

FIRST QUARTER ACTIVITY & CASHFLOW REPORT 31 DECEMBER 2011

HIGHLIGHTS

WESTERN AUSTRALIA

- ✦ **New VMS base metals discovery at the Lightning Prospect**
 - 3m at 42 g/t Silver, 3.3% Zinc, 0.6% Copper and 0.7% Lead
– Including 1m at 62 g/t Silver, 5.3% Zinc, 0.8% Copper and 1.4% Lead
 - 4m at 19 g/t Silver, 3.0% Zinc, 0.2% Copper and 0.4% Lead
 - 2m at 26 g/t Silver, 2.5% Zinc, 0.2% Copper and 0.6% Lead
 - Geophysics indicates 2.4km prospective zone with no prior exploration
- ✦ **Very high grade rock chip samples received from the Copper Mine Bore Prospect**
 - 48 g/t Silver, 21.4% Zinc, 0.4% Copper and 3.0% Lead
 - 123 g/t Silver, 0.5% Zinc, 0.3% Copper and 5.2% Lead
 - 156 g/t Silver, 0.3% Zinc, 1.1% Copper and 14.7% Lead

NORTHERN TERRITORY

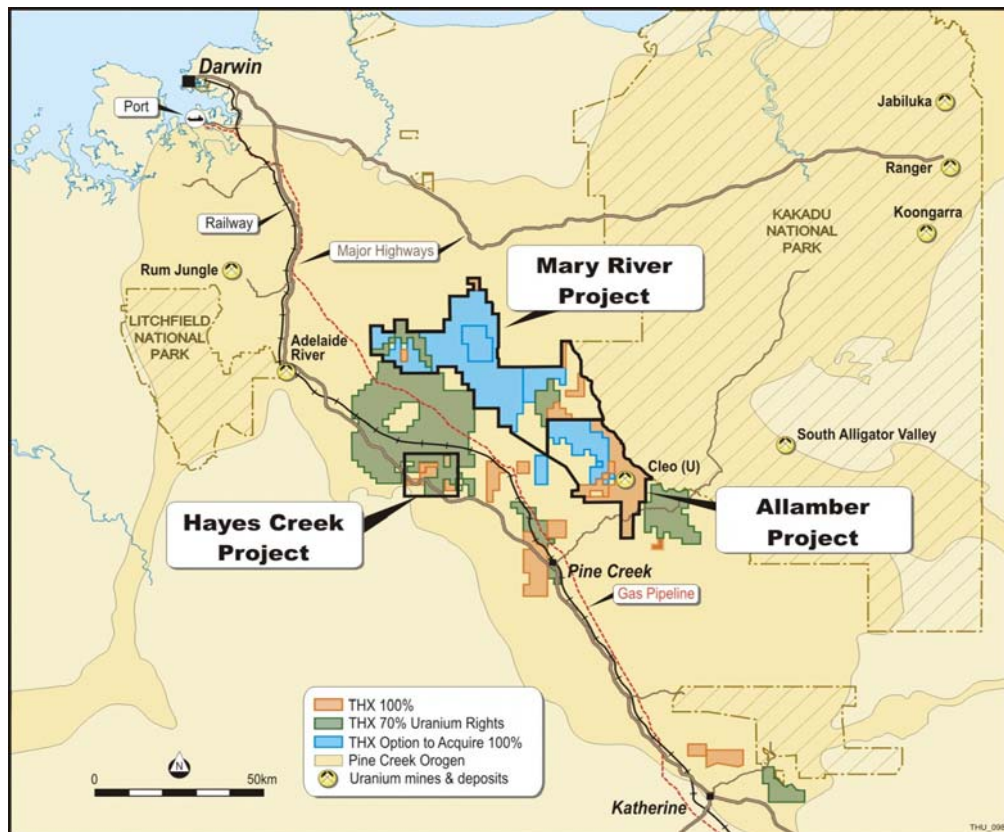
- ✦ **First drilling program at the Priscilla Prospect intersects high grade gold**
 - 4m at 118 g/t Gold
 - 4m at 4.6 g/t Gold
- ✦ **Broad widths of copper mineralisation intersected at the Allamber Project**
 - 31m at 1,739 ppm Copper including 1m at 0.7% Copper
 - 54m at 1,205 ppm Copper 1m at 0.8% Copper
 - 22m at 2,382 ppm Copper 2m at 1.7% Copper
 - 28m at 1,758ppm Copper 1m at 1.5% Copper
 - The mineralised sequence extends for over 20 km
- ✦ **Significant new uranium intercepts at Cliff South Prospect**
 - 38m at 527 ppm U₃O₈ including 9m at 1,457 ppm U₃O₈
 - 42m at 611 ppm U₃O₈ including 8m at 1,579 ppm U₃O₈
 - 21m at 682 ppm U₃O₈ including 9m at 1,055 ppm U₃O₈

NORTHERN TERRITORY

During the quarter, Thundelarra's exploration activities in the Northern Territory were focussed on the Pine Creek Project and involved reverse circulation (RC) drilling programs at both the Allamber copper/uranium project and the Priscilla gold prospect. Significant results were returned from both areas. Details are presented below.

No field work was completed at the Ngalia uranium project.

Pine Creek Regional Project



Allamber Copper and Uranium Project

The Allamber Project is located in the south eastern corner of the Thundelarra's Pine Creek tenure and contains the Cleo uranium resource (JORC compliant Inferred Resource totalling 1.4Mt at 340ppm U_3O_8 for 960,000lbs U_3O_8) and a number of historical copper, lead, zinc and uranium occurrences associated with a sulphidic and carbonaceous shale horizon (metapelite) that runs along the Allamber Granite contact. This prospective horizon can be traced for over 20 kilometres within the Allamber Project area and has extensive areas of surface copper anomalism defined by historical soil sampling programs and recent soil geochemistry by Thundelarra (see the following map).

During the quarter Thundelarra completed a 16 hole RC drilling program designed to follow up significant copper intercepts returned from the Hatrick Prospect (19 metres at 1.94% copper) and uranium and copper mineralisation at the Cliff South Prospect.

Ten out of the 16 holes drilled returned highly elevated copper values over significant widths, including:

- **Hole TAL053RC – 31 metres at 1,739ppm Cu including 1 metre at 0.7% Cu**
- **Hole TAL056RC – 54 metres at 1,205ppm Cu including 1 metre at 0.8% Cu**
- **Hole TAL060RC – 22 metres at 2,382ppm Cu including 2 metres at 1.7% Cu**
- **Hole TAL060RC – 28 metres at 1,758ppm Cu including 1 metre at 1.5% Cu**
- **Hole TAL064RC – 23 metres at 1,985ppm Cu including 2 metres at 1.3% Cu**

The widespread copper mineralisation in the Allamber Project appears to be stratabound in nature occurring as broad zones within the dolomitic, pyritic, graphitic shales of the Palaeoproterozoic Masson Formation (metapelite sequence). The Masson Formation is extensive within the project area, is steeply dipping adjacent to the intrusive contact with the granites of the Cullen Granite Supersuite but appears to be almost flat lying to gently dipping away from the granite contact.

Historic base metal exploration conducted during the 1990s focussed along the granite contact where the prospective shales are well exposed. Exploration involved mainly soil sampling which defined extensive areas of copper anomalism, as shown on the following map. Very little drilling was carried out, with only 30 relatively shallow holes drilled in the prospective sequence that extends for over 20 kilometres. These holes returned broad zones of 1000 to 2000 ppm copper with a number of higher grade intercepts at the Hatrick Prospect. Thundelarra's drilling has returned the highest grade copper intercepts reported in the project area. Limited soil sampling was completed away from the granite contact but an extensive and as yet undrilled copper-in-soil anomaly was outlined at the Brumby Prospect in the 1980s. Through analysis of geophysical data Thundelarra has interpreted a large, but buried, 'granite' intrusion in the vicinity of the Brumby soil anomaly and this intrusion may have some association with copper mineralisation at both the Brumby and Hatrick Prospects.

Soil sampling by Thundelarra has confirmed the location and tenor of the copper-in-soil anomalies and returned a number of highly significant results, including an assay of 2,300 ppm copper from soils at the Ox Eyed Herring prospect, located four kilometres west of the Cliff South Prospect.

The widespread extent of copper mineralisation at Allamber, coupled with the broad width of mineralised zones intersected in drilling, highlights the potential for discovery of a copper deposit of significant scale. Thundelarra's geophysical surveys have improved interpretation enhancing the ability to direct drilling at the most prospective zones. Previous base metals work at Allamber has been very limited and copper exploration at the project remains at an early and exciting stage.

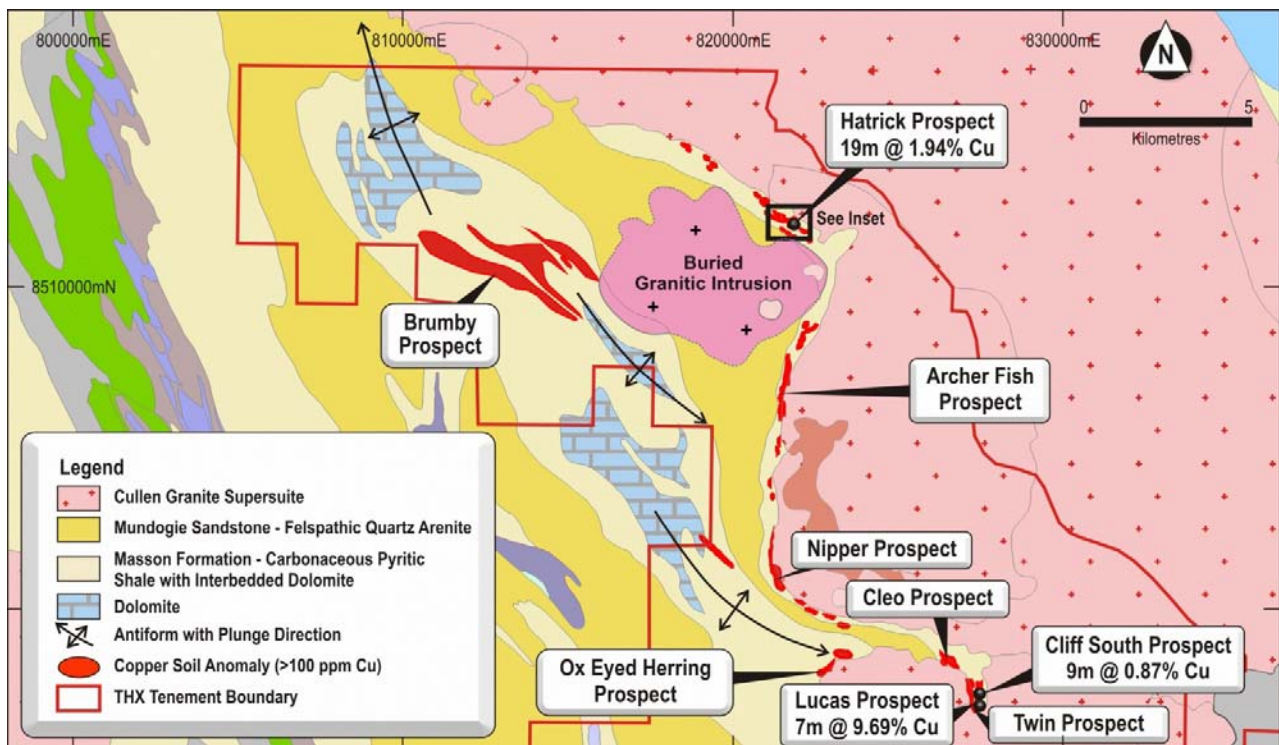
ALLAMBER PROJECT – INTERCEPTS > 1000 ppm COPPER

Hole No.	Prospect	East	North	Dip/Azi	From-To (m)	Interval (m)	Cu ppm or %
TAL049RC	Lucas	178032	8497136	-58/090	8-16	8	1200
TAL053RC	Cliff South	178117	8497494	-63/300	67-98	31	1739
including					67-68	1	5400
and					74-75	1	6600
and					79-80	1	5850
TAL056RC	Hatrick	821723	8511978	-60/40	136-190	54	1205
including					157-158	1	8097
TAL057RC	Hatrick	821875	8511993	-60/220	0-8	8	1547

Hole No.	Prospect	East	North	Dip/Azi	From-To (m)	Interval (m)	Cu ppm or %
TAL058RC	Hatrick	821893	8512004	-60/220	72-76	4	1511
and					150-154	4	1106
TAL059RC	Hatrick	821876	8511936	-60/220	19-31	12	1517
including					21-22	1	6713
TAL060RC	Hatrick	821810	8512006	-60/220	0-22	22	2382
including					14-16	2	1.7%
and					27-55	28	1758
including					44-45	1	1.5%
TAL061RC	Hatrick	821731	8512054	-60/220	41-45	4	3500
including					42-44	2	5929
and					49-53	4	1174
TAL062RC	Cliff South	178195	8497478	-60/300	60-68	8	1250
and					99-131	32	1397
including					105-106	1	7300
TAL064RC	Cliff South	178160	8497457	-60/300	46-65	19	1155
and					69-92	23	1985
including					75-77	2	1.3%

Note: Datum is MGA Zone 52 GDA 94.

Allamber Project Geology Map

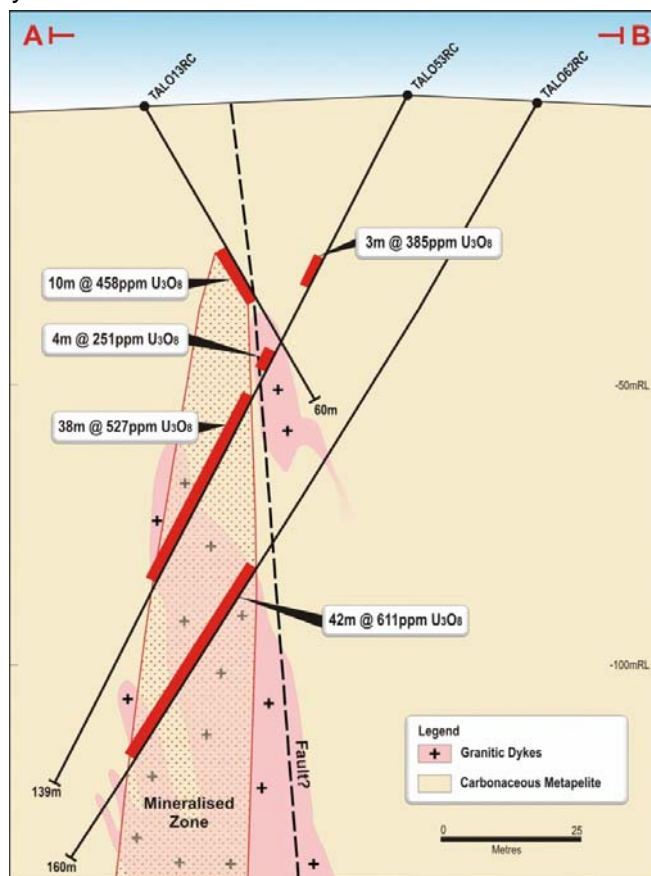


The Hatrick, Lucas and Cliff South Prospects are located on Exploration Licenses EL24549, in which Thundelarra's wholly owned subsidiary; Element 92 Pty Ltd has a 100% interest.

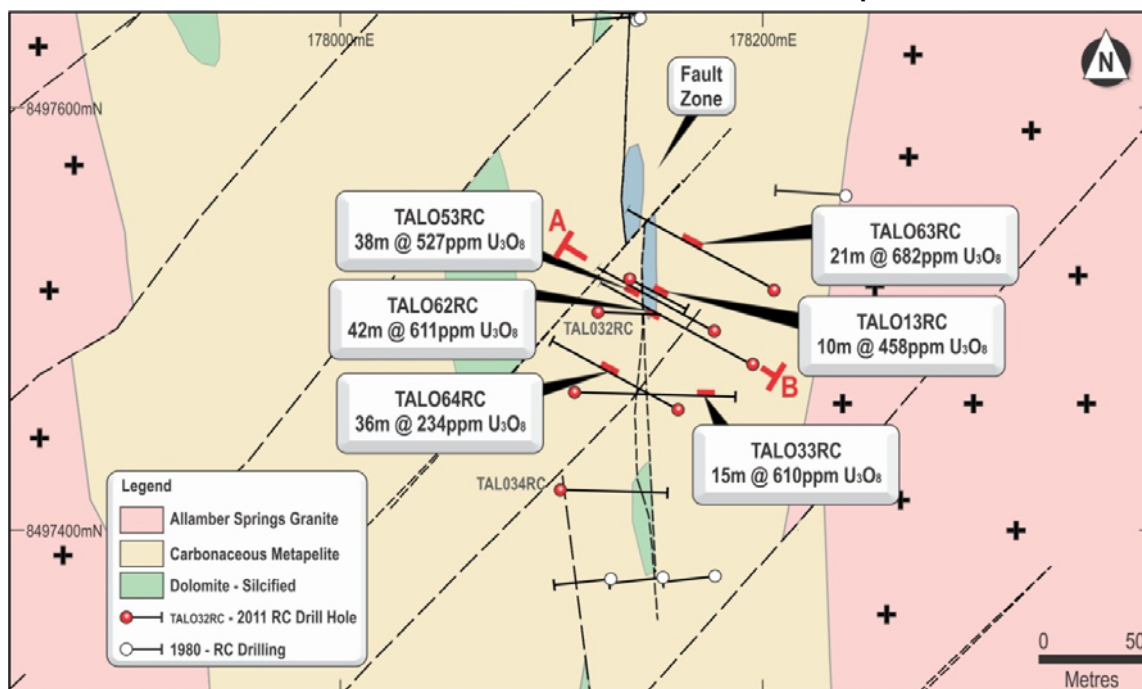
As part of the 16 hole RC program, 4 holes totalling 583 metres were drilled at the Cliff South Prospect to follow up significant uranium intercepts from holes drilled during the 2010 field season. Holes TAL053RC and TAL062RC were drilled to test for a down dip extension of the uranium mineralisation intersected in holes TAL013RC (10 metres at 458 ppm U_3O_8) and TAL032RC (9 metres at 440 ppm U_3O_8) in 2010. Both of the latest holes intersected significantly broader widths of uranium mineralisation with higher average grades. The mineralisation is hosted within the carbonaceous metapelite (metamorphosed black shale) and appears to be spatially related to abundant intrusive granitic dykes.

The cross-section at the left shows a 20 to 25 metre true width, near vertical dipping mineralised body.

Holes TAL063RC and TAL064RC drilled 40 metres to the north and south of Section A-B, also intersected significant uranium mineralisation, defining a mineralised body that remains open along strike and down dip. Drill hole locations at Cliff South are shown on the plan below.



Cliff South Prospect Drill Cross Section



Cliff South Prospect Drill Hole Location Plan

Two additional holes were also drilled at the Lucas Prospect, located approximately 350 metres south west of Cliff South. The holes were designed to test the southern extension of a mineralised zone intersected in the 2010 holes TAL025RC (12 metres at 328 ppm U_3O_8) and TAL035RC (11 metres at 405 ppm U_3O_8 and 12 metres at 353 ppm U_3O_8). Both 2011 holes returned significant uranium mineralisation. Further work is now required to improve understanding of the extent and attitude of this mineralisation. A table of significant uranium intercepts from the latest drilling at South Cliff and Lucas is presented below.

All six holes drilled at the Cliff South and Lucas Prospects also intersected zones of highly anomalous copper. The association between the uranium and copper in this region is not fully understood, but there appears to be a strong spatial relationship between the uranium and numerous granitic dykes within the carbonaceous shale horizon.

Allamber Project Significant Drill Intercepts

Hole No.	Prospect	East	North	Dip/Azi	From-To (m)	Interval (m)	U_3O_8 ppm
TAL049RC	Lucas	178032	8497136	-58/090	26-35	9	179
and					70-77	7	576
TAL051RC	Lucas	178017	8497104	-58/090	68-70	2	1,038
and					99-105	6	205
TAL053RC	Cliff South	178177	8497494	-63/300	36-39	3	385
and					52-56	4	251
and					61-99	38	527
including					78-87	9	1,457
TAL062RC	Cliff South	178195	8497478	-60/300	97-139	42	611
including					99-107	8	1,579
and					124-127	3	1,347
TAL063RC	Cliff South	178205	8497514	-60/300	77-98	21	682
including					88-97	9	1,055
and					103-107	4	138
and					113-117	4	153
TAL064RC	Cliff South	178160	8497457	-60/300	50-86	36	234
including					76-79	3	912

Note: Datum is MGA Zone 52 GDA94.

Results are reported using a lower cut-off grade of 100 parts per million (ppm) U_3O_8 with a minimum width of 2 metres for Lucas and 3 metres for Cliff South.

The Lucas, Cliff South and Hatrick Prospects are located on Exploration License EL24549, in which Thundelarra's wholly owned subsidiary; Element 92 Pty Ltd has a 100% interest.

Priscilla Gold Prospect

In December 2011 Thundelarra completed a 30 hole, 3,578 metre angled reverse circulation (RC) drilling program designed as a preliminary assessment of selected targets at the Priscilla Gold Prospect. The prospect is situated in the central part of the Pine Creek Goldfield, some 160 kilometres south of Darwin and hosts numerous historical hardrock, alluvial and eluvial gold workings dating back to the 1900's. The tenements are located 300 metres to the south and along strike from the operating Princess Louise gold mine (Crocodile Gold Australia Pty Ltd) and are located adjacent to the historic Iron Blow gold and silver mine. The area has undergone limited modern hardrock exploration with much of the prospect largely unexplored due to extensive prospector mining of gold bearing alluvials.

The drilling program has successfully defined two north east trending gold mineralised zones within the tenement area. The eastern zone occurs on or adjacent to a north east trending anticlinal hinge zone that appears to be plunging 20-30 degrees in a northerly direction. In this zone, Hole TPCRC159 returned a high grade intercept of 4 metres at 118 g/t gold from 40 metres within a tuffaceous unit on the basal contact with a dolerite sill. This prospective contact is untested down plunge to the north and will be the focus of Thundelarra's exploration in the 2012 field season.

The western zone, which is the southern extension of the Princess Louise stratigraphy, returned a best intercept of 4 metres at 4.6 g/t gold (TPCRC167) within a greywacke dominated sedimentary sequence. This sequence extends for over 2 kilometres within the Priscilla tenements, remains largely untested by drilling and will be further assessed during 2012.

The results from Thundelarra's initial gold drilling program at Priscilla are encouraging with two mineralised north east trending zones defined and 12 of the 30 holes drilled returning intercepts of 0.5 g/t gold or greater (4 metre composite samples).



Priscilla Gold Prospect Drill Site

Once all results from the sampling of the one metre mineralised intervals are available a further assessment of the prospect will be made.

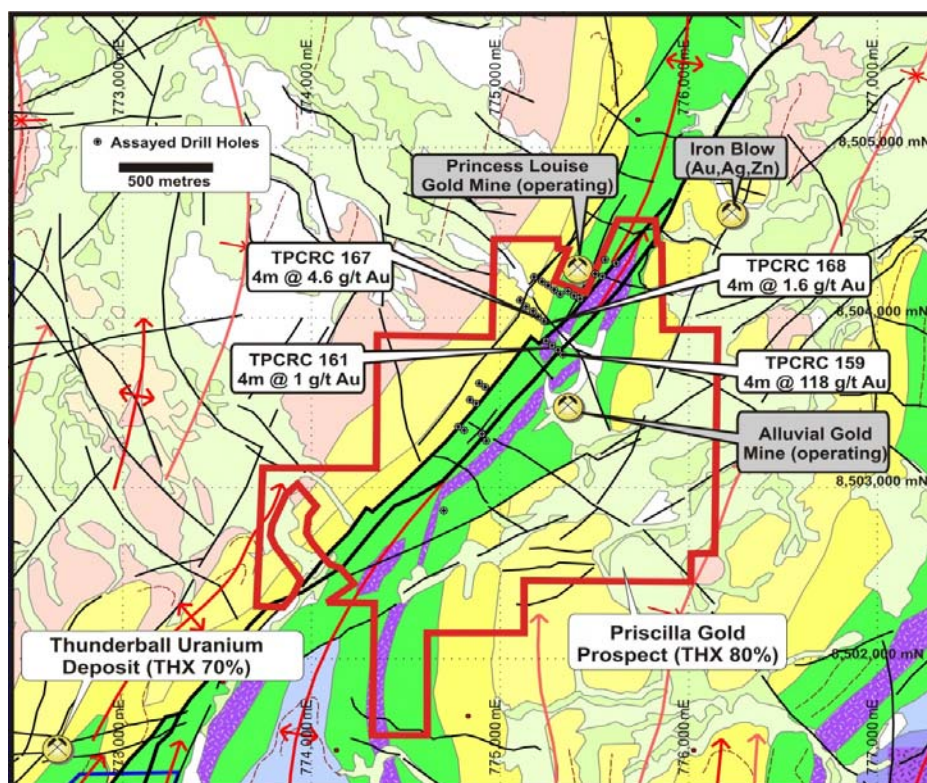
Intercepts of greater than 0.5g/t gold are presented in the following table with hole locations shown on the attached map. A table containing the hole locations for all drilled in the Pine Creek during the December quarter are presented at the end of this report.

PRISCILLA GOLD PROSPECT – TABLE OF INTERCEPTS ≥ 0.5 g/t gold

Hole No.	Prospect	East	North	Dip/Azi	From-To (m)	Interval (m)	Au (g/t)
TPCRC149	Priscilla	775138	8504065	-60/121	4-8	4	0.5
and					60-64	4	0.9
TPCRC151	Priscilla	775181	8504239	-60/121	126-130	4	0.9
TPCRC154	Priscilla	774888	8503617	-60/131	60-64	4	0.7
TPCRC155	Priscilla	774873	8503494	-60/131	108-112	4	0.5
TPCRC159	Priscilla	775331	8503785	-60/131	16-20	4	1.4
and					36-40	4	118.0
TPCRC160	Priscilla	775306	8503810	-60/131	76-80	4	0.8
TPCRC161	Priscilla	775275	8503836	-60/131	84-88	4	1.0
TPCRC167	Priscilla	775210	8504018	-60/121	64-68	4	4.6
and					80-88	8	0.9
and					92-96	4	0.5
TPCRC168	Priscilla	775242	8503998	-60/121	52-56	4	1.6
TPCRC169	Priscilla	775287	8504165	-60/121	8-16	8	0.6
TPCRC170	Priscilla	775393	8504126	-60/121	40-48	8	0.8
TPCRC174	Priscilla	775570	8504352	-60/125	52-56	4	0.7

Note: Datum is MGA Zone 52 GDA 94.

Priscilla Gold Prospect



Drill Hole Locations Pine Creek

Hole	Prospect	East	North	Hole Depth	Azimuth	Dip
TAL049RC	Allamber	178032	8497136	151	90	-58
TAL050RC	Allamber	177794	8497018	97	90	-59
TAL051RC	Allamber	178017	8497104	127	90	-58
TAL052RC	Allamber	178108	8497053	97	120	-63
TAL053RC	Allamber	178177	8497494	139	300	-63
TAL054RC	Allamber	178278	8498578	133	270	-57
TAL055RC	Allamber	177128	8498419	73	220	-60
TAL056RC	Allamber	821723	8511978	207	40	-60
TAL057RC	Allamber	821875	8511993	172	220	-60
TAL058RC	Allamber	821893	8512004	178	220	-60
TAL059RC	Allamber	821876	8511936	124	220	-60
TAL060RC	Allamber	821810	8512006	112	220	-60
TAL061RC	Allamber	821731	8512054	113	220	-60
TAL062RC	Allamber	178195	8497478	160	300	-60
TAL063RC	Allamber	178205	8497514	148	300	-60
TAL064RC	Allamber	178160	8497457	136	300	-60
TPCRC148	Priscilla JV	775173	8504040	106	121	-60
TPCRC149	Priscilla JV	775138	8504065	124	121	-60
TPCRC150	Priscilla JV	775221	8504211	100	121	-60
TPCRC151	Priscilla JV	775181	8504239	136	121	-60
TPCRC152	Priscilla JV	775254	8504187	100	121	-60
TPCRC153	Priscilla JV	774920	8503592	100	131	-60
TPCRC154	Priscilla JV	774888	8503617	126	131	-60
TPCRC155	Priscilla JV	774873	8503494	118	131	-60
TPCRC156	Priscilla JV	774843	8503515	124	131	-60
TPCRC157	Priscilla JV	774808	8503336	100	131	-60
TPCRC158	Priscilla JV	774775	8503359	124	131	-60
TPCRC159	Priscilla JV	775331	8503785	124	131	-60
TPCRC160	Priscilla JV	775306	8503810	124	131	-60
TPCRC161	Priscilla JV	775275	8503836	100	131	-60
TPCRC162	Priscilla JV	775245	8503862	100	131	-60
TPCRC163	Priscilla JV	775105	8504086	154	121	-60
TPCRC164	Priscilla JV	775432	8504100	154	121	-60
TPCRC165	Priscilla JV	775552	8504247	100	131	-60
TPCRC166	Priscilla JV	775616	8504322	178	131	-60
TPCRC167	Priscilla JV	775210	8504018	100	121	-60
TPCRC168	Priscilla JV	775242	8503998	100	121	-60
TPCRC169	Priscilla JV	775287	8504165	100	121	-60
TPCRC170	Priscilla JV	775393	8504126	100	121	-60
TPCRC171	Priscilla JV	775315	8504145	142	121	-60
TPCRC172	Priscilla JV	775362	8504145	118	121	-60

Drill Hole Locations Pine Creek (continued)

Hole	Prospect	East	North	Hole Depth	Azimuth	Dip
TPCRC173	Priscilla JV	775503	8504283	135	125	-60
TPCRC174	Priscilla JV	775570	8504352	135	125	-60
TPCRC175	Priscilla JV	774710	8502860	100	131	-60
TPCRC176	Priscilla JV	774940	8503272	140	150	-60
TPCRC177	Priscilla JV	774910	8503313	118	131	-60

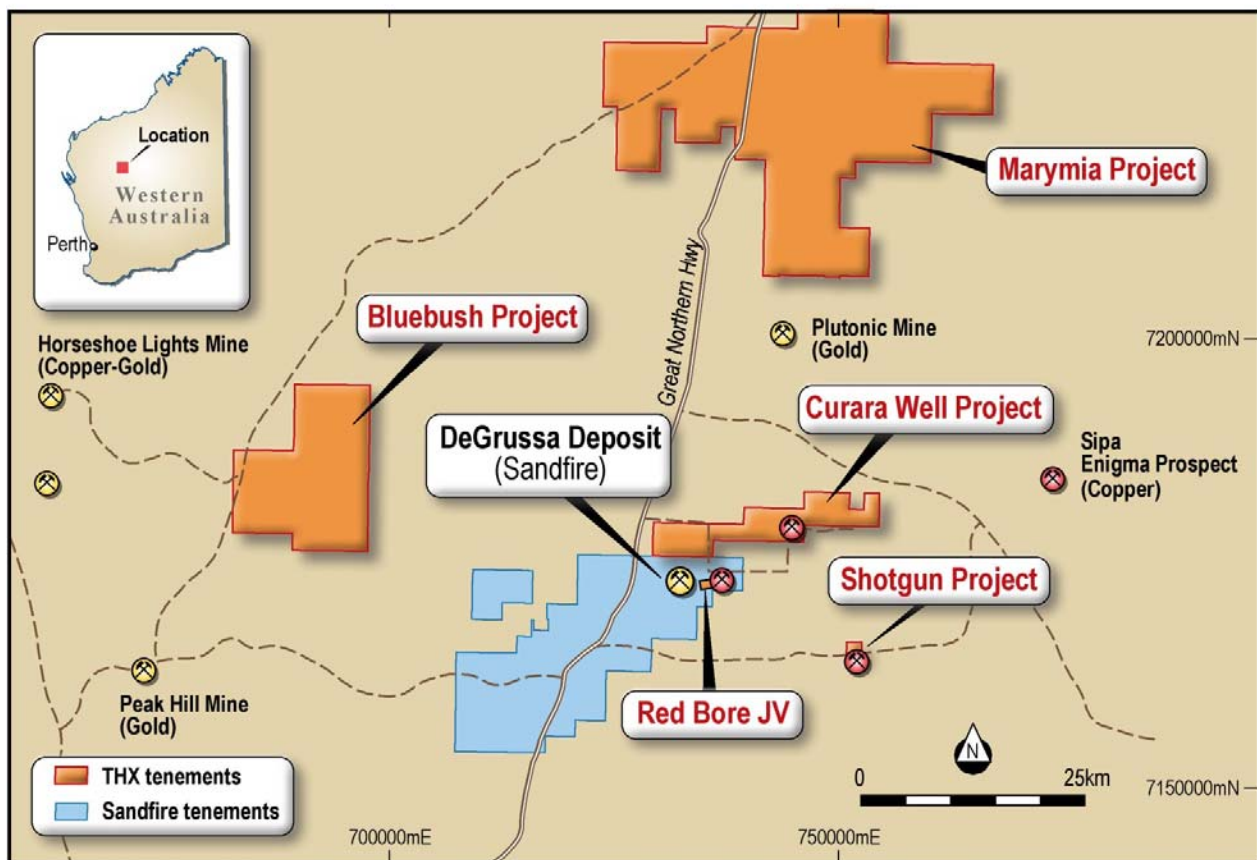
WESTERN AUSTRALIA

Doolgunna Region

Exploration at the Doolgunna regional project is directed at finding copper-gold sulphide mineralisation similar to that hosted in the DeGrussa deposit. This spectacular discovery by Sandfire Resources NL hosts a resource of 14.3 million tonnes grading 4.6% copper and 1.6 g/t gold (652,000t contained copper, 742,000 oz contained gold) and is currently undergoing mine development. Thundelarra's tenure directly abuts Sandfire's mining lease and exploration license.

Thundelarra has five project areas, with tenements totalling over 1,500 square kilometres within the Doolgunna region, as shown in the figure below.

Doolgunna Regional Projects and Tenement Map



Red Bore Project

At the Red Bore project, granted mining lease M52/597, the Company has the right to earn 60% equity. The licence is situated 500 metres south-east of Sandfire's DeGrussa deposit, and approximately 200 metres from the Conductor 5 ore body.

During the quarter processing and geological logging was completed for five diamond tails (867m of core), drilled in the previous quarter. These holes, located around the Red Bore and North West Gossan prospect areas have identified a highly prospective DeGrussa style VMS mineralising system within the Red Bore tenement that requires further, extensive deep drilling. Work is described below.

Red Bore Prospect

Thundelarra's work at Red Bore has identified a significant VMS horizon, with sulphide mineralisation at the Red Bore prospect returning assays up to 17 metres at 11.7% copper & 1.73g/t gold from 29 metres in TBRC005. This mineralisation has a strong gold-copper-silver and Sn-Mo-Se-Co-As-Te association and has a striking visual and geochemical similarity to the nearby DeGrussa deposit.

During the quarter assay results for diamond hole TRBCD056 were received. This drillhole was sited close to RC drillhole TRBC003 which intersected sulphide mineralisation. The diamond hole was designed to allow a better understanding of the geology and controls to mineralisation within the Red Bore prospect mineralisation.

Mineralisation observed in TRBCD056 comprises banded to massive chalcopyrite hosted in a propylitically altered, magnetite rich tuff and mafic volcanoclastic horizon. Sericite and carbonate alteration are also present. The observed geology appears typical of intense VMS style mineralisation and alteration.

Core assays returned 7 metres at 5.29% copper, 0.38g/t gold and 5.5g/t silver from 65.5 metres, as detailed in the table below.

Red Bore Prospect Drill Assay – TRBCD056

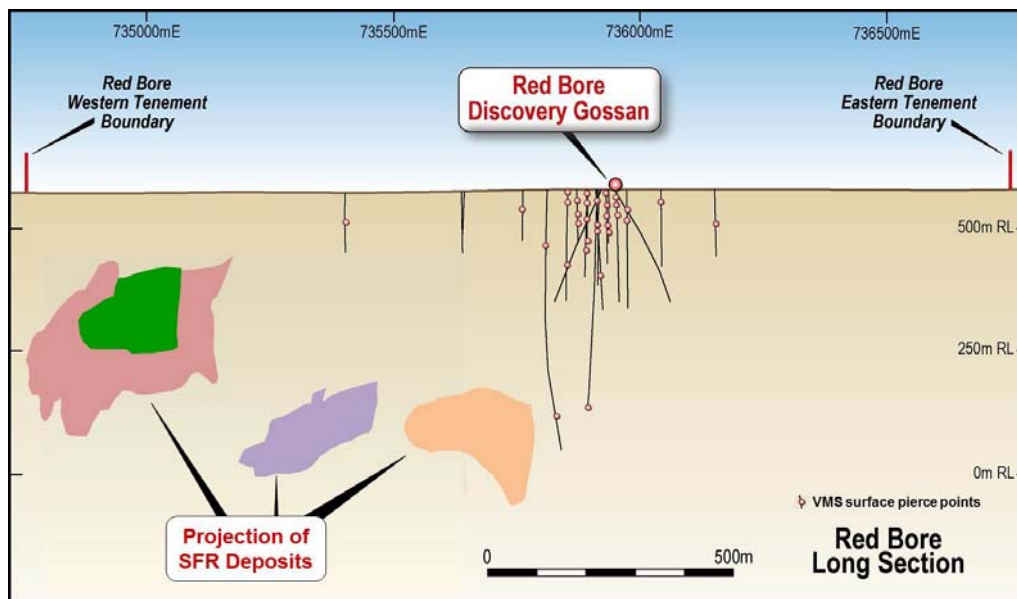
Hole	Azimuth/ dip	Metres East	Metres North	From/ To	Interval	Grade		
						Copper	Gold	Silver
TRBCD056	360°/-60°	735934	7172497	65.5 to 72.5m	7m	5.29%	0.38g/t	5.5g/t
including				70.5 to 72.5m	2m	12.0%	1.0g/t	12.2/t
And as comparison to previously drilled RC hole:								
TRBC003	360°/-60°	735930	7172500	72-80m	8m	3.41%	0.10g/t	2.2g/t

The results compare favourably with nearby RC drillhole TRBC03 assay results, with a 34% increase in total copper content returned in diamond core sampling.

Core recovered from mineralisation in hole TRBCD057 was disrupted during cutting and has not been submitted for assay.

The two kilometre strike length of the Red Bore prospect favourable horizon remains virtually untested by any drilling as displayed in the figure below and is therefore a key focus for Thundelarra's work.

Red Bore Prospect VMS Horizon Long Section

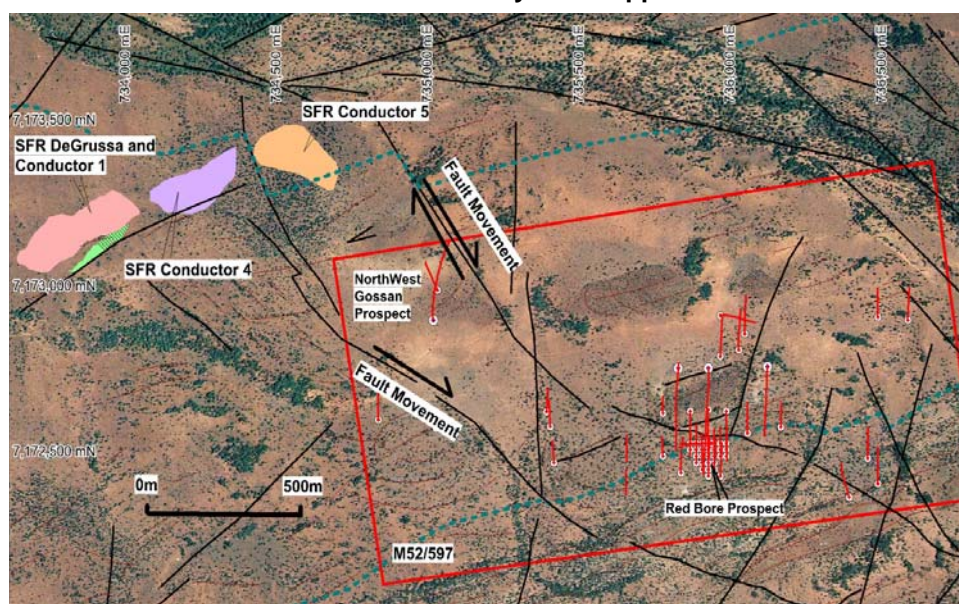


Northern Red Bore Tenement Area

Within the northern part of the Red Bore mining lease a series of north-west striking faults have been identified which appear to displace the Red Bore sequence and that hosting the DeGrussa mineralisation to the north-west. Field evidence indicates these faults move bedrock southwards and closer to the surface along their eastern sides. This is important for the Red Bore area, creating the opportunity for extensions to the conductor 5 ore body to be offset into the Red Bore lease, and also for mineralisation to be present at reasonably shallow (300-600 metre) depths within the central north portion of the Red Bore project.

A target 1,200 metres strike extent within this northern Red Bore stratigraphy has been identified as having best potential for hosting DeGrussa mineralisation. Planning for 2012 drilling of this target is underway. The Red Bore tenement area and mapped faults are shown in the figure below.

Red Bore Tenement Boundary and Mapped Structures



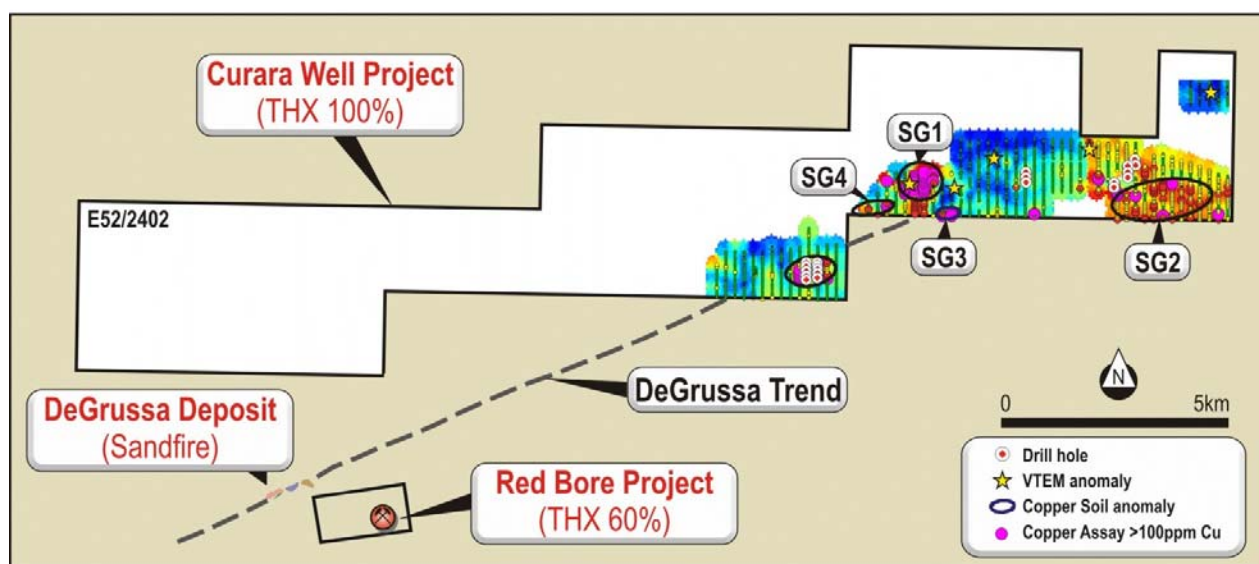
Curara Well Project

Curara Well is located 2.5 kilometres north and eastwards from the Sandfire's DeGrussa deposits on exploration license E52/2402 which covers an area of 83 square kilometres and is owned 100% by Thundelarra. It is also located 20 kilometres to the west of the Enigma prospect recently identified by Sipa Resources Ltd.

The Curara Well tenement area has poor outcrop and has seen very little past exploration. Thundelarra completed its first phase of drilling in August 2011, with 21 reverse circulation (RC) drillholes for 2,659 metres returning a peak assay of 4 metres at 1,120ppm (0.11%) copper from 28 metres depth in hole TCW007.

During the quarter soil geochemical results from Thundelarra sampling were compiled. Over 2,000 samples have now been collected over the eastern half of the tenement and define a number of geochemical copper anomalous areas. These are shown on the figure below.

Curara Well Project Copper Soil Geochemistry and RC Drilling



Of the three high priority copper anomalies, the SG1 Anomaly is the most pronounced and has a 600 metre strike extent and a coincident bismuth-tellurium association. The anomaly remains open to the north. Field inspection of the anomalies, together with further geochemical sampling, has been curtailed by seasonal rain. This work is planned to re-commence when ground conditions allow.

The eastern quarter of the Curara Well tenement area is poorly suited to soil geochemical exploration methods due to recent cover which commonly masks bedrock. In this area geochemical signatures may be obscured and traverse style drilling will be the best method of identifying bedrock geochemistry.

A second phase of drilling is planned to target geochemical and geophysical anomalies, as well as outline the broader geology within the tenement. A key aim of the drill programme will be to define lower grade supergene copper within the deeply weathered environment as a vector to the target mineralisation. Approvals, including heritage surveying will be required in some areas prior to commencement of drilling.

It is encouraging that copper mineralisation along strike to the east at the Sipa Resources' Enigma prospect is hosted in similar rocks to that encountered by the Curara drilling program.

Marymia Project

This 100% owned project, located 35 kilometres to the north of Red Bore and 33 kilometres south of copper mineralisation at Kumarina, comprises five tenements totalling 675 square kilometres. The project is grass roots in nature, but covers major basin bounding structures prospective for base metal mineralisation under cover. Government sampling has identified strongly anomalous silver soil geochemistry to 22g/t silver over the western portion of the project.

During the quarter Thundelarra exercised its option to acquire a 100% equity in two of the Marymia tenements.

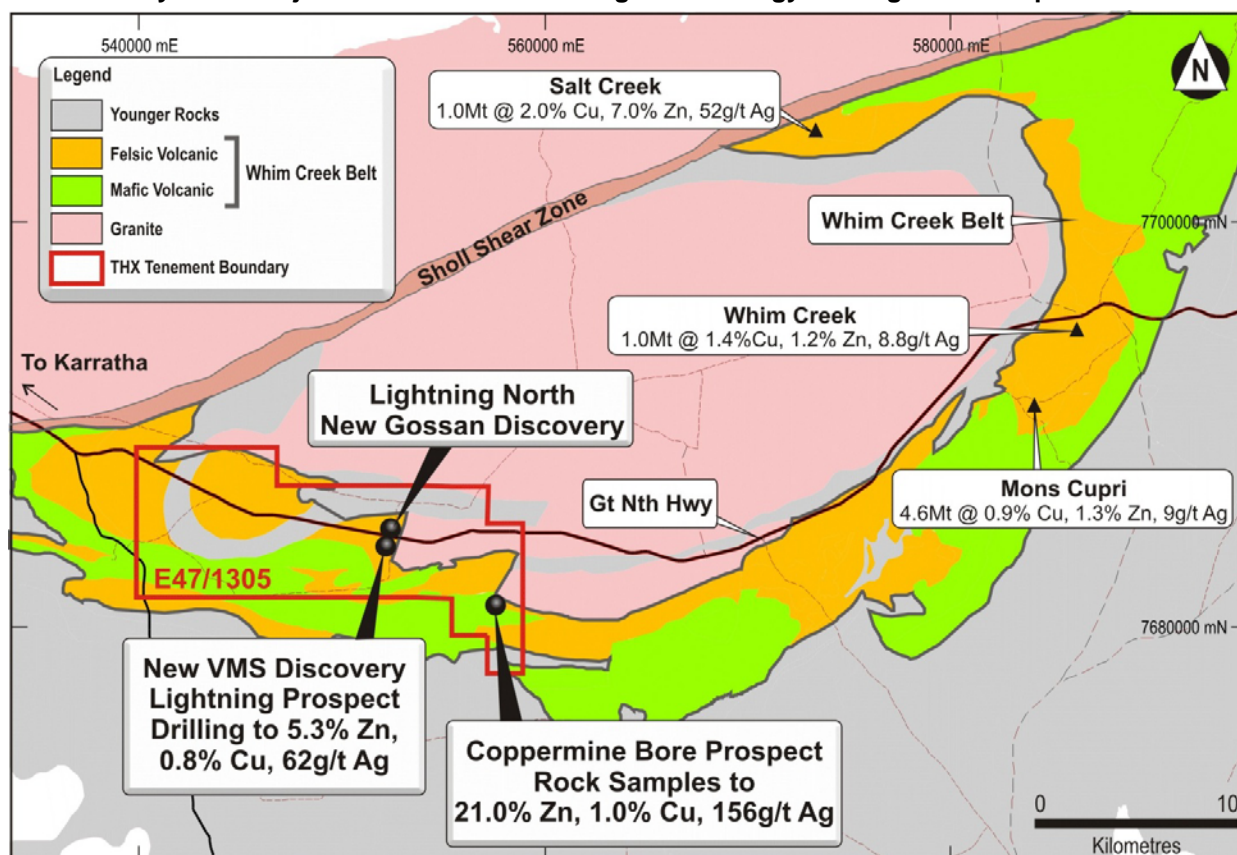
Further work including geochemistry and an airborne magnetic survey is being planned.

Pyramid Project

The 100% Thundelarra owned Pyramid project is located in the Pilbara region of Western Australia, approximately 70 kilometres east of Karratha.

Thundelarra finished its first drilling program at pyramid in December with 9 RC holes for 1,242 metres completed. Eight holes were located over a target in the central area of the tenement named the Lightning prospect with a single hole drilled at the Coppermine Bore prospect five kilometres to the east. These prospects are situated on the margin of the Red Hill volcanic centre, a sequence which forms part of the Whim Creek belt that hosts the Whim Creek, Salt Creek and Mons Cupri base metal deposits to the east, as shown in the plan below.

Pyramid Project Location Plan with Regional Geology and Significant Deposits



Lightning Prospect

No historical exploration has been carried out at the Lightning Prospect and bedrock is totally masked by recent cover. Thundelarra's first drill program has identified a new base metal discovery, intersecting base metal sulphides characteristic of VMS mineralisation. A best intercept of 0.81% copper, 5.2% zinc, 1.36% lead and 62g/t silver confirms the fertile nature of the system and its potential to host economic mineralisation.

At the Lightning prospect, three fences of drillholes were completed over a 280 metre strike extent. Each drill hole intersected disseminated to massive sulphide, dominated by pyrrhotite and pyrite, commonly 3 to 10 metres thick and hosted in strongly altered sediments which are overlain by mafic volcanics. Base metal mineralisation is developed in the upper part of the sulphide lens. The sulphides occur as massive, semi-massive and sulphide cemented micro-breccia. Base metal mineralisation is associated with elevated tin, selenium, bismuth, arsenic, cadmium and tellurium. Significant intercepts are detailed below.

Lightning Prospect Significant Drill Intercepts

Hole	Azi / dip	East	North	From/To	Interval	Grade			
						Copper	Zinc	Lead	Silver
TPYC001	360°/-60°	552150	7684010	60-64m	4m	0.14%	1.66%	0.19%	9 g/t
TPYC002	360°/-60°	552150	7683990	76-80m	4m	0.25%	2.95%	0.35%	19 g/t
TPYC003	360°/-60°	552150	7683970	NSR					
TPYC004	360°/-60°	552070	7684010	111-113m	2m	0.17%	2.46%	0.59%	26.2g/t
TPYC005	360°/-60°	552070	7683970	128-130m	2m	0.44%	0.53%	0.01%	26.5g/t
and				131-134m	3m	0.59%	3.28%	0.68%	41.6g/t
including				131-132m	1m	0.81%	5.28%	1.36%	62g/t
TPYC006	360°/-60°	552070	7683930	NSR					

Note: Intercepts are calculated using a 0.5% lower Cu, Pb or Zn cut off. Assay method was by special mixed acid digest (SMAD) and ICP-OES/MS. Co-ordinates are MGA Z50 GDA94. All intercepts are associated with fresh sulphide.

Assay results for holes TPYC007 and TPYC008, the eastern most fence of drillholes did not return significant base metal values, however both intersected thick VMS style pyrite-pyrrhotite sulphides, indicating a robust VMS environment.

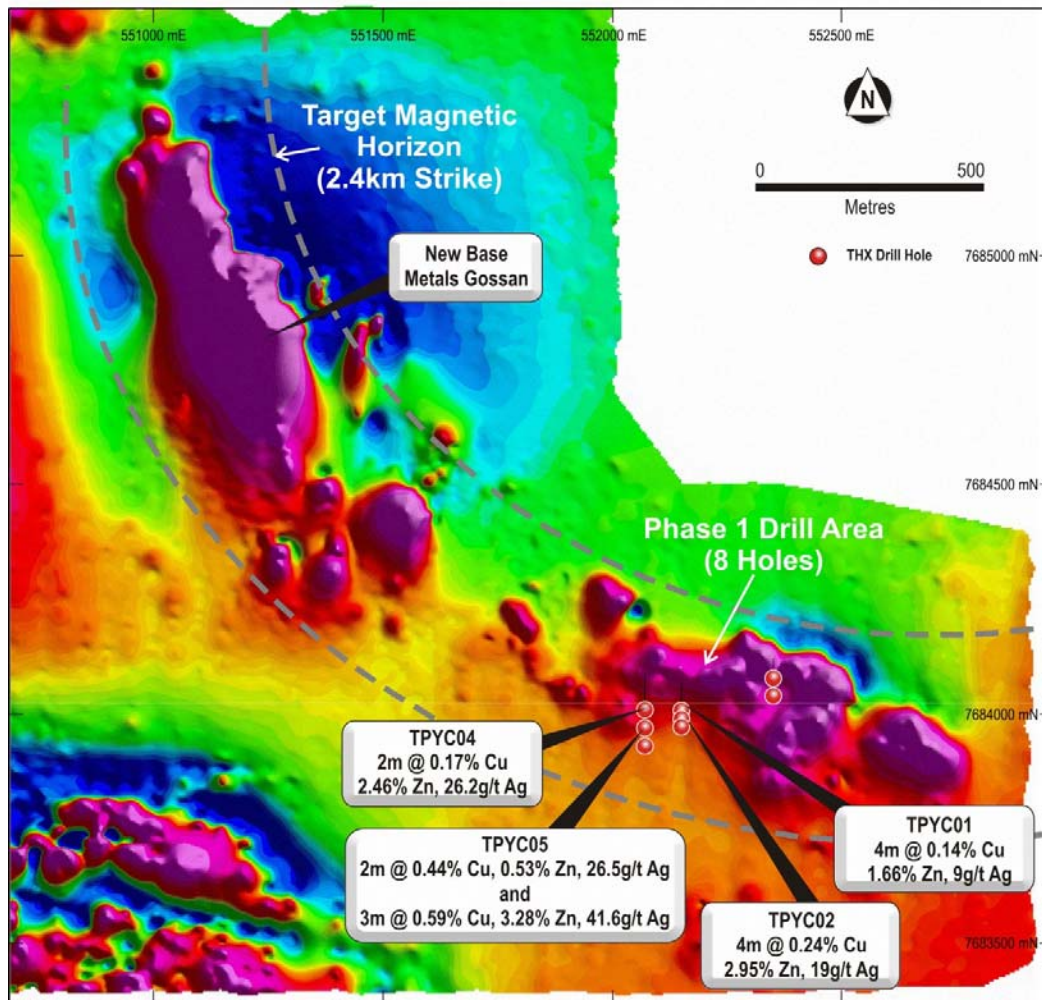
The geological setting, geochemistry and alteration identified in the drilling suggest the mineralisation is of a VMS origin and similar in nature to the Whim Creek, Salt Creek and Mons Cupri deposits located 40 kilometres to the east. The Whim Creek deposit was first mined in 1889 and Venturex Resources Limited are currently completing a bankable feasibility study on the recommencement of copper and zinc mining.

Lightning Prospect – Extents

Thundelarra has carried out detailed ground magnetics which outlines an extensive arcuate magnetic anomaly at the Lightning Prospect. Drill data indicates this is due to magnetic pyrrhotite within the intersected sulphide mineralisation. As such the magnetic anomaly outlines the area where sulphide mineralisation may be present at depth.

As shown in the figure below, the magnetic anomaly extends for 2.4 kilometres and is untested by any past exploration with bedrock obscured by transported cover. The extensive anomaly provides scope for multiple lenses or shoots of economic mineralisation to be developed along its extent.

Lightning Prospect Magnetic Anomaly and Drill Hole Locations



Three rock samples have been collected over the northern portion of the magnetic anomaly, where a small area of ironstone, considered to represent another gossan, was identified. Two of these samples have returned elevated base metal and silver assays as shown in the table below.

Lightning North Rock Geochemical Results

Sample	Prospect	East	North	Silver	Zinc	Copper	Lead
TB886073	Lightning North	551229	7684792	2.0g/t	0.38%	0.01%	0.11%
TB886074	Lightning North	551252	7684849	4.5g/t	0.04%	0.02%	0.45%

Note: co-ordinates are MGA z50 GDA94. 3 rock samples collected in program. Assay by mixed acid digest and ICP-OES/MS

The gossanous rocks may result from the weathering of base metal sulphides, and reinforces the significance of the 2.4 kilometre long Lightning magnetic anomaly.

Further magnetic surveying is required beyond the area tested so far to determine if additional magnetic anomalies are present along strike.

Coppermine Bore Prospect

The Coppermine Bore prospect is centred around a shallow shaft which exposes altered fragmental rhyolite with copper-lead-zinc mineralisation.

In the December 2011 drilling Thundelarra completed one drillhole, TPYC009, near this shaft. Results returned for this hole record elevated zinc and silver results in weathered rock from 4 metres to 24 metres depth (peak result 0.1% zinc, 2.5g/t silver). The drillhole appears to have passed over the top of the zone of interest.

Rock sampling approximately 200 metres to the south of the shaft was carried out around a windmill where outcrop is largely obscured by colluvium. Silicified felsic volcanic with secondary copper as well as chalcopryite and galena was sampled, returning some very high grade values as displayed in the table below.

Coppermine Bore Prospect - Significant Rock Assay Results

Sample	Prospect	East	North	Silver	Zinc	Copper	Lead
TB886069	Coppermine Bore	557493	7680932	123g/t	0.47%	0.32%	5.17%
TB886070	Coppermine Bore	557479	7680917	48g/t	21.4%	0.37%	3.01%
TB886071	Coppermine Bore	557479	7680917	46.5g/t	20.4%	0.36%	3.16%
TB886072	Coppermine Bore	557493	7680920	156g/t	0.28%	1.07%	14.7%

Note: co-ordinates are MGA z50 GDA94. 6 rock samples collected in program. Results above 0.5% base metal shown. Assay by mixed acid digest and ICP-OES/MS

The area where the rocks were collected has extensive colluvium which obscures bedrock. Further work is needed to outline the trend and extent to the mineralisation.

Pyramid Regional Exploration

The identification of new VMS style mineral system at the Lightning prospect, together with encouraging rock chip results, enhance the prospectivity of the 125 square kilometre Pyramid tenement, which is largely unexplored. Importantly, the two prospect areas described above represent a small part of the approximate 18 kilometre strike extent of prospective stratigraphy, which is largely obscured by cover.

Kunderong Project

The Kunderong project is located in the Ashburton district of Western Australia. Under the Saltwater Pool Joint Venture, ASX listed company U3O8 Limited is farming into three of Thundelarra's tenements in the Kunderong Project. One tenement (E52/1940) is held 100% by Thundelarra, whilst the other two tenements (E52/1890, 1892) are held by Cullen Resources Limited (ASX: CUL) and managed by Thundelarra under the Kunderong Joint Venture. U3O8 Limited can earn 51% equity in each tenement by spending a combined total of \$1.1 million over a three year period.

In mid 2011 U3O8 Limited identified a quartz vein at the Monster prospect within the Saltwater Pool Joint Venture. Additional sampling was carried out and confirmed results with one sample returning an exceptionally high grade of 1,590g/t silver, 8.49g/t gold and 1,830ppm copper (Sample 2100). During the current quarter the vein system was traced and mapped for over two kilometres before its strike extended beneath the overlying sandstone sequence. A number of drill holes have been planned to test this target in 2012

Additionally, a regional stream sediment sampling programme has identified a significant new silver anomaly on E52/1940. Several stream sediment samples returned anomalous silver assays with the most significant being greater than the 100g/t Ag upper limit of detection. Further follow up of this anomalous area will be undertaken in 2012.

East Kimberley Regional Copper Projects

Thundelarra owns 100% of the Rosewood and Sophie Downs copper projects in the East Kimberley region. During the quarter the Frank Hill project also reverted back to 100% Thundelarra ownership. The combination of these three projects represents a significant regional project and work is underway to set out the scope of future exploration.

Within the Frank Hill Project at the Azura prospect the Fish Hole basalt sequence has Michigan style native copper at surface over a 3.4 kilometre strike extent. Limited drilling at this area carried out by former JV partner, Panoramic Resources, has identified widespread native copper associated with hematite alteration in fresh rock, with a peak assay of 1.8% copper. The prospect, originally identified by Thundelarra, is grass roots in nature but the drill results are seen as proof of concept and the area warrants further geophysics and drilling.

East Kimberley - Panoramic Resources JV

The East Kimberley JV (THX up to 39%) is managed by Panoramic Resources and is targeting nickel-copper-cobalt sulphide mineralisation associated with mafic and ultramafic intrusions. The region hosts two such deposits, the operating Savannah mine (PAN) and the Copernicus mine (THX 40%).

Within the East Kimberley JV, airborne gravity and airborne electromagnetic (VTEM) data has identified numerous target areas for follow-up testing. During the quarter, follow-up ground EM surveying continued to refine these target areas and define potential drill targets.

Copernicus Nickel Mine (Thundelarra 40%)

The open pit mine remains on care and maintenance. No activity was carried out.

ABOUT THUNDELARRA EXPLORATION LTD

Thundelarra is an active mineral exploration company with advanced copper, gold and uranium projects in Western Australia and the Northern Territory.

In the Doolgunna region of Western Australia, Thundelarra controls 1,500 square kilometres of tenure, including ground immediately along strike from Sandfire Resources' DeGrussa deposit, where drilling by Thundelarra has intersected significant high grade copper-gold mineralisation.

At the Rosewood and Frank Hill projects in the East Kimberley, Thundelarra has discovered new copper occurrences that display potential to host deposits of substantial scale. Recently the Company identified a new VMS system at the Pyramid Project in the West Pilbara with significant copper, zinc, lead and silver mineralisation intersected by drilling.

In the Northern Territory, Thundelarra's first drilling program at the Priscilla Prospect has intersected gold mineralisation assaying up to 118 g/t and at the Allamper Project a copper rich sequence that extends for over 20 kilometres has been identified, with initial drilling intersecting potentially economic grade copper mineralisation over broad widths.

Whilst Thundelarra's near term focus is on copper and gold, the Company has major land holdings in the Northern Territory's Pine Creek and Ngalia Basin uranium provinces and has discovered a number of significant uranium occurrences, one of which has been converted into a high grade resource. With a strong medium to long term outlook for the uranium sector, Thundelarra's Northern Territory uranium projects represent an important part of the Company's value base.

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

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ASX CODES: THX & THXOA

Issued Shares: 154.8M

Market Cap: \$25M

Competent Person's Statement

The details contained in this report that pertain Exploration Results, Mineral Resources or Ore Reserves 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

THUNDELARRA EXPLORATION LTD

ABN

74 950 465 654

Quarter ended ("current quarter")

31 DECEMBER 2011

Consolidated statement of cash flows

		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2,702)	(2,702)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(365)	(365)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	110	110
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(2,957)	(2,957)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(2)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	6	6
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Redemption of security deposits	80	80
	- Placement of security deposits	(170)	(170)
	- Payment of intangibles	(18)	(18)
	Net investing cash flows	(104)	(104)
1.13	Total operating and investing cash flows (carried forward)	(3,061)	(3,061)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,061)	(3,061)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(3,061)	(3,061)
1.20	Cash at beginning of quarter/year to date	8,026	8,026
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,965	4,965

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	279
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 1 October 2011 to 30 September 2012.

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.

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	1,150
4.2 Development	-
4.3 Production	-
4.4 Administration	450
Total	1,600

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	209	308
5.2 Deposits at call	4,756	7,718
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,965	8,026

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	EPM15849	-	100%	Nil
	EL25479	-	100%	Nil

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	EL28625	-	Nil	100%
		EL28698	-	Nil	100%
		EL28519	-	Nil	100%
		EL28590	-	Nil	100%
		EL28697	-	Nil	100%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	154,828,927	154,828,927		
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options (description and conversion factor)	6,778,130 4,250,000 260,000 4,250,000 280,000 6,750,000 1,160,000 6,750,000 1,125,000	6,778,113 - - - - - - - -	Exercise price \$0.20 \$0.50 \$0.52 \$0.20 \$0.32 \$0.64 \$0.96 \$0.84 \$0.39	Expiry date 29/03/2013 28/02/2013 30/06/2012 26/02/2014 30/09/2012 25/02/2015 20/09/2013 27/02/2015 30/06/2014
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	350,000 450,000	-	\$0.47 \$0.96	31/12/2011 31/12/2011
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 31 January 2012

(Director/Company secretary)

Print name:

FRANK DEMARTE

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

+ See chapter 19 for defined terms.

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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