

## FOURTH QUARTER ACTIVITY & CASHFLOW REPORT 30 SEPTEMBER 2010

### HIGHLIGHTS

#### URANIUM EXPLORATION

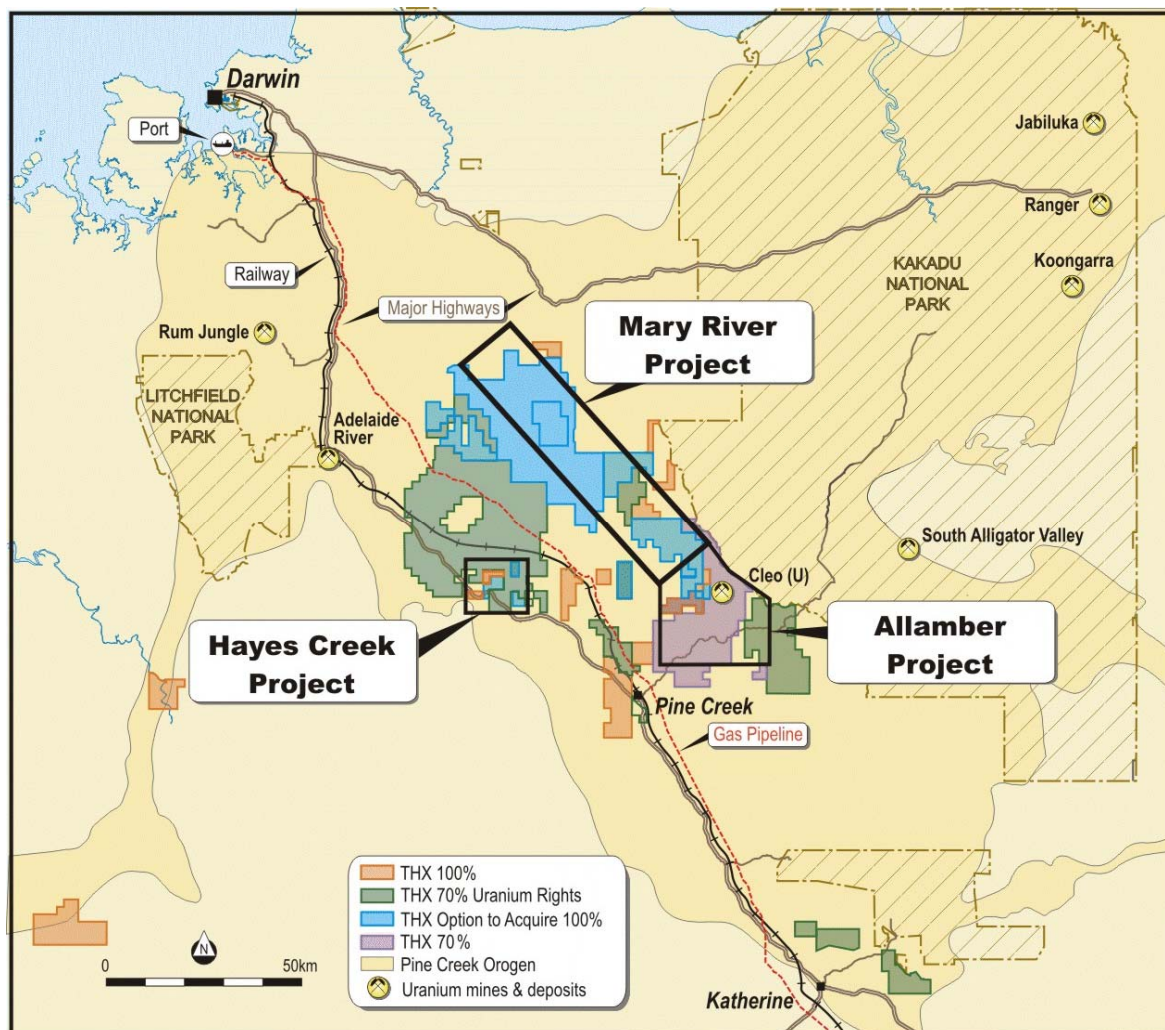
- Further high grade drill intercepts from the Thunderball Prospect
  - Hole TPCRD069 – 7.85 metres at 5,901 ppm  $U_3O_8$  including 1.0 metre at 2.5%  $U_3O_8$
  - Hole TPCRD093 – 15.0 metres at 8,633 ppm  $U_3O_8$  including 9.0 metres at 1.4%  $U_3O_8$
- Bella Rose delivers Thundelarra's best drill intercept outside Thunderball
  - Hole TPCRC106 – 6.0 metres at 1,415 ppm  $U_3O_8$  including 2.0 metres at 3,835 ppm  $U_3O_8$
- A new discovery at the Mt Osborne Prospect
  - Hole TPCRC098 – 2.0 metres at 971 ppm  $U_3O_8$
- Extensive zone of uranium mineralisation defined at the Ngalia Basin
  - 15 holes intersect paleochannel mineralisation over a 12 km strike
  - Uranium grades of up to 1,798 ppm  $U_3O_8$
- Drilling continues at the Hayes Creek and Allamber Projects

#### BASE METALS

- Drilling at Red Bore intersects significant copper/gold mineralisation
  - Hole TRBC003 – 8 metres at 3.41% copper and 0.10g/t gold
  - Hole TBRC005 – 17 metres at 11.71% copper and 1.73g/t gold including 7 metres at 21.5% copper and 2.30g/t gold
  - Hole TRBC008 – 2 metres at 5.31% copper and 1.05g/t gold
  - Hole TRBC012 – 10 metres at 2.13% copper and 0.62g/t gold
- Two additional Doolgunna region tenements secured
- Major geophysical programs at the EKJV identify multiple anomalies

#### CORPORATE

- Strong cash position maintained – \$19.2 million at quarter end
- \$1.25 million proceeds from exercise of options during the quarter
- An additional \$0.5 million received from option exercise post quarter end

**URANIUM NORTHERN TERRITORY****PINE CREEK OROGEN****Hayes Creek Uranium Project**

During the September 2010 quarter Thundelarra drilled an additional 14 holes (2445 metres) on the Hayes Creek Uranium Project and received all assays from holes completed during the previous quarter.

At the Thunderball prospect, six diamond core holes and nine reverse circulation holes produced a number of robust intersections from within the central part of the prospect, with lesser intercepts around the periphery defining the limits of significant mineralisation. Drill hole locations are displayed in Figure 1. Significant drill intercepts include:

- TPCRD069 – 7.85 metres at 5,901 ppm  $U_3O_8$   
including 1 metre at 2.5%  $U_3O_8$
- TPCRD093 – 15 metres at 8,633 ppm  $U_3O_8$   
including 9 metres at 1.4%  $U_3O_8$   
including 1 metre at 11.3%  $U_3O_8$

Hole TPCRC066, drilled just to the north of the Upper Zone at Thunderball (772,739mE, 8,501,561mN), intersected 12 metres grading 4.96 g/t gold, including 4 metres at 10.90 g/t, from 66 metres down hole. This hole is located on a tenement where Thundelarra only has uranium rights, the gold rights are held by Crocodile Gold Australia Pty Ltd.

The Thunderball prospect is situated on exploration license EL23431. Thundelarra holds a 70% interest in the uranium rights on EL23431 in joint venture with Crocodile Gold Australia Pty Ltd. Bella Rose and Mt Osborne are situated on tenements in which Thundelarra has full ownership.

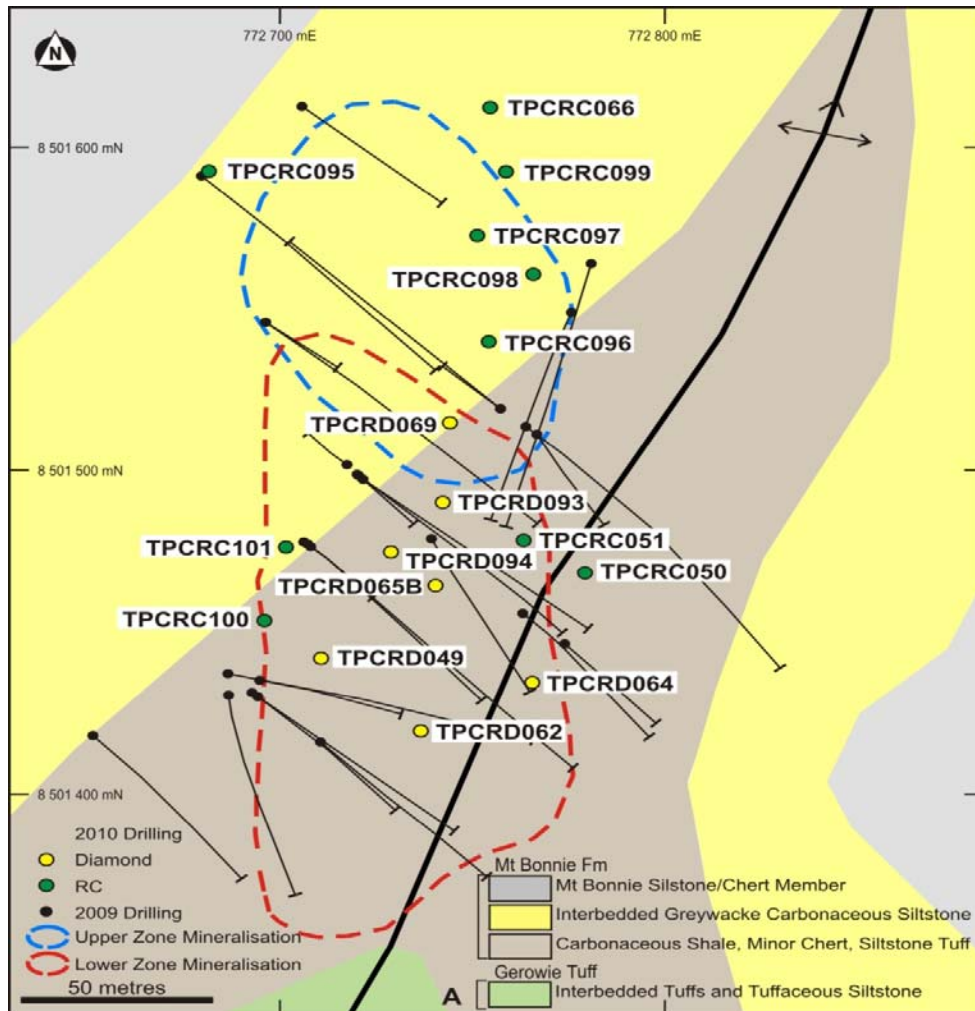
#### THUNDERBALL DRILLING RESULTS

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm or %)
<b>THUNDERBALL (EL23431 – THX 70%)</b>						
TPCRD062	772738	8501398	Vertical	94-97.1	<b>3.1</b>	<b>1,846</b>
TPCRD064	772768	8501415	Vertical	9-12	3.0	121
AND				14-15	1.0	119
TPCRD065B	772744	8501447	Vertical	118.75-122	<b>3.25</b>	<b>3,265</b>
INCLUDING				119.75-120.25	<b>0.5</b>	<b>1.3%</b>
AND				125-127.5	2.5	430
TPCRD069	772749	8501506	Vertical	34-37	3.0	147
AND				142-143	1.0	114
AND				145-146	1.0	234
AND				150.4-158.25	<b>7.85</b>	<b>5,901</b>
INCLUDING				151.4-152.4	<b>1.0</b>	<b>2.5%</b>
AND				162-163	1.0	1,123
TPCRD093	772745	8501470	Vertical	135-150	<b>15.0</b>	<b>8,633</b>
INCLUDING				141-150	9.0	1.4%
INCLUDING				146-147	1.0	11.3%
TPCRD094	772731	8501458	Vertical	128.15-130	1.85	807
TPCRC095	772680	8501590	Vertical	99-100	1.0	126
AND				103-108	5.0	122
TPCRC096	772755	8501540	Vertical	43-57	14.0	459
AND				60-69	9.0	273
TPCRC097	772751	8501573	Vertical	59-61	2.0	119
AND				90-91	1.0	138
TPCRC098	772766	8501560	Vertical	47-50	3.0	156
TPCRC099	772759	8501592	Vertical	71-72	1.0	117
AND				85-87	2.0	166
TPCRC100	772700	8501434	Vertical	136-137	1.0	176
TPCRC101	772697	8501472	Vertical	NSR		
TPCRC102	772789	8501740	-70/129	194-202	8.0	879
TPCRC103	772235	8501034	Vertical	NSR		

Drilling along the Bella Rose Fault Zone, located 2-3 kilometres west of Thunderball also returned significant uranium results. This north-east trending structure parallels the Hayes Creek Fault and strikes for over 20 kilometres within the project area, but remains almost entirely untested.

Hole TPCRC098 intersected 2 metres at 971ppm  $U_3O_8$  at the Mt Osborne South prospect. Three kilometres to the south and along the same fault zone, hole TPCRC106 intersected 6 metres at 1,415 ppm  $U_3O_8$  including 2 metres at 3,835 ppm  $U_3O_8$ , the best drill intercept Thundelarra has received to date outside of the Thunderball prospect.

#### THUNDERBALL DRILL HOLE LOCATION PLAN



#### BELLA ROSE FAULT ZONE DRILLING RESULTS

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	$U_3O_8$ (ppm or %)
<b>Bella Rose (EL25553 –THX 100%)</b>						
TPCRC104	766678	8498621	-60/124	NSR		
TPCRC105	766786	8498729	-60/124	135-137	2.0	546
TPCRC106	766786	8498730	-70/124	80-86	6.0	1,415
INCLUDING				81-83	2.0	3,835
AND				113-116	3.0	533
AND				162-163	1.0	248

**Note:** Datum is MGA Zone 52 GDA94, collar positions recorded using GPS

**NSR =** No results above 100ppm  $U_3O_8$

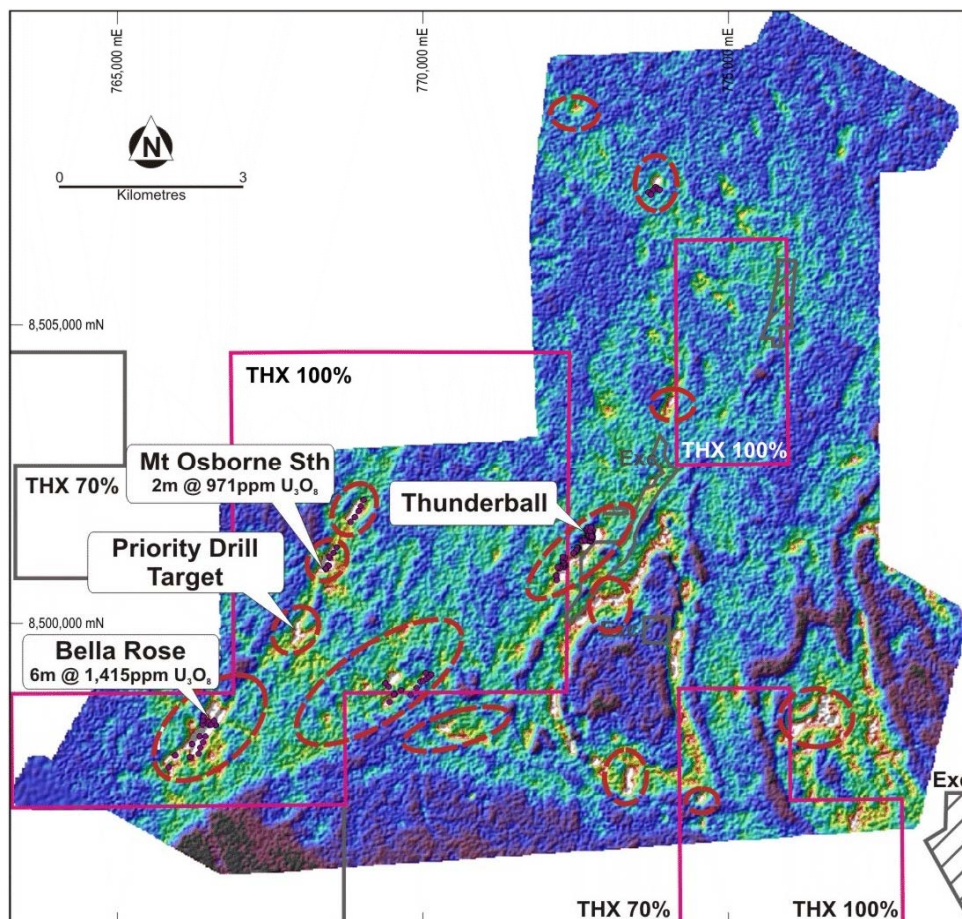
Holes designated TPCRC were drilled by reverse circulation

Holes designated TPCRD were pre-collared by reverse circulation with diamond core tails through the target zone



On the 7 October 2010, Thundelarra announced the commencement of a 5,500 metre reverse circulation (RC) program at the Hayes Creek Project. This program will test five prospects, including follow up of high grade intercepts produced during the last phase of drilling at Bella Rose and Mt Osborne South. The other three targets are as yet untested by drilling, but host high order radiometric anomalies coincident with significant structural features.

#### HAYES CREEK RADIOMETRIC PLAN



#### Allamber Uranium Joint Venture

On the 11 October 2010, Thundelarra commenced a 3,500 metre RC drilling program to evaluate a number of priority targets within the Allamber Uranium Joint Venture area. Thundelarra through its wholly owned subsidiary Element 92 Pty Ltd holds a 70% interest in the four joint venture tenements with Excelsior Gold Limited retaining a 30% contributing interest. The tenements, covering some 482km<sup>2</sup> contain the Cleo's deposit which hosts a near surface inferred resource totalling 1.4Mt at 304ppm U<sub>3</sub>O<sub>8</sub> (at 100ppm cut-off) containing 960,000lbs U<sub>3</sub>O<sub>8</sub>.

#### Pine Creek Regional

During the September 2010 quarter Thundelarra conducted an 18,000 line kilometre detailed magnetic and radiometric airborne survey over the eastern portion of the Company's Pine Creek Project. This extensive area is prospective for uranium along the western contact of the Allamber Granite and associated with the north east trending Hayes Creek Fault Zone. This fault zone can be traced for over 50 kilometres within the Pine Creek Project area and remains largely untested away from the Thunderball discovery.

## NGALIA BASIN URANIUM PROJECT

Thundelarra's first drilling program at the Ngalia Basin project was completed just after quarter end. A total of 58 holes were drilled for 6968.6 metres using a combination of Mud Rotary, Diamond Coring and Air Core techniques.

### SUMMARY DRILLING STATISTICS FOR NGALIA BASIN 2010 DRILLING PROGRAM

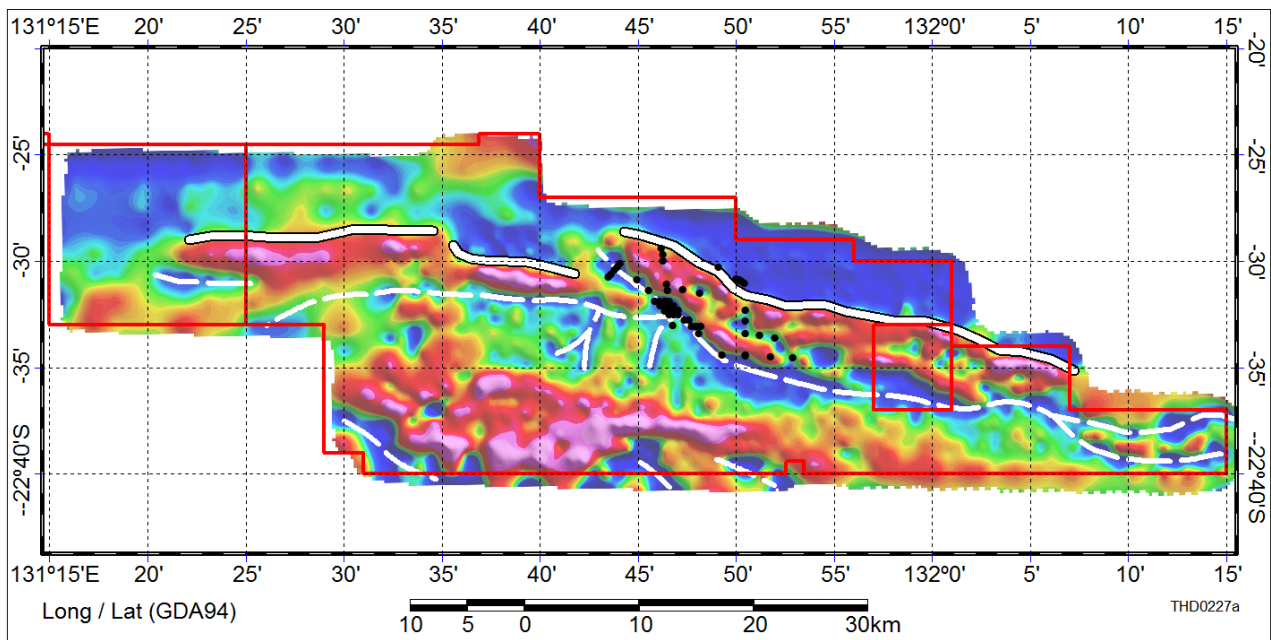
Drilling Type	Metres Drilled
Mud Rotary	3277.2
Diamond Coring (NQ3)	1338.4
Air Core	2303.0
<b>Total</b>	<b>6968.6</b>

The drilling program successfully demonstrated that potentially economic grades and thicknesses of uranium mineralisation occur in both the Tertiary and Mt Eclipse sandstone sequences. Paleochannel-style uranium mineralisation in the Tertiary sequence has been intersected in 15 holes over a strike length of 12 kilometres. The paleochannel systems that host the uranium mineralisation are expected to continue over a strike length exceeding 40 kilometres along a regionally extensive gravity trough on Thundelarra's 100% owned tenure. The high grade results previously reported (see ASX announcement 23 June 2010) confirm that the gravity anomaly also represents a structure along which Bigirlyi-style uranium mineralisation can be found. Thick sequences of coarse and reduced Mt Eclipse sandstone have been intersected in drilling on both sides of the gravity anomaly, with the advantage of only minor Tertiary cover along the northern margin (TNG002MD). This older mineralisation is considered likely to be the source of uranium now found in the Lower Tertiary.

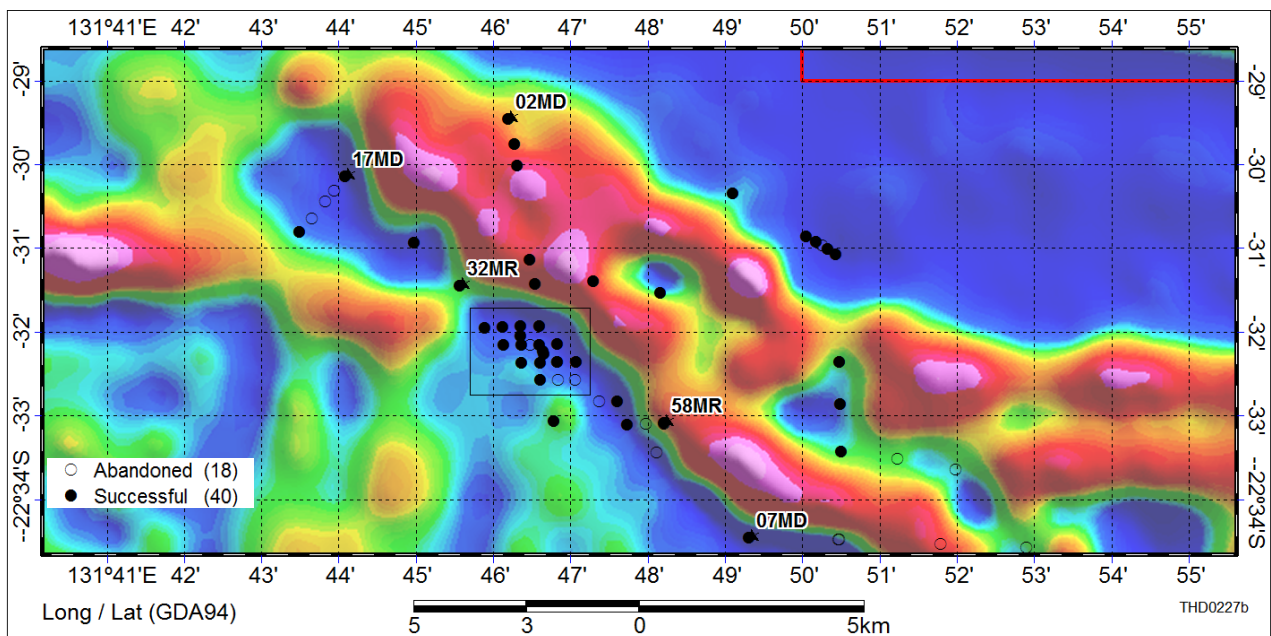
A significant zone of mineralisation has been discovered at the Afghan Swan prospect, where nine holes have outlined a 0.6 sq km zone with maximum grades to 1,798 ppm  $U_3O_8$ , and thicknesses up to 4.35 metres. This zone is open to the northwest.

Within the Afghan Swan anomaly, significant results include:

TNG034AC:	3.0m at 670 ppm $U_3O_8$ including 1.0m at 1,798 ppm $U_3O_8$
TNG045MD:	1.05m at 708 ppm $eU_3O_8$ including 0.55m at 1150 ppm $eU_3O_8$
TNG021MD:	4.35m at 317 ppm $eU_3O_8$ including 0.55m at 922 ppm $eU_3O_8$
TNG035MD:	4.35m at 209 ppm $eU_3O_8$ including 0.25m at 749 ppm $eU_3O_8$
TNG006MD:	1.8m at 276 ppm $eU_3O_8$ including 0.32m at 1547 ppm $U_3O_8$
TNG032MR:	0.8m at 322 ppm $eU_3O_8$ including 0.2m at 656 ppm $eU_3O_8$

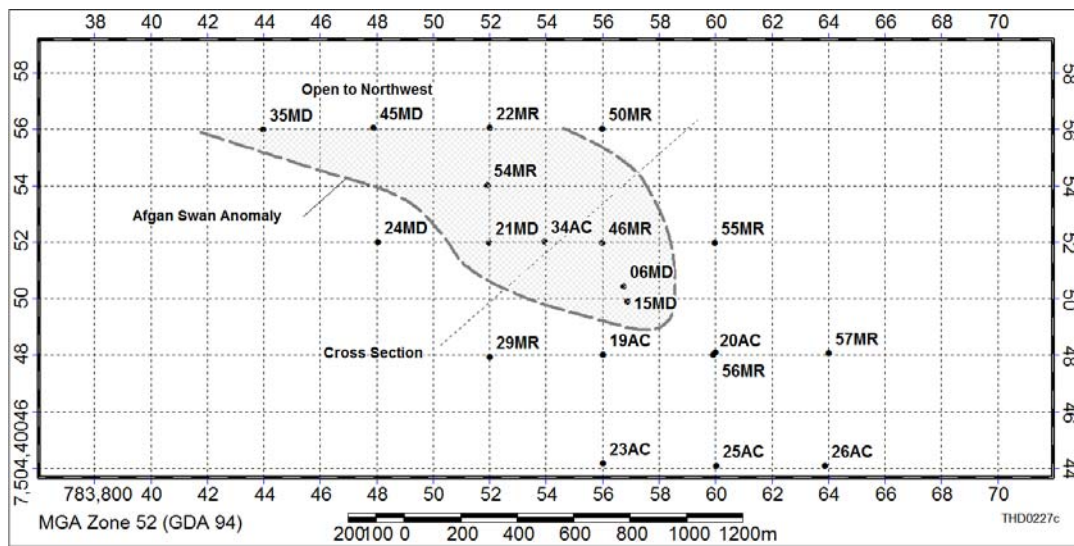


Ngalia Basin project – Thundelarra 100% owned Exploration Licenses in the eastern half of the project. The drilling has tested only a small portion of the license area, in particular, the full strike extent of the gravity anomaly is now considered prospective uranium mineralisation hosted by Tertiary (to the south, along dashed lines) and by the Mt Eclipse Sandstone (to the north, along solid lines).



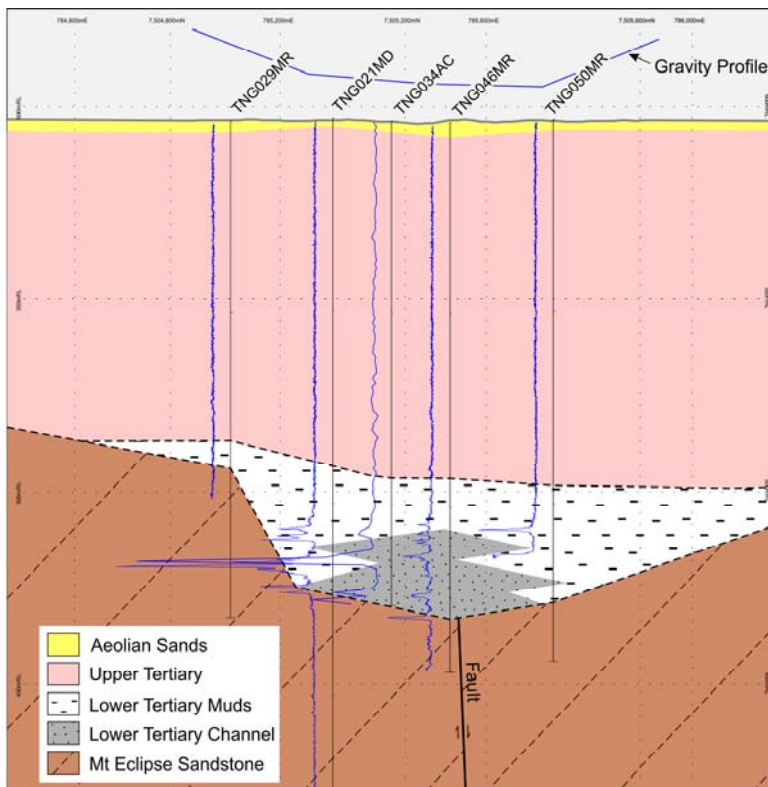
Thundelarra 2010 drilling program on the gravity residual image. The Afghan Swan inset map area is shown. Holes referred to in this announcement that are outside this area are labelled. Lower Tertiary uranium mineralisation has been detected in a 12km zone between TNG007MD and TNG017MD.





Afghan Swan prospect drilling, showing anomalous zone (hatched) listed in Tables 2-4. The zone is open toward the northwest toward TNG032MR (mineralised).

Interpretation of the drilling data indicates that uranium mineralisation occurs along a package of grey, unconsolidated channel sands (up-to 15m thick) lying at the base of the Tertiary. A sequence of dark, carbonaceous mud and clay overlies this paleochannel. The highest grades of uranium mineralisation appear to occur at the contacts of these two units, which are together grouped as the “Lower Tertiary” (see cross section below). Significant water flows have occurred from this Lower Tertiary paleochannel indicating that the mineralisation is hosted by a aquifer. Field tests and laboratory analyses of groundwater lifted by the air core rig indicate this is a low salinity aquifer which is therefore particularly amenable to *in situ* recovery (ISR) techniques.



Cross section through the Afghan Swan paleochannel anomaly with gamma probe profiles (MR & MD holes) and handheld scintillometer profile data (TNG034AC). Collapse of the PVC casing precluded geophysical logging of TNG050MR or TNG029MR through to the target depths however handheld scintillometer data indicates anomalous uranium in the Lower Tertiary part of TNG050MR.



The Upper Tertiary sequence consists of highly oxidised alluvial sand, gravel, mud, silcrete, ferricrete, calcrete & gypsum beds. Channel gravels in this sequence are almost ubiquitously highly magnetic, and a network of paleochannels has been identified and traced across the project area using airborne magnetic data. Redox fronts along these Upper Tertiary channels present an additional target for exploration drilling.

Most holes were logged with a slimline gamma sonde. Diamond core and Air Core samples were assayed. Significant results are tabulated below.

None of the Air Core holes were able to be logged with the gamma sonde due to a failure with the geophysical equipment. As a result, the delineation of significant intercepts within these holes has relied on laboratory assays (TNG034AC), and systematic handheld scintillometer and portable XRF readings of the Air Core samples at 1m intervals. The samples from Mud Rotary drilling are not suitable for laboratory analysis due to the contamination that arises as part of the drilling process. Accordingly the delineation of significant intercepts within these holes relies on gamma probe data. In several instances, however, (e.g.: TNG050MR), the PVC casing collapsed before the hole could be logged through the target depths.

A regional Airborne electro-magnetic (EM) survey is scheduled to commence in early November across 3,300 square kilometres of the Company's tenure within the Basin. This data will be used to interpret the precise location of Tertiary paleovalleys and shallow Mt Eclipse Sandstone for further drill testing. The Northern Territory Government is contributing \$100,000, approximately 50%, of the cost of the EM survey through its successful Bringing Forward Discovery program.

#### Gamma Probe Results

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
TNG006MD	785676	7505040	-83.3/20.6	112.2 - 113.15	0.95	218
AND				119.85 - 120.65	0.80	157
AND				120.8 - 121.55	0.75	174
AND				121.6 - 121.8	0.20	110
AND				123.55 - 125.35	<b>1.80</b>	<b>276</b>
AND				126.1 - 126.6	0.50	172
AND				199.55 - 201.25*	1.70	879
INCLUDING				199.85 - 200.8*	<b>0.95</b>	<b>1404</b>
AND				221 - 222.7*	1.70	160
TNG007MD	790172	7500857	-85.1/18.2	107.35 - 107.65	0.30	153
TNG015MD	785689	7504988	Vertical	106.12 - 106.62	0.50	118
AND				106.77 - 107.02	0.25	105
AND				110.57 - 111.07	0.50	178
AND				122.67 - 123.22	0.55	130
TNG017MD	781366	7508975	Vertical	115.51 - 115.86	0.35	209
TNG021MD	785199	7505193	Vertical	106.24 - 106.89	0.65	166
AND				108.09 - 109.74	1.65	180
AND				114.14 - 118.49	<b>4.35</b>	<b>317</b>
INCLUDING				116.14 - 116.69	<b>0.55</b>	<b>922</b>
AND				121.24 - 121.84	0.60	249

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
AND				122.64 - 123.39	0.75	149
TNG022MR	785201	7505602	Vertical	112.44 - 113.04	0.60	130
AND				115.44 - 115.79	0.35	141
AND				124.34 - 125.49	1.15	183
AND				126.49 - 126.69	0.20	106
TNG024MD	784807	7505197	Vertical	105.05 - 106.2	1.15	137
TNG032MR	783856	7506532	Vertical	111.37 - 112.02	0.65	183
AND				115.67 - 116.47	<b>0.80</b>	<b>322</b>
INCLUDING				116.02 - 116.22	<b>0.20</b>	<b>656</b>
AND				116.87 - 117.27	0.40	118
AND				118.77 - 119.02	0.25	114
AND				119.77 - 120.07	0.30	126
AND				125.62 - 126.87	1.25	129
TNG035MD	784401	7505594	Vertical	122.44 - 126.79	<b>4.35</b>	<b>209</b>
INCLUDING				123.04 - 123.29	<b>0.25</b>	<b>749</b>
AND				129.19 - 130.09	0.90	164
TNG045MD	784791	7505601	Vertical	130.14 - 131.19	<b>1.05</b>	<b>708</b>
INCLUDING				130.39 - 130.94	<b>0.55</b>	<b>1150</b>
AND				132.24 - 132.74	0.50	165
AND				142.19 - 142.59	0.40	116
TNG046MR	785600	7505195	Vertical	112.49 - 113.04	0.55	148
AND				122.49 - 123.39	0.90	129
AND				128.29 - 128.99	0.70	209
TNG050MR	785602	7505598	Vertical	106.29 - 107.04	0.75	222
AND				113.04 - 114.29	1.25	250
TNG054MR	785195	7505399	Vertical	95.94 - 96.19	0.25	129
AND				105.79 - 106.94	1.15	253
AND				110.59 - 111.44	0.85	233
TNG055MR	786000	7505195	Vertical	104.67 - 104.87	0.20	110
AND				104.92 - 105.12	0.20	114
AND				112.67 - 113.67	1.00	166
TNG058MR	788327	7503410	Vertical	113.96 - 114.26	0.30	127

## Laboratory Analysis of Diamond Drill Core

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
TNG002MD	785008	7510184	-70/224	190.76 - 190.81*	0.05	121
TNG006MD	785676	7505040	-83.3/20.6	111.7 - 123.7	12.00	106
INCLUDING				112.2 - 112.52	<b>0.32</b>	<b>1547</b>
AND				119.2 - 119.92	0.72	296
AND				200 - 200.8*	<b>0.80</b>	<b>1771</b>
INCLUDING				199.88 - 200.38*	<b>0.50</b>	<b>2316</b>
AND				221 - 222.5*	1.50	318
INCLUDING				221.79 - 222.3*	0.51	484
TNG017MD	781366	7508975	Vertical	116.15 - 116.35	0.20	259
AND				117.75 - 117.95	0.20	140

Note: Results from TNG006MD were previously reported on 23 June 2010. Samples from NQ3 diamond coring through all reported mineralised zones. Intercepts were composited using a 100 ppm U<sub>3</sub>O<sub>8</sub> lower cut off, except for the Tertiary anomalous zones in TNG006MD where a 10 ppm cut off was used.

## Laboratory analysis of Air Core samples (wet)

Hole No.	East	North	Dip/Azi	From-To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
TNG034AC	785395	7505199	Vertical	104 - 105	1.00	145
AND				112 - 115	3.00	670
INCLUDING				114 - 115	<b>1.00</b>	<b>1798</b>
AND				122 - 123	1.00	172
AND				124 - 125	1.00	147

Notes:

\* denotes samples from the Mt Eclipse Sandstone, all other intervals are within the Lower Tertiary sequence.

Laboratory results are designated in units of U<sub>3</sub>O<sub>8</sub>, while gamma probe results are designated as eU<sub>3</sub>O<sub>8</sub> units.

All laboratory analyses were conducted by Australia Laboratory Services (ALS) by ICP-MS methods for uranium 500ppm (ME-MS62s & ME-MS62RT where U > 500 ppm) –

Thundelarra Exploration Ltd own and operate Mt Sopris down hole geophysical logging equipment. The primary tool is a natural gamma sonde calibrated against the Adelaide Calibration Models maintained by Geophysical Technical Services, Department of Water, Land and Biodiversity, Government of South Australia. The algorithm for the conversion of natural gamma to percent equivalent uranium oxide (% eU<sub>3</sub>O<sub>8</sub>) was determined by independent experts Borehole Wireline Ltd and is considered reliable at the levels being reported. At the Ngalia Project, a reference station is used to ensure that reproducible natural gamma count rates are obtained from the sonde in use. This reference station (TNG006MD) has also been logged by an independent contractor.

The extent of radiometric disequilibrium has not been determined. Determination of the equilibrium status will require extensive collection of core samples for chemical assay.

## MURPHY URANIUM PROJECT

Thundelarra entered into an Option Agreement to acquire 100% equity in six tenements covering two separate project areas in the Northern Territory. Two tenements, ELA5859 and 5784 (300km<sup>2</sup>) cover a prospective part of the Murphy Inlier, a uranium province that straddles the Queensland-Northern Territory border. The other four tenements, EL23414 and ELAs 24667, 26224 and 26230 (1,512 km<sup>2</sup>) occur near Kintore on the Western Australian border and are prospective for gold and uranium.

The Murphy Inlier is a very well mineralised but under explored region containing significant undeveloped uranium resources including nearly 22,000t of U<sub>3</sub>O<sub>8</sub> within the Queensland Westmoreland deposits. The new Murphy Uranium Project tenements cover approximately 26 kilometres strike length of prospective Proterozoic unconformity along a prominent escarpment.

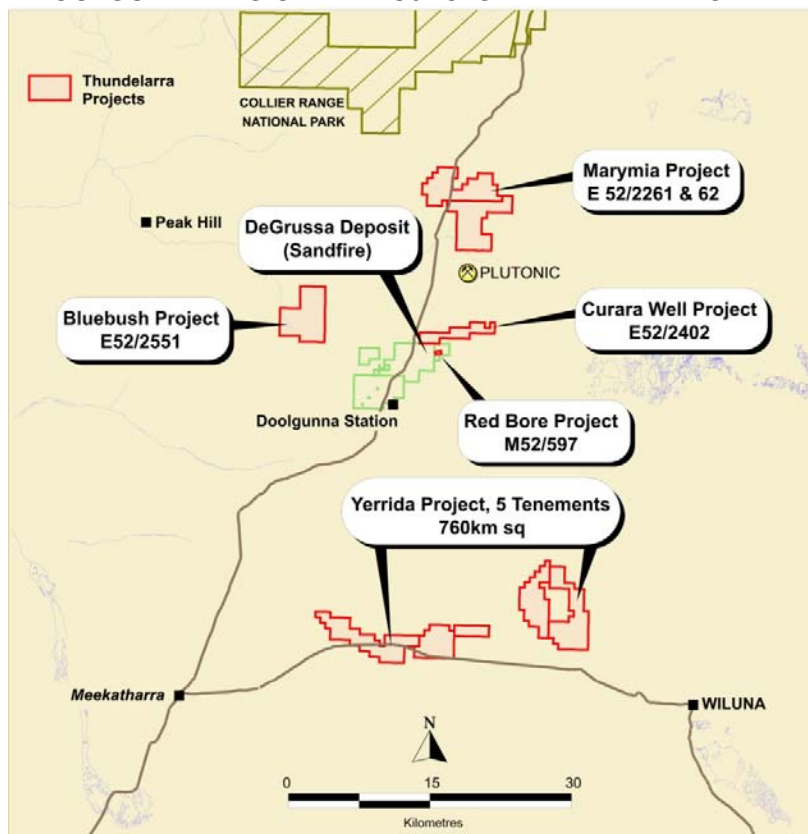
During the September 2010 quarter the Northern Land Council and the traditional owners conducted a site clearance survey over the tenement area. Only a small area was excluded from exploration. Negotiations have now commenced with traditional owners and the Northern Land Council and it is expected that a Deed for Exploration and Mining will be finalised during the December 2010 quarter. Airborne geophysical surveys and ground exploration are scheduled to commence early in 2011.

## BASE METALS

### DOOLGUNNA REGIONAL PROJECT

Base metals exploration for the September quarter has been focused within the Doolgunna region, Western Australia. Within the Doolgunna region Thundelarra holds interests in 10 tenements within 5 project areas, covering approximately 1,488 square kilometres.

**DOOLGUNNA REGIONAL PROJECTS AND TENEMENTS MAP**





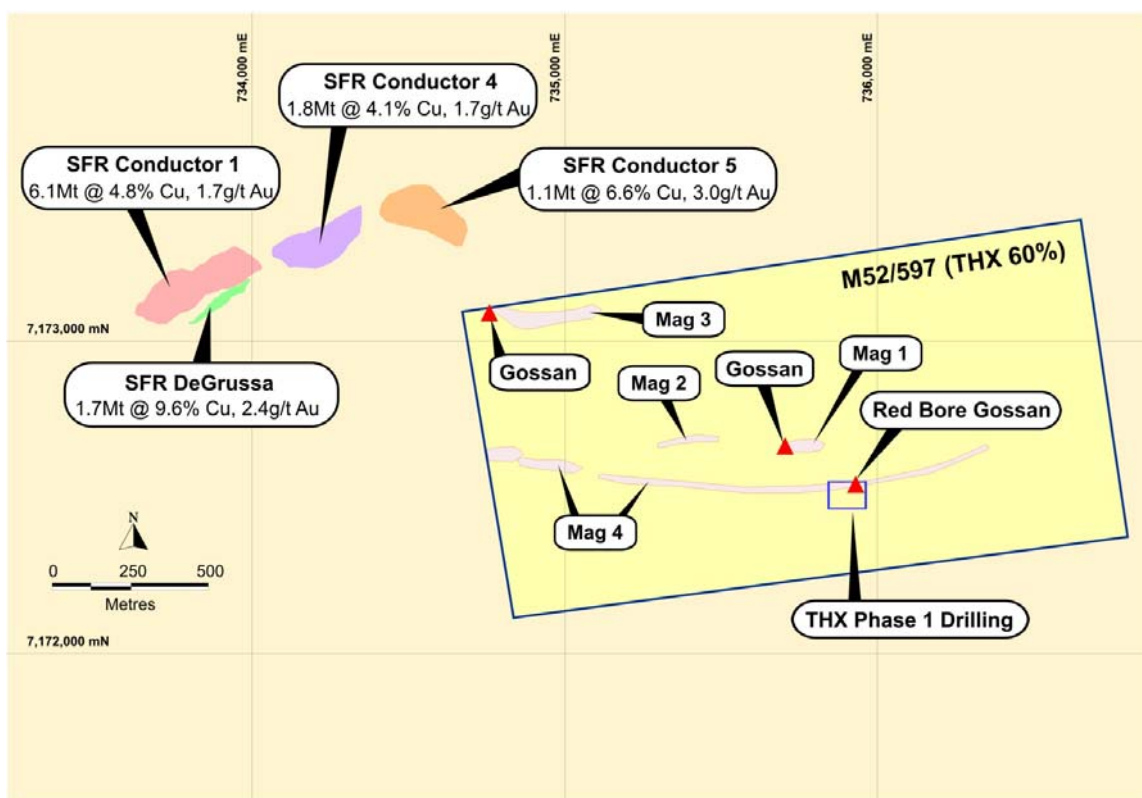
Thundelarra intends to acquire further tenure in the region as opportunities arise and is building its regional geological database to help identify areas of high prospectivity.

### Red Bore

The Red Bore project comprises granted Mining Lease M52/597 in which the Company has the right to earn 60% equity. The tenement covers two square kilometres and has variable outcrop of mafic rocks of the Narracoota Formation with the southern spine of the tenement consisting of shales and sandstones of the Karalundi Formation.

The licence is situated 500 metres east of Sandfire Resources NL's DeGrussa deposit which has a resource of 10.67 Mt at 5.6% copper and 1.9 g/t gold (600,000 t copper metal and 660,000 oz contained gold) and hosts a similar package of Narracoota Volcanic mafic rocks.

#### RED BORE PROJECT M52/597 WITH SANDFIRE RESOURCES' DEPOSITS



The Red Bore lease secures a base metal gossan first identified in the 1960's which returned copper and gold oxide mineralisation in shallow drillholes during subsequent limited exploration.

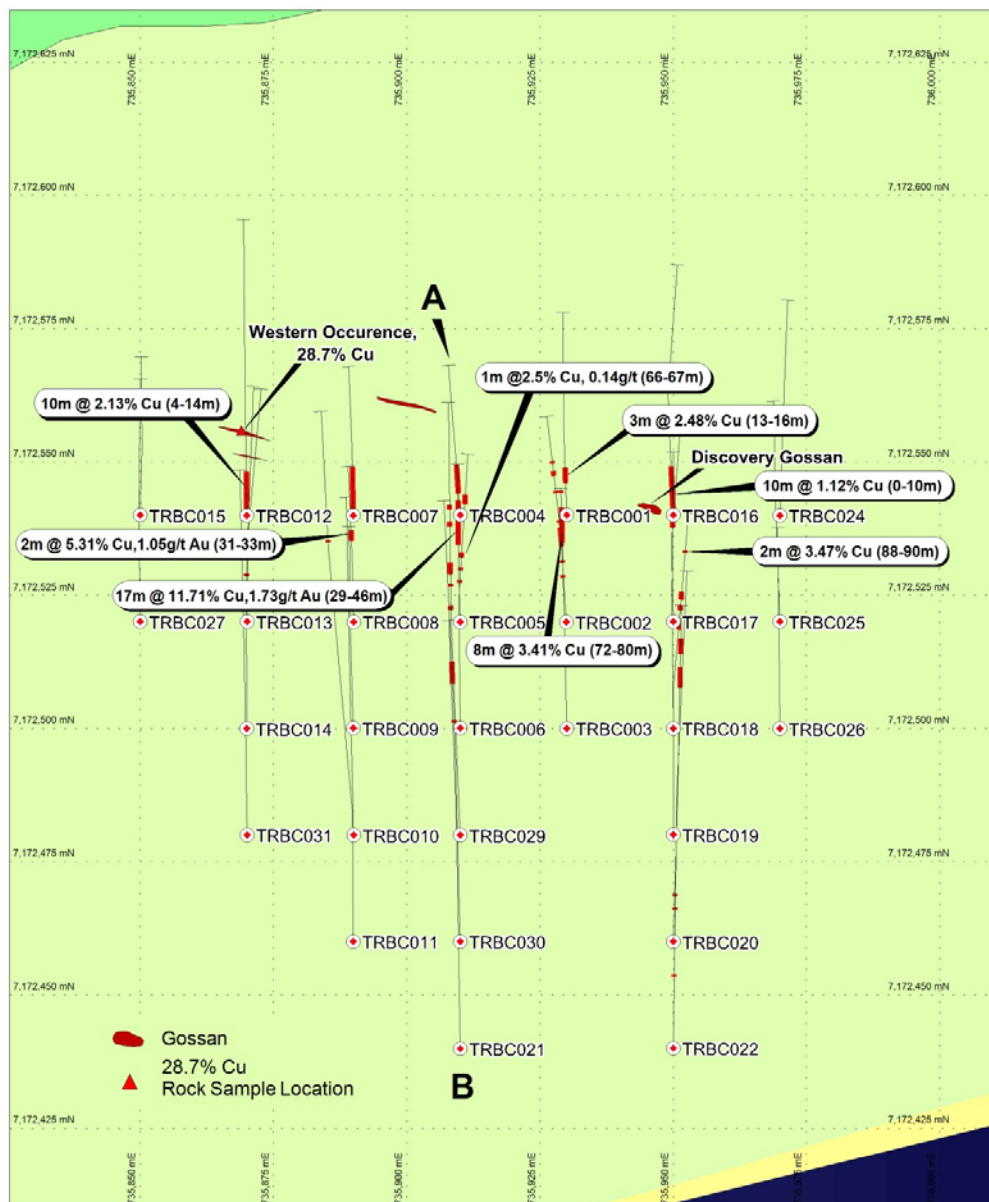
During the quarter Thundelarra carried out its first drill programme in the Doolgunna region with 31 reverse circulation (RC) drill holes for 3,380 metres completed at Red Bore. A 120 metre strike extent of the discovery gossan area ('Red Bore prospect') was tested, as well as two drillholes testing a electro-magnetic (EM) geophysical anomaly located in the south east of the tenement.

Drilling at the Red Bore prospect returned significant copper – gold mineralisation, associated with gossan in the weathered rock (to 20-30 metres down-hole) and sulphide within primary rock. Significant intercepts include:

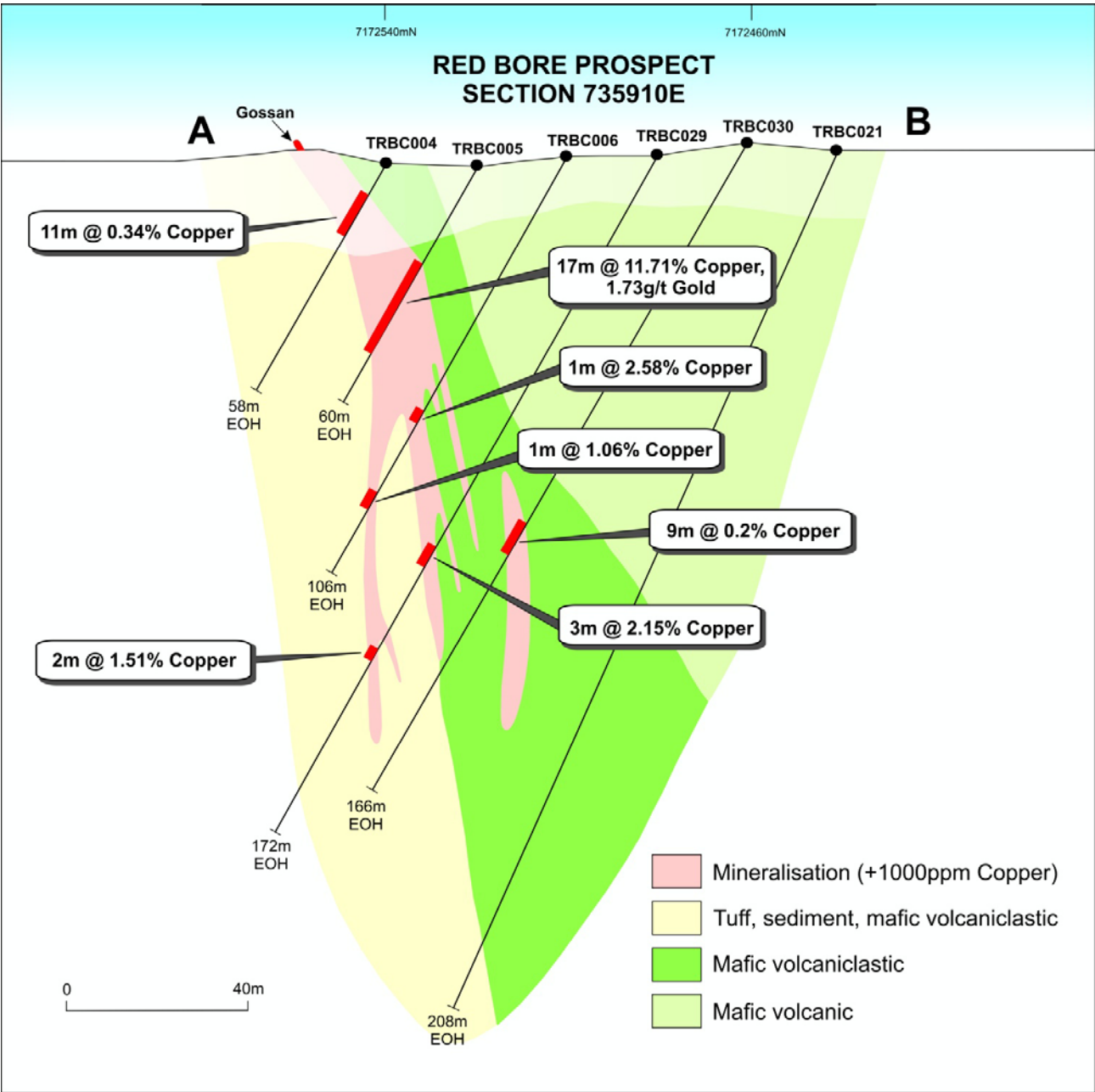
- Hole TRBC003 – 8m at 3.41% copper & 0.10g/t gold from 74m
- Hole TBRC005 – 17m at 11.7% copper & 1.73g/t gold from 29m Including 7m at 21.5% copper & 2.30g/t gold from 32m
- Hole TRBC008 – 2m at 5.31% copper & 1.05g/t gold from 31m
- Hole TRBC012 – 10m at 2.13% copper & 0.62g/t gold

A plan view of drilling and a cross section along 735910E is shown below:

#### RED BORE PROSPECT – DRILL HOLE LOCATION AND INTERCEPTS



RED BORE PROSPECT SECTION 735910E



## RED BORE PHASE ONE DRILL RESULTS

Hole	Azimuth/dip	Metres East	Metres North	From/ To	Interval	Grade	
						Copper	Gold
TRBC001	360°/-60°	735930	7172540	12-18m	6m	1.35%	0.26g/t
INCLUDING				13-16m	3m	2.48%	0.50g/t
TRBC002	360°/-60°	735930	7172520	28-35m	6m	0.16%	0.03g/t
AND				37-38m	1m	0.14%	0.01g/t
AND				49-50m	1m	0.13%	0.01g/t
AND				56-58m	2m	0.19%	0.00g/t
AND				61-62m	1m	0.15%	0.00g/t
TRBC003	360°/-60°	735930	7172500	58-59m	1m	0.10%	0.00g/t
AND				64-65m	1m	0.12%	0.00g/t
AND				72-86m	14m	2.08%	0.07g/t
INCLUDING				<b>72-80m</b>	<b>8m</b>	<b>3.41%</b>	<b>0.10g/t</b>
AND				92-93m	1m	0.16%	0.01g/t
TRBC004	360°/-60°	735910	7172540	8-19m	11m	0.34%	0.03g/t
TRBC005	360°/-60°	735910	7172520	29-46m	<b>17m</b>	<b>11.71%</b>	<b>1.73g/t</b>
INCLUDING				32-39m	<b>7m</b>	<b>21.15%</b>	<b>2.30g/t</b>
TRBC006	360°/-60°	735910	7172500	55-56m	1m	0.21%	0.05g/t
AND				60-61m	1m	0.10%	0.00g/t
AND				65-67m	2m	1.37%	0.09g/t
INCLUDING				<b>66-67m</b>	<b>1m</b>	<b>2.58%</b>	<b>0.14g/t</b>
AND				86-90m	4m	0.46%	0.09
INCLUDING				87-88m	1m	1.06%	0.22g/t
TRBC007	360°/-60°	735890	7172540	1-18	17m	0.51%	0.03g/t
INCLUDING				13-16m	<b>3m</b>	<b>1.66%</b>	<b>0.16g/t</b>
TRBC008	360°/-60°	735890	7172520	30-34m	4m	2.75%	0.03g/t
INCLUDING				<b>31-33m</b>	<b>2m</b>	<b>5.31%</b>	<b>1.05g/t</b>
TRBC009	360°/-60°	735890	7172500	NAR			
TRBC010	360°/-60°	735890	7172480	NAR			
TRBC011	360°/-60°	735890	7172460	150-151m	1m	0.53%	0.03g/t
TRBC012	360°/-60°	735870	7172540	1-17m	16m	1.42%	0.40g/t
INCLUDING				<b>4-14m</b>	<b>10m</b>	<b>2.13%</b>	<b>0.62g/t</b>
TRBC013	360°/-60°	735870	7172520	NAR			
TRBC014	360°/-60°	735870	7172500	<b>57-58m</b>	<b>1m</b>	<b>1.35%</b>	<b>0.03g/t</b>
TRBC015	360°/-60°	735850	7172540	NAR			
TRBC016	360°/-60°	735950	7172540	0-19m	19m	0.74%	0.07
INCLUDING				<b>0-10m</b>	<b>10m</b>	<b>1.12%</b>	<b>0.11</b>



Hole	Azimuth/dip	Metres East	Metres North	From/ To	Interval	Grade	
						Copper	Gold
INCLUDING				0-10m	10m	1.12%	0.11
TRBC017	360°/-60°	735950	7172520	35-39m	4m	0.25%	0.01
TRBC018	360°/-60°	735950	7172500	NAR			
TRBC019	360°/-60°	735930	7172480	77-79m	2m	0.25%	0.00g/t
AND				84-86m	2m	0.18%	0.0g/t
AND				88-91m	3m	2.38%	0.06g/t
INCLUDING				88-90m	2m	3.47%	0.10g/t
AND				105-106m	1m	0.26%	0.00g/t
AND				119-120m	1m	0.10%	0.03g/t
TRBC020	360°/-60°	735930	7172460	97-105m	8m	0.20%	0.03g/t
AND				110-116m	6m	0.29%	0.01g/t
TRBC021	360°/-65°	735910	7172440	NAR			
TRBC022	360°/-65°	735950	7172440	32-33m	1m	0.10%	0.01g/t
AND				62-63m	1m	0.12%	0.01g/t
AND				68-69m	1m	0.29%	0.09g/t
TRBC023	340°/-60°	736470	7172418	NAR			
TRBC024	360°/-60°	735970	7172540	NAR			
TRBC025	360°/-60°	735970	7172520	NAR			
TRBC026	360°/-60°	735970	7172500	NAR			
TRBC027	360°/-60°	735850	7172520	NAR			
TRBC028	340°/-60°	736376	7172376	NAR			
TRBC029	360°/-60°	735910	7172480	85-87m	2m	0.22%	0.00g/t
AND				95-96m	1m	0.22%	0.01g/t
AND				100-105m	5m	1.36%	0.21g/t
INCLUDING				101-104m	3m	2.15%	0.19g/t
AND				120-122m	2m	0.10%	0.01g/t
AND				127-129m	2m	1.51%	0.02
TRBC030	360°/-60°	735910	7172460	81-82m	1m	0.23%	0.01g/t
AND				97-106m	9m	0.20%	0.01
TRBC031	360°/-60°	735870	7172480	NAR			

Note: Intercepts have been separated into:

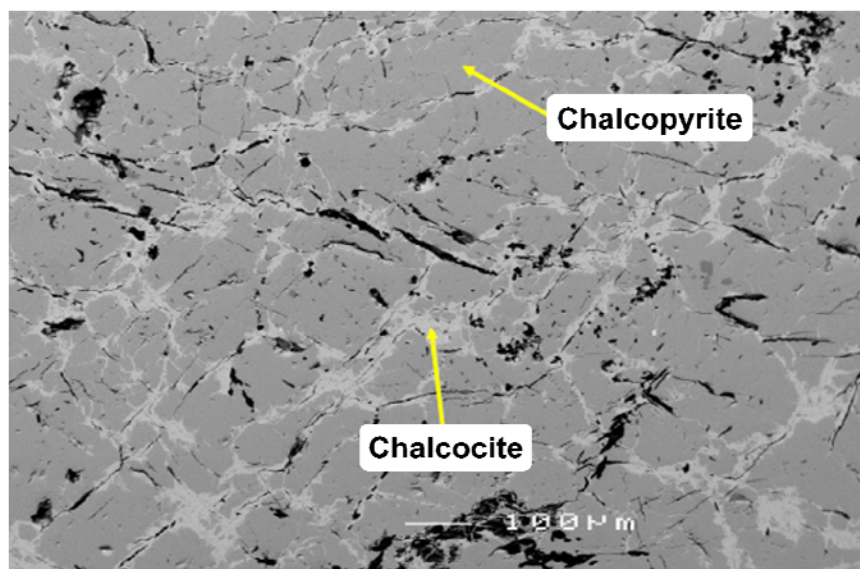
- (a) significant intercepts (in bold), calculated using a 0.7% lower Copper cut off and a 1m maximum internal dilution
- (b) anomalous zone, calculated using a 0.1% copper lower cut, and maximum 1m internal dilution.

Gold results are by fire assay and copper by special mixed acid digest (SMAD) and ICP-OES/MS.

NAR = no anomalous results with copper assay below 0.1%.

Gold and copper mineralisation is hosted within sulphide bearing mafic volcanoclastic rocks and tuff of the Narracoota Formation, the lower portion of which contains zones of blebby to massive sulphide dominated by chalcopyrite. Mineralisation has an east to west strike and dips steeply to the south. Magnetite alteration, minor pyrite and trace sphalerite are also associated with the chalcopyrite. Within the transition zone, chalcocite overgrowths are developed and appear to have contributed to the very high grade copper intercept seen in hole TRBC005. Scanning electron microscope (SEM) analysis confirms the visual mineral composition. An image of massive chalcopyrite and secondary chalcocite is displayed below.

#### SEM IMAGE OF MASSIVE COPPER SULPHIDES FROM HOLE TRBC005



Downhole electro-magnetic (DHEM) geophysics has been carried out down selected holes at the Red Bore prospect. The aim of this work has been to determine the orientation or plunge to the mineralisation so it can be targeted at greater depth. Results define a package of small conductive anomalies interpreted to have a vertical to steep westerly plunge. This target remains untested by drilling.

The Phase One RC drilling has intersected broad zones of alteration and sulphide mineralisation characteristic of a large volcanogenic massive sulphide (VMS) system. The mineralisation has a strong gold-copper-silver association, with Sn-Mo-Se-Co-As-Te anomalism also typical of a VMS deposit. Red Bore mineralisation has a striking visual and geochemical similarity to the nearby DeGrussa deposit.

Further exploration is being focussed on the strike extensions to the Red Bore prospect stratigraphy, especially the prospective mafic volcanoclastic – tuff contact. To assist targeting, extensive geophysical surveys were commissioned during the quarter. Completed surveys include magnetics and detailed ground gravity, with an Induced Polarisation (IP) survey due to be completed late October.

A number of new gossan occurrences have been identified during geological mapping of the Red Bore project and are considered prospective for base metal mineralisation at depth. One of these, the North-West gossan prospect is coincident with gravity and magnetic features, and is located 250m south of Sandfire Resources recently identified Conductor 5 resource (1.1Mt at 6.6% copper, 3.0 g/t gold). It presents as a high priority target for further detailed exploration. The strike extensions to the Red Bore prospect and the North-West gossan prospect are untested by any past exploration.

In early October RC drilling recommenced at the Red Bore project. This second phase of drilling includes three holes testing the down plunge position of the Red Bore prospect mineralisation. These holes are being cased so down-hole electromagnetic (DHEM) surveys can be carried out. The current drilling program will also investigate six gravity and magnetic targets on M52/597. Approximately 2,000 metres of Reverse Circulation drilling in 12 holes is planned, which should be completed by the end of October. Assays are expected to be available three to four weeks after completion of drilling.

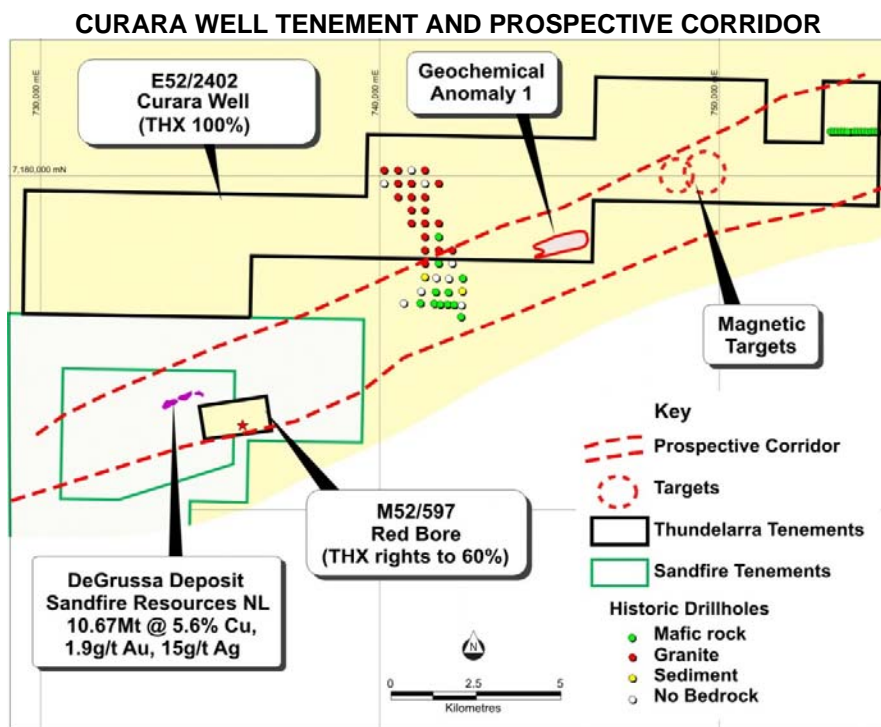
Upon completion of the current field programs the Company will compile the substantial geophysical and drill data that will then be available, in preparation for a third, more significant drilling campaign to be implemented prior to year end.

### Curara Well Project

The 100% Thundelarra Curara Well tenement E52/2402 is situated immediately adjacent to Sandfire Resources NL's tenure and east along strike from the DeGrussa deposit. Thundelarra's tenement covers 83 square kilometres encompassing over 10 kilometres in strike length of the Jenkins Fault, a major crustal feature which bounds a prospective corridor of Proterozoic rocks.

The Proterozoic rocks adjacent to the Jenkins fault are prospective for DeGrussa style mineralisation and remain almost unexplored by past work. Outcrop is typically poor but past drilling, carried out in the search for gold mineralisation, identified favourable mafic rock types.

The figure below displays the tenements setting, prospective corridor and targets. During the quarter a soil geochemical sampling programme was carried out over the central southern tenement area, named Geochemical Anomaly 1. This work has been designed to test a prospective portion of Proterozoic rocks over which historic and Thundelarra past sampling had returned a coherent copper soil anomaly some 400 metres in width. Results are awaited.



An airborne VTEM (versatile time domain electro-magnetic) survey has been contracted to commence over the entire tenement area, with a scheduled late October start date. The VTEM geophysical method is designed to detect conductive rock types, and will test for VMS style massive sulphide mineralisation such as those present at DeGrussa.

Once data from this work has been received heritage surveys with representatives of the respective native title parties will be organised, followed by application to gain statutory approvals so that drill testing of geophysical and geochemical anomalies can proceed.

### **Bluebush**

The Bluebush tenement is located 40 kilometres west of Red Bore, and overlies a 200 square kilometre area of Proterozoic rock sediments largely obscured by sand cover. Thundelarra's interpretation of magnetics imagery suggests that prospective Narracoota Volcanics extend into the tenement at shallow depth. This interpreted sequence of rocks hosts the Horseshoe Lights VMS occurrence to the west and presents as an attractive exploration target.

Geological reconnaissance of the tenement has confirmed the general lack of outcrop and planning is underway to carry out an airborne magnetics survey to identify features for future drill testing.

### **Yerrida**

The Yerrida project comprises five tenements covering an area of 759 square kilometres, located 85 kilometres south of Red Bore. Thundelarra has rights to earn an 80% interest in the project.

The tenements secure shale units of the Mooloogool Group of the Yerrida basin. These are underlain at shallow depth by Killara Volcanics, which are geologically analogous to the Narracoota Volcanics of the Bryah Basin.

An initial geological reconnaissance of the area has been made with samples collected for petrology and geochemical analysis. Results are awaited.

The western Yerrida tenements have potential for Sedex type base metal mineralisation, and past exploration has identified minor fault hosted base metal mineralisation within more extensive barren sulphide. Planning has commenced to carry out an airborne magnetics survey, with the aim of identifying prospective fault structures for drill testing.

The eastern Yerrida tenements overly interpreted lineaments that may reflect long lived Archaean basement structures and be prospective targets for syngenetic base metal mineralisation.

### **Marymia**

During the quarter Thundelarra entered into an option agreement over two tenements located 35 kilometres to the north of Red Bore.

The two tenements cover 228 square kilometres and cover poorly outcropping Proterozoic aged Bangemall Group sediments, with Archaean rocks of the Marymia Inlier in the east. Along the western flank of the project several geochemical anomalies have been identified by government sampling. These subtle anomalies may reflect significant base metal mineralisation under cover, associated with major basin bounding structures that traverse the area.

Past exploration and other data is being compiled prior to commencing fieldwork.



**EAST KIMBERLEY PROJECT****East Kimberley Joint Venture**

Panoramic Resources are earning a 61% interest in a number of Thundelarra's regional tenements in the East Kimberley by funding \$3 million of exploration expenditure.

During the quarter Geotech Airborne Pty Ltd commenced flying VTEM "max" System surveys over the selected residual gravity anomalies that had been defined by a regional airborne gravity and magnetic survey. By the end of the quarter, approximately 4,000 line kilometres of survey had been completed over six individual survey areas. A total of 5,500 line kilometres remain to be completed as part of the program. Over forty EM anomalies have been identified to date that warrant on-ground investigation.

In addition to the VTEM survey program, inversion modelling of the gravity and magnetic survey data commenced, which will enable 3D models of the regional airborne data to be constructed. The inversion models and VTEM data will then be combined to identify new targets for ongoing exploration including drilling.

**Rosewood**

Thundelarra has a 100% interest in the Rosewood copper-silver project.

The Rosewood project covers a large area of the Headley Limestone within the Rosewood Syncline, a Cambrian aged carbonate sequence overlying the Antrim Plateau Volcanics. The upper portion of the volcanics and the Headley Limestone display widespread copper mineralisation associated with folding and faulting, as well as within more permeable lithologies at the base of the Headley limestone. The general setting is analogous to the Michigan copper belt in the USA which produced over 10 billion pounds of copper metal between 1845 and 1996.

Work by Thundelarra has identified numerous copper occurrences, with rock sampling up to 13.1% copper and 35.5 g/t silver.

Recent evaluation has identified primary chalcopyrite within the mineralisation. To test for significant copper sulphide mineralisation a VTEM survey has been commissioned to cover some 590 line kilometres of the project area. This survey commenced during the last week of October.

Results will be followed up in the 2011 field season, after the northern wet.

**ABOUT THUNDELARRA**

Thundelarra is a successful mineral explorer primarily focused on uranium in the Northern Territory and base metals in Western Australia.

The Company controls major landholdings in the Pine Creek and Ngalia Basin uranium provinces totalling almost 8,000 square kilometres and has made a number of significant uranium discoveries in both areas. Of particular note is the Thunderball Prospect where diamond drilling has intersected mineralisation assaying up to 20% U<sub>3</sub>O<sub>8</sub>. Thundelarra is aiming to calculate a maiden JORC compliant resource for Thunderball by the end of 2010.

In Western Australia Thundelarra controls 10 tenements in the Doolgunna region totalling 1,500 square kilometres, including ground immediately along strike from Sandfire Resources' DeGrussa deposit. Recent drilling by Thundelarra has intersected significant high grade copper-gold mineralisation. The Company also retains substantial base metals exploration tenure in the East Kimberly and a 40% interest in the Copernicus nickel sulphide mine.

Thundelarra is extremely well funded and is aggressively exploring its key projects with the aim of progressing its discoveries through to commercial production.

**REGISTERED OFFICE**

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**Component Person's Statement**

The details contained in this report that pertains 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, 30/9/2001, 01/06/10.

Name of entity

**THUNDELARRA EXPLORATION LTD**

ABN

**74 950 465 654**

Quarter ended ("current quarter")

**30 SEPTEMBER 2010**

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	618
1.2	Payments for (a) exploration & evaluation	(3,073)	(7,291)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(964)	(2,826)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	419	937
1.5	Interest and other costs of finance paid	(2)	(3)
1.6	Income taxes paid	-	-
1.7	Other – UMC transaction fee	-	(200)
	<b>Net Operating Cash Flows</b>	<b>(3,620)</b>	<b>(8,765)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	(250)	(250)
	(b) equity investments	(3)	(164)
	(c) other fixed assets	(118)	(282)
1.9	Proceeds from sale of:		
	(a) prospects	-	225
	(b) equity investments	-	25,176
	(c) other fixed assets	6	10
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Redemption of security deposits	66	367
	- Placement of security deposits	-	(312)
	- Payment of intangibles	(26)	(99)
	<b>Net investing cash flows</b>	<b>(325)</b>	<b>24,671</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(3,945)</b>	<b>15,906</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(3,945)	15,906
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,254	2,359
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>	1,254	2,359
	<b>Net increase (decrease) in cash held</b>	(2,691)	18,265
1.20	Cash at beginning of quarter/year to date	21,892	936
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	19,201	19,201

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

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	263
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.

+ See chapter 19 for defined terms.



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

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

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	-
4.3 Production	-
4.4 Administration	450
<b>Total</b>	<b>1,950</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	816	382
5.2 Deposits at call	18,385	21,510
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>19,201</b>	<b>21,892</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	E52/1909	-	100%	Nil
6.2 Interests in mining tenements acquired or increased	E51/1280 E51/1282 E51/1418	- - -	Nil Nil Nil	100% 100% 100%

+ See chapter 19 for defined terms.

## 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	<b>Preference securities</b> (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	150,948,481	150,948,481	-	-
7.4	Changes during quarter				
	(a) Increases through issues	1,250,000	1,250,000	\$0.45	-
		1,693,612	1,693,612	\$0.20	-
		350,000	350,000	\$0.11	-
		250,000	250,000	\$0.52	-
		180,000	180,000	\$0.52	-
		100,000	100,000	\$0.32	-
		150,000	150,000	\$0.39	-
	(b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-

+ See chapter 19 for defined terms.

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

7.7	<b>Options</b> (description and conversion factor)	6,783,860 1,000,000 110,000 1,250,000 350,000 4,250,000 200,000 260,000 4,250,000 810,000 6,750,000 2,090,000	6,783,860 - - - - - - - - - - - -	<b>Exercise price</b> \$0.20 \$0.68 \$0.52 \$0.45 \$0.47 \$0.50 \$0.39 \$0.52 \$0.20 \$0.32 \$0.64 \$0.96	<b>Expiry date</b> 29/03/2013 31/05/2011 30/06/2011 30/11/2010 31/12/2011 28/02/2013 03/04/2011 30/06/2012 26/02/2014 30/09/2012 25/02/2015 20/09/2013
7.8	Issued during quarter	2,090,000	-	\$0.96	20/09/2013
7.9	Exercised during quarter	1,250,000 1,693,612 350,000 250,000 180,000 100,000 150,000		\$0.45 \$0.20 \$0.11 \$0.52 \$0.52 \$0.32 \$0.39	30/11/2010 29/03/2013 31/12/2012 30/06/2011 30/06/2012 30/09/2012 03/04/2011
7.10	Expired during quarter	-	- -	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 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)  
Print name: FRANK DE MARTE

Date: 29 October 2010

## 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.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

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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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+ See chapter 19 for defined terms.