite and mafic volcanics. The target mafic-tuff contact appears to be offset by a thick dolerite dyke. Fine grained sulphide, including chalcopyrite, is observed in core, but is not of economic tenor. Its presence provides evidence however that the Red Bore prospect mineralising system persists to depth.

The second deep hole at Red Bore prospect, TRBCD055, was completed to 600 metres depth. The hole intersected a sequence of tuff, dolerite and mafic volcanoclastic. At approximately 490-510m hole depth the host dolerite displays variable breccia textures typical of hydraulic brecciation and contains associated sulphide mineralisation (pyrrhotite dominated), with minor chalcopyrite. Quartz veining within this zone contains occasional very coarse chalcopyrite blebs. These are interpreted to have been remobilised from a nearby chalcopyrite rich source which has not been intersected by the drillhole. Assay results of core are awaited.

The zone of brecciation and associated mineralisation in TRBC055 appears to represent a high temperature fluid alteration system, and is the most direct evidence in the diamond drilling to date of the VMS fluid feeder system. As such it indicates continuation of the Red Bore prospect mineralising system at depth and provides encouragement to further explore the Red Bore prospect at depth further to the west.

Diamond drilling also completed two shallower holes, TRBCD56 and TRBCD057 which were sited close to prior RC holes. Data will allow a better understanding of geology and controls to mineralisation, as well as provide sample for metallurgical testing. Massive chalcopyrite mineralisation (lower section of core tray) from hole TRBCD057 is displayed below.

Sulphide Mineralisation Hole TRBCD057



Red Bore Prospect Down Hole Electro-Magnetics (DHEM)

Downhole electromagnetic surveying (DHEM) is a geophysical method of detecting conductive material (for example massive chalcopyrite) a limited distance from the drill trace. DHEM has been carried out down four holes; the two deeper Red Bore prospect drillholes, a previously drilled RC hole, and a recent exploration RC hole east of the Red Bore prospect. Several small but strong offhole conductors have been identified, in this work, as well as more distant, larger anomalies, which may represent a regional conductive horizon to the south. Results are tabulated below.

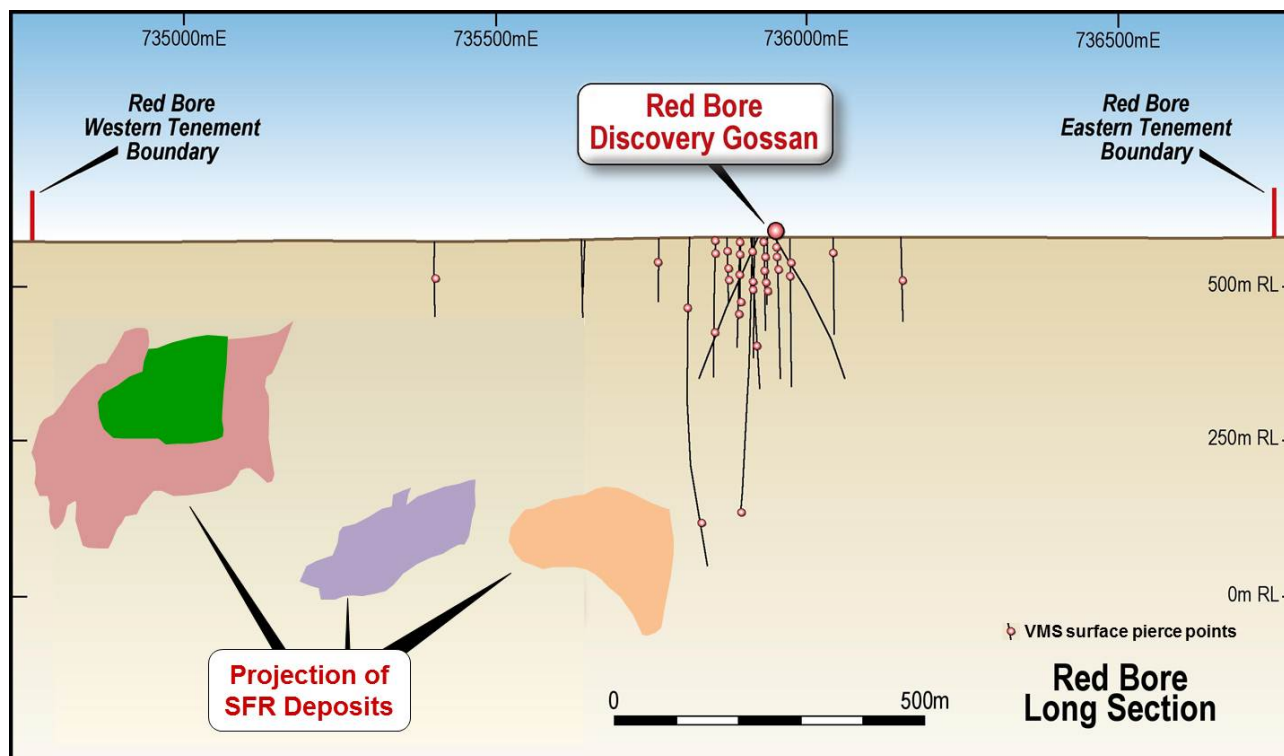
Red Bore DHEM Results

Drillhole	Anomaly	Comments
TRBCD045	185-190m	Local inhole/offhole anomaly - above and west of hole. Good/high conductance,
and	210m	Local offhole anomaly-, below and east of hole. Good/high conductance
TRBCD054	DHEM survey not possible	
TRBCD055	250-275m	Minor anomalism, possibly sulphide stringers
and	400-500m	Broad offhole anomaly, above and south of hole, possible stratigraphic conductor.
TRBCD058	150-200	Minor features
and	600m	Extensive conductor – above and south of hole possible stratigraphic conductor
TRBC059		No anomalism (only able to survey to 195m depth).

Results confirm the geological observation that the Red Bore prospect mineralisation persists at depth, and warrants further drill testing and DHEM along strike.

The long section displayed below shows the points in which the Red Bore prospect VMS surface has been intersected in Thundelarra's drilling. Also included for reference is a longitudinal projection of Sandfire Resources' ore bodies at the same scale. It can be observed that the Red bore prospect strike extents have been very lightly tested.

Red Bore Prospect VMS Horizon Long Section



North-West Gossan Prospect

In the north western portion of the Red Bore tenement gossan crops out. This is interpreted to represent weathered exhalite and barren sulphide mineralisation associated with VMS activity. It is not known if this is part of the DeGrussa system, which is located nearby to the north, or a separate mineralising system. It presents as a high order exploration target.

As previously reported last quarter drillhole TRBCD054 was completed to 569m depth to test for extensions to the Sandfire Conductor 5 deposit (1.1Mt at 6.6% copper and 3.0g/t gold) which is located approximately 400 metres to the north west. The drillhole intersected a thick package of Narracoota Volcanics, dominated by dolerite and mafic volcanics. Fine grained sulphide, including chalcopyrite, has been observed in core but is not of economic concentration. Slumped mafic sediments identified in core indicate a prospective fault hosted VMS vent may be nearby.

During the quarter Hole TRBCD054 was cased with PVC to allow DHEM surveying, but during probing, a shallow blockage in this casing prevented any reading being taken. Attempts to replace the PVC and drill out the blockage have failed and a new hole will be required in order for DHEM to take place.

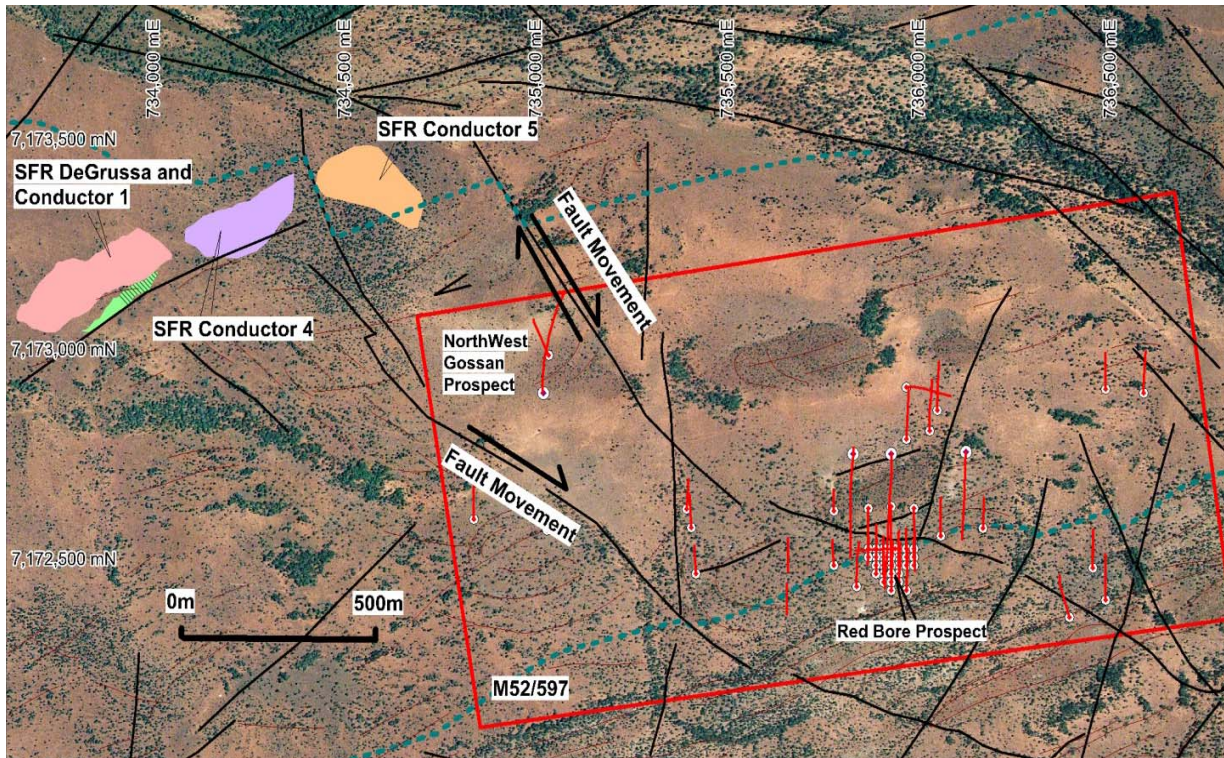
The North West Gossan prospect remains a high priority target for further deep drilling and DHEM.

Northern Tenement Area

Within the northern part of the Red Bore mining lease a series of north west striking faults have been identified. These appear to traverse and displace the sequence, including that hosting the DeGrussa mineralisation to the north west. Field evidence indicates these faults have displaced the rock sequence so that they are thrown southwards and closer to the surface on their eastern sides. This is

important for the Red Bore area, creating the opportunity for extensions to the conductor 5 ore body to be offset into the Red Bore lease, and also for mineralisation to be present at reasonably shallow (300-600m) depths within the central north portion of the Red Bore project. Work has commenced in designing further deep drilling to test these target areas. The mapped faults are shown in the figure below.

Red Bore Structures



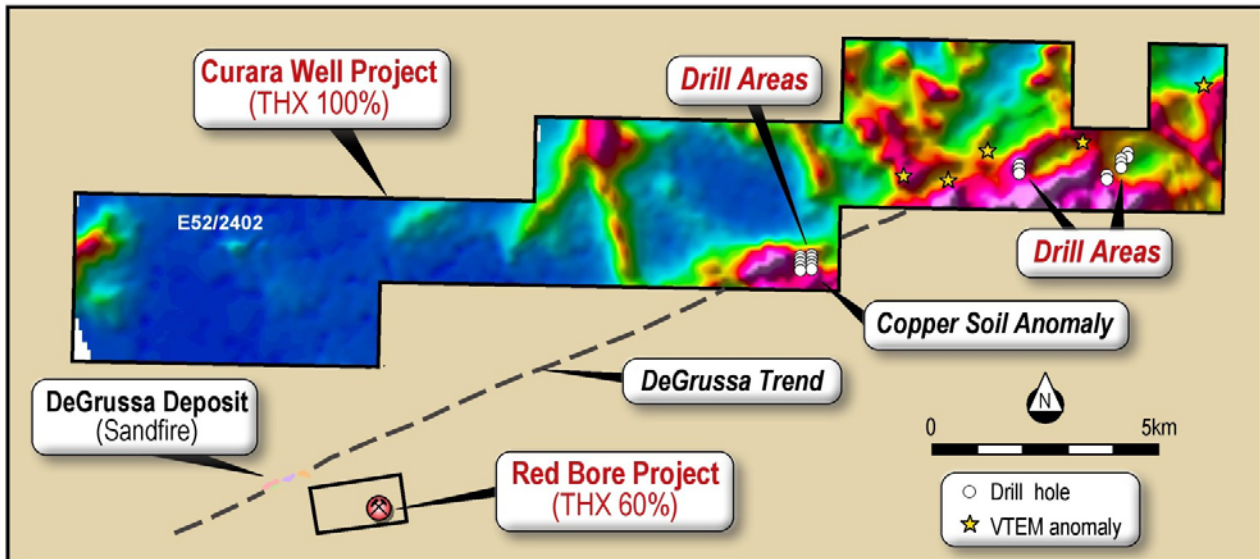
Curara Well Project

Curara Well is located 2.5 kilometres north and eastwards from the Sandfire’s DeGrussa deposits on exploration license E52/2402 which covers an area of 83 square kilometres and is owned 100% by Thundelarra. It is also located 20km to the west from the Enigma prospect recently identified by Sipa Resources Ltd.

The Curara Well tenement area has poor outcrop and has seen very little past exploration, but work to date by Thundelarra has confirmed that it contains prospective structures, VMS style alteration and copper geochemical anomalism. Further, a versatile time domain electro-magnetic (VTEM) survey has identified a trend line or marker horizon of conductive features interpreted to be the eastern extension to the DeGrussa stratigraphy.

During the quarter the first drilling was completed by Thundelarra at Curara Well. A total of 21 Reverse circulation (RC) drillholes for 2659 metres were completed, sited over a geochemical copper anomaly and two VTEM features. Drill areas cover a small area of the tenement and are shown below.

Curara Well Project VTEM Imagery and RC Drilling



The drilling intersected a deeply weathered package of proterozoic rocks, dominated by epiclastic sediments. Copper anomalous quartz – ironstone veining was intersected in several holes and may indicate VMS style alteration. No graphitic shale or other explanation for the conductive VTEM anomalies have been identified.

Peak assay results for the drill programme are from drillhole TCW007, completed in the eastern most drill area, with 4 metres at 1,120ppm (0.11%) copper from 28 metres.

Two 300 metre long fences of drillholes were sited over a copper geochemical soil anomaly, but did not return anomalous assay results. The anomaly, close to a breakaway, may mark an eroded portion of a supergene copper zone, and further drilling northward is required to test for the source zone.

Results are being compiled so that a second phase of drilling to target geochemical and geophysical anomalies, as well as outline the broader geology within the tenement can commence. It is encouraging that copper mineralisation along strike to the east at the Sipa Resources' Enigma prospect is hosted in similar rocks to that encountered by the Curara drilling programme.

Yerrida Project

The Yerrida project comprises five tenements covering an area of 759 square kilometres, located 85 kilometres south of Red Bore. Thundelarra has rights to earn an 80% interest in the project.

The tenements secure shale units of the Mooloogool Group of the Yerrida Basin which are underlain at shallow depth by Killara Volcanics, which are geologically analogous to the Narracoota Volcanics of the Bryah Basin.

A substantial amount of exploration data has been collected over the project, including comprehensive geological mapping and a dedicated gravity survey over the Yerrida East area. A 3,901 line kilometre airborne magnetic survey over the western Yerrida tenements was completed during the quarter.

Data is being evaluated with several initial target areas being identified. Geochemical sampling and geological reconnaissance is planned over these to allow drill testing in 2012.

Kunderong Project

The Kunderong project is located in the Ashburton district of Western Australia. Under the Saltwater Pool Joint Venture, ASX listed company U3O8 Limited is farming into three of Thundelarra's tenements in the Kunderong Project. One tenement (E52/1940) is held 100% by Thundelarra, whilst the other two tenements (E52/1890, 1892) are held by Cullen Resources Limited (ASX: CUL) and managed by Thundelarra under the Kunderong Joint Venture. U3O8 Limited can earn 51% equity in each tenement by spending a combined total of \$1.1 million over a three year period.

In June, U3O8 Limited announced the results of initial sampling of a quartz vein within the Saltwater Pool Joint Venture. Additional sampling was carried out and has confirmed these results with one sample returning an exceptionally high grade of 1590g/t Ag (silver), 8.49g/t Au (gold) and 1830ppm Cu (copper) (Sample 2100).

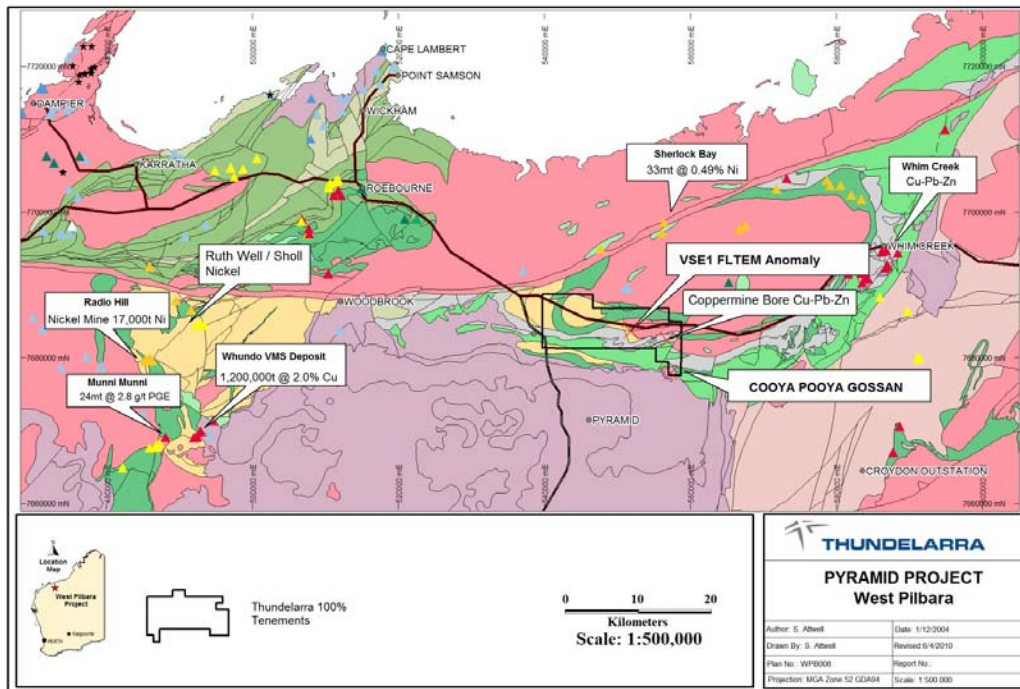
Further geochemical sampling has been undertaken during the quarter. Results are pending.

Pyramid Project

The Pyramid project is located 40km south east of Roebourne in the Pilbara Craton. It covers base metal prospective rocks similar to those at Whim Creek, Mons Cupri and Whundo which host VHMS style mineralisation.

Previous work by Thundelarra identified the VSE-1 FLTEM anomaly, a strong electromagnetic (EM) anomaly in an area where no exploration has previously taken place. Bedrock in this area is obscured by colluvium, but float of gossanous ironstone has returned anomalous copper assay (0.3%) with petrology identifying relict box works after massive chalcopyrite.

During the quarter a heritage survey was successfully completed. Statutory approvals to allow drilling to proceed have been lodged and it is anticipated drilling on the tenement will commence during the December quarter.



East Kimberley Regional Copper Projects

Thundelarra owns 100% of the Rosewood and Sophie Downs copper projects in the East Kimberley region. During the quarter the Frank Hill project also reverted back to 100% Thundelarra ownership. The combination of these three projects represents a significant regional project and work is underway to set out the scope of future exploration.

At the Sophie Downs project Thundelarra’s past drilling has targeted the zinc zone of a large VMS system at the Ilmars prospect. Re-evaluation of these results has identified a copper rich portion to the mineralisation along the southern margin of the prospect, with a peak result of 81 metres at 0.33% copper in TXSD0807RC from 44 metres depth. Gossan outcrops along a 1,000 metres strike extent further to the south of this drillhole and remains effectively untested by drilling.

The Rosewood prospect displays surface copper mineralisation within the Headley Limestone and has returned assays to 24% copper and 27g/t silver. Several drill ready VTEM anomalies have been defined along a 4km strike extent of the prospective sequence.

Within the Frank Hill Project at the Azura prospect the Fish Hole basalt sequence has Michigan style native copper at surface over a 3.4 kilometre strike extent. Limited drilling at this area carried out by prior JV partner, Panoramic Resources, has identified widespread native copper associated with hematite alteration in fresh rock, with a peak assay of 1.8% copper. The prospect, originally identified by Thundelarra, is grass roots in nature but the drill results are seen as proof of concept and the area warrants further geophysics and drilling.

East Kimberley - Panoramic Resources Regional JVs

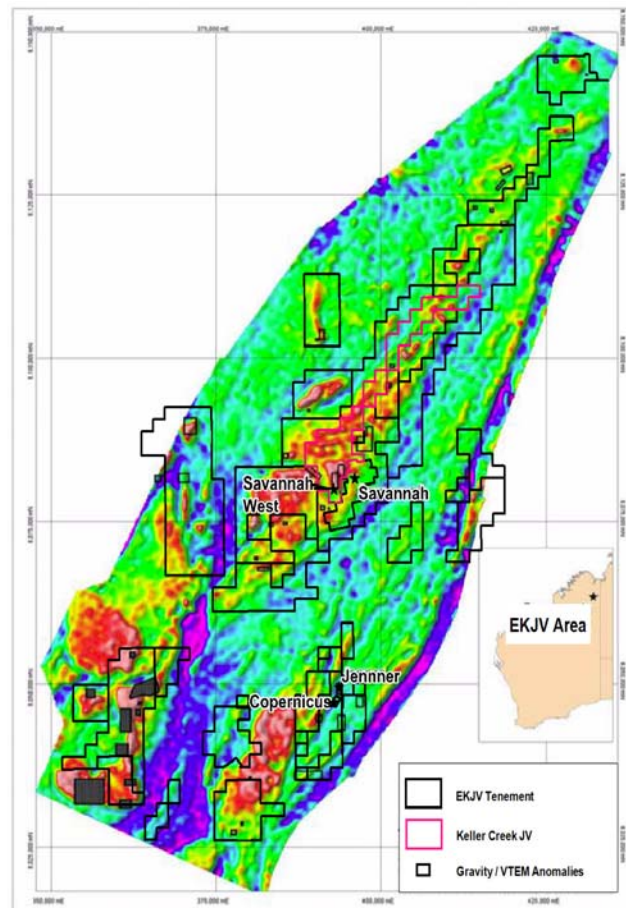
The East Kimberley Regional JV, Keller Creek JV and Copernicus JV are managed by Panoramic Resources and target nickel-copper-cobalt sulphide mineralisation associated with mafic and ultramafic intrusions. The region hosts two such deposits, the operating Savannah mine (PAN) and the Copernicus mine (THX 40%).

Within the East Kimberley Regional JV (THX up to 39%) airborne gravity and airborne electromagnetic (VTEM) data has identified numerous target areas for follow-up testing. During the quarter, follow-up ground EM surveying continued to refine these target areas and define potential drill targets. The ground EM survey program is ongoing with a total of 33 ground EM surveys now completed. Drill targets have been defined at most of these locations and the Heritage Clearance process is underway to gain access to the areas. Work areas are shown on the figure below.

In addition, two new airborne VTEM surveys were flown during the quarter, comprising Mabel Downs (990 line km) and McKenzie Springs (534 line km). The final data is yet to be received.

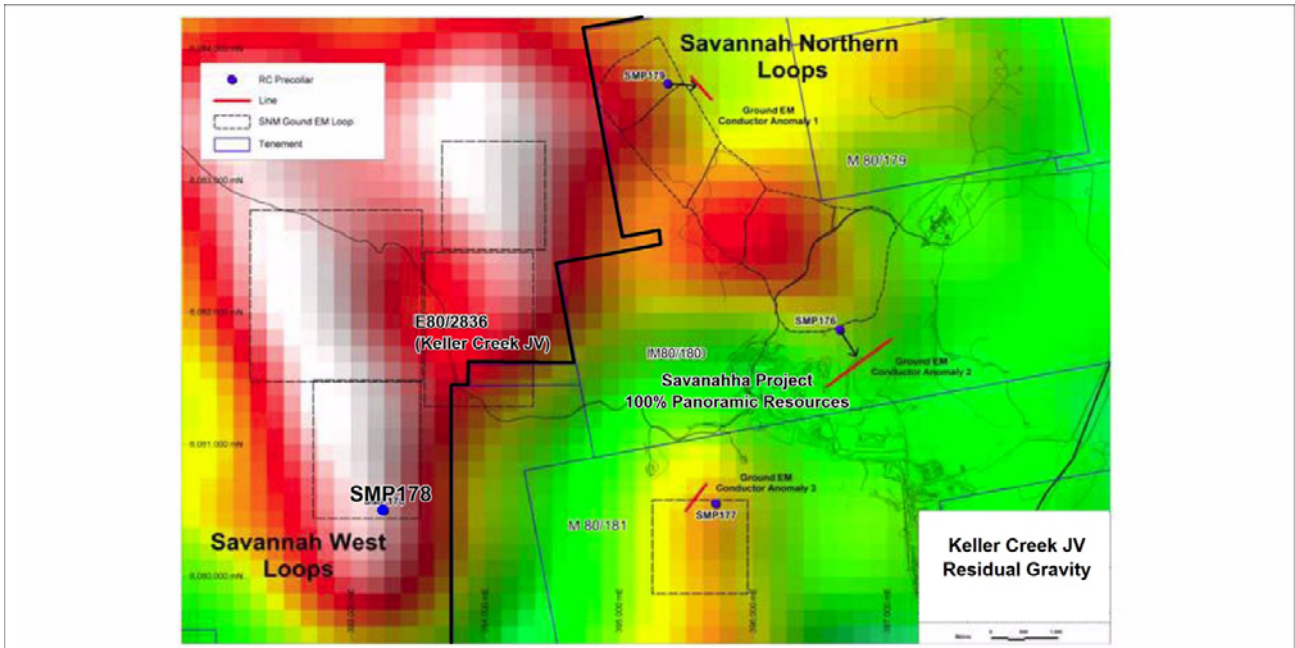
At Jenner, located immediately north of Copernicus, three RC drill holes for 576 metres were completed during the quarter. A thin, non-nickeliferous, sulphidic horizon was intersected in all three drill holes at the modelled position of an EM conductor. Assay data confirmed both the non-nickeliferous nature of the sulphides and the presence of Tickalara Metamorphics throughout each hole. No further work is planned at Jenner at this stage.

EKJV regional gravity gradiometer survey area showing follow-up ground EM target areas



Within the Keller Creek JV (THX 20%) at Savannah West prospect a diamond drill core tail to SMP178 was completed during the quarter. The drill-hole was targeted at a large buried residual gravity anomaly that was modelled close to the surface in this area. Extensive zones of mafic granulite were encountered in the hole, some containing minor disseminated and in places thin zones of semi-massive, magmatic sulphides. Preliminary analysis indicates the sulphides are low tenor, but assay results are still pending.

Plan showing drilling and FLEM anomalies at Savannah and Savannah West



Copernicus Nickel Mine (Thundelarra 40%)

The open pit mine remains on care and maintenance. No activity was carried out.

ABOUT THUNDELARRA

Thundelarra controls in excess of 10,000 square kilometres of tenure in the Northern Territory's Pine Creek and Ngalia Basin regions where the Company is successfully targeting copper, gold and uranium. Most recently Thundelarra intersected broad widths of high grade copper/silver mineralisation at the Hatrick Prospect. The Company has JORC compliant uranium resources at the Hayes Creek and Allamber Projects and at the Ngalia Basin has discovered a major uranium bearing paleochannel system demonstrating potential to host significant scale deposits.

In Western Australia Thundelarra controls 11 tenements in the Doolgunna region totalling 1,500 square kilometres, including ground immediately along strike from Sandfire Resources' DeGrussa deposit. Recent drilling by Thundelarra has intersected significant high grade copper-gold mineralisation. The Company also retains substantial base metals exploration tenure in the East Kimberly and a 40% interest in the Copernicus nickel sulphide mine.

Thundelarra is very well funded and is aggressively exploring its key projects with the aim of progressing its discoveries through to commercial production.

REGISTERED OFFICE

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	ABN: 74 950 465 654	ACN: 085 782 994

ASX CODES: THX & THXOA

Issued Shares: 154.8M

Market Cap: \$35M

Competent Person's Statement

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves are based upon information compiled by Mr Brian Richardson, a full-time employee of the Company. Mr Richardson is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Richardson consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

Appendix 5B

Mining 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

Name of entity

THUNDELARRA EXPLORATION LTD

ABN

74 950 465 654

Quarter ended ("current quarter")

30 SEPTEMBER 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,773)	(10,698)
(b) development	-	-
(c) production	-	-
(d) administration	(690)	(1,908)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	181	997
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - R & D Refund	513	598
Net Operating Cash Flows	(3,769)	(11,011)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(235)
(b) equity investments	-	-
(c) other fixed assets	(7)	(240)
1.9 Proceeds from sale of:		
(a) prospects	-	40
(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	-	5
- Placement of security deposits	(81)	(401)
- Payment of intangibles	(3)	(113)
Net investing cash flows	(91)	(944)
1.13 Total operating and investing cash flows (carried forward)	(3,860)	(11,955)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,860)	(11,955)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	780
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 (provide details if material)	-	-
	Net financing cash flows	-	780
	Net increase (decrease) in cash held	(3,860)	(11,175)
1.20	Cash at beginning of quarter/year to date	11,886	19,201
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,026	8,026

Payments to directors of the entity and associates of the directors
Payments to 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	303
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 2010 to 30 September 2011.

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

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	2,200
4.2 Development	-
4.3 Production	-
4.4 Administration	45 ⁰
Total	2,650

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	308	320
5.2 Deposits at call	7,718	11,566
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,026	11,886

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	E51/1437	-	Nil	100%
	MC27285	-	Nil	100%
	MC27286	-	Nil	100%
	MC28287	-	Nil	100%
	E80/4421	-	Nil	100%
	E80/4425	-	Nil	100%
	E80/4481	-	Nil	100%
	E80/4489	-	Nil	100%
	E80/4490	-	Nil	100%
	E80/4491	-	Nil	100%
	E80/4492	-	Nil	100%
	E80/4493	-	Nil	100%
	E80/4494	-	Nil	100%
	E80/4495	-	Nil	100%

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 <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	154,828,927	154,828,927		
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options (description and conversion factor)	6,778,130 350,000 4,250,000 260,000 4,250,000 280,000 6,750,000 1,610,000 6,750,000 1,620,000	6,778,113 - - - - - - - - -	<i>Exercise price</i> \$0.20 \$0.47 \$0.50 \$0.52 \$0.20 \$0.32 \$0.64 \$0.96 \$0.84 \$0.39	<i>Expiry date</i> 29/03/2013 31/12/2011 28/02/2013 30/06/2012 26/02/2014 30/09/2012 25/02/2015 20/09/2013 27/02/2015 30/06/2014
7.8	Issued during quarter	1,620,000	-	\$0.39	30/06/2014
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	110,000	-	\$0.96	20/09/2013
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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Print name:

FRANK DEMARTE

Date: 31 October 2011

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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 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, 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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