2012

THUNDELARRA EXPLORATION ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS

Malcolm J Randall
Non-Executive Chairman

Frank DeMarte
Executive Director

John D Hopkins
Non-Executive Director

Philip G Crabb
Non-Executive Director

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ASX ADDITIONAL INFORMATION

The Annual Report covers both Thundelarra Exploration Ltd as an individual entity and the Consolidated Entity consisting of Thundelarra Exploration Ltd and its controlled entities.

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COSTICA VIERU
EXPLORATION MANAGER

COPPER IS STILL OUR PRIMARY FOCUS FOR 2013. OUR URANIUM ASSETS WILL BE MAINTAINED IN READINESS FOR AN ANTICPATED RECOVERY IN THAT SECTOR.

CHAIRMAN'S LETTER

Dear Shareholder,

It gives me pleasure to present the 2012 annual report for Thundelarra and to be able to report a number of advances and successes during my second year as your Chairman. It has, without question, been another challenging year for the market overall and particularly for the smaller exploration companies. Successes of previous years, notably the spin-off of United Kimberley Diamonds and its eventual takeover by BHP Billiton, had funded all our exploration activities for many field seasons. However, this enviable cash position could not last forever and 2012 saw us having to undertake a capital raising for the first time in a number of years.

The current market environment has led to a number of significant changes within your Company that effectively began with the departure of the previous MD. Your new CEO, Tony Lofthouse, assumed the role in April and straight away had to make some hard decisions to reduce overheads and re-focus the exploration effort onto those few sectors in which the share market retained a modicum of interest. Salary cuts at both management and board level and reductions in head count are becoming more and more commonplace in this depressed market: Thundelarra was amongst the first to bite the bullet in this regard and implement such drastic but necessary changes.

The continuing malaise in the global financial markets, combined with depressed commodity prices, has had a materially adverse effect on producers and explorers alike and on their field activities. No company has been immune to these factors and the accompanying negative investor sentiment. Thundelarra is fortunate in that the portfolio of diverse exploration properties built up in recent years has helped to spread the commodity exposure and thus permit our geologists to manage their focus effectively. Our team has been able to direct the Company's exploration efforts towards specific commodities, like copper, where we believe that any successful exploration results are most likely to deliver an upward share price re-rating by the market.

Focusing on our copper prospects, our exploration programs this year were initially designed around three: Pyramid in the Pilbara of Western Australia; Allamber in the Pine Creek region of the Northern Territory; and the Doolgunna region of WA's Murchison. Drilling programs have been completed, or are still underway, at each project. At Allamber new copper mineralisation has been discovered, as well as skarn mineralisation that confirmed the geological hypotheses developed by our teams on the ground.

When all the remaining assay results become available, then the local geological setting and theoretical potential of the mineralisation can be more closely evaluated as part of the process of budgeting for next season's work programs.

At Doolgunna a program of RAB drilling is currently underway at the Curara Well prospect, approximately 10 kms to the north-east of Sandfire Resources' newly commissioned DeGrussa copper and gold mine. The geological indications at Curara Well augur well for possible similar settings to the DeGrussa mineralisation and the targets remain an exciting part of Thundelarra's exploration future into calendar 2013.

Also at Doolgunna, in May we announced a high quality maiden JORC resource, albeit of relatively small tonnage, at the Red Bore prospect, thereby satisfying the requirements to have earned a 60% participating interest in the granted mining lease on which the resource lies. Our Joint Venture partner contends that the delivery of the resource and the expenditure of over $3 million on exploring the lease to date do not meet the earn-in requirements and that the original agreement under which that work was carried out is not legally binding - contentions that Thundelarra and its legal counsel entirely refute. Thundelarra will continue to pursue all avenues available to resolve the issue as quickly and as effectively as possible, but until a resolution is reached it would be imprudent to continue to spend shareholders' funds on further exploration without certainty of the equity position. In the meantime though, we are fortunate to have the wholly-owned Curara Well prospect on which to focus our efforts in the area.

The commodity for which Thundelarra has received most recognition in recent years following the exploration successes at Thunderball - uranium - has not been a market favourite in 2012. The aftermath of the devastating earthquake and tsunami that hit Japan in March 2011 continues to have an adverse impact on the market sentiment regarding nuclear power and thus also on the uranium exploration sector.

Your board is unanimous in its view that the uranium market will recover in the future. It is nigh on impossible to forecast with any degree of confidence when that return to positive sentiment will begin. We are heartened though to hear from a number of market commentators the slow stirrings of potential recovery. It is for this reason that Thundelarra will continue to maintain the lion's share of its uranium exploration portfolio. However, we would caution shareholders against any expectation of aggressive exploration of that portfolio, at least until such time as the market demonstrates that it is once again prepared to reward uranium exploration activity and successes with share price appreciation.

The next twelve months will see continued and proactive evaluation of the geological potential of your Company's exploration portfolio. We believe the best place for shareholders' funds is in the ground, looking for that next discovery. Exploration is a numbers game and the more prospects you evaluate, the greater the chance of success. Thundelarra's extensive exploration portfolio is the envy of its peers. Few if any others have the same depth of exploration potential across such a wide range of commodities.

Finally I would take this opportunity to thank our hard working employees and my fellow directors for their support during the year and, of course, the loyalty and persistence of our shareholders which we will strive to reward through exploration success.

Mal Randall
Chairman

THUNDELARRA CONTROLS 85KM^2 OF GROUND WITH POTENTIAL FOR DEGRUSSA STYLE COPPER-GOLD MINERALISATION.

01/

REVIEW OF OPERATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

HARRY MEES

SENIOR EXPLORATION GEOLOGIST

PINE CREEK CAME TO PROMINENCE IN 1870. POSTHOLE DIGGERS FOR THE OVERLAND TELEGRAPH LINE FOUND GOLD IN THE SOIL, SETTING OFF ANOTHER AUSTRALIAN GOLD RUSH.

REVIEW OF OPERATIONS

OVERVIEW

2012 was another year of challenges for most exploration companies. Thundelarra's extensive portfolio of prospects allowed our exploration programs to target commodities that have remained in market focus – notably copper, and a number of new technical successes have provided an exciting base for our 2013 programs.

Thundelarra underwent some major changes during the year. The departure of the previous MD and the appointment of a new CEO led to some hard decisions being made to reduce overheads and to streamline the operations of your Company in these current financially challenging times. Salaries were reduced, starting at board and executive level. This, together with a reduction in head count through a number of resignations and redundancies, resulted in savings of approximately $800,000 per annum. Thundelarra was one of the first companies to recognise the need for such decisive action and to effect the necessary changes to apply shareholder funds more efficiently.

In the 2011 Annual Report the exploration potential at Allamber, Priscilla, Red Bore, Curara Well and Pyramid was highlighted, mainly for the copper, base metal and gold potential that they represented.

At the Allamber Project, located about 180km from Darwin in the south-eastern part of Thundelarra's Pine Creek tenure, a combination of new field mapping, new geophysical surveys and a reverse circulation drilling program added significantly to our understanding of a geologically complex area, including the discovery of an entirely new zone of copper mineralisation within the granite at the Tarpon Prospect, which we believe may be related to circular and radiating fracture systems linked to the intrusion of the granitic pluton into the overlying dolomitic metasediments.

The juxtaposition of these geological elements also creates the possibility of skarn-style mineralisation, which has again been proven in the most recent round of follow-up drilling that has run into the current 2013 financial year. At the time of writing, assays are still awaited.

Another feature of the contact between granite and the carbonaceous metasediments of the Masson Formation is the possibility of graphite occurrences. Re-visiting drill chips from previous drilling programs at Hatrick and at Cliff South demonstrated the presence of graphite, as expected, and at grades and particle size that might theoretically be of interest. However, evidence points to most of these graphitic occurrences being of amorphous (small grain size) graphite and consequently unlikely to warrant dedicated follow-up. Any larger grain size graphite intersected in holes testing for copper will of course be assessed for commercial potential. One downside to the fieldwork for the year was that it downgraded the possibility of a SEDEX style copper deposit along the 20 kilometre contact between the Allamber Springs granite and the Masson Formation metasediments. We believe that this is more than offset by the potential from Tarpon around to Cliff South that will form the core of the 2013 exploration programs.

Highly encouraging gold results at Priscilla included a 4m composite at 118 gpt gold. Resampling at 1m splits returned results that confirmed the "nuggetty" nature of the gold, including 1m at 908 gpt from within the 4m composite. No evidence was found to demonstrate possible continuity of higher grades over any commercial distance. Thundelarra will continue to assess the gold potential of its tenure in the Hayes Creek area in which Priscilla lies as part of maintaining the tenure in good standing.

At Red Bore, next to Sandfire's newly commissioned DeGrussa copper-gold mine, Thundelarra announced a maiden JORC indicated resource of 48,000t at 3.6% Cu and 0.4gpt Au from 30m to 140m depth. Although relatively small, the resource is deemed potentially commercially viable by open pit mining and with DeGrussa's plant about 300m distant this represents a possible future source of income. At present Thundelarra is pursuing all available avenues to resolve an impasse with the joint venture partner over the 60% participating interest in the project that Thundelarra is advised it has earned. No further exploration will be carried out until the equity position is resolved.

Along strike from DeGrussa, at Curara Well, Thundelarra has set out a program of 5,000m of RAB drilling to test copper-in-soil anomalies that exhibit geological characteristics that could represent a repetition of the mineralisation at DeGrussa. This drill program commenced early in the 2013 financial year and is underway at time of writing.

The Pyramid Project in the Pilbara of WA had delivered exploration results in 2011 suggesting the possibility of VMS (volcanogenic massive sulphide) style mineralisation that might emulate the known copper mines to the east at Whim Creek, Mons Cupri and Salt Creek, which are hosted in a similar geological setting. Drill results from the program carried out this year to test soil and geophysical anomalies intersected some sulphide mineralisation leaning more towards lead-zinc-silver than copper, and apparently structurally controlled rather than VMS. Some targets remain to be tested at Pyramid in 2013, but the results to date have downgraded the immediate prospectivity.

Amongst Thundelarra's principal successes of recent years have been uranium discoveries at Thunderball and Ngalia Basin in the Northern Territory. The aftermath of the terrifying earthquake and tsunami off the coast of the Miyagi Prefecture in March 2011 has continued to have an adverse effect on the market sentiment for uranium exploration.

As a result, Thundelarra has made a conscious decision to keep uranium exploration at tenure maintenance levels, pending a resurgence in the uranium price and market interest. The Board is of one mind that such a recovery will occur, but the timing remains an unknown. In the meantime, Thundelarra will continue to investigate potential partners, both in Australia and overseas, with a view to finding parties with sufficient funds, the appropriate long-term positive outlook for the uranium market, and sufficient appetite for exploration risk, to assist Thundelarra in the effective and commercial exploration and evaluation of what remain amongst Australia's most prospective uranium exploration projects.

Thundelarra is well-placed to deliver exploration success in 2013. Major project targets at Allamber and Curara Well are supported by emerging prospects at Rosewood, Azura, and others in the Pine Creek region of NT and elsewhere. Our uranium projects are the envy of many juniors and are ready to be revitalised when the uranium market turns. The Copernicus nickel mine, currently on care and maintenance due to depressed metal prices, remains a "sleeper" and forms part of the underlying intrinsic value of your company, which we firmly believe remains oversold in this depressed market. Your company is ideally positioned to benefit from any recovery in the market or from any exploration successes encountered as we continue to explore efficiently and aggressively.

COSTICA VIERU
THUNDERBALL, NORTHERN TERRITORY

THUNDELARRA IS WELL-PLACED TO DELIVER EXPLORATION SUCCESS IN 2013.

NORTHERN TERRITORY EXPLORATION

During the 2012 Financial Year, Thundelarra's exploration activities in the Northern Territory were focused 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 or at the Hayes Creek (Thunderball) uranium project due primarily to the continuing negative market sentiment and depressed price for uranium in the wake of the March 2012 tsunami disaster at Fukushima.

Allamber Copper and Uranium Project

The Allamber Project is located in the south-eastern corner of 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 the more recent soil geochemistry carried out by Thundelarra.

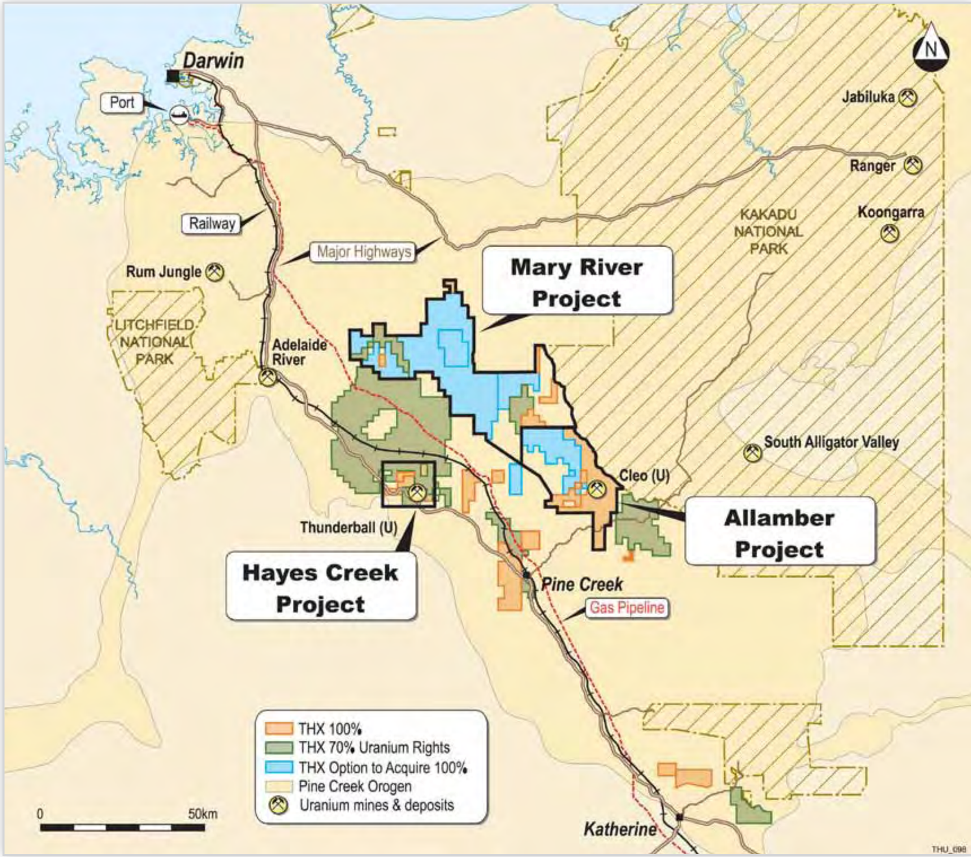
During 2012, Thundelarra completed several drilling programs that comprised 39 holes totalling 4,898m. RC drilling programs were designed to follow up significant copper intercepts returned from the Hatrick Prospect (19 metres at 1.94% copper) and uranium and copper mineralisation at the Cliff South Prospect.

The Nipper base metals prospect and the Ox-Eyed Herring anomaly were drill-tested for the first time. Most of the drill holes from the first drilling program have 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 had given indications of potentially being stratabound in nature, occurring as broad zones within the dolomitic, pyritic, graphitic shales of the Palaeoproterozoic Masson Formation (metapelite sequence).

Pine Creek Regional Project



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. Follow-up field investigations during the 2012 Financial Year have indicated that the copper occurrences are more probably intrusive-related in combination with local structural controls.

Historic base metal exploration conducted during the 1990s focused along the granite contact where the prospective shales are well exposed. Exploration involved mainly soil sampling which defined extensive areas of copper anomalism. 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 1,000 to 2,000 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 Swamp Donkey Prospect in the 1980s.

Through analysis of geophysical data Thundelarra has interpreted a large, but buried, 'granite' intrusion in the vicinity of the Swamp Donkey soil anomaly and this intrusion may have some association with copper mineralisation at both 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.

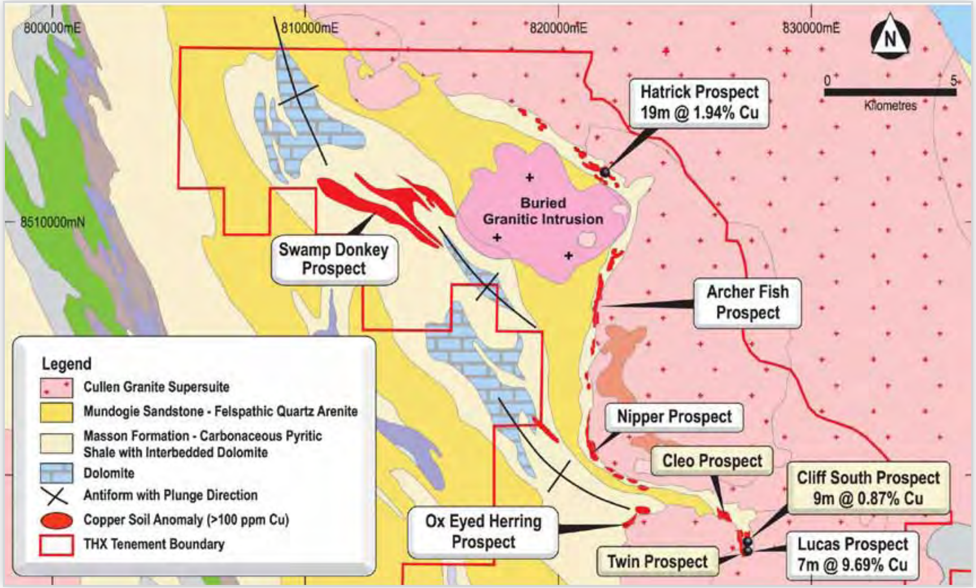
The widespread extent of copper mineralisation at Allamber, coupled with the broad width of mineralised zones intersected in drilling, highlights the potential for discovery of a copper deposit of significant scale. Thundelarra's geophysical surveys have improved the interpretation, enhancing the ability 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 from the First Drilling Program

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
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
*Zone 53 GDA 94

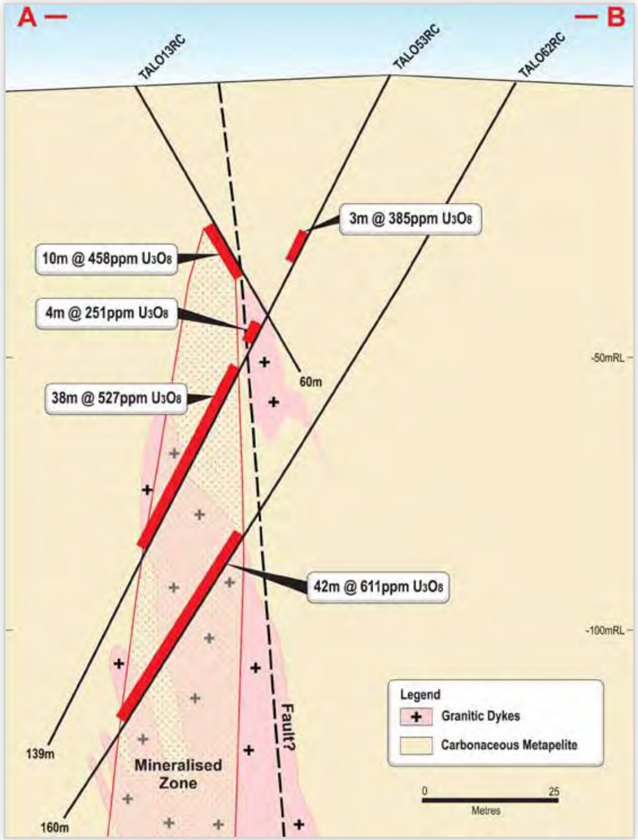
Allamber Project Geology Map



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.

During the first drilling program of 2012, 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 these 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.

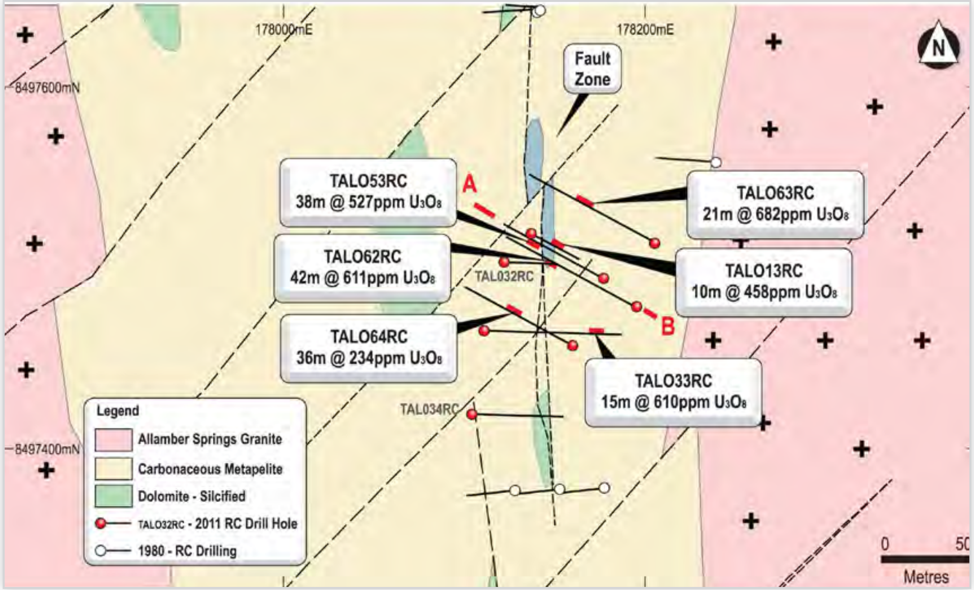
Cliff South Prospect Drill Cross Section



The A-B 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 following page.

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 2012 holes returned significant uranium mineralisation. Further work is now required to improve understanding of the extent and attitude of this mineralisation. The significant uranium intercepts from the drilling at Cliff South and Lucas are presented in the following table.

All 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 mineralisation and numerous granitic dykes within the carbonaceous shale horizon. Four additional holes were drilled during the last quarter and the assay results are pending.

Allamber Project Significant Drill Intercepts

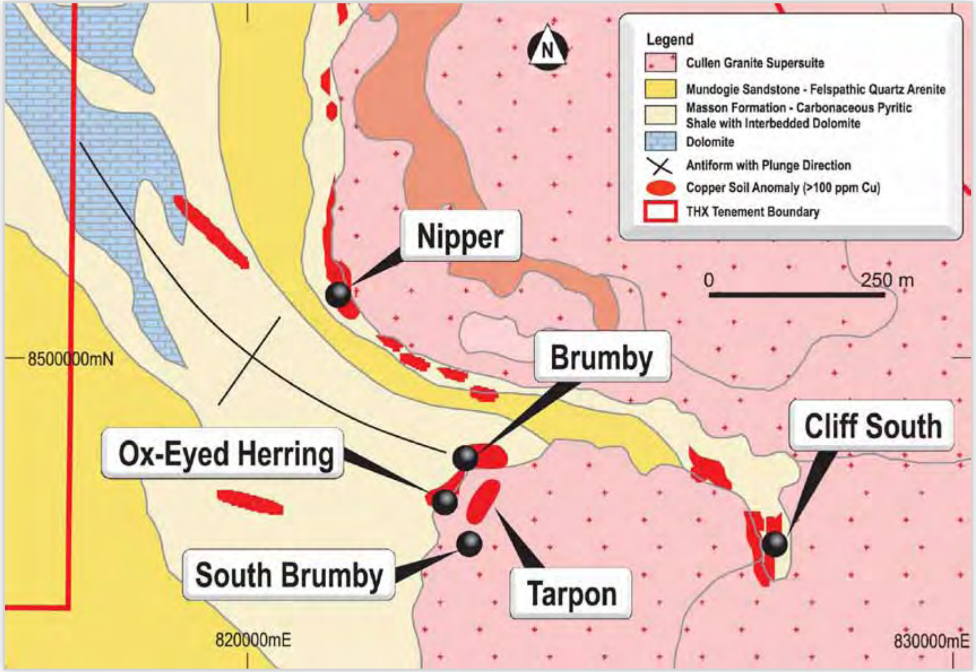
Hole No.	Prospect	East	North	Dip/Azi		From-To (m)	Interval (m)	U_3O_8 ppm
TAL049RC	Lucas	178032	8497136	-58/090		26-35	9	179
					and	70-77	7	576
TAL051RC	Lucas	178017	8497104	-58/090		68-70	2	1,038
					and	99-105	6	205
TAL053RC	Cliff South	178177	8497494	-63/300		36-39	3	385
					and	52-56	4	251
					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 53 GDA 94

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.

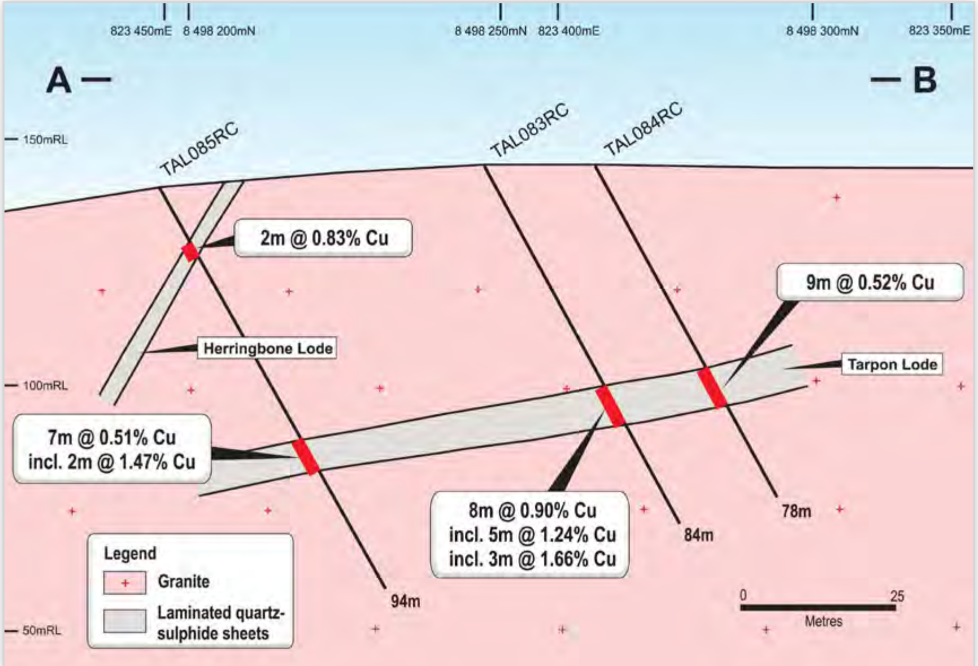
At the Ox-Eyed Herring prospect, the drilling was primarily designed to test the strong copper anomalism previously delineated by soil sampling, together with exposures of ferruginous material mapped as gossans.

Indicative geology and prospect locations on the southern part of Allamber Project



Copper anomalism was recorded in the metasediments, but the best intersections were in granitic rocks along the Tarpon - South Brumby trend located several hundred metres to the east. The main mineralisation is hosted by a south-easterly dipping and north-easterly plunging laminated quartz-sulphide sheet containing pyrrhotite, pyrite and chalcopyrite.

Tarpon Cross Section



All eight holes along the Tarpon - South Brumby trend have intersected copper mineralisation over a strike length of 250m and across a zone that is at least 100m wide. The most significant copper intercepts are presented in the table on the following page.

Summary of the copper-mineralised intervals at the southern Allamber Project

Prospect	Hole No	East	North	Depth	From	To	Interval	Cu (%)
South Brumby	**TAL065RC**	823063	8497537	54m	10m	16m	6m	1.01
				incl.	11m	13m	2m	1.56
South Brumby	**TAL066RC**	823066	8497537	42m	13m	18m	5m	1.26
				incl.	14m	16m	2m	2.40
Ox-Eyed Herring	**TAL072RC**	822942	8498194	150m	16m	21m	5m	0.24
				and	47m	51m	4m	0.39
Tarpon	**TAL069RC**	823352	8498179	72m	19m	21m	2m	0.92
				incl.	19m	20m	1m	1.10
				and	33m	39m	6m	0.28
				incl.	33m	34m	1m	0.95
Tarpon	**TAL070RC**	823382	8498180	60m	17m	34m	17m	0.24
Tarpon	**TAL076RC**	823431	8498310	120m	59m	63m	4m	0.29
				and	66m	69m	3m	0.17
				and	75m	78m	3m	1.06
Tarpon	**TAL83RC**	823425	8498250	84m	53m	61m	8m	0.90
				incl.	54m	59m	5m	1.24
				incl.	54m	57m	3m	1.66
Tarpon	**TAL84RC**	823398	8498267	78m	48m	57m	9m	0.52
Tarpon	**TAL85RC**	823448	8498191	94m	60m	67m	7m	0.51
				incl.	60m	62m	2m	1.47
Nipper	**TAL82RC**	821391	8500686	90m	64m	72m	8m	0.53

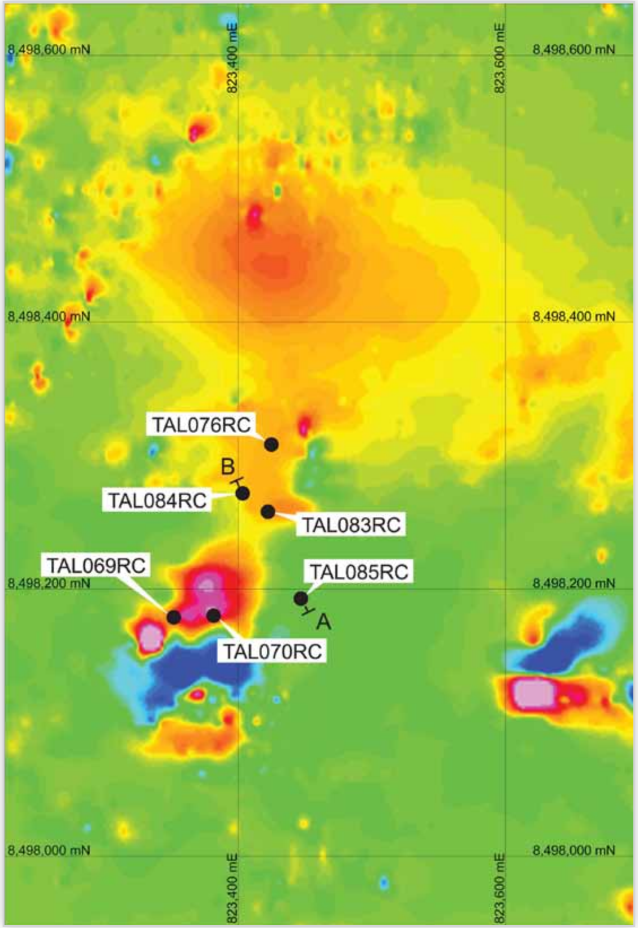
This new type of mineralisation hosted in the granitic rocks can be easily traced by magnetic and electrical geophysical methods. This contrasts with previous copper mineralisation intersected by Thundelarra's drilling along the contact with the Frances Creek Leucogranite (for example in the north at the Hatrick prospect) which is hosted by graphitic and sulphidic metapelites: lithologies which are displaying significant magnetic, radioactive and conductive characteristics that tend to mask any geophysical expressions of mineralisation in those areas.

The Allamber Springs Granite contact to the south of the Ox-Eyed Herring prospect does not show the same level of radioactivity as the Cliff South - Nipper - Hatrick trend, to the north. A late stage, more differentiated granitic intrusion is present within this area and contains elevated tin and tungsten values according to hand-held XRF measurements. Laboratory assays were still awaited at the end of the financial year.

At the South Brumby prospect, a steep, easterly-dipping lode containing mostly chalcopyrite and pyrite was intersected in two shallow holes. Down-hole electromagnetic (DHTEM) surveys are designed to identify at depth repetitions of this type of mineralisation. A detailed ground magnetic survey was also undertaken over the entire area, identifying several new distinctive magnetic features that represent encouraging drill targets.

A large magnetic anomaly dominates the northern part of the Tarpon prospect, while another similar "Tarpon feature" is present to the east. Selected DHTEM surveys were planned in order to vector new potential conductors that may be positioned away from the recently drilled holes. These results are not yet available.

New magnetic anomalies comprising targets for follow-up drill-testing



At the Nipper prospect, a pyrite-quartz breccia zone was successfully tested by TAL082RC, intersecting primary copper mineralisation for the first time. The mineralisation is hosted close to the contact between the metapelite and dolomitic rocks and contains strongly anomalous tungsten values (hand-held XRF data: assay results are pending), suggesting a possible skarn-replacement type of mineralisation genetically -related to a granitic source at depth. The mineralised structure crops out over 800m strike length and will be tested by further follow-up drilling.

During the last quarter, additional high grade uranium was intersected at the Cliff South prospect in two holes which extend the known mineralised zone further to the north-east. Assay results are pending.

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 1900s. 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 remains untested down plunge to the north. One metre resampling has confirmed the nuggetty nature of the mineralisation which is restricted to a narrow shear zone located within the 36-37m interval and assaying 908g/t gold. It is inferred that the gold was enriched by the supergene processes close to the base of oxidation.

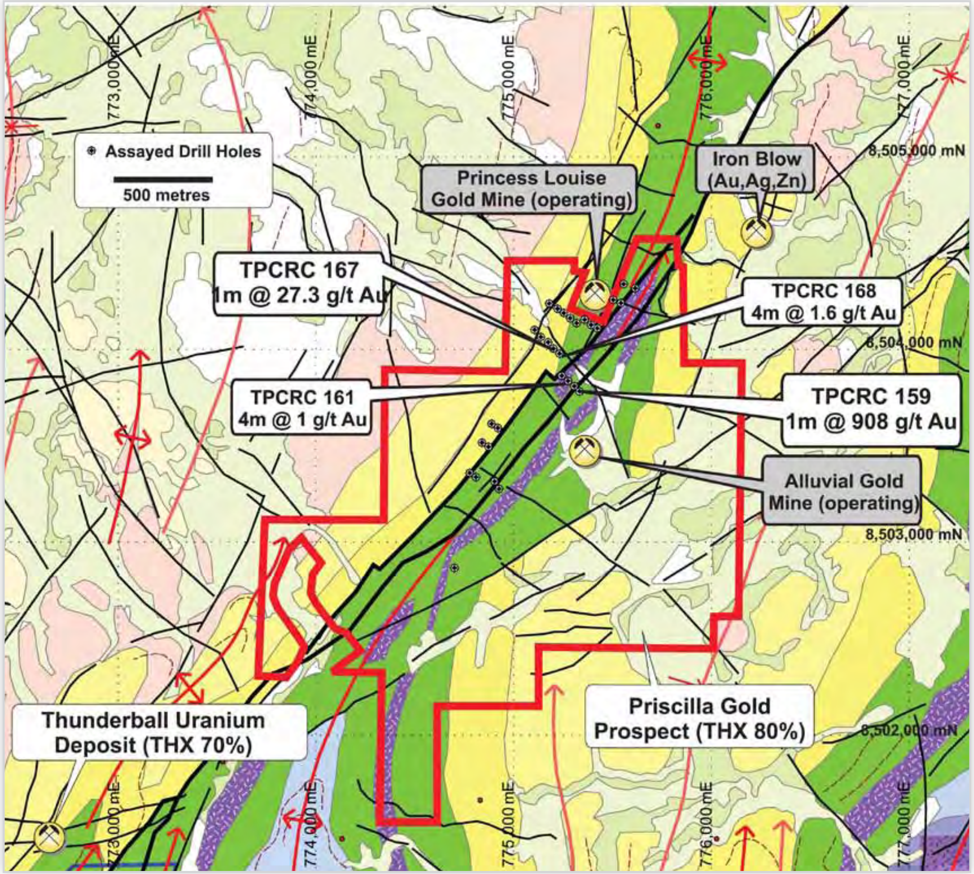
Allamber Exploration Terrain

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 2013.

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).

Intercepts of greater than 0.5g/t gold are presented in the following table with hole locations shown on the attached map. The hole locations for all drilled holes in the Pine Creek area during the financial year is presented in the table on the following page.

Priscilla Gold Prospect - Regional Geology and Drill Intersections



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

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
TAL065RC	Allamber	823066	8497535	54	266	-60
TAL066RC	Allamber	823069	8497535	42	266	-70
TAL067RC	Allamber	822648	8498112	120	124	-60
TAL068RC	Allamber	822820	8498080	135	304	-60
TAL069RC	Allamber	823352	8498179	72	300	-60
TAL070RC	Allamber	823382	8498180	60	274	-70
TAL071RC	Allamber	822972	8498201	65	120	-60
TAL072RC	Allamber	822942	8498194	150	300	-57.7
TAL073RC	Allamber	822522	8498530	102	120	-60
TAL074RC	Allamber	822991	8498510	78	164	-60
TAL075RC	Allamber	822978	8496236	138	236	-60
TAL076RC	Allamber	823426	8498309	120	304	-60
TAL077RC	Allamber	823860	8498116	150	319	-60
TAL078RC	Allamber	178252	8497571	174	307	-60
TAL079RC	Allamber	178226	8497590	109	307	-60
TAL080RC	Allamber	178224	8497563	144	304	-60
TAL081RC	Allamber	821313	8500950	30	244	-60
TAL082RC	Allamber	821399	8500689	91	54	-65
TAL083RC	Allamber	823423	8498258	84	304	-60

Hole	Prospect	East	North	Hole Depth	Azimuth	Dip
TAL084RC	Allamber	823404	8498272	78	304	-60
TAL085RC	Allamber	823447	8498193	94	334	-60
TAL086RC	Allamber	823090	8497533	48	0	-90
TAL087RC	Allamber	823076	8497493	42	274	-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
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

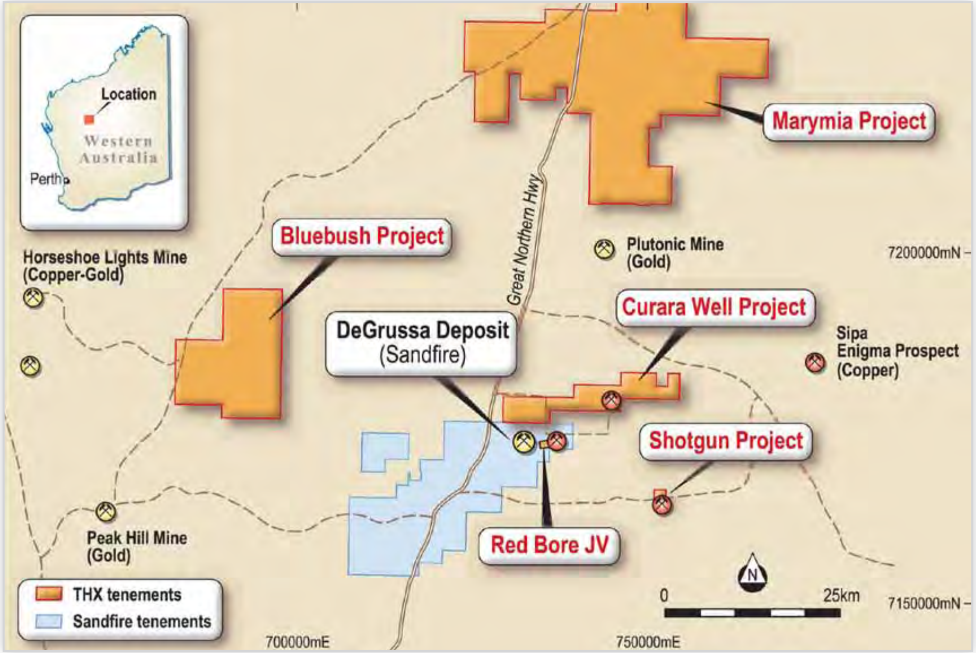
WESTERN AUSTRALIA EXPLORATION

Doolgunna Region

Exploration at the Doolgunna regional project was 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, as reported at March 2011) and has recently commenced production. 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 map below.

Doolgunna Regional Projects and Tenement Map



Red Bore Project

Thundelarra has the right to earn a 60% participating equity in the Red Bore Project. Red Bore consists of granted mining lease M52/597. The licence is 2 square kilometres in area and is situated 500 metres south-east of Sandfire's DeGrussa deposit and approximately 200 metres from the Conductor 5 ore body, one of the sulphide lenses comprising this deposit. Thundelarra's work at Red Bore has identified a significant VMS horizon, with sulphide mineralisation returning assays up to 17 metres at 11.7% copper and& 1.73g/t gold from 29 metres in TBRC005. This mineralisation has a strong Cu-Au-Ag (copper-gold-silver) and Sn-Mo-Se-Co-As-Te (tin-molybdenum-selenium-cobalt-arsenic-tellurium) association and has a striking visual and geochemical similarity to the nearby DeGrussa deposit.

During the first quarter of 2012, 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 comprised banded to massive chalcopyrite hosted in a propylitically altered, magnetite rich tuff and mafic volcaniclastic 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.

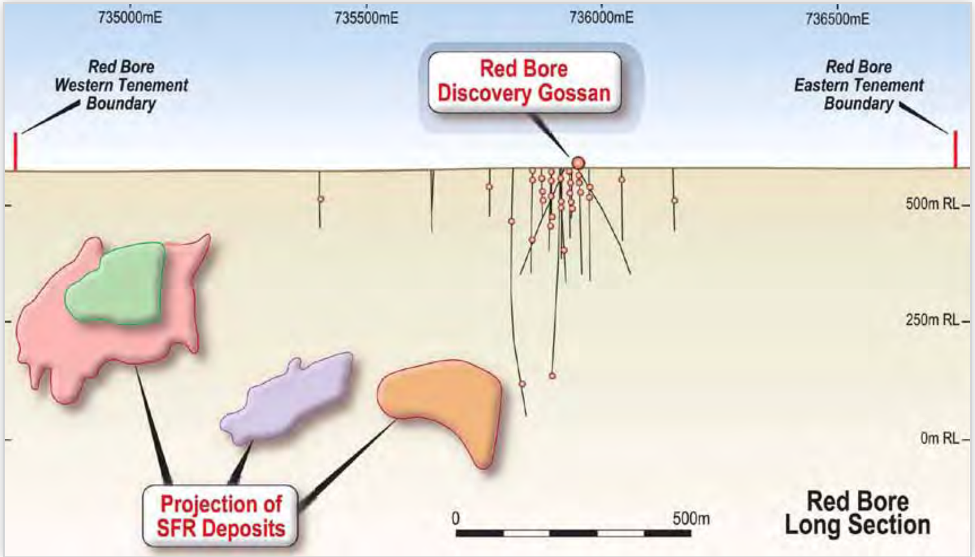
Red Bore Prospect Drill Assay – TRBCD056

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 TRBC003 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 was not able to be submitted for assay.

Red Bore Prospect VMS Horizon Long Section

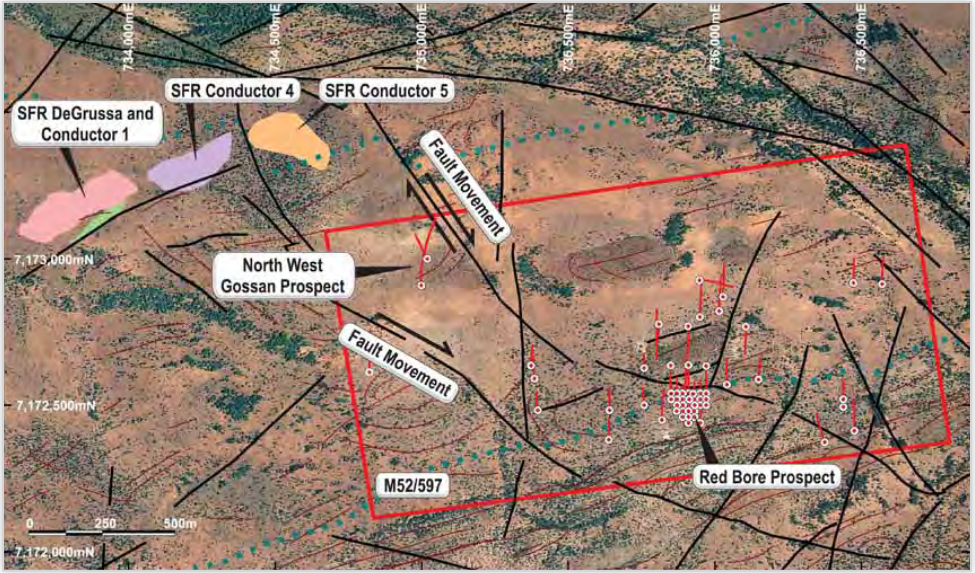


Northern Red Bore Tenement Area

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.

A target 1,200 metres strike extent within this northern Red Bore stratigraphy was identified as having best potential for hosting DeGrussa-style mineralisation. The Red Bore tenement area and mapped faults are shown in the map below.

Red Bore Tenement Boundary and Mapped Structures



Based on the mineralisation outlined and the cumulative assay data from holes drilled at the Red Bore prospect, in May 2012 Thundelarra reported a maiden JORC Code compliant indicated resource at the Red Bore prospect, in which Thundelarra is earning an equity interest by sole-funding exploration.

Red Bore Classified Resource at a 1% Cu cut-off (May 2012)

Classification	Material	Tonnes	Bulk Density	Cu (%)	Au (g/t)	Cu Tonnes	Au Ounces
Indicated	Oxide	20,000	3.2	2.9	0.4	600	270
Indicated	Transitional	12,000	3.2	4.2	0.5	480	180
Indicated	Fresh	16,000	3.1	4.0	0.4	660	190
Total/average		**48,000**	**3.2**	**3.6**	**0.4**	**1,740**	**650**

NB: Resource Estimation Parameters used in this Resource Estimate were reported in ASX release dated 4th May 2012.

The Mineral Resource Estimate was completed by Runge Limited, a leading international mining consultancy and acknowledged expert in the field of resource estimation, based on exploration activities carried out by Thundelarra since 2010. These activities included:

- 5 diamond and 57 RC drillholes for a total of 10,482m of drilling;
- soil and rock geochemistry and petrology;
- ground electromagnetic, ground magnetics, ground gravity and induced polarisation geophysical surveys; and
- analysis of 50m airborne magnetics data.

The mineralisation was modelled to a depth of approximately 140m below surface and Runge considered it potentially viable for commercial exploitation by open pit mining techniques .

Based on the maiden JORC resource and Thundelarra's exploration expenditure at Red Bore to date, totalling in excess of $3 million, Thundelarra lodged an earn-in notice to its Joint Venture partner claiming its 60% participating equity. The Joint Venture partner has not lodged the necessary transfers of title to register Thundelarra's earned interest. Thundelarra continues to actively pursue a resolution to this impasse.

Although Thundelarra considers that the Red Bore prospect retains potential to host possible extensions to, or repetitions of, the DeGrussa style of mineralisation at significant depth below the existing JORC resource, until the equity situation is confirmed Thundelarra believes that further exploration expenditure would not be a prudent application of shareholder funds.

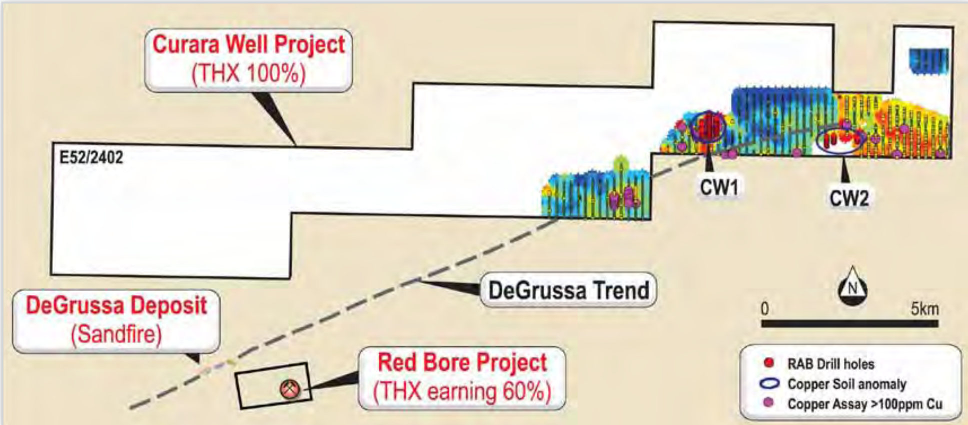
Curara Well Project

Curara Well is located 2.5 kilometres north and eastwards from Sandfire's DeGrussa deposit 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 copper 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 2012, 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 map 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.

It should be noted that 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 the bedrock geochemical signatures may be obscured. Traverse style drilling will be the best method of identifying bedrock geochemistry, using Rotary Air Blast (RAB) or Aircore technology. Such a program is planned for the first quarter of the 2013 Financial Year.

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

Marymia Project

This 100% owned project, located 35 kilometres to the north of Red Bore and 33 kilometres south of copper mineralisation recently identified 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 first quarter of 2012, Thundelarra exercised its option to acquire a 100% equity in two of the Marymia tenements.

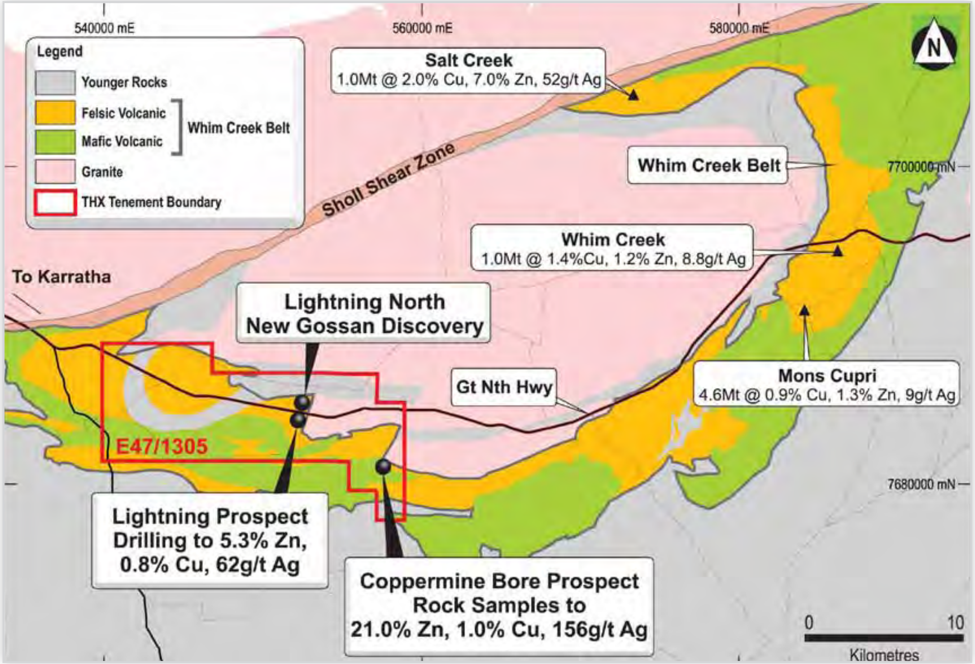
Further work including geochemistry and an airborne magnetic survey has been planned.

Pyramid Project

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

Thundelarra has undertaken two drilling programs consisting of 26 reverse circulation holes for 3,428 metres at the Lightning and Coppermine Bore prospects. 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.

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 intersected base metal sulphides characteristic of VMS mineralisation. A best intercept of 0.81% copper, 5.2% zinc, 1.36% lead and 62g/t silver suggested the system might contain potential to host economic mineralisation.

During the first 2012 drilling program, several fences of drillholes were completed over a 320 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 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 (Sn-Se-Bi-As-Cd-Te). Significant intercepts are detailed below.

Lightning Prospect Significant Drill Intercepts from the first drilling program

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.

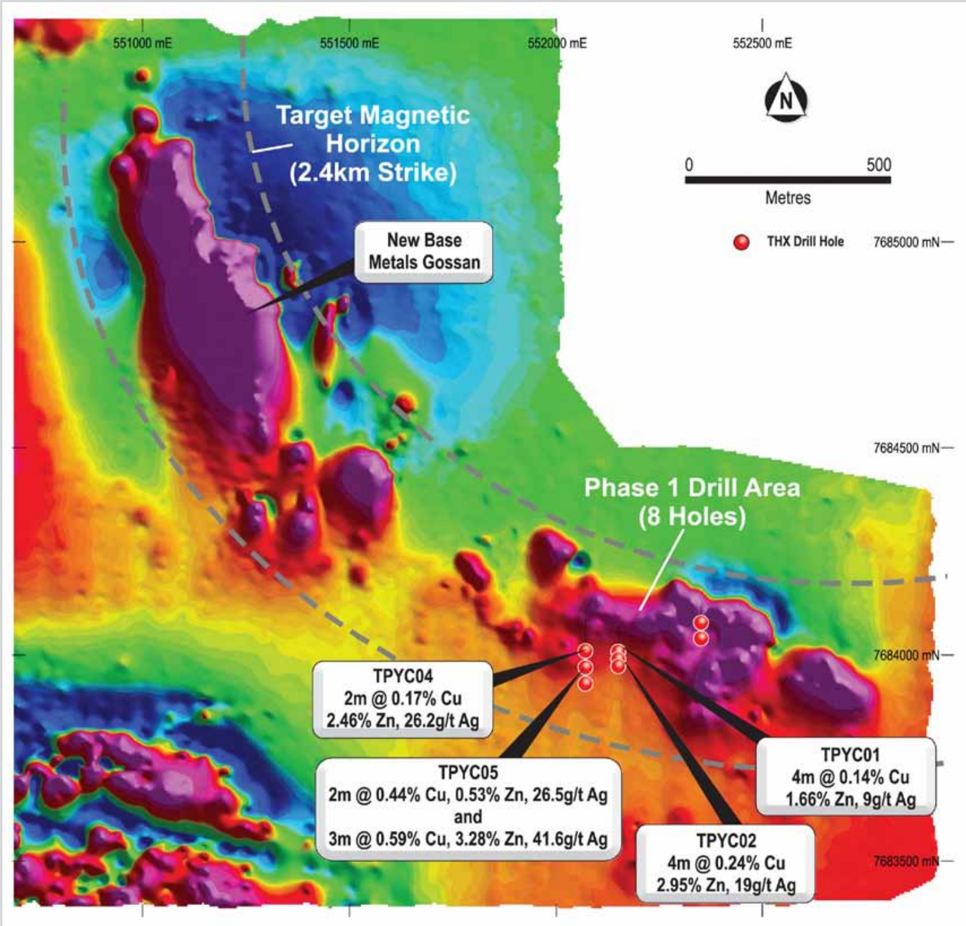
Assay results for holes TPYC007 and TPYC008, the eastern most fence of drillholes, did not return significant base metal values; however both intersected thick VMS style pyrite-pyrrhotite sulphides.

The geological setting, geochemistry and alteration identified in the first phase of drilling suggested the mineralisation might be 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 is progressing a bankable feasibility study of copper and zinc mining.

Thundelarra has carried out detailed ground magnetics which outlined 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 map below, the magnetic anomaly extends for 2.4 kilometres and is untested by any past exploration with bedrock obscured by transported cover.

Lightning Prospect Magnetic Anomaly and Drill Hole Locations



REVIEW OF OPERATIONS

Three rock samples were 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 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%

The gossanous rocks may result from the weathering of base metal sulphides, and confirmed the need to test the 2.4 kilometre long Lightning magnetic anomaly.

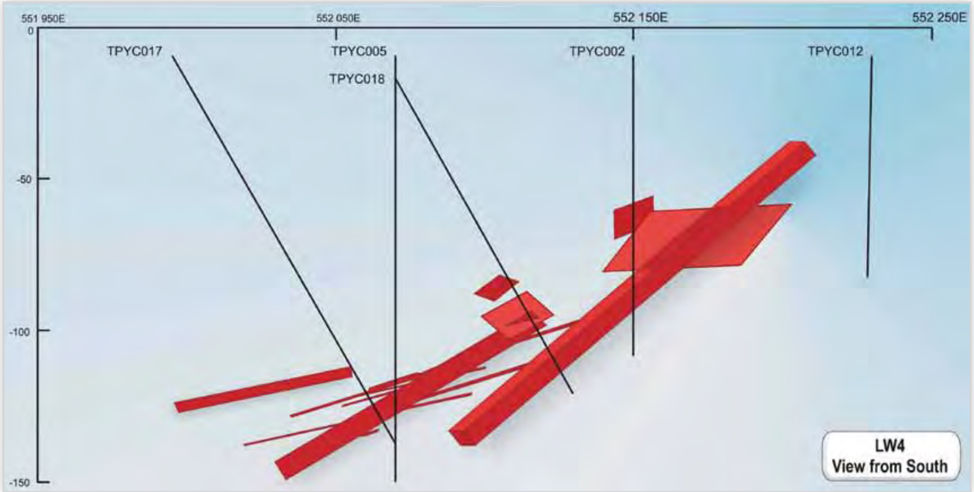
A moving loop transient electromagnetic (MLTEM) survey covering the full extent of the magnetic anomaly was undertaken to identify conductors at depth for drill targeting and an aeromagnetic survey was flown over the tenement, totalling approximately 2,210 line kilometres at 100m line spacing in the western area and 50m line spacing in the east. The survey identified 48 discrete magnetic features for follow-up. This work was complemented by soil sampling surveys that contributed a further 308 data points, mainly around the Coppermine Bore northern area, and by a Ground Electromagnetic (MLTEM) survey that comprised 344 stations.

During the last quarter, a second reverse circulation drill program was completed to test targets identified from the previous drilling combined with results from a series of follow-up aeromagnetics, ground electromagnetics and soil geochemistry surveys.

In preparation for the drill program, a Heritage Survey was carried out over parts of the tenement. The survey yielded a number of artefacts and several sites of significance, the location of which hindered effective testing of some of the principal targets, notably around the Coppermine Bore itself.

The results (ASX Release 21st September 2012) indicated that the mineralisation potential at the targets tested is mainly structurally related. A program of down-hole electromagnetic surveys (DHEM) was undertaken on a number of the holes drilled. The results suggest that some of the inferred conductors have been missed by the drilling and will be tested by subsequent drilling.

Lightning cross-section showing the DHTEM delineated conductors



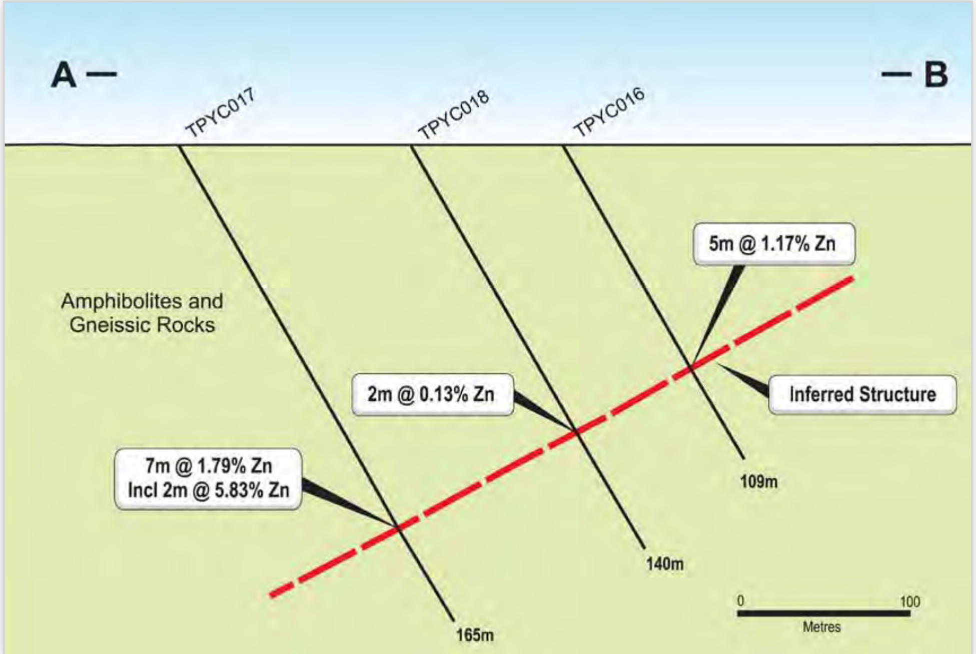
At Lightning, the drill holes testing conductors LC1 and LC2 each intersected a wide sequence of amphibolitic rocks and iron-rich formation with magnetite, pyrite and minor pyrrhotite, which explained the conductors. No anomalous base metal values were recorded, downgrading the potential for VMS style of mineralisation. Best results were from the TPYC016-018 line which was drilled easterly, to the north of the Lightning prospect.

Summary of drillholes containing mineralised intervals at Lightning and Coppermine Bore prospects.

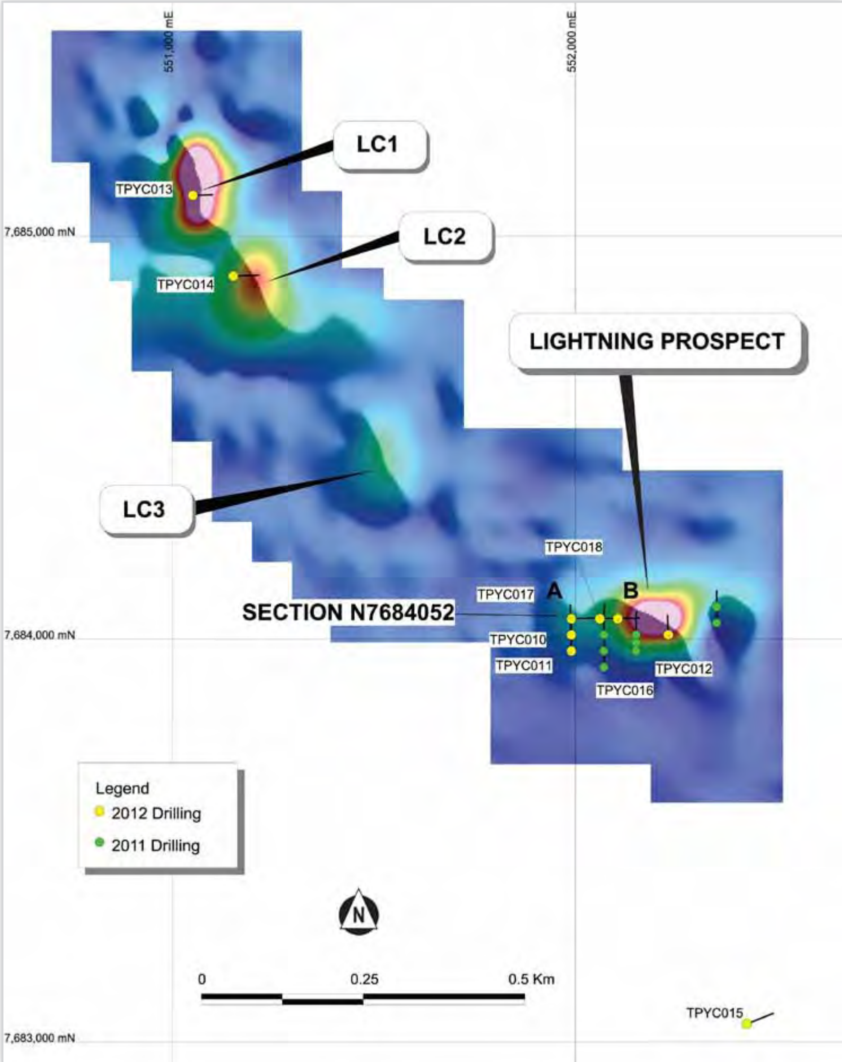
Hole No		Depth	From	To	Interval	Zn (%)	Ag (g/t)	Pb (%)	Cu (%)
TPYC016		109m	78	83	5m	1.17			
	incl.		78	81	3m	1.76			
	and		78	80	2m		23	0.54	0.17
TPYC017		165m	122	123	1m	1.30		0.31	
			132	139	7m	1.79			
	incl.		132	134	2m	5.83			
	incl.		132	133	1m	6.88	63	1.12	0.37
TPYC018		140m	99	101	2m	0.13			0.17
			104	105	1m	0.28			0.10
TPYC021		113m	1	25	24m	0.52			
	incl.		2	6	4m	1.80	45	1.08	
	and		11	12	1m		97		
	and		17	21	4m	0.37	92	0.40	
TPYC022		117m	30	34	4m	0.53	12	0.12	
			45	54	9m	0.31			
TPYC023		160m	19	30	11m	0.34			

The remaining 11 drillholes were predominantly unmineralised, with occasional minor anomalous base metal intervals consistent with the approximate location of interpreted geological structures. All holes were drilled at 60^{0} from vertical.

Cross Section at Lightning Prospect showing the inferred conductor interpreted as being a shallow-angled mineralised structure



Lightning Prospect: drill collars and geophysical targets



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 principal 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 chalcopyrite and galena was sampled, returning some very high grade values (ASX 25th January 2012).

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

Subsequent reconnaissance identified new areas of copper-lead-silver mineralisation 1.4km north. Copper associated with quartz veins is seen over 600m strike extent, outlining a prospective belt of some 6km strike extending north of Coppermine Bore.

Anomalous results included:

Sample	Easting	Northing	Description	Copper	Lead	Zinc	Silver
TK651653	558085	7682767	malachite and quartz vein	0.18%	1.26%	0.007%	12g/t
TK651655	558123	7682791	malachite and quartz vein	0.34%	0.08%	0.01%	2g/t
TK651657	558054	7682424	ferruginised breccia with malachite	3.20%	0.04%	0.08%	59g/t
TK651663	558152	7682938	malachite and quartz vein	0.39%	0.14%	0.07%	9g/t

Note: Co-ordinates are MGA z50 GDA94. Total of 13 rock samples. Assay by mixed acid digest and ICP-OES/MS

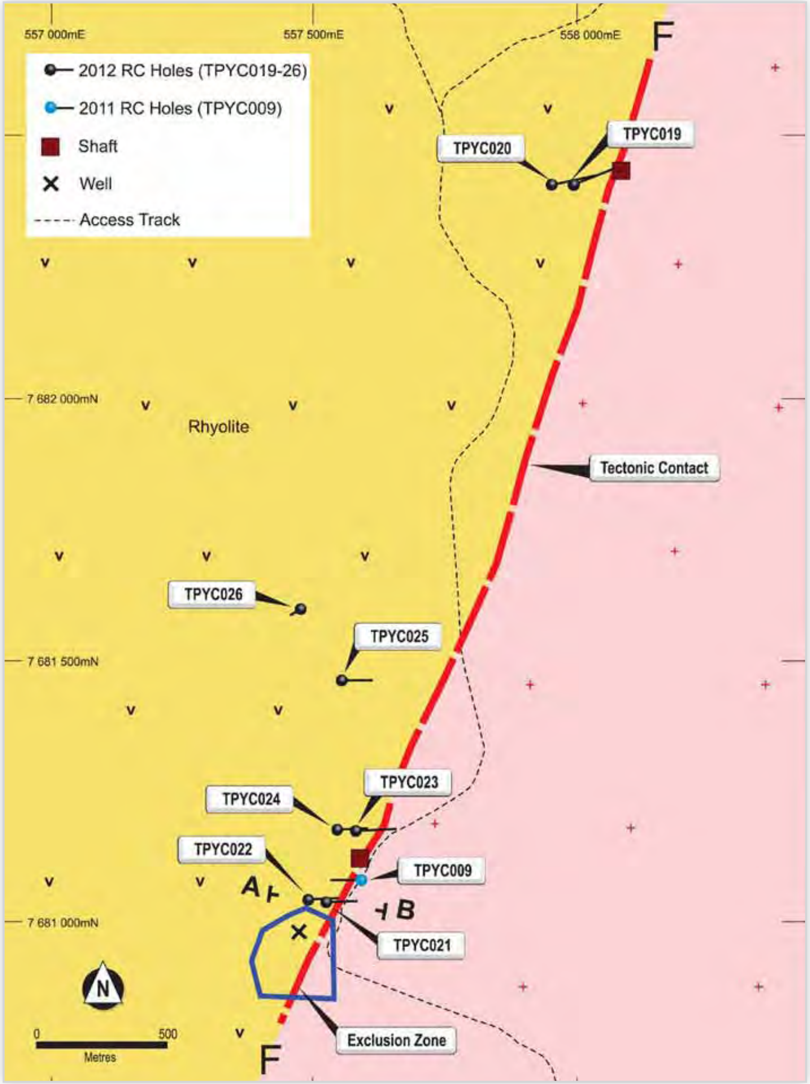
Unfortunately around the actual Coppermine Bore a number of exclusion zones resulting from the Heritage Surveys hindered access to the optimal drill collar locations from which to test the principal targets.

The best mineralisation was intersected in TPYC021 and TPYC022, where the westerly dipping contact between the granite to the east and the rhyolite to the west was properly tested.

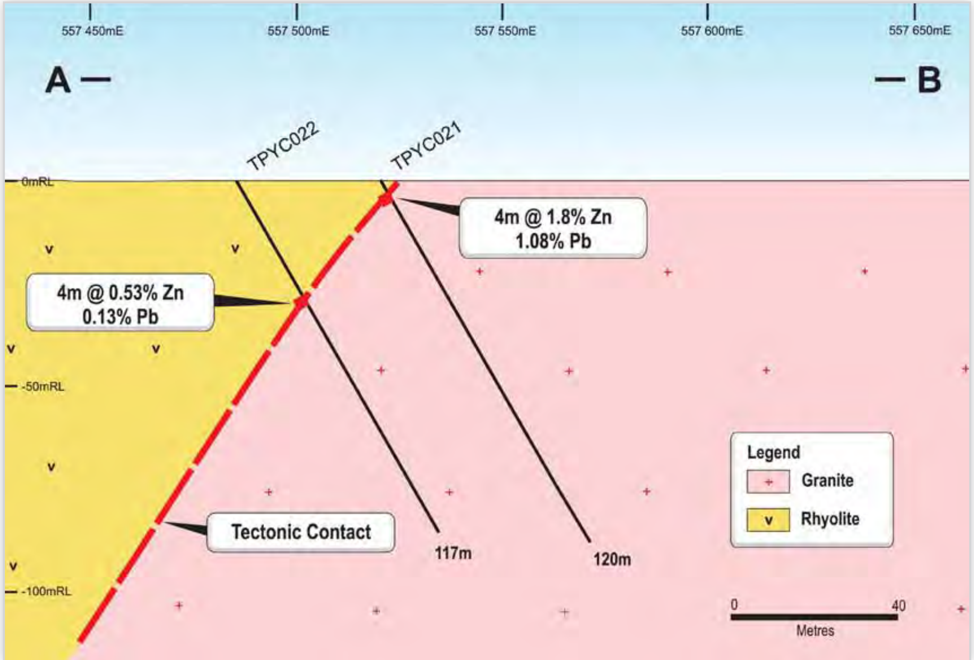
Additional ground geophysics is scheduled and, combined with further Heritage Clearance work where necessary, will identify drill sites from which the entire ~4 km extent of the mineralised tectonic contact can be tested properly and effectively.

As at Lightning, the results so far at Coppermine Bore suggest that the mineralisation occurrences are structurally related rather than potential VMS mineralisation.

Coppermine Bore: drillhole collar locations.



Cross Section at Coppermine Bore showing the mineralised tectonic contact.



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 (now renamed Avocet Resources Ltd) 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). 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 were planned to test this target.

Additionally, a regional stream sediment sampling program 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.

East Kimberley Regional Copper Projects

Thundelarra owns 100% of the Rosewood and Sophie Downs copper projects in the East Kimberley region. During 2012, the Frank Hill project also reverted back to 100% Thundelarra ownership from Panoramic Resources. The combination of these three projects represents a significant regional project and work is underway to set out the scope of future exploration.

Thundelarra has received an offer from the DMP (Department of Mines and Petroleum) for $129,600 of co-funded exploration drilling. Rosewood is prospective for sediment-hosted copper-silver mineralisation. A soil program was undertaken and an induced polarisation survey is scheduled for the first quarter of the 2013 Financial Year underway to define the drill targets for the 2013 field season.

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. Soil sampling was undertaken over the median section of the tenement and an induced polarisation survey is scheduled for the first quarter of the 2013 Financial Year to define the drill targets for the 2013 field season.

East Kimberley - Panoramic Resources JV

The East Kimberley JV (THX up to 37%) 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, Panoramic's wholly-owned operating Savannah Mine and the Copernicus mine (THX 22%).

Within the East Kimberley JV, airborne gravity and airborne electromagnetic (VTEM) data has identified numerous target areas for follow-up testing. During 2012, follow-up ground EM surveying continued to refine these target areas and define potential drill targets. Panoramic Resources plans to drill several conductors at the McKenzie layered complex during the 2013 field season.

Copernicus Nickel Mine (Thundelarra 22%)

The open pit mine is operated by Panoramic Resources. It currently remains on care and maintenance due to the depressed nickel price. No exploration or production activity was carried out during the year.

Competent Person's Statement

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, up to and including 30 June 2012, are based upon information compiled by Mr Brian Richardson, a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and an employee of the Company in that period. Details contained in this report from 01 July 2012, have been compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and an employee of the Company. Both Mr Richardson and Mr Vieru have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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). Both Mr Richardson and Mr Vieru have consented to the inclusion in reports of the matters based upon their information in the form and context in which it appears.

02/

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

APPROACH TO CORPORATE GOVERNANCE

Thundelarra Exploration Limited (Company) has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (Principles & Recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

The following governance-related documents can be found on the Company's website at www.thundelarra.com.au, under the section marked "Corporate Profile", "Corporate Governance":

Charters

Board
Audit Committee
Nomination Committee
Remuneration Committee

Policies and Procedures

Policy and Procedure for Selection and (Re) Appointment of Directors
Process for Performance Evaluation
Policy on Assessing the Independence of Directors
Policy for Trading in Company Securities
Diversity Policy *(summary)*
Code of Conduct *(summary)*
Policy on ASX Listing Rule Compliance *(summary)*
Compliance Procedures *(summary)*
Procedure for the Selection, Appointment and Rotation of External Auditor
Shareholder Communication Policy
Risk Management Policy *(summary)*

The Company reports below on how it has followed (or otherwise departed from) each of the recommendations during the 2011/2012 financial year (Reporting Period). The information in this statement is current at 31 October 2012.

BOARD

Roles and responsibilities of the Board and Senior Executives (Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

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

Senior executives are responsible for supporting the Chief Executive Officer and assisting the Chief Executive Officer in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board.

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

The Company's Board Charter is disclosed on the Company's website.

Skills, experience, expertise and period of office of each Director (Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

The mix of skills and diversity for which the Board is looking to achieve is represented by the composition of its current Board. The Board comprises directors who possess the following skills and qualifications: extensive corporate, management and marketing experience in the resources sector; financial; geological, investment banking and legal. The Board considers that this mix of skills is appropriate for the Company's current circumstances. The Company has adopted a Diversity Policy (see in following pages) and encourages diversity in the composition of its Board, as means of ensuring the Company has an appropriate mix of skills and talent to conduct is business and achieve the Company's goals.

Director independence
(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board does not have a majority of directors who are independent. During the Reporting Period, the Board underwent a number of changes. At the commencement of the Reporting Period the Board comprised:

Name	Executive/ non-executive	Independent status
Brett Lambert	Executive	Not independent
Malcolm Randall	Non-executive	Independent
John Hopkins	Non-executive	Independent
Frank DeMarte	Executive	Not independent
Brian Richardson	Executive	Not independent

On 7 March 2012, Mr Philip Crabb re-joined the Board as a non-executive director (not independent).

On 14 March 2012, Mr Lambert resigned as Managing Director and subsequently resigned from the Board on 2 May 2012. On 29 June 2012, Mr Richardson resigned from the Board.

The Board now comprises:

Name	Executive/ non-executive	Independent status
Malcolm Randall	Non-executive	Independent
John Hopkins	Non-executive	Independent
Frank DeMarte	Executive	Not independent
Philip Crabb	Non-executive	Not independent

The Board considers that its composition is appropriate for the Company's circumstances and includes an appropriate mix of skills and expertise relevant to the Company. The Board gives consideration to the balance of independent directors on the Board and will continue to review its composition.

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds.

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

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

The independent directors of the Company are Malcolm Randall and John Hopkins. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The non-independent directors of the Company are Philip Crabb (a substantial shareholder of the Company) and Frank DeMarte (Chief Financial Officer and Company Secretary). During the Reporting Period, Brett Lambert (Managing Director) and Brian Richardson (Exploration Director) were also non-independent directors on the Board.

The independent Chair of the Board is Malcolm Randall, who is not also Managing Director or Chief Executive Officer of the Company.

Independent professional advice
(Recommendation: 2.6)

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

Selection and (Re) Appointment of Directors (Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign.

A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

The Company's Policy and Procedure for the Selection and Re (Appointment) of Directors is disclosed on the Company's website.

BOARD COMMITTEES

Nomination Committee (Recommendations: 2.4, 2.6)

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

The full Board convened as a Nomination Committee twice during the Reporting Period. Details of the directors' attendance at these meetings are set out in the Directors' Report on page 48.

The Company has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. The Company's Nomination Committee Charter is disclosed on the Company's website.

Audit Committee (Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has established an Audit Committee. The composition of the Audit Committee changed a number of times during the Reporting Period. At the commencement of the Reporting Period until 22 February 2012 the Audit Committee comprised:

Name	Executive/ non-executive	Independent status
Malcolm Randall (Chair)	Non-executive	Independent
John Hopkins	Non-executive	Independent
Brian Richardson	Executive	Not independent

During this period the Audit Committee was structured in compliance with Recommendation 4.2.

On 23 February 2012, Brian Richardson resigned from the Audit Committee and was replaced by Brett Lambert, and Mr Hopkins was appointed Chair of the Audit Committee. During the period 23 February 2012 to 1 May 2012, the Audit Committee remained structured in compliance with Recommendation 4.2.

On 2 May 2012, Mr Lambert resigned from the Board leaving only two members on the Audit Committee until Mr Crabb joined the Audit Committee on 8 June 2012. During this period, the Audit Committee was not structured in compliance with Recommendation 4.2 as the committee only comprised two members.

However, since 8 June 2012, the Audit Committee has been structured in compliance with Recommendation 4.2 and comprises:

Name	Executive/ non-executive	Independent status
John Hopkins (Chair)	Non-executive	Independent
Malcolm Randall	Non-executive	Independent
Phillip Crabb	Non-executive	Not independent

The Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee.

The Audit Committee held three meetings during the Reporting Period. Details of the directors' attendance at Audit Committee meetings is set out in the Directors' Report on page 48.

Details of each of the director's qualifications are set out in the Directors' Report. The members of the Audit Committee consider themselves to be financially literate and have experience in the industry which the Company operates. The Company's Chief Financial Officer also attends Audit Committee meetings by invitation.

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent).

Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Company's Audit Committee Charter and Procedure for Selection, Appointment and Rotation of External Auditor are disclosed on the Company's website.

Remuneration Committee
(Recommendations: 8.1, 8.2, 8.3, 8.4)

The Board established a Remuneration Committee on 23 February 2012. Prior to that date, the full Board performed the role of a Remuneration Committee. The Board considered that given the composition of the Board, no efficiencies or other benefit would be gained by establishing a separate Remuneration Committee. However, in light of changes to the Corporations Act 2001 (Cth) about director and executive remuneration and changes to the composition of the Board, the Board reviewed its position and resolved to establish a Remuneration Committee.

When the Board performed the role of Remuneration Committee, items that were usually required to be discussed by a Remuneration Committee were marked as separate agenda items at Board meetings when required. When the Board convened as the Remuneration Committee it carried out those functions which were delegated to it in the Company's Remuneration Committee Charter. The Board dealt with any conflicts of interest that occurred when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests was not a party to the relevant discussions.

When the Remuneration Committee was established, it was structured in compliance with Recommendation 8.2 and comprised:

Name	Executive/ non-executive	Independent status
John Hopkins (Chair)	Non-executive	Independent
Malcolm Randall	Non-executive	Independent
Brett Lambert	Executive	Not independent

Following Mr Lambert's resignation from the Board on 2 May 2012, the Remuneration Committee now only comprises two members and accordingly, is not structured in compliance with Recommendation 8.2.

The Remuneration Committee held two meetings during the Reporting Period. Details of the directors' attendance at Remuneration Committee meetings is set out in the Directors' Report on page 48.

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

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

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time to time the Company may grant options to non-executive directors. Under the Company's current circumstances, the granting of options is considered to be a cost effective and efficient reward for the directors, as opposed to alternative forms of remuneration, such as the payment of additional cash compensation to the Directors. Executive remuneration is designed to promote superior performance and long term commitment to the Company.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Overall, the remuneration is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals.

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

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

The Company's Remuneration Committee Charter is disclosed on the Company's website.

PERFORMANCE EVALUATION

Senior executives
(Recommendations: 1.2, 1.3)

The Chief Executive Officer undertakes an annual performance evaluation of senior executives. The Nomination Committee (or equivalent) is responsible for evaluating the Chief Executive Officer. The evaluations are conducted at the time of the executive's annual remuneration review, and involve an interview with the Chief Executive Officer (or the Nomination Committee in the case of the Chief Executive Officer) to discuss key performance indicators. The Chief Executive Officer also evaluates the performance of the senior executives on an ongoing basis via informal discussions with senior executives about performance.

During the Reporting Period a performance evaluation of senior executives (except the Chief Executive Officer) took place in accordance with the process disclosed above. As the Chief Executive Officer was not appointed until March 2012, the Chief Executive Officer's performance will be evaluated at the end of the current reporting period.

Board, its committees and individual directors
(Recommendations: 2.5, 2.6)

The Chair is responsible for evaluating the Board and, when appropriate, Board committees and individual directors.

Each of the directors completes a questionnaire and the Chair holds interviews with each Director to discuss his responses to the questionnaire.

During the Reporting Period, an evaluation of the Board, its committees and individual directors took place in accordance with the process disclosed above.

The Company's Process for Performance Evaluation is disclosed on the Company's website.

ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct
(Recommendations: 3.1, 3.5)

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

A summary of the Company's Code of Conduct is disclosed on the Company's website.

Diversity
(Recommendations: 3.2, 3.3, 3.4, 3.5)

During the Reporting Period, the Board considered whether the adoption of a Diversity Policy was appropriate for the Company and in July 2012, the Board adopted a Diversity Policy.

The Diversity Policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress towards achieving them.

However, the Board has not set measurable objectives for achieving gender diversity. The Board considers that the Company has in place policies and arrangements to encourage diversity in employment. Further, due to the Company's current operations, size and small number of employees, the Board considers that it is difficult to set meaningful measurable objectives for achieving gender diversity. The Board will review its position and may develop measurable objectives when the Company's operations increase.

The proportion of women employees in the whole organisation, women in senior executive positions and women on the Board are set out in the following table:

	Proportion of women
Whole organisation	3 out of 16 (19%)
Senior Executive positions	0 out of 3 (0%)
Board	0 out of 4 (0%)

A summary of the Company's Diversity Policy is disclosed on the Company's website.

Continuous Disclosure
(Recommendations: 5.1, 5.2)

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

A summary of the Company's Policy on ASX Listing Rule Compliance and Compliance Procedures are disclosed on the Company's website.

Shareholder Communication
(Recommendations: 6.1, 6.2)

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

The Company's Shareholder Communication Policy is disclosed on the Company's website.

Risk Management
(Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Chief Executive Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

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

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

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

The Company has formalised its systems and procedures to manage its material business risks. The Company's risk management system includes the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. The risk register is reviewed quarterly and updated, as required. The process of managing material business risks has been allocated to members of senior management.

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

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

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

A summary of the Company's Risk Management Policy is disclosed on the Company's website.

03/

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Thundelarra Exploration Ltd and the entities it controlled at the end of, or during, the year ended 30 September 2012.

INFORMATION ON DIRECTORS

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

Directors		
Mr Malcolm R J Randall	Non-Executive Chairman	
Mr Brett T Lambert	Managing Director	(Resigned on 2 May 2012)
Mr Brian D Richardson	Executive Director	(Resigned on 29 June 2012)
Mr Frank DeMarte	Executive Director	
Mr John D Hopkins	Non-Executive Director	
Mr Philip G Crabb	Non-Executive Director	(Appointed on 7 March 2012)

PRINCIPAL ACTIVITY

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

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of $4,738,870 (2011 – loss $23,857,562).

DIVIDENDS

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

NATIVE TITLE

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2012 financial statements.

Non Renounceable Rights Issue

Eligible shareholders subscribed to 44,149,901 shares at an issue price of 5 cents each to raise $2,207,470 (before costs) pursuant to a non renounceable rights issue.

Placement of Shortfall Shares

At the date of this report, a total of 7,400,100 shortfall shares at an issue price of 5 cents each raising $370,005 (before costs) were placed by directors of the Company subsequent the completion of the non renounceable rights issue.

Issue of Employee Share Options

2,350,000 unquoted options exercisable at 9 cents each with an expiry date of 31 October 2015 were issued to eligible employees in accordance with the Company's Employee Share Option Plan.

Sale of Spinifex Uranium Tenement

The Company sold its Spinifex Uranium Tenement to Resource Star Limited for 5,000,000 fully paid ordinary shares in the capital of Resource Star Limited and retains a 1.5% net smaller royalty subject to the execution of formal documentation.

Likely Developments and Expected Results

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

Environmental Issues and Regulations

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply.

It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters which would have a significant adverse effect on the Consolidated Entity.

CORPORATE INFORMATION

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

INFORMATION ON DIRECTORS

Malcolm J R Randall

B.Applied Chem, MAICD, 67

Non-Executive Chairman

Mr Randall holds a Bachelor of Applied Chemistry Degree and is a member of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 25 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Mineral Sands and Coal.

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

Mr Randall was appointed a director on 8 September 2003 and was appointed as Chairman on 30 September 2011.

Former Directorships in last three years

United Minerals Corporation Limited from 2007 to 2010.

Special Responsibilities

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

Brett T Lambert

BSc (Mining Eng), MAusIM, 52

Managing Director

Mr Lambert is a mining engineer with over 30 years of Australian and international resource industry experience. He has worked extensively in both base and precious metals mining operations and has been responsible for overseeing the establishment of several greenfields resource projects and evaluating new business development opportunities.

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

Mr Lambert joined the Company in May 2007 as Chief Executive Officer and was appointed Managing Director in September 2007. Mr Lambert resigned from the Board on 2 May 2012.

Former Directorships in last three years

Intrepid Mines Limited from 2006 to 2008.
Trilogy Metals from 2012 to 2012.

Special Responsibilities

Managing Director/CEO from September 2007 to May 2012.
Member of Nomination Committee from September 2007 to May 2012.
Member of Remuneration Committee from September 2007 to May 2012.

Frank DeMarte

BBus, FCIS, FCSA, FAICD, 50

Executive Director

Mr DeMarte has over 28 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Comapny Secretary and Chief Financial Officer of the Company.

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

Mr DeMarte was appointed a director on 30 April 2001.

Former Directorships in last three years

Aldershot Resources Ltd (from 2005 to 2009).

Special Responsibilities

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

Brian D Richardson

BSc (Hons), MAusIMM, 59

Executive Director

Mr Richardson is a geologist who has been involved in the Australian exploration and mining industry for over 29 years. He has many years experience in planning, conducting and evaluating gold, base metal, uranium and diamond projects. He has also held senior management positions with a number of listed junior exploration companies. Mr Richardson is presently also a director of Royal Resources Limited (since 2004).

Mr Richardson was appointed a director on 30 April 2001. Mr Richardson resigned on 29 June 2012.

Former Directorships in last three years

Aldershot Resources Ltd from 2004 to 2008.

Special Responsibilities

Exploration Director
Member of the Audit Committee from December 2004 to June 2012.
Member of Nomination Committee from December 2004 to June 2012.
Member of Remuneration Committee from December 2004 to June 2012.

John D Hopkins

LLB, FAICD, 62

Non-Executive Director

Mr John Hopkins joined the Board of Thundelarra as an independent non-executive director on the 30 September 2011. Mr Hopkins is a graduate in law of the University of Western Australia and was admitted to practice as a barrister and solicitor for more than 35 years. During that time and since he has been involved in a range of corporate, business and resource transactions for many national and international Corporations. Mr Hopkins is a Fellow of the Australian Institute of Company Directors.

More recently, Mr Hopkins has practised as an independent non-executive director of a number of resources companies.

Mr Hopkins is presently Chairman of the following ASX listed companies, Wolf Minerals Ltd, Midas Resources Limited and Universal Coal Plc.

Mr Hopkins was appointed a director on 30 September 2011.

Former Directorships in last three years

Exoma Energy Limited from October 2007 to March 2010.
Dragon Mountain Gold Ltd from September 2008 to April 2010.
Adamus Resources Ltd from February 2006 to November 2010.
Hawkley Oil and Gas Ltd from December 2010 to January 2012.

Special Responsibilities

Chairman of Audit Committee from September 2011.
Member of Nomination Committee from September 2011.
Chairman of Remuneration Committee from February 2012.

Philip G Crabb

FAusIMM, MAICD, 72

Non-Executive Director

Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past 43 years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb is presently the Chairman of Royal Resources Limited (since 2005) and a director of Aldershot Resources Ltd (since 2010).

Mr Crabb was re-appointed a director on 7 March 2012.

Former Directorships in last three years

United Minerals Corporation Limited (from 2004 to 2009).

Special Responsibilities

Member of Nomination Committee from March 2012.
Member of Remuneration Committee from March 2012.

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

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

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
Malcolm J Randall	656,250	3,029,167
Frank DeMarte	3,742,357	5,830,397
John D Hopkins	150,000	500,000
Philip G Crabb	32,600,157	3,508,206

COMPANY SECRETARY

Frank DeMarte

BBus, FCIS, FCAS, FAICD, 50

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 28 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

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

SHARES UNDER OPTION

As at the date of this report, there were 36,513,130 unissued ordinary shares of the Company under option as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
23 March 2009	29 March 2013	$0.20	6,778,130
27 February 2008	28 February 2013	$0.50	4,250,000
27 February 2009	28 February 2014	$0.20	4,250,000
26 February 2010	25 February 2015	$0.64	6,750,000
23 September 2010	20 September 2013	$0.96	660,000
28 February 2011	27 February 2016	$0.84	6,750,000
1 July 2011	30 June 2014	$0.39	725,000
7 March 2012	28 February 2017	$0.23	2,000,000
16 April 2012	16 April 2014	$0.25	1,000,000
16 April 2012	16 April 2015	$0.45	1,000,000
7 November 2012	31 October 2015	$0.09	2,350,000

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year;

(1) no options were exercised;

(2) 350,000 options exercisable at $0.47 expired on 31 December 2011;

(3) 260,000 options exercisable at $0.52 expired on 30 June 2012;

(4) 200,000 options exercisable at $0.32 were cancelled on 17 September 2012 and 80,000 options exercisable at $0.32 expired on 30 September 2012;

(5) 80,000 options exercisable at $0.96 were cancelled on 5 November 2011, 120,000 options exercisable at $0.96 were cancelled on 12 November 2011, 150,000 options exercisable at $0.96 were cancelled on 12 December 2011, 100,000 options exercisable at $0.96 were cancelled on 19 December 2011 and 500,000 options exercisable at $0.96 were cancelled on 17 September 2012; and

(6) 80,000 options exercisable at $0.39 were cancelled on 5 November 2011, 140,000 options exercisable at $0.39 were cancelled on 12 November 2011, 175,000 options exercisable at $0.39 were cancelled on 12 December 2011, 100,000 options exercisable at $0.39 were cancelled on 19 December 2011, 100,000 options exercisable at $0.39 were cancelled on 19 December 2011 and 300,000 options exercisable at $0.39 were cancelled on 17 September 2012.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report details the nature and amount of remuneration for each of the director's and other senior management personnel of the Company.

(a) Details of Key Management Personnel

The following persons were key management personnel of Thundelarra Exploration Ltd during the financial year:

Malcolm J R Randall	Non-Executive Chairman	
Brett T Lambert	Managing Director	(Resigned on 2 May 2012)
Brian D Richardson	Executive Director	(Resigned on 29 June 2012)
Frank DeMarte	Executive Director	
John D Hopkins	Non-Executive Director	
Philip G Crabb	Non-Executive Director	(Appointed on 7 March 2012)
Antony L Lofthouse	Chief Executive Officer	(Appointed on 2 April 2012)

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related.

Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

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

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

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

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

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

A. Remuneration Committee

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

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

B. Remuneration Structure

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

C. Non-Executive Director Compensation

Objective

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

(b) Compensation of Key Management Personnel *(continued)*

Structure

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

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

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

Each non-executive director receives $49,500 per annum effective from 1 July 2012 ($55,000 per annum prior to 1 July 2012), exclusive of any superannuation obligations for being a director of the Company. The exception to this fee structure is the Chairman of the Board who receives $61,425 per annum exclusive of any superannuation ($68,250 per annum prior to 1 July 2012).

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

The compensation of non-executive directors for the year ended 30 September 2012 is detailed as per the disclosures on page 44.

D. Executive Compensation

Objective

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

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

Structure

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

The Company has entered into detailed contracts of employment with the Chief Executive Officer and the Executive Director, details of these contracts are provided on page 45.

E. Fixed Compensation

Objective

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

Structure

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

F. Other Compensation

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

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

REMUNERATION REPORT (AUDITED) *CONTINUED*

(b) Compensation of Key Management Personnel (continued)

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

Remuneration of key management personnel for the year ended 30 September 2012.

		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total $	% Remuneration
Names		Salary & Fees	Annual Leave Movement	Other (5)	Superannuation	Long Service Leave	Equity Options		Consisting of Options for the Year
Executive Directors									
Brett T Lambert (1)	**2012**	**200,259**	**2,200**	**2,352**	**19,568**	**(21,245)**	-	**203,134**	**-**
	2011	365,439	10,732	12,645	32,890	9,132	416,000	846,838	49%
Frank DeMarte	**2012**	**257,400**	**(11,435)**	**7,589**	**23,166**	**(12, 308)**	**26,550**	**290,962**	**9%**
	2011	259,846	20,409	6,950	23,386	7,720	312,000	630,311	49%
Brian D Richardson (2)	**2012**	**198,000**	**(2,148)**	**3,024**	**18,003**	**12,540**	**26,550**	**230,889**	**11%**
	2011	259,846	8,205	10,860	23,386	7,730	312,000	622,027	50%
Non Executive Directors									
Malcolm J Randall	**2012**	**66,544**	-	-	**5,989**	**-**	**26,550**	**99,083**	**27%**
	2011	67,063	-	-	6,036	-	156,000	229,099	68%
John D Hopkins	**2012**	**53,625**	**-**	**-**	**4,826**	**-**	**26,550**	**85,001**	**31%**
	2011	-	-	-	-	-	-	-	-
Philip G Crabb (3)	**2012**	**29,933**	**-**	**-**	**2,694**	**-**	**-**	**32,627**	-
	2011	67,063	-	-	6,036	-	208,000	281,099	74%
Executives									
Antony L Lofthouse (4)	**2012**	**113,491**	**-**	**2,208**	**46,229**	**-**	**14,023**	**175,951**	**8%**
	2011	-	-	-	-	-	-	-	-
Totals	**2012**	**919,252**	**(11,383)**	**15,173**	**120,475**	**(46,093)**	**120,223**	**1,117,647**	**11%**
	2011	1,019,257	39,346	30,455	91,734	24,582	1,404,000	2,609,374	54%

Notes: (1) B T Lambert resigned on 2 May 2012.
(2) D B Richardson resigned on 29 June 2012.
(3) P G Crabb was appointed a director on 7 March 2012.
(4) A L Lofthouse was appointed the Chief Executive Officer on 2 April 2012.
(5) In respect to other, the amounts relate to motor vehicle, car parking and life insurance benefits for the year.

(c) Compensation by Category: Key Management Personnel

Category	Consolidated and Parent Entity 2012 $	Consolidated and Parent Entity 2011 $
Short Term	**923,042**	1,089,058
Post Employment	**120,475**	91,734
Share Based Payments	**120,223**	1,404,000
Long Term	**(46,093)**	24,582
	1,117,647	2,609,374

(d) Employment Agreements for Key Management Personnel

Mr Frank DeMarte – Executive Director, Company Secretary and CFO

- Term of the agreement – no fixed term.
- Base salary of $237,600 effective 1 July 2012. The base salary was voluntarily reduced by 10% from $264,000 to $237,600 effective 1 July 2012, reviewed annually.
- Statutory superannuation of 9%.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation.

Mr Antony Lofthouse –Chief Executive Officer (Appointed 2 April 2012)

- Term of the agreement – no fixed term.
- Base salary of $300,000 effective 2 April 2012. The base salary was voluntarily reduced by 10% to $270,000 effective 1 July 2012, reviewed annually.
- Statutory superannuation of 9%.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. The contractual life of each option granted is three to five years. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 21 and 22.

(e) **Share Based Compensation Options *(continued)***

Compensation Options: Granted and vested during the year ended 30 September 2012.

30 September 2012						Terms and Conditions for each Grant		
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
B T Lambert	-	-	-	-	-	-	-	-
B D Richardson	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
F DeMarte	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
M R Randall	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
J D Hopkins	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
P G Crabb	-	-	-	-	-	-	-	-
A L Lofthouse	-	1,000,000	16/04/12	$0.0208	$0.25	16/04/2014	16/04/2013	16/04/2014
	-	1,000,000	16/04/12	$0.0197	$0.45	16/04/2015	16/04/2014	16/04/2015
Total	**2,000,000**	**4,000,000**						

Compensation Options: Granted and vested during the year ended 30 September 2011.

30 September 2012						Terms and Conditions for each Grant		
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	1,000,000	1,000,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
B T Lambert	2,000,000	2,000,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
B D Richardson	1,500,000	1,500,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
F DeMarte	1,500,000	1,500,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
M R Randall	750,000	750,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
J D Hopkins	-	-	-	-	-	-	-	-
Total	**6,750,000**	**6,750,000**						

(f) Shares issued on exercise of compensation options

No shares were issued to directors on exercise of compensation options for the years ended 30 September 2012 and 2011. No other key management personell exercised compensation options during the year ended 30 September 2012.

(g) Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2012.

30 September 2012	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
B T Lambert (1)	-	-	-	-
B D Richardson (2)	26,550	-	-	11%
F DeMarte	26,550	-	-	9%
M R Randall	26,550	-	-	27%
J D Hopkins	26,550	-	-	31%
P G Crabb (3)	-	-	-	-
A L Lofthouse (4)	40,500			8%
Total	**146,700**	**-**	**-**	**11%**

Notes: (1) B T Lambert resigned on 2 May 2012.
(2) D B Richardson resigned on 29 June 2012.
(3) P G Crabb was appointed a director on 7 March 2012.
(4) A L Lofthouse was appointed the Chief Executive Officer on 2 April 2012.

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2011.

30 September 2012	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	208,000	-	-	74%
B T Lambert	416,000	-	-	49%
B D Richardson	312,000	-	-	50%
F DeMarte	312,000	-	-	49%
M R Randall	156,000	-	-	68%
J D Hopkins (1)	-	-	-	-
Total	**1,404,000**	**-**	**-**	**54%**

Notes: (1) J D Hopkins was appointed a director on 30 September 2011.

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

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

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

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

(h) Equity instruments

Analysis of options and rights over equity instruments granted as compensation.

Details of vesting profiles of the options granted as remuneration to each key management personnel of the group are detailed below:

	Number of options granted	Grant Date of options	Exercise Price of options $	Fair Value of Options on Grant Date $	Financial year in which Options Expire
Executive Directors					
B T Lambert	1,000,000	27/02/08	$0.50	$0.155	2013
	1,000,000	27/02/09	$0.20	$0.0456	2014
	2,000,000	26/02/10	$0.64	$0.205	2015
	2,000,000	28/02/11	$0.84	$0.208	2016
B D Richardson	1,000,000	27/02/08	$0.50	$0.155	2013
	1,000,000	27/02/09	$0.20	$0.0456	2014
	1,500,000	26/02/10	$0.64	$0.205	2015
	1,500,000	28/02/11	$0.84	$0.208	2016
	500,000	29/02/12	$0.23	$0.0531	2017
F DeMarte	1,000,000	27/02/08	$0.50	$0.155	2013
	1,000,000	27/02/09	$0.20	$0.0456	2014
	1,500,000	26/02/10	$0.64	$0.205	2015
	1,500,000	28/02/11	$0.84	$0.208	2016
	500,000	29/02/12	$0.23	$0.0531	2017
Non-Executive Directors					
M R Randall	500,000	27/02/08	$0.50	$0.155	2013
	500,000	27/02/09	$0.20	$0.0456	2014
	750,000	26/02/10	$0.64	$0.205	2015
	750,000	28/02/11	$0.84	$0.208	2016
	500,000	29/02/12	$0.23	$0.0531	2017
J D Hopkins	500,000	29/02/12	$0.23	$0.0531	2017
P G Crabb	1,000,000	27/02/08	$0.50	$0.155	2013
	750,000	27/02/09	$0.20	$0.0456	2014
	1,000,000	26/02/10	$0.64	$0.205	2015
	1,000,000	28/02/11	$0.84	$0.208	2016
Executive					
A L Lofthouse	1,000,000	16/04/12	$0.25	$0.0208	2014
	1,000,000	16/04/12	$0.45	$0.0197	2015

DIRECTORS' MEETINGS

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

	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Name	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
M J Randall	12	12	3	3	2	2	2	2
B T Lambert (2)	4	4	-	-	1	1	1	1
B D Richardson (3)	8	9	3	3	-	-	1	1
F DeMarte	12	12	3	3	2	2	2	2
J D Hopkins	11	12	3	3	2	2	2	2
P G Crabb (1)	7	8	-	-	1	1	1	1

Notes: (1) P G Crabb was appointed 7 March 2012
(2) B T Lambert resigned 2 May 2012.
(3) B D Richardson resigned 29 June 2012.

Committee Memberships

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

Audit	Remuneration	Nomination
J D Hopkins (C)	J D Hopkins (C)	M J Randall (C)
M J Randall	M J Randall	J D Hopkins
F DeMarte	A Lofthouse	F DeMarte
P G Crabb		P G Crabb

Notes: (C) Designates the Chairman of the Committee.
J D Hopkins was appointed Chairman of the Remuneration Committee on 23 February 2012.

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Frank DeMarte retires by rotation and Philip G Crabb was appointed an additional Director and, being eligible, offers himself for re-election at the Annual General Meeting.

Proceedings on Behalf of the Company

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

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

Insurance of Directors and Officers

During the financial year, the Company paid premiums to insure the Directors and Officers of the Company against liabilities for costs and expenses that may be incurred by the Directors in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2012 has been received and can be found on page 95.

Signed in accordance with a resolution of the directors.

Frank DeMarte
Executive Director
Perth, Western Australia
27 November 2012

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Consolidated 2012 $	Consolidated 2011 $
REVENUE FROM CONTINUING OPERATIONS			
Revenue	4(a)	**297,525**	896,626
Other income	4(b)	**2,312,016**	486,934
		2,609,541	1,383,560
EXPENDITURE			
Cost of sales		**-**	(117,865)
Amortisation and depreciation		**(235,278)**	(252,113)
Employee benefits expense	4(c)	**(120,223)**	(1,559,520)
Exploration expenditure written off or impaired	4(d)	**(4,872,635)**	(21,257,920)
Administration expenses	4(e)	**(2,845,348)**	(2,652,122)
Profit/(Loss) from continuing operations before income tax expense		**(5,463,943)**	(24,455,980)
Research and development tax refund		**725,073**	598,418
Income tax (expense)/benefit	5	**-**	-
Net profit/(loss) from continuing operations for the year		**(4,738,870)**	(23,857,562)
Other comprehensive income			
Available for sale financial assets reserve net of deferred tax transferred to income		**-**	-
Total comprehensive income/(loss) for the year		**(4,738,870)**	(23,857,562)
Net Profit/(Loss) attributable to members of the parent entity		**(4,738,870)**	(23,857,562)

	Notes	Consolidated 2012 $	Consolidated 2011 $
Comprehensive income/(loss) attributable to members of the parent entity		**(4,738,870)**	(23,857,562)
Profit/(loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) (cents per share)	7	**(2.96)**	(15.53)
Diluted earnings/(loss) (cents per share)	7	**(2.96)**	(15.53)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Consolidated 2012 $	Consolidated 2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	**2,210,275**	8,025,701
Trade and other receivables	8	**95,801**	405,439
Other financial assets	9	**365,756**	682,564
TOTAL CURRENT ASSETS		**2,671,832**	9,113,704
NON-CURRENT ASSETS			
Other receivables	8	**1,010,785**	940,542
Property, plant and equipment	10	**353,128**	500,272
Exploration expenditure	12(a)	**-**	-
Mine development	12(b)	**174,402**	317,241
Deferred tax asset	13	**-**	-
Intangible asset	14	**36,680**	113,234
TOTAL NON-CURRENT ASSETS		**1,574,995**	1,871,289
TOTAL ASSETS		**4,246,827**	10,984,993

	Notes	Consolidated 2012 $	Consolidated 2011 $
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	**495,435**	3,245,213
Provisions	16	**280,365**	275,020
TOTAL CURRENT LIABILITIES		**775,800**	3,520,233
NON-CURRENT LIABILITIES			
Provisions	16	**221,130**	600,385
Deferred tax liability	17	**-**	-
TOTAL NON-CURRENT LIABILITIES		**221,130**	600,385
TOTAL LIABILITIES		**996,930**	4,120,618
NET ASSETS		**3,249,897**	6,864,375
EQUITY			
Contributed equity	18(a)	**40,554,842**	39,550,673
Reserves	18(d)	**7,276,748**	7,156,525
Accumulated losses	19	**(44,581,693)**	(39,842,823)
TOTAL EQUITY		**3,249,897**	6,864,375

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2012

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2010		37,906,877	5,597,005	(15,985,261)	27,518,621
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(23,857,562)	(23,857,562)
Total comprehensive income/(loss) for the year		-	-	(23,857,562)	(23,857,562)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	1,559,520	-	1,559,520
Shares issued during the year	18(b)	1,643,796	-	-	1,643,796
Transaction costs	18(b)	-	-	-	-
		1,643,796	1,559,520	-	3,203,316
Balance at 30 September 2011		39,550,673	7,156,525	(39,842,823)	6,864,375

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2011		39,550,673	7,156,525	(39,842,823)	6,864,375
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(4,738,870)	(4,738,870)
Total comprehensive income/(loss) for the year		-	-	(4,738,870)	(4,738,870)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	120,223	-	120,223
Shares issued during the year	18(b)	1,160,000	-	-	1,160,000
Transaction costs	18(b)	(155,830)	-	-	(155,830)
		1,004,169	120,223	-	1,124,392
Balance at 30 September 2012		40,554,842	7,276,748	(44,581,693)	3,249,897

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Consolidated 2012 $	Consolidated 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**-**	-
Receipts from government grant		**725,073**	598,418
Other revenue received		**348,513**	318,426
Payment to suppliers		**(2,435,026)**	(1,893,706)
Interest paid		**(42)**	(67)
Interest received		**316,338**	996,516
Net cash inflow/(outflow) from operating activities	6(a)	**(1,045,144)**	19,587
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		**-**	(268,183)
Payments for purchase of plant, equipment and vehicles		**(17,884)**	(239,681)
Payment for intangibles	14	**(18,473)**	(112,933)
Proceeds from sale of tenements		**-**	40,000
Proceeds from sale of plant, equipment and vehicles		**22,374**	-
Placement of security deposits		**(283,039)**	(380,518)
Redemption of security deposits		**100,503**	5,113
Exploration and evaluation expenditure		**(5,577,933)**	(11,018,704)
Net cash inflow/(outflow) from investing activities		**(5,774,452)**	(11,974,906)

	Notes	Consolidated 2012 $	Consolidated 2011 $
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		**1,110,000**	780,045
Share issue costs		**(105,830)**	-
Net cash inflow from financing activities		**1,004,170**	780,045
Net increase/(decrease) in cash and cash equivalents held		**(5,815,426)**	(11,175,274)
Cash and cash equivalents at the beginning of the financial year		**8,025,701**	19,200,975
Cash and cash equivalents at the end of the financial year	6(b)	**2,210,275**	8,025,701

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. CORPORATE INFORMATION

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2012 was authorised for issue in accordance with a resolution of the directors on 27 November 2012.

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

Separate financial statements of Thundelarra Exploration Ltd as an individual entity are no longer presented as the consequence of a change on the Corporations Act 2001, however required financial information for Thundelarra Exploration Ltd as an individual entity is included in note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The financial report has also been prepared on a historical basis and the accruals basis modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

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

The group recorded a loss of $4,738,870 for the year ended 30 September 2012. Total exploration expenditure recognised in the year is $4,872,635.

The group had cash assets of $2,210,275 at 30 September 2012 and investments held for trading and available for sale valued at $365,756 at the reporting date. The directors consider these funds, combined with additional funds from the sale of assets and capital raisings to be sufficient for the planned expenditure on the mineral projects for the ensuing 12 months as well as for corporate and administrative overhead costs. The directors also believe that they have the capacity to raise additional capital should that become necessary. For these reasons, the directors believe the going concern basis of preparation is appropriate.

Subsequent to the year end, the Company has raised $2,608,225 which, together with existing cash is sufficient to meet the planned expenditure on the mineral projects for the ensuing 12 months as well as for corporate and administrative overhead costs.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2012 and are outlined below.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of New and Revised Accounting Standards

The following new and revised Accounting Standards and Interpretations have, where applicable, been adopted in the current year but have had no significant effect on the amounts reported or disclosures.

Standards affecting presentation and disclosure:

Amendments to AASB 7 'Financial Instruments Disclosure'

The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held.

Amendments to AASB 101 'Presentation of Financial Statements'

The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'

AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards.

AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.

AASB 124 'Related Party Disclosures' (revised December 2009)

AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'

Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119.

AASB 2009-12 'Amendments to Australian Accounting Standards'

The application of AASB 2009-12 makes amendments to AASB 8 'Operating Segments' as a result of the issuance of AASB 124 'Related Party Disclosures (2009).

AASB 2010-5 'Amendments to Australian Accounting Standards'

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations.

AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'

The application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and ammended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. At the date of the authorisation of the financial statements, the Standards and Interpretations listed below are in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: recovery of Underlying Assets'	1 January 2012	30 June 2013

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

The group has decided not to adopt any of the new and amended pronouncements.

(e) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Thundelarra Exploration Ltd at the end of the reporting period. A controlled entity is any entity over which Thundelarra Exploration Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 25 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(f) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Significant accounting estimates and assumptions

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

Share based payment transactions

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

Mineral Exploration and Evaluation

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

Units of production depreciation

Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine specific assets. This result in depreciation and or amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located.

These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units of production (UOP) depreciation methodologies are available to choose from; the Group adopts a Run of the Mine (ROM) tonnes of ore produced methodology for mining costs and an ounces/pounds of metal produced methodology for post-mining costs. Changes are accounted for prospectively.

Mine rehabilitation provision

The consolidated entity assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation costs required.

Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in the income statement.

Impairment of assets

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

(h) Deferred taxation

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(i) Revenue recognition

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Sale of concentrates or ore is recorded when control has passed to the buyer.

(j) Cash and cash equivalents

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

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

(k) Trade and other receivables

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

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

(l) Inventory

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

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

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

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

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

(ii) Spares for production

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

(m) Income tax

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

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income tax (continued)

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss, or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Other taxes

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

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

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

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

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

(o) Plant and equipment

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

(i) Depreciation

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

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

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

(i) Impairment

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

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

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

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

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

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

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

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

(a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or

(b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

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

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

For the years ending 30 September 2012 and 2011 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

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

(ii) Mine development expenditure

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

(iii) Mine Properties

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

(q) Trade and other payables

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

(r) Provisions

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee leave benefits

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

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

(ii) Long service leave

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

(t) Earnings per share

(i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

(ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

(u) Contributed equity

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

(v) Borrowing costs

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

(w) Leases

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

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

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

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

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

(x) Impairment of assets

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

(x) Impairment of assets (continued)

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

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

(y) Interests in joint ventures

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

(z) Investments

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

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

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

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

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

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

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

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

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

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

(aa) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Share-based payment transactions (continued)

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

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

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

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

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

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

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

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

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

(ab) Comparatives

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

(ac) Goodwill

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

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

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

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

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

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

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

SEGMENT INFORMATION

The Group operates in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

4. REVENUE AND EXPENSES

		Consolidated 2012 $	Consolidated 2011 $
(a)	**Revenue**		
	Interest income from non related parties	**297,525**	896,626
(b)	**Other Revenue**		
	Net gain on disposal of joint venture interests (4(f))	**1,963,503**	-
	Net gain on disposal of tenement (4(g))	**-**	168,507
	Other income	**348,513**	318,427
		2,312,016	486,934
	Total Revenues	**2,609,541**	1,383,560
(c)	**Employee Benefits Expenses**		
	Share based payments expense	**(120,223)**	(1,559,520)
(d)	**Exploration Expenditure Written Off**		
	Exploration expenditure written-off or impaired	**(4,872,635)**	(21,257,920)
(e)	**Other Expenses**		
	Administrative costs	**(35,268)**	(15,681)
	Office and miscellaneous	**(846,197)**	(690,632)
	Professional fees	**(237,088)**	(214,357)
	Regulatory and trust company fees	**(55,358)**	(119,165)
	Shareholder and investor relations	**(86,975)**	(117,918)
	Employee expenses	**(1,132,575)**	(1,151,525)
	Finance costs	**(42)**	(67)
	Decrease in market value of investments	**(316,807)**	(248,059)
	Loss on disposal of property, plant and equipment	**(2,656)**	-
	Other operating expenses	**(132,382)**	(94,718)
		(2,845,348)	(2,652,122)

		Consolidated 2012 $	Consolidated 2011 $
(f)	**Net Gain on Disposal of Joint Venture Interests**		
	Proceeds from disposal of joint venture interests	**2,112,837**	-
	Carrying amounts of joint venture interests diluted	**(65,351)**	-
	Loss on dilution of participating interest	**(83,983)**	-
	Net gain on disposal	**1,963,503**	-
(g)	**Net Gain on Disposal of Tenement**		
	Proceeds from disposal of tenement	**-**	170,000
	Net gain on disposal	**-**	(1,493)
		-	168,507

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

5. INCOME TAX

	Consolidated 2012 $	Consolidated 2011 $
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	**(5,463,943)**	(24,455,980)
Prima facie tax benefit on loss from ordinary activities at 30% (2011 – 30%)	**(1,639,183)**	(7,336,794)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	**546**	2,102
Share based payments	**36,067**	467,887
	(1,602,507)	(6,866,805)
Movement in current year temporary differences	**(809,533)**	2,840,792
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	**2,412,103**	4,026,013
Tax effect movement in current year asset revaluation reserve	**-**	-
Income tax expense/(benefit)	**-**	-

	Consolidated 2012 $	Consolidated 2011 $
(b) Unrecognised temporary differences Deferred Tax Assets (30%)		
Impairment and depreciation of assets in joint venture	**922,784**	1,609,221
Prepayments	**9,922**	8,442
Investments	**-**	179,710
Capital raising, formation and legal costs	**72,165**	60,208
Provisions for expenses	**155,546**	293,651
Carry forward tax losses	**7,423,852**	5,509,775
	8,584,269	7,661,007
Deferred Tax Liabilities (30%)		
Unearned revenue	**5,201**	10,845
	5,201	10,845
Net Deferred Tax Asset (Liability)	**8,579,068**	7,650,162

The potential future income tax benefit arising from accumulated tax losses in the Group including the Group's share of assets in the Copernicus Joint Venture have not been recognised in 2012 as an asset because recovery of tax losses is not probable.

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

a. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;

b. the Group continues to comply with the conditions for deductibility imposed by income tax law; and

c. no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

6. CASH FLOW INFORMATION

	Consolidated 2012 $	Consolidated 2011 $
(a) Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax		
Operating profit/(loss) after income tax	**(4,738,870)**	(23,857,562)
Non cash flows in operating loss		
Exploration costs written-off or provided	**4,872,635**	21,257,920
Amortisation and depreciation	**235,278**	252,113
Share based payments	**120,223**	1,559,520
Net (Increase)/ decrease in fair value of investments	**316,807**	248,059
(Profit)/Loss on sale of plant, equipment and vehicles	**2,406**	-
(Profit)/Loss on sale of joint venture interests	**(1,985,082)**	-
(Profit)/Loss on sale of tenements	**-**	(168,507)
Change in assets and liabilities		
(Decrease)/increase in trade creditors and accruals	**12,644**	606,939
(Increase)/decrease in receivables	**325,539**	75,817
(Decrease)/increase in provisions	**(206,724)**	45,288
Net cash outflow from operating activities	**(1,045,144)**	19,587

	Consolidated 2012 $	Consolidated 2011 $
(b) Cash and cash equivalents represents:		
Cash in bank and on hand	**699,866**	307,737
Deposits at call	**1,510,409**	7,717,964
	2,210,275	8,025,701
(c) Non Cash Investing Activities		
Acquisition of tenements and rights by issue of shares	**-**	863,750
Disposal of tenements for shares	**-**	(214,000)
	-	649,750

7 EARNINGS PER SHARE

		Consolidated 2012 $	Consolidated 2011 $
(a)	Basic earnings/(loss) per share (cents per share)	**(2.96)**	(15.53)
(b)	Diluted earnings/(loss) per share (cents per share)	**(2.96)**	(15.53)

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

		Consolidated 2012 $	Consolidated 2011 $
(c)	Net profit/(loss) attributable to ordinary shareholders	**(4,738,870)**	(23,857,562)
(d)	Weighted average number of ordinary shares outstanding during the year used in the calculation:		
	basic earnings per share	**159,899,965**	153,615,497
	diluted earnings per share	**159,899,965**	153,615,497

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Other receivables	**78,463**	369,288
Accrued Income	**17,338**	36,151
	95,801	405,439

The amounts receivable from directors and director related entities are unsecured interest free and have no fixed terms of repayment.

TRADE AND OTHER RECEIVABLES (NON CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Security deposits/bonds	**1,010,785**	913,345
Receivables from joint venture partners	-	27,197
	1,010,785	940,542

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

9. OTHER FINANCIAL ASSETS (CURRENT)

		Consolidated 2012 $	Consolidated 2011 $
Listed shares held for trading at fair value			
Royal Resources Limited	(i)	**244,143**	416,479
Royal Resources Limited – Options	(ii)	**16,413**	43,085
Aldershot Resources Limited	(iii)	**51,450**	119,000
Bulletin Resources Limited	(iv)	**39,500**	65,000
Newera Resources Limited	(v)	**14,250**	39,000
		381,846	682,564

All the above quoted shares are classified as Tier 1 investments carried at a fair value based on quoted prices in an active markets

At 30 September 2012 the Company holds the following quoted securities:

(i) 2,872,265 (2011 – 2,872,265) fully paid ordinary shares in Royal Resources Limited.

(ii) 410,323 (2011 – 410,323) options in Royal Resources Limited.

(iii) 350,000 (2011 – 3,500,000) fully paid ordinary shares in Aldershot Resources Ltd, a Canadian company listed on the TSX Venture Exchange.

(iv) 500,000 (2011 –500,000) fully paid ordinary shares in Bulletin Resources Limited.

(v) 750,000 (2011 – 750,000) fully paid ordinary shares in Newera Resources Limited.

As at 27 November 2012, the total market value of the quoted investments based on closing prices at that date was $297, 460

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2012 $	Consolidated 2011 $
Leasehold Improvements, at cost	**263,149**	263,149
Less: accumulated depreciation	**(242,455)**	(230,025)
	20,694	33,124
Plant and equipment, at cost	**345,193**	356,909
Less: accumulated depreciation	**(209,510)**	(168,837)
Less: impairment loss	**(19,585)**	(35,625)
	116,098	152,447
Office equipment, at cost	**290,557**	315,686
Less: accumulated depreciation	**(250,082)**	(257,283)
Less: impairment loss	**(2,572)**	(4,705)
	37,903	53,698
Motor vehicles, at cost	**365,117**	459,927
Less: accumulated depreciation	**(235,195)**	(250,928)
Less: impairment loss	**-**	(10,128)
	129,922	198,871
Plant and equipment (NT), at cost	**77,540**	81,858
Less: accumulated depreciation	**(29,029)**	(19,726)
Less: impairment loss		-
	48,511	62,132

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated 2012 $	Consolidated 2011 $
Haul road, at cost	**1,019,800**	1,855,025
Less: accumulated depreciation	**(26,345)**	(47,921)
Less: impairment loss	**(993,456)**	(1,807,104)
	-	-
Construction in progress	**178,351**	324,422
Less: impairment loss	**(178,351)**	(324,422)
	-	-
Total property, plant and equipment	**353,128**	500,272

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Leasehold Improvements		
Carrying amount at 1 October 2011	**33,124**	52,986
Additions	**-**	-
Depreciation	**(12,430)**	(19,862)
Impairment	**-**	
Carrying amount at 30 September 2012	**20,694**	33,124

Plant and equipment		
Carrying amount at 1 October 2011	**152,447**	149,194
Additions	**5,552**	62,343
Disposals	**-**	-
Depreciation	**(41,901)**	(59,090)
Impairment	**-**	-
Carrying amount at 30 September 2012	**116,098**	152,447

Reconciliations (continued)

Office equipment		
Carrying amount at 1 October 2011	**53,698**	67,625
Additions	**2,726**	9,783
Disposals	**(522)**	-
Depreciation	**(17,999)**	(29,610)
Impairment	**-**	5,900
Carrying amount at 30 September 2012	**37,903**	53,698

Motor vehicles		
Carrying amount at 1 October 2011	**198,871**	94,012
Additions	**9,606**	153,643
Disposals	**(22,457)**	-
Depreciation	**(56,098)**	(48,784)
Impairment	**-**	-
Carrying amount at 30 September 2012	**129,922**	198,871

Plant and equipment (NT)		
Carrying amount at 1 October 2011	**62,132**	62,858
Additions	**-**	13,911
Disposals	**(1,801)**	-
Depreciation	**(11,820)**	(14,637)
Carrying amount at 30 September 2012	**48,511**	62,132
Total carrying amount at 30 September 2012	**353,128**	500,272

11. PARENT ENTITY DISCLOSURES

STATEMENT OF COMPREHENSIVE INCOME

	2012 $	2011 $
REVENUE FROM CONTINUING OPERATIONS		
Revenue	**281,571**	887,053
Other income	**2,307,725**	462,344
	2,589,296	1,349,397
EXPENDITURE		
Cost of sales	**-**	(117,865)
Amortisation and depreciation	**(235,278)**	(252,113)
Employee benefits expense	**(120,223)**	(1,151,525)
Exploration expenditure written off	**(2,025,821)**	(5,917,737)
Administration expenses	**(4,856,419)**	(8,305,927)
Profit/(Loss) from continuing operations before income tax expense	**(4,648,445)**	(14,395,770)
Research and development tax refund	**725,073**	598,418
Income tax (expense)/benefit	**(860,816)**	(2,313,380)
Net profit/(loss) from continuing operations for the year	**(4,784,188)**	(16,110,732)
Other comprehensive income		
Available for sale financial assets reserve net of deferred tax transferred to income	**-**	-
Total comprehensive income/(loss) for the year	**(4,784,188)**	(16,110,732)
Net Profit/(Loss) attributable to members of the parent entity	**(4,784,188)**	(16,110,732)
Comprehensive income/(loss) attributable to members of the parent entity	**(4,784,188)**	(16,110,732)

STATEMENT OF FINANCIAL POSITION

	2012 $	2011 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**2,191,400**	7,943,603
Trade and other receivables	**37,324**	16,513
Other financial assets	**381,846**	717,011
TOTAL CURRENT ASSETS	**2,610,570**	8,677,127
NON-CURRENT ASSETS		
Other receivables	**675,890**	677,666
Property, plant and equipment	**353,127**	500,272
Exploration expenditure	**-**	-
Mine development	**174,403**	317,241
Intangible asset	**36,680**	113,234
TOTAL NON-CURRENT ASSETS	**1,240,101**	1,608,413
TOTAL ASSETS	**3,850,670**	10,285,540

11. PARENT ENTITY DISCLOSURES (continued)

	2012 $	2011 $
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**442,128**	2,843,293
Provisions	**280,365**	275,020
TOTAL CURRENT LIABILITIES	**722,493**	3,118,313
NON-CURRENT LIABILITIES		
Trade and other payables	**-**	-
Provisions	**221,130**	600,385
Deferred tax liability	**-**	-
TOTAL NON-CURRENT LIABILITIES	**221,130**	600,385
TOTAL LIABILITIES	**943,623**	3,718,698
NET ASSETS	**2,907,047**	6,566,842
EQUITY		
Contributed equity	**40,554,842**	39,550,672
Reserves	**7,276,748**	7,156,525
Accumulated losses	**(44,924,543)**	(40,140,355)
TOTAL EQUITY	**2,907,047**	6,566,842

	2012 $	2011 $
ACCUMULATED LOSSES		
Balance at the beginning of the year	**(40,140,355)**	(24,029,623)
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd	**(4,784,188)**	(16,110,732)
Balance at the end of the financial year	**(44,924,543)**	(40,140,355)
OTHER FINANCIAL ASSETS (NON-CURRENT)		
Investment in Subsidiary		
Element 92 Pty Ltd	**3,661,200**	3,661,200
Provision for write down of investment	**(3,661,200)**	(3,661,200)
	-	-
Investment in Subsidiary	**1**	1
Trilogy Metals Limited	**(1)**	(1)
Provision for write down of investment	**-**	-

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
(a) Exploration and evaluation		
At 1 October 2011	**-**	9,108,776
Expenditure incurred during the year	**4,872,635**	12,149,144
Expenditure provided or written off during the year (note 4(d))	**(4,872,635)**	(21,257,920)
At 30 September 2012	**-**	-
(b) Mine properties and development		
At 1 October 2011	**317,241**	317,241
Expenditure incurred during the year	**-**	-
Expenditure provided or written off during the year	**(142,839)**	-
At 30 September 2012	**174,402**	317,241

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively sale of the respective areas of interest (refer to note 26).

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

13 DEFERRED TAX ASSET (NON-CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Deferred tax asset (Note 5)	**-**	-

14. INTANGIBLE ASSET

Software and Licences		
At 1 October 2011	**113,234**	86,332
Additions	**18,473**	112,933
Disposals	**-**	-
Less: amortisation	**(95,027)**	(86,031)
At 30 September 2012	**36,680**	113,234

15. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables and accruals	**348,360**	1,188,613
Payables to joint venture partner and related entities	**139,548**	2,056,600
Amounts owing to director related entities	**7,525**	-
	495,435	3,245,213

The current accounts with director related entities are unsecured, interest free and have no fixed terms of repayments.

16. PROVISONS (CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Employee entitlements	**280,365**	275,020
Number of employees at year end	**16**	22

PROVISIONS (NON-CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Employee entitlements	**221,130**	600,385

Superannuation

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

Employee Share Option Plan

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

17. DEFERRED TAX LIABILITY (NON-CURRENT)

	Consolidated 2012 $	Consolidated 2011 $
Deferred tax liability (Note 5)	**-**	-

18. CONTRIBUTED EQUITY AND RESERVES

		Number of Shares 2012	Number of Shares 2011	Consolidated 2012 $	Consolidated 2011 $
(a)	**Issued and paid up capital**				
	Ordinary shares	**178,028,927**	154,828,927	**40,554,842**	39,550,673

		Number of Shares	Issue Price $	Total $
(b)	**Movement in ordinary shares on issue**			
1/10/10	Opening balance	150,948,481		37,906,877
4/10/10	Issue on exercise of options	180,000	0.32	57,600
8/10/10	Issue on exercise of options	1,394	0.20	279
14/10/10	Issue on exercise of options	750,000	0.45	337,500
21/10/10	Issue of shares	680,272	0.735	500,000
21/10/10	Issue on exercise of options	350,000	0.32	112,000
23/11/10	Issue on exercise of options	2,335	0.20	467
30/12/10	Issue on exercise of options	500,000	0.45	225,000
14/02/11	Issue on exercise of options	2,001	0.20	400
28/03/11	Issue of shares	44,444	0.45	20,000
6/04/11	Issue on exercise of options	120,000	0.39	46,800
27/06/11	Issue of shares	1,250,000	0.275	343,750
	Balance at 30 September 2011	154,828,927		39,550,673
13/07/12	Placement	22,200,000	0.05	1,110,000
13/07/12	Underwriting fee	1,000,000	0.05	50,000
	Share issue costs			(155,831)
	Balance at 30 September 2012	178,028,927		40,554,842

18. CONTRIBUTED EQUITY AND RESERVES (continued)

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

(c) Movement in options on issue

	Number 2012	Number 2011
Exercisable at 68 cents on or before 31 May 2011		
Balance as at beginning of year	**-**	1,000,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	(1,000,000)
Balance as at end of year	**-**	-
Exercisable at 52 cents on or before 30 June 2011		
Balance as at beginning	**-**	110,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	(110,000)
Balance as at end of year	**-**	-
Exercisable at 45 cents on or before 30 November 2010		
Balance as at beginning	**-**	1,250,000
Issued during the year	**-**	-
Exercised during the year	**-**	(1,250,000)
Options lapsed during the year	**-**	-
Balance as at end of year	**-**	-

	Number 2012	Number 2011
Exercisable at 47 cents on or before 31 December 2011		
Balance as at beginning	**350,000**	350,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**(350,000)**	-
Balance as at end of year	**-**	350,000
Exercisable at 50 cents on or before 28 February 2013		
Balance as at beginning	**4,250,000**	4,250,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**4,250,000**	4,250,000
Exercisable at 39 cents on or before 3 April 2011		
Balance as at beginning	**-**	200,000
Issued during the year	**-**	-
Exercised during the year	**-**	(120,000)
Options lapsed during the year	**-**	(80,000)
Balance as at end of year	**-**	-

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)

	Number 2012	Number 2011
Exercisable at 52 cents on or before 30 June 2012		
Balance as at beginning	**260,000**	260,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**(260,000)**	-
Balance as at end of year	**-**	260,000
Exercisable at 20 cents on or before 28 February 2014		
Balance as at beginning	**4,250,000**	4,250,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**4,250,000**	4,250,000
Exercisable at 32 cents on or before 30 September 2012		
Balance as at beginning	**280,000**	810,000
Issued during the year	**-**	-
Exercised during the year	**-**	(530,000)
Options cancelled during the year	**(280,000)**	-
Balance as at end of year	**-**	280,000

	Number 2012	Number 2011
Exercisable at 64 cents on or before 25 February 2015		
Balance as at beginning	**6,750,000**	6,750,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**6,750,000**	6,750,000
Exercisable at 96 cents on or before 20 September 2013		
Balance as at beginning	**1,610,000**	2,090,000
Issued during the year	**-**	-
Exercised during the year	**-**	-
Options lapsed / cancelled during the year	**(950,000)**	(480,000)
Balance as at end of year	**660,000**	1,610,000
Exercisable at 20 cents on or before 29 March 2013		
Balance as at beginning	**6,778,130**	6,788,860
Issued during the year	**-**	-
Exercised during the year	**-**	(5,730)
Options lapsed during the year	**-**	-
Balance as at end of year	**6,778,130**	6,778,130
Exercisable at 84 cents on or before 27 February 2016		
Balance as at beginning	**6,750,000**	-
Issued during the year	**-**	6,750,000
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**6,750,000**	6,750,000

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)

	Number 2012	Number 2011
Exercisable at 39 cents on or before 30 June 2014		
Balance as at beginning	**1,620,000**	-
Issued during the year	**-**	-
Exercised during the year	**-**	1,620,000
Options lapsed/cancelled during the year	**(895,000)**	-
Balance as at end of year	**725,000**	1,620,000
Exercisable at 25 cents on or before 16 April 2014		
Balance as at beginning	**-**	-
Issued during the year	**1,000,000**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**1,000,000**	-
Exercisable at 23 cents on or before 28 February 2017		
Balance as at beginning	**-**	-
Issued during the year	**2,000,000**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**2,000,000**	-
Exercisable at 45 cents on or before 16 April 2015		
Balance as at beginning	**-**	-
Issued during the year	**1,000,000**	-
Exercised during the year	**-**	-
Options lapsed during the year	**-**	-
Balance as at end of year	**1,000,000**	-

(d) Reserves

	Number 2012	Number 2011
General reserve	**-**	-
Share-based payments reserve	**7,276,748**	7,156,525
	7,276,748	7,156,525
Share based payments reserve		
Balance at beginning of year	**7,156,525**	5,597,005
Share based payments	**120,223**	1,559,520
Balance at end of year	**7,276,748**	7,156,525

Nature and purpose of reserves

General reserve

This reserve records fair value changes on available for sale financial assets. There were no available for sale financial assets as at 30 September 2012.

Share based payments reserve

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

19. ACCUMULATED LOSSES

	Consolidated 2012 $	Consolidated 2011 $
Balance at the beginning of the year	**(39,842,823)**	(15,985,261)
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd	**(4,738,870)**	(23,857,562)
Balance at the end of the financial year	**(44,581,693)**	(39,842,823)

20. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments

	Consolidated 2012 $	Consolidated 2011 $
Within one year	**3,203,923**	3,006,681
Later than one year but not later than five years	**4,054,004**	4,482,373
Later than five years	**1,120,524**	1,076,196
	8,378,451	8,565,250

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

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

(ii) Operating lease commitments

Operating lease commitments are as follows:-

	Consolidated 2012 $	Consolidated 2011 $
Office rental		
Within one year	**206,390**	263,822
Later than one year but not later than five years	**-**	345,372
Later than five years	**-**	-
	206,390	609,194

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

(iii) Bank Guarantees

At 30 September 2012 the Group has outstanding $175,031 (2011: $175,031) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

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

21. DIRECTORS AND EXECUTIVES DISCLOSURE

(a) Details of Key Management Personnel

The following persons were key management personnel of Thundelarra Exploration Ltd during the financial year:

Malcolm J Randall	Non-Executive Chairman	
Brett T Lambert	Managing Director/CEO	(Resigned 2 May 2012)
Brian D Richardson	Executive Director	(Resigned 29 June 2012)
Frank DeMarte	Executive Director	
John D Hopkins	Non-Executive Director	
Phillip G Crabb	Non-Exectuive Director	(Appointed 7 March 2012)
Antony L Lofthouse	Chief Executive Officer	(Appointed 2 April 2012)

(b) Compensation of Key Management Personnel – by category

	Consolidated	
	2012 $	2011 $
Short term	**923,042**	1,089,058
Post employment	**120,475**	91,734
Share based payments	**120,223**	1,404,000
Long term	**(46,093)**	24,582
	1,117,647	2,609,374

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

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

30 September 2012	Balance 1 October 2011	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2012
B T Lambert (1)	713,949	-	-	86,134	**800,083**
B D Richardson (3)	645,727	-	-	-	**645,727**
F DeMarte	2,779,442	-	-	100,000	**2,879,442**
M J Randall	437,500	-	-	-	**437,500**
J D Hopkins	100,000	-	-	-	**100,000**
P G Crabb(2)	22,177,839	-	-	422,318	**22,600,157**
A L Lofthouse	-	-	-	300,000	**300,000**
Total	26,854,457	-	-	908,452	**27,762,909**

Notes: (1) B T Lambert resigned on 2 May 2012.
(2) P G Crabb appointed 7/03/2012.
(3) B D Richardson resigned 29/06/2012.

30 September 2011	Balance 1 October 2010	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2011
P G Crabb	22,177,839	-	-	-	22,177,839
B T Lambert	713,949	-	-	-	713,949
B D Richardson	645,727	-	-	-	645,727
F DeMarte	2,779,442	-	-	-	2,779,442
M J Randall	437,500	-	-	-	437,500
J D Hopkins	-	-	-	100,000	100,000
Total	26,754,457	-	-	100,000	26,854,457

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

21. DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

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

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

							Vested at 30 September 2012		
30 September 2012	Balance at beginning of period 1 October 2011	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2012	Total	Exercisable	Not Exercisable
B T Lambert (1)	6,197,984	-	-	-	-	**6,197,984**	6,197,984	6,197,984	-
B D Richardson (3)	5,086,382	500,000	-	-	-	**5,586,382**	5,586,382	5,586,382	-
F DeMarte	5,330,397	500,000	-	-	-	**5,830,397**	5,830,397	5,830,397	-
M J Randall	2,529,167	500,000	-	-	-	**3,029,167**	3,029,167	3,029,167	-
J D Hopkins	-	500,000	-	-	-	**500,000**	500,000	500,000	-
P G Crabb (2)	3,758,205	-	-	-	-	**3,758,205**	3,758,205	3,758,205	
A L Lofthouse	-	2,000,000	-	-	-	**2,000,000**	-	-	2,000,000
Total	22,902,135	4,000,000	-	-	-	**26,902,135**	24,902,135	24,902,135	2,000,000

Notes: (1) B T Lambert resigned on 2 May 2012. (2) P G Crabb appointed 7/03/2012 (3) B D Richardson resigned 29/06/2012

							Vested at 30 September 2011		
30 September 2011	Balance at beginning of period 1 October 2010	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2011	Total	Exercisable	Not Exercisable
P G Crabb	2,758,205	1,000,000	-	-	-	3,758,205	3,758,205	3,758,205	-
B T Lambert	5,197,984	2,000,000	-	(1,000,000)	-	6,197,984	6,197,984	6,197,984	-
B D Richardson	3,586,382	1,500,000	-	-	-	5,086,382	5,086,382	5,086,382	-
F DeMarte	3,830,397	1,500,000	-	-	-	5,330,397	5,330,397	5,330,397	-
M J Randall	1,779,167	750,000	-	-	-	2,529,167	2,529,167	2,529,167	-
J D Hopkins	-	-	-	-	-	-	-	-	-
Total	17,152,135	6,750,000	-	(1,000,000)	-	22,902,135	22,902,135	22,902,135	-

21. DIRECTORS AND EXECUTIVES DISCLOSURE

(e) Share Based Compensation Options

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

Compensation Options: Granted and vested during the year ended 30 September 2012.

	Vested	Granted	Terms and Conditions for each Grant					
30 September 2012	Number	Number	Grant Date	Fair Value per option ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	-	-	-	-	-	-	-	-
B T Lambert	-	-	-	-	-	-	-	-
B D Richardson	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
F DeMarte	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
M R Randall	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
J D Hopkins	500,000	500,000	29/02/12	$0.0531	$0.23	28/02/17	29/02/12	28/02/17
A L Lofthouse	-	1,000,000	16/04/12	$0.0208	$0.25	16/04/14	16/04/13	16/04/14
	-	1,000,000	16/06/12	$0.0197	$0.45	16/04/15	16/04/14	16/04/15
Total	2,000,000	4,000,000						

Compensation Options: Granted and vested during the year ended 30 September 2011.

	Vested	Granted	Terms and Conditions for each Grant					
30 September 2011	Number	Number	Grant Date	Fair Value per option ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	1,000,000	1,000,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
B T Lambert	2,000,000	2,000,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
B D Richardson	1,500,000	1,500,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
F DeMarte	1,500,000	1,500,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
M R Randall	750,000	750,000	28/02/11	$0.208	$0.84	27/02/16	28/02/11	27/02/16
J D Hopkins	-	-	-	-	-	-	-	-
Total	6,750,000	6,750,000						

22. SHARE BASED PAYMENTS

(a) Type of share based payment plan

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 27 February 2010. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

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

(i) No consideration is payable by an Eligible Person for a grant of an option, unless the Board decides otherwise.

(ii) The method of calculation of the exercise price of each option will be determined by the Board with regard to the market value of the shares when it resolves to offer the option.

(iii) Exercisable period will be determined by the Board prior to the offer of the relevant options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the issue date.

(iv) The Board may impose exercise conditions on any issue as it thinks appropriate.

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

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

(b) Summary of options granted

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

	Number 2012	WAEP 2012 $	Number 2011	WAEP 2011 $
Outstanding at the beginning of the year	**26,120,000**	**0.59**	21,320,000	0.53
Granted during the year	**4,000,000**	**0.29**	8,370,000	0.75
Lapsed during the year	**(2,735,000)**	**0.60**	(1,900,000)	0.41
Exercised during the year	**-**	**-**	(1,670,000)	0.74
Outstanding at the end of the year	**27,385,000**	**0.55**	26,120,000	0.59
Exercisable at the end of the year	**25,385,000**	**0.56**	26,120,000	0.59

The outstanding balance as at 30 September 2012 is represented by:

Date options granted	Expiry date	Exercise price of options	Number of options
27 February 2008	28 February 2013	$0.50	4,250,000
27 February 2009	28 February 2014	$0.20	4,250,000
26 February 2010	25 February 2015	$0.64	6,750,000
23 September 2010	20 September 2013	$0.96	660,000
28 February 2011	27 February 2016	$0.84	6,750,000
1 July 2011	30 June 2014	$0.39	725,000
29 February 2017	28 February 2017	$0.23	2,000,000
16 April 2012	16 April 2014	$0.25	1,000,000
16 April 2012	16 April 2015	$0.45	1,000,000

22 SHARE BASED PAYMENTS (continued)

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

(c) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2012 is 2.65 years (2011 - 2.96 years).

(d) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.20 to $0.96 (2011 - $0.20 to $0.96).

(e) Weighted average fair value

The weighted average fair value of options granted during the year was $0.04 (2011 - $0.19)

(f) Options pricing model

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

The following table lists the inputs to the model used for the year ended 30 September 2012

Number of Options	2,000,000	1,000,000	1,000,000
Option exercise price (cents)	23 cents	25 cents	45 cents
Expiry date	28/02/2017	16/04/2014	16/04/2015
Expected life of the option (years)	5 years	2 years	3 years
Vesting period (months)	Nil	12 months	24 months
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	80%	83.6%	83.6%
Risk-free interest rate (%)	3.68%	3.20%	3.20%
Discount for unquoted security	30%	30%	30%
Closing share price at grant date (cents)	13.5 cents	11.5 cents	11.5 cents
Vesting date	-	16/04/2013	16/04/2014

The following table lists the inputs to the model used for the year ended 30 September 2011

Number of Options	6,750,000	1,620,000
Option exercise price (cents)	84 cents	39 cents
Expiry date	27/02/2016	30/06/2014
Expected life of the option (years)	5 years	3 years
Vesting period (months)	-	-
Dividend yield (%)	Nil	Nil
Expected volatility (%)	70%	80%
Risk-free interest rate (%)	5.13%	4.84%
Discount for unquoted security	30%	30%
Closing share price at grant date (cents)	56 cents	29 cents
Vesting date	28/02/2011	1/07/2011

23. REMUNERATION OF AUDITORS

	Consolidated	
	2012 $	2011 $
The auditor of Thundelarra Exploration Ltd is Stantons International for:		
An audit or review of the financial report of the consolidated entity	**47,951**	68,109

24. RELATED PARTY DISCLOSURES

(a) Directors

Fees received in the normal course of business in 2012 for office rental, administrative and employees services totalling $172,027 (2011 - $244,842) were received from companies of which P G Crabb, F DeMarte, B D Richardson and M J Randall are directors and shareholders.

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

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

(c) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Notes 11 and 25.

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2012 consists of loans advanced by the Parent totalling $211,912 (2011: $7,568,602).The loans outstanding at 30 September 2012 are $13,728,728 (2011: $13,516,816) The loans provided above are unsecured, interest free and has no fixed term of repayment. There were no repayments made during the year.

25. CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	Country of Incorporation	2012 %	2011 %	2012 $	2011 $
Element 92 Pty Ltd	Australia	**100**	100	**-**	-
Trilogy Metals Limited	Australia	**100**	100	**-**	-

26. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

Copernicus Joint Venture

The Copernicus Joint Venture is involved with the exploration, evaluation, development and production of mineral deposits in the Kimberley region of Western Australia. The unincorporated joint venture is between Panoramic Resources Limited 78.01% and Thundelarra Exploration Ltd 21.99% (2011 – 40%), with Panoramic as manager and operator.

At 30 September 2012 the Copernicus project was on care and maintenance.

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

26. INTEREST IN JOINT VENTURES (continued)

	Consolidated 2012 $	Consolidated 2011 $
CURRENT ASSETS		
Cash and cash equivalents	**26,169**	33,692
TOTAL CURRENT ASSETS	**26,169**	33,692
NON-CURRENT ASSETS		
Trade and other receivables	**105,984**	27,197
Property, plant and equipment	**1,193,963**	2,356,384
Exploration expenditure	**43,077**	74,425
Mine development	**1,673,567**	3,044,233
Rehabilitation	**174,403**	317,241
TOTAL NON-CURRENT ASSETS	**3,190,994**	5,819,480
TOTAL ASSETS	**3,217,163**	5,853,172
CURRENT LIABILITIES		
Trade and other payables	**1,717**	1,204
TOTAL CURRENT LIABILITIES	**1,717**	1,204
NON-CURRENT LIABILITIES		
Provisions	**205,200**	365,682
TOTAL NON-CURRENT LIABILITIES	**205,200**	365,682
TOTAL LIABILITIES	**206,917**	366,886
NET ASSETS	**3,010,246**	5,486,286

The Consolidated Entity also has a number of other interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect of these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated. At 30 September 2012 all capitalised costs were impaired to nil.

The Consolidated Entity's share of capitalised expenditure in respect to these joint venture activities is as follows:

Joint Venture	Principal Activities	Percentage Interest 2012	Percentage Interest 2011	Expenditure Capitalised 2012 $	Expenditure Capitalised 2011 $
Copernicus JV	Base metals	**21.99%**	40%	**-**	-
East Kimberley JV	Base metals	**37.15%**	39%	**-**	
Great Gold Mines JV	Base metals	**80%**	80%	**-**	-
Breakaway JV	Base metals	**20%**	20%	**-**	-
Lewis JV	Base metals	**80%**	80%	**-**	-
Voermans JV	Base metals	**80%**	80%	**-**	-
Richmond JV	Base metals	**-**	-	**-**	-
Spinifex JV	Uranium	**100%**	100%	**-**	-
Priscilla JV	Uranium	**80%**	80%	**-**	
GBS JV	Uranium	**70%**	70%	**-**	-
Allamber JV	Uranium	**100%**	100%	**-**	-

27. FINANCIAL INSTRUMENTS

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

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

Consolidated	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $
Financial Assets								
Cash and cash equivalents	**699,866**	307,737	**1,510,409**	7,717,964	**-**	-	**2,210,275**	8,025,701
Trade and other receivables	**-**	-	**1,010,785**	913,345	**95,801**	432,636	**1,106,586**	1,345,981
Other financial assets	**-**	-	**-**	-	**365,756**	682,564	**356,756**	682,564
Total Financial Assets	**699,866**	307,737	**2,521,194**	8,631,309	**461,557**	1,115,200	**3,682,617**	10,054,246
Financial Liabilities								
Trade and other payables	**-**	-	**-**	-	**(495,435)**	(3,245,213)	**(495,435)**	(3,245,213)
Total Financial Liabilities	**-**	-	**-**	-	**(495,435)**	(3,245,213)	**(495,435)**	(3,245,213)
Net Financial Assets/(Liabilities)	**699,866**	307,737	**2,52,194**	8,631,309	**(33,878)**	(2,130,013)	**3,187,182**	6, 809,033
Weighted Average Interest Rate	**1.06%**	1.48%	**4.94%**	5.94%				

27. FINANCIAL INSTRUMENTS (continued)

	Consolidated	
	2012 $	2011 $
Reconciliation of net financial assets/ (liabilities) to net assets		
Net Financial Assets/(Liabilities) as above	**3,187,182**	6,809,033
Property, plant and equipment	**353,128**	500,272
Exploration & evaluation expenditure	**-**	-
Mine development	**174,402**	317,241
Intangibles	**36,680**	113,234
Provisions	**(501,495)**	(875,405)
Net Assets per Statement of Financial Position	**3,249,897**	6,864,375

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Company's exposed to through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk and equity price risk.

(a) Interest Rate Risk

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

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

(b) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

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

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

(c) Net Fair Value of Financial Assets and Liabilities

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

(d) Liquidity Risk

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

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

(e) Foreign Exchange Risk

The Group at present does not have any exposure to foreign exchange risk, because the Group did not make any sales or purchases in a currency other than the entity's functional currency. At 30 September 2012 the Group did not have any assets or liabilities denominated in a foreign currency.

27. FINANCIAL INSTRUMENTS (continued)

(f) *Commodity Price Risk*

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

The Group's profit and loss and statement of financial position can be affected significantly by movements in nickel prices on the LME. The Group will need to mitigate the effect of its nickel price exposure by seeking appropriate derivative instruments once the open pit mining operations are re-commenced at Copernicus in the future. However at 30 September 2012, the Group does not have any financial instruments subject to commodity price risk.

28. SENSITIVITY ANALYSIS

(a) *Fair Value Risk*

The Group has exposure to the movement in fair values of its held for trading and available for sale financial assets.

Based on fair values at 30 September 2012, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated 2012 $	Consolidated 2011 $
Loss before tax:		
Available for sale financial assets	**-**	-
Held for trading financial assets	**36,576**	68,256
Equity:		
Available for sale financial assets	**-**	-
Held for trading financial assets	**36,576**	68,256

(b) Interest Rate Risk

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

Consolidated 30 September 2012	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	2,210,275	(22,103)	(22,103)	22,103	22,103
Other receivables interest bearing	1,010,785	(10,108)	(10,108)	10,108	10,108
Totals	3,221,060	(32,211)	(32,211)	32,211	32,211

Consolidated 30 September 2011	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	8,025,701	(80,257)	(80,257)	80,257	80,257
Other receivables -interest bearing	913,345	(9,133)	(9,133)	9,133	9,133
Totals	8,939,046	(89,390)	(89,390)	89,390	89,390

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

(c) *Foreign Currency Risk*

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

29. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2012 financial report:

Non Renounceable Rights Issue

Eligible shareholders subscribed to 44,149,901 shares at an issue price of 5 cents each to raise $2,207,470 (before costs) pursuant to a non renounceable rights issue.

Placement of Shortfall Shares

At the date of this report, a total of 7,400,100 shortfall shares at an issue price of 5 cents each raising $370,005 (before costs) were placed by directors of the Company subsequent the completion of the non renounceable rights issue.

Issue of Employee Share Options

2,350,000 unquoted options exercisable at 9 cents each with an expiry date of 31 October 2015 were issued to eligible employees in accordance with the Company's Employee Share Option Plan.

Sale of Spinifex Uranium Tenement

The company sold its Spinifex Uranium Tenement to Resource Star Limited for 5,000,000 fully paid ordinary shares in the capital of Resource Star Limited and retains a 1.5% net smaller royalty subject to the execution of formal documentation.

30. CONTINGENT LIABILITIES

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

DIRECTORS' DECLARATION

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

In the opinion of the directors:

(a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

    (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2012 and of its performance for the year ended on that date; and

    (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the financial report also complies with International Financial Reporting Standards as described in note 2(b).

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2012.

On behalf of the Board

Frank DeMarte
Executive Director
Perth, Western Australia
27 November 2012

06/

AUDITOR'S REPORT AND DECLARATION

FOR THE YEAR ENDED 30 SEPTEMBER 2012

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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Australia

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

Report on the Financial Report

We have audited the accompanying financial report of Thundelarra Exploration Limited, which comprises the consolidated statement of financial position as at 30 September 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

Stantons International

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion:

(a) the financial report of Thundelarra Exploration Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2012 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 19 of the directors' report for the year ended 30 September 2012. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion
In our opinion the remuneration report of Thundelarra Exploration Limited for the year ended 30 September 2012 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
27 November 2012

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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27 November 2012

Board of Directors
Thundelarra Exploration Limited
Suite 2
Level 3, IBM Building
1060 Hay Street
WEST PERTH, WA 6005

Dear Directors

RE: THUNDELARRA EXPLORATION LIMITED

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

As Audit Director for the audit of the financial statements of Thundelarra Exploration Limited for the year ended 30 September 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren

Director

07/

ASX ADDITIONAL INFORMATION

The following information dated 10 December 2012 is required by the Listing Rules of the ASX Limited.

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of security are:

	Fully paid ordinary shares	2013 Quoted Options
1 – 1,000	313	131
1,001 – 5,000	679	59
5,001 – 10,000	579	27
10,001 – 100,000	1,189	56
100,001 and over	274	16
Totals	3,034	289
Holding less than a marketable parcel	1,380	227

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

	Holder	Shares Held Number	%
1	Ragged Range Mining Pty Ltd & Associates	32,609,435	14.11
2	Mr Siat Yoon Chin	13,775,000	5.26
3	Norilsk Nickel Australia Pty Ltd	7,800,000	3.38
4	Chin Nominees Pty Ltd (Chin Super Fund A/C)	7,125,000	3.08
5	Chin Nominees Pty Ltd (Chin Nominees No. 2 S/F A/C)	6,166,585	2.67
6	Mr Phillip John Coulson	5,250,000	2.27
7	Troca Enterprises Pty Ltd (Coulson Super A/C)	5,250,000	2.27
8	Grandor Pty Ltd (Mark Scott Family P/F A/C)	4,233,288	1.83
9	Mr Frank DeMarte	3,758,823	1.63
10	Custodial Services Limited (Beneficiaries Holding A/C)	2,726,733	1.18
11	Ms Sigrid Gibson	2,600,000	1.13
12	Mr Michael George Angelakis + Mrs Silvana Angelakis (Michael Angelakis S/F A/C)	2,435,000	1.05
13	Panoramic Resources Limited	2,150,000	0.93
14	Merrill Lynch (Australia) Nominees Pty Limited	2,059,532	0.89
15	Mr David Dawson	2,000,000	0.87
16	JP Morgan Nominees Australia Limited (Cash Income A/C)	1,562,802	0.68
17	Paddockmist Pty Ltd (Superannuation Fund A/C)	1,550,750	0.67
18	Norvest Projects Pty Ltd	1,400,000	0.61
19	HSBC Custody Nominees (Australia) Limited	1,311,353	0.57
20	Excelsior Gold Ltd	1,250,000	0.54
	Total	107,014,301	46.31

(b) Options expiring 29 March 2013

	Holder	Options Held Number	%
1	Tattersfield Securities Limited	635,000	9.37
2	Chin Nominees Pty Ltd (Chin Super Fund A/C)	493,128	7.28
3	Jacobs Corporation Pty Ltd	443,876	6.55
4	Forty Traders Limited	350,879	5.18
5	Mr Frank DeMarte	330,397	4.87
6	ATFT Pty Ltd (ATFT Staff Super Fund A/C)	282,000	4.16
7	Mr Anthony John Vetter + Mrs Jeannette Vetter	230,000	3.39
8	Custodial Services Limited (Beneficiaries Holding A/C)	226,668	3.34
9	Mr Siat Yoon Chin	212,462	3.13
10	Westcoast Brick Company Pty Ltd	200,880	2.96
11	Crescent Nominees Limited	200,000	2.95
12	Mr Brett Thomas Lambert & Mrs Elspeth Margaret Lambert (BT & EM Lambert Family A/C)	197,984	2.92
13	Rick Crabb	181,496	2.68
14	Greatside Holdings Pty Ltd	166,667	2.46
15	Laceglen Holdings Pty Ltd (Cadly Superfund A/C)	130,000	1.92
16	Mrs Carol Mary Pernechele + Mr Aldo Pernechele	108,332	1.60
17	Mr Daniel Chris Pernechele	100,000	1.48
18	Mrs Jane Helena Evelyn Pilgrim	100,000	1.48
19	Sitcamp Nominees Pty Ltd (Stephen Evans Family A/C)	100,000	1.48
20	Mr Ching Ping Chih + Mrs Margaret Chih (SDI Superannuation Fund A/C)	95,196	1.40
	Total	4,784,965	70.59

3. SUBSTANTIAL SHAREHOLDERS

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

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	32,609,435	14.20
Mr Siat Yoon Chin	12,075,000	5.26

4. VOTING RIGHTS

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

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

Thundelarra Exploration Ltd ordinary shares are listed on all member exchanges of the ASX Limited. The home exchange is the ASX Limited.

6. RESTRICTED SECURITIES

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

7. SCHEDULE OF TENEMENTS

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
EAST KIMBERLEY				
E80/2559	Lamboo West	THX/HAW	80/20	Granted 06/03/2003
E80/2748	Dave Hill	THX	100	Granted 15/01/2003
E80/2749	Sally Downs Well	THX	100	Granted 15/08/2003
E80/2817	Mabel Downs	THX	100	Granted 04/03/2003
E80/2866	Warmun	THX	100	Granted 16/05/2003
E80/2878	Frank Hill	THX	100	Granted 13/12/2004
E80/3499	Edle West	THX	100	Granted 24/07/2006
E80/3673	Sophie Downs	THX	100	Granted 05/02/2007
E80/3704	Koondooloo	THX	100	Granted 08/08/2007
E80/3800	Rosewood	THX	100	Granted 15/04/2009
E80/3572	Spinifex	THX	100	Granted 28/08/2006
E80/3878	Eileen Bore	THX	100	Granted 07/10/2008
E80/4210	Wesley	THX	100	Granted 25/01/2010
E80/4225	Nine Mile	THX	100	Granted 25/03/2010
E80/4304	Warmun South	THX	100	Granted 14/10/2010
E80/4398	Fletcher South	THX	100	Granted 10/11/2010
M80/540	Copernicus	THX/SMY	21.99/78.01	Granted 08/01/2008
EAST KIMBERLEY Panoramic JV				
E80/2836	Frog Hollow	THX/PIN	40/60	Granted 4/07/2003
E80/4425	Corkwood South East	PIN	100	Granted 16/09/2011
E80/4482	Highway	THX/ PIN	39/61	Application 5/10/2010
E80/4483	Norton	THX/ PIN	39/61	Application 5/10/2010
E80/4484	7 Mile	THX/ PIN	39/61	Application 5/10/2010
E80/4485	3 Mile SE	THX/ PIN	39/61	Application 5/10/2010
E80/4486	Keller Creek West	THX/ PIN	39/61	Application 5/10/2010
E80/4487	Bow River East	THX/ PIN	39/61	Application 5/10/2010
E80/4489	Billymal Spring	THX/PIN	39/61	Granted 20/09/2011
E80/4495	Wild Dog Creek	THX/ PIN	39/61	Granted 20/09/2011
P80/1761	Copernicus East	THX/PIN	39/61	Application 5/10/2010
PILBARA				
E47/1305	Pyramid Central	THX	100	Granted 21/02/2006
PEAK HILL				
E52/1890	Yilbrinna Pool	CULLEN	100[1]	Granted 05/01/2009
E52/1892	Kallenia	CULLEN	100[1]	Granted 05/01/2009
E52/1940	Kunderong	THX	100[2]	Granted 11/09/2008

7. SCHEDULE OF TENEMENTS (CONTINUED)

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
DOOLGUNNA				
E51/1357	Yerrida Central East	KM	100[3]	Granted 20/05/2010
E51/1358	Yerrida East	KM	100[3]	Granted 20/05/2010
E51/1359	Yerrida Central West	KM	100[3]	Granted 20/05/2010
E51/1418	Yerrida West	KM	100[3]	Granted 24/08/2010
E51/1437	Yerrida Central	THX	100	Granted 07/07/2011
E52/2261	Marymia North	THX	100	Granted 01/09/2010
E52/2402	Curara Well	THX	100	Granted 11/06/2010
E52/2551	Bluebush Well	THX	100	Granted 07/04/2010
E52/2716	Snake Well	THX	100	Granted 09/05/2012
E52/2717	Range Bore	THX	100	Granted 21/05/2012
E52/2718	Number 8 Bore	THX	100	Granted 22/06/2012
M52/597	Red Bore	WRR	100[5]	Granted 06/11/2009
NGALIA				
EL24561	Mt Wedge	E92	100	Granted 22/06/2009
EL24879	Alara North	HUME, SRK	25/75[6]	Granted 15/08/2006
EL24927	Alara South	HUME	100[6]	Application 12/09/2005
EL24928	Alara West	HUME, SRK	25/75[6]	Granted 21/08/2006
EL24929	Alara East	HUME, SRK	25/75[6]	Granted 21/08/2006
EL25283	Walbiri Range	E92	100	Granted 22/06/2009
EL25334	Jabangardi Hill	E92	100	Granted 22/06/2009
EL25556	Waite Bore	E92	100	Granted 23/08/2007
EL28698	Davis Dome	E92	100	Granted 26/10/2011
PINE CREEK				
EL10043	Brumby Gap	EW, JE, RD	10/80/10[4]	Granted 05/09/2002
EL10120	Yam CK	E92	100	Granted 15/08/2002
EL10167	Frances Creek	EW, JE, RD	10/80/10[4]	Granted 05/09/2002
EL23506	McKeddies	MDT, GRO, GAC	33.3/33.4/ 33.3[4]	Granted 08/05/2003
EL23509	Corkscrew	E92	100	Granted 27/02/2003
EL23516	Great Northern	MDT, GRO, GAC	33.3/33.4/ 33.3[4]	Granted 04/04/2003
EL23517	Watts Creek	MDT, GRO, GAC	33.3/33.4/ 33.3[4]	Granted 04/04/2003
EL23532	North Ringwood	MDT, GRO, GAC	33.3/33.4/ 33.3[4]	Granted 13/02/2003

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
EL24403	TOP JV	MDT, GRO, HP	34/33/33[4]	Granted 09/09/2005
EL24549	Allamber 1	E92	100	Granted 23/09/2005
EL25119	Douglas Creek	MDT, GRO, GAC	33.3/33.4/ 33.3[4]	Granted 04/10/2006
EL25120	Kulbac	E92	100	Granted 19/09/2006
EL25379	Dowling	E92	100	Granted 21/02/2007
EL25477	Allamber 2	E92	100	Granted 26/06/2007
EL25553	Hayes Creek	E92	100	Granted 26/07/2007
EL25868	Mary River	E92	100	Granted 27/09/2007
EL26957	Esmeralda	E92	100	Granted 20/05/2009
EL27363	Jigsaw	E92	100	Granted 12/01/2010
EL27364	Nellie Creek	E92	100	Granted 12/01/2010
EL27365	Mt Saunders	E92	100	Granted 12/01/2010
EL27648	Mary River 2	E92	100	Granted 29/04/2010
EL27649	Allamber North	E92	100	Granted 29/04/2010
EL27898	Clarkey	E92	100	Granted 13/10/2010
EL28203	French	E92	100	Granted 25/02/2011
EL28519	North Burrundi	E92	100	Granted 26/10/2011
EL28684	Katherine North	E92	100	Application 15/03/2011
EL28857	Second Chance	E92	100	Application 20/06/2011
EL29260	EL29260	E92	100	Granted 31/07/2012
EL29523	Mt McLachlan	E92	100	Application 14/06/2012
HLDN86	Water Lane	E92	100	Granted 25/05/1982
MC27285	Yam Creek 1	E92	100	Granted 13/07/2011
MC27286	Yam Creek 2	E92	100	Granted 13/07/2011
MC27287	Yam Creek 3	E92	100	Granted 13/07/2011
MCN632	MC632	DD	100[4]	Granted 31/08/1983
MCN633	MC633	DD	100[4]	Granted 31/08/1983
MCN4902	MCN4902	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4903	MCN4903	E92, CGA (transfer pending)	80/20	Granted 08/10/1996

7. SCHEDULE OF TENEMENTS (CONTINUED)

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
MCN4904	MCN4904	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4905	MCN4905	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4907	MCN4907	E92, CGA	80/20	Granted 03/08/1995
MCN5193	MCNA5193	E92, CGA (transfer pending)	80/20	Granted 08/07/2004
MCN5194	MCNA5194	E92, CGA	80/20	Granted 26/05/2004
MCN5195	MCNA5195	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5196	MCNA5196	E92, CGA (transfer pending)	80/20	Granted 08/07/2004
MCN5197	MCNA5197	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5198	MCNA5198	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5199	MCNA5199	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5200	MCNA5200	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MLN1028	ML1028	DD	100[4]	Application 25/11/1986
Crocodile Gold JV- THX has 70% of the uranium rights on 243 tenements held by Crocodile Gold.				

1 THX earning 19%
2 UTO earning 51%
3 THX earning 80%.
4 THX option to acquire 100%
5 THX earning 60%.
6 THX earning 70%

Key to Tenement Type:

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

Key to Parties:

CGA	=	Crocodile Gold Australia
HAW	=	Hawthorn Resources Pty Ltd
THX	=	Thundelarra Exploration Ltd
KM	=	Kallenia Mines Pty Ltd
CULLEN	=	Cullen Exploration Pty Ltd
E92	=	Element 92 Pty Ltd
SRK	=	Strike Resources Limited
MDT	=	Michael Daniel Teelow
HUME	=	Hume Mining Pty Ltd
EW	=	Edwin White
JE	=	John Earthrowl
RD	=	Robbie Douglas
GRO	=	Geoffrey Robert Orridge
GAC	=	Garry Anthony Clarke
WRR	=	William Robert Richmond
HP	=	Huge Pinniger
SMY	=	SMY Copernicus Pty Ltd
KM	=	Kimberley Mining Pty Ltd
PIN	=	Pindan Exploration Company Pty Ltd
DD	=	Derek Dixon

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