THUNDELARRA

06 May 2014

COPPER MINERALISATION CONTINUES AT RED BORE

Highlights:

- ***Copper mineralisation logged in five of six holes drilled at Red Bore gossan***
  - *Oxide and sulphide copper minerals, and native copper, recorded in cut core*
- ***Holes 1, 3, 4 and 6 intersected brecciation interpreted as a feeder pipe***
- ***Hole 5 encountered a zone of fracturing interpreted as the edge of the pipe***
- ***Hole 7 currently at 336m downhole depth and drilling ahead.***

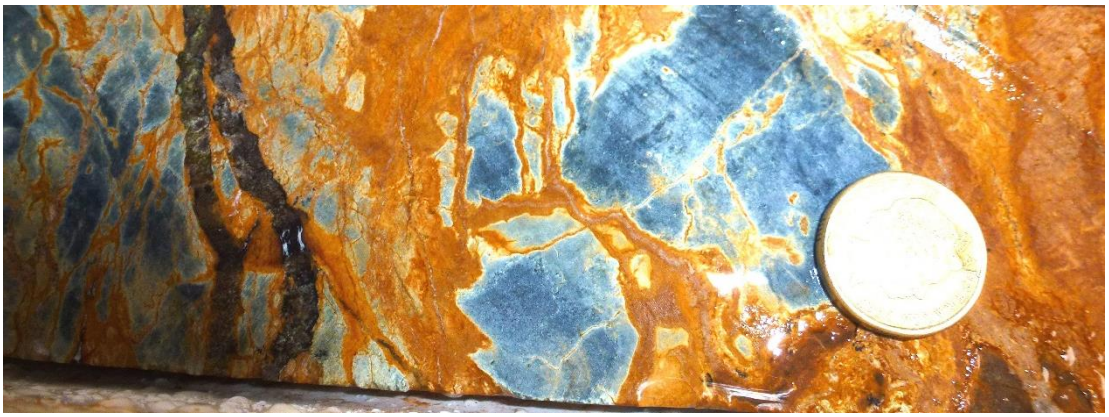

Figure 1. Weathered brecciated azurite/chalcedony in iron oxide from 24.5m downhole in TRBDD04. $2 coin for scale.

Figure 2. Native copper flakes and veinlets in brecciated material from 55.7m downhole in TRBDD06.

Note: The presence of oxide and sulphide copper mineralisation is entirely consistent with the mineralisation known to exist at this prospect. These are preliminary observations. Conclusions as to the grades, true widths and the full extent of the zones of mineralisation will not be made until the core is cut, sampled and assayed and the results interpreted. At this stage of the drilling program the continuity of the mineralisation to depth remains uncertain.

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Thundelarra has continued diamond drilling at its 90%-owned Red Bore prospect (M52/597) in Western Australia's Doolgunna region. Six holes were completed close to the Red Bore gossan and the associated resource *(reported in ASX Announcement dated 04 May 2012)*. The deep hole in the north-west corner of the tenement is currently at 336m and is drilling ahead. Total advance to date is 660m of a planned total of 1,000m. Table 1 gives details of all the holes drilled.

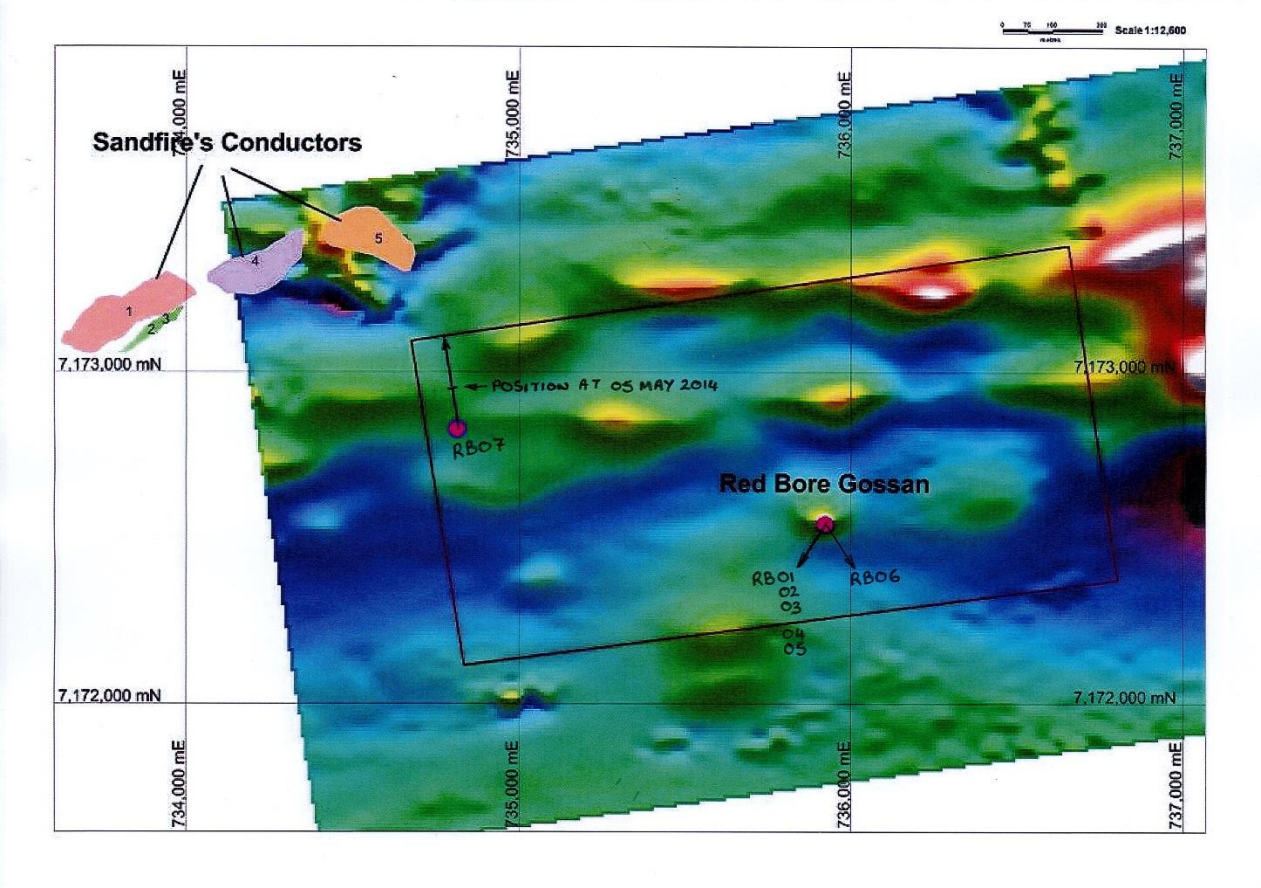

Figure 3. Drill collar locations and drill azimuths shown on TMI image. Grid spacing is 1,000m. Notional surface traces of the DeGrussa deposits overlain to provide geographical context.

Note that the surface traces of the six holes RB01 to RB06 in figure 3 above are drawn only to show clearly the direction towards which the holes were drilled. At the scale shown, 45-75m deep holes drilled at angles between 50º and 70º will only give a surface trace of less than 3mm from the collar.

Hole	East	North	RL	Depth	Dip	Azimuth	Prospect	Licence
TRBDD01	735920	7172551	577m	45.1m	-70º	222º	Red Bore	M52/597
TRBDD02	735927	7172559	577m	60.3m	-75º	220º	Red Bore	M52/597
TRBDD03	735918	7172548	577m	35.5m	-70º	220º	Red Bore	M52/597
TRBDD04	735918	7172548	577m	45.1m	-60º	220º	Red Bore	M52/597
TRBDD05	735918	7172548	577m	62.9m	-50º	220º	Red Bore	M52/597
TRBDD06	735920	7172551	577m	75.3m	-75º	146º	Red Bore	M52/597
TRBDD07	734799	7172829	577m	336.1m	-70º	345º	Red Bore	M52/597

Table 1. Details of the holes drilled to date. All locations on Australian Geodetic Grid GDA94-50.

Four of the six holes intersected copper mineralisation. A fifth hit a zone of extensive fracturing and brecciation with minor secondary copper mineralisation, interpreted as being at the edge of the breccia pipe. The one barren hole (TRB02) established the position of the footwall.

The geology and mineralisation observed in the first six holes have expanded and elaborated this concept.

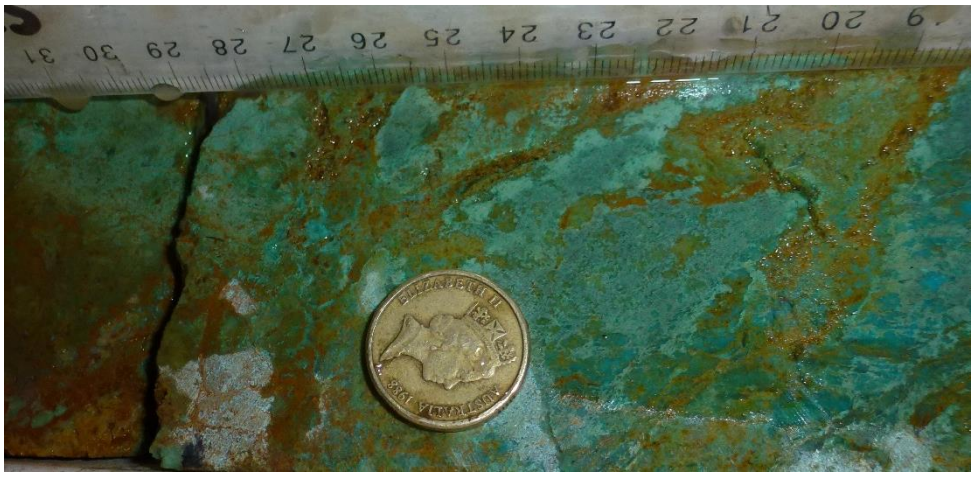

Figure 4. Malachite in upper zone of secondary mineralisation at 13m downhole in TRBDD06.

Hole TRBDD06 drilled towards the south-east successfully intersected two zones of mineralisation: an upper, near surface, zone of oxide mineralisation that is a lateral extension of the near surface zone encountered in the first hole TRBDD01; and a deeper intersection to the south-east containing native copper flakes and veinlets (Figure 2) as well as secondary copper minerals.

Core from these first six holes was transported to Perth for cutting and sampling and for additional geological evaluation. Mineralised intervals from all these holes have now been cut, logged and sampled and submitted to Intertek Genalysis in Perth for analysis. It is anticipated that the first results should be available for release by 16 May, barring unforeseen delays or complications.

Hole TRBDD04 has intersected oxide and primary copper mineralisation in mafic volcaniclastics and dolerite that are strongly fractured and that have undergone hydrothermal alteration and brecciation. All the geological data collected to date from the holes drilled supports the thesis that this zone represent a submarine black-smoker style of vent or fumarole or a breccia pipe extending from a deeper magmatic source. The presence of massive magnetite in what appears to be the core of this “pipe” warrants a more detailed re-interpretation of the extensive ground magnetic geophysical data previously collected to establish if other anomalies may exist that could also represent breccia / feeder pipes buried at different levels within the sediment pile.

The re-evaluation of the geophysical data, together with the interpretation of the assay data when received, will form the basis of an extensive program of follow-up drilling to improve further our understanding of this complex system.

Figure 5 is a schematic cross-section illustrating the interpretation that the breccia / feeder pipe extends from the Red Bore gossan to the south-west. The structure is extensively tectonised (faulted). Hole RB06 intersected a zone of fracturing that either represents another fault zone or possibly the margins of the extension to the southwest of the breccia / feeder pipe. Our current view is that RB06 passed over the top of the pipe, which could extend in any of the directions shown in Figure 5 as “possible vent vectors”.

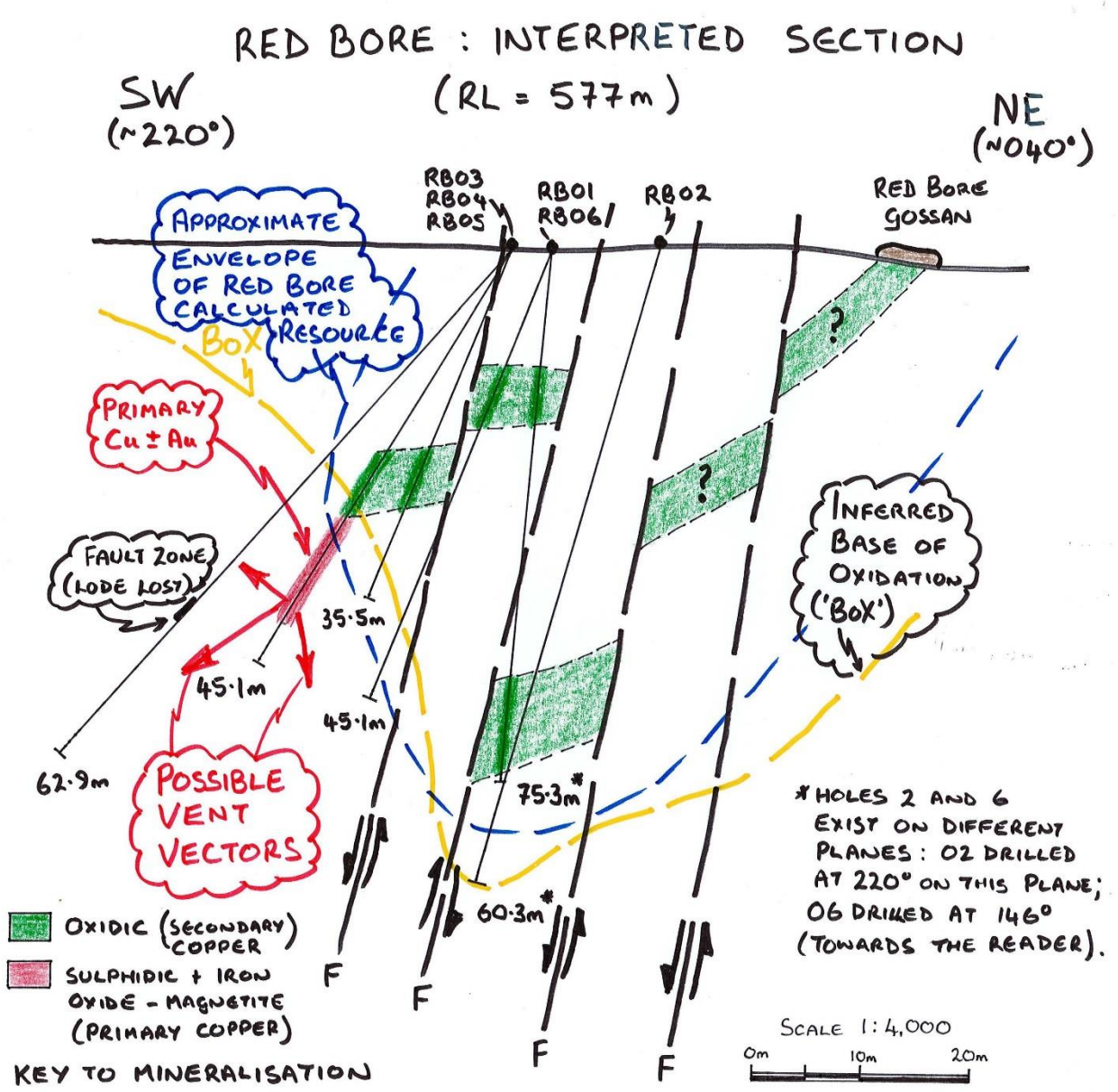

Figure 5: Interpreted schematic cross-section based on geological logging of core from holes TRBDD01-06.

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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: 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.	• This is a diamond drilling program. The holes are being drilled with HQ core from surface. Core intervals of geological interest will be cut using a diamond saw. The core is examined visually and logged by the geologist. Any evidence of alteration or the presence of mineralisation is tested by hand-held XRF for metal content. • The core is cut and sampled maintain reference, wherever possible, to the correct orientation of the core. • 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. Hand-held XRF testing is conducted to provide additional technical data to support or refute interpretations of the visual observations. The Delta XRF Analyser is calibrated before each session and is serviced according to the manufacturer's (Olympus) recommended schedule. XRF data is not considered sufficiently rigorous to warrant public reporting.
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).	This hole is a diamond drillhole being drilled at HQ size (63.5mm diameter) on a truck-mounted rig with booster and auxiliary using triple tube coring to maximise core recovery.
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.	• To date the recording of the recovered core is by visual inspection. Sampling will follow upon completion of the program. Core recovery is good (in the order of 80% at present) given that the near surface intervals include zones of weathering, heavy shearing, and clay alteration. • Triple tube coring is being used to maximise core recovery. • No results have been received yet from samples submitted for assay so no information is yet available to comment on any relationship between sample recovery and grade.
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.	• Core is being logged visually by experienced and competent geologists. • Each interval of core is being photographed and recorded prior to eventual sampling and assay. • The entire recovered 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.	• Sample intervals of core have been quarter cut for submission to the laboratory for assay. • Not relevant as the program is coring. • Awaiting report from the laboratory. • Awaiting report from the laboratory. • Awaiting report from the laboratory. Duplicates (20%) and standards (15%) submitted to laboratory. • Whole quarter core submitted for assay so sample is by definition representative.

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.	• Awaiting report from the laboratory. • The handheld XRF equipment used is an Olympus Delta XRF Analyser 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 both the interpretation of the geological logging based on visual observations and the selection of intervals for submission to laboratories for formal assay. • Awaiting report from the laboratory. Duplicates (20%) and standards (15%) submitted to laboratory.
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.	• Assay submission schedule reviewed by CEO. • The program included no twin holes. Holes are being drilled in the area of known mineralisation but in a different direction to those holes that formed the basis of the reported indicated mineral resource (ASX Ann: 04 May 2012). The different direction of these holes is deliberate in order to test a different interpretation of the geometry and geological controls on the known mineralisation. As such, they do not constitute twinned 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. • Not relevant as no results have been received yet.
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. Down-hole surveys will be carried out on holes exceeding 50m length to ensure that the hole is being directed as targeted. • 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. • These drillholes are part of a follow-up program to improve the understanding of the geometry and geological controls on the known mineralisation and also to test the structures and establish the geology in the north-western part of the tenement to help identify the potential for possible repetitions of or extensions to the DeGrussa mineralisation (particularly the Conductor 5 deposit) located several hundred metres to the north-west. • No sample compositing has been applied.
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.	• Core orientation not achieved for 100% of holes drilled, so orientation data for near surface intervals is not certain. • One of the main objectives of this drilling program is to obtain relevant geological information that allows this issue to be evaluated.
Sample security	• The measures taken to ensure sample security.	• Samples are collected, transported and stored by Company personnel. They will be delivered to secure locked storage for core cutting prior to sampling and submission of appropriate sample intervals 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. However, this item is not relevant at this time as the core has not yet been sampled.

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 Red Bore project comprises one granted mining licence M52/597 of 2 square kilometres in area (2km x 1km). THX holds a 90% interest in the lease and manages the JV with 10% (free carried to decision to mine) partner Mr Bill Richmond. The project is located in the Doolgunna pastoral lease in the Doolgunna region of the Murchison of WA. • The licence is 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.	• Regional exploration was carried out in the distant past by Western Mining. Subsequent drilling by Great Australian Resources identified a gold association with the copper mineralisation found by WMC. Mr Richmond pegged the lease over 20 years ago and entered into a JV agreement with THX in April 2010. THX conducted exploration that included mapping, rock chip sampling, geochemical surveys, and geophysical surveys, leading to several drilling campaigns until early 2012. Subsequently THX announced an indicated mineral resource (per the 2004 JORC code) on 04 May 2012 of 48,000t at 3.6% Cu and 0.4gpt Au. No additional work has been carried out on this resource since it was announced to the market.
Geology	• Deposit type, geological setting and style of mineralisation.	• Exploration carried out by THX included a gravity survey and an induced polarisation survey in 2011 followed up by RC and diamond drilling. A horizon interpreted to be a VMS horizon was identified containing strong copper-gold-silver associations that displays a striking visual and geochemical similarity to the DeGrussa copper-gold deposit currently being mined by Sandfire Resources NL. Some deep IP anomalies remain to be tested and explained.
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.	• As the drilling program has only just commenced it is premature to attempt to explain or interpret the results to date, beyond stating that the copper mineralisation noted in the oxide zone is consistent with the known geology and provides encouragement for the remainder of the program. This is reinforced in the body of this report. All details of the collar locations and technical parameters of each hole drilled are presented in Appendix 1 and in Table 1 respectively. • All relevant information has been provided in this report.
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.	• Not relevant as no assay results have been received yet. • Not relevant as no assay results have been received yet. • Not relevant as no assay results have been received yet. .

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').	• One objective of this program is to obtain sufficient information to allow the geometry of the mineralisation and its relationship with the structural controls to be established. Insufficient information has been obtained thus far to allow such relationships to be determined. • All intercepts are reported as down hole intercepts and true width is unknown. Where relevant in this report the abbreviations "twu" – for "true width unknown" – is used.
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.	• Drill collar locations: refer to Table 1. A schematic cross-section interpretation based on holes drilled to date is presented in Figure 5. Figure 3 shows drill collar locations and the direction / surface trace of planned holes.
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 report includes visual observations of copper mineralisation that is relevant to, and has the theoretical potential to be material to, the understanding and interpretation of the extent of the mineralisation at Red Bore. No assays are yet available.
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.	• The exploration results reported herein are visual observations of mineralisation identified in core recovered from the drilling program. As additional relevant information becomes available it will be reported and announced to provide context to the programs underway.
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.	• The information obtained from this program will be assessed and will form the basis for planning subsequent programs of work. Such follow-up will take into account the Company's cash balance in the context of types of work that can be funded. Follow-up drilling at Red Bore with the objective of identifying further mineralisation that can eventually contribute to resources is the Company's aim. • Future work programs will be planned when the current program is completed. It is premature to present possible extensions as the program is still only at an early stage.

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