



THUNDELARRA
EXPLORATION

URANIUM UF



2009 **ANNUAL REPORT**

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CHAIRMAN'S LETTER

“Thunderball has continued with each drilling program to deliver outstanding results including some of the best intercepts recorded in Australia”



Dear Shareholder

I am pleased to present the 2009 Annual Report for Thundelarra Exploration Ltd during one of our most successful years since listing on the ASX in 2001.

Exploration activities were centred on our major landholding in the Pine Creek Region of the Northern Territory. The Pine Creek Orogen is a premier world class uranium province where a number of Australia's uranium deposits have been discovered and mined. Thundelarra controls 3,500 square kilometres in the central zone of the Orogen, an area that has been subject to significant gold mining activity which has to date limited the opportunity to explore for uranium. Thundelarra's access to this region presents a great opportunity to discover new uranium occurrences.

Since commencing exploration in the Pine Creek Region approximately 18 months ago we have met with considerable success. If you refer to my Chairman's Letter last year, Thunderball was just a uranium occurrence, one of several uranium targets drilled during our first field season. Right from those initial results presented in January, Thunderball has continued with each drilling program to deliver outstanding results including some of the best intercepts recorded in Australia.

Other uranium targets in the Pine Creek explored during the year include the Corkscrew Prospect and Allamber Project. Corkscrew is of particular interest being only three kilometres from Thunderball and in a similar structural setting. Boulders located on the surface at Corkscrew have assayed up to 2.3% U_3O_8 and a detailed drilling program is planned for 2010. At Allamber we increased our tenement holdings by entering into a joint venture with Atom Energy Ltd. Previous activities within the joint venture ground defined a resource of 1.4 million tonnes at 0.03% U_3O_8 . It is our aim to define new areas of mineralisation and a drilling program was performed late this year testing five new targets. The initial results were encouraging and further activities are planned next year when the wet season passes.

Thundelarra controls a large land holding prospective for uranium in the Ngalia Basin, 350 kilometres north-east of Alice Springs. Mid way through the year an agreement was signed with the traditional owners of the Ngalia Basin and the Central Land Council enabling Thundelarra to commence the exploration of this highly prospective region. A gravity survey was completed identifying structural corridors prospective for uranium similar to the nearby Bigrlyi Deposit (29.4 million pounds of U_3O_8). A number of drill targets are planned to be tested in the coming months.

Although our uranium activities were focused this year in the Northern Territory, we still hold three projects, Kennedy Range, Kunderong and Spinifex in Western Australia and in Queensland the Gregory Range Project. Previous exploration confirms each of these projects to host uranium mineralisation, but in light of the outstanding results from the Northern Territory, limited exploration activities were undertaken during the year.

On the base metals front Thundelarra was successful with executing a joint venture agreement with Panoramic Resources Ltd covering much of our East Kimberley exploration tenure. To earn 61%, Panoramic must spend \$3 million. This agreement is separate to the Copernicus Joint Venture where the mining operation at Copernicus will remain suspended while the nickel price and exchange rate delivers a moderate profit margin. During the year Panoramic treated a small amount of ore mined prior to suspending the mining operation. The ore performed well in the plant which is important for when the mining operation recommences.

Thundelarra applied for a new base metals project during the year at Doolgunna. Although still under application, it has generated great interest with Sandfire Resources NL announcing significant copper-gold drill intercepts on the adjacent tenement.

Corporately, Thundelarra successfully raised \$2.7 million by way of a Rights Issue. An outstanding result as the Rights Issue was presented to shareholders during February/March, the toughest months of the global financial crisis. Our bank balance is at its strongest position thanks mainly to liquidating our shareholding in United Minerals Corporation in November for the consideration of approximately \$25 million. The cash will be utilised effectively to advance the many uranium exploration targets identified in both Pine Creek and Ngalia Basin.

Special recognition must go to our executive team led by our Managing Director Brett Lambert. Brett, together with our other Executives in Frank DeMarte and Brian Richardson, and Non Executive Director Mal Randall, have worked tirelessly this year capping off the hard work with some outstanding achievements. To our dedicated staff both in Western Australia and the Northern Territory I thank you for your commitment. In closing I would especially like to acknowledge the many loyal shareholders who have supported Thundelarra during some tough times. As Chairman and the major shareholder, I am extremely pleased with the position Thundelarra currently finds itself in and excited at what the future may hold for all shareholders.

Kind regards

P G Crabb

REVIEW OF OPERATIONS

OVERVIEW

During 2009 Thundelarra confronted the challenges and exploited opportunities presented by the Global Financial Crisis to make significant progress at its core operations.

Early in the year, fallout from the GFC put considerable pressure on Thundelarra's finances, however with strong support from the Company's shareholders \$2.7 million was raised through a one for four renounceable rights issue. The rights issue proceeds enabled Thundelarra to keep its geologists active in the field, although the level of activity was restrained in light of continuing uncertainty in global financial markets. The Company chose to direct the majority of its resources at the Thunderball uranium prospect in the Pine Creek Region of the Northern Territory.

This strategy paid off as Thunderball delivered the most exceptional uranium drill intercepts seen in Australia for many years.

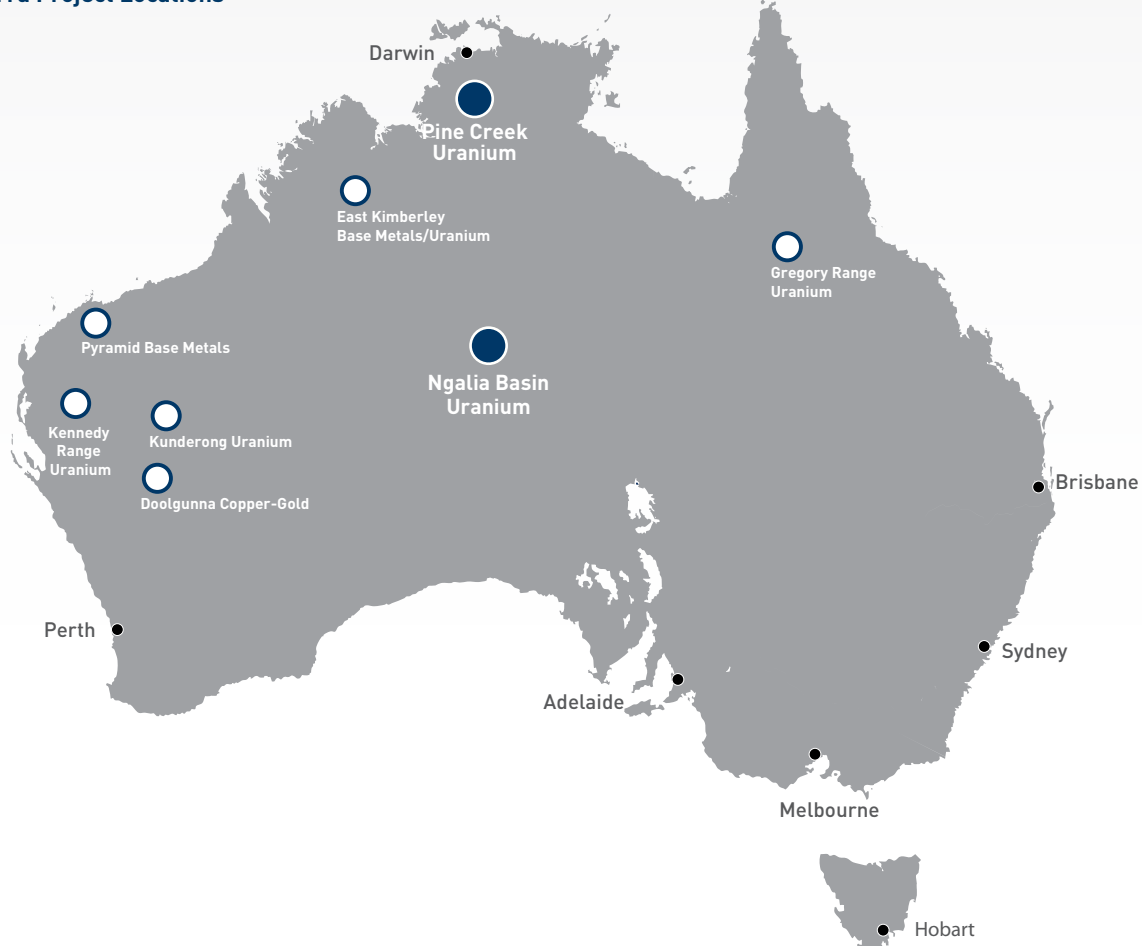
Thundelarra has been steadily building its uranium portfolio over several years with an emphasis on two key provinces in the Northern Territory – the Pine Creek Orogen and the Ngalia Basin. In 2009 substantial progress was made in this regard with three significant transactions completed. The first took place in January when an option was secured over a 100% interest in a package of Pine Creek tenements in the Hayes Creek area. In May Thundelarra entered into a farm-in agreement whereby it can earn a 70-90% interest in a group of Ngalia Basin exploration licences that substantially add to the Company's existing land position in the basin.

Finally, in June the Company secured the right to earn a 70-90% interest in an additional four exploration licences that are contiguous with its exciting Pine Creek tenure. This package includes a JORC compliant uranium resource containing almost one million pounds of U₃O₈.

The aforementioned transactions were completed on terms that could not have been achieved prior to the GFC and that today look very attractive, particularly in light of Thundelarra's recent exploration success. The Company has now built dominant positions in the central Pine Creek Orogen and Ngalia Basin controlling in excess of 3,000 square kilometres of tenure in each of these two key project areas.

Thundelarra is now a company with a clear focus on uranium exploration and development in the Northern Territory. However the Company continues to hold non-core assets, outside of the Northern Territory, to which it assigns significant value.

Thundelarra Project Locations



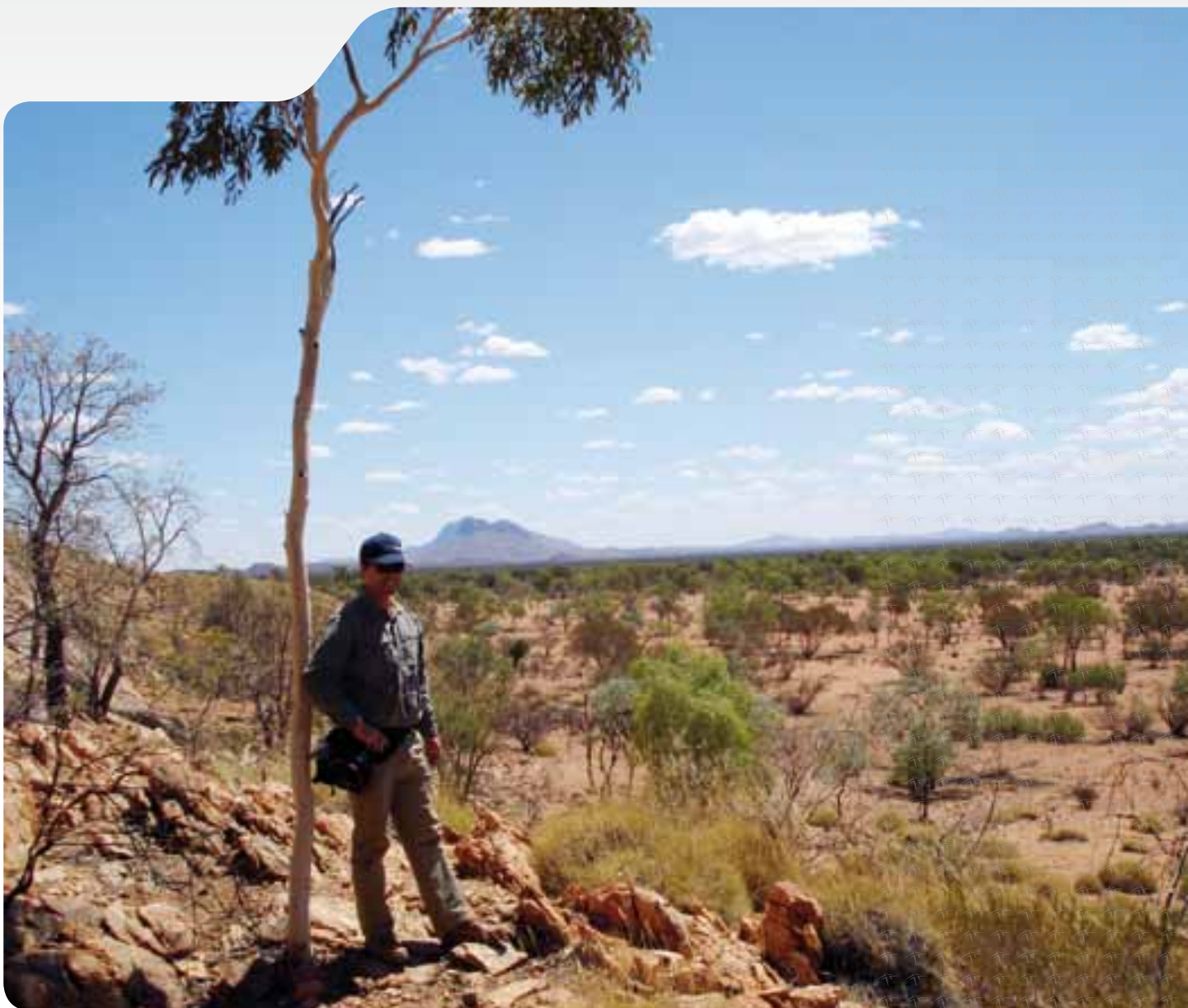
Highly prospective uranium projects are held at Spinifex, Kennedy Range and Kunderong in Western Australia and Gregory Range in Queensland. On the base metals front, Thundelarra has a 40% interest in the fully developed Copernicus Nickel Mine in joint venture with Panoramic Resources Limited.

Open pit mining operations at Copernicus were suspended in December 2008 in response to falling commodity prices. The mine remains on care and maintenance, but is in a position to be recommissioned at short notice.

In June 2009 the relationship with Panoramic was expanded through a farm-in agreement whereby Panoramic can earn a 61% interest in the majority of Thundelarra's East Kimberley base metals exploration properties by spending \$3 million on evaluation of the tenements. Thundelarra retains 100% interests in the Rosewood copper project in the Kimberley, the Pyramid VMS base metals project in the West Pilbara and the Doolgunna copper-gold project in the Murchison region.

Opportunities to maximise the benefit to shareholders from non-core projects through further development, divestment or restructured ownership will be evaluated.

In November 2009 Thundelarra sold its shareholding in United Minerals Corporation NL, grossing in excess of \$25 million. The proceeds from the UMC share sale will enable Thundelarra to significantly increase the level of activity at its core projects. In 2010 the Company will continue to progress the Thunderball prospect and in addition implement substantial and sustained drilling programs on other advanced targets within the Pine Creek project area. Drilling at the Ngalia Basin will commence and will be a high priority for the Company from early in the year.



URANIUM

During the year Thundelarra focussed its exploration activities on its two large regional uranium projects in the Northern Territory, the Pine Creek and Ngalia Basin Projects. Thundelarra's exploration strategy is to find new uranium occurrences and resources within these prospective but poorly explored provinces of the Northern Territory. This focussed exploration has resulted in the discovery of significant uranium mineralisation in the Pine Creek region, the defining of important project-wide regional structures in the Ngalia Basin and the expansion of both project areas through the formation of a number of strategic joint ventures.

NORTHERN TERRITORY

PINE CREEK REGIONAL PROJECT

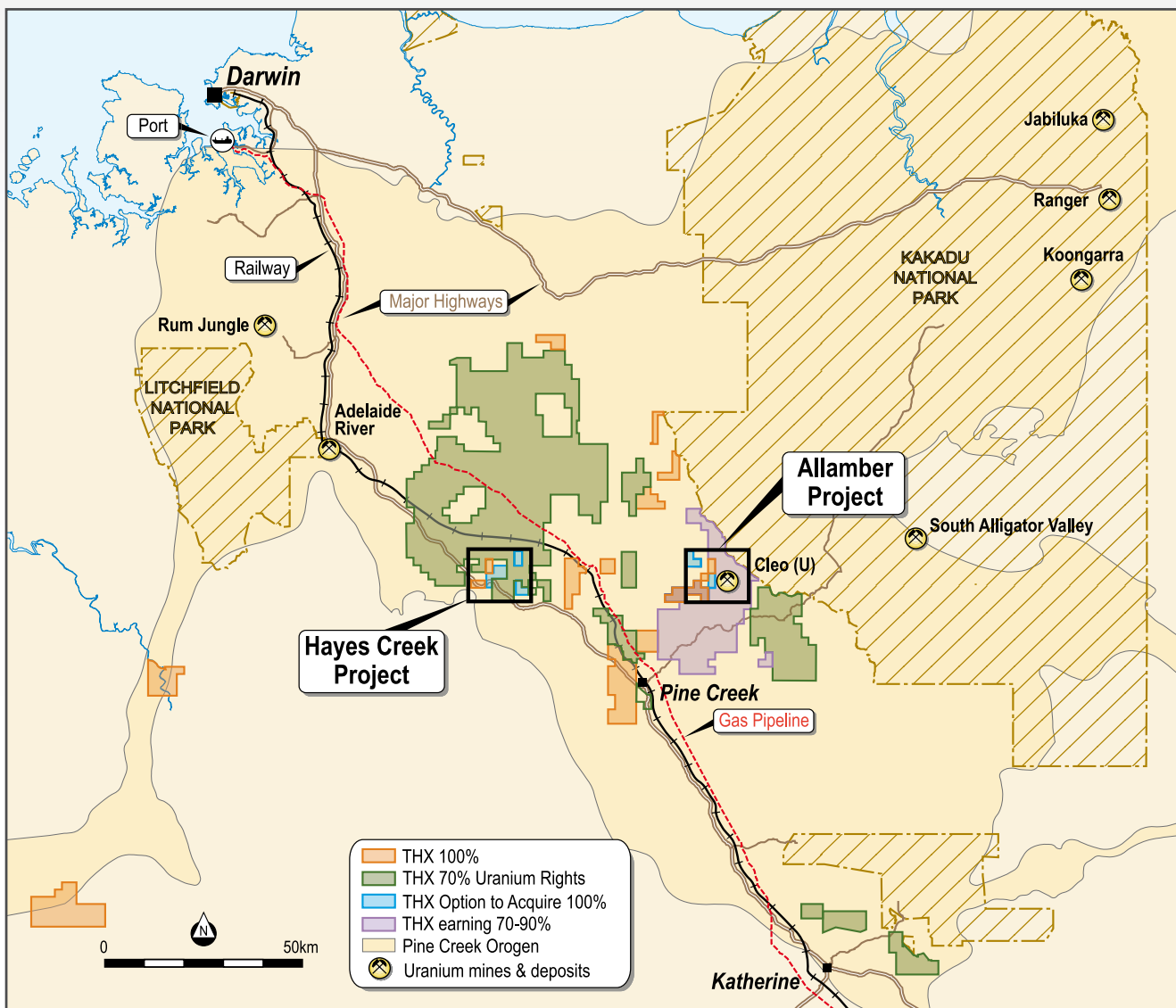
Thundelarra's Pine Creek Regional Project covers over 3,000 square kilometres of the prospective central Pine Creek Orogen between the South Alligator Valley and Rum Jungle Uranium Fields (see Pine Creek Project map). The Pine Creek Orogen is one of world's largest and richest uranium provinces and accounts for over 10% of the world's uranium production and over 50% of Australia's total production from the one operation, the Ranger Mine. A significant proportion of the world's uranium resources occur within the Pine Creek Orogen but are contained within various national parks including Kakadu.

The Regional Project consists of Thundelarra's fifteen wholly owned tenements, the Crocodile Gold Australia

Pty Ltd Joint Venture tenements (approximately 2,000 square kilometres), the Allamber Joint Venture tenements (480 square kilometres) and the tenements subject to the Priscilla Line and Frances Maude Option Agreements. Under the terms of the various agreements, Thundelarra has a 70% interest in the uranium rights over the Crocodile Gold tenements and is earning between 70 to 90% equity in the Allamber Joint Venture tenements from Atom Energy Limited. Thundelarra can acquire 100% interest in the tenements subject to the two Option Agreements.

In 2009 Thundelarra's exploration activities focussed on the Hayes Creek Project area which contains the significant Thunderball uranium prospect and on the Allamber Project which hosts the Cleo's uranium resource.

Pine Creek Project Map



HAYES CREEK PROJECT

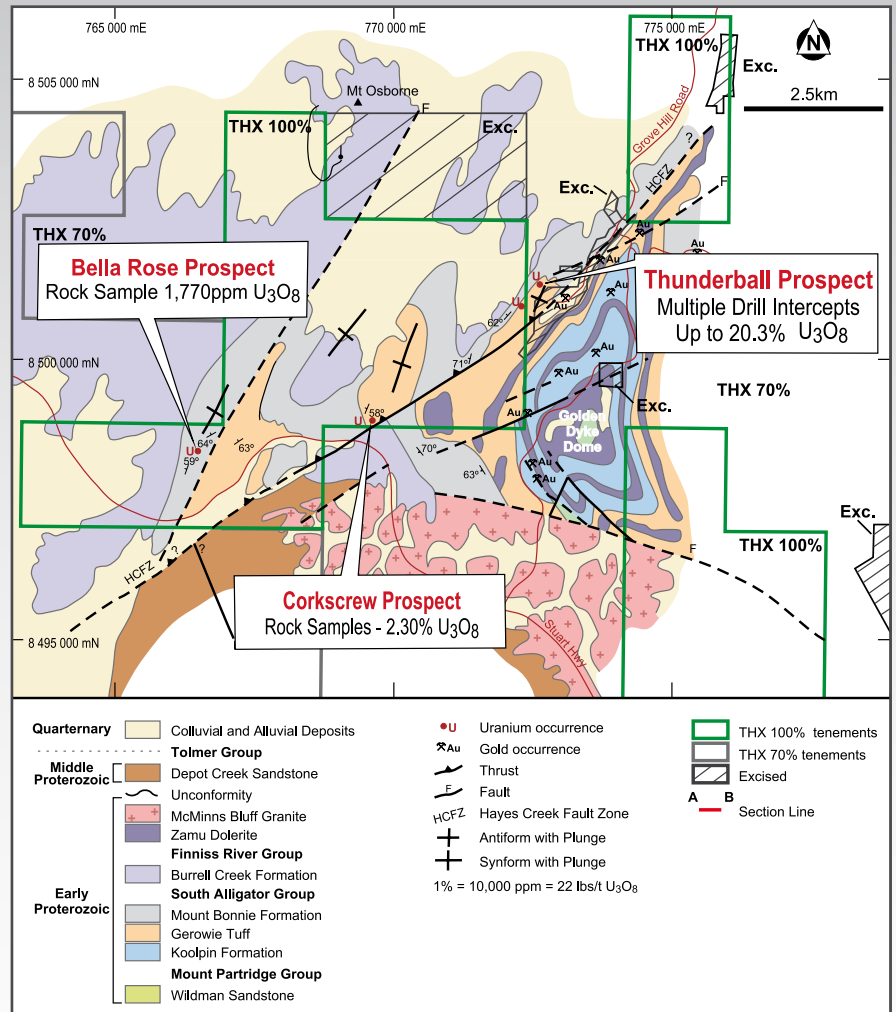
Exploration on the Hayes Creek Project during the year involved reverse circulation and/or diamond drilling at the Thunderball and Corkscrew prospects, detailed ground radiometrics surveys, geological mapping and the flying of several airborne electromagnetic, radiometric and magnetic surveys.

A total of 16 reverse circulation (for 2,383 metres) and 7 diamond holes (for 561 metres) were drilled at Thunderball with the majority of holes returning significant intercepts including a best of 11 metres at 3.4% U₃O₈ within diamond hole TPCDD026.

The mineralisation at Thunderball is located along a northerly trending anticlinal axis and consists of veins and disseminations of uraninite (pitchblende) hosted within a folded brittle ductile shear that appears to plunge approximately 40 degrees to the north. The highest grade mineralisation occurs at or near the hinge zone of the interpreted anticlinal structure (see Thunderball Geology and Drill Hole Location map).

Importantly drilling has intersected two parallel stacked zones of mineralisation with the lower high grade zone hosted within a fine grained tuffaceous sequence consisting of interbedded tuffs, cherts, shales and siltstones. The upper zone is generally of lesser grade (best intercept 11 metres at 541 ppm U₃O₈ in hole TPCRC022) and is hosted within a black carbonaceous shale and siltstone sequence. These units are interpreted to occur at the Gerowie Tuff - Mount Bonnie Formations boundary.

Drilling along the southern extension of the Thunderball trend within the Priscilla Line Option tenement EL23509 consisted initially of five diamond drill holes to test a strong ground radiometric anomaly and high grade uranium mineralisation discovered during a limited trenching program.



Hayes Creek Project Map



All holes intersected uranium mineralisation including the following significant intercepts:

- Hole TPCDD001: 10.0 metres at 556 ppm U₃O₈ including 2.0 metres at 1,204 ppm U₃O₈.
- Hole TPCDD002: 9.0 metres at 518 ppm U₃O₈ including 1.2 metres at 1,848 ppm U₃O₈.

A four hole reverse circulation drilling program was conducted to follow up the significant results returned from the diamond drilling. The results were disappointing with only one of the four holes intersecting mineralisation but further drilling is planned for the 2010 season.

The details of the holes drilled at Thunderball are tabulated below:

Thunderball Prospect Drilling Results

Hole Number	East	North	Dip/Ax	From-To	Interval	U ₃ O ₈ ppm	Tenement
TPCDD001	772302	8501003	-55/100	24-34m	10.0m	556	EL23509
including				27-29m	2.0m	1,204	
TPCDD002	772301	8501003	-65/100	27-36m	9.0m	518	EL23509
including				30-31.2m	1.2m	1,848	
TPCDD003	772303	8500964	-60/100	14-18.3m	4.3m	253	EL23509
including				17.9-18.3m	0.4	1,139	
TPCDD004	772302	8500964	-85/100	27-38m	11.0m	297	EL23509
including				33.7-34m	0.3m	979	
TPCDD005	772310	8501027	-80/090	37-41.9m	4.9m	195	EL23509
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	EL23431
TPCRC021	772758	8501510	-85/314	39-57m*	18m	109	EL23431
and				166-171m	5m	269	
TPCRC022	772757	8501510	-75/314	56-66m*	11m	541	EL23431
TPCDD026	772776	8501543	-69/200	144-155m	11m	3.4%	EL23431

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

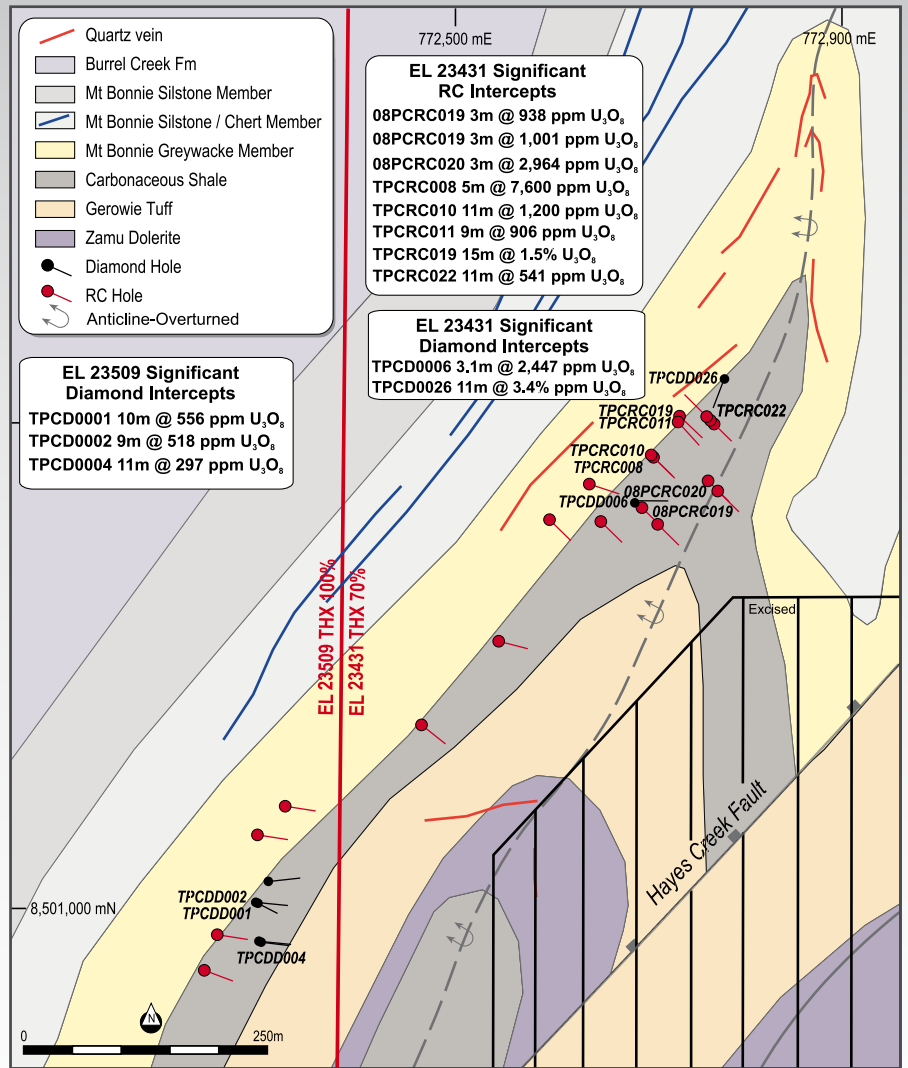
* Upper Zone intercept

The systematic ground assessment of selected airborne radiometric anomalies within EL23509 away from the Thunderball trend also returned very significant results. At the Corkscrew Prospect, located approximately 3 kilometres south west of Thunderball, uranium rich boulders assaying up to 2.3% U_3O_8 were discovered. The discovery of these boulders is considered highly significant as Corkscrew occurs in a similar geological setting to Thunderball (see Hayes Creek Project map).

Three reconnaissance 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_3O_8) with associated indicator elements. The source of the high grade uranium mineralisation was not intersected and further drilling is planned at the beginning of the 2010 field season.

In addition to the drilling, Thundelarra has also carried out geophysical surveys including a detailed (30 metre line spacing) ground radiometric survey over the Thunderball trend, an extensive low level airborne radiometric and magnetic survey (5,235 line kilometres) and an aerial electromagnetic survey (VTEM) over the Hayes Creek Project area. Thundelarra also participated in the Geoscience Australia's regional TEMPEST electromagnetic survey. The results from these airborne surveys are not yet available or interpreted.

Diamond drilling continued at Thunderball until mid December 2009, however results for the holes completed after year end were not available at the date of this report. In 2010 and as soon as the ground access is possible after the Wet season, Thundelarra will commence a major exploration and drilling campaign not only at Thunderball but also on at least seven other uranium occurrences that Thundelarra has discovered in the Hayes Creek Project area.



Thunderball Geology and Drill Hole Map



ALLAMBER PROJECT

In accordance with the Company's strategy of acquiring additional prospective tenure within the Pine Creek Orogen, Thundelarra entered into a joint venture with Atom Energy Limited (ASX:AXY) in June 2009 covering Atom's 4 wholly owned tenements.

The Atom tenements host a JORC compliant Inferred Resource of 1,409,000 tonnes grading 304 ppm U_3O_8 (Atom ASX release 26 March 2008) and is considered prospective for the discovery of additional uranium deposits.

Thundelarra can earn a 70% interest in Atom's four granted exploration licences by issuing Atom one million Thundelarra ordinary shares and spending a total of \$300,000 on exploration over three years.

The Atom tenements along with Thundelarra's existing tenements in the area make up the Allamber Project, located some 60 kilometres east of Hayes Creek. During the year Thundelarra completed a detailed ground radiometric and magnetic survey, carried out geological mapping

and sampling programs and drilled seventeen RC holes to test five new targets identified by the field exploration. The drill assay results are encouraging with nine holes returning anomalous intercepts including 10 metres at 458 ppm U_3O_8 in hole TAL013RC and five metres at 1,016 ppm U_3O_8 in hole TAL011RC. A table of significant intercepts is presented on the following page.

In 2010 drilling will recommence at the Allamber Project to follow up the encouraging results returned from the 2009 program and to test new targets particularly the prospective granite-sediment contact zone.

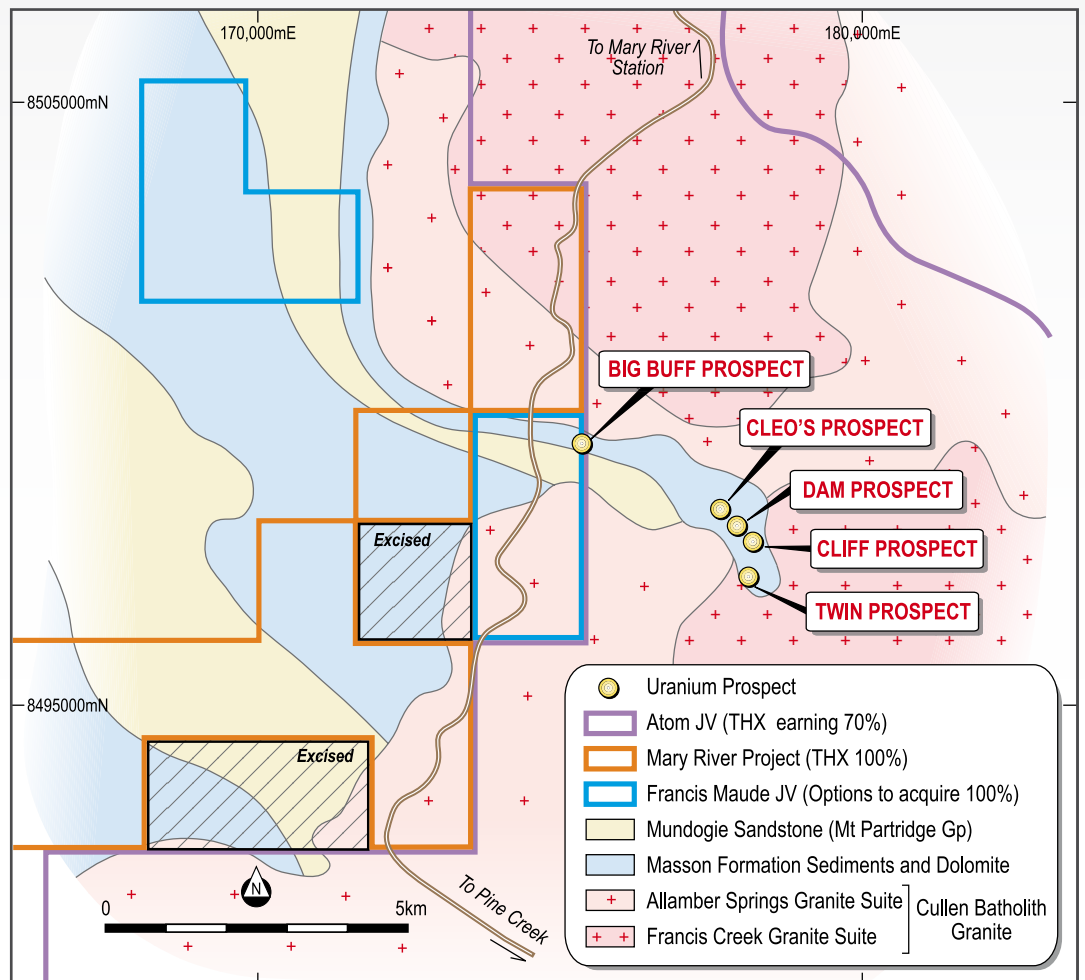


Allamber Project-Significant Uranium Intercepts

Hole Number	East	North	Dip/Ax	From-To	Interval	U ₃ O ₈ ppm	Tenement
TAL008RC	178252	8497145	-60/267	64-67m	3m	1,128	Twin East
Including				66-67m	1m	2,761	
TAL009RC	178058	8497204	-60/87	44-58m	14m	259	Twin West
TAL010RC	178038	8497204	-60/87	46-48m	2m	1,365	Twin West
including and and and				46-47m	1m	2,513	
				69-71m	2m	479	
				79-80m	1m	772	
				108-111m	3m	574	
TAL011RC	178065	8497094	-60/117	36-51m	15m	299	Twin SW
and including				56-61m	5m	1,016	
				56-58m	2m	1,941	
TAL012RC	178168	8497121	-60/117	26-27m	1m	789	Twin Central
TAL013RC	178137	8497519	-60/117	29-39m	10m	458	Cliff South
Including				38-39m	1m	1,251	
TAL014RC	177799	8497992	-60/360	32-37m	10m	458	Dam South
TAL016RC	824706	8499506	-60/267	24-27m	3m	208	Big Buff
TAL017RC	824710	8499505	-60/267	24-27m	3m	208	Big Buff

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

Allamber Project Map





NGALIA BASIN REGIONAL PROJECT

Thundelarra has a large (1,835 square kilometres) prospective landholding in the Ngalia Basin, located approximately 300 kilometres north-west of Alice Springs. The tenements cover the Mt Eclipse Sandstone, the unit that hosts the 29.4 million pound Bigrlyi deposit (Energy Metals Limited/Paladin Energy Ltd) located 25 kilometres north of the project. The Ngalia Basin is one of the most prospective yet under explored sandstone basins in Australia due largely to the extensive blanket of sand which covers over 90% of the basin area.

During the year Thundelarra executed a Deed for Exploration with the Central Land Council and various Aboriginal Land Trusts covering the project area which enabled the granting of the tenements in June 2009. Thundelarra will be the first company for thirty years to explore for uranium on the Aboriginal freehold lands of the central Ngalia Basin.

In July Thundelarra completed a regional helicopter assisted gravity survey over most of the project area. This survey defined a number of major structural corridors that are prospective for uranium mineralisation similar in style to the Bigrlyi deposit (see Ngalia Project map). The gravity survey was co-funded by the Northern Territory Government through a grant awarded to Thundelarra as part of the "Geophysics and Drilling Collaborations" program.

Thundelarra will commence its initial diamond drilling program in early 2010 to test one of the numerous target areas within the extensive project area. Ngalia will be the focus of a significant and sustained drilling program in 2010 as the project has the potential to host a number of large sandstone hosted uranium deposits.

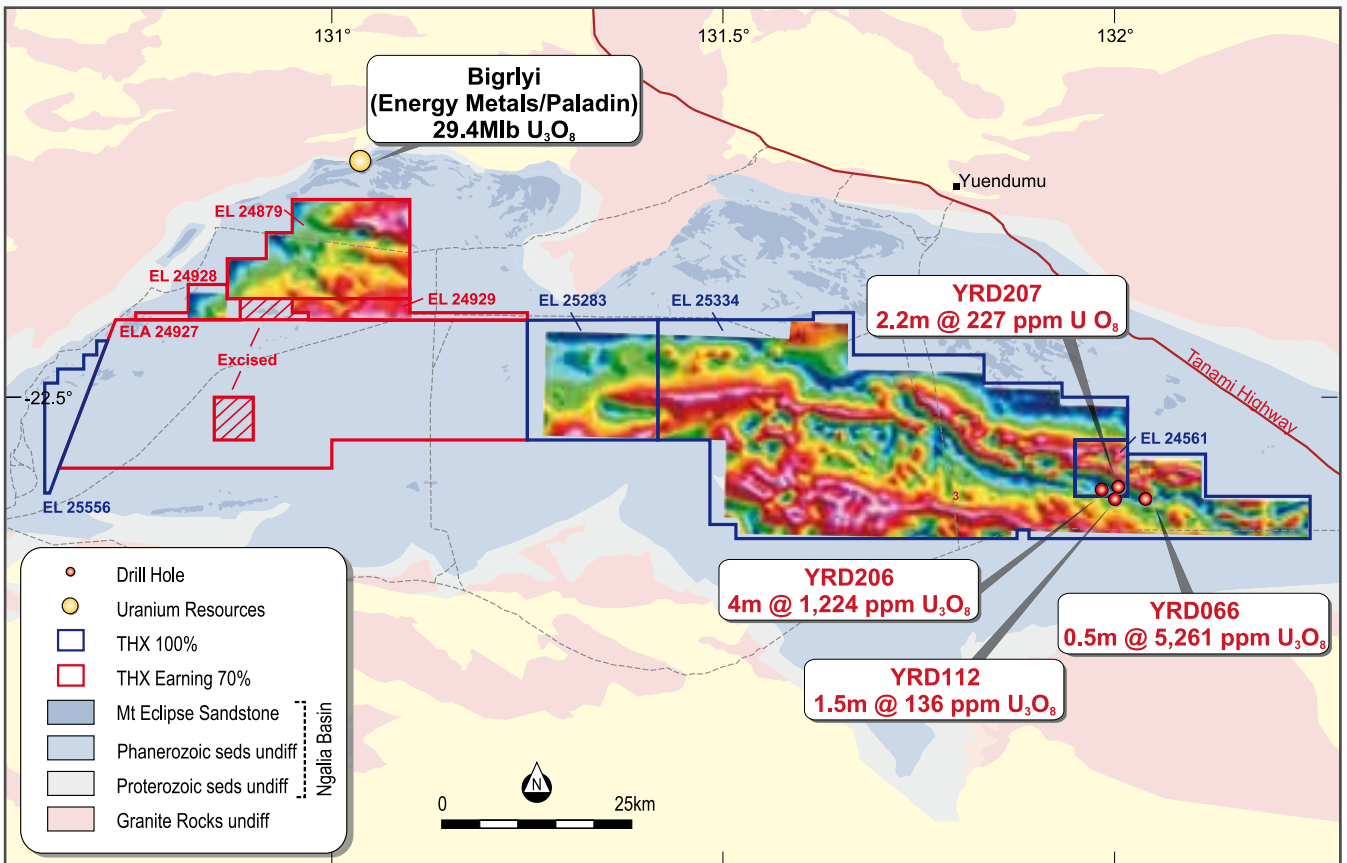
In May 2009 Thundelarra executed a Heads of Agreement with Alara Resources Limited securing the Company's right to earn a 70% interest in Alara's four tenements in the Ngalia Basin.

The tenements are contiguous and to the west of Thundelarra's existing tenements and cover some 1,350 square kilometres. The new project boundary is within five kilometres of the Bigrlyi deposit.

Under the terms of the Alara Joint Venture Agreement:

- Thundelarra can spend \$750,000 within 5 years to earn a 70% interest in the granted tenements EL24879, EL24928 and EL24929 and a further \$750,000 to earn a 70% interest in ELA24927 (application pending grant) within five years of the date of grant of the tenement.
- After Thundelarra has earned its 70% interest, Alara can elect to contribute its share of expenditure or convert to a 10% interest which is free-carried to a decision to mine.

The granted tenements were covered by Thundelarra's regional helicopter assisted gravity survey and a number of prospective targets were identified from the survey results. A drilling program is planned in 2010 to assess the highest priority targets.



Ngalia Project Map

WESTERN AUSTRALIA

Thundelarra holds three prospective uranium projects in Western Australia at Spinifex, Kennedy Range and Kunderong. Work conducted by Thundelarra in 2008 identified significant uranium mineralisation and/or targets within the three project areas but in 2009 only limited work was carried out on the projects due to Thundelarra's Northern Territory focus.

SPINIFEX PROJECT

The project is located approximately 50 kilometres southwest of Kununurra and 40 kilometres north of the Argyle diamond mine within the Carr Boyd Ranges, East Kimberley and consists of two contiguous exploration licenses E80/3572 (granted) and E80/4141 (in application) covering a combined area of 190 square kilometres.

Uranium was first discovered by Uranerz in 1971 at or above the prospective Middle Proterozoic unconformity between the Lower Proterozoic Revolver Creek Formation and the overlying Middle Proterozoic Hensman Sandstone. Limited trenching and sampling by Uranerz returned high grade mineralisation of up to 13.6% U₃O₈.

Mapping, airborne and ground radiometric surveys and rock chip sampling by Thundelarra in 2008 led to the discovery of the new A1 prospect 1.3 kilometres east of the historical Spinifex uranium prospect. Secondary uranium mineralisation at the unconformity returned assays up to 0.58% U₃O₈. Limited work by Thundelarra in 2009 has provided a better understanding of the geological, structural and metallogenic setting of the area.

Thundelarra is planning to conduct a drilling program in 2010 after the completion of a detailed ground radiometric and rock sampling program.

KENNEDY RANGE

The Kennedy Range Project is located in the Gascoyne Province of Western Australia, approximately 200 kilometres east north east of Carnarvon. The project consists of one granted exploration license (E9/1340 and E9/1573) and one application (E9/1707), which cover a combined area of 300 square kilometres..

Earlier work carried out by Thundelarra identified the area as being prospective for significant large tonnage low grade uranium mineralisation associated with narrow but extensive calcareous units within a Devonian sedimentary sequence. During 2009 a systematic shallow sampling program conducted by Thundelarra, targeting the recessive calcareous units returned encouraging results with 28 of the 79 samples assayed returning greater than 200 ppm U₃O₈ with a maximum of 542 ppm. Further work is planned in 2010 to drill the mineralised units to determine the vertical extent of the mineralisation identified at surface.

KUNDERONG

The Kunderong Project, located 110 kilometres south east of Paraburdoo, consists of two granted exploration licenses (E52/1940 and E52/1909) covering a combined area of 594 square kilometres.

Three additional granted licenses are being explored by Thundelarra under a joint venture agreement with Cullen Resources Limited (ASX:CUL) whereby Thundelarra can earn a 70% interest by spending \$1.5 million over 5 years. The Cullen Joint Venture project covers an area of approximately 600 square kilometres.

The project area contains the highly prospective unconformable contact between the Middle Proterozoic Bresnahan Group rocks and the Lower Proterozoic Wyloo Group. The unconformity and associated areas of faulting are prospective for uranium mineralisation similar in style to that of the Alligator Rivers region of the Northern Territory.

Interpretation of data from the 2007 TEMPEST airborne electromagnetic survey and field mapping indicates a zone of intense deformation at the Saltwater Pool prospect, close to the prospective unconformity contact and along strike from known uranium mineralisation. The electromagnetic data also indicates the presence of a large (~ eight kilometres) palaeochannel running parallel to the present-day Nalgomia Creek. Both areas represent targets for drilling testing in 2010.

QUEENSLAND

GREGORY RANGE PROJECT

The Gregory Range Project covers an area of approximately 306 square kilometres and is located 300 kilometres west of Cairns, and approximately 70 kilometres west south-west of Georgetown. The project consists of one granted permit, EPM15849 and one application EPM18086.

The main focus of Thundelarra's previous uranium exploration was the greisenised zone between the Proterozoic Olsens Granite and the rhyolitic Croydon Volcanics. Work in 2008 returned spectacular assay results from rock chip sampling, including values up to 11.2 % U₃O₈ and 2,280 g/t silver. In 2009 no field work was conducted on the project but work including drilling is planned for the 2010 field season.



BASE METALS

Following Thundelarra's decision to concentrate its efforts on uranium and the successful expansion of the Company's uranium portfolio, base metals exploration was scaled back in 2009 and the bulk of the Company's East Kimberley base metals exploration tenure was farmed out. Also, operations at the Copernicus nickel mine were suspended in response to a deteriorating nickel price. However Thundelarra added to its base metals portfolio midyear when the Doolgunna project, situated along strike from Sandfire Resources' exciting DeGrussa discovery, was secured.

COPERNICUS NICKEL MINE

The Copernicus Nickel mine is a joint venture between Thundelarra (40%) and Panoramic Resources Ltd (60%). Open pit mining operations at Copernicus were suspended in December 2008 in response to falling commodity prices.

252,327 bank cubic metres (BCM) of material were mined from the open pit during the reporting period. This volume included 20,021 tonnes of mineralised material estimated to grade 1.47% nickel, 0.77% copper and 0.05% cobalt that was trucked to Panoramic's Savannah treatment plant.

This mineralised material was excavated from near surface and had been subject to varying degrees of oxidation.

Total material mined prior to the suspension of operations was 540,099 BCM representing over 50% of the designed pit volume and over 60% of contained waste rock. The open pit has been fully mined down to the 345 mRL bench, 30 metres below surface and 50 metres above the planned pit base. Mining to date has generated a significant exposure of predominantly fresh ore on the current pit floor.

Resource and reserve estimates for Copernicus have been depleted by the quantity of mineralised material mined from the open pit. Grade control drilling had produced a very good reconciliation with pre-mining resource estimates. Adjusted resource and reserve estimates are displayed in the tables below.

Processing of stockpiled ore commenced in late September 2009 and was completed the following month. 12,022 tonnes of ore with a reconciled grade of 1.48% nickel, 0.80% copper and 0.05% cobalt were processed to produce 1,699 dry tonnes of concentrate which was sold to the Jinchuan Group and shipped to China in October 2009.

Metal recoveries were 59.9% for nickel, 74.1% for copper and 57.8% for cobalt, which are considered very satisfactory given the degree of oxidation.

The remaining 8,000 tonnes of stockpiled material was assessed as being too oxidized to economically process.

There were no lost time injuries incurred during construction and mining at Copernicus.

The close correlation demonstrated between the resource verses grade control estimates and the mined grade verses mill reconciled grade, together with the metal recoveries achieved for the first parcel of ore treated, significantly reduces technical risk associated with the project. The Copernicus operation has been left in a state that will allow production to recommence at short notice. However operations remain suspended pending a determination by the joint venture that future commodity prices and the exchange rate are likely to sustain levels that will deliver a satisfactory profit margin.

Mineral Resource Estimate September 2009 (Undiluted, 0.5% Ni Cut-off)

Class	Tonnes	Ni %	Cu %	Co %	Ni Tonnes	Cu Tonnes	Co Tonnes
Measured	353,000	1.11	0.65	0.05	3,920	2,300	180
Indicated	454,000	1.35	0.95	0.05	6,130	4,310	220
Inferred	25,000	0.98	0.69	0.03	250	240	10
Total	832,000	1.24	0.81	0.05	10,300	6,850	410

Probable Mining Reserve September 2009 (Open Pit 0.5% Ni Cut-off, Underground 0.8% Ni Cut-off)

Class	Tonnes	Ni %	Cu %	Co %	Ni Tonnes	Cu Tonnes	Co Tonnes
Open Pit	417,000	1.0	0.65	0.05	4,070	2,680	210
Underground	347,000	1.2	0.70	0.04	4,150	2,420	140
Total	764,000	1.1	0.67	0.05	8,220	5,100	350

EAST KIMBERLEY EXPLORATION JOINT VENTURE

In June 2009, Thundelarra entered into a major strategic exploration agreement with Panoramic Resources Limited covering a significant portion of Thundelarra's extensive East Kimberley base metal interests.

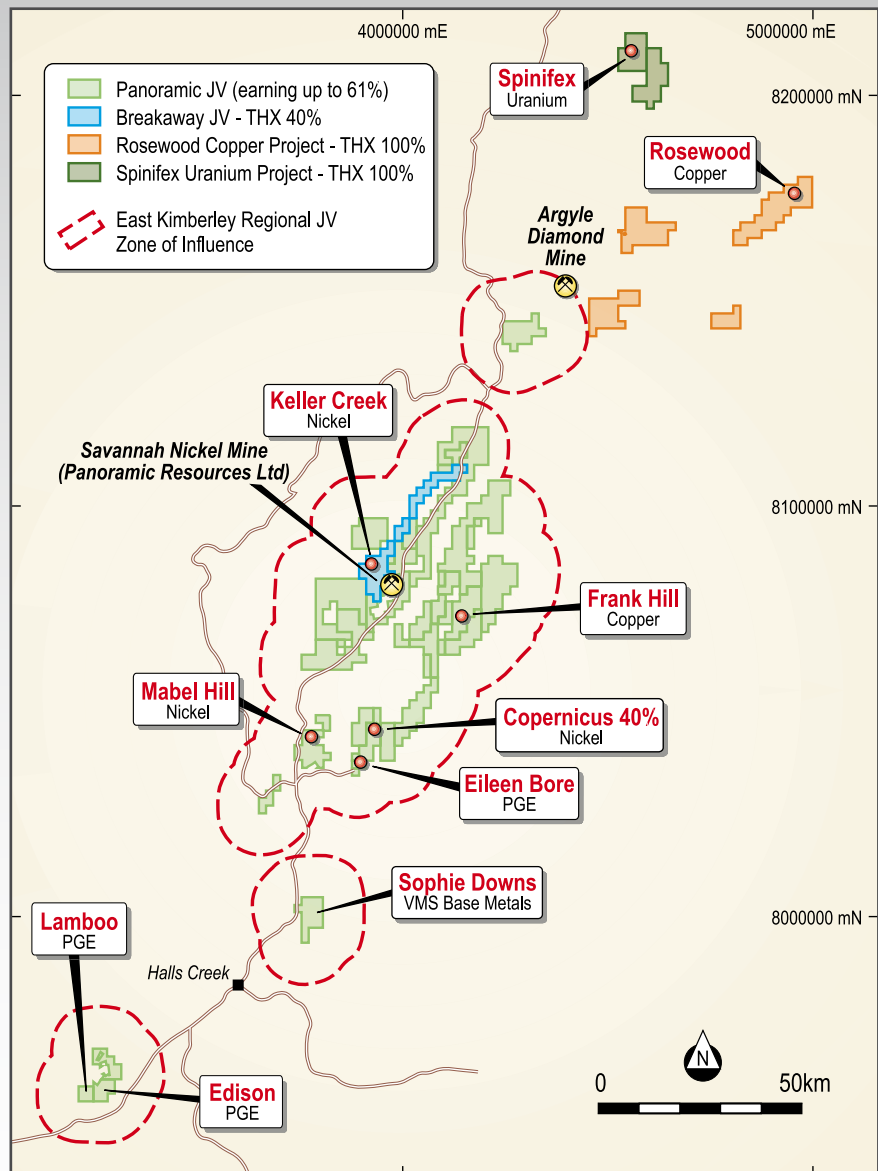
Key terms of the East Kimberley Joint Venture are:

- Panoramic to spend \$3 million on exploration within four years to earn a 61% interest in the project tenements
- Minimum annual expenditure of \$750,000
- Additional tenements acquired by either party within 10 kilometres of the existing tenements will be included in the Joint Venture.

The agreement represents a significant expansion of the relationship established between the two companies through the joint development of the Copernicus nickel mine. The proximity of Panoramic's Savannah processing plant and associated infrastructure to Thundelarra's exploration tenements is of significant strategic benefit to both companies as it provides scope for the rapid development of any new discovery.

Since entering the agreement, Panoramic has moved to fast track exploration conducting detailed ground magnetics and gravity surveys over a number of prospects and has commenced the acquisition of 'state of the art' geophysical (gravity, magnetic and electromagnetic) data for the extensive project area. Considerable exploration funds will be expended on the project area in 2010.

A target for Panoramic's exploration activities for 2010 is the Thundelarra discovered Azura copper prospect where a considerable number of large native copper specimens have been recovered. Drilling is planned by Panoramic once all statutory approvals have been received. Thundelarra was awarded a drilling grant of \$90,000 under the Western Australian State Government's Co-funded Industry Drilling Program for the Azura prospect.



East Kimberley Project Map

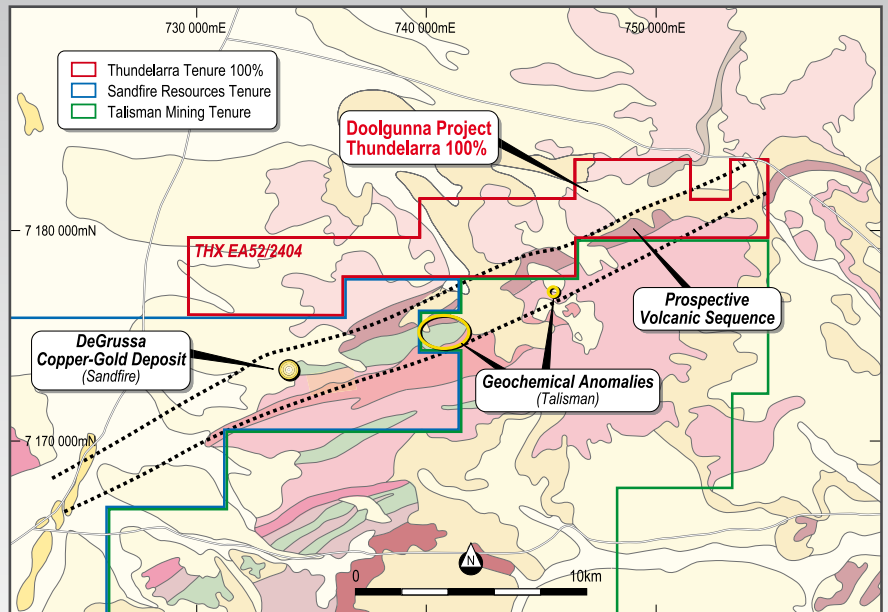
ROSEWOOD PROJECT

The Rosewood Project is located in the East Kimberley some 90 kilometres south east of Kununurra. The project consists of 3 tenements (170 square kilometres) covering a large area of the Antrim Plateau Volcanics and overlying Cambrian aged Headley Limestone with a general setting analogous to the Michigan copper belt in the USA. Hydrothermal copper mineralisation, hosted within the upper part of the volcanics and overlying limestone has returned up to 13.1% copper and 35g/t silver.

Limited field exploration by Thundelarra during the year traced the copper mineralised horizon at surface for over 3 kilometres along the limestone-basalt contact. A drilling program will be conducted in 2010 to test this contact once all statutory approvals are in place.

DOOLGUNNA PROJECT, MURCHISON REGION

During the year Thundelarra lodged an application for an exploration license (ELA52/2402) of approximately 80 square kilometres in an area situated to the north-east and immediately adjacent to Sandfire Resources NL (ASX:SFR) Doolgunna tenements. Based on WA Geological Survey mapping, Sandfire's DeGrussa copper-gold discovery 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.



Doolgunna Project Map

Thundelarra has commenced a review of all past exploration on the project and is acquiring all relevant regional geophysical data sets. Field programs will commence upon grant of the tenement in early 2010.

PYRAMID PROJECT, WEST PILBARA

The Pyramid Project comprises one tenement (E47/1305) covering some 120 square kilometres east of Roebourne in the West Pilbara. The tenement covers an extensive package of felsic and mafic volcanic units prospective for VMS base metal mineralisation. An airborne electromagnetic survey (VTEM) conducted in 2007 defined a strongly conductive anomaly beneath an area of shallow transported cover. This prospect has the potential to host a significant base metal sulphide body and will be drill tested once a heritage survey is conducted and the area cleared for ground disturbing exploration activities.

During the year Thundelarra reached an agreement to sell E47/1304, the tenement adjacent to E47/1305, to iron ore explorer Apollo Minerals Limited. After assessment, the tenement was not considered to be prospective for base metals. The consideration for the sale is \$225,000 cash, payable within seven days of the agreement becoming effective.





The details contained in this report that pertain to ore and mineralisation 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.

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Thundelarra Exploration Ltd and the entity it controlled at the end of, or during, the year ended 30 September 2009.

INFORMATION ON DIRECTORS

The following persons were Directors of Thundelarra Exploration Ltd ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

Philip G Crabb

(Non-Executive Chairman) Age 69
FAusIMM, MAICD

Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past forty (40) years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb is presently the Chairman of Royal Resources Limited (since 2005).

Mr Crabb was appointed a director on 30 November 1998.

Former Directorships in last three years

United Minerals Corporation Limited from 2004 to 2009.

Special Responsibilities

Chairman of the Board

Member of Nomination Committee from December 2004

Member of Remuneration Committee from December 2004

Brett T Lambert

(Managing Director) Age 49
BSc (Mining Eng), MAusIMM

Mr Lambert is a mining engineer with over 25 years of Australian and international resource industry experience. He has worked extensively in both base and precious metals mining operations and has been responsible for overseeing the establishment of several greenfields resource projects and evaluating new business development opportunities.

Mr Lambert has held senior management positions in major companies and in the junior resources sector. Mr Lambert is experienced in public company administration and has served as a director of companies listed on the Australian Securities Exchange, the Toronto Stock Exchange and the Stock Exchange of Thailand.

Mr Lambert joined the Company in May 2007 as Chief Executive Officer and was appointed Managing Director in September 2007.

Former Directorships in last three years

Intrepid Mines Limited from 2006 to 2008.

Special Responsibilities

Managing Director

Member of Nomination Committee from September 2007

Member of Remuneration Committee from September 2007

INFORMATION ON DIRECTORS (continued)

Frank DeMarte

(Executive Director) Age 47
BBus, FCIS, MAICD

Mr DeMarte has over twenty five (25) years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director and Chief Financial Officer of the Company.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Secretaries of Australia. Mr DeMarte is presently also a director of Royal Resources Limited (since 2004).

Mr DeMarte was appointed a director on 30 April 2001.

Former Directorships in last three years

Aldershot Resources Ltd from 2005 to 2009.

Special Responsibilities

Member of Nomination Committee from December 2004
 Member of Remuneration Committee from December 2004
 Chief Financial Officer
 Company Secretary

Brian D Richardson

(Executive Director) Age 56
BSc (Hons), MAusIMM

Mr Richardson is a geologist who has been involved in the Australian exploration and mining industry for over 27 years. He has many years experience in planning, conducting and evaluating gold, base metal, uranium and diamond projects. He has also held senior management positions with a number of listed junior exploration companies. Mr Richardson is presently also a director of Royal Resources Limited (since 2004).

Former Directorships in last three years

Aldershot Resources Ltd from 2004 to 2008.

Special Responsibilities

Exploration Director
 Member of the Audit Committee from December 2004
 Member of Nomination Committee from December 2004
 Member of Remuneration Committee from December 2004

Malcolm J Randall

(Non-Executive Director) Age 64
B.Applied Chem, MAICD

Mr Randall holds a Bachelor of Applied Chemistry Degree and is a member of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 21 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Mineral Sands and Coal.

Mr Randall is presently also the Chairman of Iron Ore Holdings Ltd (since 2003) and a director of United Minerals Corporation NL (since 2004), Summit Resources Limited (since 2007) Royal Resources Limited (since 2006) and Matilda Zircon (since 2009).

Former Directorships in last 3 years

Consolidated Minerals Ltd from 2003 to 2005
 Northern Mining Limited from 2007 to 2008
 Olympia Resources Ltd from 2006 to 2008

Special Responsibilities

Chairman of Audit Committee from December 2004
 Chairman of Nomination Committee from December 2004
 Chairman of Remuneration Committee from December 2004

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in shares and options of Thundelarra Exploration Ltd were:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
P G Crabb	23,085,299	3,400,745
B T Lambert	713,949	4,197,984
F DeMarte	2,779,442	2,830,397
B D Richardson	1,145,727	2,586,382
M J Randall	437,500	1,279,167

COMPANY SECRETARY

Frank Demarte Age 47
BBus, FCIS, MAICD

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over twenty five (25) years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Secretaries of Australia. Mr DeMarte was appointed to the position on 8 September 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of \$4,190,812 (2008 - \$9,945,561).

REVIEW OF OPERATIONS

A detailed review of operations for the Consolidated Entity is set out on page 2 to 16 of this report.

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the Company's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

No determination of native title has yet been made by the Federal Court or any other body with appropriate jurisdiction in respect of any of the land the subject of the Company's tenements. It is also possible that some of the existing claims may be removed from the National Native Title Tribunal Register for failure to satisfy the new registration test which became operative upon proclamation of the Native Title Amendment Act 1998.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2009 financial statements.

Sale of Copernicus nickel concentrate.

During the month of October 2009, 12,000 tonnes of Copernicus nickel sulphide ore was processed at Panoramic Resources Limited's Savannah plant. The sales proceeds attributable to Thundelarra's interest were US\$568,515 (before costs). This ore was near surface material mined from the open pit late last year and was classified as transitional or partially oxidised.

Disposal of shares in United Minerals Corporation NL.

On 16 October 2009 and on 3 November 2009 the Company sold a total of 20,150,000 ordinary shares for \$25,175,588. All trades were done on market.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

CORPORATE INFORMATION

Thundelarra Exploration Ltd	Parent entity
Element 92 Pty Ltd	100% owned controlled entity

SHARES UNDER OPTION

As at the date of this report, there were 27,406,778 unissued ordinary shares of the Company under option as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
15 February 2007	28 February 2010	0.55	200,000
1 March 2007	28 February 2010	0.50	1,500,000
3 May 2007	31 May 2010	0.50	1,000,000
3 May 2007	31 May 2011	0.68	1,000,000
1 August 2007	30 June 2011	0.52	360,000
30 November 2007	30 November 2010	0.45	3,500,000
10 January 2008	31 December 2011	0.47	350,000
27 February 2008	28 February 2013	0.50	4,250,000
4 April 2008	3 April 2011	0.39	400,000
3 July 2008	30 June 2012	0.52	440,000
19 December 2008	31 December 2012	0.11	350,000
27 February 2009	28 February 2014	0.20	4,250,000
29 September 2009	30 September 2012	0.32	910,000
23 March 2009	29 March 2013	0.20	8,896,778

SHARES UNDER OPTION

During the financial year, 15,000 options were exercised at \$0.19 and 86,482 options were exercised at \$0.20, and 1,970,000 options exercisable at \$0.675 expired on 26 February 2009, 2,500,000 options exercisable at \$0.40 expired on 12 April 2009, 350,000 options exercisable at \$0.22 expired on 31 May 2009 and 11,841,344 options exercisable at \$0.19 expired on 30 June 2009.

Since the end of the financial year, no further options have been exercised or have expired. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year, 101,482 options were exercised to acquire ordinary fully paid shares in the Company. Since the end of the financial year, no further options have been exercised to acquire ordinary fully paid shares in the Company.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of the Company.

(a) Details of Key Management Personnel

The following persons were Directors of Thundelarra Exploration Ltd during the financial year:

Philip G Crabb	Non-Executive Chairman
Brett T Lambert	Managing Director
Brian D Richardson	Executive Director
Frank DeMarte	Executive Director
Malcolm J Randall	Non-Executive Director

There are no executives (other than directors) with authority for making strategic decisions and management.

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- Reward reflects the competitive market in which the Company operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Company.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the Company's operations.

REMUNERATION REPORT (AUDITED) (continued)

(b) Compensation of Key Management Personnel (continued)

(A) Remuneration Committee

The Remuneration Committee comprises the entire Board of Directors of the Company and is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel.

The Remuneration Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

(B) Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

(C) Non-Executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee may also be paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitments required by directors who serve on one or more sub committees.

Each non executive director receives \$50,000 per annum effective from 1 July 2008 (\$45,000 per annum prior to 1 July 2008), inclusive of any superannuation obligations for being a director of the Company. The exception to this fee structure is the Chairman of the Board who receives \$60,000 per annum plus superannuation (\$50,000 per annum prior to 1 July 2008).

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose board they sit.

The compensation of non-executive directors for the year ended 30 September 2009 is detailed as per the disclosures on page 23.

(D) Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set by remuneration committee to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the remuneration committee will review individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

The Company has entered into detailed contracts of employment with the Managing Director and the Executive Directors, details of these contracts are provided on page 24.

REMUNERATION REPORT (AUDITED) (continued)

(b) Compensation of Key Management Personnel (continued)

(E) Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

(F) Other Compensation

Notwithstanding Guideline 8.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that non-executive Directors should not receive Options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the granting of options is an incentive to each of the Directors, which is a cost effective and efficient reward for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Directors.

Details of the remuneration of each director of Thundelarra Exploration Ltd, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2009

Directors		Short-Term				Post Employment	Long Term	Share Based Payments	Total \$	% Remuneration
		Salary and Fees \$	Annual Leave Movement \$	Consultancy Fees \$	Other \$	Super-annuation \$	Long Service Leave \$	Equity Options \$	Consisting of Options for the Year	
Chairman										
P G Crabb ¹	2009	60,000	-	-	34,145	5,400	-	34,200	133,745	26%
	2008	52,500	-	500	-	4,725	4,328	116,550	178,603	65%
Managing Director										
B T Lambert	2009	295,200	7,834	-	7,692	26,309	4,195	45,600	386,830	12%
	2008	258,896	6,725	-	3,855	42,694	858	155,400	468,428	33%
Executive Directors										
F DeMarte	2009	215,635	21,794	-	6,128	18,387	7,890	45,600	315,434	14%
	2008	191,547	7,240	-	3,855	17,700	31,046	155,400	406,788	38%
B D Richardson ²	2009	218,199	(7,416)	-	19,032	19,638	4,467	45,600	299,520	15%
	2008	152,709	15,963	18,698	17,160	37,814	33,330	155,400	431,074	36%
Non Executive Director										
Malcolm J Randall	2009	50,000	-	-	-	4,500	-	22,800	77,300	29%
	2008	34,642	-	-	-	12,733	-	77,700	125,075	62%
Totals	2009	839,034	22,212	-	66,997	74,234	16,552	193,800	1,212,829	16%
	2008	690,294	29,928	19,198	24,870	115,666	69,562	660,450	1,609,968	41%

(1) Drilling services totalling \$34,145 (2008 - Nil) were paid to Ragged Range Mining Pty Ltd, a company in which Mr P G Crabb is a director and shareholder. These services were provided under normal commercial terms and conditions.

(2) Geological and consulting services totalling \$Nil (2008 - \$18,698) were paid to REM Pty Ltd, a company in which Mr B Richardson is a director and shareholder. These services were provided under normal commercial terms and conditions.

(3) The percentage of remuneration which is performance related is nil.

(4) In respect to other, the amounts relate to motor vehicle, car parking and life insurance benefits for the year.

REMUNERATION REPORT (AUDITED) (continued)

During the financial year the directors of the Company were the only 5 named executives who received the highest remuneration for the year ended 30 September 2009.

(c) Compensation by Category: Key Management Personnel

	Consolidated and Parent Entity	
	2009 \$	2008 \$
Short Term	928,243	764,290
Post Employment	74,234	115,666
Share Based Payments	193,800	660,450
Long Term	16,552	69,562
	1,212,829	1,609,968

(d) Employment Agreements for Directors

Mr Brett Lambert – Managing Director

- Term of the agreement – 8 years commencing 1 May 2007.
- Base salary, inclusive of superannuation, of \$299,750 increased to \$321,768 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

Mr Frank DeMarte – Executive Director, Company Secretary and CFO

- Term of the agreement – no fixed term.
- Base salary, inclusive of superannuation, of \$218,000 increased to \$237,620 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

Mr Brian Richardson – Executive Director

- Term of the agreement – no fixed term.
- Base salary, inclusive of superannuation, of \$218,000 to \$237,620 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. The contractual life of each option granted is three to five years. No options have been granted since the end of the year to key management personnel and there are no unvested options as at 30 September 2009. For further details relating to options, refer to note 22.

REMUNERATION REPORT (AUDITED) (continued)**(e) Share Based Compensation Options (continued)**

Compensation Options: Granted and vested during the year ended 30 September 2009.

30 June 2009	Vested	Granted	Terms & Conditions for each Grant					
	Number	Number	Grant Date	Fair Value per option at grant date (\$) (Note 22)	Exercise price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
Directors								
P G Crabb	750,000	750,000	27 Feb 09	0.0456	0.20	28 Feb 14	27 Feb 09	28 Feb 14
B T Lambert	1,000,000	1,000,000	27 Feb 09	0.0456	0.20	28 Feb 14	27 Feb 09	28 Feb 14
B D Richardson	1,000,000	1,000,000	27 Feb 09	0.0456	0.20	28 Feb 14	27 Feb 09	28 Feb 14
F DeMarte	1,000,000	1,000,000	27 Feb 09	0.0456	0.20	28 Feb 14	27 Feb 09	28 Feb 14
M R Randall	500,000	500,000	27 Feb 09	0.0456	0.20	28 Feb 14	27 Feb 09	28 Feb 14
Total	4,250,000	4,250,000						

Compensation Options: Granted and vested during the year ended 30 September 2008.

30 September 2008	Vested	Granted	Terms & Conditions for each Grant					
	Number	Number	Grant Date	Fair Value per option at grant date (\$) (Note 22)	Exercise price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
Directors								
P G Crabb	750,000	750,000	27 Feb 08	0.155	0.50	28 Feb 13	27 Feb 08	28 Feb 13
B T Lambert	1,000,000	1,000,000	27 Feb 08	0.155	0.50	28 Feb 13	27 Feb 08	28 Feb 13
B D Richardson	1,000,000	1,000,000	27 Feb 08	0.155	0.50	28 Feb 13	27 Feb 08	28 Feb 13
F DeMarte	1,000,000	1,000,000	27 Feb 08	0.155	0.50	28 Feb 13	27 Feb 08	28 Feb 13
M R Randall	500,000	500,000	27 Feb 08	0.155	0.50	28 Feb 13	27 Feb 08	28 Feb 13
Total	4,250,000	4,250,000						

(f) Shares Issued on exercise of compensation options

No shares were issued to directors on exercise of compensation options for the year ended 30 September 2009.

30 September 2008	Number of Options Exercised	Number of Shares Issued	Amount Paid \$	Unpaid per Share	Value at Exercise Date \$
P G Crabb	350,000	350,000	113,750	-	141,750
Marcus Flis	350,000	350,000	113,750	-	141,750
F DeMarte	150,000	150,000	48,750	-	60,750
Total	850,000	850,000	276,250	-	344,250

No other key management personnel exercised options during the year ended 30 September 2008.

REMUNERATION REPORT (AUDITED) (continued)**(g) Options granted as part of remuneration**

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2009.

30 September 2009	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	34,200	-	-	26%
B T Lambert	45,600	-	-	12%
B D Richardson	45,600	-	-	15%
F DeMarte	45,600	-	-	14%
M R Randall	22,800	-	-	29%
Total	193,800	-	-	16%

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2008.

30 September 2008	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	116,550	-	-	65%
B T Lambert	155,400	-	-	33%
B D Richardson	155,400	28,000	-	36%
F DeMarte	155,400	28,000	-	38%
M R Randall	77,700	12,000	-	62%
Total	660,450	68,000	-	41%

There were no alterations to the terms and conditions of options granted as remuneration since their grant.

The value of the options exercised during the year is calculated as the market price of shares of the Company on the Australian Securities Exchange as at the close of trading on the date the options were exercised after deducting the price paid to exercise the options.

Options issued to employees vest on the basis that continual employment with the Company is achieved. All employees leaving while options are vesting will forfeit their options. Director options vest on date of issue.

For details on the valuation of the options, including models and assumptions used, please refer to Note 22. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

DIRECTORS' MEETINGS

The following table sets out number of meetings of directors held during the year and the number of meetings attended by each director are:

Name	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend
P G Crabb	10	10	2	2	1	1
B T Lambert	10	10	2	2	1	1
B D Richardson	9	10	2	2	1	1
F DeMarte	10	10	2	2	1	1
M J Randall	5	10	2	2	1	1

Committee Memberships

As at the date of this report, the Company had an Audit Committee, Remuneration Committee and a Nomination Committee

Audit	Remuneration	Nomination
M J Randall ^(C)	M J Randall ^(C)	M J Randall ^(C)
B Richardson	B D Richardson	B D Richardson
	B T Lambert	B T Lambert
	P G Crabb	P G Crabb
	F DeMarte	F DeMarte

Note: (C) Designates the Chairman of the Committee.

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Frank DeMarte and Malcolm J Randall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums to insure the Directors of the Company. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers in their capacity as officers of the Company.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2009 has been received and can be found on page 84.

Signed in accordance with a resolution of the Directors.



Brett T Lambert
MANAGING DIRECTOR
Perth, Western Australia
22 December 2009

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Thundelarra Exploration NL (“**Company**”) has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“**Principles & Recommendations**”), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company’s corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company’s corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the “if not, why not” regime.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary Statement

The table below summarises the Company’s compliance with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations.

	ASX P & R ¹	If not, why not ²		ASX P & R ¹	If not, why not ²
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4 ³	n/a	n/a
Recommendation 1.3 ³	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2 ³	n/a	n/a
Recommendation 2.2		✓	Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2 ³	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6 ³	n/a	n/a	Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4 ³	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3 ³	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3 ³	n/a	n/a
Recommendation 4.2		✓			

Note ¹ Indicates where the Company has followed the Principles & Recommendations.

Note ² Indicates where the Company has provided “if not, why not” disclosure.

Note ³ Indicates an information based recommendation. Information based recommendations are not adopted or reported against using “if not, why not” disclosure – information required is either provided or it is not.

Website Disclosures

Further information about the Company’s charters, policies and procedures may be found at the Company’s website at www.thundelarra.com under the section marked Corporate Governance. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the Recommendations to which they relate, are set out on the following page.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES (continued)

Charters	Recommendation(s)
Board	1.3
Audit Committee	4.4
Nomination Committee	2.6
Remuneration Committee	8.3
Policies and Procedures	Recommendation(s)
Policy and Procedure for Selection and (Re)Appointment of Directors	2.6
Process for Performance Evaluation	1.2, 2.5
Policy on Assessing the Independence of Directors	2.6
Policy for Trading in Company Securities (summary)	3.2, 3.3
Code of Conduct (summary)	3.1, 3.3
Policy on Continuous Disclosure (summary)	5.1, 5.2
Procedure for Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Policy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2008/2009 financial year (“**Reporting Period**”).

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure: The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company’s structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and to assist the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company’s materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

Disclosure: The Managing Director is responsible for evaluating the senior executives. The Managing Director undertakes an annual informal performance evaluation of senior executives.

Recommendation 1.3: Companies should provide the information indicated in the *Guide to reporting on Principle 1*.

Disclosure: During the Reporting Period a performance evaluation of the senior executives did not take place. The Board intends to undertake informal performance evaluations in the 2009/2010 financial year.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Principle 2 – Structure the board to add value

Recommendation 2.1: A majority of the Board should be independent directors.

Disclosure: The Board has a majority of directors who are independent.
Currently the Board is comprised of 5 members one of whom is independent.

Explanation for Departure:

The Board considers that its current composition is the most appropriate for the Company's circumstances and includes an appropriate mix of skills and expertise relevant to the Company.

Recommendation 2.2: The Chair should be an independent director.

Disclosure: **Notification of Departure:**
The Chair, Philip Crabb, is not an independent director.

Explanation for Departure:

The Board believes that Philip Crabb is the most appropriate person for the position of Chair because of his industry experience and knowledge. Philip Crabb and associate's substantial shareholding is the only factor that precludes him from being considered independent. The Board believes that Philip Crabb makes decisions that are in the best interests of the Company.

Recommendation 2.3: The roles of the Chairman and Chief Executive Officer should not be exercised by the same individual.

Disclosure: The Managing Director is Brett Lambert who is not the Chairman of the Board.

Recommendation 2.4: The Board should establish a Nomination Committee.

Disclosure: **Notification of Departure:**
The Company has not established a separate Nomination Committee.

Explanation for Departure:

The role of the Nomination Committee is carried out by the full Board. The Board considers that given the current composition of the Board, at this stage no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure: The Chair is responsible for evaluating the Board and, when appropriate, Board committees and individual directors. The Nomination Committee is responsible for evaluating the Managing Director. The process for the performance evaluations includes questionnaires and interviews with each director to discuss this assessment.

Recommendation 2.6: Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure: **Skills, Experience, Expertise and Term of Office of each Director**
A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Identification of Independent Directors

The only independent director of the Company is Malcolm Randall. Mr Randall is considered an independent because he is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net assets of the consolidated entity.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more of the consolidated entity.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's Policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period. However informal nomination-related discussions occurred from time to time during the Reporting Period, as required. During those discussions the full Board was in attendance. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

Performance Evaluation

During the Reporting Period a performance evaluation of the Board, Board committees and individual directors did not take place. The Board intends to undertake informal performance evaluations in the 2009/2010 financial year.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Selection and (Re)Appointment of Directors

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. At every annual general meeting of the Company one third of the directors (except alternate directors and the Managing Director) must retire from office and may stand for re-election. The directors to retire at an annual general meeting are those who have been in office the longest provided that no director (except alternate directors and the Managing Director) can hold office for more than three years without having to undergo such retirement. Re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1: Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure: The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

Disclosure: The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3: Companies should provide the information indicated in the *Guide to reporting on Principle 3*.

Disclosure: Please refer to the section above marked Website Disclosures.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1: The Board should establish an Audit Committee.

Recommendation 4.2: The Company has established an Audit Committee.

The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not Chair of the Board
- has at least three members.

Disclosure: The Audit Committee comprised two directors, Malcolm Randall and Brian Richardson. Malcolm Randall is considered as independent.

Recommendation 4.3: The Audit Committee should have a formal charter.

Disclosure: The Company has adopted an Audit Committee Charter.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Recommendation 4.4: Companies should provide the information indicated in the *Guide to reporting on Principle 4*.

Disclosure: The Audit Committee held two meetings during the Reporting Period. The following table identifies those directors who are members of the Audit Committee and shows their attendance at Committee meetings:

Name	Number of meetings attended
Malcolm Randall	2
Brian Richardson	2

Details of each of the director's qualifications are set out in the Director's Report. All of the Audit Committee members consider themselves to be financially literate and have experience in the industry in which the Company operates. Brian Richardson has extensive industry knowledge with over 27 years experience in the mining industry. Malcolm Randall also has extensive experience in management and marketing in the resource sector.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances.

The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure: The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2: Companies should provide the information indicated in the *Guide to reporting on Principle 5*.

Disclosure: Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure: The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2: Companies should provide the information indicated in the *Guide to reporting on Principle 6*.

Disclosure: Please refer to the section above marked Website Disclosures.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Principle 7 – Recognise and manage risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure: The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

In September 2009, the Board resolved to review, formalise and document the management of its material business risks and expects to implement this system in the second quarter of the 2009/2010 financial year. This system is expected to include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be allocated to members of senior management. The risk register will be reviewed quarterly and updated, as required.

The categories of risk reported on as part of the Company's systems and processes for managing material business risk include: liquidity risk, foreign currency exchange risks, operational risk, environmental risk, compliance risk, strategic risk, human capital, financial reporting and market-related risks.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure: The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure: The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4: Companies should provide the information indicated in the *Guide to reporting on Principle 7*.

Disclosure: The Board has received the report from management under Recommendation 7.2. The Board has received the assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

DISCLOSURE – PRINCIPLES & RECOMMENDATIONS (continued)

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1: The Board should establish a Remuneration Committee.

Disclosure:

Notification of Departure:

The Company has not established a separate Remuneration Committee.

Explanation for Departure:

The role of the Remuneration Committee is carried out by the full Board. The Board considers that given the current composition of the Board, at this stage no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Remuneration Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.3: Companies should provide the information indicated in the *Guide to reporting on Principle 8*.

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held one meeting during the Reporting Period. All Board members were in attendance. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter.

The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
REVENUE	4	502,769	9,934,764	502,570	9,933,613
Expenses					
Administrative costs		(26,886)	(77,482)	(58,599)	(48,353)
Amortisation and depreciation	11	(213,032)	(127,722)	(213,032)	(127,722)
Office and miscellaneous		(395,331)	(368,681)	(395,312)	(364,980)
Professional fees		(358,035)	(218,803)	(358,035)	(217,602)
Regulatory and trust company fees		(84,117)	(81,388)	(83,905)	(81,176)
Shareholder and investor relations		(83,816)	(101,683)	(83,816)	(101,683)
Share based payments expense	4	(315,671)	(829,636)	(315,671)	(829,636)
Employee benefits expense		(961,730)	(1,013,578)	(961,730)	(1,013,578)
Exploration expenditure written off	12(a)	(4,227,629)	(10,066,181)	(4,186,302)	(6,824,944)
Finance costs		(72,314)	(1,565)	(72,314)	(1,425)
Diminution in investment in subsidiary		-	-	-	(3,129,000)
Impairment of mine properties and development expenditure	12(b)	(1,041,457)	(2,002,776)	(1,041,457)	(2,002,776)
Impairment of property, plant and equipment		(1,683,425)	(537,976)	(1,683,425)	(537,976)
Provision for non-recovery of intercompany loan		-	-	(2,255,963)	(976,560)
Impairment of inventory	10	(200,000)	-	(200,000)	-
Change in fair value of investments		-	(800,016)	-	(800,016)
Other operating expenses		(316,712)	(70,300)	(316,712)	(70,300)
Loss before income tax expense		(9,477,388)	(6,371,022)	(11,723,703)	(7,202,114)
Income tax (expense)/benefit	5	5,286,574	(3,574,539)	3,801,676	(1,142,264)
Net profit/(loss) attributable to members of Thundelarra		(4,190,812)	(9,945,561)	(7,922,027)	(8,344,378)
Profit/(Loss) per share attributable to ordinary equity holders:					
Basic earnings/(loss) (cents per share)	7	(3.24)	(8.83)	-	-
Diluted earnings/(loss) (cents per share)	7	(3.24)	(8.83)	-	-

The above Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Notes	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
ASSETS					
Current Assets					
Cash and cash equivalents	6(b)	936,318	4,800,613	863,268	4,741,996
Trade and other receivables	8	52,648	867,828	5,586	934,293
Other financial assets	9	18,327,433	365,477	18,327,433	365,477
Inventory	10	305,369	-	305,369	-
Total Current Assets		19,621,768	6,033,918	19,501,656	6,041,766
Non-current Assets					
Other receivables	8	572,181	561,581	565,981	561,581
Other financial assets	9	-	22,644,000	-	22,644,000
Property, plant and equipment	11	284,769	1,656,573	284,769	1,656,573
Exploration expenditure	12(a)	3,725,107	4,294,264	378,576	3,066,559
Mine development	12(b)	317,241	-	317,241	-
Deferred tax asset	13	5,380,302	352,330	5,380,302	2,472,619
Intangible assets	14	82,331	121,680	82,331	121,680
Total Non-current Assets		10,361,931	29,630,428	7,008,943	30,523,012
TOTAL ASSETS		29,983,699	35,664,346	26,510,599	36,564,778
LIABILITIES					
Current Liabilities					
Trade and other payables	15	483,388	2,291,874	444,208	2,259,364
Provisions	16	200,917	138,941	200,917	138,941
Total Current Liabilities		684,305	2,430,815	645,125	2,398,305
Non-current Liabilities					
Trade and other payables	15	2,056,601	-	2,056,601	-
Provisions	16	484,512	413,382	484,512	413,382
Deferred tax liability	17	5,771,114	7,378,151	4,767,155	7,009,839
Total Current Liabilities		8,312,227	7,791,533	7,308,268	7,423,221
TOTAL LIABILITIES		8,996,532	10,222,348	7,953,393	9,8521,526
NET ASSETS		20,987,167	25,441,998	18,557,206	26,743,252
EQUITY					
Contributed equity	18(a)	35,547,729	32,794,405	35,547,729	32,794,405
Reserves	18(d)	14,230,536	17,247,879	14,230,536	17,247,879
Accumulated losses	19	(28,791,098)	(24,600,286)	(31,221,059)	(23,299,032)
TOTAL EQUITY		20,987,167	25,441,998	18,557,206	26,743,252

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Contributed Equity	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Consolidated					
At 1 October 2007		30,408,499	19,437,209	(14,654,725)	35,190,983
Profit(Loss) for the year		-	-	(9,945,561)	(9,945,561)
		30,408,499	19,437,209	(24,600,286)	25,245,422
Net gains on available for sale financial assets	18(d)	-	3,468,000	-	3,468,000
Deferred tax on items recognised directly in equity	18(d)	-	549,117	-	549,117
Transfer of fair value reserve to income	18(d)	-	(8,157,583)	-	(8,157,583)
Cost of share based payments	18(d)	-	1,951,136	-	1,951,136
Shares issued during the year	18(b)	2,385,906	-	-	2,385,906
Transaction costs	18(b)	-	-	-	-
		2,385,906	(2,189,330)	-	196,576
At 30 September 2008		32,794,405	17,247,879	(24,600,286)	25,441,998

	Notes	Contributed Equity	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Consolidated					
At 1 October 2008		32,794,405	17,247,879	(24,600,286)	25,441,998
Profit(Loss) for the year		-	-	(4,190,812)	(4,190,812)
		32,794,405	17,247,879	(28,791,098)	21,251,186
Net gains on available for sale financial assets	18(d)	-	(4,520,500)	-	(4,520,500)
Deferred tax on items recognised directly in equity	18(d)	-	1,348,434	-	1,348,434
Transfer of fair value reserve to income	18(d)	(4,520,500)	(160,948)	-	(160,948)
Cost of share based payments	18(d)	-	315,671	-	315,671
Shares issued during the year	18(b)	2,975,626	-	-	2,975,626
Transaction costs	18(b)	(222,302)	-	-	(222,302)
		2,753,324	(3,017,343)	-	(264,019)
At 30 September 2009		35,547,729	14,230,536	(28,791,098)	20,987,167

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Parent	Notes	Contributed Equity	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
At 1 October 2007		30,408,499	19,437,209	(14,654,725)	35,190,983
Profit(Loss) for the year		-	-	(8,344,378)	(8,344,378)
		30,408,499	19,437,209	(23,299,032)	26,546,676
Net gains on available for sale financial assets	18(d)	-	3,468,000	-	3,468,000
Deferred tax on items recognised directly in equity	18(d)	-	549,117	-	549,117
Transfer of fair value reserve to income	18(d)	-	(8,157,583)	-	(8,157,583)
Cost of share based payments	18(d)	-	1,951,136	-	1,951,136
Shares issued during the year	18(b)	2,385,906	-	-	2,385,906
Transaction costs	18(b)	-	-	-	-
		2,385,906	(2,189,330)	-	196,576
At 30 September 2008		32,794,405	17,247,879	(23,299,032)	26,743,252

Parent	Notes	Contributed Equity	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
At 1 October 2008		32,794,405	17,247,879	(23,299,032)	26,743,252
Profit(Loss) for the year		-	-	(7,922,027)	(7,922,027)
		32,794,405	17,247,879	(31,221,059)	18,821,225
Net gains on available for sale financial assets	18(d)	-	(4,520,500)	-	(4,520,500)
Deferred tax on items recognised directly in equity	18(d)	-	1,348,434	-	1,348,434
Transfer of fair value reserve to income	18(d)	-	(160,948)	-	(160,948)
Cost of share based payments	18(d)	-	315,671	-	315,671
Shares issued during the year	18(b)	2,975,626	-	-	2,975,626
Transaction costs	18(b)	(222,302)	-	-	(222,302)
		2,753,324	(3,017,343)	-	(264,019)
At 30 September 2009		35,547,729	14,230,536	(31,221,059)	18,557,206

The above Parent Entity Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Other revenue received	4	144,791	71,920	144,791	71,920
Payment to suppliers		(1,857,862)	(1,669,505)	(1,776,286)	(1,560,982)
Interest paid		(4,025)	(1,565)	(4,025)	(1,565)
Interest received		118,740	519,603	118,541	512,343
Net cash outflow from operating activities	6(a)	(1,598,356)	(1,079,547)	(1,516,979)	(978,148)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		-	(76,321)	-	(76,321)
Payments for purchase of plant, equipment and vehicles		(515,691)	(1,694,979)	(515,691)	(1,694,979)
Payment for intangibles		(39,076)	(121,680)	(39,076)	(121,680)
Payment for mine development		(1,041,457)	(1,690,878)	(1,041,457)	(1,690,878)
Proceeds from sale of investments	4	239,833	9,473,483	239,833	9,473,483
Proceeds from sale of plant, equipment and vehicles		-	3,500	-	3,500
Placement of security deposits		(4,400)	(434,000)	(4,400)	(434,000)
Loan to controlled entity		-	-	(2,255,963)	(976,560)
Exploration and evaluation expenditure		(3,408,472)	(3,595,881)	(1,248,319)	(2,108,921)
Net cash inflow/(outflow) from investing activities		(4,769,263)	1,863,244	(4,865,073)	2,373,644
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from issue of shares and options	18(b)	2,725,626	378,406	2,725,626	378,406
Share issue costs	18(b)	(222,302)	-	(222,302)	-
Funding of Copernicus JV by joint venture partner		-	824,000	-	-
Net cash inflow from financing activities		2,503,324	1,202,406	2,503,324	378,406
Net increase/(decrease) in cash and cash equivalents held		(3,864,295)	1,986,103	(3,864,295)	1,986,103
Cash and cash equivalents at the beginning of the financial year		4,800,613	2,814,510	4,741,996	2,807,807
Cash and cash equivalents at the end of the financial year	6(b)	936,318	4,800,613	863,268	4,741,996

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 CORPORATE INFORMATION

The financial report of Thundelarra Exploration Ltd (the Group) for the year ended 30 September 2009 was authorised for issue in accordance with a resolution of the directors on 22 December 2009.

Thundelarra Exploration Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

The nature of the operations and principal activities of the Group are described on pages 2 to 16.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

The financial report has also been prepared on the accruals basis and historical cost basis except for available-for-sale investments and investments held for trading which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Group recorded a loss after tax of \$ 4,190,812 for the year ended 30 September 2009. The loss is primarily due to the accounting policy of expensing the exploration expenditure incurred on mineral projects. Total exploration expenditure written off and recognised in the loss for the year is \$4,227,626.

The group had cash assets of just \$936,318 at 30 September 2009 and investments held for trading and available for sale valued at \$18,327,433 at the reporting date. The Directors consider these funds to be sufficient for the planned expenditure on the mineral projects for the ensuing 12 months as well as for corporate and administrative overhead costs. The directors also believe that they have the capacity to raise additional capital should that become necessary. For these reasons, the directors believe the going concern basis of preparation is appropriate.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2009 and are outlined in note 2 (c).

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The Consolidated financial report also complies with International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2009 reporting periods. The Group and the parent entity's assessment of the impact of new standards and interpretations that may affect the Group is set out below.

- (i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a management approach' to reporting on financial performance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations (continued)

The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

- (ii) AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group.
- (iii) AASB 123: *Borrowing Costs* and AASB 2007-6: *Amendments to Australian Accounting Standards* arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no effect on the Group as the Group does not have any borrowings.
- (iv) AASB 2008-1: *Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations* [AASB 2] (applicable for annual reporting periods commencing from January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party. It is not expected that there will be any material changes from this amendment.
- (v) AASB 3 (Revised): *Business Combinations* The AASB issued revised AASB 3 *Business Combinations* and amended AASB 127 *Consolidated and Separate Financial Statements*, that incorporate IFRS 3 and the amendments made to IAS 27 respectively, in March 2008. The AASB also issued AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*, which makes consequential amendments to other Australian Accounting Standards that have arisen as a result of the IASB's Business Combinations project at the same time. These Standards enable Australian reporting entities, where appropriate, to continue to be compliant with IFRSs in relation to the presentation of financial statements. The changes apply prospectively. This is applicable to reporting periods beginning on or after 1 July 2009. The Group has not yet assessed the impact should the Group enter into some business combinations next year.
- (vi) AASB 127 (Revised) *Consolidated and Separate Financial Statements*

Under the revised standard, a change in ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction. This is applicable to annual reporting periods beginning on or after 1 July 2009. If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or loss in the Group's income statement.

- (vii) AASB 2008-7 *Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate*

The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit and loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment.

AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations (continued)

This is applicable to annual reporting periods beginning on or after 1 January 2009. Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Thundelarra Exploration Ltd and its subsidiary as at 30 September 2009.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

(e) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in note 22.

Mineral Exploration and Evaluation

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area of interest are continuing. The ultimate recoupment of the costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Units of production depreciation

Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine specific assets. This results in a depreciation or amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units of production (UOP) depreciation methodologies are available to choose from; the Group adopts a Run of the Mine (ROM) tonnes of ore produced methodology for mining costs and an ounces/pounds of metal produced methodology for post-mining costs. Changes are accounted for prospectively.

Mine rehabilitation provision

The consolidated entity assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the balance sheet by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Significant accounting estimates and assumptions (continued)

Impairment of assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Sale of concentrates or ore is recorded when control has passed to the buyer.

(g) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(i) Inventory

(i) Raw materials and stores, work in progress and finished goods

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing inventory to its present location and condition are accounted for as follows:

- ore stocks – cost of direct mining and a proportion of site overheads; and
- concentrates and work in progress – cost of direct mining, processing, transport and labour and a proportion of site overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Spares for production

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such items are valued at net realisable value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Other taxes

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Other taxes (continued)

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Plant and equipment

Plant and equipment is stated at cost less any accumulated depreciation and any impairment in losses.

(i) Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Leasehold improvements – over 5 years
- Plant and equipment – over 4 to 10 years
- Motor vehicles – over 4 years
- Office equipment – over 5 to 8 years

(ii) Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the item value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is being derecognised.

(m) Exploration, evaluation, development, mine properties and rehabilitation expenditure

(i) Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

- (a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
- (b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the income statement in the year in which the area is abandoned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Exploration, evaluation, development, mine properties and rehabilitation expenditure (continued)

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to the reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

(ii) Mine development expenditure

Mine development expenditure represents the cost incurred in preparing mines for production and includes stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent that they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

(iii) Mine Properties

Mine properties expenditure represents the cost incurred in the acquisition of a mining lease and represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired mining lease at the date of acquisition. These costs are capitalised to the extent that they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided by the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(p) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of the employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Earnings per share

- (i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.
- (ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Borrowing costs

Borrowing costs are recognised as an expense when incurred. Alternatively, borrowing costs can be capitalised for qualifying assets.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(u) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Impairment of assets (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(v) Interests in joint ventures

The Group has interests in joint ventures that are jointly controlled operations.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

(w) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 22.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thundelarra Exploration Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(y) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. SEGMENT INFORMATION

The Group operates predominantly in the mining industry and principally within the geographical area of Australia.

4. REVENUE

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Operating activities				
Interest income from non related parties	118,740	529,458	118,541	528,307
Increase in market value of investments	28,457	-	28,457	-
Other	144,791	71,920	144,791	71,920
	291,988	601,378	291,789	600,227
Non-operating activities				
Profit on disposal of investments	49,833	1,173,566	49,833	1,173,566
Profit on disposal of plant, equipment and vehicles	-	2,236	-	2,236
Transfer from fair value reserve to income on disposal of investments	160,948	-	160,948	918,000
TOTAL REVENUE	502,769	9,934,764	502,769	9,934,764
PROFIT/(LOSS) FROM CONTINUING OPERATIONS				
Net Profit on disposal				
Profit on disposal of investments				
Proceeds from disposal of investments	239,833	9,473,483	239,833	9,473,483
Carrying amounts of investments sold	(190,000)	(8,299,917)	(190,000)	(8,299,917)
Profit on disposal	49,833	1,173,566	49,833	1,173,566
Profit on disposal of plant, equipment and vehicles				
Proceeds from disposal of plant, equipment and vehicles	-	3,500	-	3,500
Carrying amounts of plant, equipment and vehicles sold	-	(1,264)	-	(1,264)
Profit on disposal	-	2,236	-	2,236
Exploration expenditure written-off or provided for	4,227,629	10,066,181	4,186,302	6,824,944
Mine properties and development expenditure	(1,041,457)	(2,002,776)	(1,041,457)	(2,002,776)
Impairment of construction in progress	(1,683,425)	(537,976)	(1,683,425)	(537,976)
Diminution in value of investments	-	-	-	3,129,000
Amortisation and depreciation	213,032	127,722	213,032	127,722
Share based payments expense	315,671	829,636	315,671	829,636
Decrease in market value of held for trading investments	-	808,016	-	808,016
Provision for non recovery of intercompany loans	-	-	2,255,963	976,560

The share based payments expense relates to the requirement to recognise the cost of granting options to Directors and employees under AIFRS over the option vesting period.

5. INCOME TAX

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Numerical reconciliation of income tax expense to prima facie tax payable				
Loss from ordinary activities before income tax expense	(9,447,388)	(6,371,022)	(11,723,703)	(7,202,114)
Prima facie tax benefit on loss from ordinary activities at 30% (2008 – 30%)	(2,843,216)	(1,911,307)	(3,517,111)	(2,160,634)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment and other	1,445	2,868	1,445	2,868
Share based payments	49,420	503,030	49,420	224,293
	(2,792,351)	(1,405,409)	(3,466,246)	(1,933,473)
Movement in current year temporary differences	2,418,912	(408,815)	3,741,238	1,000,662
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	(4,913,135)	5,388,763	(4,076,668)	2,075,075
Income tax expense/(benefit)	(5,286,574)	3,574,539	(3,801,676)	1,142,264
(b) Recognised temporary differences				
Deferred Tax Asset (30%)				
Formation costs	257	386	-	-
Depreciation	43,850	32,077	43,850	32,077
Prepayments	3,441	3,873	3,441	3,873
Capital raising costs	89,670	62,932	89,670	62,932
Provision for expenses	117,121	82,027	117,121	82,027
Investments	-	171,035	-	1,940,270
Provision for loans	-	-	-	351,440
Carry forward tax losses	5,112,377	-	5,112,377	-
Carry forward foreign losses	13,586	-	13,586	-
	5,380,302	352,330	5,380,045	2,472,619
Deferred Tax Liabilities (30%)				
Unearned revenue	-	7,855	-	7,855
Capitalised tenement acquisition costs	1,117,532	1,288,279	113,573	919,968
Investments	4,653,582	6,082,017	4,653,582	6,082,017
	5,771,114	7,378,151	4,767,155	7,009,840
Net Deferred Tax Asset (Liability)	(390,812)	(7,025,821)	612,890	(4,537,221)

5. INCOME TAX (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(c) Unrecognised temporary differences				
Deferred Tax Assets (30%)				
Impairment and depreciation of assets in joint venture	1,579,690	-	1,579,690	-
Provisions for loans	-	-	1,028,229	-
Provisions for investments	1,147,302	-	1,147,302	-
Foreign losses	-	13,586	-	13,586
Carry forward tax losses	1,656,215	4,921,417	-	3,958,933
	4,383,207	4,935,003	3,755,221	3,972,519

The potential future income tax benefit arising from tax accumulated losses in the subsidiary and in the Company's share of asset in the Copernicus Joint Venture have not been recognised in 2009 as an asset because recovery of tax losses is not probable.

The potential future income tax benefit will be obtainable by the company only if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
- the company continues to comply with the conditions for deductibility imposed by income tax law; and
- no changes in income tax legislation adversely affects the company in realising the benefit of the deduction for the loss.

6. RECONCILIATION OF CASH

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax				
Operating profit/(loss) after income tax	(4,190,812)	(9,945,561)	(7,922,027)	(8,344,378)
Non cash flows in operating loss				
Exploration costs written-off or provided	4,227,629	10,006,933	4,186,302	6,765,696
Income tax expense/(benefit)	(5,286,574)	3,574,539	(3,801,676)	1,142,264
Amortisation and depreciation	213,032	127,721	213,032	123,464
Share based payments	315,671	829,636	315,671	829,636
Impairment of joint venture assets	2,924,882	2,600,000	2,924,882	2,600,000
Net decrease in fair value of investments	(28,457)	808,016	(28,457)	808,016
(Profit)/Loss on sale of plant, equipment and vehicles	-	(2,236)	-	(2,236)
(Profit) on sale of investments	(210,781)	(9,331,150)	(210,781)	(9,331,150)
Diminution in value of investment in subsidiary	-	-	-	3,129,000
Non recovery of intercompany loan	-	-	2,255,963	976,560
Movement from rehabilitation asset	(317,241)	-	(317,241)	-

6. RECONCILIATION OF CASH (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Change in assets and liabilities				
(Decrease)/increase in trade creditors and accruals	(183,390)	86,766	(190,059)	156,518
(Increase)/decrease in receivables	804,580	36,843	924,307	39,515
(Decrease)/increase in provisions	133,106	128,946	133,106	128,946
Net cash outflow from operating activities	(1,598,356)	(1,079,547)	(1,516,979)	(978,149)
(b) Cash and cash equivalents represents:				
Cash in bank and on hand	458,896	386,894	385,846	328,277
Deposits at call	477,422	4,413,719	477,422	4,413,719
	936,318	4,800,613	863,268	4,741,996

(c) Non Cash Investing Activities

The Company issued shares with a fair value of \$250,000 in settlement of the acquisition of certain uranium tenements and rights by its subsidiary (2008: The Company issued shares and options with a fair value of \$3,129,000 in settlement of the acquisition of certain uranium tenements and rights by its subsidiary).

7. EARNINGS PER SHARE

	2009 \$	2008 \$
(a) Basic earnings/(loss) per share (cents per share)	(3.24)	(8.83)
(b) Diluted earnings/(loss) per share (cents per share)	(3.24)	(8.83)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Diluted earnings per share is the same as basic earnings per share in 2008 as the Company is in a loss position.

	2009 \$	2008 \$
(c) Net profit/(loss) attributable to ordinary equity of the Group	(\$4,190,812)	(\$9,945,561)
(d) Weighted average number of ordinary shares outstanding during the year used in the calculation:		
Basic earnings per share	129,363,024	112,640,920
Diluted earnings per share	129,363,024	112,640,920

8. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
TRADE AND OTHER RECEIVABLES (CURRENT)				
Other receivables	48,689	504,686	1,627	495,198
Amounts receivable from wholly owned subsidiary	-	-	-	75,953
Amounts receivable from directors and director related entities	3,959	132	3,959	132
Receivables from joint venture partner	-	363,010	-	363,010
	52,648	867,828	5,586	934,293
The amounts receivable from directors and director related entities are unsecured, interest free and have no fixed terms of repayment.				
TRADE AND OTHER RECEIVABLES (NON CURRENT)				
Security deposits/bonds	572,181	561,581	565,981	561,581
Loans to controlled entity	-	-	3,427,431	1,171,468
Less provision for doubtful debts	-	-	(3,427,431)	(1,171,468)
	572,181	561,581	565,981	561,581

9. OTHER FINANCIAL ASSETS

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
OTHER FINANCIAL ASSETS (CURRENT)				
Listed shares held for trading at fair value				
Royal Resources Limited	283,123	147,717	283,123	147,717
Royal Resources Limited - Options	-	12,310	-	12,310
Aldershot Resources Limited (a Canadian incorporated entity)	110,810	205,450	110,810	205,450
United Minerals Corporation NL	17,933,533	-	17,933,533	-
	18,327,433	365,477	18,327,433	365,477
OTHER FINANCIAL ASSETS (NON-CURRENT)				
Listed shares available for sale at fair value				
United Minerals Corporation NL	-	22,644,000	-	22,644,000
	-	22,644,000	-	22,644,000
Investment in Subsidiary				
Element 92 Pty Ltd	-	-	3,297,450	3,297,450
Provision for write down of investment	-	-	(3,297,450)	(3,297,450)
	-	22,644,000	-	22,644,000

9. OTHER FINANCIAL ASSETS (continued)

At 30 September 2009 the Company holds the following quoted securities:

- (i) 20,150,000 (2008 – 20,400,000) fully paid ordinary shares in United Minerals Corporation NL, representing 13.24% of the ordinary shares on issue;
- (ii) 3,500,000 (2008 – 3,500,000) fully paid ordinary shares in Aldershot Resources Ltd, representing 5% of the ordinary shares on issue. Aldershot Resources Ltd is a Canadian company listed on the TSX Venture Exchange.
- (iii) 1,230,971 (2008 – 1,230,971) fully paid ordinary shares in Royal Resources Limited.

10. INVENTORY

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
At cost	505,369	-	505,369	-
Impairment	(200,000)	-	(200,000)	-
	305,369	-	305,369	-

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Leasehold Improvements, at cost	260,056	260,056	260,056	260,056
Less: accumulated depreciation	(178,779)	(129,860)	(178,779)	(129,860)
	81,277	130,196	81,277	130,196
Plant and equipment, at cost	193,561	143,152	193,561	143,152
Less: accumulated depreciation	(76,396)	(43,673)	(76,396)	(43,673)
Less: impairment loss	(35,625)	-	(35,625)	-
	81,540	99,479	81,540	99,479
Office equipment, at cost	291,598	272,061	291,598	272,061
Less: accumulated depreciation	(195,662)	(151,307)	(195,662)	(151,307)
Less: impairment loss	(18,185)	-	(18,185)	-
	77,751	120,754	77,751	120,754
Motor vehicles, at cost	300,634	300,406	300,634	300,406
Less: accumulated depreciation	(220,368)	(190,190)	(220,368)	(190,190)
Less: impairment loss	(36,065)	-	(36,065)	-
	44,201	110,216	44,201	110,216
Construction in Progress	324,422	1,733,904	324,422	1,733,904
Less: impairment loss	(324,422)	(537,976)	(324,422)	(537,976)
	-	1,195,928	-	1,195,928
Total property, plant and equipment	284,769	1,656,573	284,769	1,656,573

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Reconciliations				
Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:				
Leasehold Improvements				
Carrying amount at 1 October 2008	130,196	38,735	130,196	38,735
Additions	-	133,001	-	133,001
Disposals	-	-	-	-
Depreciation	(48,919)	(41,540)	(48,919)	(41,540)
Impairment	-	-	-	-
Carrying amount at 30 September 2009	81,277	130,196	81,277	130,196
Plant and equipment				
Carrying amount at 1 October 2008	99,479	46,384	99,479	46,384
Additions	23,424	73,261	23,424	73,261
Transfer from construction in progress	29,586	-	29,586	-
Disposals	-	(1,264)	-	(1,264)
Depreciation	(35,324)	(18,902)	(35,324)	(18,902)
Impairment	(35,625)	-	(35,625)	-
Carrying amount at 30 September 2009	81,540	99,479	81,540	99,479
Office equipment				
Carrying amount at 1 October 2008	120,754	88,835	120,754	88,835
Additions	17,138	72,141	17,138	72,141
Disposals	-	-	-	-
Depreciation	(41,956)	(40,222)	(41,956)	(40,222)
Impairment	(18,185)	-	(18,185)	-
Carrying amount at 30 September 2009	77,751	120,754	77,751	120,754
Motor vehicles				
Carrying amount at 1 October 2008	110,216	84,816	110,216	84,816
Additions	-	52,458	-	52,458
Disposals	-	-	-	-
Depreciation	(29,950)	(27,058)	(29,950)	(27,058)
Impairment	(36,065)	-	(36,065)	-
Carrying amount at 30 September 2009	44,201	110,216	44,201	110,216

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Haul Road				
Carrying amount at 1 October 2008	-	-	-	-
Additions	1,855,025	-	1,855,025	-
Disposals	-	-	-	-
Depreciation	(47,921)	-	(47,921)	-
Impairment	(1,807,104)	-	(1,807,104)	-
Carrying amount at 30 September 2009	-	-	-	-
Construction in Progress				
Carrying amount at 1 October 2008	1,195,928	-	1,195,928	-
Additions	475,129	1,733,904	475,129	1,733,904
Transfer to plant and equipment	(29,586)	-	(29,586)	-
Transfer to haul road	(1,855,025)	-	(1,855,025)	-
Impairment	213,554	(537,976)	213,554	(537,976)
Carrying amount at 30 September 2009	-	1,195,928	-	1,195,928
Total carrying amount	284,769	1,656,573	284,769	1,656,573

Depreciation expense of \$69,463 is related to cost of inventory and has been capitalised.

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT)				
(a) Exploration and evaluation				
At 1 October 2008	4,294,264	7,550,037	3,066,559	7,098,132
Expenditure incurred during the year	3,658,472	6,810,408	1,498,324	2,793,371
Expenditure provided or written off during the year	(4,227,629)	(10,066,181)	(4,186,302)	(6,824,944)
At 30 September 2009	3,725,107	4,294,264	378,576	3,066,559
(b) Mine properties and development				
At 1 October 2008	-	-	-	-
Expenditure incurred during the year	1,358,698	2,002,776	1,358,698	2,002,776
Expenditure provided or written off during the year	(1,041,457)	(2,002,776)	(1,041,457)	(2,002,776)
At 30 September 2009	317,241	-	317,241	-

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (continued)

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest (refer to note 25).

Some of the Consolidated entity's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

13. DEFERRED TAX ASSET (NON-CURRENT)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Deferred tax asset (Note 5)	5,380,302	352,330	5,380,045	2,472,619

14. INTANGIBLE ASSET

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
INTANGIBLE ASSET				
Software and Licences				
At 1 October 2008	121,680	-	121,680	-
Additions	39,076	121,680	39,076	121,680
Disposals	-	-	-	-
Less: amortisation	(78,425)	-	(78,425)	-
At 30 September 2009	82,331	121,680	82,331	121,680

No amortisation was charged for 2008 as the software was not in use until 2009.

15. TRADE AND OTHER PAYABLES

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables	229,619	1,007,422	190,439	974,912
Payables to joint venture partner and related entities	219,625	1,284,452	219,625	1,284,452
Amounts owing to director related entities	34,144	-	34,144	-
	483,388	2,291,874	444,208	2,259,364
The current accounts with director related entities are unsecured, interest free and have no fixed terms of repayments.				

15. TRADE AND OTHER PAYABLES (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
TRADE AND OTHER PAYABLES (NON CURRENT)				
Trade payables	-	-	-	-
Payables to joint venture partner and related entities	2,056,601	-	2,056,601	-
Amounts owing to director related entities	-	-	-	-
	2,056,601	-	2,056,601	-

16. PROVISIONS

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
PROVISIONS (CURRENT)				
Employee entitlements	200,917	138,941	200,917	138,941
Number of employees at year end	15	14	15	14
PROVISIONS (NON CURRENT)				
Employee entitlements	141,372	101,484	141,372	101,484
Rehabilitation	343,140	311,898	343,140	311,898
	484,512	413,382	484,512	413,382

Superannuation

The Company contributes to employees' superannuation plans in accordance with the requirements of Occupational Superannuation Legislation. Contributions by the Company represent a defined percentage of each employee's salary. Additional employee contributions are voluntary.

Employee Share Option Plan

Details of the Employee Share Option Plan for the Company are disclosed in Note 22.

17. DEFERRED TAX LIABILITY (NON-CURRENT)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Deferred tax liability (Note 5)	5,771,114	7,378,151	4,767,155	7,009,839

18. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares		Consolidated/Parent Entity	
	2009	2008	2009 \$	2008 \$
CONTRIBUTED EQUITY AND RESERVES				
(a) Issued and paid up capital				
Ordinary shares	143,995,743	113,915,409	35,547,730	32,794,405

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Number of Shares	Issue Price \$	Total \$
(b) Movement in ordinary shares on issue			
1/10/2007 Opening Balance	108,042,150		30,408,499
19/10/2007 Issue on exercise of options	192,250	0.190	36,527
30/10/2007 Issue on exercise of options	37,026	0.190	7,035
12/11/2007 Acquisition of tenement	106,383	0.470	50,000
30/11/2007 Acquisition of uranium rights	4,500,000	0.435	1,957,500
26/03/2008 Issue on exercise of options	50,000	0.325	16,250
28/03/2008 Issue on exercise of options	970,000	0.325	315,250
10/07/2008 Issue on exercise of options	17,600	0.190	3,344
Share issue costs			-
Balance at 30 September 2008	113,915,409		32,794,405
23/03/2009 Issue of shares	28,478,852	0.095	2,705,491
01/04/2009 Acquisition of tenement	500,000	0.10	50,000
30/06/2009 Issue on exercise of options	15,000	0.19	2,850
30/06/2009 Issue on exercise of options	1,167	0.20	222
30/07/2009 Acquisition of tenement	1,000,000	0.20	200,000
10/08/2009 Issue on exercise of options	85,315	0.20	17,063
Share issue costs			(222,302)
Balance at 30 September 2008	143,995,743		35,547,729

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Number 2009	Number 2008
(c) Movement in options on issue		
Exercisable at 67.5 cents on or before 26 February 2009		
Balance as at beginning of year	1,970,000	1,970,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	(1,970,000)	-
Balance as at end of year	-	1,970,000
Exercisable at 22 cents on or before 31 May 2009		
Balance as at beginning of year	350,000	350,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	(350,000)	-
Balance as at end of year	-	350,000
Exercisable at 40 cents on or before 12 April 2009		
Balance as at beginning of year	2,500,000	2,500,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	(2,500,000)	-
Balance as at end of year	-	2,500,000
Exercisable at 55 cents on or before 28 February 2010		
Balance as at beginning of year	200,000	200,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	200,000	200,000
Exercisable at 50 cents on or before 31 May 2010		
Balance as at beginning of year	1,000,000	1,000,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,000,000	1,000,000

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Number 2009	Number 2008
(c) Movement in options on issue (continued)		
Exercisable at 68 cents on or before 31 May 2011		
Balance as at beginning of year	1,000,000	1,000,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,000,000	1,000,000
Exercisable at 52 cents on or before 30 June 2011		
Balance as at beginning	360,000	360,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	360,000	360,000
Exercisable at 19 cents on or before 30 June 2009		
Balance as at beginning	11,856,344	12,103,220
Issued during the year	-	-
Exercised during the year	(15,000)	(246,876)
Options lapsed during the year	(11,841,344)	-
Balance as at end of year	-	11,856,344
Exercisable at 50 cents on or before 28 February 2010		
Balance as at beginning of year	1,500,000	1,500,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,500,000	1,500,000
Exercisable at 45 cents on or before 30 November 2010		
Balance as at beginning	4,500,000	-
Issued during the year	-	4,500,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	4,500,000	4,500,000

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Number 2009	Number 2008
(c) Movement in options on issue (continued)		
Exercisable at 20 cents on or before 29 March 2013		
Balance as at beginning	-	-
Issued during the year	9,493,080	-
Exercised during the year	(86,482)	-
Options lapsed during the year	-	-
Balance as at end of year	9,406,598	-
Exercisable at 47 cents on or before 31 December 2011		
Balance as at beginning	350,000	-
Issued during the year	-	350,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	350,000	350,000
Exercisable at 50 cents on or before 28 February 2013		
Balance as at beginning	4,250,000	-
Issued during the year	-	4,250,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	4,250,000	4,250,000
Exercisable at 39 cents on or before 3 April 2011		
Balance as at beginning	400,000	-
Issued during the year	-	400,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	400,000	400,000
Exercisable at 52 cents on or before 30 June 2012		
Balance as at beginning	440,000	-
Issued during the year	-	440,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	440,000	440,000

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Number 2009	Number 2008
(c) Movement in options on issue (continued)		
Exercisable at 11 cents on or before 31 December 2012		
Balance as at beginning	-	-
Issued during the year	350,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	350,000	-
Exercisable at 20 cents on or before 28 February 2014		
Balance as at beginning	-	-
Issued during the year	4,250,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	4,250,000	-
Exercisable at 32 cents on or before 30 September 2012		
Balance as at beginning	-	-
Issued during the year	910,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	910,000	-
Exercisable at 32.5 cents on or before 28 March 2008		
Balance as at beginning	-	1,095,000
Issued during the year	-	-
Exercised during the year	-	(1,020,000)
Options lapsed during the year	-	(75,000)
Balance as at end of year	-	-
Exercisable at 65.5 cents on or before 20 November 2007		
Balance as at beginning	-	11,000,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	(11,000,000)
Balance as at end of year	-	-

18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(d) Reserves				
General reserve	10,858,359	14,191,373	10,858,359	14,191,373
Share-based payments reserve	3,372,177	3,056,506	3,372,177	3,056,506
	14,230,536	17,247,879	14,230,536	17,247,879
General reserve				
Balance at beginning of year	14,191,373	18,331,839	14,191,373	18,331,839
Fair value adjustments	(4,520,500)	3,468,000	(4,520,500)	3,468,000
Deferred tax on items recognised directly in equity	1,348,434	549,117	1,348,434	549,117
Transfer of reserve to income	(160,948)	(8,157,583)	(160,948)	(8,157,583)
Balance at end of year	10,858,359	14,191,373	10,858,359	14,191,373
Share based payments reserve				
Balance at beginning of year	3,056,506	1,105,370	3,056,506	1,105,370
Share based payments	315,671	1,951,136	315,671	1,951,136
Balance at end of year	3,372,177	3,056,506	3,372,177	3,056,506

Nature and purpose of reserves*General reserve*

This reserve records fair value changes on available for sale financial assets as set out in Note 9.

Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued.

19. ACCUMULATED LOSSES

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Balance at the beginning of the year	(24,600,286)	(14,654,725)	(23,299,032)	(14,954,654)
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd	(4,190,812)	(9,945,561)	(7,922,027)	(8,344,378)
Balance at the end of the financial year	(28,791,098)	(24,600,286)	(31,221,059)	(23,299,032)

20. COMMITMENTS AND CONTINGENCIES

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(i) Exploration commitments				
Within one year	2,274,661	1,788,199	2,274,661	1,535,931
Later than one year but not later than five years	5,596,643	3,962,708	5,596,643	3,184,048
Later than five years	367,082	213,841	367,082	211,024
	8,238,386	5,964,748	8,238,386	4,931,003

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
(ii) Operating lease commitments				
Operating lease commitments are as follows:-				
Office rental	200,686	195,696	200,686	195,696
Within one year	551,888	782,784	551,888	782,784
Later than one year but not later than five years	-	-	-	-
Later than five years	752,574	978,480	752,574	978,480

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 July 2013. The lease includes a clause to enable an upward revision of rental charge on an annual basis of either a fixed percentage increase or market review according to prevailing market conditions.

(iii) Bank Guarantees

At 30 September 2009 the Group has outstanding \$175,031 (2008: \$175,031) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

At the date of this report, claims had been lodged in relation to tenements held by the Group. The effect (if any) that these claims will have, or which future claims will have on the Group's tenements is not yet known.

21. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

The following persons were Directors of Thundelarra Exploration Ltd during the financial year:

Philip G Crabb	Non-Executive Chairman
Brett T Lambert	Managing Director
Brian D Richardson	Executive Director
Frank DeMarte	Executive Director
Malcolm J Randal	Non-Executive Director

There are no executives (other than directors) with authority for making strategic decisions and management.

21. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

	Consolidated	Parent Entity
	2009 \$	2008 \$
(b) Compensation of Key Management Personnel – by category		
Short term	928,243	764,290
Post Employment	74,234	115,666
Share Based Payments	193,800	660,450
Long Term	16,552	69,562
	1,212,829	1,609,968

(c) Shareholdings of Key Management Personnel (Consolidated and Parent Entity)

The number of shares held in Thundelarra Exploration Ltd during the financial year.

30 September 2009	Balance at 1 October 2008	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 September 2009
P G Crabb	17,725,314	-	85,315	5,274,670	23,085,299
B T Lambert	-	-	-	713,949	713,949
B D Richardson	1,036,581	-	-	259,146	1,295,727
F DeMarte	1,804,726	-	-	974,716	2,779,442
M J Randall	350,000	-	-	87,500	437,500
Total	20,916,621	-	85,315	7,309,981	28,311,917

30 September 2008	Balance at 1 October 2007	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 September 2008
P G Crabb	17,243,514	-	-	481,800	17,725,314
B T Lambert	-	-	-	-	-
B D Richardson	1,036,581	-	350,000	(350,000)	1,036,581
F DeMarte	1,454,726	-	350,000	-	1,804,726
M J Randall	237,300	-	150,000	(37,300)	350,000
Total	19,972,121	-	850,000	94,500	20,916,621

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

21. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(d) Optionholdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Thundelarra Exploration Ltd during the financial year.

30 Sept 2009	Balance at beginning of year 01-Oct-08	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of year 30-Sep-09	Vested at 30 September 2009		
							Total	Exercisable	Not Exercisable
P G Crabb	1,500,000	750,000	(85,315)	(500,000)	1,736,060	3,400,745	3,400,745	3,400,745	-
B T Lambert	3,000,000	1,000,000	-	-	197,984	4,197,984	4,197,984	4,197,984	-
B D Richardson	1,850,000	1,000,000	-	(350,000)	86,382	2,586,382	2,586,382	2,586,382	-
F DeMarte	1,850,000	1,000,000	-	(350,000)	330,397	2,830,397	2,830,397	2,830,397	-
M J Randall	900,000	500,000	-	(150,000)	29,167	1,279,167	1,279,167	1,279,167	-
Total	9,100,000	4,250,000	(85,315)	(1,350,000)	2,379,990	14,294,675	14,294,675	14,294,675	-

30 Sept 2008	Balance at beginning of year 01-Oct-07	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of year 30-Sep-08	Vested at 30 September 2008		
							Total	Exercisable	Not Exercisable
P G Crabb	750,000	750,000	-	-	-	1,500,000	1,500,000	1,500,000	-
B T Lambert	2,000,000	1,000,000	-	-	-	3,000,000	3,000,000	3,000,000	-
B D Richardson	1,200,000	1,000,000	(350,000)	-	-	1,850,000	1,850,000	1,850,000	-
F DeMarte	1,200,000	1,000,000	(350,000)	-	-	1,850,000	1,850,000	1,850,000	-
M J Randall	550,000	500,000	(150,000)	-	-	900,000	900,000	900,000	-
Total	5,700,000	4,250,000	(850,000)	-	-	9,100,000	9,100,000	9,100,000	-

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 22.

Compensation Options: Granted and vested during the year ended 30 September 2009.

30 Sept 2009	Vested Number	Granted Number	Grant Date	Fair Value per option (\$) (Note 22)	Terms and Conditions for each grant			
					Exercise price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	750,000	750,000	27/02/09	\$0.0456	\$0.20	28/02/14	27/02/09	28/02/14
B T Lambert	1,000,000	1,000,000	27/02/09	\$0.0456	\$0.20	28/02/14	27/02/09	28/02/14
B D Richardson	1,000,000	1,000,000	27/02/09	\$0.0456	\$0.20	28/02/14	27/02/09	28/02/14
F DeMarte	1,000,000	1,000,000	27/02/09	\$0.0456	\$0.20	28/02/14	27/02/09	28/02/14
M J Randall	500,000	500,000	27/02/09	\$0.0456	\$0.20	28/02/14	27/02/09	28/02/14
Total	4,250,000	4,250,000						

21. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(e) Share Based Compensation Options (continued)

Compensation Options: Granted and vested during the year ended 30 September 2008.

30 Sept 2008	Vested Number	Granted Number	Grant Date	Fair Value per option (\$) (Note 22)	Terms and Conditions for each grant			
					Exercise price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	750,000	750,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B T Lambert	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B D Richardson	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
F DeMarte	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
M J Randall	500,000	500,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
Total	4,250,000	4,250,000						

22. SHARE BASED PAYMENTS

(a) Type of share based payment plan

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 27 February 2009. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

Subject to the Rules set out in ESOP and the Listing Rules, the Company (acting through the Board) may offer options to any Eligible Person at such time and on such terms as the Board considers appropriate. Some of the Rules include:

- (i) No consideration is payable by an Eligible Person for a grant of an option, unless the Board decides otherwise.
- (ii) The method of calculation of the exercise price of each option will be determined by the Board with regard to the market value of the shares when it resolves to offer the option.
- (iii) Exercisable period will be determined by the Board prior to the offer of the relevant options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the issue date.
- (iv) The Board may impose exercise conditions on any issue as it thinks appropriate.

Options may be exercised at any time during the period commencing on the issue date to the earlier of their expiry date or termination of the employee's employment.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

(b) Summary of options granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in share options issued during the year in respect of share based payments.

	Number 2009	WAEP 2009 \$	Number 2008	WAEP 2008 \$
Outstanding at the beginning of the year	18,820,000	0.50	20,975,000	0.59
Granted during the year	5,510,000	0.21	9,940,000	0.47
Lapsed during the year	(4,820,000)	0.50	(11,075,000)	0.65
Exercised during the year	-	-	(1,020,000)	0.33
Outstanding at the end of the year	19,510,000	0.42	18,820,000	0.50
Exercisable at the end of the year	18,250,000	0.43	17,630,000	0.50

22. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2009 is represented by:

Date options granted	Expiry date	Exercise price of options \$	Number of options
15 February 2007	28 February 2010	0.55	200,000
1 March 2007	28 February 2010	0.50	1,500,000
3 May 2007	31 May 2010	0.50	1,000,000
3 May 2007	31 May 2011	0.68	1,000,000
1 August 2007	30 June 2011	0.52	360,000
30 November 2007	30 November 2010	0.45	4,500,000
10 January 2008	31 December 2011	0.47	350,000
27 February 2008	28 February 2013	0.50	4,250,000
4 April 2008	3 April 2011	0.39	400,000
3 July 2008	30 June 2012	0.52	440,000
19 December 2008	31 December 2012	0.11	350,000
27 February 2009	28 February 2014	0.20	4,250,000
29 September 2009	30 September 2012	0.32	910,000

Please refer to Shares Under Option table in the Directors Report for movements since year end.

(c) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2009 is 2.5 years (2008 - 2.25 years).

(d) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was \$0.11 to \$0.68 (2008 - \$0.22 to \$0.68).

(e) Weighted average fair value

The weighted average fair value of options granted during the year was \$0.44 (2008 - \$0.20)

(f) Options pricing model

The fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 30 September 2009

Number of Options	350,000	4,250,000	910,000
Option exercise price (cents)	11 cents	20 cents	32 cents
Expiry date	31/12/2012	28/02/2014	30/09/2012
Expected life of the option (years)	3 years	5 years	3 years
Vesting period (months)	12 months	-	12 months
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	131.7%	104.7%	129.2%
Risk-free interest rate (%)	3.54%	3.66%	4.45%
Discount for unquoted security	30%	30%	30%
Closing share price at grant date (cents)	11 cents	9.5 cents	51.5 cents
Vesting date	19/12/2008	27/02/2009	29/09/2010

22. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2008

Number of Options	4,500,000	350,000	4,250,000	400,000	440,000
Option exercise price (cents)	45 cents	47 cents	50 cents	39 cents	52 cents
Expiry date	30/11/2010	31/12/2011	28/02/2013	3/04/2011	30/06/2012
Expected life of the option (years)	3 years	3 years	5 years	3 years	4 years
Vesting period (months)	-	12 months	-	12 months	12 months
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	84.25%	73.68%	73.67%	78.11%	74.23%
Risk-free interest rate (%)	6.67%	6.38%	6.58%	6.31%	6.62%
Discount for unquoted security	30%	30%	30%	30%	30%
Closing share price at grant date (cents)	43.5 cents	45 cents	36 cents	36 cents	45.5 cents
Vesting date	30/11/2007	9/01/2009	22/02/2008	4/04/2009	3/07/2009

23. REMUNERATION OF AUDITORS

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
The auditor of Thundelarra Exploration Ltd is Stantons International for:				
An audit or review of the financial report of the consolidated entity	70,173	56,974	70,173	56,974

24. RELATED PARTY DISCLOSURES

(a) Directors

Fees paid in the normal course of business in 2009 for drilling services, camp maintenance and other services totalling \$34,145 (2008 - \$500) were paid/payable (balance outstanding at 30 September 2009) and included in trade creditors \$34,145 (2008 - \$Nil) to a company of which Mr Philip Crabb is a director and shareholder.

Fees paid in the normal course of business in 2009 for geological and consulting services totalling \$Nil (2008 - \$18,698) were paid/payable (balance outstanding at 30 September 2009) and included in trade creditors \$Nil (2008 - \$Nil) to a company of which Mr Brian Richardson is a director and shareholder.

Fees paid in the normal course of business in 2009 for rental of core shed facilities totalling \$1,000 (2008 - \$Nil) were paid/payable (balance outstanding at 30 September 2009) and included in trade creditors \$Nil (2008 - \$Nil) to a company of which Mr Phillip Crabb is a director and shareholder.

Fees paid in the normal course of business in 2009 for GIS services totalling \$3,928 (2008 - \$Nil) were paid/payable (balance outstanding at 30 September 2009) and included in trade creditors \$Nil (2008 - \$Nil) to a company of which all the directors are directors and shareholders.

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year.

(c) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entity set out in Notes 9 and 26. Transactions between the Parent and its wholly owned controlled entity during the year ended 30 September 2009 consists of loans advanced by the Parent totalling \$3,427,431 (2008: \$1,247,420). The loan provided above is unsecured, interest free and has no fixed term of repayment. There were no repayments made during the year.

In addition the controlled entity in 2008 acquired a uranium tenement and certain uranium rights which were settled by the issue of shares and options in the Parent with a fair value of \$3,129,000.

25. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

Copernicus Joint Venture

The Copernicus Joint Venture is involved with the exploration, evaluation, development and production of mineral deposits in the Kimberley region of Western Australia. The unincorporated joint venture is between Panoramic Resources Ltd 60% and Thundelarra Exploration Ltd 40% (2008 – 40%), with Panoramic as manager and operator.

The Share of the assets, liabilities, revenue and expenses of the jointly controlled operation before the provision for impairment, which is included in the parent and consolidated financial statements, are as follows:

	Parent and Consolidated	
	2009 \$	2008 \$
CURRENT ASSETS		
Cash and cash equivalents	223,795	160,287
Trade and other receivables	631	749,882
Inventory	305,369	-
TOTAL CURRENT ASSETS	529,795	910,169
NON-CURRENT ASSETS		
Property, plant and equipment	2,221,401	1,814,326
Exploration expenditure	61,315	59,248
Mine Development	3,044,233	2,002,776
Rehabilitation	317,241	-
TOTAL NON-CURRENT ASSETS	5,644,190	3,876,350
TOTAL ASSETS	6,173,985	4,786,519
CURRENT LIABILITIES		
Trade and other payables	90,753	1,907,133
TOTAL CURRENT LIABILITIES	90,753	1,907,133
NON-CURRENT LIABILITIES		
Provisions	343,140	311,896
TOTAL NON-CURRENT LIABILITIES	343,140	311,896
TOTAL LIABILITIES	433,893	2,219,029
NET ASSETS	5,740,092	2,567,490

Breakaway Joint Venture

The Breakaway Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Breakaway Resources Ltd 60% (2008 - 60%) and Thundelarra Exploration Ltd 40% (2008 - 40%)

25. INTEREST IN JOINT VENTURES (continued)

Great Gold Mines Joint Venture

The Great Gold Mines Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2008 – 80%) and Hawthorn Resources Ltd 20%, with Thundelarra as manager and operator.

De Grey Mining Joint Venture

The De Grey Mining Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between De Grey Mining Limited 80% and Thundelarra Exploration Ltd 20% (2008 – 20%), with De Grey Mining as manager and operator. Thundelarra has a free carried joint venture interest until De Grey Mining completes a feasibility study.

Lewis Joint Venture

The Lewis Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2008 – 80%) and Kimberley Mining Pty Ltd 20% (2008 – 20%), with Thundelarra as manager and operator.

Voermans Joint Venture

The Voermans Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2008 – 80%), B Wasse, AM Australian Minerals Pty Ltd and Voermans Geological Services Pty Ltd 20% (2008– 20%), with Thundelarra as manager and operator.

GBS Joint Venture

The GBS Joint Venture is involved with the exploration and evaluation of mineral deposits in the Northern Territory of Australia. The unincorporated joint venture is between Element 92 Pty Ltd 70% (2008 – 70%) and GBS Gold International Inc 30% (2008 – 30%), with Thundelarra as manager and operator.

Cullen Joint Venture

The Cullen Joint Venture is involved with the exploration and evaluation of mineral deposits in Western Australia. The unincorporated joint venture is between Element 92 Pty Ltd 0% (2008 – 0%) and Cullen Exploration Pty Limited 100% (2008 – 100%), with Thundelarra as manager and operator.

Alara Joint Venture

The Alara Joint Venture is involved with the exploration and evaluation of uranium tenements in the Northern Territory of Australia. The unincorporated joint venture is between Alara Resources Limited 100% and Thundelarra Exploration Ltd 0% (2008 – 0%), with Thundelarra as manager and operator.

East Kimberley Joint Venture

The East Kimberley Joint Venture is involved with the exploration and evaluation of base metal tenements in the Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 100% and Panoramic Resources Limited 0% (2008 – 0%), with Panoramic as manager and operator.

Allamber Joint Venture

The Allamber Joint Venture is involved with the exploration and evaluation of uranium tenements in the Northern Territory of Australia. The unincorporated joint venture is between Atom Energy Limited 100% and Thundelarra Exploration Ltd 0% (2008 – 0%), with Thundelarra as manager and operator.

25. INTEREST IN JOINT VENTURES (continued)

The Consolidated Entity's share of expenditure in respect to these joint venture activities is expensed in accordance with the accounting policy stated in Note 2(I).

Joint Venture	Principal Activities	Percentage Interest 2009	Percentage Interest 2008	Expenditure Capitalised 2009 \$	Expenditure Capitalised 2008 \$
Breakaway JV	Base metals	40%	40%	382,479	553,853
Great Gold Mines JV	Base metals	80%	80%	18,593	133,593
De Grey Mining JV	Base metals	20%	20%	15,642	-
Lewis JV	Base metals	80%	80%	263,357	285,866
Voermans JV	Base metals	80%	80%	196	23,351
GBS JV	Uranium	70%	70%	712,791	671,560
Cullen JV	Uranium	-	-	83,228	-
Allamber JV	Uranium	-	-	151,841	-
Alara JV	Uranium	-	-	135,722	-
Total				1,763,849	1,668,223

26. CONTROLLED ENTITY

Name	Country of Incorporation	Percentage Interest Held		Carrying amount of Parent Entity's Investment	
		2009 %	2008 %	2009 \$	2008 \$
Element 92 Pty Ltd	Australia	100	100	-	-

27. FINANCIAL INSTRUMENTS

- (a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as trade receivables and trade payables. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for other financial assets which have been sold for working capital purposes. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

Consolidated	Floating Interest Rate		Fixed Interest Rate - 1 year or less		Non-interest bearing		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets								
Cash and cash equivalents	458,896	386,894	477,422	4,413,719	-	-	936,318	4,800,613
Trade and other receivables	-	-	572,181	561,581	52,648	867,828	624,829	1,429,409
Other financial assets	-	-	-	-	18,327,433	23,009,477	18,327,433	23,009,477
Total Financial Assets	458,896	386,894	1,049,603	4,975,300	18,380,081	23,877,305	19,888,580	29,239,499

27. FINANCIAL INSTRUMENTS (continued)

Consolidated	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Liabilities								
Trade and other payables	-	-	-	-	(2,539,989)	(2,291,874)	(2,539,989)	(2,291,874)
Total Financial Liabilities	-	-	-	-	(2,539,989)	(2,291,874)	(2,539,989)	(2,291,874)
Net Financial Assets/ (Liabilities)	458,896	386,894	1,049,603	4,975,300	15,840,092	21,585,431	17,348,591	26,947,625
Weighted Average Interest Rate	0.05%	4.50%	3.69%	7.42%				

Parent	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets								
Cash and cash equivalents	385,846	328,277	477,422	4,413,719	-	-	863,268	4,741,996
Trade and other receivables	-	-	565,981	561,581	5,586	934,293	571,567	1,495,874
Other financial assets	-	-	-	-	18,327,433	23,009,477	18,327,433	23,009,477
Total Financial Assets	385,846	328,277	1,043,403	4,975,300	18,333,019	23,943,770	19,762,268	29,247,347
Financial Liabilities								
Trade and other payables	-	-	-	-	(2,500,809)	(2,259,364)	(2,500,809)	(2,259,364)
Total Financial Liabilities	-	-	-	-	(2,500,809)	(2,259,364)	(2,500,809)	(2,259,364)
Net Financial Assets/ (Liabilities)	385,846	328,277	1,043,403	4,975,300	15,832,210	21,684,406	17,261,459	26,987,983
Weighted Average Interest Rate	0.05%	4.50%	3.69%	7.42%				

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Net Financial Assets/(Liabilities) as above	17,348,591	26,947,625	17,261,459	26,987,983
Property, Plant and Equipment	284,769	1,656,573	284,769	1,656,573
Exploration & Evaluation Expenditure	3,725,107	4,294,264	378,576	3,066,559
Mine development	317,241	-	317,241	-
Intangibles	82,331	121,680	82,331	121,680
Inventory	305,369	-	305,369	-
Provisions	(685,429)	(552,323)	(685,429)	(552,323)
Deferred tax assets	5,380,302	352,330	5,380,045	2,472,619
Deferred tax liability	(5,771,114)	(7,378,151)	(4,767,155)	(7,009,839)
Net Assets per Balance Sheet	20,987,167	25,441,998	18,557,206	26,743,252

27. FINANCIAL INSTRUMENTS (continued)

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value:

(a) Interest Rate Risk

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

(b) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance sheet date.

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of the financial assets and financial liabilities approximates their carrying value, except for the fair value of equity investments traded on organised markets which have been valued by reference to the market prices prevailing at balance date for those equity investments.

(d) Liquidity Risk

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Company's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance sheet date.

(e) Foreign Exchange Risk

The Group at present does not have any exposure to foreign exchange risk, except for sales of nickel by the Copernicus Joint Venture because the Group does not make any other sales or purchases in a currency other than the entity's functional currency. At 30 September 2009 the Group did not have any assets or liabilities denominated in a foreign currency.

(f) Commodity Price Risk

The Group's exposure to nickel prices is very high because all of the revenue generated from the Copernicus Joint Venture comes from the sale of nickel. Nickel is sold on the basis of United States dollar nickel prices quoted on the London Metals Exchange (LME).

The Group's profit and loss and balance sheet can be affected significantly by movements in nickel prices on the LME. The Group will need to mitigate the effect of its nickel price exposure by seeking appropriate derivative instruments once the open pit mining operations are re-commenced at Copernicus in the future.

(g) Sensitivity Analysis

Considering the current structure of the Group's financial assets and liabilities as at 30 September 2009, the group had no significant interest rate risk.

27. FINANCIAL INSTRUMENTS (continued)

The Group has significant exposure to the movement in fair values of its trading and available for sale financial assets. Based on fair values at 30 September 2009, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Loss before tax:				
Available for sale financial assets	-	-	-	-
Held for trading financial assets	39,393	36,548	39,393	36,548
Equity:				
Available for sale financial assets	1,793,350	2,264,400	1,793,350	2,264,400
Held for trading financial assets	39,393	36,548	39,393	36,548

28. SENSITIVITY ANALYSIS

(a) Interest Rate Risk

The following table represents a summary of the interest rate sensitivity of the Group's financial assets at the balance sheet date on the deficit for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Consolidated 30 September 2009	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
Financial Assets					
Cash and cash equivalents	936,318	(9,363)	(9,363)	9,363	9,363
Other receivables -interest bearing	572,181	(5,722)	(5,722)	5,722	5,722
	1,508,499	(15,085)	(15,085)	15,085	15,085

Consolidated 30 September 2008	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
Financial Assets					
Cash and cash equivalents	4,800,613	(48,006)	(48,006)	48,006	48,006
Other receivables -interest bearing	561,581	(5,616)	(5,616)	5,616	5,616
	5,362,194	(53,622)	(53,622)	53,622	53,622

None of the Group's financial liabilities are interest bearing.

28. SENSITIVITY ANALYSIS (continued)

(a) Interest Rate Risk (continued)

Parent 30 September 2009	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
Financial Assets					
Cash and cash equivalents	863,268	(8,633)	(8,633)	8,633	8,633
Other receivables	565,981	(5,660)	(5,660)	5,660	5,660
	1,429,249	(14,293)	(14,293)	14,293	14,293

Parent 30 September 2008	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
Financial Assets					
Cash and cash equivalents	4,741,996	(47,420)	(47,420)	47,420	47,420
Other receivables	561,581	(5,616)	(5,616)	5,616	5,616
	5,303,577	(53,036)	(53,036)	53,036	53,036

None of the Group's financial liabilities are interest bearing.

(b) Foreign Currency Risk

The Group was not exposed to foreign exchange currency risk at balance date.

29. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2009 financial report:

Sale of Copernicus nickel concentrate.

During the month of October 2009, 12,000 tonnes of Copernicus nickel sulphide ore was processed at Panoramic Resources Limited's Savannah plant. The sales proceeds attributable to Thundelarra's interest were US\$568,515 (before costs) This ore was near surface material mined from the open pit late last year and was classified as transitional or partially oxidised.

Disposal of shares in United Minerals Corporation NL.

On 16 October 2009 and on 3 November 2009 the Company sold a total of 20,150,000 UMC shares on market for \$25,175,588.

30. CONTINGENT LIABILITIES

The consolidated entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report.

31. COMPARATIVES

The Parent Company figures for 2008 have been restated to disclose the Company's share of individual assets and liabilities of the Copernicus Joint Venture together with the Company's assets and liabilities.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Thundelarra Exploration Ltd I state that:

In the opinion of the directors:

- (a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 September 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2009.

On behalf of the Board



Brett T Lambert
MANAGING DIRECTOR
Perth, Western Australia
22 December 2009

Stantons International

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THUNDELARRA EXPLORATION LTD

Report on the Financial Report

We have audited the accompanying financial report of Thundelarra Exploration Ltd, which comprises the balance sheet as at 30 September 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Thundelarra Exploration Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 September 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(b).

Report on the Remuneration Report

We have audited the remuneration report included in pages 20 to 27 of the directors' report for the year ended 30 September 2009. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion

In our opinion the remuneration report of Thundelarra Exploration Ltd for the year ended 30 September 2009 complies with section 300 A of the Corporations Act 2001.

STANTONS INTERNATIONAL (An Authorised Audit Company)

Stantons International



KG Lingard
Director

West Perth, Western Australia
22 December 2009

Member of Russell-Suffern International 

Stantons International

ABN 41 103 088 697

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22 December 2009

Board of Directors
Royal Resources Limited
Level 3, 1060 Hay Street
WEST PERTH WA 6005

Dear Directors

RE: THUNDELARRA EXPLORATION LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Thundelarra Exploration Ltd.

As the Audit Director for the audit of the financial statements of Thundelarra Exploration Ltd for the year ended 30 September 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



KG Lingard
Director

ASX ADDITIONAL INFORMATION

The following information dated 17 December 2009 is required by the Listing Rules of the Australian Stock Exchange Ltd

1. DISTRIBUTION AND NUMBER OF HOLDERS OF EQUITY SECURITIES

	Fully paid ordinary shares	2013 Quoted Options
1 – 1,000	257	156
1,001 – 5,000	789	77
5,001 – 10,000	640	30
10,001 – 100,000	1,148	66
100,001 and over	194	22
Total	3,028	351

There were 322 shareholders holding less than a marketable parcel.

2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

Name	Shares Held	
	Number	Percentage
Ragged Range Mining Pty Ltd & Associates	23,085,299	15.87
Norilsk Nickel Australia Pty Ltd	7,800,000	5.36
Fortis Clearing Nominees P/L (Settlement A/C)	5,401,954	3.71
Custodial Services Limited (Beneficiaries Holding A/C)	3,529,500	2.43
Mr Frank DeMarte	2,795,908	1.92
Sally Malay Mining Limited	2,500,000	1.72
Chin Nominees Pty Ltd (Chin Super Fund A/C)	2,313,864	1.59
Fortis Clearing Nominees P/L (Next Custodian A/C)	2,198,828	1.51
Mr David Dawson	1,905,000	1.31
Mr Clive Anthony Rutherford + Mrs Pamela Anne Rutherford	1,200,000	0.82
Mr Brian Richardson	1,145,727	0.79
ANZ Nominees Limited (Cash Income A/C)	1,119,096	0.77
Forty Traders Limited	1,052,635	0.72
Atom Energy Ltd	1,000,000	0.69
Mr Siat Yoon Chin	1,000,000	0.69
Rick Crabb	872,547	0.60
Citicorp Nominees Pty Limited	810,153	0.56
Brett Lambert (BT & EM Lambert Family A/C)	713,949	0.49
Mr Howard Hilton + Mrs Kathrine Ann Briscoe (Hilton Super Fund A/C)	700,000	0.48
Klip Pty Ltd (Beirne Super Fund A/C)	685,000	0.47
Total	61,829,460	42.49

2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES (continued)

(b) Options expiring 29 March 2013

Name	Shares Held	
	Number	Percentage
Ragged Range Mining Pty Ltd & Associates	1,400,745	15.74
Fortis Clearing Nominees P/L (Settlement A/C)	496,941	5.59
Chin Nominees Pty Ltd (Chin Super Fund A/C)	493,128	5.54
Michael Angelakis Nominees Pty Ltd	392,085	4.41
Forty Traders Limited	350,879	3.94
Mr Frank DeMarte	330,397	3.71
Tattersfield Securities Limited	275,000	3.09
Mr Phillip John Coulson	220,750	2.48
Custodial Services Limited (Beneficiaries Holding A/C)	216,668	2.44
Mr Siat Yoon Chin	212,462	2.39
Westcoast Brick Company Pty Ltd	200,880	2.26
Brett Lambert (BT & EM Lambert Family A/C)	197,984	2.23
Rick Crabb	179,135	2.01
Emco Pty Ltd (Super Fund A/C)	170,257	1.91
Mr Anthony John Vetter	170,000	1.91
Greatside Holdings Pty Ltd	166,667	1.87
Laceglen Holdings Pty Ltd (Cadly Superfund A/C)	152,084	1.71
Mr Jaymon Bruce Crabb	150,832	1.70
Mrs Carol Mary Pernechele + Mr Aldo Pernechele	129,689	1.46
Klip Pty Ltd (Beirne Super Fund A/C)	107,000	1.20
Total	6,013,583	67.59

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Shares Held	
	Number	Percentage
Ragged Range Mining Pty Ltd & Associates	23,085,299	15.87
Norilsk Nickel Australia Pty Ltd	7,800,000	5.36

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

- (a) Ordinary Shares
On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options
The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

Thundelarra Exploration Limited ordinary shares are listed on all member exchanges of the Australian Stock Exchange Limited. The home exchange is the Australian Stock Exchange (Perth) Limited.

6. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the Australian Stock Exchange Limited, Perth as restricted securities.

7. TENEMENTS HELD

Tenement Number/Type	Tenement Name	Holder	Interest (%)	Status
WESTERN AUSTRALIA				
EAST KIMBERLEY				
E80/4266	Mt Pitt	THX	100	Pending (applied 22/06/09)
E80/3800	Rosewood	THX	100	Granted 15/4/09
E80/3975	Rosewood West	THX	100	Granted 14/10/09
E80/3572	Spinifex	THX	100	Granted 28/8/06
E80/4141	Spinifex East	THX	100	Pending (applied 26/02/08)
E80/2836	Frog Hollow	THX/ALT	40/60	Granted 4/7/03
M80/540	Copernicus	THX/PAN	40/60	Granted 8/1/08
EAST KIMBERLEY – Panoramic JV¹				
E80/3705	Black Hills	ALT	100	Granted 8/8/07
E80/3525	Cattle Creek East	THX	100	Granted 22/8/06
E80/4248	Corkwood	THX	100	Pending (applied 24/04/09)
E80/4304	Corkwood	THX	100	Pending (applied 3/09/09)
E80/3876	Corkwood North	THX/ALT	40/60	Granted 8/4/08
E80/3877	Corkwood North	THX/ALT	40/60	Granted 8/4/08
E80/2607	Corkwood South	THX/ALT	40/60	Granted 23/5/02
E80/3873	Corkwood South	THX/ALT	40/60	Granted 8/4/08
E80/2748	Dave Hill	THX/ALT	40/60	Granted 15/1/03
E80/4196	Dougal Bore	THX	100	Granted 19/10/09
E80/4049	Edle Creek North	THX	100	Granted 16/4/09
E80/4215	Edle Creek North	THX	100	Pending (applied 15/12/08)
E80/4249	Edle Creek North	THX	100	Pending (applied 24/04/09)
E80/3499	Edle West	THX	100	Granted 24/7/06
E80/2716	Eileen Bore	THX	100	Granted 8/2/02
E80/3878	Eileen Bore	THX	100	Granted 7/10/08
E80/2878	Frank Hill	THX	100	Granted 13/12/04
E80/4065	Frank Hill East	THX	100	Pending (applied 11/10/07)
E80/4195	Frank Hill North	THX	100	Pending (applied 18/09/08)
E80/4191	Frank Hill South	THX	100	Granted 20/8/09
E80/3704	Koondooloo	ALT	100	Granted 8/8/07
E80/2601	Lamboos	THX	100	Granted 29/7/02
E80/3861	Lamboos	THX	100	Granted 30/1/08
E80/2559	Lamboos West	THX/HAW	80/20	Granted 6/3/03
E80/2817	Mabel Downs	THX/ALT	40/60	Granted 4/3/03
E80/2290	Mable Hill	THX/KMN	50/50	Granted 24/6/98
P80/1742	Marble South	THX	100	Pending (applied 20/01/09)
E80/4224	McKenzie North	THX	100	Pending (applied 12/02/09)
E80/4225	Nine Mile	THX	100	Pending (applied 12/02/09)
E80/3858	Ord River	THX	100	Granted 30/1/08
E80/4194	Palm Yard	THX	100	Pending (applied 17/09/08)

7. TENEMENTS HELD (continued)

Tenement Number/Type	Tenement Name	Holder	Interest (%)	Status
E80/2749	Sally Downs Well	THX/ALT	40/60	Granted 15/8/03
E80/3673	Sophie Downs	THX/ALT	90/10	Granted 5/2/07
E80/4303	Warmun North	THX	100	Pending (applied 3/09/09)
E80/2866	Warmun	THX/ALT	40/60	Granted 16/5/03
E80/4210	Wesley	THX	100	Pending (applied 24/11/08)
GASCOYNE				
E09/1340	Kennedy Range	THX	100	Granted 18/5/07
E09/1707	Kennedy Range	THX	100	Pending (applied 12/10/09)
E09/1573	Kennedy Range South	THX	100	Pending (applied 15/08/08)
PILBARA				
E47/1305	Pyramid Central	THX	100	Granted 21/2/06
E47/1304	Pyramid West	THX	100	Granted 23/1/06
E45/2611	Red Rock	THX/DEG	40/60	Granted 8/11/05
E45/2695	Runton	THX	100	Pending (applied 3/12/04)
PEAK HILL				
E52/1892	Kallenia	CULLEN	100 ²	Granted 5/1/09
E52/1891	Mt Vernon	CULLEN	100 ²	Granted 5/1/09
E52/1890	Yilbrinna Pool	CULLEN	100 ²	Granted 5/1/09
E52/2402	Curara Well	THX	100	Pending (applied 19/05/09)
E52/1940	Kunderong	THX	100	Granted 11/9/08
E52/1909	Paradise	THX	100	Granted 4/8/06
QUEENSLAND				
EPM15849	Gregory Range	THX	100	Granted 13/11/07
EPM17591	Little River	THX	100	Pending (applied 1/05/08)
EPM18086	Pandanus	THX	100	Pending (applied 13/05/09)
NORTHERN TERRITORY				
NGALIA				
EL24879	Alara North	HM, SRK	25/75 ³	Granted 15/8/06
EL24927	Alara South	HM	100 ³	Pending (applied 12/09/05)
EL24928	Alara West	HM, SRLK	25/75 ³	Granted 21/8/06
EL24929	Alara East	HM, SRLK	25/75 ³	Granted 21/8/06
EL24561	Mt Wedge	ALZ	100	Granted 22/6/09
EL25283	Walbiri Range	E92	100	Granted 22/6/09
EL25334	Jabangardi Hill	E92	100	Granted 22/6/09
EL25556	Waite Bore	E92	100	Granted 23/8/07

7. TENEMENTS HELD (continued)

Tenement Number/Type	Tenement Name	Holder	Interest (%)	Status
PINE CREEK				
EL10043	Brumby Gap	EW, JE, RD	10/80/10 ⁴	Granted 5/9/02
EL10167	Frances Creek	EW, JE, RD	10/80/10 ⁴	Granted 5/9/02
EL24549	Allamber 1	AXY	100 ⁵	Granted 23/9/05
EL25477	Allamber 2	AXY	100 ⁵	Granted 26/6/07
EL25478	Allamber 3	AXY	100 ⁵	Granted 26/6/07
EL25479	Allamber 4	AXY	100 ⁵	Granted 26/6/07
EL10120	Yam CK	BPL	100 ⁶	Granted 15/8/02
EL23509	Thunderball EXT	BPL	100 ⁶	Granted 27/2/03
EL25120	Kulbac	RMB, E92	50/50 ⁶	Granted 19/9/06
MC27285	Yam Creek 1	BPL	100 ⁶	Pending (applied 7/04/09)
MC27286	Yam Creek 2	BPL	100 ⁶	Pending (applied 7/04/09)
MC27287	Yam Creek 3	BPL	100 ⁶	Pending (applied 7/04/09)
MCN4902	Priscilla 1	RMB, TG, BCM	80/10/10 ⁶	Granted 8/10/96
MCN4903	Priscilla 2	RMB, TG, BCM	80/10/10 ⁶	Granted 8/10/96
MCN4904	Priscilla 3	RMB, TG, BCM	80/10/10 ⁶	Granted 8/10/96
MCN4905	Priscilla 4	RMB, TG, BCM	80/10/10 ⁶	Granted 8/10/96
MCN4907	Priscilla 5	RMB, TG, BCM	80/10/10 ⁶	Granted 3/8/95
MCN5193	Priscilla 6	RMB, TG	80/20 ⁶	Granted 8/7/04
MCN5194	Priscilla 7	RMB, TG	80/20 ⁶	Granted 26/5/04
MCN5195	Priscilla 8	RMB, TG	80/20 ⁶	Granted 26/6/08
MCN5196	Priscilla 9	RMB, TG	80/20 ⁶	Granted 8/7/04
MCN5197	Priscilla 10	RMB, TG	80/20 ⁶	Granted 31/7/08
MCN5198	Priscilla 11	RMB, TG	80/20 ⁶	Granted 31/7/08
MCN5199	Priscilla 12	RMB, TG	80/20 ⁶	Granted 31/7/08
MCN5200	Priscilla 13	RMB, TG	80/20 ⁶	Granted 31/7/08
EL24931	Burrundie	E92	100	Granted 17/7/06
EL25553	Hayes Creek	THX	100	Granted 26/7/07
EL25868	Mary River	E92	100	Granted 27/9/07
EL26024	McKinlay	THX	100	Granted 3/12/07
EL26955	Mt McLachlan	THX	100	Granted 20/5/09
EL26957	Esmeralda	THX	100	Granted 20/5/09
EL27363	Jigsaw	E92	100	Pending (applied 27/05/09)
EL27364	Nellie Creek	E92	100	Pending (applied 27/05/09)
EL27365	Mt Saunders	E92	100	Pending (applied 27/05/09)
EL27648	Mary River 2	E92	100	Pending (applied 21/09/09)
EL27649	Allamber North	E92	100	Pending (applied 21/09/09)
EL27650	Mary River 1	E92	100	Pending (applied 21/09/09)
EL27675	Giants Reef 1	E92	100	Pending (applied 29/09/09)
EL27707	Giants Reef 2	E92	100	Pending (applied 29/09/09)

Crocodile Gold JV- THX has 70% of the uranium rights on 261 tenements held by Crocodile Gold.

7. TENEMENTS HELD (continued)

Joint Venture Terms:

1	=	Panoramic Resources Option to Acquire 61%
2	=	THX Earning 70%
3	=	THX Earning 70%
4	=	THX Option to Acquire 100%
5	=	THX Option to Acquire 70%
6	=	THX Option to Acquire 100%

Key to Tenement Type:

E	=	Exploration License
ELA	=	Exploration License Application
EPM	=	Exploration Permit Minerals
MLA	=	Mining Lease Application
M	=	Granted Mining Lease
P	=	Prospecting License
PLA	=	Prospecting License Application

Key to Parties:

ALT	=	Altia Resources Pty Ltd
HAW	=	Hawthorn Resources Pty Ltd
THX	=	Thundelarra Exploration Ltd
KMN	=	Kimberley Mining NL
CULLEN	=	Cullen Exploration Pty Ltd
E92	=	Element 92 Pty Ltd
ALZ	=	Aldershot Resources Ltd
PAN	=	Panoramic Resources Limited
DEG	=	De Grey Mining Ltd
SRK	=	Strike Resources Limited
AXY	=	Atom Energy Ltd
BCM	=	Buffalo Creek Mines Pty Ltd
BPL	=	Biddlecombe Pty Ltd
RMB	=	Robert Michael Biddlecombe
HM	=	Hume Mining Pty Ltd
TG	=	Territory Goldfields Pty Ltd
EW	=	Edwin White
JE	=	John Earthrowl
RD	=	Robbie Douglas

UM URANIUM



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