THUNDELARRA

31st July 2013

EXPLORATION UPDATE – SOPHIE DOWNS, HAYES CREEK

Highlights:

- ***Drilling at Sophie Downs, East Kimberley, WA***
  - *1,000m RC program to test a re-interpreted geological model*
  - *potential identified for skarn-style replacement base metal mineralisation*
  - *targets include Little Mount Isa, Ilmars and Western Duffers prospect*
- ***Historical base metal occurrences***
  - *Little Mount Isa and Ilmars host known copper-lead-zinc deposits*
  - *Originally interpreted as possible VMS type mineralisation*
  - *Surface gossans sampled historically yielded anomalous metal values*
  - *Results of subsequent drilling programs up to 2008 warrant further follow-up*
- ***Drilling results from Red Hill, Hayes Creek, NT***
  - *288m completed in 3 RC holes to test for repetitions of high grade gold intercepts*
  - *Weak gold mineralisation encountered in quartz-veined metasediments*
  - *No further follow-up contemplated*
- ***Curara Well : MMI exploration program***
  - *Review of Curara Well project target areas using MMI (Mobile Metal Ion) survey*
  - *MMI geochemistry offers advantages over straight soil geochemistry*
  - *Evidence suggests that MMI signatures may help identify mineral deposits at depth*

Sophie Downs, East Kimberley, WA

Sophie Downs is approximately 50km to the north-east of Halls Creek in the East Kimberley region of Western Australia on Thundelarra's 100%-owned exploration license EL 80/3673.

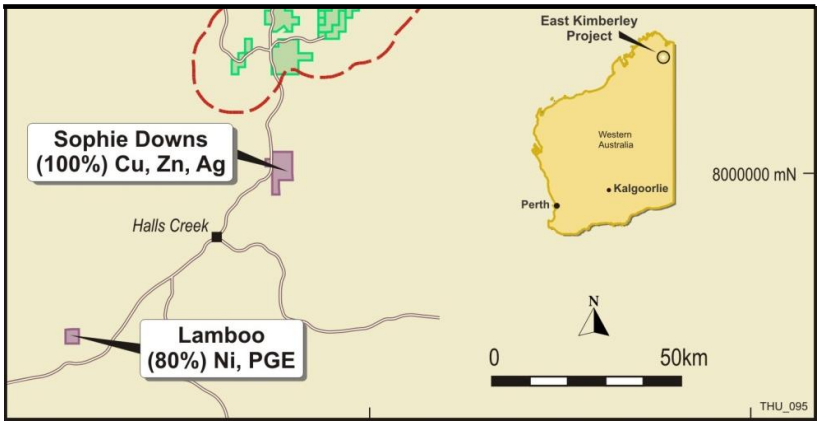

Figure 1. Sophie Downs location map.

Re-evaluation of historical work programs and exploration results over the project area have led to a re-assessment of the potential styles of mineralisation present at the various prospects identified to date. Initial conclusions were that the copper-lead-zinc mineralisation at Ilmars and Little Mount Isa were of VMS (volcanogenic massive sulphide) origin. The possibility that there is replacement skarn-style base metal mineralisation present needs to be tested. An initial program of about 1,000m of reverse circulation drilling is to be undertaken and has just commenced.

Suite 8, 186 Hampden Rd Nedlands WA 6009
PO Box 7363 Cloisters Square WA 6850
Ph: +61 8 9389 6927
Fax: +61 8 9389 5593
www.thundelarra.com.au
info@thundelarra.com.au
ABN: 74 950 465 654

The Sophie Downs project area contains known base metal gossans and mineral occurrences that have been tested by surface sampling, geophysical surveying and some drilling in the past.

Individual prospects include Ilmars and Little Mount Isa, both zinc-copper-lead deposits that occur within carbonate-rich sediments.

Historical announcements to the ASX by Thundelarra detailing past exploration results include:

- 13 Feb 2008: *Geophysical Results Upgrade Sophie Downs Base Metal Project*
- 14 Mar 2008: *Drilling Underway with Early Success at Sophie Downs*
- 09 Apr 2008: *Significant Base Metal Mineralisation Intercepted at Sophie Downs Project*
- 30 Apr 2008: *Activities Report for Second Quarter Ending 31 March 2008*

The current small drilling program will add significant information to the existing geological database and allow future drill targets to be identified as a basis for follow-up exploration work.

Red Hill, Hayes Creek, NT

Red Hill is part of the Priscilla Line tenements at Hayes Creek in the Northern Territory. Three RC holes totalling 288m were drilled (Table 1, Figure 2).

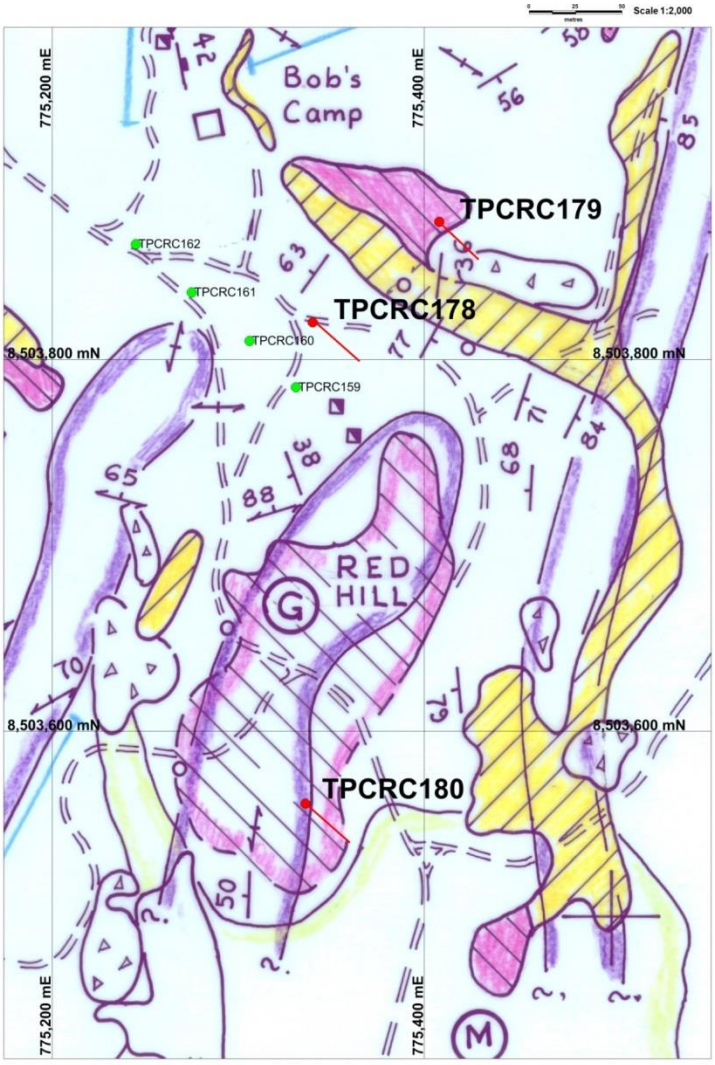

Figure 2. *Geological setting and drill hole locations within the Red Hill area.*

Hole No	Easting	Northing	Azimuth	Dip	Depth	Au (ppm)	As (ppm)	From	To	Interval
TPCRC178	775336	8503815	135^0	-60^0	96m	0.81	9,266	24m	28m	4m
TPCRC179	775368	8503907	136^0	-60^0	96m	0.78	4,703	48m	52m	4m
TPCRC180	775322	8503588	135^0	-60^0	96m	0.4	115	92m	96m	4m

Table 1. Details of RC holes drilled at Red Hill, Hayes Creek, including significant intercepts. Unreported intervals did not deliver gold grades of any significance.

The limited drilling was designed to follow up results from Thundelarra's 2011 drilling program which included high grade gold intersections. The aim was to establish whether or not there appeared to be any continuity to zones of high grade gold mineralisation. The Red Hill area within the median section of the Priscilla Line/Sandy Creek alluvial goldfield is known as one of the best locations for gold nuggets found in the past.

Although the prospective lithology was intersected by the recent drilling, the assay results show only low grade gold content, which is a common feature of the Pine Creek gold deposits. The weak gold mineralisation is associated with strong arsenic anomalism in quartz veined metasediments at the contact with the doleritic sills. The high grade zone intersected in earlier drilling appears to cross cut the stratigraphy and is of limited extent.

On the basis of these results no further work is contemplated on the gold potential of the Red Hill / Priscilla Line tenements at Hayes Creek at this time.

Curara Well : MMI geochemical surveys.

Given the delays that are experienced by planned exploration programs when further Heritage Clearance or other approval processes are required, companies must consider all possible approaches that comply with the approvals in place. Mobile Metal Ion sampling is a geochemical surveying technique that involves no surface disturbance of any substance with the benefit of being able to identify targets existing at considerable depth below surface that may represent buried mineral deposits.

Thundelarra is undertaking MMI surveys over a number of target locations at the Curara Well project area in order to identify if MMI anomalies exist and to decide whether they might represent targets for follow up drill programs to test at depth. Also contemplated is a possible MMI survey over known surface mineralisation at Red Bore and over other locations on the Red Bore property which could then serve as a calibrating "baseline" to assist in evaluating the theoretical exploration potential of any MMI anomalies identifed at Curara Well.

For Further Information Contact:
Mr Tony Lofthouse - Chief Executive Officer
+61 8 9389 6927

THUNDELARRA LIMITED
Issued Shares: 231.9M
ASX Codes: THX

Competent Person Statement

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, are based upon information compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and an employee of the Company. Mr Vieru 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 Vieru consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.