

**ASX  
ANNOUNCEMENT**

**29 January 2010**

**Thundelarra Exploration Ltd**

ABN 74 950 465 654

ACN 085 782 994

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regarding Thundelarra  
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**THUNDELARRA**  
**EXPLORATION**

**FIRST QUARTER ACTIVITY & CASHFLOW  
REPORT FOR THE 3 MONTHS ENDING 31  
DECEMBER 2009**

**HIGHLIGHTS**

**URANIUM EXPLORATION**

- The Thunderball prospect delivers further exceptional drill results including
  - 11m at 3.4% U<sub>3</sub>O<sub>8</sub>
  - 12m at 0.62% U<sub>3</sub>O<sub>8</sub>
- High grade mineralisation has now been defined at Thunderball over a strike exceeding 200 metres
- Detailed, low level airborne geophysical survey significantly upgrades Hayes Creek target definition
- Preparations underway for a substantial escalation in field activity in the Pine Creek Orogen during 2010
- Mobilisation commenced for a major sustained drilling campaign in the Ngalia Basin

**BASE METALS**

- US\$568,500 gross proceeds received from the sale of Copernicus nickel concentrate

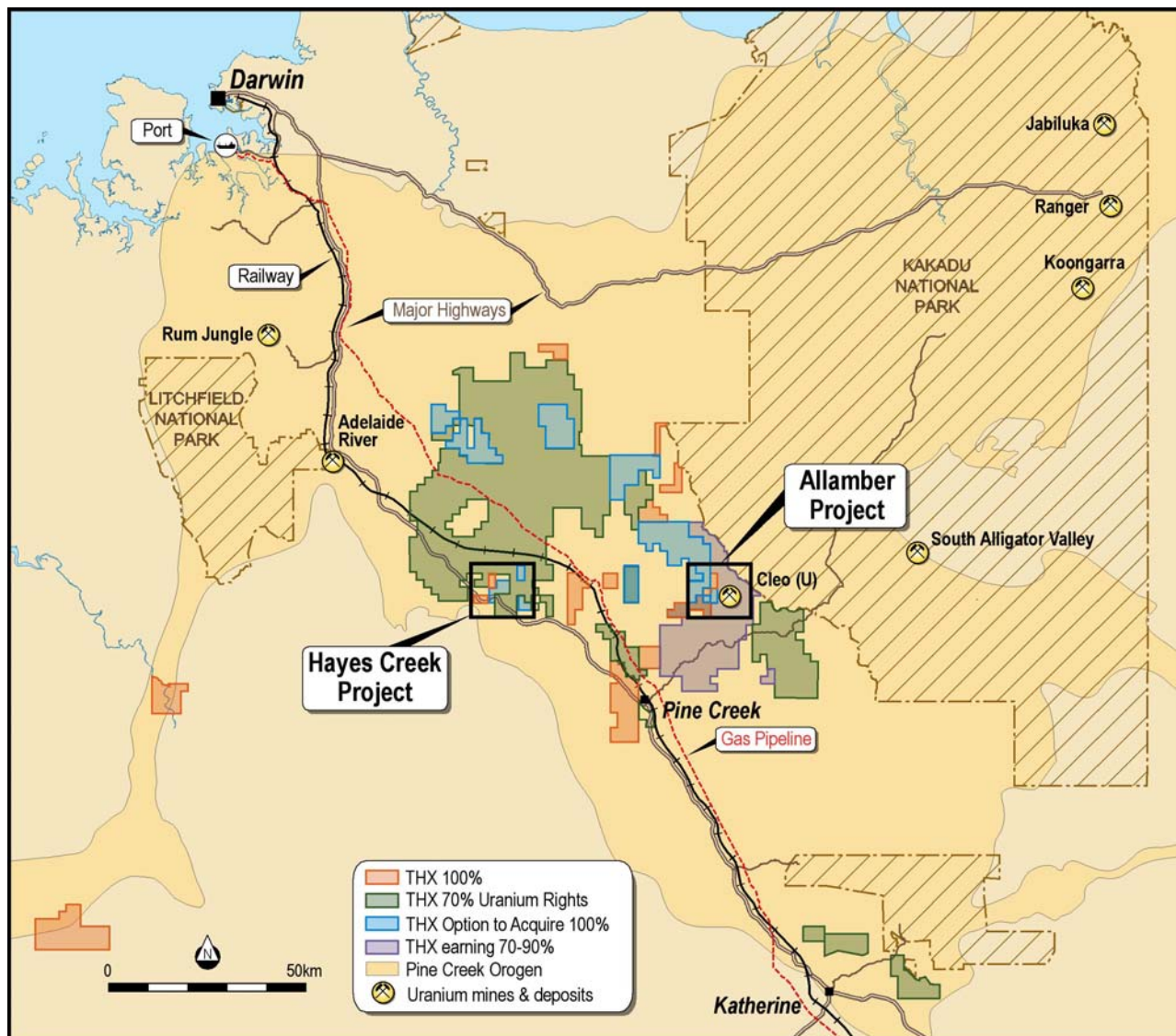
**CORPORATE**

- Remaining shareholding in United Minerals Corporation sold
- Cash on hand at quarter end exceeds \$25 million

## URANIUM NORTHERN TERRITORY

### PINE CREEK OROGEN

#### *Pine Creek Regional Map*



#### Thunderball Prospect

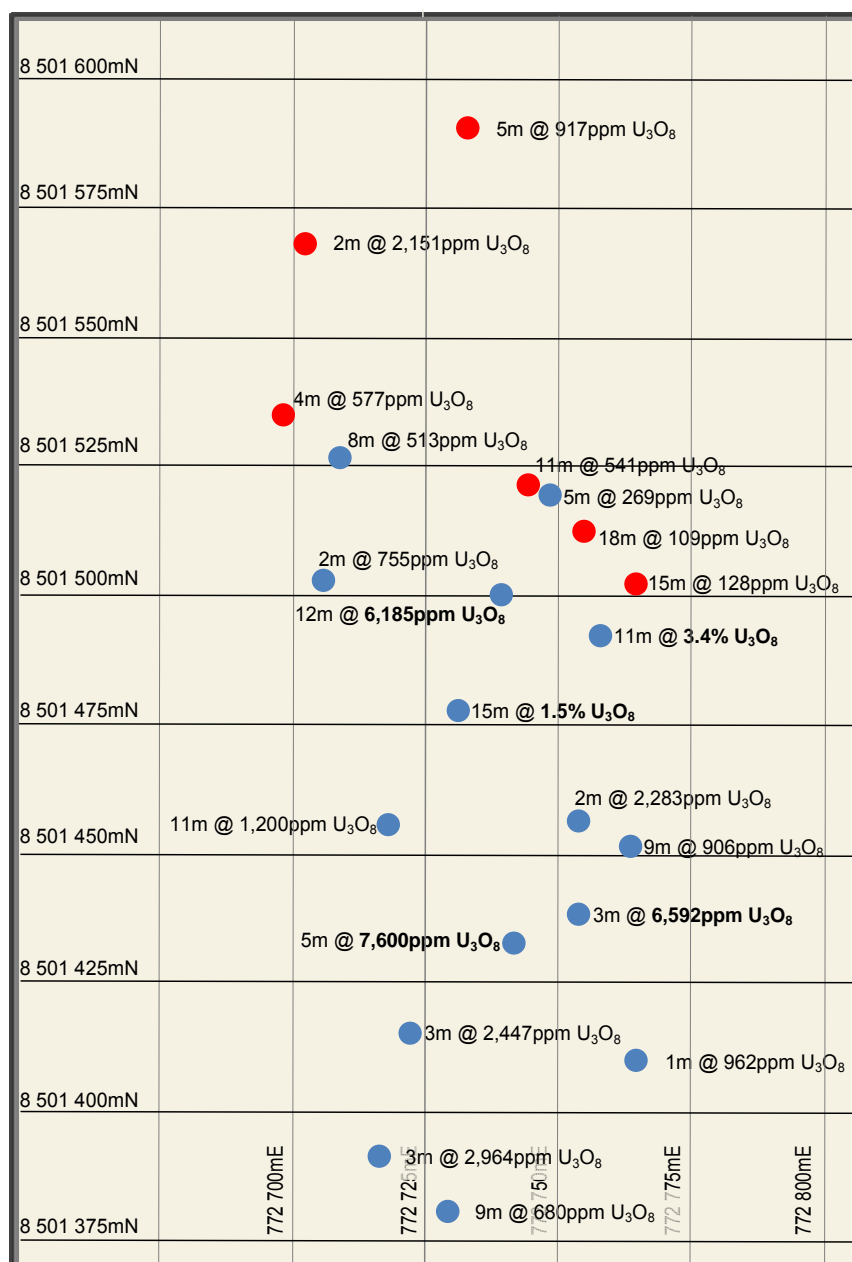
During the quarter a 9 hole, 1,746 metre diamond drilling program was successfully completed at the Thunderball Uranium Prospect within the Hayes Creek Project just prior to the onset of the summer monsoonal rains. Most holes intersected significant uranium mineralisation including:

- 11 metres at 3.4%  $U_3O_8$  in hole TPCDD026
- 12 metres at 0.62%  $U_3O_8$  in hole TPCDD028
- 3 metres at 0.66%  $U_3O_8$  in hole TPCDD032

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 zone that appears to plunge approximately 40 degrees to the north. The highest grade mineralisation occurs at or near the hinge zone of the anticlinal structure.

Importantly drilling has intersected two parallel stacked zones of mineralisation some 70 metres apart vertically. The Lower Zone hosts the high grade mineralisation within a fine grained tuffaceous sequence consisting of interbedded tuffs, cherts, shales and siltstones. The lower grade Upper Zone mineralisation is hosted within a black carbonaceous shale and siltstone sequence. Encouragingly, grades in the Upper Zone have strengthened with depth and to the north. One of the most recent holes, TPCDD031, returned a one metre interval of 3,646 ppm  $U_3O_8$  within an intersection of two metres at 2,151 ppm  $U_3O_8$  from the Upper Zone. These two zones are interpreted to occur at the Gerowie Tuff – Mount Bonnie Formations boundary.

### ***Thunderball Uranium Prospect – Plan View of Significant Drill Intercepts***



● Upper Zone

● Lower Zone

#### **Average Drill Intercept Thickness & Grade**

Lower Zone  
– 6.6m at 7,946 ppm  $U_3O_8$

Upper Zone  
– 5.5m at 779 ppm  $U_3O_8$

Combined  
– 6.4m at 6,644 ppm  $U_3O_8$

Cut-off grade 200 ppm  $U_3O_8$

High grade uranium has now been defined over a strike length exceeding 200 metres and mineralisation remains open to some degree in all directions. Details of the holes drilled during the December quarter are tabulated below:

**Thunderball Uranium Prospect Diamond Drill Results-December Quarter 2009**

| Hole Number      | East          | North          | Dip/Az         | From-To              | Interval   | U <sub>3</sub> O <sub>8</sub> ppm | Tenement |
|------------------|---------------|----------------|----------------|----------------------|------------|-----------------------------------|----------|
| <b>TPCDD026</b>  | <b>772776</b> | <b>8501543</b> | <b>-69/200</b> | <b>144-155m</b>      | <b>11m</b> | <b>3.4%</b>                       | EL23431  |
| TPCDD027         | 772716        | 8501494        | -85/310        | 161-163m             | 2m         | 755 ppm                           | EL23431  |
| <b>TPCDD028</b>  | <b>772696</b> | <b>8501538</b> | <b>-70/131</b> | <b>161-173m</b>      | <b>12m</b> | <b>6,185 ppm</b>                  | EL23431  |
| <b>including</b> |               |                |                | <b>161-162m</b>      | <b>1m</b>  | <b>2.4%</b>                       | EL23431  |
| TPCDD030         | 772696        | 8501538        | -85/131        | 49-53m*              | 4m         | 577 ppm                           | EL23431  |
| and              |               |                |                | 192-200m             | 8m         | 513 ppm                           | EL23431  |
| including        |               |                |                | 192-194m             | 2m         | 1,210 ppm                         | EL23431  |
| TPCDD029         | 772721        | 8501486        | -70/132        | 128-130m             | 2m         | 2,283 ppm                         | EL23431  |
| TPCDD031         | 772682        | 8501590        | -68/136        | 80-82m*              | 2m         | 2,151 ppm                         | EL23431  |
| <b>TPCDD032</b>  | <b>772740</b> | <b>8501465</b> | <b>-75/153</b> | <b>115-118m</b>      | <b>3m</b>  | <b>6,592 ppm</b>                  | EL23431  |
| <b>including</b> |               |                |                | <b>116-117m</b>      | <b>1m</b>  | <b>1.3%</b>                       | EL23431  |
| TPCDD033         | 772708        | 8501614        | -66/132        | 81.8-86.8m*          | 5m         | 917ppm                            | EL23431  |
| TPCDD034         | 772782        | 8501560        | -70/200        | No significant assay |            |                                   |          |

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

\* Upper Zone intercept

All drilling during the quarter was conducted on EL23431 where Thundelarra has a 70% interest in the uranium rights in joint venture with Crocodile Gold Australia Pty Ltd.

## Hayes Creek Project

The results from Thundelarra's low level airborne radiometric and magnetic survey (5,235 line kilometres at 25 metre line spacing) that covered the Thunderball prospect and surrounding area became available during the quarter. Interpretation and assessment of this data is currently underway with the preliminary assessment returning encouraging results including the discovery of a number of new uranium related radiometric anomalies.

During the monsoon season, Thundelarra is planing and making preparations for a major and sustained exploration campaign for the Pine Creek Orogen. Drilling will recommence at Thunderball early April 2010 and at Corkscrew and other advanced prospects as soon as ground conditions allow.

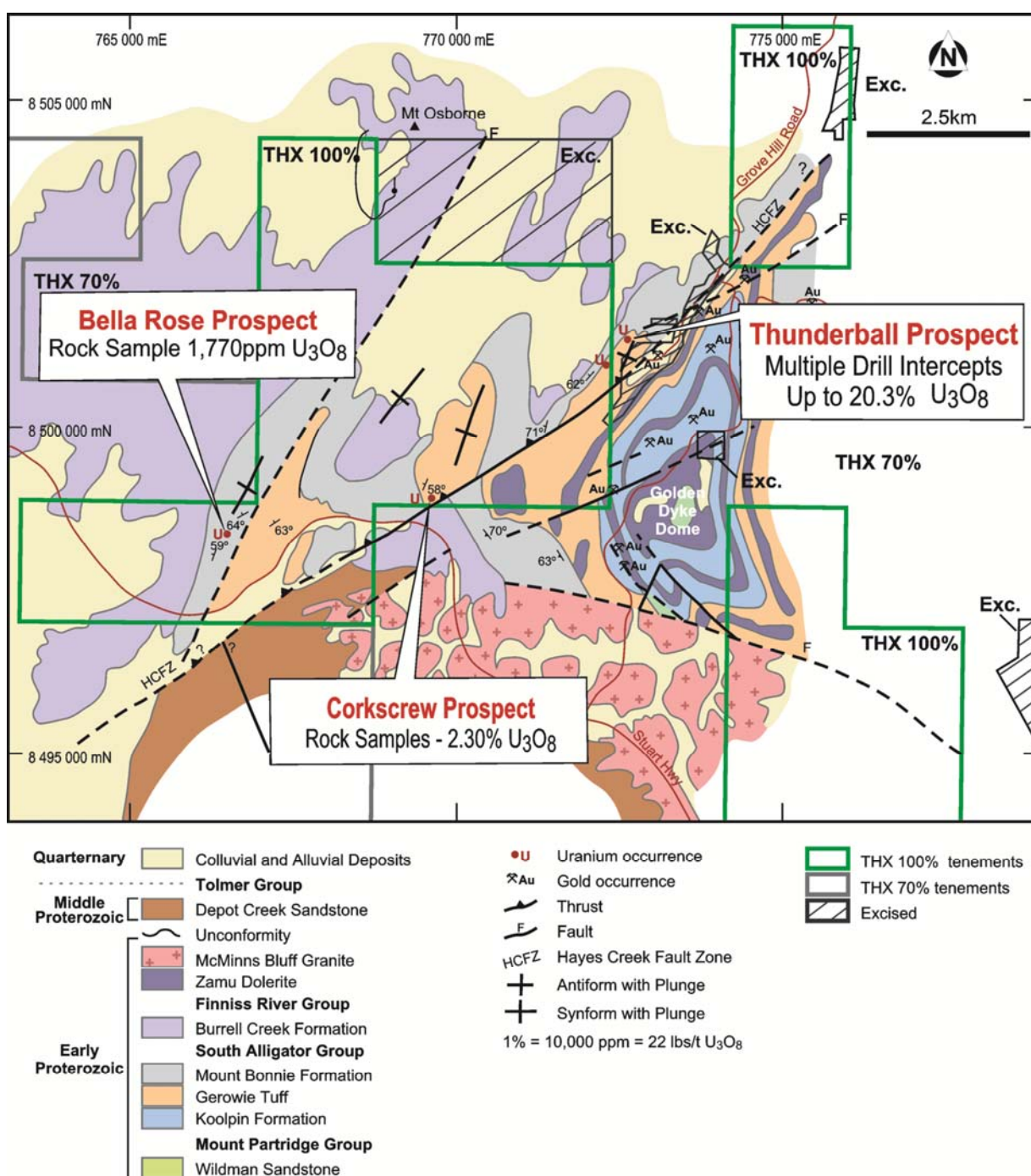
Currently Thundelarra is conducting the following activities related to the Pine Creek Project:

- The detailed assessment of the new radiometric and magnetic data generated by the 25 metre line spaced airborne survey.
- The preparation of a detailed structural map of the Hayes Creek Project area at a 1:25,000 scale integrating all available geophysical and geological datasets.
- SRK Consulting has been commissioned to prepare a detailed structural model of the Thunderball Prospect and to identify the principle controls on mineralisation. The results from this work will aid in the planning of the April drilling program.

- Preliminary metallurgical testwork by the CSIRO on selected mineralised samples from the Thunderball Prospect.
- Mineral identification studies to identify the ore forming and alteration minerals in the mineralised drillcore.
- Age dating of the Thunderball uraninite.
- The updating of the Company's comprehensive database of historical exploration results over the entire Pine Creek project area.

In March 2010 the systematic field assessment of the newly identified targets within the Hayes Creek project area will be conducted in preparation for the commencement of the major regional drilling program.

### Hayes Creek Project Map

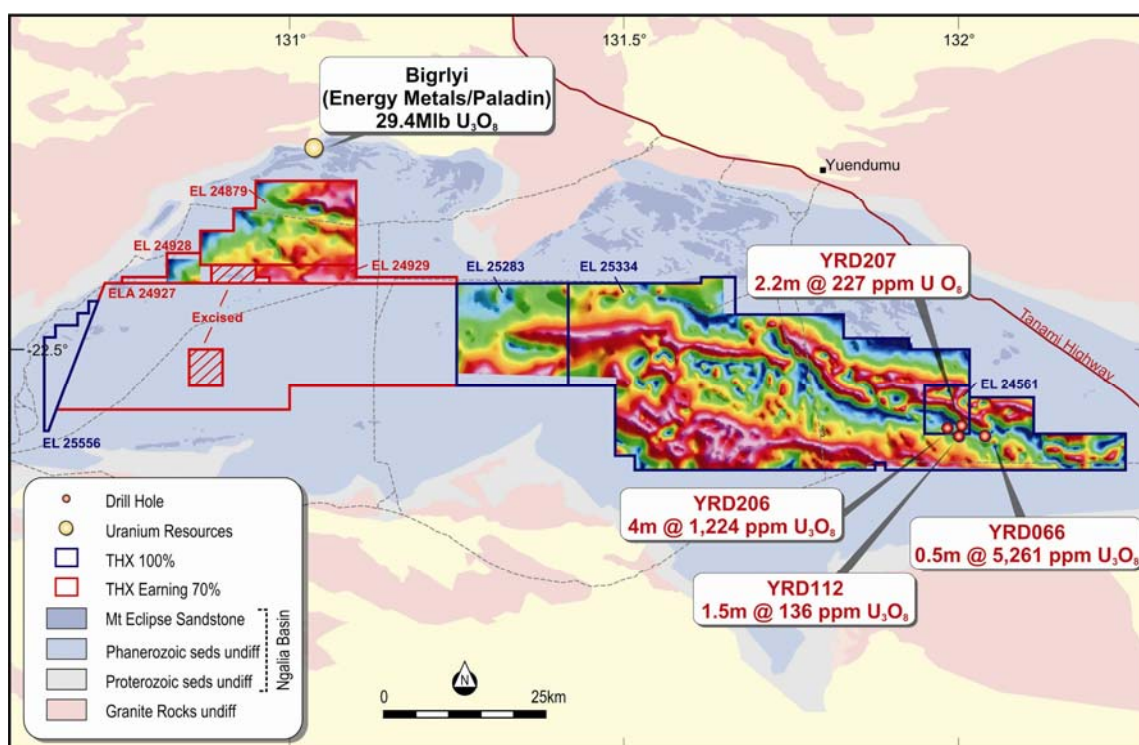


## NGALIA BASIN

During the quarter Thundelarra mobilised a field team to the Ngalia Basin project to commence the initial drilling program for the project. Unfortunately unseasonal rains prevented access to the drill sites and the program was postponed.

On the 8th February the Thundelarra field team and a multi-purpose drill rig will again mobilise to the project with drilling scheduled to commence shortly thereafter. It is anticipated that drilling will continue for the entire field season with approximately 10,000 metres of mud rotary/diamond drilling planned for the initial program.

### *Ngalia Basin – Tenements and Gravity Plan*



## URANIUM WESTERN AUSTRALIA AND QUEENSLAND

Limited work was conducted on Thundelarra's four non-NT uranium projects during the quarter. A brief field trip was made to the Gregory Range Project in Queensland and a number of rock and channel samples collected. No assay results are yet available from this sampling program.

## BASE METALS

### **COPERNICUS NICKEL MINE**

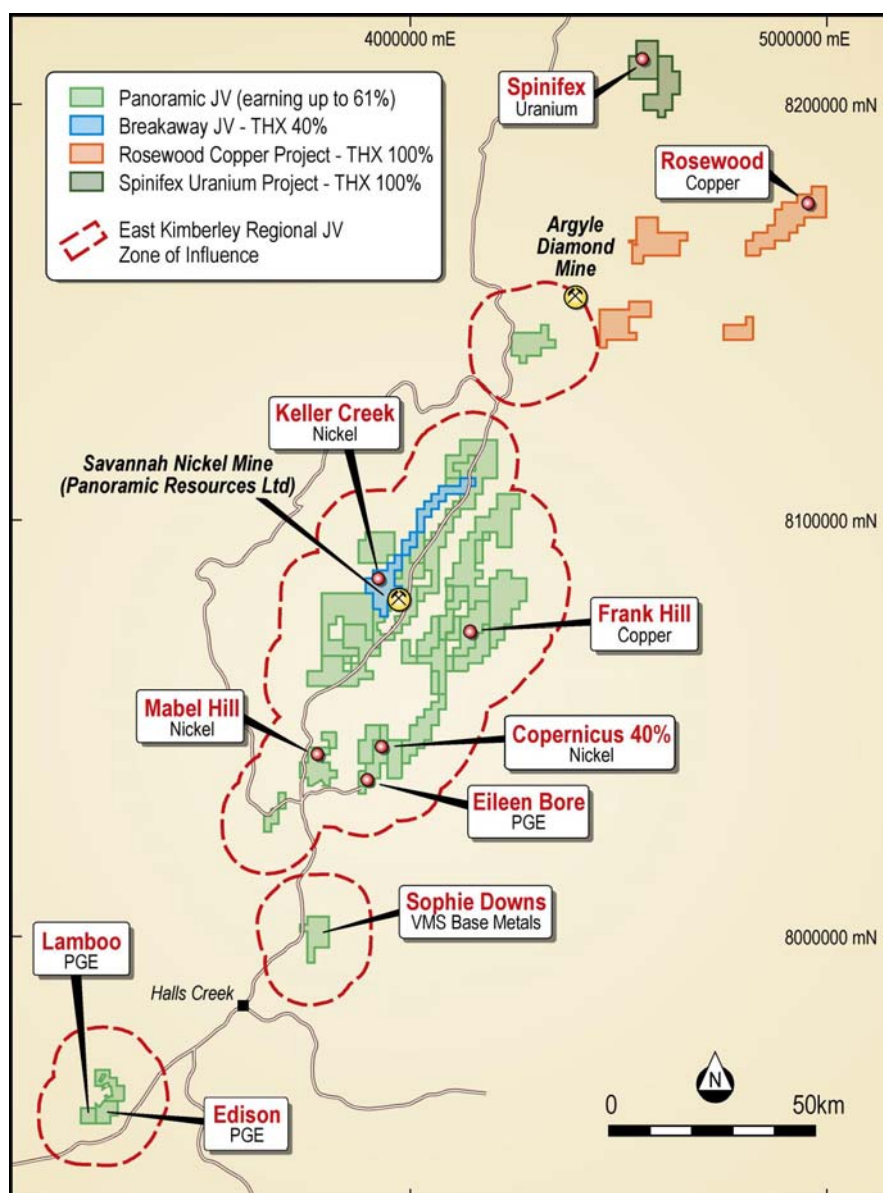
Processing of stockpiled ore was completed early in the quarter producing in total 1,700 tonnes of nickel concentrate of which 680 tonnes were attributable to Thundelarra. The concentrate was sold to the Jinchuan Group and Thundelarra received provisional gross proceeds of US\$568,500.

The Copernicus open pit remains on care and maintenance pending a determination by the joint venture that future commodity prices and exchange rate are likely to sustain levels that will deliver a satisfactory profit margin.

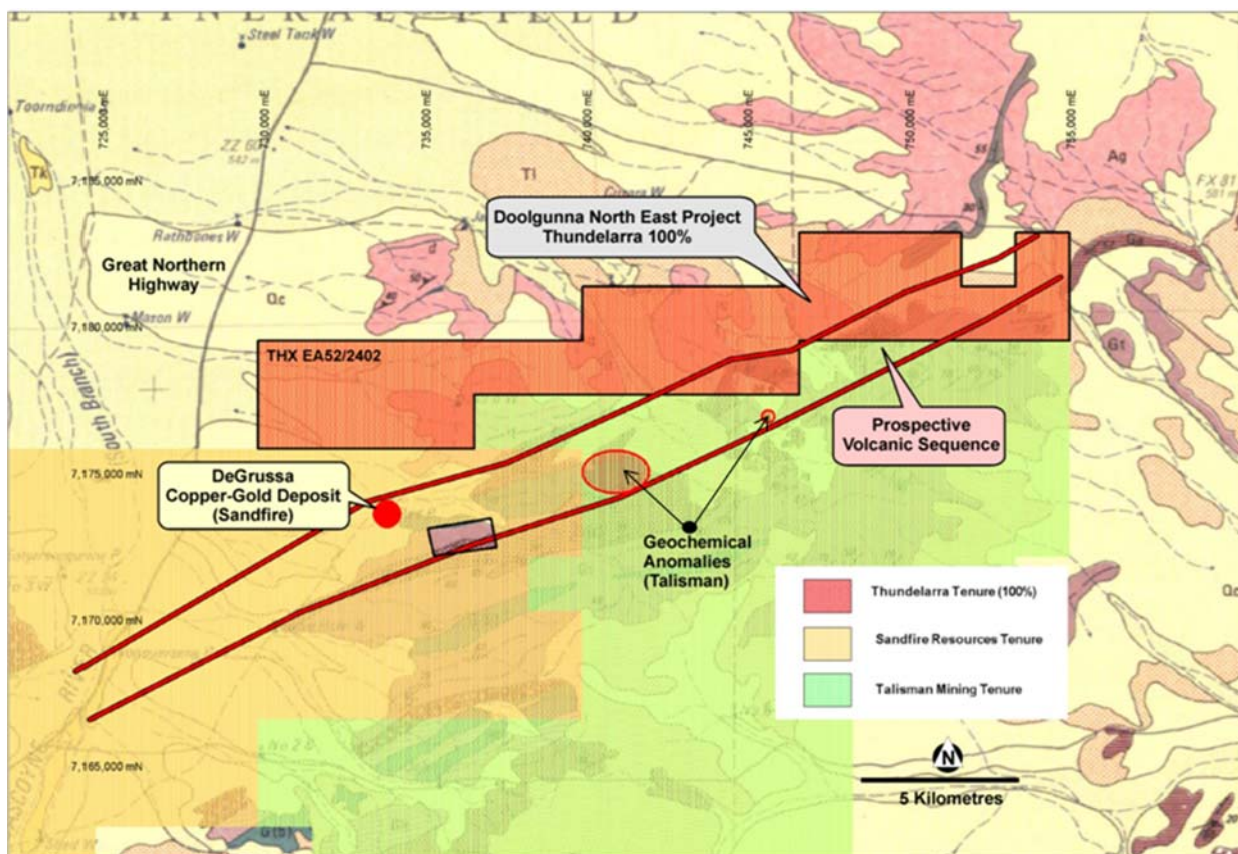
## EAST KIMBERLEY EXPLORATION JOINT VENTURE

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

Exploration on the Joint Venture tenements commenced during the December quarter with surface gravity surveys completed at Copernicus, Eileen Bore and Mabel Hill, all prospects with known mineralisation. Ground magnetic surveys were completed at Eileen Bore, Azura, Mendel, Spring Creek and Dusty Bore. An airborne gravity survey over the tenements has commenced and is scheduled for completion in the March quarter. Following the compilation of the newly collected geophysical data with the existing geological and geochemical information a targeting exercise will be undertaken.



## DOOLGUNNA PROJECT



During the September quarter 2009 Thundelarra lodged an application for an exploration license (ELA52/2402) of approximately 80 km<sup>2</sup> in an area situated to the north-east and immediately adjacent to Sandfire Resources NL (SFR) Doolgunna tenements.

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

The tenement is currently going through the statutory approvals process and should be granted by mid-March 2010. Field exploration programs will commence immediately after the granting of the project tenement.

## **CORPORATE**

During the quarter Thundelarra divested the remainder of its shareholding in United Minerals Corporation generating net proceeds of \$25,176,000.

At quarter end the Company retained cash holdings in excess of \$25 million.

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

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

**THUNDELARRA EXPLORATION LTD**

ACN

**085 782 994**

Quarter ended ("current quarter")

**30 DECEMBER 2009**

### Consolidated statement of cash flows

| Cash flows related to operating activities        |  | Current quarter<br>\$A'000 | Year to date (3 months)<br>\$A'000 |
|---|--|----------------------------|------------------------------------|
| 1.1   | Receipts from product sales and related debtors            | 618                        | 618                                |
| 1.2   | Payments for   |                            |                                    |
|   | (a) exploration and evaluation                             | (1,094)                    | (1,094)                            |
|   | (b) development  | -                          | -                                  |
|   | (c) production   | -                          | -                                  |
|   | (d) administration   | (705)                      | (705)                              |
| 1.3   | Dividends received   | -                          | -                                  |
| 1.4   | Interest and other items of a similar nature received      | 31                         | 31                                 |
| 1.5   | Interest and other costs of finance paid                   | -                          | -                                  |
| 1.6   | Income taxes paid  | -                          | -                                  |
| 1.7   | Other – UMC transaction fees                               | (200)                      | (200)                              |
|   | <b>Net Operating Cash Flows</b>                            | <b>(1,350)</b>             | <b>(1,350)</b>                     |
| <b>Cash flows related to investing activities</b> |  |                            |                                    |
| 1.8   | Payment for purchases of:                                  |                            |                                    |
|   | (a)prospects   | -                          | -                                  |
|   | (b)equity investments                                      | (123)                      | (123)                              |
|   | (c) other fixed assets                                     | (16)                       | (16)                               |
| 1.9   | Proceeds from sale of:                                     |                            |                                    |
|   | (a)prospects   | -                          | -                                  |
|   | (b)equity investments                                      | 25,176                     | 25,176                             |
|   | (c)other fixed assets                                      | 4                          | 4                                  |
| 1.10  | Loans to other entities                                    | -                          | -                                  |
| 1.11  | Loans repaid by other entities                             | -                          | -                                  |
| 1.12  | Other – Redemption of security deposits                    | -                          | -                                  |
|   | - Placement of security deposits                           | (60)                       | (60)                               |
|   | - Payment for intangibles                                  | (1)                        | (1)                                |
|   | <b>Net investing cash flows</b>                            | <b>24,980</b>              | <b>24,980</b>                      |
| 1.13  | Total operating and investing cash flows (carried forward) | 23,630                     | 23,630                             |

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

|   |   |        |        |
|---|---|--------|--------|
| <b>Cash flows related to financing activities</b> |   |        |        |
| 1.14  | Proceeds from issues of shares, options, etc. | 552    | 552    |
| 1.15  | Proceeds from sale of forfeited shares        | -      | -      |
| 1.16  | Proceeds from borrowings                      | -      | -      |
| 1.17  | Repayment of borrowings                       | -      | -      |
| 1.18  | Dividends paid                                | -      | -      |
| 1.19  | Other – share issue costs                     | -      | -      |
| <b>Net financing cash flows</b>                   |   | 552    | 552    |
| <b>Net increase (decrease) in cash held</b>       |   | 24,182 | 24,182 |
| 1.20  | Cash at beginning of quarter/year to date     | 936    | 936    |
| 1.21  | Exchange rate adjustments to item 1.20        | -      | -      |
| 1.22  | Cash at end of quarter                        | 25,118 | 25,118 |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 236                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

Thundelarra's financial year is from the period 1 October 2009 to 30 September 2010.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 650        |
| 4.2 Development                | -          |
| <b>Total</b>                   | <b>650</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 900                        | 459                         |
| 5.2 Deposits at call                             | 24,218                     | 477                         |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (bank guarantees)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>25,118</b>              | <b>936</b>                  |

## Changes in interests in mining tenements

|     | Tenement reference  | Nature of interest (note (2))                       | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|---|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |   |                                  |                            |
| 6.2 | Interests in mining tenements acquired or increased           | Kennedy Range South<br>Rosewood West<br>Dougal Bore | Nil<br>Nil<br>Nil                | 100%<br>100%<br>100%       |

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number         | Number quoted        | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|----------------------|----------------------|---|--|
| 7.1  | -                    | -                    | -   | -  |
| 7.2  |                      |                      |   |  |
| Preference + securities (description)                            |                      |                      |   |  |
| Changes during quarter   |                      |                      |   |  |
| (a) Increases through issues                                     | -                    | -                    | -   | -  |
| (b) Decreases through returns of capital, buy-backs, redemptions | -                    | -                    | -   | -  |
| 7.3  | 145,505,563          | 145,505,563          | -   | -  |
| +Ordinary securities   |                      |                      |   |  |
| Changes during quarter   |                      |                      |   |  |
| (a) Increases through issues                                     | 1,000,000<br>509,820 | 1,000,000<br>509,820 | \$0.45<br>\$0.20                              | -  |
| (b) Decreases through returns of capital, buy-backs              | -                    | -                    | -   | -  |
| 7.5  | -                    | -                    | -   | -  |
| +Convertible debt securities (description)                       |                      |                      |   |  |
| Changes during quarter   |                      |                      |   |  |
| (a) Increases through issues                                     | -                    | -                    | -   | -  |
| (b) Decreases through securities matured, converted              | -                    | -                    | -   | -  |

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

|      |   |           |           |                       |                    |
|------|---|-----------|-----------|-----------------------|--------------------|
| 7.7  | <b>Options</b> <i>(description and conversion factor)</i> | 8,897,945 | 8,897,945 | <i>Exercise price</i> | <i>Expiry date</i> |
|      |   | 200,000   | -         | \$0.55                | 29/03/2013         |
|      |   | 1,500,000 | -         | \$0.50                | 28/02/2010         |
|      |   | 1,000,000 | -         | \$0.50                | 28/02/2010         |
|      |   | 1,000,000 | -         | \$0.50                | 31/05/2010         |
|      |   | 1,000,000 | -         | \$0.68                | 31/05/2011         |
|      |   | 360,000   | -         | \$0.52                | 31/05/2011         |
|      |   | 3,500,000 | -         | \$0.45                | 30/06/2011         |
|      |   | 350,000   | -         | \$0.47                | 30/11/2010         |
|      |   | 4,250,000 | -         | \$0.47                | 31/12/2011         |
|      |   | 400,000   | -         | \$0.50                | 28/02/2013         |
|      |   | 440,000   | -         | \$0.39                | 03/04/2011         |
|      |   | 440,000   | -         | \$0.52                | 30/06/2012         |
|      |   | 350,000   | -         | \$0.11                | 31/12/2012         |
|      |   | 4,250,000 | -         | \$0.20                | 26/02/2014         |
|      |   | 910,000   | -         | \$0.32                | 30/09/2012         |
| 7.8  | Issued during quarter                                     |           |           |                       |                    |
| 7.9  | Exercised during quarter                                  | 1,000,000 | 1,000,000 | \$0.45                | 30/11/2010         |
|      |   | 509,820   | 509,820   | \$0.20                | 29/03/2013         |
| 7.10 | Expired during quarter                                    | -         | -         | -                     | -                  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>                 | -         | -         |                       |                    |
| 7.12 | <b>Unsecured notes</b><br><i>(totals only)</i>            | -         | -         |                       |                    |

## Compliance statement

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



Sign here:  
(Director /Company Secretary)

Date: 29 January 2010

Print name: FRANK DE MARTE

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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