

**ASX  
ANNOUNCEMENT**

**29 October 2009**

**Thundelarra Exploration Ltd**  
ABN 74 950 465 654  
ACN 085 782 994

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regarding Thundelarra  
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or

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**THUNDELARRA  
EXPLORATION**

**FOURTH QUARTER ACTIVITY & CASHFLOW  
REPORT FOR THE QUARTER ENDING 30  
SEPTEMBER 2009**

**HIGHLIGHTS**

**URANIUM EXPLORATION**

- Thunderball prospect delivers exceptional drill results
  - 5m at 0.76% U<sub>3</sub>O<sub>8</sub> inc 1m at 3.1% U<sub>3</sub>O<sub>8</sub>
  - 15m at 1.5% U<sub>3</sub>O<sub>8</sub> inc 1m at 20.3% U<sub>3</sub>O<sub>8</sub>
- Two diamond drills currently operating at Thunderball
- RC drill program completed at Allamber project
- Regional gravity survey completed at Ngalia Basin
  - Prospective basement structures identified
  - First drill program to commence December quarter

**BASE METALS**

- Stockpiled Copernicus ore processed
- First nickel/copper concentrate shipped to China
- Panoramic Resources commence exploration on East Kimberley joint venture tenements
- Application lodged for 80 km<sup>2</sup> tenement immediately adjacent to Sandfire Resources' Doolgunna project

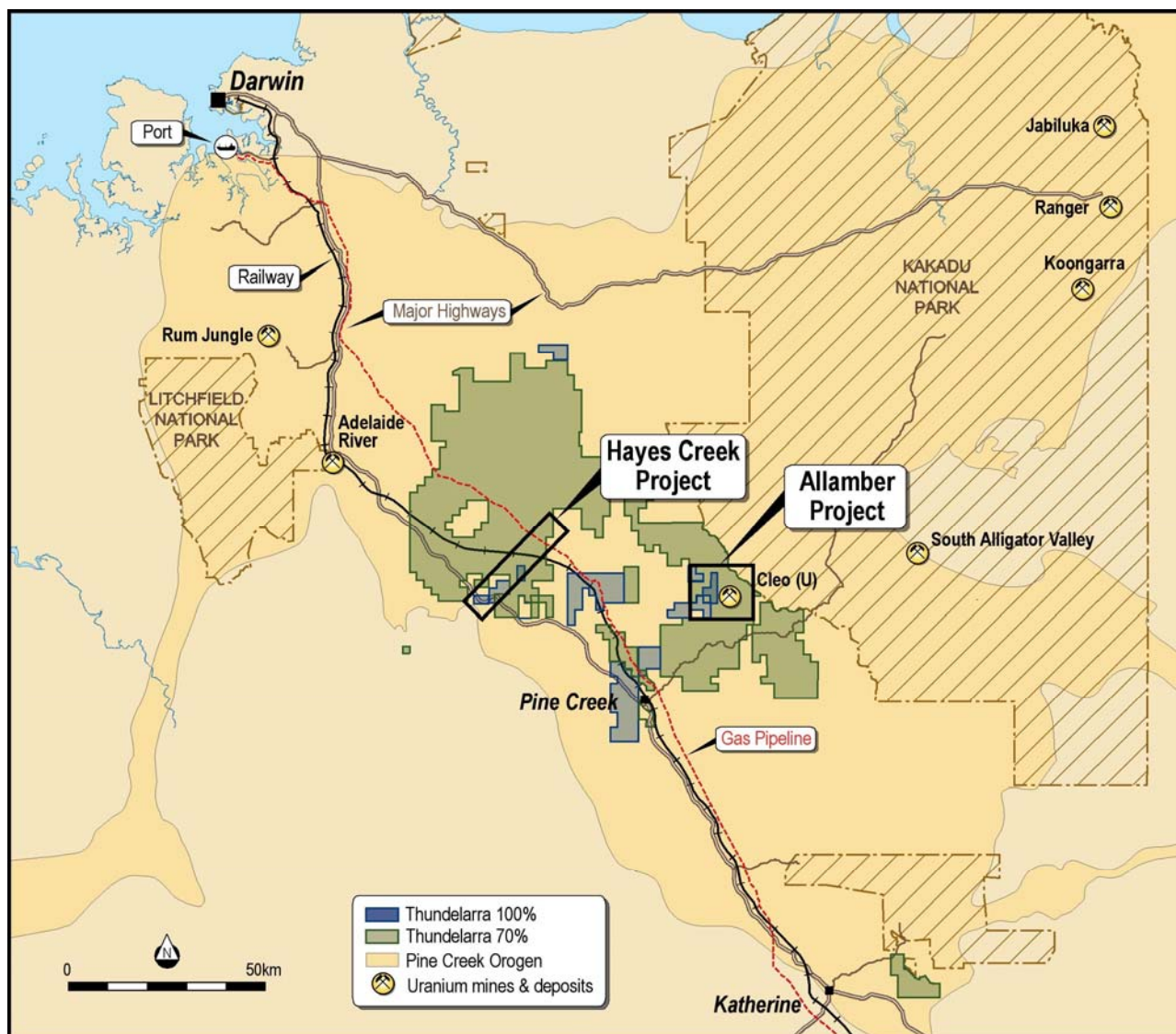
**CORPORATE**

- BHP Billiton bid \$1.30 per share for United Minerals Corp
- Thundelarra divests 2.4 million UMC shares on-market realising \$3.0 million
- 18 million UMC shares retained
  - Value based on BHP bid \$23.4 million
- Thundelarra now well funded to aggressively pursue development of core projects

## URANIUM NORTHERN TERRITORY

### PINE CREEK

#### *Pine Creek Regional Map*



#### **Thunderball Prospect**

During the quarter a 16 hole, 2,383 metre reverse circulation (RC) drilling program was successfully completed at the Thunderball Uranium Prospect within the Hayes Creek Project. Most holes intersected uranium mineralisation with a number of holes intersecting significant mineralisation including:

- Hole TPCRC008: 5 metres at 7,600 ppm  $U_3O_8$  including 1 metre at 3.1%  $U_3O_8$
- Hole TPCRC019: 15 metres at 1.5%  $U_3O_8$  including 1 metre at 20.3%  $U_3O_8$

In addition to the RC program, one diamond hole was drilled, TPCDD026, which intersected an intense zone of uraninite mineralisation. The core from this hole is yet to be assayed, however the primary mineralised intercept is visually estimated to grade over 10% uraninite by volume over 4.5 metres.

The mineralisation at Thunderball consists of veins and disseminations of uraninite (pitchblende) hosted within a brittle ductile shear that appears to dip 20 degrees to the west and plunge approximately 40 degrees to the north. To the south the shear zone possibly 'daylights' in a steep ravine and to the north the mineralisation remains open down plunge.

Importantly a number of holes have intersected a second, parallel zone of mineralisation at shallower depth. Although at lesser grade (best intercept 11 metres at 541 ppm U<sub>3</sub>O<sub>8</sub>), this upper zone displays signs of strengthening towards the north, consistent with the lower zone of mineralisation.

Further drilling to step out from existing high grade intersections and to test both zones of mineralisation down plunge has commenced with two diamond drill rigs currently on site. A 2,000 metre drilling program is planned with drilling expected to continue until mid-December.

Whilst drilling at the northern end of the prospect has continued to provide exciting results, five RC holes drilled at the southern end of the prospect were disappointing. Only one of the five holes intersected mineralisation but further drilling is warranted.

The details of the holes drilled during the September quarter are tabulated below:

#### Thunderball Uranium Prospect RC Drilling Results – July-Sept 2009

Hole Number	East	North	Dip/Az	From-To	Interval	U <sub>3</sub> O <sub>8</sub> ppm	Tenement
TPCRC007	772644	8501437	-70/109	Not submitted for assay			EL23431
TPCRC008	772711	8501462	-70/134	120-125m	5m	7,600	EL23431
including				122-123m	1m	3.1%	
and				144-145m	1m	791	
TPCRC009	772712	8501462	-55/135	128-129m	1m	962	EL23431
and				132-133m	1m	885	
TPCRC010	772710	8501463	-85/134	119-139m	11m	1,200	EL23431
including				119-121m	2m	2,962	
TPCRC011	772724	8501485	-70/130	146-155m	9m	906	EL23431
including				148-149m	1m	3,151	
TPCRC012	772258	8500965	-70/100	Not submitted for assay			EL23509
TPCRC013	772245	8500935	-60/114	No significant assays			EL23509
TPCRC014	772299	8501072	-70/99	Not submitted for assay			EL23509
TPCRC015	772326	8501103	-60/99	53-56m	3m	262	EL23509
TPCRC016	772468	8501187	-60/128	Not submitted for assay			EL23431
TPCRC017	772767	8501500	-65/134	No significant assays			EL23431
TPCRC018	772653	8501396	-70/135	Not submitted for assay			EL23431
TPCRC019	772721	8501486	-85/129	139-154m	15m	1.5%	EL23431
including				139-140m	1m	20.3%	
TPCRC020	772764	8501503	-85/134	11-26m*	15m	128 ppm	EL23431
TPCRC021	772758	8501510	-85/314	39-57m*	18m	109 ppm	EL23431
and				166-171m	5m	269 ppm	

Hole Number	East	North	Dip/Az	From-To	Interval	U <sub>3</sub> O <sub>8</sub> ppm	Tenement
TPCRC022	772757	8501510	-75/314	56-66m*	11m	541 ppm	EL23431
TPCDD026	772776	8501543	-69/200	147.2-152.7m	4.5m	>10%**	EL23431

Datum is MGA Zone 52 GDA94. Collars position recorded using GPS.

\* Upper Zone, \*\* Visual estimate of volume % uraninite in core

Note: The Company generally reports uranium grades in ppm (parts per million) except where grades exceed 10,000 ppm in which case percentages are used. A comparative grade in lbs/t (pounds per tonne) is sometimes also quoted to provide a ready conversion into dollar values as uranium prices are expressed in US\$ per pound. 1,000 ppm = 0.1% = 2.2 lbs/t

Gamma logging and magnetic deviation surveys were run down all holes with conductivity and borehole imaging surveys conducted on selected drill holes.

In addition to the drilling program, Thundelarra also conducted an aerial electromagnetic survey (VTEM) over the Thunderball prospect and surrounding area. Results from this survey and the recently released data from the Geoscience Australia TEMPEST survey are currently being assessed. A detailed low level airborne radiometric and magnetic survey is scheduled to commence over the project area in October. The interpretation of the results from these geophysical surveys is expected to generate a number of new uranium targets for ground assessment during the December 2009 quarter.

Thunderball was discovered by the Company in 2008 and is one of several new uranium occurrences identified by Thundelarra since it commenced uranium exploration in the Pine Creek region in 2007. The prospect is situated on exploration licences EL23509 and EL23431. Thundelarra has an option to acquire a 100% interest in EL23509 and holds a 70% interest in the uranium rights on EL23431 in joint venture with Crocodile Gold Australia Pty Ltd.

### **Corkscrew Prospect**

At the Corkscrew Prospect, located approximately 3 kilometres south west of Thunderball, uranium rich boulders assaying up to 2.3% U<sub>3</sub>O<sub>8</sub> were discovered and announced during the June 2009 quarter. The occurrence of these boulders is considered highly significant as Corkscrew occurs in a similar geological and structural setting to Thunderball.

During the quarter, three RC holes (375 metres) were drilled at Corkscrew to test several targets in the vicinity of the boulder locations. One hole, TPCRC024, intersected anomalous uranium mineralisation (1 metre at 230 ppm U<sub>3</sub>O<sub>8</sub>) with associated indicator elements. The source of the high grade uranium mineralisation was not intersected and further drilling is planned during the December 2009 quarter.

### **Allamber Uranium Project**

The Allamber Project, located within the eastern portion of the Pine Creek Orogen, includes tenements that are part of three Joint Ventures as well as 100% Thundelarra tenure. The areas, managed by Thundelarra, cover some 600 square kilometres of granite and sediment packages prospective for structurally hosted uranium mineralisation.

The most advanced of the area is the Cleo's Joint Venture, where Thundelarra is earning 70% in three tenements held by Atom Energy Ltd by the expenditure of \$300,000. The main area of mineralisation is within a sequence of sediments margined by radiogenic granites of the Cullen Batholith. This prospective zone, termed the Cleo's area, extends for some 3 kilometres in strike length, and hosts a number of prospects, with recent drilling by Atom Energy Ltd identifying a near surface inferred resource of 1.4Mt at 304ppm  $U_3O_8$  at the Dam and Twin prospects.

Thundelarra's exploration commenced over the joint venture area during the quarter with an aim of defining new areas of uranium mineralisation.

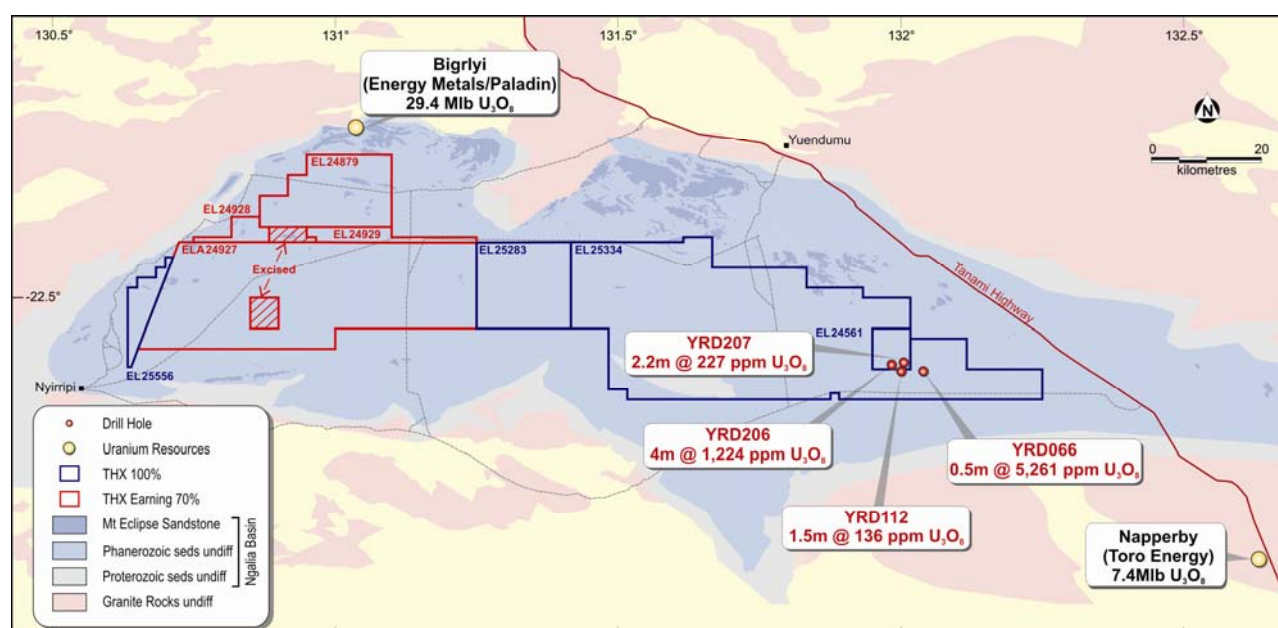
Geological mapping and high precision ground magnetic and radiometric surveying has been conducted over the Cleo's area. This work has provided excellent data to help interpretation of the mineralised sedimentary package, which is extensively masked by recent cover and talus.

Five targets areas were selected for drill testing, and a 17 hole, 1,593 metre reverse circulation drill programme has been completed. Intercepts of anomalous radioactivity have been sampled and submitted for assay. Results are anticipated to be completed early November when results can be compiled and further drilling will be planned.

## NGALIA BASIN

During the quarter, Thundelarra completed the assessment and interpretation of the results from the regional gravity survey conducted over the Ngalia Project area. This survey has defined a number of major structural corridors that are prospective for uranium mineralisation similar in style to the nearby Biglryli uranium deposit (29.4 million pounds of  $U_3O_8$ ). During the December quarter Thundelarra plans to commence its initial drilling program on the Ngalia Project, with eight holes planned to test one of the numerous target areas within the extensive project.

### Ngalia Basin Tenement and Geology Plan



## **URANIUM WESTERN AUSTRALIA AND QUEENSLAND**

Limited work was conducted on Thundelarra's four non-NT uranium projects during the quarter.

### **BASE METALS**

#### **COPERNICUS NICKEL MINE**

The Copernicus Nickel Mine is a joint venture between Thundelarra (40%) and Panoramic Resources Ltd (60%). Processing of stockpiled ore commenced late in the quarter at Panoramic Resources Ltd's Savannah plant and was completed during the first week of October. A total of 12,000 tonnes of transitional or partially oxidised ore that was mined from the open pit in late 2008 was treated.

A full reconciliation has not yet been completed, however provisional results indicate that the ore performed well in the plant, meeting expectations on grade and recovery. Based on mill sampling, the ore was estimated to grade 1.5% nickel, 0.8% copper and 0.05% cobalt. Nickel recovery of 60% was achieved, which is considered most satisfactory for this partially oxidised material. The feasibility study forecasts nickel recovery from fresh ore to average approximately 76%.

1,700 dry tonnes of nickel/copper concentrate were produced. This concentrate was sold to the Jinchuan Group and shipped to the Chinese port of Lianyungang.

8,000 tonnes of nickel bearing material that was mined from near surface prior to the suspension of mining was deemed too oxidized to process. Approximately 60% of total waste rock was excavated from the open pit prior to the suspension of operations exposing significant fresh ore and enabling production to recommence at short notice. However operations remain suspended pending a determination by the joint venture that future commodity prices and exchange rate are likely to sustain levels that will deliver a satisfactory profit margin.

#### **EAST KIMBERLEY EXPLORATION JOINT VENTURE**

On 1 July 2009 Panoramic Resources Ltd entered into a joint venture agreement covering much of Thundelarra's East Kimberley base metal exploration project. Under the terms of this agreement Panoramic is required to spend \$3.0 million to earn a 61% interest in the Joint Venture with a minimum expenditure of \$750,000 per year.

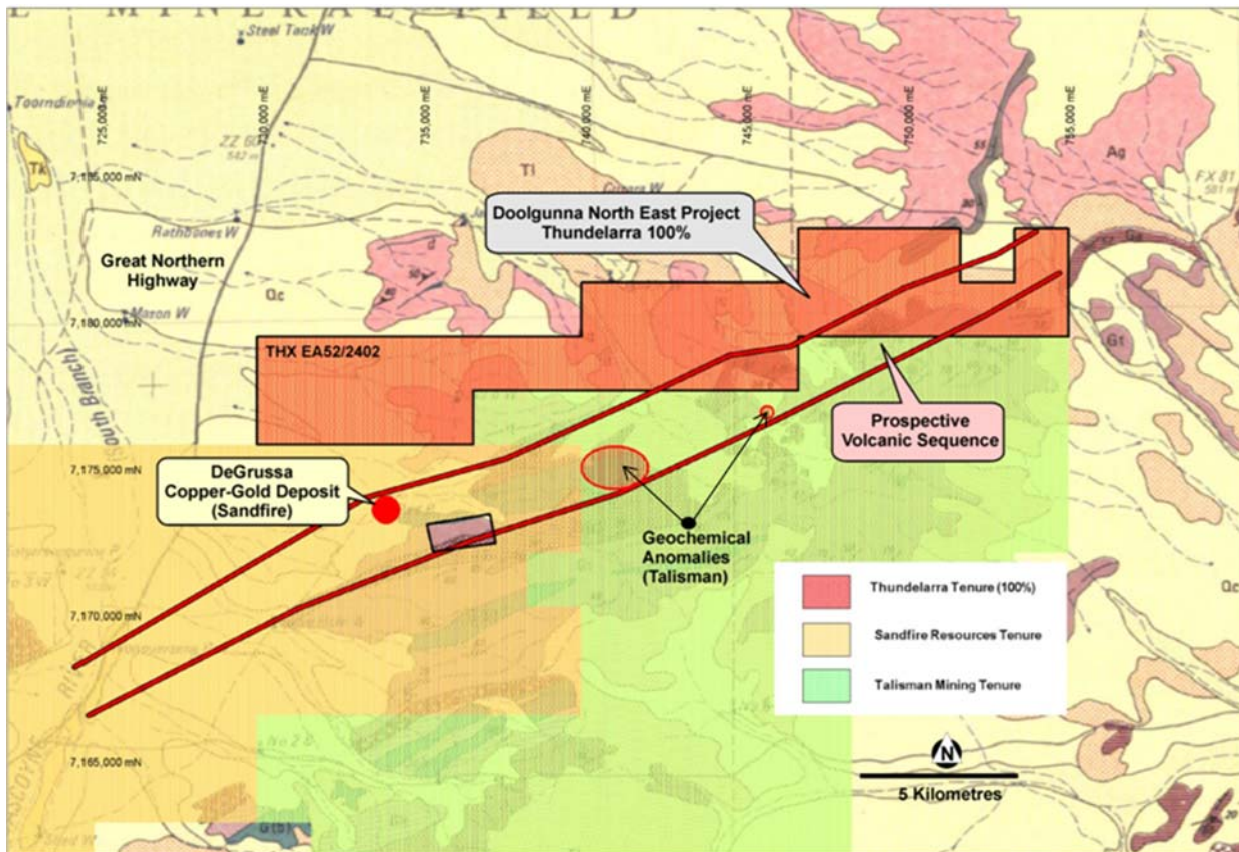
Panoramic commenced exploration during the quarter, with detailed ground magnetic and gravity surveys being carried out over a number of prospects. Geological reconnaissance at the Azura prospect identified further copper mineralisation, and drilling (where a grant of \$90,000 has been offered under the Western Australian State Government Co-funded Industry drilling Programme) is planned once statutory approvals have been received.

#### **DOOLGUNNA NORTH-EAST**

During the quarter Thundelarra lodged an application for an exploration license (ELA52/2402) of approximately 80 km<sup>2</sup> in an area situated to the north-east and immediately adjacent to Sandfire Resources NL (SFR) Doolgunna tenements.



SFR have obtained very significant copper-gold drill intercepts from their DeGrussa prospect at Doolgunna. Based on WA Geological Survey mapping, DeGrussa is situated within a volcanic sequence of rocks that continues through into the ground applied for by Thundelarra. As shown in the map below, Thundelarra controls approximately eight kilometres of strike of the prospective volcanic sequence.



The details contained in this report that pertain to ore and mineralisation is 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

**THUNDELARRA EXPLORATION LTD**

ACN

**085 782 994**

Quarter ended ("current quarter")

**30 SEPTEMBER 2009**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(831)	(3,391)
(b) development	-	(1,667)
(c) production	-	-
(d) administration	(299)	(1,466)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	118
1.5 Interest and other costs of finance paid	(1)	(61)
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(1,107)</b>	<b>(6,467)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(74)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	240	240
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Redemption of security deposits	-	8
- Placement of security deposits	(13)	(19)
- Payment for intangibles	(3)	(39)
<b>Net investing cash flows</b>	<b>224</b>	<b>116</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(883)</b>	<b>(6,351)</b>



**Appendix 5B**  
**Mining exploration entity quarterly report**

	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	18	2,726
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 – share issue costs	(183)	(239)
	<b>Net financing cash flows</b>	<b>(165)</b>	<b>2,487</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,048)</b>	<b>(3,864)</b>
1.20	Cash at beginning of quarter/year to date	1,984	4,800
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	936	936

**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	225
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 the period 1 October 2008 to 30 September 2009.

**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.*

	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	550
4.2 Development	-
<b>Total</b>	<b>550</b>

### 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	459	373
5.2 Deposits at call	477	1,611
5.3 Bank overdraft	-	-
5.4 Other (bank guarantees)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>936</b>	<b>1,984</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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	Mabel West	100%	Nil
		McKenzie Springs	100%	Nil
		Fletcher Creek	100%	Nil
		Keller West	100%	Nil
6.2	Interests in mining tenements acquired or increased	Warmun	Nil	100%
		Corkwood	Nil	100%
		Frank Hill South	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 (description)	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	143,995,743	-	-
7.4	Changes during quarter			
	(a) Increases through issues	1,000,000	\$0.20	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities (description)	-	-	-
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		9,407,765	9,407,765	\$0.20	29/03/2013
		200,000	-	\$0.55	28/02/2010
		1,500,000	-	\$0.50	28/02/2010
		1,000,000	-	\$0.50	31/05/2010
		1,000,000	-	\$0.68	31/05/2011
		360,000	-	\$0.52	30/06/2011
		4,500,000	-	\$0.45	30/11/2010
		350,000	-	\$0.47	31/12/2011
		4,250,000	-	\$0.50	28/02/2013
		400,000	-	\$0.39	03/04/2011
		440,000	-	\$0.52	30/06/2012
		350,000	-	\$0.11	31/12/2012
		4,250,000	-	\$0.20	26/02/2014
		910,000	-	\$0.32	30/09/2012
7.8	Issued during quarter	910,000	-	\$0.32	30/09/2012
7.9	Exercised during quarter	85,315	85,315	\$0.20	29/03/2013
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
(Director /Company Secretary)

Date: 29 October 2009

Print name: FRANK DE MARTE

## Notes

- 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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